



UNIVERSITY  
*of*  
LUSAKA

**SCHOOL OF TECHNOLOGY AND SOCIAL SCIENCES**

**AN INVESTIGATION OF THE EFFECTS OF MICROFINANCE SERVICES ON  
ECONOMIC INDEPENDENCE OF FEMALE MAIZE CASH CROP FARMERS IN  
CHIBWE FOREST FARMING AREA IN KAPIRIMPOSHI DISTRICT**

**A RESEARCH REPORT**

**Submitted to the School of Technology and Social Sciences in partial fulfillment of the  
requirements for the award of Bachelor of Arts in Development Studies**

**by**

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## **Declaration**

I, **Sisa Musonda**, hereby declare that this dissertation, submitted in partial fulfillment of the requirements for the award of the **Degree of Development Studies** at the **University of Lusaka**, is my own original and independent work. It is the result of my personal research, analysis, and academic effort, carried out under the guidance and supervision of my supervisor.

I further declare that this dissertation has not been previously submitted, either in whole or in part, for the award of any degree, diploma, or similar qualification at the University of Lusaka or at any other academic or professional institution. All sources of information used in this study have been duly acknowledged and referenced in accordance with accepted academic conventions and ethical standards.

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## **Abstract**

Microfinance has been widely regarded as an important instrument for promoting women's economic independence, particularly among smallholder farmers in developing economies. In Zambia, female maize farmers have contributed significantly to agricultural production and rural livelihoods; however, persistent financial exclusion has continued to limit their income growth, asset accumulation, and opportunities for economic diversification. This study investigated the effects of microfinance services on the economic independence of female maize cash crop farmers in Chibwe Forest, Kapiri Mposhi District.

The study adopted a qualitative research design and drew on data collected through in-depth interviews and focus group discussions with 26 female maize farmers who had accessed microfinance services, alongside key informant interviews with microfinance institution staff and agricultural extension officers. The data were analysed using thematic analysis to capture participants' perceptions, experiences, and challenges associated with the utilisation of microfinance services.

The findings indicated that access to microfinance services had contributed to improved household income management, increased ownership of productive assets such as livestock and farm equipment, and enhanced capacity for income diversification beyond maize farming. Nevertheless, the study identified several constraints, including high interest rates, limited loan sizes, inadequate financial literacy, and market-related challenges, which restricted the extent to which microfinance services translated into sustained economic independence.

The study concluded that although microfinance services played a positive role in enhancing women's economic independence, their impact was context-specific and uneven. Strengthening financial literacy, aligning loan products with agricultural production cycles, and improving market access were identified as critical measures for maximising the benefits of microfinance for female maize farmers. The study contributed empirical evidence to the discourse on gender-responsive financial inclusion and offered policy-relevant insights for improving microfinance interventions in rural Zambia.

## **Dedication**

This work is dedicated to my family and friends, whose steadfast belief in me has carried me through moments of doubt and uncertainty. May the faith and encouragement you have shown continue to illuminate my path as I strive forward. I am deeply grateful for your unwavering support.

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

Microfinance has emerged as a vital strategy for promoting financial inclusion and enhancing the economic independence of marginalised groups, particularly women in rural settings. By providing access to small loans, savings opportunities, and financial literacy programmes, microfinance enables women to engage in productive activities that improve household income, accumulate assets, and diversify livelihood strategies. In Zambia, where rural livelihoods are predominantly based on agriculture, microfinance has become an important support mechanism for small-scale farmers who otherwise have limited access to formal financial services.

Maize farming is a key source of livelihood for many rural households in Kapiri District, and women play a significant role in maize production. Female maize farmers in communities such as Chibwe Forest contribute substantially to both household food security and local economic activity. Despite their critical role, these women often face barriers that limit their economic independence, including inadequate access to credit, insufficient agricultural inputs, and difficulties in accessing reliable markets for their produce. Such constraints restrict their ability to expand production, adopt improved farming technologies, and achieve sustainable income gains.

This study investigated the effects of microfinance services on the economic independence of women maize cash crop farmers in Chibwe Forest, Kapiri District. It focused on how access to microfinance influences household income, asset ownership, and opportunities for income diversification, with the aim of providing evidence on the role of microfinance in empowering women and supporting sustainable rural development.

#### **1.1 Background to the study**

Microfinance has emerged as an important instrument for promoting economic independence among marginalized populations, particularly women engaged in smallholder agriculture in developing countries. By providing access to financial services such as microcredit, savings, and micro-insurance, microfinance institutions (MFIs) aim to overcome barriers that exclude rural

women from formal banking systems (Ledgerwood, 2013). Economic independence, in this context, refers to the ability of women farmers to generate sustainable income, make autonomous economic decisions, and invest productively in their agricultural activities.

In Zambia, agriculture remains the backbone of the rural economy, with maize being the country's dominant staple and cash crop. Women constitute a substantial proportion of the agricultural labor force, especially in maize production, contributing significantly to household food security and rural livelihoods (FAO, 2018). Despite their central role, women maize farmers often face persistent financial constraints, including limited access to credit, low asset ownership, and restricted control over productive resources (World Bank, 2020). These constraints undermine their capacity to expand production, adopt improved technologies, and achieve economic self-reliance.

Microfinance services have been promoted in Zambia as a key strategy for enhancing financial inclusion among women farmers. MFIs offer relatively small, flexible loans and savings products designed to accommodate the income patterns of smallholder farmers, including maize producers (Zambia Ministry of Finance, 2019). Access to such services is expected to enable women farmers to purchase inputs such as seed and fertilizer, hire labor, invest in post-harvest handling, and smooth household consumption, thereby strengthening their economic independence.

Empirical studies suggest that access to microfinance can improve women's income levels, asset accumulation, and participation in household and farm-level decision-making (Kabeer, 2005; Duflo, 2012). In agricultural settings, microcredit has been associated with increased productivity and commercialization among smallholder farmers (Banerjee et al., 2015). However, evidence on the effectiveness of microfinance remains mixed. Some studies highlight challenges such as high interest rates, short repayment periods, limited financial literacy, and loan diversion to non-productive uses, which may reduce the intended empowerment outcomes for women farmers (Armendáriz & Morduch, 2010).

In rural areas such as Kapiri Farming Block, women maize farmers continue to experience structural and socio-economic barriers, including limited land ownership, vulnerability to climate shocks, and restricted access to agricultural extension services. While microfinance services are available in the area, little is known about how women maize farmers themselves perceive the

contribution of these services to their economic independence. Understanding their experiences, benefits, and challenges is essential for evaluating the effectiveness of microfinance as a tool for women's empowerment in rural agricultural communities.

Therefore, this study sought to assess the perceptions of women maize farmers in Kapiri Farming Block regarding the effects of microfinance services on their economic independence. By focusing on maize farmers, the study provides sector-specific insights that can inform policy formulation, improve microfinance product design, and strengthen financial inclusion strategies aimed at enhancing women's economic empowerment in Zambia's rural agricultural sector.

### **1.1 Statement of the problem**

Microfinance has been widely promoted as a key strategy for enhancing women's economic independence, particularly among small-scale farmers in developing countries. In Zambia, women play a critical role in agricultural production and local economic development, yet they continue to experience structural barriers that limit their economic autonomy. Despite the expansion of microfinance services across the country, female small-scale farmers—especially those engaged in maize production—often face persistent challenges such as limited access to credit, lack of acceptable collateral, low levels of financial literacy, and weak savings mechanisms (World Bank, 2020). These constraints undermine their ability to expand farming activities, accumulate productive assets, and achieve sustainable income growth (Mayoux, 2002).

Existing empirical studies on microfinance have largely concentrated on broad outcomes such as poverty reduction and general women's empowerment, with limited focus on sector-specific and crop-specific contexts (Banerjee et al., 2015; Stewart et al., 2012). In particular, there is insufficient empirical evidence on how microfinance services affect key dimensions of economic independence—namely household income, asset ownership, and income diversification—among female maize cash-crop farmers in rural districts such as Kapiri Mposhi. As a result, the specific pathways through which microfinance contributes to, or fails to enhance, women's economic independence in agricultural settings remain inadequately understood.

Although microfinance institutions are recognised as important partners in rural development through the provision of soft loans, group lending schemes, and savings programmes tailored to women (Armendáriz & Morduch, 2010), the actual utilisation and impact of these services among women farmers remain relatively low (Banerjee et al., 2015; Stewart et al., 2012). This limited uptake has been attributed to inadequate awareness of microfinance products, perceived risks, and uncertainty regarding the tangible benefits of participation (Kabeer, 2001). Consequently, access to microfinance alone does not automatically translate into improved economic independence for women farmers.

