



An Assessment of the Role of Economic Empowerment Schemes on Poverty Reduction among Youth and Women Groups: A Case of the Arusha Region, Tanzania

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Globally, the Women and Youth Development Fund provided via women's groups, has contributed a significant role in ensuring women's and youth's economic empowerment. In Tanzania, the increase in population growth has brought both opportunities and challenges. One of the major challenges of population growth is the increase in unemployment and poverty among youth and women. To redress the situation, the Women, Youth, and People with Disabilities Revolving Fund (WYDF) was established at LGAs to ease lending challenges to the poor who are deprived of loan access from conventional financial institutions. The study assessed the role of economic empowerment schemes in reducing poverty among youth and women groups in, Arusha Region, Tanzania. Specifically, the study determined the influence of the provision of start-up capital, financial literacy training, and business capacity building on Poverty reduction among youth and women groups. The study adopted a survey research design based on a quantitative approach. Data was collected from 95 respondents from the Arusha region, Tanzania using questionnaires. The sample was selected using purposive sampling methods. Descriptive statistics was used to analyze the data using SPSS. Furthermore, inferential analysis was conducted whereby regression analysis was used to show the relationship between variables that influence poverty reduction among youth and women groups supported through economic empowerment schemes. The study found that the provision of start-up capital, financial literacy training, and business capacity building has a statistically significant influence on poverty reduction among youth and women groups. The study recommends that financial literacy should be provided to help entrepreneurs save sufficient money to provide adequate capital to invest in their businesses. The Government through youth and women empowerment programs should continuously offer training to youths and women groups especially those with no technical skills, on new production, proper allocation of funds, and marketing strategies/ techniques that aim at increasing the quality and quantity of harvest to achieve lasting impacts.

Keywords: Economic empowerment schemes; poverty reduction; youth and women; arusha region.

1. INTRODUCTION

Globally, the women and youth development fund provided via women's groups has contributed a significant role in ensuring women's economic empowerment. In most cases youth and women's both within the household and at the community level, who come together for a common purpose, are able to achieve social and economic empowerment [1].

In recent years, there has been significant success in improving the economic situation of women and youth through market-oriented approaches and collaboration between commercial and public sectors [2]. This strategy is regarded as an effective means of not only increasing job chances but also promoting people's welfare, particularly among underprivileged human populations. Byiers and Pharatkhathe [3] establish the critical and hopeful direction of this technique. On the one hand, significant progress has been made in terms of developing ideas and executing steps to empower women economically.

In Africa, the Women and Youth Development Fund has become one of the most useful

financial facilities for low-income women who can hardly access loans from formal financial institutions due to a lack of typical forms of collateral (Buvinic & O Donnell, 2016). A study by Gupta (2018) indicates that improving women's and youth's living standards and empowerment is essential for the growth and development of a nation. In East Africa, different studies have shown that collective action, through development funds, could empower youth and women through their involvement in income-generating activities that in turn will lead transformation in youth and women's livelihoods together with those of their families (Koomson et al., 2020).

Tanzania, like other developing countries, frequently faces challenging socioeconomic challenges, particularly those that affect vulnerable populations such as women and youth. Unemployment, poverty, and the scarcity of resources among the poor are major impediments to achieving sustainability (URT, 2015). In response to the prevailing situation, numerous economic empowerment projects have been implemented to improve the socioeconomic situation of youth, women and other

