

# Contributing Criteria of Local Government Authority Loan to the Well-Being of Women with Disabilities in Arusha a Case of Arusha City Council

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## ABSTRACT

Women with disabilities face greater challenges than men in accessing economic opportunities, which significantly impacts their overall well-being. This study assessed the contributing factors of local government authority (LGA) loans to the well-being of women with disabilities in Arusha City Council. The research was conducted due to a lack of literature addressing the contribution of LGA loan criteria in improving the well-being of women with disabilities. The unit of analysis was women with disabilities who had accessed LGA loans within the study area. A total of 107 women with disabilities participated in the study. Both qualitative and quantitative data were collected through interviews and questionnaires to gain comprehensive insights into their experiences and outcomes. The study found that criteria such as legal business requirements, awareness creation, financial and entrepreneurship training, and leadership development were statistically insignificant in contributing to the well-being of women with disabilities in the study area. To enhance the effectiveness of LGA loans for women with disabilities, the study recommends introducing loan insurance to reduce borrowing risks, offering individual loan products, and conducting specialized training programs for different LGA loan stakeholders.

**Keyword:** Contributing criteria; Women with disabilities

## INTRODUCTION

Around 1 billion people globally, or 15% of the population, have disabilities, with 20% of them being women (Mayher, 2021; Saran & White, 2020). Women with disabilities face greater challenges than men with disabilities or non-disabled women, particularly in accessing economic opportunities, often encountering discrimination and lower wages (Braunmiller & Dry, 2022). Key practices for supporting self-employment success among people with disabilities, including women with disabilities, include information sharing, vocational training, and start-up funding options like crowdfunding (Dorfleitner et al., 2019).

Women with disabilities make up about 16% of the female population in Europe (ECOTEC, 2013), but they face significant barriers to entrepreneurship, including lack of family support, mobility, collateral, resources, and access to training (Ranabahu & Tanimu, 2022). These challenges hinder their participation in society, underscoring the need for funding programs that promote inclusion and equal opportunities (Braunmiller & Dry, 2022). In contrast, USAID offers support for entrepreneurs with disabilities by providing training, mentoring, and new financial tools to foster business growth, including for women with disabilities (Lević, 2022).

In India, people with disabilities make up between 4 and 8 percent of the total population (O'Keefe, 2007). Access to financial services, such as grants and loans through local savings and credit schemes, has been shown to reduce disability-related challenges for women with disabilities in the country (Saran et al., 2019). Additionally, India is home to 3.1 million non-governmental organizations, some of which focus on disability issues, securing both government and corporate funding to support their clients (Johnstone et al., 2019). The Pradhan Mantri Jan Dhan Yojana (PMJDY) financial inclusion program, which targets people with disabilities,

reached 31.5 million beneficiaries during the 2014-15 financial year (Wapling et al., 2021).

The Disability Rights Fund (DRF) and the Disability Rights Advocacy Fund (DRAF) are initiatives designed to support individuals with disabilities, including women, in African regions (Mahomed et al., 2019). In Uganda, where 13% of the population has at least one form of disability, the Disability-Inclusive Graduation (DIG) program provides unconditional cash transfers for six months, training, access to savings-and-loans groups, and a capital asset to help establish new livelihoods. This program also addresses specific challenges faced by women with disabilities (Apolot et al., 2019; Daniel, 2019). There is a strong positive correlation between loan services and the financial performance of micro and small enterprises owned by people with disabilities. These beneficiaries receive loan services, savings options, as well as training and advocacy support (Kimunga, 2021).

In 2022, 2.6% of Tanzania's population consisted of persons with disabilities, with women accounting for 56% of this group (World Bank Group, 2024). Local government authorities (LGAs) in Tanzania have made significant strides in supporting business empowerment, including the provision of soft loans, business infrastructure, and local investment support (Rugeiyamu et al., 2019). Women, including those with disabilities, have been the primary beneficiaries of these initiatives, receiving an average of 4.31% of LGA revenues, while people with disabilities received an average of 0.48% over the past three years (Rukonge, 2019). This is largely due to the United Republic of Tanzania's commitment to empowering women by allocating 10% of revenue collected to district-level groups, including those of women with disabilities, who often struggle to access loans from financial institutions due to a lack of collateral (Rugeiyamu, 2022; Swalehe, 2019). However, there is no literature in the study area address the contribution of the criteria employed to improve the well-being of women with disabilities through LGA loan.