In Kapiri Mposhi District, women constitute a significant proportion of maize producers and contribute substantially to household food security and the local agricultural economy (Integrated Development Plan [IDP], 2020). While national data indicate increasing access to microfinance services among women in Zambia (FinScope, 2020), there is a lack of localized, crop-specific evidence assessing whether and how these services enhance the economic independence of female maize farmers in Kapiri Mposhi. This knowledge gap limits the ability of policymakers, development agencies, and microfinance institutions to design targeted interventions that effectively address the economic needs of women maize farmers.

Therefore, the problem addressed in this study is the limited empirical understanding of the effects of microfinance services on the economic independence of women maize cash-crop farmers in Kapiri Mposhi District. Specifically, there is inadequate evidence on how microfinance influences household income, asset accumulation, and income diversification among this group. Addressing this gap is essential for informing policies and programmes aimed at strengthening women's economic independence and promoting inclusive and sustainable agricultural development.

## **1.2 Research objectives**

General objective:

To investigate the effects of microfinance on economic independence of female maize cash crop farmers in CHIBWE forest, Kapiri Mposhi.

Specific objectives:

- I. To assess the effect of microfinance access on household income levels of female maize cash crop farmers.
- II. To examine the influence of microfinance on household asset ownership (land, livestock, farm equipment, housing improvements).
- III. To analyze the effects of microfinance on women's ability to expand their income sources beyond maize farming.

### **1.3 Research questions**

- I. What are the effects of microfinance access on household income levels among female maize cash crop farmers in ChibweForest,KapiriMposhi?
- II. How does microfinance access influence household asset ownership among female maize cash crop farmers in ChibweForest ,Kapiri Mposhi?
- III. What are the effects of microfinance services on women's ability to expand their income sources beyond maize farming?

### **1.4 Significance of study**

The significance of the research was multifaceted and held importance for various stakeholders. The study directly addressed a gap by exploring how women farmers themselves perceived the impact of microfinance services on their economic independence. This was crucial because their experiences and opinions had often been overlooked in broader assessments of microfinance effectiveness. Understanding these perceptions revealed the nuances of how these services were truly affecting their lives, moving beyond quantitative data such as loan amounts or repayment rates.

By identifying the specific aspects of microfinance services that women farmers found helpful or hindering to their economic independence, the research informed the design and delivery of more effective and tailored interventions. This contributed to the development of microfinance products and services that better met the unique needs and challenges faced by women in the agricultural sector.

The study added valuable qualitative insights to the existing literature on microfinance and women's economic empowerment. It corroborated or challenged existing assumptions and findings, leading to a more comprehensive understanding of the relationship between microfinance and the

economic realities of women farmers. Furthermore, the research shed light on the gender-specific ways in which microfinance services contributed to or fell short of promoting economic independence. This was essential for addressing gender inequalities regarding access to and benefits from financial services within the agricultural sector.

Finally, the findings of this study provided empirical evidence to support policy recommendations aimed at improving the effectiveness of microfinance in empowering women farmers and fostering their economic independence.

## 1.5 Definition of Terms

### Microfinance

Financial services provided to low-income individuals or groups excluded from traditional banking systems, including micro-loans, micro-savings, and micro-insurance.

**Economic Independence** – The ability to earn income, control resources, and make financial decisions without relying on others (Armendáriz & Morduch, 2010).

**Female Maize Cash-Crop Farmers** – Women engaged in maize production primarily for commercial purposes rather than subsistence (FAO, 2019).

**Access to Microfinance Services** – The ability to obtain and use financial products offered by microfinance institutions, including credit, savings, and training (Muchimba, 2024).

**Household Income** – Combined income of all members of a household derived from farming and non-farming activities (World Bank, 2020).

**Asset Ownership** – Ownership and control of productive and household assets such as land, livestock, machinery, and housing (Mayoux, 2001).

**Income Diversification** – Engaging in multiple income-generating activities to minimize risks and increase financial stability (Ellis, 2000).

**Financial Literacy** – Knowledge and skills that enable individuals to make informed and effective financial decisions (OECD, 2018)

### **1.6 Limitations of the Study**

The study focused on women maize farmers in Chibwe Forest, KapiriMposhi; therefore, findings could not be generalized to other regions or to male farmers in Zambia. Since data was obtained through interviews and focus group discussions, responses depended on participants' honesty and memory, which may have introduced bias or exaggeration.

Due to the qualitative nature of the study, the sample size was relatively small (20–25 participants), which limited the statistical generalization of results. Some participants were unavailable or unwilling to participate due to time constraints, cultural factors, or mistrust of research intentions. Interpretation of qualitative data may have been influenced by the researcher's perspective, although efforts were made to minimize bias through triangulation and peer review.

There was inadequate published data specific to the KapiriMposhi area regarding microfinance and women farmers, which limited comparative analysis. Finally, poor road networks and the distance between farms hindered field access and increased data collection time.

## CHAPTER TWO

### LITERATURE REVIEW

#### **2.0 Introduction**

This section of the proposal aims to review past literature related to the topic of study. We look at studies from the developed countries, African countries and the local perspective. This chapter also looks at the key theories and presents the gaps in literature.

#### **2.1 Empirical studies**

##### **2.1.1 the effect of microfinance access on household income levels of female maize cash crop farmers.**

###### **1) Global perspective**

Banerjee, Duflo, Glennerster and Kinnan (2015) provide one of the most rigorous global evaluations of microfinance through a randomized controlled trial of group-based microcredit in Hyderabad, India. Employing a cluster randomized design across 104 low-income neighborhoods, the study examined the effects of microfinance access on loan uptake, business investment, profits, consumption patterns and other welfare indicators within 15–18 months of programme implementation. The findings reveal that while access to microcredit significantly increased borrowing and stimulated business investment and profits among some households, it did not lead

to a statistically significant increase in average household consumption, a commonly used proxy for income and welfare.

As noted, the observed benefits were concentrated among households that operated profitable businesses prior to accessing credit, indicating that microfinance tends to reinforce existing economic capacity rather than create new income opportunities. Although the study demonstrates strong internal validity due to its experimental design, its short evaluation period and urban focus limit the generalisability of the findings to agricultural contexts, where income generation is seasonal and investment returns materialise over longer periods. This highlights a critical gap in the literature regarding the effectiveness of microfinance in promoting sustained income growth and economic independence among rural female farmers, thereby justifying the need for context-specific studies such as the present research on female maize cash crop farmers in Zambia.

## **2) Regional perspective**

Van Rooyen et al. (2012) provide a comprehensive regional perspective through a systematic review of empirical studies assessing the impact of microfinance across Sub-Saharan Africa. Drawing on both experimental and quasi-experimental evaluations, the review examines outcomes related to household income, enterprise performance, asset accumulation, consumption, and aspects of empowerment. The evidence across the region is found to be mixed and highly heterogeneous, with some studies reporting modest improvements in household income and enterprise profits, while others show limited or no significant effects. The authors attribute this variation largely to contextual and methodological factors, including differences in loan size, interest rates, product design, and whether beneficiaries had pre-existing income-generating activities. Notably, income effects tend to be stronger among borrowers who were already economically active prior to accessing microfinance. The review also highlights methodological weaknesses in many studies, such as selection bias and short evaluation periods, which constrain the reliability of reported impacts.

Importantly, the findings underscore that microfinance outcomes in Sub-Saharan Africa are not uniform, particularly for agricultural borrowers whose income is seasonal and dependent on asset-intensive production systems. This regional evidence suggests that conventional microfinance

models may have limited effectiveness for female maize cash crop farmers unless adapted to agricultural and gender-specific contexts, thereby reinforcing the need for focused, location-specific research such as that of the current study focusing on female farmers in Kapiri Mposhi District, Zambia.

### 3) Local perspective

A program report evaluating a targeted microfinance and technical support pilot for female smallholder maize and soya farmers in Zambia. (MicroLoan Foundation programme report).

The program monitoring and mixed methods evaluation (baseline and endline monitoring data, farmer group records, and qualitative feedback from participating female farmers). The pilot combined small loans, input vouchers/training, and agronomic support tailored to female smallholders.

Female participants reported increased access to inputs (seed/fertiliser) and higher maize yields in pilot sites compared with baseline monitoring, and many households reported improved ability to sell maize (cash liquidity improved).

