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Financial Inclusion in Bujumbura- Burundi: Why Research on Women Entrepreneurs Need New Directions on Microfinance Services

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ABSTRACT: Since the middle of the 1980s, microfinance for women has gained popularity among development organizations as a method of reducing poverty. Micro and small businesses owned by women have restricted access to microfinance services, limiting their revenues and adversely affecting their business performance. This study aimed to investigate the effect of microfinance services on the performance of women-owned micro and small businesses in Bujumbura, Burundi. The specific objectives of the study are to examine how microcredit, savings mobilizations, and financial training services affect the performance of women-owned small and microbusinesses in Bujumbura, moreover the study used government regulations as a moderating variable. The theories of this study were resource-based view, dynamic capability theory, contingency theory, and innovation theory. The researcher utilized an explanatory research design. The target population was 366 Women owned Micro and Small Enterprises in Bujumbura, however, a sample size of 191 respondents was selected using a proportionate stratified and random sampling techniques. Data was collected using a questionnaire and analyzed using a multiple linear regression model. The results indicated that micro and small businesses' performance was significantly and positively influenced by having access to microcredit. Additional findings demonstrated that the performance of micro and small businesses was positively and significantly influenced by savings mobilization. Furthermore, the findings indicated that financial education significantly affected performance of micro and small businesses. Plus, the relationship between microfinance services and the performance of micro and small firms was not significantly moderated by government regulations. To enhance financial inclusion for Women in Burundi, MFIs ought to open additional branches, and assign different agents in the various sub-districts. There is need for financial training through additional financial programs, seminars, and campaigns to improves the performance of women-owned micro and small businesses in Bujumbura, Burundi. Finally, the Republic of Burundi through the ministry of finance should women owned enterprise tax breaks and also reduce taxes, and license fees, this will not only enhance financial inclusion but also allow women to conserve more money for future investments, which will improve the business performance.

KEYWORDS: Resource –Based View, Dynamic capability Theory, Contingency theory, Innovation Theory, Financial Inclusion, Women Owned SMEs, Microfinance Services, and Government regulations.

1.0 INTRODUCTION

Microfinance services play a crucial role in various stages of the entrepreneurial process (Thaher *et al*., 2021). During the ideation and startup phase, microfinance institutions provide capital and financial support to aspiring women entrepreneurs, enabling them to transform their business ideas into reality. This initial funding helps cover essential costs such as equipment, inventory, and initial operating expenses (Thaher *et al*., 2021)

Microfinance services facilitate the development phase of women-owned micro and small businesses. By providing access to credit and financial resources, these services enable entrepreneurs to finance their companies, purchase necessary assets, expand their product or services offerings, and enter new markets. This capital infusion plays a critical role in driving business growth, generating higher revenues, and creating employment opportunities (Beck *et al*., 2009).

According to this viewpoint, the struggle against poverty must focus on building rights that give the underprivileged access to the financial, social, and spiritual resources they need to achieve their potential. As a result, it is crucial to focus on the poor's empowerment as the prerequisite for a long-term approach to ending poverty. Since the middle of the 1980s, microfinance for women has gained popularity among development organizations as a method of reducing poverty. It has also been seen as a successful tool for empowering women (Maru & Chamjor, 2013).

The financing provided by microfinance institutions helps SMEs participate more in the economy, which helps the growth and economic advancement of the country. The findings of the Muiruri study's statistical analysis show that MFIs provide services to clients with low incomes and those who are underprivileged, primarily women, people with impairments, and young people, to start or expand SMEs, and this has helped the economy grow quickly over time. According to Asemelash beneficiaries of microfinance do better than non-beneficiaries. He displayed that Microfinance has had a favorable impact on income, wealth creation, access to healthcare, and educational opportunities. Credit by itself, however, cannot ensure improved financial performance(Amran, 2019).

MFIs' main goal is to assist less fortunate people by offering them financial services, giving them financial stability and self-determination. Women's economic empowerment is seen to be best accomplished through microfinance, which raises the family's total welfare (wellbeing), standard of living, social status, household situation, and quality of life. Women who have access to microcredit are mentally and socially empowered (Niaz & Iqbal, 2019).

