



Faculty of Humanities and Social Sciences

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**AN INVESTIGATION INTO THE CONTRIBUTION OF MICROFINANCE
TO THE WELL-BEING OF FEMALE HEADED HOUSEHOLDS: A CASE OF
SOCIALSIS SOCILITAS FAMILY STRENGTHENING PROGRAMME (SOS FSP)
INTERVENTIONS IN BULAWAYO.**

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ABSTRACT

This study is an assessment of the contribution of microfinance to the well-being of female headed households in Bulawayo using the case study of SOS FSP interventions in Bulawayo. It advances the assumption that microfinance does not only improve household well-being but it is also essential for poverty alleviation. The study used a case study approach and the data collection instruments utilized include focus group discussion, semi structured questionnaires and open unstructured interviews. This study adopts Sens Capability Approach as its theoretical framework in order to bring a greater understanding of the concept of well-being. Microfinance links with the improvement of well-being and the eradication of poverty through its capabilities of augmenting a households income hence enabling people to meet their basic needs and once their basic needs have been satisfied, they is full adaptation to further economic growth. However, microfinance is associated with challenges which include unconducive economic environment, lack of business acumen by recipients, engaging in projects that are not viable and the diversion of funds thus leading to defaulting and further indebtedness which entrench some household some household in a deprivation trap of poverty. The findings of this study indeed confirm that microfinance promotes the well-being of FHHs focusing on different dimensions of well-being which include material, physical, security, freedom of choice and spiritual well-being. The nexus between microfinance and poverty is a reality, however microfinance own its own is not a silver bullet to the problem of poverty as it has to be accompanied by a conducive economic environment to encourage the growth of micro-enterprises. Women face socio-economic barriers which include time constraints and lack of collateral which hinder them from accessing and utilizing microfinance. Recommendations are made that MFIs increase their loan repayment periods, review their interest rates for the benefit of the poor and holding of educational campaigns to dispel the myths and fears that discourage participation in microfinance.