The report documents improvements in income-related indicators for many participating women (greater ability to pay for school fees and household needs), though it notes variability across sites and cautions that external factors (market prices, FRA payment delays) influenced realized cash income. The report recommends scaling with strengthened market linkages and timelier payments.

This is a locally-centred, agriculture-specific microfinance pilot targeted at female maize smallholders — directly aligned with your objective and useful for designing context-sensitive instruments (loans matched to cropping cycles, input supply, market access).

### Short synthesis

Rigorous global RCTs (e.g., Banerjee et al.) show microcredit increases access and can boost enterprise activity for some borrowers, but average household income effects are often small or non-significant in the short term; benefits concentrate among existing entrepreneurs.

Regional reviews in SSA report heterogeneous impacts, stressing that agricultural borrowers face different constraints (seasonality, input needs, market risks). Program design matters: loan size/timing, agronomic support, and market linkages influence whether microfinance translates into higher household income for farmers.

Zambia-specific program evidence (MicroLoan pilot) suggests positive gains for many female maize smallholders when microfinance is combined with input support and training, but results vary and depend on market/payment conditions.

### **2.1.2 To examine the influence of microfinance on household asset ownership ( land, livestock, farm equipment, housing improvements).**

#### **1) Global perspective — Pitt &Khandker (Bangladesh; classic evaluation)**

Pitt and Khandker’s study on the impact of group-based credit programmes on poor households in Bangladesh provides a seminal global contribution to the microfinance literature. Using a quasi-experimental design based on cross-sectional village survey data from the early 1990s, the authors address programme placement and selection bias by exploiting variation in programme roll-out and applying village fixed effects and control variables. The study compares outcomes for households participating in microcredit programmes through female versus male members and examines indicators such as household consumption, labour supply, schooling, and asset ownership, including livestock, durable goods, and housing improvements. The findings indicate that participation in group-based microcredit, particularly when women are the primary borrowers, is associated with higher household expenditure and increased ownership of productive and household assets relative to non-participants, with effects varying by gender and outcome type.

However, while the study demonstrates that microfinance can contribute to asset accumulation, it does not explicitly examine women’s control over these assets or their ability to make independent economic decisions. In addition, the reliance on cross-sectional data limits insights into long-term

economic autonomy, and the Bangladesh context differs markedly from rural African agricultural settings. These limitations reveal a gap in the literature regarding how microfinance influences women's economic independence in smallholder farming contexts, thereby underscoring the need for context-specific studies such as the present research on female maize cash crop farmers in rural Zambia.

## **2) Regional perspective — Systematic review for Sub-Saharan Africa (van Rooyen et al.)**

Van Rooyen, Stewart and de Wet et al. present a comprehensive regional synthesis through their systematic review of microfinance impact studies across Sub-Saharan Africa. The review examines both microcredit and micro-savings programmes using experimental and non-experimental evidence to assess outcomes related to asset accumulation, including land, livestock, durable goods and housing improvements, across diverse populations and settings. The findings reveal mixed and highly heterogeneous effects on asset ownership: while many studies report improvements in savings and acquisition of small, movable assets such as household durables and small livestock, impacts on larger, fixed assets—including land, major farm equipment and substantial housing upgrades—are generally weak or context-dependent. The authors attribute this variation primarily to differences in programme design, loan size, credit terms, loan utilisation, and the availability of complementary services such as training and extension. The review further highlights cases where inappropriate credit structures lead to over-indebtedness, undermining asset accumulation.

Although the study provides valuable regional insights, it does not disaggregate how different microfinance models perform within agricultural cash crop systems, nor does it examine whether existing microfinance products are appropriately structured to support asset accumulation among female farmers facing seasonal incomes and production risks. This presents a need to understand the suitability of microfinance services for enabling productive asset formation in female-led smallholder maize farming contexts, which the present study seeks to address.

## **3) Local (Zambia) — Effects of microfinance on livelihoods / assets (Matero market case)**

A 2023 study examining the effects of microfinance services on the livelihoods of marketeers at Matero Market in Lusaka provides relevant local evidence on asset accumulation. Using a case

study design and a mixed-methods approach, the study combined survey data from microfinance clients and non-clients with qualitative interviews to assess livelihood outcomes such as household income, savings, and ownership of business and household assets, including stock, small equipment, and housing improvements. The analysis compared outcomes between those who accessed microfinance services and those who did not, while also exploring how loans were utilised. The findings indicate that microfinance clients experienced improved livelihoods and greater asset accumulation relative to non-clients, particularly through reinvestment in business stock, acquisition of basic equipment, and the ability to undertake modest household improvements. However, the study also highlights structural constraints in microfinance provision, noting that loan sizes and repayment terms were generally insufficient to support the acquisition of larger fixed assets such as land or tractors. While this study provides valuable Zambia-specific evidence, its focus on urban market traders limits its applicability to rural agricultural producers. Moreover, the study assesses asset accumulation as a livelihood outcome but does not examine how microfinance influences women's long-term productive capacity or economic independence within farming systems. This creates a local empirical gap regarding the role of microfinance in supporting asset ownership and economic autonomy among female maize cash crop farmers in rural Zambia.

### **Short synthesis**

1. Microfinance can increase household asset ownership, but effects are strongest for small, movable assets and business/household durables (livestock, equipment, stock, small housing repairs). (Pitt & Khandker; Matero case).
2. Evidence in Sub-Saharan Africa is mixed: program design, loan size, complementary services (training, input supply) and borrower profile explain much of the variation; large fixed assets (land, tractors, major housing upgrades) are rarely financed by standard MFI products.
3. For Zambia specifically, MFIs appear to support accumulation of productive and household assets among clients but do not generally finance large farm capital without specialized agricultural finance products.

### **2.1.3 the effects of microfinance on women's ability to expand their income sources beyond maize farming.**

#### **1) Global (rigorous experimental evidence)**

(Bandiera et al., 2022 — Microfinance and Diversification) BRAC's rollout of a women-targeted group microfinance product into poor, rural, agriculturally-engaged communities in western Uganda and asks whether microfinance enables women to diversify out of agriculture into non-farm activities and whether that raises welfare.

Methods used were a large randomized-control evaluation (randomized roll-out at village level) that tracked 4,000 women over a two-year period. Measured labour activities, hours worked, earnings, consumption, savings, investment and proxies for welfare.

Key results shows women increased non-agricultural activities (extensive margin: more women started small non-farm businesses such as trading; intensive margin: they spent more hours on non-agricultural work).

Diversification occurred, but was not transformative in the two-year window — the experiment found no significant uplift in household earnings, consumption, savings, investment or overall wealth over that time period. In short: access to microfinance enabled women to diversify beyond farm work (including maize) into small services/trading, but this did not (within 2 years) translate into measurable welfare gains.

Microfinance can facilitate short-term movement into non-farm income sources, but diversification alone does not guarantee higher incomes or welfare in the short run.

#### **2) Regional (Sub-Saharan Africa synthesis)**

vanRooyen, Stewart & de Wet (2012) — The Impact of Microfinance in Sub-Saharan Africa: A Systematic Review

Systematic review of the empirical literature (experimental and non-experimental studies) on microfinance impacts across multiple SSA countries. Extracted outcomes including income, employment/occupation changes, asset accumulation, and non-financial outcomes (women's empowerment, food security).

Mixed evidence on whether microfinance leads to sustained income growth or meaningful poverty reduction. Some studies report movement into non-farm activities and small enterprise creation (i.e., diversification), but effects are heterogeneous by country, product design, loan size and complementary services.

The review documents cases where microfinance helped clients start or expand small non-farm enterprises (positive for diversification), but also warns that in many settings welfare gains are limited or absent and poor product design / high interest costs can even harm clients' livelihoods.

At the regional level, microfinance often enables entry into non-farm activities (the pathway you care about), but whether that expands sustainable income beyond maize depends heavily on program design, loan size, training/skills, and local market opportunities.

### **3) Local — Zambia (qualitative + survey of women's livelihood pathways) —**

Mukendi (accepted manuscript 2022) examines how microfinance institutions shape livelihood pathways for informal-sector women in Lusaka, using Vision Fund Zambia as a case study. Employing a mixed-methods approach that combines structured questionnaires administered to a random sample of 100 female microfinance clients with focus group discussions, key informant interviews, and participant observation, the study analyses whether access to microfinance enables women to “step up” existing businesses, “step out” into alternative livelihood activities, or remain “hanging in” precarious enterprises. The findings show that access to loans and group-based financial services supported short-term livelihood improvements, with many women investing in immediate business needs such as stock and small equipment. Some beneficiaries also attempted to diversify into agricultural activities, indicating potential movement beyond reliance on staple crop production.