Because so many low-income households are concentrated in rural areas, particularly Malaysia, rural women have historically been the main focus of MFIs in developing nations. Several microfinance organizations have recently expanded their services in cities to aid low-income households, notably in Malaysia. In Malaysia, women who borrow money can simply carry out their daily tasks without special training or a decent education*(Al-Shami et al.*, 2016).

However, in metropolitan areas, female borrowers must make investments in their microbusinesses and deal with a wide range of people from various ethnicities and socioeconomic backgrounds. They need entrepreneurial communication and business abilities to do this. These restrictions could make it more difficult for them to run their micro and small companies, move around freely, and make independent decisions about their lives *(Al-Shami et al.*, 2016).

The overwhelming body of research indicates that societal and cultural norms discriminate against women in the workforce and their entrepreneurial endeavors. These standards define socially acceptable behavior for women and the options that are available to them. As a result, there are fewer resources available (education, asset ownership, networks), there is financial and legal discrimination, and there are additional limitations (mobility, location, and family duties). We contend that societal norms are the root cause of women's legal, financial, and workplace discrimination(Carranza *et al*., 2018).

As noted by Muathe (2010) and Muathe et al.(2023) for the economy to expand, small and medium-sized enterprises (SMEs) are crucial because, in contrast to large companies, they are better equipped to innovate, generate more employment, and adapt to shifting market conditions. However, one of its major barriers in Burundi is access to finance. One of the major issues affecting Businesses in Burundi, according to its owners, is a shortage of money. The primary reasons for people's incapability to get loans from established financial organizations are financial poverty and lack of knowledge. Many people struggle to provide the collateral that banks and MFIs require. Others lack sufficient knowledge of the financial services available in the market(Corso *et al*., 2013).

The Burundian woman already suffers from social discrimination, which is added to by this discrimination. Analysis of the effects of the services provided by MFIs might persuade top-level decision-makers to support microfinance generally and women particularly. Studies that have been modified to look at how money affects women have shown that these services have a bigger impact on family happiness. According to the most recent findings of the 2010 Demographic Health Survey, 58.8% of Burundian children suffer from chronic malnutrition. The project definitely serves as an inspiration for news articles on social protection policy by promoting microloans for vulnerable people(Gahungu *et al*., 2013).

1.1 Statement of the problem

Aa noted by Dushime *et al*.,(2021) Small and medium-sized enterprises (SMEs) have been struggling in a fast-paced environment due to factors such increased global rivalry, unfavorable government restrictions, restricted access to financial resources, and rapid technology advancement, amongst others (Kiraka, 2009; Mensah & Acquah**,** 2015). In Bujumbura, Burundi, small and medium-sized businesses (SMEs) encounter a number of obstacles, including restricted financing availability, infrastructural constraints, limited market opportunities, regulatory burdens, skill Gaps and limited training, limited access to technology and innovation, economic instability that hinder their growth and sustainability(Gahungu *et al.*, 2013).

Burundi's SMEs frequently struggle to generate long-term company growth. The main obstacle preventing Burundi's SMEs from thriving is a lack of capital and other financial services because so many people lack access to the financial services provided by commercial banks (Darlene, (2019). Lack of management expertise and work experiences in similar businesses has been recognized as a growth constraint for many women entrepreneurs. One obstacle that most women entrepreneurs face is a lack of access to marketing opportunities, financial management training, and people management training (Maru & Chamjor, 2013).

Financial Inclusion in Bujumbura- Burundi: Why Research on Women Entrepreneurs Need New Directions on Microfinance Services

The Burundian government, private enterprises, institutions, and non-governmental organizations (NGOs) have launched a variety of programs to help women-owned micro and small businesses operate more effectively. These programs include those of USAID, short for United States Agency for International Development, Rural Micro Credit Fund, Professional Association of MFIs (RIM), and United Nations Development Fund for Women (UNDFW) (Gahungu *et al.*, 2013).

