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Research Article

Impact of Investment in Financial Services on Financial Inclusion in Iringa Hope Joint SACCOS in Southern Highland Zone of Tanzania

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Abstract

The overall objective of this study was to examine the impacts of savings and credit practices and how they affect borrower's investment decisions in affordable, faster, secure, transparent, and convenient financial services manner in Iringa hope joint SACCOS in Southern Highland zone of Iringa, Kilolo, Mufindi District in Iringa region and Wanging'ombe District in Njombe Region. Using surveyed data of a sample of 370 individual members from the study area, the study employed multiple regression model and descriptive statistics. The study findings revealed that most of the SACCOs members were eager to join financial services as an opportunity for the present and future investment and continue with services to benefit from financial products at an increasing rate due to strongly affordable, faster, secure, transparent, and convenient financial services. It also revealed that financial inclusion had a direct and significant impact on economic development of marginalized people. Furthermore, IHJS members were in favor of utilizing mobile money technology in possibility of enhancing more being included in financial sector in order to accelerate investment opportunities, hence financial inclusion is affected positively. Women are engaged in financial sector hence being considered as an important in financial inclusions issues since women are engaged more in investment activities. Finally, the findings revealed that women have of being included in financial sector and use the fund to invest in different economic activities compared to men who are reluctant to run towards the opportunity.

Keywords

Credit, Financial Products, Investment, Microfinance, Opportunity, Saving

1. Introduction

Microfinance has been playing a key role in financial inclusion and economic growth in serving the smaller and more overlooked sections of society. Financial inclusion (FI) as it dates back from the 1990s, is a new phenomenon that is constituted as a factuality among various strategies of poverty reduction in developing countries. It is a central theme in development policy that originated from several international organizations particularly [33, 4]. According to [34] the Group of Twenty (G20) recognizes the key role of financial inclusion as a crucial enabling element in the fight against poverty and the pursuit of inclusive development policies and initiatives.

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and

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services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way [6, 31, 15, 3, 21, 8]. In Tanzania, the level of financial exclusion still remains high, at 28 per cent with those excluded being people living in rural areas, smallholder farmers, youth and women. There is also a big gap in the demand and supply of financial services in the market, whereby the majority of the financial service products offered do not meet users [23].

According to [24] the, overall mission of the 2017 Microfinance policy is to create legal and regulatory environment that ensures *growth* of strong microfinance institutions that delivers inclusive financial services to low-income individuals, households and enterprises through *innovative, diversified*, *sustainable*, *affordable* and *easily accessible* financial services. Its objective of the Policy is to promote financial inclusion by creating an enabling environment for efficient and effective microfinance sub-sector in the country that serves the needs of the low-income individuals, households and enterprises and thereby contribute to economic growth, employment creation and poverty reduction. The Microfinance in Tanzania deals with the provision of financial services to households, small holder farmers, and small and micro enterprises both in rural areas as well as in the urban sector. It has also provided non-farming rural citizens with employment opportunities by allowing them to more easily launch small businesses, such as carpentry and activities in agribusiness such as a food vending [19].

Financial cooperatives such as SACCOS are regarded as an empowerment tool or tool for financial inclusion of the vulnerable members of the society such as small producers/farmers women or youths who otherwise could not compete as individual players in the market [7]. Iringa Hope Joint SACCOS (IHJS) is a network of 35 member-based village-based SACCOS with around 3400 individual members. It works to provide a source of capital for its network of SACCOS, enforces standards in accounting, lending standards, reporting, monitoring and training while monitoring its members. Around 90 percent of its beneficiaries are in agriculture sector. The main objective of IHJS is that for reduction of poverty to poor people in Iringa and Njombe regions. It specifically targets 35 networked SACCOS whose individual members live below the poverty line and are least served by financial, technical, and social services. Tanzania financial sector emphasizes more on a supply side ecosystem that implements innovative solutions that are affordable and responsive to the needs of individuals and businesses. These members agree to save their money together in the SACCOS and to make loans to each other at reasonable rates of interest. [29] noted that in recent years, developing countries have demonstrated to offer tremendous economic growth opportunities. This implicates the need for financial institutions as principal sources of credit to participate in making strong economies of developing countries.

The exploration on the impact microfinance on poverty reduction remains inconclusive, hence demands a continuous need for examinations of policies that relate to savings and credit required to uplift low-income households in developing countries and Tanzania in particular. According to [13] the focus on aggregate capital accumulation resulted in “domestic credit to the private sector” (as a percent of GDP) being the most prominent measure of the “depth” of financial development. Its impact on growth is well established, but it is poorly correlated with “breadth” or financial access.