disadvantaged groups. Example of economic empowerment schemes is the Women, Youth, and People with Disabilities Revolving Fund (WYDF) was established to address financing issues for the underprivileged who are unable to obtain loans from formal financial institutions [4,5]. The scheme is financed through Local Government Authorities (LGAs) 10% of own revenue sources. The Women, Youth, and People with Disabilities Revolving Fund (WYDF) was established by the government to financially empower youth and women [6-8]. The government, for example, changed the Local Government Finance Act (Cap 290) of 1982, which mandated that LGAs set aside ten percent of their source income as a loan fund for women, youths, and people with disabilities who are unable to obtain loans from financial institutions due to a lack of collateral to help them rise economically [9]. This is because, most African countries, including Tanzania, have implemented a variety of efforts to encourage youth and women's development. Tanzania is one of the few African countries where youth and women's empowerment programs are practiced. Despite efforts made by the Tanzania government through WYDF, the impact is not fully optimized in the country since it falls below expectations (Tanzania Investment, 2023). According to the National Bureau of Statistics (2022), poverty in Tanzania is still high among the youth and women. The question arises if economic empowerment schemes have a significant impact on the youth and women groups or not. This study aims to investigate the rationale role of economic empowerment plans in poverty reduction among youth and women groups. The study tried to identify areas of improvement, which may be useful for WYDF and other projects that strive to empower underprivileged individuals.

2. LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Resource-based theory

Birge Wenefeldt established Resource-Based Theory (RBT) in 1984. It is a technique for studying and determining a company's strategic advantages by examining its unique blend of assets, talents, competencies, and intangibles as an organization. The resource-based approach is based on the idea that a firm's competitive advantage is derived from its internal resources rather than its outward location. Rather than just

considering environmental possibilities and dangers in conducting business, competitive advantage depends on a firm's particular resources and competencies. "According to the resource-based perspective of the company, certain types of resources possessed and managed by enterprises can provide a competitive advantage and, eventually, better firm performance" [10]. "Firm resources are all assets, capacities, organizational processes, firm qualities, information, knowledge, and so on that a business controls and that allow the firm to devise and implement strategies that increase its efficiency and effectiveness. Competencies generated from these resources can provide a corporation or organization with a competitive edge" [11].

In the framework of this theory, a firm's or group's resources (collective savings, assets, and competencies) will play a significant role in strategic execution. This is because, no matter how effective the plans are, without the requisite resources for implementation, they stay in the planning stage. However, the resource-based viewpoint encourages managers to investigate new capability development initiatives [12]. Indeed, if control over finite resources is the source of economic benefits, then such challenges as skill development, knowledge management (Shuen, 1994), and learning become essential strategic issues crucial resources for the strategic management of public organizations in the context of the Public Organization Resource-Based View. Because public organizations exist only to satisfy the requirements and expectations of their stakeholders, they must have this ability. To accomplish this, they must be aware of the demands of their stakeholders and the anticipated means of addressing those needs (Olugbola, 2016). The work of Butler [13] provides further direct evidence that the resource-based view is a suitable approach for public organizations in a turbulent environment. Using focus groups, the author examined the possibility of implementing RBV in the management of public organizations in a dynamic environment and identified the resources and competencies required to deal with the dynamics and uncertainty of the environment. The ability of organizational learning, managers' involvement in the organization's improvement, knowledge exchanged within the organization, organizational culture focused on delivering the highest quality of service, and organizational

resources and competencies are critical in the turbulent environment. Some authors who discuss knowledge as a strategic resource include (Kaseva, 2017).

Communication skills, interpersonal skills, analytical skills, technical skills, organizational and planning skills, creativity, invention, leadership responsibilities, and flexibility are indicators of resources and competencies. If a company does not achieve sufficient outcomes, it should implement a refinement strategy to enhance the identified resources and abilities among its people. According to Butler [13], effective management and leadership may improve organizational, managerial, and financial performance, leading to a sustained competitive advantage. This theory is significant to the research because it highlights the importance of public organizations, which may include youth and women's groups. This is the capacity of members of the organizations to obtain resources in terms of credit and skills; being able to integrate that to invest in their talents or assets and making and implementing different strategic alternatives or choices to achieve competitive advantage. Acquiring resources might involve obtaining credit and using it for collective operations. Furthermore, the theory suggests that organizations will allow members to gain skills through involvement in group activities, as well as group training and learning, which are critical for tackling strategic concerns. Importantly, the key to RBT in public organizations is the creation of a culture that delivers high-quality service, information sharing among leaders and members, and the ability to learn.