Notwithstanding these initiatives, the performance of female entrepreneurs running Micro and Small Businesses has not increased (Gahungu *et al.*, 2013). As per the data from Burundi's Institute of Statistics and Economic Studies (ISTEEBU) demonstrate poor performance for women who ran micro and small firms, which decreased from 26% in 2009 to 19% in 2014. Women entrepreneurs in Bujumbura, Burundi develop Micro and Small businesses with low revenues, which has an impact on their profit and operational performance.

The annual GDP growth rate for women-owned micro and small firms was 15% in 2015, but it fell to 12% in 2016. 8% of jobs were created by women-owned micro and small companies in 2017 and 8.5% in 2018. Statistics from Institute of Statistics and Economic studies of Burundi reported that the output of Micro and Small Businesses decreased from 21 % in 2019 to 19.7% in 2021. These patterns demonstrate the unpredictable performance of women-owned micro and small-scale businesses in Bujumbura, Burundi, as well as their sluggish and stagnant growth. Researchers looked at how microfinance services affected small and medium-sized businesses in Nigeria, rather than Burundi, which highlights the need for more context study Isteebu, (2022).

In light of this, study has been done to examine the worth of microfinance services, particularly for SMEs and women's businesses (Amran, 2019). According to this study, microfinance services contribute favorably to the growth of women-owned companies. Although this study employed a descriptive approach, which merely explains the behavior and patterns of the variables, it also presents a methodological gap in addition to the contextual gap. The current study used an explanatory design, which explains how one study variable impacts the other, to close this gap. This study focused on financial inclusion in Bujumbura- Burundi: Why Research on Women Entrepreneurs Need New Directions on Microfinance Services

1.2 Research hypotheses

Below are the hypotheses which guided the study

H_{o1}: There is no significant effect of microcredits on performance of women-owned micro and small businesses in Bujumbura, Burundi.

H_{o2}: There is a no significant effect of savings mobilization on performance of women-owned micro and small businesses in Bujumbura-Burundi.

H_{o3}: There is a no significant effect of financial training on performance of women-owned micro and small businesses in Bujumbura-Burundi.

H_{o4}: Government regulations has no moderating effect on the relationship between micro and small business and the performance of women-owned micro and small businesses in Bujumbura, Burundi

2.0 REVIEW OF LITERATURE

This section presents theoretical and empirical literature review on microfinance services and performance of women owned SMES in Burundi.

2.1 Theoretical Review

A theoretical review covers the relevant theories that the researcher has chosen to guide the investigation. Three theories the resource-based perspective, dynamic capacity and contingency theory were applied in this study.

2.1.1 Resource –Based View

Penrose (2009) introduced Resource-Based (RBV) by presenting a model for productive possibilities, diversification strategy, and efficient resource management for enterprises. The resource-based view is a philosophy that highlights the importance of a company's resources in relation to the various factors affecting its success. As per the resource-based approach, an organization's performance can be enhanced by its internal resources, which include physical, human, and organizational resources, as well as their potential to be generated, instead of external aspects that competing organizations can readily obtain (Uhm *et al*., 2018).

According to the RBV method, businesses are viewed as collections of diverse resources as well as collections of special connections and resources. According to the RBV, enterprises differ from one another because of their varying resource sets. Consequently, it follows from the RBV that heterogeneous circumstances, such as flaws in the markets for resources and companies, as well as variances in management choices regarding issues like resource deployment and development, are, at least in part, a function of a firm's competitive advantage. A business gets a competitive edge when it uses a value-creating strategy that sets it apart from its rivals (Serra & Ferreira, 2010).

In terms of the resources it combines, RBV essentially summarizes a business. According to Penrose (1959), a company should be made up of both a unit and a collection of resources. The definition of "resource" is typically restricted to qualities that improve the efficacy and efficiency of the company (Wernerfelt, 1984). Miller and Shamsie (1996) contend that resources should have some capacity for generating income or averting losses. The extensive availability of resources will eliminate the company's competitive edge. As a company reaches high performance levels and maintains a competitive edge, it must invest in a variety of resources that are challenging for rival companies to replicate, replace, or manufacture (Ferreira *et al*., 2011).