2. Literature Review

“Yorulmaz, R. provided a new directory of financial inclusion and this extent advanced to allow for evaluation of countries in relations of financial inclusion and how better-quality financial inclusion influence countries economy [37]”. Also, perceived financial growth to enhance human progress and access to financial service area made a positive influence on people's lives particularly on poor people. Financial expansion decreases income inequality and improved returns. The past few eras, policymakers well-thought-out financial sector restructurings that encourage financial enclosure. [32] contended that financial inclusion as a policy portion is vital because it ensures not only the disadvantaged with admittance to and usage of financial amenities but also covers the means for economic development and helps in growing effectiveness and upholding stability in an economy. Their results suggested that improvement in the dimensions of financial inclusion paves the way for higher economic growth, better-quality education for all and gender equality and women empowerment. At the same time, it reduces infant mortality rate and income inequality.

According to [13] low-income collectors and borrowers continue to solid financial performance throughout financial disasters, custody deposits in a safe place and paying back their loans. Institutional risk outlines at the bottommost end of the financial marketplace are categorized by large numbers of susceptible customers who own limited balances and transact small volumes. The potential costs of financial inclusion are compensated for by important dynamic benefits that enhance financial stability over time through a deeper and more diversified financial system. Innovations aimed at countering financial segregation may help reinforce financial arrangements rather than flagging them. At a time of designing stricter guidelines, it is vital to avoid a backlash against financial inclusion. [9] revealed that financial inclusion is one variable that can predict the success of agricultural commercialization, though it varies from one region to another. Efforts by government to increase financial access is a positive factor to agricultural commercialization. The study recommends that, financial service providers should revise their lending terms downwards to reach smallholder farmers, some of whom lack collateral security to pledge for credit. The government should take credit for improving infrastructure, government, through policy organs like ministry of agriculture, should provide buffer prices against price fluctuations.

"Karerwa, C. pointed out that there is a significant effect and positive contribution of access of micro credit, micro saving and mobile money services on the performance of the agricultural farm [16]". Recommended that MFI should expand financial inclusion through access of micro credit, micro saving and mobile money services which significantly uplift agricultural farm performance. MFIs and government agencies should provide financial training as well as awareness programs for small-scale farmers on how to access micro savings, micro credit, and mobile money services and explore the potential for linking micro savings programs with micro credit opportunities. Financial inclusion services are an important element in agricultural farming operations. It makes it possible for producers to cover the cash requirements resulting from the agricultural industry unique production cycle, which typically occupies several months and generates very little cash income while necessitating spending money for materials, input purchases, and consumption. [12] financial inclusion, regardless of how it is measured, has exercised optimistic and statistically noteworthy effects on agricultural output. The study contributed on refining on current research and offers new understandings into the effects of financial inclusion on the economic activities of agricultural households.

According to [30] innovative financial technologies are positioned as enablers of financial inclusion, with fintech's potential to drive positive social impact. Fostering financial literacy, addressing challenges in fintech adoption, and supporting entrepreneurship are crucial for maximizing the benefits of financial technologies. The study advocates for a comprehensive approach that combines financial inclusion, individual attitudes, and expertise, and fintech innovation to enhance access to financial services and expand investment opportunities for a more inclusive and prosperous economic landscape. [27] revealed that financial literacy significantly predicts performance, access to credit facilities, and mode of payment preferences among smallholder rural farmers. Also, the analyses of the four dimensions of financial literacy show that the farmers are more literate in risk diversification and inflation than numeracy and compound interest. Concluded that financial literacy is cardinal to profitable investments in rural farming, and as such, there is a need for the government and financial authorities to embark on financial literacy drive with more emphasis on numeracy and compound interest where the rural farmers are more deficit.

3. Methodology

The study employed a cross-sectional research design and descriptive statistics technique. Data was collected from Southern Highland Zone of Tanzania majoring two regions namely: Iringa and Njombe. The study employed applied multiple regression model to analyze the impacts of savings and credit practices. The multiple regression models were applied to examine the influence of investment in affordable, faster, secure, transparent, and convenient financial services on financial inclusion as shown in equation 2 below:

$$Y_i = \beta_0 + \beta_1 \ X_{1i} + \beta_2 X_{2i} + \cdots + \beta_p X_{pi} + \varepsilon_i \qquad (1)$$

Whereby:

Y_i=Financial inclusion deepening, β_0 =Constant of the equation, $\beta_1 - \beta_p$= Regression coefficients to be estimated, X_1 to X_p vectors of independent variables.