2.1.2 Critical social theory

According to Kellner (1990), critical social theory goes beyond standard theories' focus on comprehension or explanation to critique and alter society. It was developed in the 1930s by German sociologists and philosophers, and it has been linked to Western Marxist intellectuals and the Frankfurt School. Critical social theory, a multidisciplinary school of thought, highlighted that for youth empowerment initiatives to successfully end the youth unemployment crisis, they must include several factors. These are the motivations behind youth empowerment initiatives, which aim to start only those that significantly alter the lives of young people in terms of employability skills, job creation, and job absorption by studying the needs of today's

youth while keeping in mind the programs designed for yesterday's youth (Ahaibwe and Kasirye, 2015). Critical social theory highlights the significance of not only fostering an environment that allows youth to flourish but also devoting time to investigating the root causes of the youth unemployment crisis and evaluating the government's capacity to provide a long-term solution. As a result, a critical social theory approach to youth empowerment emphasizes the relationship between government and non-governmental actors, as well as assessing key indicators of youth transition into meaningful employment, why this co-dependency is important, and how reducing youth unemployment and poverty by the key actors leads to overall youth empowerment [14]. In the framework of this study, one must understand the reasons for the formation of youth empowerment programs, their obstacles in alleviating young unemployment, poverty reduction, and strategies that can make them effective in mitigating youth unemployment. This is because young people make up most of the social fabric of society, and for them to flourish in it, empowerment programs must effectively identify their needs and roles in society while also attempting to lessen the poverty that young people and women in Tanzania face.

2.2 Empirical Literature Review

Mahato and Jha, (2024) "investigated the role of social capital in promoting sustainable livelihood amongst indigenous women in India. The result highlighted the extensiveness of indigenous women entrepreneurs, who utilized their social capital to improve enterprise performance and livelihood conditions. It is witnessed that social capital has a direct and positive effect on uplifting the living standards of Indigenous women. Furthermore, women's entrepreneurship mediates the relationship between social capital and livelihood promotion of indigenous women. The decision-makers, policy practitioners, and government agencies must encourage more women's self-help groups to participate in entrepreneurial activities by utilizing social capital through government welfare programs". Adeyanju et al. [15] "assessed the impact of entrepreneurship on youths' livelihood, focusing on the National Directorate of Employment (NDE) program in Kano state. The study employed both qualitative and quantitative methods. The findings also revealed that entrepreneurs had better livelihood outcomes, as measured by income and self-assessed living

conditions than non-entrepreneurs. Even though these outcomes could have resulted from other externalities, the empirical analysis helped to address such endogeneity, thereby attributing the outcome estimates solely to entrepreneurship. These results, therefore, show the relevance of entrepreneurship in alleviating poverty and generating better livelihood outcomes for young Nigerians". Wanjiru et al., (2017) in an article of 'Influence of Women Enterprise Fund on Women Economic Empowerment in Mutuango Area at Muranga County, Kenya'. The findings of the study show that there was some difficulty when it came to accessing the loan, there was no interest rate on the Women Enterprise Fund loan, trainings were poorly attended and lastly, the Women Enterprise Fund does influence women's economic empowerment.

According to Singu (2017), any program aimed at empowering young people must have the necessary infrastructure in place if it is to be effective in bringing about change among the youth. Training programs' results are useless without the right infrastructure. As an appropriate means of phasing out those who attempted to deceive rather than empower the youth, training centers must be established or renovated with equipment such as furniture, training modules,

and information technology facilities, as well as comprehensive curriculum content that has been approved by the government. Ensuring that training facilities are available to disadvantaged youth, including those living in slum regions, the disabled, and rural residents, is crucial to providing them with skills that can boost their productivity. Abdullahi et al. (2023) assessed the Youth Empowerment Programme as a viable policy for rural agrarian community development in Katsina State, Nigeria. The results further revealed that the average program effect on poverty status, and the test index of youth participating is between 5.9 and 7.2% higher than the non-participant, which makes it significant at the 1% level of probability and has influenced the participant's poverty status. Amos and Lutego, [16] assessed the role of the Women Development Fund (WDF) in the growth of women-owned businesses in Tanzania. The study revealed several findings including that many women are obstructed by social, family, and work challenges due to traditional values which limit their business growth and mobility. There was reported existence of unwarranted bureaucracy, inadequate understanding of the WDF policy difficulties in getting trustworthy members to join their groups and trust worthless of some beneficiaries to ensure monies land into safe hands.