However, evidence of sustained income diversification was limited, as many women remained confined to low-return micro-enterprises. The study attributes these modest outcomes to small loan sizes, limited business management skills, and institutional constraints within microfinance programmes. While the study demonstrates that microfinance can facilitate short-term diversification and strengthen social networks, it also highlights that finance alone is insufficient to generate lasting income expansion without complementary services such as skills training,

appropriate loan products, and market access. Nevertheless, the study focuses on urban informal-sector women, leaving limited empirical insight into how microfinance influences income diversification and economic independence among female maize cash crop farmers in rural Zambia, a gap the present study seeks to address.

Short synthesis 1. Consistent pattern: microfinance frequently enables women to start or expand non-farm activities (trading, services, small enterprises) — i.e., it helps diversify income sources away from subsistence farming (including maize). (Bandiera et al.; van Rooyen; Mukendi). 2. But caveat on income gains: diversification does not automatically produce higher household income or durable welfare gains in the short term — many studies (including the RCT in Uganda) find diversification without significant income/consumption increases within 1–2 years.

3. Key mediators to measure in your study: loan size and terms, financial literacy/business skills, market access (where women sell non-farm goods/services), and social networks / group mechanisms — because these explain whether diversification leads to sustained income expansion. (All three studies point to these factors).

## 2.2 Gaps in literature

### 1. Geographic and Contextual Gap:

While prior studies (like Smith 2020 in the U.S., Dubois in France, Nyirenda 2022 in Malawi, and Kwode in Nigeria) have explored microfinance impacts broadly, no research has specifically focused on the perceptions of women farmers in the Zambian context. Most Zambian studies, like Muchimba (2024), focus on urban women entrepreneurs rather than rural women farmers — leaving a gap in understanding how rural women perceive and experience microfinance services.

### 2. Perception and Experience Gap:

Most existing Zambian research (e.g., Muchimba 2024) emphasizes institutional barriers and access challenges from a quantitative or institutional viewpoint, without deeply exploring how women farmers themselves perceive the contribution of microfinance to their personal economic independence — including their confidence, decision-making power, and sense of empowerment. This leaves room for qualitative insights into women’s lived experiences and subjective evaluations of microfinance outcomes.

### 3. Economic independence gap

Most studies focus on income, consumption, or asset ownership and do not explicitly examine women's economic independence, particularly control over income and economic decision-making.

### 4. Agricultural context gap

Microfinance research is largely urban-focused, with limited evidence on rural agricultural cash crop farmers, especially female maize producers.

### 5. Income diversification sustainability gap

Although microfinance enables income diversification, few studies assess whether diversification leads to sustained income growth and long-term economic independence.

## 2.3 Key theories

### 2.3.1 Feminist Theory

Feminist theory focuses on understanding and addressing gender inequalities, power dynamics, and the ways in which women's lives and experiences are shaped by social, economic, and political structures (Tong, 2009). In the context of development and economic empowerment, feminist theory emphasizes the importance of recognizing women's unique challenges, agency, and the need to dismantle patriarchal barriers that limit their access to resources (hooks, 2000). It helps explain why women farmers may face systemic barriers to financial services and how their perceptions of microfinance are shaped not just by economics but also by gendered power relations.

### 2.3.2 Financial Inclusion Theory

This study is guided by Financial Inclusion Theory (Demirgüç-Kunt et al., 2018; Sarma & Pais, 2011), which emphasizes access to affordable and appropriate financial services for marginalized groups, including rural women farmers. The theory is suitable for examining the effects of microfinance on the economic independence of women maize farmers in Kapiri, as it explains how access to credit, savings, and other financial services enables women to invest in agricultural activities, manage risks, and improve income. Through enhanced access to financial resources,

microfinance promotes productivity, decision-making power, and economic independence among women farmers.

In this research proposal these theories can be used as follows:

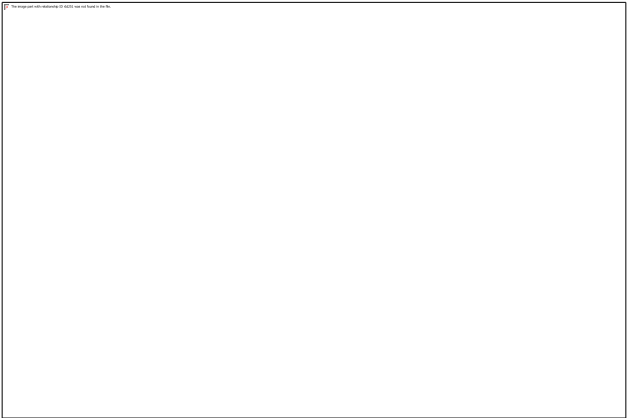
### **1. Feminist Theory**

Helps frame research questions around gender dynamics: e.g., how do societal gender norms affect women farmers' access to microfinance? Supports the analysis of whether microfinance services address or ignore women-specific needs. Guides the interpretation of women farmers' perceptions by situating them within broader gendered inequalities.

### **2. Financial Inclusion Theory**

Provides a lens to measure how microfinance services improve access to financial tools. Helps assess the link between financial access and tangible economic outcomes, such as increased income or autonomy. Grounds the study in broader development goals, like reducing poverty and promoting inclusive growth. Combining both theories the research can explore not only whether microfinance works but also for whom it works and under what social conditions.

## 2.4 Conceptual framework



## **CHAPTER THREE**

### **METHODOLOGY**

This study sought to assess the perception of women farmers on microfinance services' contribution to economic independence in Kapiri Farming Block using a qualitative research approach.

#### **3.1. Research Design**

The study adopted a qualitative research approach, specifically using a phenomenological approach to explore and understand the lived experiences and perceptions of women farmers regarding microfinance services. This approach was appropriate because it allowed for in-depth exploration of participants' views, feelings, and insights in their own words, which are central to understanding their perceptions of economic independence.

This study adopted a phenomenological research design, which is most appropriate for exploring and understanding the lived experiences of individuals regarding a particular phenomenon. The design sought to capture how female maize cash crop farmers in Chibwe Forest Farming Area perceived and experienced the effects of microfinance services on their economic independence. Through this approach, the study aimed to gain deep insights into the meanings, feelings, and perspectives that these women attach to their interactions with microfinance institutions and how such experiences influence their capacity to achieve financial autonomy.

The phenomenological design was chosen because it emphasizes the participants' voices and subjective realities rather than quantifiable outcomes. It allowed for the use of in-depth interviews, focus group discussions, and key informant interviews to gather detailed narratives that reveal both individual and collective understandings of economic empowerment. This design provided a

comprehensive and contextually grounded understanding of how microfinance contributes to women's economic independence in rural agricultural settings.

### **3.2. Sampling Techniques**

This study used purposive sampling as the most appropriate technique for selecting participants. Purposive sampling involved the deliberate selection of individuals who possess specific characteristics and relevant experiences related to the research topic. In this study, participants were female maize cash crop farmers who have accessed or are currently accessing microfinance services in the Chibwe Forest Farming Area of KapiriMposhi. These women were considered to be information-rich cases capable of providing detailed insights into how microfinance has influenced their level of economic independence.

This technique was suitable for a qualitative research approach, which prioritizes depth of understanding rather than generalization. By focusing on participants who directly interact with microfinance institutions, the researcher obtained firsthand accounts, perceptions, and lived experiences that reflect the effects of microfinance on income generation, asset ownership, and financial decision-making.

In addition, key informants (microfinance officers) were also purposively selected to provide complementary perspectives on how microfinance programs operate and impact women's livelihoods in the area.

Therefore, purposive sampling ensured that the study gathers rich, diverse, and relevant qualitative data necessary to comprehensively assess the effects of microfinance services on the economic independence of female maize cash crop farmers in Chibwe Forest Farming Area.

### **3.3. Sample Size**

According to information obtained from the Agricultural District offices Chibwe forest has 704 farmers majority being women (53%).

The target population comprised women farmers and key informants in Kapiri Farming Block. The sample size was 35 of which 32 respondents participated. This included 26 women farmers for individual interviews, selected to ensure diversity in age, farm size, and years of engagement with microfinance. This number also included women who have not accessed microfinance services for comparison purposes. Due to time constraint only one focus discussion group was conducted.