Investment in infrastructure, legal and regulatory frameworks, institutional support system, socio-economic and cultural factors facilitate affordable, faster, secure, transparent and convenient financial services. Equally, Likert scale data was subjected to Principal Component Analysis (PCA) to gauge people perceptions towards investment in enhancing financial inclusion.

The multiple regression models which were used to analyze the influence of demand building, customer confidence, and safeguarding of consumer needs on financial inclusion as shown in equation 3 below:

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \cdots + \beta_p X_{pi} + \varepsilon_i \qquad (2)$$

Whereby, Y_i=Financial inclusion deepening, β_0=Constant of the equation $\beta_1 - \beta_p$= Regression coefficients to be estimated, X_1 to X_p vectors of independent variable.

4. Findings

4.1. Investment in Financial Services Towards Enhancing Financial Inclusion

Table 1 indicates .001, .031, .016, .002 and .000 (Table 1) as significance responses from the respondents which confirm that investment through affordable, faster, secure, transparent, and convenient financial services have significance influence to financial inclusion. People are eager to join financial services and continue with services and enjoying financial products at an increasing rate due to strongly affordable, faster, secure, transparent, and convenient financial services.

"Lal, T. conducted research to check the impact of financial inclusion on economic development of marginalized communities through the mediation of socio-economic empowerment [18]". The study's results revealed that financial inclusion had a direct and significant impact on economic development of marginalized communities through the mediation of social and economic empowerment. The study highlights that despite various initiatives taken by the government towards financial inclusion, there is a denial from the financial institutions to extend the credit to the marginalized communities due to lack of education, illiteracy, lack of awareness, attitude of bankers and policy directions to the banking sector, which confine these communities to feel proud, dignified, confident and self-reliant to face any financial crisis. The study makes contribution in the direction of financial inclusion narrative relating to socio-economic empowerment and economic development of marginalized communities. It looks into how for the socio-economic aspects of marginalized communities influence their exclusion from the financial system of the country. The study also provides valuable insights for the policymakers, researchers and academicians both at the countrywide and intercontinental level to devise and put into practice programmes that will widen right to use financial products and services leading to cutback of poverty incidence, income parity, social and economic empowerment, economic development and reduction in caste and gender-based discrimination.

***Table 1**. Multiple Linear Regression Analysis.*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.400	.096		4.152	.000
Financial services improved living standards	.015	.012	.046	3.295	.001
Loans facilitate income growth	.020	.020	.035	1.017	.031
Savings in financial services is beneficial	.024	.010	.087	2.422	.016
Credits provide funds for investment	.026	.019	.051	1.400	.002
Loans are available to both gender	.671	.031	.769	21.990	.000

4.2. Cross-tabulation Between Sex and the Use Mobile Money Technology

The study findings (Table 2) revealed that, all men in the study area use the mobile money technology compared to women but the number of women who are using mobile money if higher than men. This proves that since financial inclusion is influenced by mobile money technology, thus men and women are both included in financial services in a big number.

***Table 2**. Cross-tabulation between Sex and use of Mobile Money Technology.*

		Mobile technology provides reliable access to Markets		Total
		Using the technology	Not using the technology	
Sex	Male	84(31.1%)	0(00.0%)	84(22.7%
	Female	186(68.9%)	100(100.0%)	286(77.3%)
Total		270(100.0%)	100(100.0%)	370(100.0%)

***Table 3**. Chi-Square Tests for the use of Mobile Money Technology.*

	Value	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	40.249[a]	.000		
Continuity Correction	38.495	.000		
Likelihood Ratio	61.595	.000		
Fisher's Exact Test			.000	.000

	Value	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Linear-by-Linear Association	40.140	.000		

The findings are in line with the chi-square test (Table 3) which shows the significance influence of mobile money to the financial inclusion.

The study findings revealed that, as the number of IHJS member increase in utilizing mobile money technology as the increase in possibility of enhancing more people being included in financial sector, hence financial inclusion is affected positively. The study is in line with [25] who revealed that, being a male, middle aged, living in the urban, being formally employed, having more income and more educated to a certain extent foster financial inclusion in Tanzania with a higher influence of formal employment, income and education.