2.3 Conceptual Framework

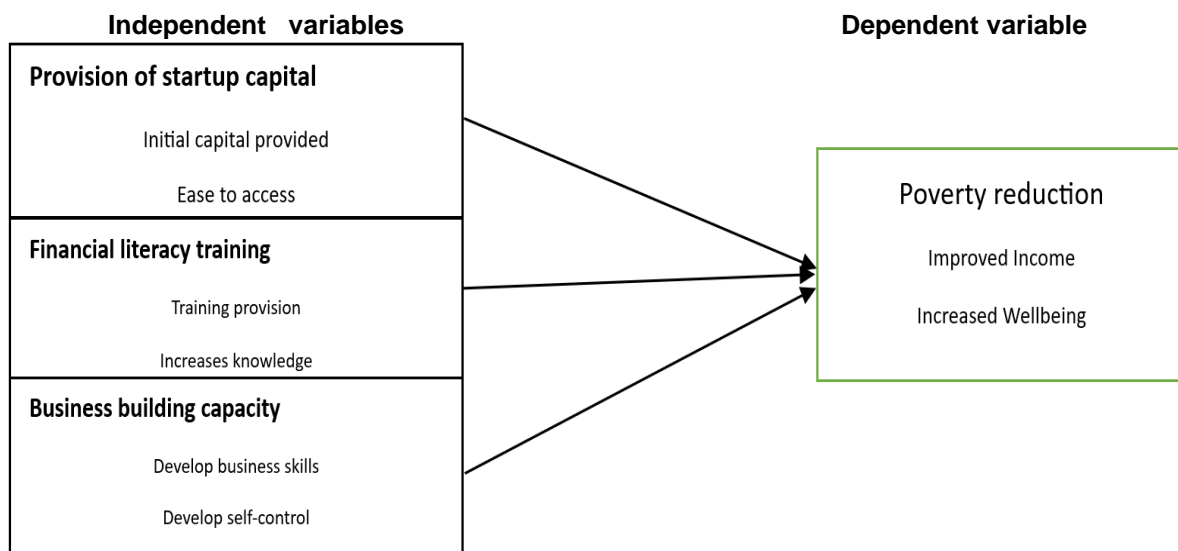


Fig. 1. Conceptual framework
 Source: Authors construction (2024)

Conceptual framework refers to a network or a plane of interlinked concepts that jointly give a comprehensive thoughtful of a phenomenon. The framework guiding this study shows the relationship between independent variables and dependent variables. The independent variables include the provision of capital, financial literacy training, and business-building capacity while the dependent variable is poverty reduction.

3. METHODOLOGY

The study employed a survey design. The technique was used because it provided more insight into the situation. The population included registered youth and women groups in the Arusha region. As per available data accessed through local government authorities in the Arusha Region, the total number of registered youth and women groups is 1943. Therefore, the sample size was 95 respondents. According to Yamane (1967), a good and enough sample size is calculated by the formula as follows. $n = N / (1 + N(e)^2)$. Whereby, n = sample size, e = is the margin of error (expressed as a decimal, e.g., 0.1 for 10%). Data for this study were gathered using a standardized questionnaire. The data were acquired through standardized questionnaires presented to participants in economic empowerment projects. This study included both descriptive and inferential analysis. In this study, data was first cleansed by editing to ensure accuracy and consistency with previously gathered information. SPSS software was also used, which made it easier to display data by producing diagrams and tables from primary sources. A multivariate regression model was used to illustrate the relationship/estimation of the independent and dependent variables. The study used a regression model as follows:

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where:

Y_1 = Poverty Reduction, β_0 = Constant, β_1 to β_3 = Coefficients of corresponding explanatory variables of X_1 to X_3 , X_1 = Provision of start-up capital, X_2 = Financial literacy training, X_3 = Business building capacity.