### **3.4 Data Collection Methods**

Primary data was collected using three methods namely: semi-structured interviews, focus group discussions and key informants interviews.

In-depth semi-structured interviews involved conducting detailed, face-to-face interviews with a purposively selected sample of women maize farmers who have access to microfinance services. The semi-structured nature of the interviews allowed for flexibility to probe further based on participants' responses. This approach helped to capture rich, personal narratives about the farmers' experiences with microfinance, how it has affected their household income, asset ownership, and ability to diversify income sources. It accorded participants chance to express their perceptions, challenges, and success stories in their own words, thereby providing insights into the socio-economic impacts of microfinance at the household level.

Key informant interviews were conducted with microfinance officers, agricultural extension officers, and possibly leaders of farmer cooperatives. These individuals possess expert knowledge and professional experience related to microfinance operations, agricultural development, and rural livelihoods. Their insights helped to contextualize the findings from the women farmers by providing institutional and policy perspectives. The interviews explored how microfinance services are designed, delivered, and monitored; the challenges faced in reaching women farmers; and the observed outcomes of microfinance programs in rural agricultural settings.

All interviews and discussions were audio-recorded (with consent) and complemented by field notes.

### **3.5. Data Analysis Methods**

Data was analyzed using thematic analysis. Audio recordings were transcribed verbatim, and transcripts were carefully read and coded. Codes were grouped into categories and overarching

themes that reflect participants' perceptions and experiences. Manual coding was used in organizing and managing qualitative data systematically.

### **3.6. Ethical Considerations**

Ethical approval was sought from the school. Participants received detailed informed consent forms explaining the study's purpose, procedures, risks, and benefits. Participation was voluntary. Confidentiality and anonymity was maintained by using pseudonyms and securely storing all data. Audio recordings and transcripts were password-protected and accessible only to the researcher.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS, AND DISCUSSION

#### 4.1 Introduction

This chapter presents the findings of the study based on the data collected. The primary objective of this chapter is to analyze the demographic characteristics of the participants and provide a thematic analysis of the responses. A total of 26 women participated in the study. The data is presented using descriptive statistics, including frequencies and percentages, to provide a clear profile of the respondents.

#### 4.2 Demographic Characteristics of Respondents

The study sought to establish the demographic profile of the respondents to understand the social and professional background of the women involved in the research. The variables analyzed included marital status and years of farming experience.

##### 4.2.1 Marital Status of Respondents

Understanding the marital status of the respondents was essential for assessing the social support systems available to the women in their daily activities. The distribution of the respondents' marital status is summarized in Table 4.1 below.

*Table 1: Distribution of Respondents by Marital Status (n=26)*

Marital status	Frequency	Percentage (%)
Married	16	61.5
Widowed	5	19.2

Divorced	3	11.5
Unmarried	2	7.8

Source: Field Data (2025)

As illustrated in Table 1, the majority of the respondents (61.5%) were married. This was followed by widowed women, who constituted 19.2% of the sample. Divorced women accounted for 11.5%, while unmarried women represented the smallest group at 7.8%. The high prevalence of married participants suggests that a significant portion of the women may have access to dual-income or shared-labor resources within their households, which can impact their productivity and decision-making processes.

**4.2.2 Farming Experience of Respondents**

The study also analyzed the duration for which the respondents had been engaged in farming activities. Experience is often a proxy for indigenous knowledge and technical skill in agricultural research.

*Table 2: Farming Experience of Respondents*

Number of years infarming	Frequency	Percentage
0-4years	0	0
5+years	26	100%
Total	26	100%

Source: field data (2025)

The findings in Table 2 reveal that 100% of the respondents had been farming for more than 5 years. This indicates that the participants are experienced farmers with a deep-rooted understanding of local agricultural practices. This high level of experience enhances the reliability of the data collected, as the respondents provided insights based on long-term engagement with the sector rather than recent or seasonal involvement.

**4.2.3 Main Source of Income**

The study sought to identify the primary economic driver for the respondents. Based on the data collected, 100% of the respondents cited farming as their primary source of income. This confirms that the participants are heavily dependent on agricultural productivity for their livelihoods and household sustenance.

### 4.3 Presentation of findings

#### 4.3.1 Effect of microfinance access on household income levels

One of the core objectives of this study was to evaluate the penetration of microfinance services among women farmers.

**Table 3: Access to Microfinance Loans (n=26)**

Access to Microfinance	Frequency	Percentage
Have accessed	19	73%
Have not accessed	7	27%
Total	26	100%

Source: field data (2025)

The findings indicate that a significant majority (73%) of the women have successfully accessed credit from microfinance institutions (MFIs). When asked why they prefer MFIs over traditional sources, the respondents emphasized that MFIs provide readily available loans. They noted that professional lending institutions are more reliable and structured compared to borrowing from family members or informal social circles, which are often limited by capital constraints.

### 4.6 Utilization and Impact of Loans

The respondents who accessed credit provided insights into how the capital was utilized and its subsequent impact on their economic standing. The thematic analysis of their responses revealed three major areas of investment:

**Agricultural Productivity:** The primary use of the loans was the purchase of farming inputs (seeds, fertilizers, and chemicals). This resulted in a direct and measurable increase in maize production.

"Muli aya ama loan twapoka icikalamba twashitilemo nimbuto nafimbi ifibombelo fya ku mabala" ( With these loans we accessed the major thing we bought was seeds and other farm inputs).

" Baletwafwa sana kuli aba bantu bama loan pantu tulekwanisha ukushita ifyaku mabala" ( These microfinance institutions are helping us a lot. We are able to buy farming inputs). Respondent 6.

Livelihood Diversification: Beyond the fields, the women demonstrated entrepreneurial growth by investing in grocery shops. This diversification provides a secondary income stream, reducing their total vulnerability to agricultural shocks."Mu kapiya tulesangamo tule kwanisha uku lundulula ama kwebo " ( With the profits we are making from increased maize production we are able to diversify our income and do other businesses)."

Expansion of Operations: The capital allowed respondents to hire additional labor, transitioning from subsistence-based manual labor to managed agricultural production."Ine nalileka nokucula pakulima pantu ndekwanisha uku lipila abaku ngafwa mumabala " ( I no longer suffer with farming since I'm able to hire labour to help me with farming). Respondent 15

### **Challenges in Loan Repayment**

Despite the benefits, the women highlighted significant hurdles in maintaining a clean credit record. The most prominent challenge identified was the high interest rates, which become particularly burdensome during seasons of bad harvest.

The data suggests a "climate-credit risk" where the fixed nature of loan repayments conflicts with the unpredictable nature of rain-fed agriculture. When harvests fail, the interest accumulated makes it difficult for the women to break the cycle of debt, despite their increased production in good years.

#### **4.4.4 Changes in Household Earnings After Accessing Microfinance**

The majority of respondents indicated that household income increased after accessing microfinance services. One woman explained:

“Since I started using loans, my income has increased because my harvest improved.” (Respondent 1)

Another respondent shared: “With enough inputs, I was able to produce more maize and sell, which increased our

#### **4.4.8 Microfinance and Household Income Stability Compared to Other Funding Sources**

Compared to family support and informal lenders, most respondents perceived microfinance as more reliable and supportive of income stability.

One respondent stated: “Microfinance is better than borrowing from relatives because it helps me plan farming properly.” (Respondent 10). Another added: “Informal lenders are expensive, but microfinance helped improve our household income.” (Respondent 25)

#### **4.3 Influence of Microfinance on Household Asset Ownership**

This section presents findings on how access to microfinance has influenced household asset ownership among women beneficiaries, focusing on land, livestock, farm equipment, and housing improvements.

##### **4.3.1 Changes in Asset Ownership After Accessing Microfinance**

Findings revealed that access to microfinance led to notable improvements in household asset ownership among the women respondents. Most participants reported acquiring productive and household assets after receiving microfinance loans.

Specifically, five (5) women reported purchasing land after accessing microfinance services. Additionally, ten (10) women acquired cattle through group-based arrangements, while almost all respondents indicated purchasing farm tools, seeds, and fertilizer using microfinance loans.

One respondent explained, “Before the loan, I was just farming on borrowed land, but after accessing microfinance, I managed to buy my own piece of land.” (Participant 3)

Another participant stated, “As a group, we bought cattle using the loan, and now we share the benefits when selling or using them for farming.” (Participant 7). These findings suggest that microfinance has played a critical role in enabling women to acquire both individual and collective assets.