According to [36] whose findings is somehow contrary to IHJS in terms of gender since good number of women are now having access to financial services through SACCOs which are under the control since the study provide a general view of gender disparities in Tanzania financial sector revealed that a gender gap in financial access persists, despite the growing recognition of the role of financial inclusion in alleviating poverty and promoting inclusive development. Provided result on gender disparities in financial inclusion in Tanzania using mobile money services technology. In Tanzania, financial inclusion increased, largely driven by mobile phone money services, which enables more people to access formal financial services. The gender gap has not improved substantially since women are still lagging behind in both access to and use of formal financial services, with a gender gap in access to formal financial services. The gender gap in financial inclusion is reflected in gender disparities in access to and use of digital financial facilities such as mobile phones, especially smartphones that enable a variety of digital financial services.

According to [10] financial inclusion, the universal access to affordable financial services, has emerged as a critical component for fostering economic development, especially in emerging markets. Technological advancements have paved the way for innovative financial solutions, breaking down traditional barriers to access and bridging gaps in financial services. Mobile banking, digital wallets, and blockchain technologies have become instrumental tools in extending financial services to previously underserved populations. This review delves into the key trends shaping the landscape of financial inclusion in emerging markets, highlighting the role of technology as an enabler. The rise of mobile banking has been a game-changer, allowing individuals with limited access to traditional banking infrastructure to conduct financial transactions seamlessly. Digital wallets have gained prominence, offering a secure and convenient means for users to store, transfer, and receive money. Blockchain technology, with its decentralized and transparent nature, has facilitated the development of innovative financial products like cryptocurrencies, providing alternative avenues for financial inclusion. However, challenges persist, including concerns related to data security, regulatory frameworks, and the digital literacy of users.

"Ifediora, C, et al exposed that the obtainability measurement, diffusion dimension and composite financial inclusion meaningfully and absolutely influence economic development [14]". Also, bank branches and ATMs have positive and significant impact on economic growth, deposit accounts and outstanding loans promote economic growth and outstanding deposits adversely affects economic growth. Mobile money agents weaken economic growth while mobile money accounts and mobile money transactions foster economic growth.

4.3. Cross-tabulation Between Sex and Experience and Awareness

The findings (Table 4) show that greater number of women has experience and awareness about SACCOs compared to men. This implies that women are sharper to understand the importance of financial inclusion which leads them to use the opportunity to run their activities through loans provided by IHJS compared to men. Furthermore, the result implies that IHJS have greater number of women members compared to men.

Table 4. *Cross-tabulation.*

		Experience and awareness about SACCOS				Total
		1-5 Years	6-10 Years	11-15 Years	16=< years	
Sex	Male	3(7.5%)	30(25.6%)	15(17.6%)	36(28.1%)	84(22.7%)

		Experience and awareness about SACCOS				Total
		1-5 Years	6-10 Years	11-15 Years	16=< years	
	Female	37(92.5%)	87(74.4%)	70(82.4%)	92(71.9%)	286(77.3%)
Total		40(100.0%)	117(100.0%)	85(100.0%)	128(100.0%)	370(100.0%)

***Table 5**. Chi-Square Tests.*

	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.226	.026
Likelihood Ratio	10.551	.014
Linear-by-Linear Association	3.556	.059

The findings in cross-tabulation are supported by chi-square test (Table 5) which shows that there is significance difference between gender of IHJS members and experience and awareness.

The study findings revealed that women are engaged in financial sector hence being considered as an important in financial inclusions issues. [26] investigated the determinants of financial inclusion in selected African countries. Researchers have found an extraordinarily strong positive association between social inclusion and financial inclusion; financial inclusion is the key to eradicating poverty and social exclusion as it presents an opportunity for people to benefit from financial services. Probit regression models were estimated to find significant factors influencing financial inclusion in selected African countries. The linear probability model was used for the robustness check. The study found that age, education, marital status, bank branch accessibility, location, internet, salary, income, proof of residence, social networks, financial advice, gender and connectivity were significant in influencing financial inclusion.

4.4. Cross-tabulation Between Sex and Source of Capital

The study findings revealed that, in IJHP women are engaged in different sources of capital than compared to men (Table 6). Men are reluctant waiting women to engage in economic activities by utilizing an opportunity of loans provided by SACCOs.