3.1 Model Fitness

The results show R = 0.778, which indicates that there is a high positive general relationship between the predictor variables and the outcome variable. It can also be found out that, the R-Square value is .605. This value indicates that independent variables (provision of start-up capital, financial literacy training, and business capacity building) can account for 60.5% of the variance in the dependent variable (Poverty reduction among youth and women groups in Tanzania). Therefore, variations in Poverty reduction among youth and women groups in Tanzania are perfectly explained by the provision of start-up capital, financial literacy training, and business capacity building.

3.2 Analysis of Variances (ANOVA)

The findings demonstrate that the independent factors accurately predict the dependent variable. A significant value of 0.000, or less than 0.05, denotes this and means that, on average, the regression model significantly and precisely predicts the outcome variable. Results generally indicate that the dependent variable (Poverty reduction among youth and women groups) is completely and significantly predicted by the independent variables (provision of start-up capital, financial literacy training, and business capacity building).

Table 1. Summary of model fitness

Model	R	R Square	Adjusted R square	Std. error of the estimate
1	0.778 ^a	0.605	0.549	0.65356

Table 2. Summary of ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.132	3	8.044	18.832	0.000 ^b
	Residual	17.513	91	0.427		
	Total	41.644	94			

a. Dependent Variable: Poverty reduction among youth and women groups

b. Predictors: (Constant), business capacity building, financial literacy training, provision of start-up capital

3.3 Estimated Model Coefficients

Table 3. Estimated model coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.068	0.320		3.340	0.001
	Provision of start-up capital	0.276	0.085	0.365	3.241	0.002
	Financial literacy training	0.426	0.084	0.561	5.060	0.000
	Business capacity building	0.110	0.096	0.120	1.142	0.012

a. Dependent Variable: Poverty reduction among youth and women groups

Because of the regression's sig-value of 0.002, which is less than 0.05, the provision of start-up capital is statistically significant to Poverty reduction among youth and women groups in Tanzania, according to the data. Additionally, because of the sig-value of 0.000, which is less than 0.05, financial literacy trainings have statistical significance to Poverty reduction among youth and women groups in Tanzania. According to the findings, the provision of start-up capital, financial literacy training, and business capacity building have an impact on Poverty reduction among youth and women groups in Tanzania. This also suggests that business capacity building and discovery has impact on Poverty reduction among youth and women groups in Tanzania. The Table 3 summarizes the results of the analysis.

4. RESULTS AND DISCUSSION

4.1 Influence of Provision of Start-up Capital on Poverty Reduction among Youth and Women

The results in Table 4 show that most of the respondents (59%) believe that the initial capital provided is enough for them, 13.3% of respondents were neutral and 27.7% of respondents were against with statement. The results show 61% of respondents believe that it is easy for them to access finance. 23.4% of respondents were neutral and 15.6% of respondents were against with statement. The

results show that 64.4% of respondents believe that Startup capital enables them to work and increase productivity 15.6% of respondents were neutral and 20% of respondents were against with statement.

4.2 The Role of Financial Literacy Training on Poverty Reduction among Youth and Women Groups

The results in Table 5 show that 66.8% of respondents believe that financial literacy training is well provided to me, 17.8% of respondents were neutral and 15.5% of respondents were against with statement. The results show that 64.5% of respondents believe that financial literacy training increases knowledge of saving and making a budget, 22.2% of respondents were neutral and 13.4% of respondents were against with statement. The results showed that 55.5% of respondents believe that Participation in empowerment schemes increases access to loans, 6.7% of respondents were neutral and 37.8% of respondents were against with statement.