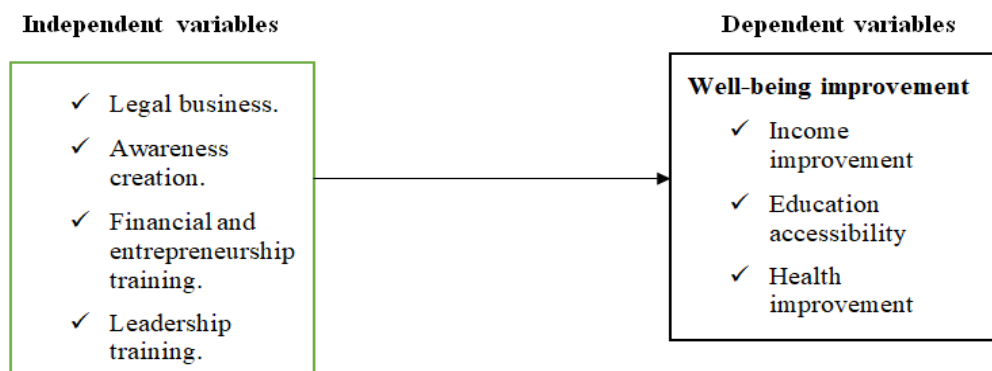
## Theoretical review

### Capability Approach Theory

The Capability Approach Theory, developed by Amartya Sen in the 1980s, where it offers a comprehensive framework for assessing human development by focusing on individuals' capabilities—their abilities to achieve the kind of lives they value (Robeyns, 2005). Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others (EU, 2019). Under Sen's approach, capability does not constitute the presence of a physical or a mental ability; rather, it is understood as a practical opportunity. Functioning is the actual achievement of the individual, what he or she actually achieves through being or doing (Mitra, 2006) (Robeyns, 2003).

The LGA loan designed to promote self-employment and entrepreneurship, particularly among marginalized groups including women with disabilities by providing financial support and capacity-building initiatives where the Council enables them to engage in income-generating activities. This is done through group-based lending, mandatory training, and a focus on economic empowerment, embody the principles of the capability approach by enhancing individuals' freedoms and opportunities to improve their well-being.

### Conceptual framework



Source: Field designed, 202

Accessing loans from local government authorities is accompanied by various training programs designed to enhance the potential of loan beneficiaries and improve their well-being. In addition to this, applicants are required to meet certain conditions to qualify for a loan. In the Arusha City Council, people with disabilities, particularly women with disabilities, are subject to specific criteria that influence their access to loans. These criteria include owning a legal business, participating in awareness creation initiatives, and undergoing financial, entrepreneurship, and leadership training. Each of these criteria is strategically and purposefully implemented to enhance the well-being of loan beneficiaries, including women with disabilities.

The possession of a legal business is aimed at ensuring that loan applicants are engaged in businesses that comply with national laws and operate with acceptable sources of funding. Awareness creation is facilitated by the Arusha City Council through various channels, such as advertising vehicles, ward executive officers, and community development officers, to provide loan beneficiaries with accurate and relevant information about loans. Financial and entrepreneurship training is one of the key services offered to loan applicants, including women with disabilities. This training equips them with the necessary knowledge and skills for effective financial management and the successful operation of their businesses. Additionally, leadership training is also provided with the goal of transforming loan beneficiaries into competent entrepreneurs and responsible individuals.

## METHODOLOGY

The study conducted in Arusha city council comprises of 25 wards with the total population 416,442 people, of which 199,524 are male and 216,918 are female (URT, 2012). Women with disabilities who accessed LGA loans amount to 167 where Yamane formula (1967) applied in which 107 respondents included in data collection process. This study employed household survey and interview to collect data from respondents in the field. Data collected from the field were processed using SPSS software version 20 and analyzed using binary logistic regression.