***Table 6**. Cross-tabulation between Sex and sources of capital.*

		Sources of capital			Total
		Farming, Livestock, Business	Farming, Livestock	Farming, Business	
Sex	Male	13(22.0%)	28(29.2%)	43(20.0%)	84(22.7%)
	Female	46(78.0%)	68(70.8%)	172(80.0%)	286(77.3%)
Total		59(100.0%)	96(100.0%)	215(100.0%)	370(100.0%)

The study findings revealed that women have of being included in financial sector and use the fund to invest in different economic activities compared to men who are reluctant to run towards the opportunity. Comprehensive review by [11] underscored the symbiotic relationship between microfinancing and entrepreneurial growth, emphasizing how these financial mechanisms act as catalysts for innovation and job creation. By analyzing case studies and empirical evidence from diverse African contexts, the study elucidates the positive correlation between microfinancing initiatives and the establishment of small and medium-sized enterprises (SMEs). Additionally, it examined the ways in which microfinancing contributes to the empowerment of women entrepreneurs, thereby fostering gender inclusivity and promoting social equity. Furthermore, the study explored the challenges and potential pitfalls associated with microfinancing programs, addressing issues such as sustainability, scalability, and the need for regulatory frameworks. It critically assessed the effectiveness of different microfinancing models and identifies best practices that can be adopted to maximize impact. In conclusion, this review provides valuable insights into the nuanced dynamics of microfinancing in African nations, highlighting its indispensable role in catalyzing entrepreneurial growth, alleviating poverty, and fostering sustainable development. The findings underscore the importance of continued research, strategic policy implementation, and collaborative efforts between governments, financial institutions, and grassroots organizations to optimize the impact of microfinancing on entrepreneurship in the African context.

"Omar, M. A and Inaba, K. assert that financial inclusion is a key component of social inclusion, predominantly useful in battling poverty and income dissimilarity by introductory blocked advancement opportunities for underprivileged sections of the population. [28]". Revealed that novel catalogue of financial enclosure using a comprehensive set of financial segment outreach needles, finding that per capita income, ratio of internet users, age dependance ratio, inflation, and income dissimilarity suggestively impact the level of financial enclosure in emerging countries.

4.5. Comparison Between Loans Provided and Savings

The findings reveal that IHJS provide loans in regards to amount of savings. Thus, as the savings increase also amount of loan increase, this is proved by the fact that a member with one (1) million saving amount received a loan of three (3) millions as capital for investment while a member with two (2) millions saving amount received five (5) millions as capital for investment (Figure 1).

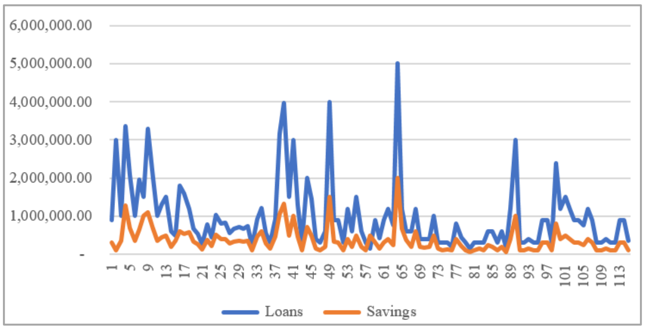

Figure 1. Loans and Savings relationship.

The study conducted by [2] provided additional insights by using World Bank data to estimate the probit econometric technique, revealed that young people and women are groups excluded from financial inclusion and that education and income are two of the key pillars for increasing financial inclusion. Furthermore, the results revealed that a higher level of financial inclusion increases the level of official savings in countries, which in turn promotes their development.

"Demirguc-Kunt, A et al revealed that financial amenities such as payments, savings accounts, and credit are a foundation of growth [8]". Accounts whether they are with a bank or regulated organization such as a credit union, microfinance institution, or a mobile money service provider allow their owners to safely and reasonably store, send, and receive money for everyday requirements, plan for emergencies, and make prolific investments for the upcoming, such as in health, education, and businesses. People without an account, by contrast, must manage their money using informal mechanisms, including cash, that may be less safe, less reliable, and more expensive than formal methods. Indication shows that households and businesses that have admittance to financial services are healthier able to survive financial shockwaves than those that do not.

4.6. Amount of Loan Provided by IHJS for Investment Purposes

The study findings revealed that the amount of loans provided by IHJS have its maximum amount of Tanzania shillings five (5) millions and minimum amount of one hundred forty-four thousand. Also, the average amount of loan provided by IHJS ranging to 994,594.78 Tanzania shillings (Table 7).