### **4.3.2 Role of Microfinance in Financing Asset Acquisition**

All the asset acquisitions reported were fully financed through microfinance loans, indicating a strong linkage between access to credit and asset ownership. Respondents emphasized that without microfinance, purchasing such assets would not have been possible due to limited household savings.

A participant noted “All the tools and inputs I have now were bought using the loan. Without it, I could not afford fertilizer or seeds.” (Participant 1). This highlights microfinance as a key financial mechanism supporting women’s investment in productive assets.

### **4.3.3 Decision-Making Process in Asset Purchases**

The study found that asset purchase decisions were largely made through family consultations. Most married women reported discussing loan usage with their husbands, while widows indicated involving their children or extended family members. Decisions were reached through consensus, reflecting collective household decision-making.

One respondent shared, “We sat as a family and discussed how to use the loan. Everyone agreed that buying land and tools would help us more in the long run.” (Participant 9)

This indicates that microfinance not only affects economic outcomes but also influences household-level financial planning.

### **4.3.4 Contribution of Asset Ownership to Farm Productivity and Income**

The results further show that asset acquisition significantly enhanced farm productivity and income generation. Increased ownership of tools enabled respondents to cultivate larger areas of land and complete farming activities more efficiently.

A participant explained, “With more tools, we manage to do more work on time. The land we bought has also given us more space to grow crops.” (Participant 5). Overall, respondents associated asset ownership with improved yields, better harvests, and increased food security.

### **4.3.5 Sale of Assets to Repay Microfinance Loans**

Despite the positive outcomes, some women reported selling household assets to repay loans, particularly after experiencing poor harvests. Items sold included household goods rather than productive farm assets.

One respondent stated, “After a bad harvest, I had no choice but to sell some household items so that I could repay the loan.” (Participant 2). This finding indicates that while microfinance supports asset accumulation, agricultural risks can sometimes reverse these gains.

#### **4.3.6 Perceived Asset Security After Accessing Microfinance**

Most respondents reported that microfinance improved their sense of asset security and household pride. Improved housing, ownership of livestock, and better harvests made women feel more stable and confident about their livelihoods.

A participant remarked, “I feel proud of my home now, and with better harvests, I know my family is more secure.” (Participant 6)

This suggests that asset acquisition contributes not only to economic stability but also to psychological and social well-being.

#### **4.3.7 Constraints to Using Microfinance for Asset Investment**

Despite the positive impacts, respondents identified several obstacles limiting their ability to invest further in assets using microfinance. Collateral requirements and high interest rates were the most frequently cited constraints.

One respondent explained, “Sometimes the interest is too high, and the collateral they ask for discourages us from borrowing again.” (Participant 8). These challenges reduce accessibility and may limit the long-term sustainability of microfinance benefits.

***Table 4: Summary of Barriers to Loan Access***

Barrier	Impact on respondents
Collateral requirements	Limited access for women with no property
High interest rates	Increased total production costs and burden of repayment

Asset risk	Sale of household property to avoid defaulting payment
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Source: field data (2025).

Overall, the findings indicate that microfinance has had a positive influence on household asset ownership, farm productivity, and perceived household security among women. However, challenges such as high interest rates, collateral requirements, and vulnerability to poor harvests continue to affect optimal asset accumulation.

### **4.3.2 the effects of microfinance on women's ability to expand their income sources beyond maize farming**

#### **Engagement in Non-Maize Income-Generating Activities**

Findings from the study reveal that access to microfinance has enabled several women farmers to initiate income-generating activities beyond maize farming. Most respondents who accessed loans reported using the funds to establish small-scale grocery shops, while others invested part of the loan in their children’s education. The establishment of grocery shops represents a significant shift from sole dependence on maize farming to diversified livelihood strategies. This indicates that microfinance plays a catalytic role in enabling women to explore off-farm economic activities that generate additional income.

However, not all women were able to immediately start new income activities. For some respondents, access to microfinance influenced their future intentions and plans rather than immediate diversification. These women reported that although they had not yet diversified, the availability of credit increased their confidence and preparedness to venture into non-farm activities when conditions become favorable.

### **4.3.3. Influence of Microfinance on Income Control and Decision-Making**

The study further established that microfinance participation enhanced women’s control over income and business-related decisions, particularly income derived from non-maize activities. Women engaged in grocery shops and other small businesses reported increased financial autonomy, enabling them to make independent decisions without relying heavily on spouses or

household heads. The extra profits realized from these businesses strengthened women's bargaining power within households and contributed to improved financial independence.

Additionally, microfinance training equipped women with financial management skills, allowing them to make informed decisions regarding spending, saving, and investment. Nonetheless, some respondents indicated that lack of adequate financial discipline among certain group members limited the full realization of these benefits, suggesting that training outcomes varied among participants.

### **Changes in Time Use and Household Labour Allocation**

Access to microfinance also influenced women's time allocation and labour use. Increased income from diversified activities enabled women farmers to hire labour for farm operations, thereby reducing the amount of time they personally spent on maize farming. This shift allowed them to dedicate more time to managing off-farm businesses and household responsibilities. The ability to hire labour reflects an indirect but important effect of microfinance on women's productivity and workload management.

### **Social, Cultural, and Institutional Barriers to Diversification**

Despite positive outcomes, women faced notable social and cultural barriers when attempting to diversify into certain economic activities. Respondents highlighted that some income-generating activities, such as transport-related businesses, are culturally perceived as male-dominated and therefore difficult for women to enter. These norms constrained women's ability to fully diversify their income sources.

Nevertheless, participation in microfinance groups helped women collectively challenge these barriers. Group lending arrangements, peer support, and collective advocacy empowered women to push for gradual changes in social perceptions and access to opportunities traditionally reserved for men.

### **Role of Microfinance Support Services in Income Diversification**

The study found that non-financial services provided by microfinance institutions played a critical role in supporting income diversification. Training in saving, investing, and financial planning emerged as particularly valuable. Through these trainings, some women were able to start grocery

shops, purchase cattle collectively, and develop long-term plans such as acquiring land and investing in mechanized farming. Savings products also enhanced women’s capacity to accumulate capital for future investments beyond maize production.

### **Successes and Challenges in Income Diversification**

Several success stories were reported where microfinance enabled women to expand beyond maize farming, leading to improved household welfare, increased income stability, and enhanced decision-making power. Group-based investments, such as buying cattle, demonstrated the potential of collective action in overcoming individual financial constraints.

Conversely, the study also identified instances where microfinance did not lead to successful diversification. External shocks, particularly drought, undermined income-generating efforts despite access to credit. These findings suggest that while microfinance provides opportunities for diversification, its effectiveness is influenced by environmental and economic conditions beyond the control of borrowers.

Overall, the findings indicate that microfinance has positively influenced women’s ability to diversify income sources beyond maize farming by facilitating access to capital, enhancing financial decision-making, and supporting off-farm enterprises. However, social norms, institutional barriers, and external shocks such as drought continue to limit the full potential of income diversification. This underscores the need for complementary interventions, including gender-sensitive policies, climate-resilient strategies, and enhanced training, to maximize the impact of microfinance on women’s economic empowerment.

***Table 5: Impact of Training on Loan Management***

Category	Observed outcome
Trained and applied	
Trained but not applied	Continued use of traditional methods

Untrained	High reliance on non technical advice for financial management
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Source: field data (2025)

**4.4 Discussion of Findings**

This section discusses the findings of the study in relation to the study objectives, existing empirical literature, and the theoretical frameworks guiding the research, namely Feminist Theory and Financial Inclusion Theory. The discussion situates the experiences and perceptions of women maize farmers within broader global, regional, and local debates on microfinance and women’s economic empowerment.

**4.4.1 Effect of Microfinance Access on Household Income Levels**

The findings indicate that access to microfinance has contributed to improved household income among the majority of the women maize farmers. Most respondents reported increased maize production after accessing loans, primarily due to improved access to agricultural inputs such as seeds and fertiliser. This aligns with the Financial Inclusion Theory, which posits that access to appropriate financial services enables individuals to invest in productive activities and improve economic outcomes.

However, while respondents perceived an increase in income, these gains were largely linked to good harvest seasons and improved input use rather than consistent, stable income growth. This finding resonates strongly with global evidence from Banerjee et al. (2015), who found that although microcredit increased investment and business activity, it did not lead to significant average household income growth in the short run. Similarly, the regional systematic review by van Rooyen et al. (2012) highlights that income effects of microfinance in Sub-Saharan Africa are mixed and highly context-dependent, especially for agricultural borrowers facing seasonal and climatic risks.