### Analytical Modelling

The contributing criteria applied to improve the well-being of women with disabilities was analyzed using binary logistic regression.

$$\text{Logit}[p(x)] = \text{Log} \frac{[px]}{[1-px]} + \alpha + \beta X + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots \beta_n X_n + \varepsilon$$

This formula was adapted from Challa and Tilahun (2014) and Agresti (2002),

Where:

Logit (px) = ln (odds (event)), that is the natural log of the odds of improving well-being.

p(x) = prob (event), that is the probability of improving well-being.

1- p(x) = prob (nonevent), that is the probability of not improving well-being.

$\log \frac{[px]}{[1-px]}$  = is the logarithm of the ratio of probability of improving well-being.

$\alpha$  = constant of the equation.

$\beta_1 - \beta_x$  = coefficient of predictor variables.

$X_1 - X_n$  = predictor variables entered in the model are described in table 1.

$\varepsilon$  = Error term.

n = number of independent variables

Table 1: Variable definition, unit of measurement and assumed influence

Variable	Variables definition and unit of measurement	Expected sign
X <sub>1</sub>	Legal business	+
X <sub>2</sub>	Awareness creation	+/-
X <sub>3</sub>	Financial and entrepreneurship training	+
X <sub>4</sub>	Leadership training	+/-

## RESULTS AND DISCUSSION

### Demographic of respondents

In order to enable respondents to have an opportunity to define their marital status this study classify the marital status into four categories namely; single (those who never married), married, divorced (They experience break up), separated (Those who are temporarily in a distance with their spouse due to marital problems) and the last category is Widow (Their spouse died).

### Respondents' marital status

Table 2: Respondents' marital status

Marital status	Frequency	Percent
Single	51	47.7
Married	30	28.0
Divorced	1	0.9
Separated	18	16.8
Widow	7	6.5
<b>Total</b>	<b>107</b>	<b>100.0</b>

Source: Field data, 2022

From the Table 2 it indicated that women with disabilities in this study were found to be single by 47.7% while widow are just only 0.9%. That means the majority of the respondents in this study are not married when it comes to marital status. Therefore it is indicated that majority women with disabilities who accessed LGA loans in Arusha city council are not married.

The similar study conducted in Malaysia by Nasir (2020) where research participants take part in the survey representing a diverse background in gender, ethnicity, category of impairment, and state of residence revealed that 62.1% were not married while only 37.9% were married. This is because marriage is the most serious question facing women including those with disabilities since marriage is an issue of social prestige as a socio-universal criteria applied such as physical appearance (Pohekar, 2023). Also the persons with all kinds of physical disabilities have a hard time finding partner for the marriage because many people in the society cannot look beyond the appearance of a disability. Persons with disabilities have a bridged marriage prospects, less choice of a partner, higher dowries and greater risk of desertion (Adhikari, 2020).

### Nature of the source of income of the respondents

The study employed women with disabilities who benefited with LGA loan but they are engaged in income generating activities, such as; Food vendor, Vegetable vendor, Hair dressing, Kiosk, Poultry keeping, Hand

work and Tailoring. This is because the LGA loan emphasize beneficiaries to invest the funds on income generating activities so as they can make profit and improving their living standards.

Table 3: Income activity of the respondent

Income activities	Frequency	Percent
Food vendor	3	2.8
Vegetable vendor	3	2.8
Hair dressing	2	1.9
Kiosk	29	27.1
Poultry keeping	6	5.6
Hand work	54	50.5
Tailoring	10	9.3
<b>Total</b>	<b>107</b>	<b>100.0</b>

Source: Field data, 2022

With reference to Table 3 it shows that 50.5% of the respondents their sources of income depend on hand work nature of the activities while 1.9% engaged in hair dressing activities. Thus, majority of the respondents in this study are engaged in hand work activities which implied that they have working experience in business activities which also can categorized as self-employment.

The supportive information from report of UN (2018) noted that persons with disabilities including women with disabilities are also more likely to be self-employed. Among 19 countries, on average 62 per cent of persons with disabilities versus 53 per cent of persons without disabilities are self-employed. Unfortunately, Tanzania is one of the country where households with persons with disabilities lives under international poverty line.