4.3 The Role of Business Capacity Building on Poverty Reduction among Youth and Women Groups

The results in Table 6 indicate that 64.5% of respondents believe that Participation in economic empowerment programs has enabled them to develop business skills, 13.3% of

Table 4. Influence of provision of start-up capital on poverty reduction among youth and women groups

S/N	Statement	1	2	3	4	5
1	The initial capital provided is enough for me	21.2	37.8	13.3	15.6	12.1
2	It is easy to access the finance	29.9	31.1	23.4	8.9	6.7
3	Startup capital enables me to work and increase productively	40.0	24.4	15.6	17.8	2.2

Source: Survey Data (2024) Note: Each on a five-point Likert scale format, ranging from 1. Strong agree 2, Agree 3, Neutral 4, Strong Disagree and 5, Disagree

Table 5. Financial literacy training on Poverty reduction among youth and women groups in Tanzania

S/N	Statement	1	2	3	4	5
1	Financial literacy training is well provided to me	31.2	35.6	17.8	5.6	9.9
2	Financial literacy training increases knowledge of saving and making a budget	26.7	37.8	22.2	6.7	6.7
3	Participation in empowerment schemes increases access to loans	11.1	44.4	6.7	22.2	15.6

Source: Survey Data (2024), Note: Each on a five-point Likert scale format, ranging from 1. Strong agree 2, Agree 3, Neutral 4, Strong Disagree and 5, Disagree.

Table 6. Business capacity building on poverty reduction among youth and women groups

S/N	Statement	1	2	3	4	5
1	Participation in economic empowerment programs has enabled me to develop business skills	8.9	55.6	13.3	15.6	6.7
2	Skills acquired during economic empowerment programs increased my self-esteem, and efficacy and helped to develop self-control in some life situations	28.9	35.6	13.3	8.9	13.3
3	Business capacity building has helped to Increase investment in business activities	20	26.7	24.4	13.3	15.6

Source: Survey Data (2024), Note: Each on a five-point Likert scale format, ranging from 1. Strong agree 2, Agree 3, Neutral 4, Strong Disagree and 5, Disagree.

respondents were neutral and 22.3% of respondents were against with statement. The results show that 64.5% of respondents believe that Skills acquired during economic empowerment programs increased their self-esteem, and efficacy and helped to develop self-control in some life situations, 13.3% of respondents were neutral and 22.2% of respondents were against with statement. The results show that 46.7% of respondents believe that Business capacity building has helped to Increase investment in business activities, 24.4% of respondents were neutral and 28.9% of respondents were against with statement.

4.4 Poverty Reduction among Youth and Women Groups

The results in Table 7 show that 64.5% of respondents believe that income levels improved after getting involved in economic empowerment programs, 13.3% of respondents were neutral and 22.3% of respondents were against with statement. The results show that 64.5% of respondents believe that the level of consumption has increased, 13.3% of respondents were neutral and 22.2% of respondents were against with statement. The results show that 56.7% of respondents believe that the schemes have increased Wellbeing, 24.4% of respondents were neutral and 18.9% of respondents were against with statement.

4.5 Discussion

The study determined the influence of the provision of start-up capital on Poverty reduction among youth and women groups in Tanzania. The study's findings demonstrate that based on sig = 0.002 which is less than 0.05 indicating that the provision of start-up capital has a statistically significant role in Poverty reduction among youth and women groups in Tanzania. Thus, the provision of start-up capital has a substantial influence on Poverty reduction among youth and women groups in Tanzania. The findings were corroborated by Mary and Wanjira [17], who determined the impact of youth empowerment initiatives on their livelihoods. The study also found that there was a large and favorable influence on the provision of start-up capital to the lives of the young, which enabled them to establish their horticultural businesses, borrow loans, and generate earnings. Furthermore, the study established that financial literacy training had a significant and positive effect on the livelihoods of the youth because they realized that they had a challenge in keeping records and that their level of education contributed to the slow uptake of understanding the record-keeping concepts. Africa has the highest share of female enterprises in the world but women entrepreneurs are more likely to own or work in informal microenterprises. The unpredictable nature of these livelihoods means their income

Table 7. Poverty reduction among youth and women groups

S/N	Statement	1	2	3	4	5
1	Income levels improved after getting involved in economic empowerment programs	8.9	55.6	13.3	15.6	6.7
2	The level of consumption has increased	28.9	35.6	13.3	8.9	13.3
3	The schemes have Increased Wellbeing	30	26.7	24.4	3.3	15.6