The Zambian context further reinforces this pattern. While respondents reported increased income following improved harvests, they also highlighted challenges related to high interest rates and loan repayment during poor agricultural seasons. This reflects the “climate–credit mismatch”

common in rain-fed agriculture, where fixed repayment schedules do not align with variable agricultural returns. The findings therefore suggest that while microfinance enhances income potential, it does not fully insulate women farmers from income instability, echoing conclusions from the MicroLoan Foundation pilot and other agriculture-focused studies in Zambia.

From a feminist perspective, the reliance on microfinance for income generation also highlights women's agency in managing productive resources despite structural constraints. However, the continued vulnerability to climate shocks indicates that financial access alone is insufficient to guarantee sustainable income improvements without supportive agricultural and market policies.

#### **4.4.2 Influence of Microfinance on Household Asset Ownership**

The study found that access to microfinance significantly influenced household asset ownership among women maize farmers. Respondents reported acquiring both productive assets (land, livestock, farm tools) and household assets, often through individual or group-based arrangements. These findings are consistent with Pitt and Khandker's (1998) global evidence, which demonstrates that credit accessed by women is more strongly associated with asset accumulation than credit accessed by men.

At the regional level, the results align with van Rooyen et al. (2012), who note that microfinance in Sub-Saharan Africa tends to support accumulation of small and productive assets rather than large fixed assets. While some women in this study reported purchasing land and cattle, such investments were often achieved through collective action, indicating that group-based lending mechanisms play a critical role in overcoming individual capital constraints.

Local evidence from Zambia, such as the Matero Market study, similarly shows that microfinance enables investment in tools, livestock, and modest housing improvements but rarely supports large-scale capital investments. The present study extends this literature by demonstrating that rural women farmers, when supported through group lending and input-focused loans, can acquire productive agricultural assets that directly enhance farm productivity.

However, the study also reveals a critical limitation: some women were compelled to sell household assets to repay loans following poor harvests. This finding underscores the dual nature of microfinance — while it facilitates asset accumulation, it can also expose borrowers to asset

depletion under adverse conditions. This reinforces warnings in the literature about over-indebtedness and asset vulnerability when credit is not well-matched to agricultural risk profiles.

From a feminist theoretical lens, asset ownership contributed to increased confidence, household pride, and perceived security among women. This suggests that asset accumulation is not only an economic outcome but also a source of psychological and social empowerment, reinforcing feminist arguments that economic resources strengthen women's bargaining power within households.

#### **4.4.3 Effects of Microfinance on Women's Ability to Expand Income Sources beyond Maize Farming**

The findings demonstrate that microfinance has positively influenced women's ability to diversify income sources beyond maize farming, particularly through the establishment of small grocery shops and collective livestock investments. This supports global experimental evidence from Bandiera et al. (2022), which shows that microfinance can enable women to move into non-farm activities, even if such diversification does not immediately translate into substantial welfare gains.

Consistent with regional evidence from van Rooyen et al. (2012), the study found that diversification outcomes were modest and uneven. While some women successfully expanded into non-maize activities, others reported increased confidence and future intentions rather than immediate diversification. This suggests that microfinance functions as a catalyst for diversification but does not guarantee sustained income expansion on its own.

Local Zambian evidence, particularly Mukendi's study on Vision Fund clients, mirrors these findings by showing that women often "step into" small non-farm activities but remain vulnerable due to limited loan sizes, skills gaps, and market constraints. The present study adds to this literature by highlighting how training and savings services enhance women's decision-making capacity and income control, even when diversification outcomes remain limited.

Social and cultural barriers emerged as significant constraints to diversification, particularly in male-dominated sectors. However, participation in microfinance groups helped women collectively challenge these norms, illustrating the social empowerment pathways emphasized in Feminist Theory. Group solidarity, peer learning, and shared decision-making strengthened women's confidence to engage in economic activities beyond traditional gender roles.

#### **4.4.4 Synthesis with Theoretical Frameworks**

The findings strongly support the relevance of both Feminist Theory and Financial Inclusion Theory. Financial inclusion enhanced access to credit, savings, and training, enabling women to invest in farming, accumulate assets, and explore income diversification. However, feminist theory provides critical insight into how gender norms, household power relations, and collective action shape the effectiveness of microfinance outcomes.

The study confirms that microfinance works best when it is sensitive to women's lived realities — including agricultural seasonality, climate risk, and social norms. Microfinance alone is not transformative, but when combined with training, group support, and gender-aware program design, it contributes meaningfully to women's economic empowerment.

The combination of these theories allows for a better understanding of not just whether microfinance works, but for whom it works, how it works, and under what social and economic conditions.

The findings suggest that microfinance policies targeting rural women farmers should move beyond standardized loan products. Agricultural microfinance should be designed to reflect cropping cycles, climate risks, and women's multiple livelihood roles. Policies should encourage flexible repayment schedules, grace periods, and integration of insurance or climate-risk mitigation mechanisms.

There is also a need for stronger coordination between microfinance institutions, agricultural extension services, and market agencies to ensure that increased production translates into reliable income. Gender-sensitive policies are essential to address social barriers that limit women's economic participation and diversification opportunities.

#### **4.4.5 Overall Implications**

Overall, the discussion reveals that microfinance positively influences household income, asset ownership, and income diversification among women maize farmers, but the magnitude and

sustainability of these impacts depend on contextual and structural factors. These findings reinforce the need for complementary interventions such as climate-resilient agricultural support, flexible repayment schedules, gender-sensitive financial products, and strengthened market linkages to maximize the developmental impact of microfinance in rural Zambia.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the conclusions drawn from the study's findings and offers recommendations to stakeholders, including microfinance institutions (MFIs), policymakers, and the farming community. The study aimed to investigate the impact of microfinance on the livelihoods of women farmers and the barriers they face in achieving full economic empowerment

#### **5.2 Summary of the Study**

The study sought to examine the influence of microfinance on the economic empowerment of women maize farmers, with particular focus on household income levels, asset ownership, and the ability to diversify income sources beyond maize farming. The research was motivated by gaps in existing literature, especially the limited attention given to rural women farmers' perceptions of microfinance in Zambia, as most prior studies have concentrated on urban women entrepreneurs or institutional-level analyses.

A qualitative-dominant approach supported by descriptive statistics was employed. Data were collected from 26 women maize farmers, the majority of whom were married and all of whom had more than five years of farming experience. This ensured that respondents possessed adequate knowledge and long-term engagement with farming and microfinance services. The study analyzed access to microfinance, utilization of loans, perceived benefits, and challenges faced by women borrowers.

The findings revealed that a significant proportion of respondents had accessed microfinance loans and used them primarily for purchasing agricultural inputs, expanding farming operations, acquiring assets, and diversifying into small off-farm businesses such as grocery shops. However,

challenges such as high interest rates, climate-related production risks, and rigid repayment schedules were also highlighted.

### **5.3 Conclusions of the Study**

The study concludes that microfinance positively contributes to the economic empowerment of female maize farmers in KapiriMposhi by improving household income levels, enhancing asset ownership, and promoting income diversification. Access to microfinance increases women's income potential by enabling the purchase of agricultural inputs, which improves maize productivity and allows for the sale of surplus produce to meet household needs. However, these income gains are seasonal and vulnerable to climatic variability and rigid loan repayment schedules.

Microfinance also facilitates asset accumulation, including farm tools, livestock, and housing improvements, thereby enhancing farm productivity, food security, and household stability. Nonetheless, asset accumulation remains fragile, as poor harvests may force women to liquidate assets to meet loan obligations.

Regarding income diversification, microfinance enables women to engage in off-farm activities such as small-scale trading, which reduces reliance on maize farming and strengthens women's control over household income and decision-making. However, diversification outcomes are modest due to limited loan sizes, gaps in business skills, social norms, and external shocks such as drought.

Overall, while microfinance significantly enhances income opportunities, asset acquisition, and income diversification for female maize farmers, its impact is constrained by agricultural risk, socio-cultural barriers, and institutional limitations. These findings underscore the need for complementary interventions to ensure sustainable and inclusive rural development.

### **5.4 Recommendations**

Based on the study's conclusions, the following recommendations are proposed to maximize the economic effects of microfinance and enhance sustainable empowerment among female maize farmers:

**Expand Access and Scale Microfinance Outreach** – Microfinance institutions (MFIs) should expand coverage to reach more women maize farmers in KapiriMposhi. Targeted outreach programs, mobile banking platforms, and community-based lending groups can help overcome geographic and social barriers, ensuring more women benefit from microfinance services.