### Education level of the respondents

This category used to obtain information on the level of education attained by a person were it was then grouped into three parts those are primary level, secondary level and tertiary level.

Table 4: Education level of the respondents

Education level	Frequency	Percent
Primary	86	80.4
Secondary	16	15.0
Tertiary	5	4.7
<b>Total</b>	<b>107</b>	<b>100.0</b>

Source: Field data, 2022

The findings presented in Table 4 shows that 80.4 percent of the respondents attained primary level education while 4.7 percent had attained tertiary education level. Thus the majority of women with disabilities in this study attained primary education. It is implicit from the above results that the majority of respondents are able to read and write therefore they have capacity to make the right decisions in loans and investment.

The study conducted by Nasir (2020) reported the similar results on the level of education qualification

including of women with disabilities finished primary education. Srivastava (2019) results revealed that impediments to education of women with disabilities were common practices where three barriers such as lack of educational facilities, gender disparities and attitudinal barriers reported in the studies. Also accessibility to school for women with disabilities often restricted by a lack of understanding about their needs, and a lack of trained educators, classroom support learning resources and physical infrastructural facilities (Thomas & Chandra, 2019).

## Residence approval

In the process of accessing loan, the applicants are required to submit a proof on their residence. Therefore different official documents are acceptable to prove including the followings; Formalized introduction letter, Citizen ID card, Health insurance card and Voter's ID. Proof of residence is very importance since the loan target only those who are citizens and found within the area of jurisdiction of the study area.

Table 5: Proof of the residence for the respondents

Proposed Attachments	Responses	
	Frequency	Percent
Introduction letter	106	34.3%
Citizen ID card	102	33.0%
Voter's ID	101	32.7%
<b>Total</b>	<b>309</b>	<b>100.0%</b>

Source: Field data, 2022

From the Table 5, it shows that about 99.1% of the respondents confess that they present introduction letter as a proof of their residence in loan application process while 0.0% they denied that health insurance card was not one of the proofs of their residence. Therefore, majority of the respondents agreed that introduction letter was one of the proofs of their residence and this ensure their availability in case of any misconduct during loan repayment also enhance contact with loan officers.

Similar findings were reported by Sansa (2019), who investigated the effect of loan conditions on loan accessibility for small businesses in Tanzania. Data were collected through questionnaires, interviews, and documentary reviews. The study noted that requirements such as letters of credit, guarantees, and other attachments are essential for any bank loan applicant, including women with disabilities.

## Contributing Criteria to Improved Well-being

Regarding inferential statistics, the study employed binary logistic regression to assess the impact of one or more predictor variables on the outcomes. It used the goodness of fit of the model technique to determine whether or not the model adequately described the data.

Table 6: Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	7.357	5	.195

Source: Field data, 2022

It used the Hosmer and Lemeshow test, and the results show that the significance value (Sig.) is (0.195), which is greater than (0.05). As a result, the model fits the data well as shown in table 6 below. Hence, there is no difference between the observed and predicted model.



Table 7: Results of binary logistic regression model 95% C.I. for EXP (B)

Criteria applied	B	S.E.	Wald	Df	Sig.	Exp(B)	LowerUpper	
LegBUZ	.733	.466	2.475	1	.116	2.082	.835	5.190
Awareness creation	.531	.498	1.137	1	.286	1.700	.641	4.508
FinEntre training	-.700	.496	1.993	1	.158	.496	.188	1.313
Leadership training	.414	.571	.525	1	.469	1.513	.494	4.637
Constant	.454	.563	.650	1	.420	1.575		
-2 Log likelihood	127.452 <sup>a</sup>							
Cox & Snell R square	.057							
Nagelkerke R Square	.081							

a. Variable entered on step 1: LegBUZ, Awareness Creation, FinEntre, and Leadership.

Source: Field data, 2022

The logistic regression results suggest that none of the predictor variables significantly influence the outcome at the 0.05 significance level. While some variables, such as legal business registration (LegBUZ), awareness creation, and leadership training, have positive coefficients, their p-values (0.116, 0.286, and 0.469, respectively) indicate that their effects are not statistically significant. The odds ratio (Exp(B)) for LegBUZ (2.082) suggests that formal business registration could potentially increase the likelihood of the outcome, but the confidence interval (0.835 – 5.190) is too wide, indicating uncertainty in the estimate. Similarly, awareness creation and leadership training show odds ratios of 1.700 and 1.513, respectively, but their p-values suggest that the evidence is not strong enough to confirm a real effect.