Source: Survey Data (2024), Note: Each on a five-point Likert scale format, ranging from 1. Strong agree 2, Agree 3, Neutral 4, Strong Disagree and 5, Disagree.

streams are lower and less consistent than those of their male counterparts. It also means they are invisible to most formal lenders and can't secure the capital they need to grow a business, hindering their ability to increase their incomes and create additional jobs in their communities. other scholars like Amos and Lutego, [4] and Mahato and Jha, (2024) investigated the role of social capital in promoting sustainable livelihood amongst Indigenous women in India. It is witnessed that social capital has a direct and positive effect on uplifting the living standards of Indigenous women. Furthermore, women's entrepreneurship mediates the relationship between social capital and livelihood promotion of indigenous women.

Furthermore, the study examines the extent the which financial literacy training affects Poverty reduction among youth and women groups in Tanzania. The study's findings indicate that financial literacy training has a significant influence on Poverty reduction among youth and women groups in Tanzania (sig = 0.000, less than 0.05), demonstrating that there is a link between financial literacy training and Poverty reduction among youth and women groups in Tanzania. The findings were reinforced by Magali and Mbagwa [18], who examined the impact of youth economic empowerment programs on youth employability. The findings revealed a strong and positive association between the role of training in finance, the role of savings and credit facilities, and the function of start-up tools providing young employment [19-25]. Nyanzu, (2022) found that the combined effect of financial literacy and women's empowerment training has a very significant and large improvement in food security than either training. Additionally, the study finds evidence of a positive association between financial inclusion and food security.

Moreover, the study examined the role of business capacity building in Poverty reduction among youth and women groups in Tanzania. The findings suggest that business capacity building has a significant influence on Poverty

reduction among youth and women groups in Tanzania. The likelihood of being identified had sig= 0.012, which is less than 0.05, suggesting that a significant relationship existed. Mbae (2018) validated the findings by looking into the factors that influence individual members' socioeconomic empowerment in a financed youth organization in Embu County. The study findings revealed a statistically significant link between group financing and individual members' socioeconomic empowerment after joining a financed youth organization. The findings on the study variables; access to credit, business capacity building, participation in group activities, and group support system in funded youth groups showed that they were positive predictors of individual socio-economic empowerment when in group funding situations, in addition to having a significant relationship with individual members' socioeconomic empowerment. However, studies done by Delmar and Sane (2016) confirmed the existence of a positive relationship between business skills and business sustainability. Through the acquisition of business skills, appropriate plans can be developed to achieve the market objectives. Capacity building related to business management is important to youth and women since they are empowered for entrepreneurship activities. Entrepreneurship is development agenda, as it can play an important role in sustainable development by driving economic growth, promoting productive capacity, employment, and decent work to eradicate poverty, helping to improve social conditions and contributing to addressing environmental challenges, as well as engendering inclusive outcomes for disadvantaged groups, including the poor, women and youth (Abdul, 2018).

5. CONCLUSIONS AND RECOMMENDATIONS

The study concludes that as part of economic empowerment schemes, start-up capital has significant influences on poverty reduction among youth and women groups in Tanzania. As

a result, sufficient and timely provision of start-up capital should be considered by the government, development partners, non-governmental organizations, banking institutions, and other appropriate financial institutions to guarantee that individuals and groups may access sufficient funds to start and operate business enterprises.

Equally, financial literacy training has significant impact in Poverty reduction among youth and women groups in Tanzania through effective use of the disbursed loan. Therefore, regular financial literacy training should be provided to youth and women groups both before and after loan disbursement. Financial literacy training should be provided alongside other tailor-made courses that enhance capacity building in business management among youth and women group members. the study recommends that the government develop business training models that will support groups by providing more relevant and context-based training that meets the changing needs and aspirations of the youth and women particularly those with no technical skills. Thus, the training modules can focus on new production, effective resource allocation, and marketing strategies/techniques aimed at increasing enterprise performance and long-term impact.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

We declare that no generative Artificial Intelligence and text to text image generators have been made during writing and editing of manuscripts.

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COMPETING INTERESTS

Authors have declared that no competing interests exist.

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