Table 7. Max, Min and Mean Loans, Savings and Shares.

	Loans	Savings	Shares
Maximum	5,000,000.00	2,000,000.00	70,000.00
Minimum	144,000.00	60,000.00	50,000.00
Mean	994,594.78	374,013.04	50,347.83

According to [20] revealed that in Mexico had 62% of adults between the ages of 18 and 70 who lacked formal savings or credit products, even though 97% of adults had access to them through different channels. The difference between the supply and the effective use of the financial system meant the existence of demand barriers that had not been explored fully. Developed an interest in measuring and evaluating financial inclusion from the point of view of supply and demand, financial inclusion Survey revealed that the insufficiency or variability of income and self-exclusion are the most important barriers in the financial market. They are influenced individual vulnerability, such as income level, gender, education and occupation; geographical variables with respect to the size of the community in which the individual lives and preference for the informal financial market, such as the capacity to respond to exogenous shocks and belonging to households with a capacity to save.

4.7. Loans Compared to Interest Rate Offered by IHJS

The study findings reveal that interest rate is smaller compared to amount of loan provided (Figure 2). Thus, the amount of interest charged by IHJS is 10% of the loan provided which granted to be paid within 9 to 12 months.

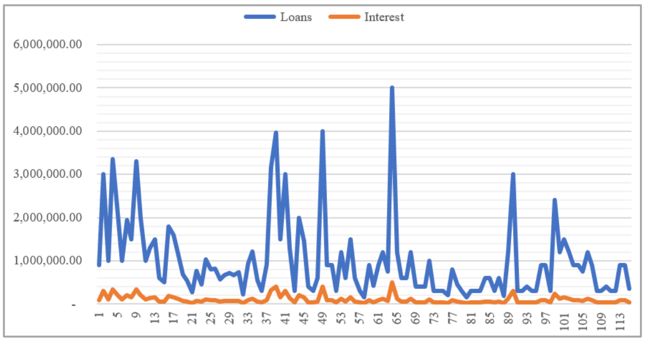

Figure 2. Loan and Interest Rate.

According to [35] who looked at policies targeting inclusive finance for inclusive transformation as they targeted towards specific problems revealed that if subsidies are required, they must be smart in the sense of minimizing market distortions and are best targeted towards lenders as incentives to increase loans in poverty or underserved communities, women borrowers and indigenous peoples. Also, agricultural lenders including microfinance institutions, must reconsider their approach to disciplined savings and lending activities. Many farmers with credit demand do not borrow if the payment terms do not consider the risk or match the liquidity cycle of planting and harvesting. [17] commended that naturally, increasing financial inclusion should lead to more investment in education, building human capital, which translates into higher earnings. Though, depending on the initial endowment some households might under-invest as they face higher interest rates on loans.

4.8. Comparison Between Savings and Interest Rate

The study findings reveal that, interest rate charged by IHJS is lower compared to the amount of saving (6) (Figure 3). This shows that, amount of savings available is ready to pay the amount of interest rate offered.

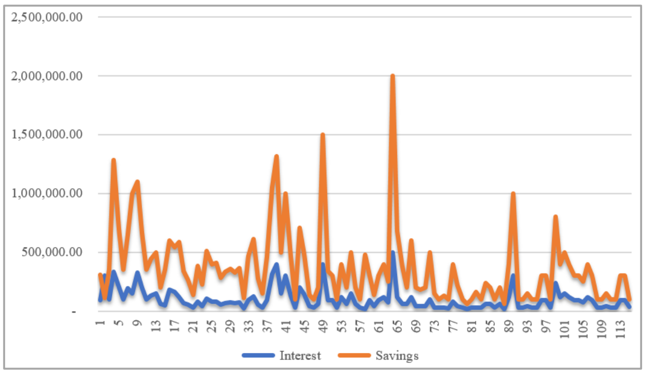

Figure 3. Savings and Interest Rate.