Interestingly, financial and entrepreneurial training has a negative coefficient (-0.700), implying that participation in such training reduces the likelihood of the outcome. Its odds ratio (0.496) suggests that the odds of success decrease by approximately 50% for individuals who received this training. However, with a p-value of 0.158 and a confidence interval (0.188 – 1.313) that includes 1, this effect is not statistically significant. This finding could indicate that financial training alone may not be sufficient to improve outcomes or that other unmeasured factors (such as practical business experience or access to financial resources) play a more critical role. Further investigation is needed to determine whether this negative effect is due to methodological limitations or actual challenges faced by trained individuals.

Overall, while the model provides some insights, its lack of statistically significant predictors suggests that other important factors influencing the outcome may not have been included. The -2 Log Likelihood value (127.452) indicates the model fit, but without comparison to an alternative model, its adequacy remains unclear. The wide confidence intervals for all predictors suggest high variability in the estimates, which could be due to a small sample size or data limitations.

This result confirms that women with disabilities who attend trainings seems not able to improve their well-being because participants were not attentive also the training provided in an unconducive environment and pressure. The odds ratio for provision of financial and entrepreneurship training was 0.496; this shows that women with disabilities who acquired trainings had around 0.5 times less likely to improve their well-being than those WWDs who did not attend trainings. This implies that those who attending training were not in a position to improve their income, health and education matters.

The findings above are also related to what reported by (Tukur & Usman , 2016); the result of our analysis we found out that the independent variable (Gender) is not statistically significance as its P-value is more than 0.05 that is (0.281>0.05) while the second independent variable (Scores) is statistically significance because its P-

value is less than 0.05 that is  $(0.024 < 0.05)$

This truth was also confirmed by the findings of (Bandara & Chandrakumara, 2015) on his study labeled as, A binary logistic regression analysis for bottled water in the city of Colombo; The visitors at the age between 31-40 show a negative influence with the demand of bottled water ( $\beta = -20.314$ ,  $P = 0.410$ ) and odds ratio was found to be 0.429. Now from that findings it implies there is negative relation between that age and demand of bottle water this means those who are young shows a special positive relationship with the demand for bottled water. Therefore the more is the age, the less likely they will purchase bottled water.

Furthermore, the study used Nagelkerke's  $R^2$ , which covers the entire range from 0 to 1. As shown in Table 7, the results show that Nagelkerke's  $R^2$  is 0.81, which is within the required range. As a result, the predictor variables in the model can account for 81% of the change criteria variable.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

The primary objective of this study was to assess the effects of local government authority loan criteria on the well-being of women with disabilities. The findings indicate that the criteria employed—namely, legal business registration, awareness creation, financial and entrepreneurship training, and leadership training—have the potential to enhance the well-being of women with disabilities. However, the relationship between these criteria and well-being improvement was found to be statistically insignificant. This insignificance can be attributed to various external factors, including persistent discriminatory practices, market price fluctuations, and multiple loan-taking behaviors, which may hinder the intended benefits of these support mechanisms.

### Areas for further studies

Future research could refine the model by incorporating additional variables, increasing the sample size, or exploring interaction effects to gain a deeper understanding of the factors influencing the outcome.

### Recommendations

To maximize the intended benefits to the women with disabilities in LGA loan programs the following should be addressed to overcome external barriers, namely:-

- i. To strengthen financial security and reduce borrowing risks, loan insurance can be introduced as a protective measure for loans accessible to people with disabilities, ensuring the inclusion of women with disabilities and even the amount of loan should be as much as amount requested by the applicants.
- ii. Expand the loan service package from group lending to individual loans, specifically tailored for people with disabilities, including women with disabilities.
- iii. Conduct specialized training programs for leaders of persons with disabilities (PWDs), community development officers, and other stakeholders involved in local government authority (LGA) loans to equip them with the necessary skills for effectively supporting women with disabilities.

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