**Design Agriculture-Aligned Loan Products** – MFIs should offer loan products that match the seasonal nature of maize farming. Flexible repayment schedules tied to harvest cycles, grace periods, and contingency plans for poor seasons would help stabilize household income and prevent distress sales of assets. Introducing weather-indexed insurance can further mitigate climate-related risks.

**Integrate Microfinance with Agricultural Support** – MFIs, in collaboration with government agencies and agricultural extension services, should provide complementary support such as improved seeds, climate-smart farming techniques, irrigation, and extension training. This integration would improve productivity and increase the economic returns from microfinance use.

**Promote Asset Protection and Financial Literacy** – MFIs should encourage savings alongside credit, use gradual loan progression based on repayment capacity, and implement group-based asset financing to reduce risk exposure. Financial literacy training would enhance women's capacity to manage loans effectively, protect assets, and make informed financial decisions.

**Support Income Diversification** – MFIs and development partners should provide business development services, including entrepreneurship training, bookkeeping, and market access support, to enable women to diversify income sources sustainably. Increasing loan sizes for viable non-farm activities can further strengthen diversification outcomes.

**Address Social and Cultural Barriers** – Policymakers should implement gender-sensitive policies and community awareness programs that promote women's participation in income-

generating activities. Encouraging women’s leadership within cooperatives and lending groups can enhance autonomy, decision-making power, and access to broader economic opportunities.

**Adopt an Integrated Rural Development Approach** – Microfinance should be complemented by investments in rural infrastructure, market access, and climate resilience. A holistic approach would allow microfinance to contribute not only to short-term income gains but also to long-term household welfare, asset security, and inclusive rural development.

### **5.5 Areas for Further Research**

Future studies should employ larger samples and longitudinal designs to assess long-term impacts of microfinance on women farmers’ livelihoods. Further research could also examine the role of climate insurance, savings-led models, and digital financial services in enhancing women’s economic resilience. Comparative studies between rural and urban women borrowers in Zambia would also provide valuable insights into context-specific microfinance outcomes.

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## **APPENDIX**

### **INTERVIEW GUIDE**

#### **Introduction**

My name is Sisa Musonda a final year student of University of Lusaka (UNILUS) pursuing a Degree in Development Studies. I am conducting a study as part of my final year research to understand the effects of microfinance services on women farmers' perception of economic independence in Chibwe Forest. Your responses will remain confidential, and there are no right or wrong answers — I am interested in your honest views and experiences.

Thank you for agreeing to participate in this research.

#### **Section A: Background Information**

Can you briefly tell me about yourself — your age, household size?

2. How long have you been involved in farming?

Age, marital status, household size, education level, main farming activities, years farming maize, land size cultivated, membership in farmer groups/cooperatives, prior microfinance membership (yes/no), current microfinance provider(s).

#### **SECTION B**

Effect of microfinance access on household income levels

1. Can you describe your household's main sources of income before you started using microfinance (if applicable)?

2. When did you first access microfinance (loan / savings / other)? Which provider(s)?
3. What did you use the microfinance you received for?
4. Since accessing microfinance, have your household's total earnings changed? How?
5. Can you describe a specific season or year when microfinance helped increase (or decrease) your household income? Walk me through what happened.
6. Apart from sales of maize, has microfinance enabled any new income activities (e.g., trading, processing, services)? Please give examples and approximate income from those activities if possible.
7. Have you experienced any costs or setbacks related to microfinance (repayments, interest, penalties) that affected household income? Please explain.
8. Compared to other ways of getting funds (family, informal lenders), how does microfinance affect your household income stability?

## **SECTION C**

The influence of microfinance on household asset ownership (land, livestock, farm equipment, housing improvements)

1. Since accessing microfinance, have you bought, improved, or lost any of these assets: land, livestock, farm equipment (e.g., ploughs/hand tools), or housing improvements? Please describe each change.
2. Which of these asset changes were funded (fully or partly) by microfinance loans or savings?
3. Can you describe the decision process for using microfinance to purchase an asset? Who decided and why that asset?
4. Have asset purchases supported farm productivity or income (for example, a plough allowing more land to be cultivated)? Please give examples and outcomes.
5. Have you ever sold assets to repay a microfinance loan? Tell me about that experience.

6. Has microfinance changed how secure you feel about your household's assets (e.g., improved housing reduces risk, livestock as safety net)? Explain.

7. Are there any obstacles that stop you from using microfinance to invest in assets? (e.g., loan sizes, collateral requirements, interest rates, timing)

## **SECTION D**

To analyze the effects of microfinance on women's ability to expand their income sources beyond maize farming

1. Have you used microfinance to start a new income activity (e.g., trading, poultry, small manufacturing, services)? Describe what and when.

2. If you have not started another activity, has access to microfinance changed your intention or plans to do so? Why/why not?

3. How has microfinance affected your control over income and business decisions especially income that's not from maize?

4. Has microfinance participation changed your time use (more/less time in off-farm work) or labor allocation within the household? Give examples.

5. Have you faced any social, cultural or institutional barriers when trying to expand into other activities? Has microfinance helped overcome these barriers (e.g., group lending, training, networks)?

6. What kinds of support from microfinance providers (training, market linkages, savings products) have helped you diversify income? Which were most useful?

7. Can you share a success story where microfinance allowed you to expand beyond maize and the outcome for your household?

8. Conversely, can you share an example where microfinance did not help or hindered attempts to diversify? What went wrong?

In closing is there anything else about microfinance and your household income, assets, or businesses you'd like to add?

Key informant interview (microfinance officer / agricultural officer)

## **KEY INFORMANT INTERVIEW GUIDE (Microfinance Officers & Agricultural Officers)**

### **Section 1: Background Information**

1. Could you briefly describe your role in this institution/organisation?
2. How long have you worked with farmers, particularly female maize cash crop farmers, in this area?

To assess the effect of microfinance access on household income levels of female maize cash crop farmers

#### **For Microfinance Officers**

1. What types of microfinance services (loans, savings, financial literacy, etc.) do female maize farmers most frequently access?
2. In your experience, how has access to microfinance affected the income-generating capacity of these women?
3. Have you observed any changes in the farmers' ability to manage their farming operations financially after accessing microfinance?
4. Are there specific examples or trends that show improvements (or declines) in household income as a result of microfinance?
5. What challenges do women face in using microfinance effectively to increase their income?

#### **For Agricultural Officers**

1. Based on your interactions, have you noticed differences in productivity or crop sales between women who access microfinance and those who do not?

2. Have you observed improvements in household income levels among female maize farmers after they begin accessing microfinance services?
3. What agricultural or market factors influence how microfinance impacts farmers' income?

Objective 2: To examine the influence of microfinance on household asset ownership (land, livestock, farm equipment, housing improvements)

### **For Microfinance Officers**

1. Have you observed women using microfinance loans to acquire assets such as land, livestock, or farming equipment?
2. Generally, how do microfinance products support asset accumulation among female farmers?
3. Are there specific loan types or conditions that encourage investment in household or farm assets?
4. What patterns do you see in how women prioritize assets after receiving microfinance support?

### **For Agricultural Officers**

1. Have you seen changes in the types or quality of assets owned by female maize farmers who access microfinance?
2. How does increased access to assets (e.g., farm equipment, livestock) affect their agricultural productivity?
3. In your view, what barriers prevent women from translating microfinance access into improved household asset ownership?

To analyze the effects of microfinance on women's ability to expand their income sources beyond maize farming

### **For Microfinance Officers**

1. Do you see women using microfinance to start or expand non-maize income-generating activities (e.g., vegetable farming, trading, small businesses)?
2. What types of alternative livelihoods are most common among women who access microfinance?

3. What financial products or programs support women in diversifying their income sources?
4. What constraints limit women from branching into additional income activities, even when they have microfinance access?

### **For Agricultural Officers**

1. Have you observed women diversifying their agricultural or non-agricultural activities after accessing microfinance?
2. What factors (knowledge, inputs, markets, extension services) influence women's ability to expand their income beyond maize farming?
3. In your opinion, how does income diversification affect their household resilience and livelihoods?

### **Closing Questions**

1. What recommendations would you suggest to improve the effectiveness of microfinance for female maize cash crop farmers?
2. Is there anything else you would like to add regarding the role of microfinance in women's economic empowerment?