According to [5] who empirically assessed the impact of financial inclusion on the inflation rate revealed that interest rate in encouraging financial inclusion has increased intensely in recent years all over the world. The study also revealed that an amplified level of financial inclusion has an influence on lessening the inflation rate in developing countries. It was also found that interest rate and official savings have a noteworthy optimistic influence on inflation rate. These findings endorse that the policymakers in emerging countries should reflect financial inclusion as a tool for lessening the inflation degree and consequently enhance the level of financial inclusion in their countries. Broadening financial inclusion to the informal sector and the rural areas could help in encouraging the rank of financial inclusion in emerging countries. [22] revealed that the deposit interest rate is irrelevant towards growing saving and investment. The deposit interest rate be made goodlooking to indorse unceasing saving and access to loanable funds in the financial marketplace. The policy approaches should be meant at cultivating a favorable financial arrangement that upholds financial access-demand-driven rates to arouse financial growth.

According to [8] low-income women who are members of microfinance institutions and received savings accounts are able to reduce their reliance on debt and improve their ability to make ends meet during an economic emergency. Digital financial services such as mobile money lead users safely and inexpensively store funds and transfer them quickly and affordably across long distances, which lead to higher remittances and consumption and more investments. Poor rural households with family members who migrate to the city for better job opportunity stored their payments through mobile money account as the best way of saving, and so spent more on food and other items, are able to reduce borrowing, and are less likely to experience extreme poverty. Women, accounts enable financial independence and strengthen economic empowerment. Women who use commitment savings products that encouraged regular deposits into a personal bank account increase their household decision-making power and shift their spending to household goods relevant to their needs.

Government workfare program enhance paying women their benefits directly into their own account (and not into the account of a male household head) increase women's financial control, influence gender norms preventing women from working, and incentivized women to find employment, compared with those who are paid in cash. Workers who receive their wages through direct deposit, which encourage account holders to leave the money in the account as well as take advantage of auto-transfers to savings instruments, have higher savings than workers who are paid in cash. Such evidence on the benefits of financial inclusion enhances an effort to expand account ownership and productive usage.

"Adera, A and Abdisa, L. T revealed a positive and statistically significant impact of financial inclusion on women's economic empowerment, indicating that greater access to financial services contributes to improved economic outcomes for women [1]". The study underscores the importance of collaboration between financial institutions, development agents, and policymakers to implement effective financial inclusion initiatives. Rigorous evaluation of the interventions is crucial to understand specific effects and to ensure successful implementation. The study contributes to our understanding of the relationship between financial inclusion and women's economic empowerment. Furthermore, the study underscores the significance of prioritizing financial inclusion strategies to advance gender equality, foster economic growth, and alleviate poverty.

5. Conclusions

The study findings revealed that most of the SACCOs members are eager to join financial services as an opportunity for the present and future investment and continue with services and enjoying financial products at an increasing rate due to strongly affordable, faster, secure, transparent, and convenient financial services. The study's results revealed that financial inclusion had a direct and significant impact on economic development of marginalized communities through the mediation of social and economic empowerment. The study findings also revealed that, as the number of IHJS member increase in utilizing mobile money technology increase in possibility of enhancing more people being included in financial sector which accelerate investment opportunity, hence financial inclusion is affected positively. Women are engaged in financial sector hence being considered as an important in financial inclusions issues since women are engaged more in investment activities. Also, the findings revealed that women have of being included in financial sector and use the fund to invest in different economic activities compared to men who are reluctant to run towards the opportunity.

6. Recommendation

Participation of smallholder farmers in mobile banking type, and in particular saving and immediate credit service is still limited. This needs immediate uptake by policymakers and the financial sector. Nations should therefore implement initiatives that take into consideration the peculiarities of their environments and most critically its local people. This study makes the following key contributions to the microfinance and financial sector knowledge. First, it contributes towards enriching literature in the area of financial inclusion specifically showing the relationship of saving and credits roles in facilitating economic growth through investment. Financial inclusion had a direct and significant impact on economic development of marginalized communities through the mediation of social and economic empowerment. Second, the study pronounces the financial instruction strategies which support healthier comprehend of potential paybacks of the usage of banking services should be followed.

Abbreviations

IHJS	Iringa Hope Joint Saccos
SACCOS	Savings, and Credits Cooperatives Societies
GDP	Goss Domestic Product
FI	Financial Inclusion
ATM	Automated Teller Machine
SMEs	Small and Medium Enterprises

Author Contributions

Enock Stanley Ugulumu: Conceptualization, Data curation, Formal Analysis, Funding acquisition, Investigation, Methodology, Project administration, Resources, Software, Writing – original draft, Writing – review & editing

Emmanuel Nyankweli: Supervision, Validation, Visualization

Timothy Lyanga: Supervision, Validation, Visualization

Conflicts of Interest

The authors declare no conflicts of interest.

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