

**Factors affecting repayment of microcredit loans extended to women by government;  
' the case study of Kinondoni municipal council'**

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Micro-credit loans have been provided to women by both financial institutions and the government. The aim of these loans was to contribute to the whole process of poverty alleviation by empowering women to take active role in the whole process of development. Among these loans, are those provided to women and youth by local governments through group lending programs. This study examined the factors that affect the repayment of these loans that are extended to women. Several factors were examined in this study. Factors that were studied qualitatively included pre-loan training (knowledge on loan management), borrower business experience, amount of funds received by borrowers (loan size), accumulation of credits from other financial sources (burden of other debts), use of loans, repayment failures, reasons for joining credit groups, duration of repayment, and business performance. The last six factors were used for testing the pre-stated hypotheses. Analysis of variance method (ANOVA) was used to test the hypotheses using 5% level of significance. It was established that loan repayment is directly related to knowledge in loan management, business experience, burden of other debts, and loan size. Finally, recommendations and areas for further research were suggested.