Resources may be tangible or intangible in nature. Location, capital, and money are physical resources (among others). Skills, expertise, reputation, and an entrepreneurial mentality are examples of intangible assets. In this regard, this theory argues that the variety of enterprises and the range of specialization levels that result from market imperfections lead to a constrained transfer of resources that are distinct in kind, quantity, and character (Makhija, 2003).

As a result, the primary factor causing businesses to expand and succeed may be found within them; specifically, businesses with more resources and advanced skills will establish a foundation for acquiring and maintaining a competitive edge (Ferreira *et al*., 2011). Since they benefit the venture, valuable resources are important, but because they are common in all forms, it is hard for them to sustain a sustained competitive edge (Makhija, 2003).

A microloan is an illustration of a financial resource. Financial resources are important because they enable women-owned micro and small businesses to acquire other tangible assets for their operations, such as equipment, real estate, transportation, and other materials. Without these assets, no business could operate. Saving mobilization is a valuable and uncommon skill that offers a business an edge over its rivals. Entrepreneurs don't often save and don't make plans to save, but for those that do, saving increases their business capital, helps them manage risks, and builds up firm assets(Kor & Mahoney, 2004) .

RBV research has been focused on larger companies, but smaller businesses must also obtain essential resources with the purpose of obtaining a Sustainable Competitive Advantage (SCA). Rangone (1999) provides an unusual RBV viewpoint on how a small-medium sized firm (SME) might establish a sustainable competitive advantage (SCA), highlighting the relevance of three key competencies, based on a detailed investigation of 14 case studies: production, market management, and innovation capabilities.(Barney *et al*., 2001).

Rangone recognizes the entrepreneur as a special resource in SMEs, but she doesn't go into detail on the traits of the people who could have a big effect on whether the actions required to complete a SCA are really taken. According to Barney, a resource's worth must allow a company to behave in a way that generates significant financial value for the company through high sales, low expenditures, and high margins (1986, 658). Barney stated that "resources are beneficial when they allow a firm to think of or carry out initiatives that boost its efficiency and effectiveness" (1991, 104) (Madhani, 2010).

The resource-based perspective is applicable for this study because it contends that tactics employed by entrepreneurs, such microloans and savings, can generate new resources and capabilities, so boosting the venture's existing resources and capabilities and encouraging improved company performance. According to the hypothesis, knowledge assets and capacities are provided to women-owned micro and small firms via intangible resources like financial training, and this is where improved performance comes from. The RBV will be utilized in this study to anchor financial education, microloan, saving mobilization capacities, and governmental legislation because each of these resources has an impact on how well women-owned small and microbusinesses succeed.

2.1.2 Dynamic Capabilities Theory

Teece, Pisano, and Shuen presented the dynamic capacities (DC) theory (1997). DC theory developed from RBV theory to address RBV theory's flaws, particularly in articulating long-term competitive advantage and improved performance in a changing environment. RBV viewed a business as a holding place for both material and intangible resources.

We refer to this as Dynamic capacities when a corporation has a behavioral attitude toward constantly integrating, reconfiguring, renewing, and generating its resources and capabilities in order to acquire and maintain competitive advantage. Primarily, this entails refitting and modernizing its fundamental competencies to adapt to evolving circumstances. Dynamic capabilities, the precursors to organizational and strategic routines, enable managers to rearrange their resource base by acquiring and disposing of resources, integrating them, and recombining them (Wang & Ahmed, 2007, Muithya & Muathe, 2020).

The ability of a business to integrate, grow, and reconfigure internal and external competences in response to rapidly changing conditions was dubbed "Dynamic capabilities." by Teece et al. (1997: 516) (Barreto, 2010). Even though these resources, such as microfinance services, are offered by various institutions, women-owned micro and small businesses still need to deliberate when deciding whether to recognize and apply for these services, like microcredit and saving mobilization to employ and fulfill their venture needs.

To maintain a competitive advantage in extremely unstable market, companies have to continuously reallocate their resources in order to provide a series of transient benefits. In these situations, the strategic emphasis of businesses has shifted from efficient resource management to efficient resource modification. As a result, in the face of environmental change, resources alone will not be able to convert into performance (Faizal *et al*., 2012). The sustainability of small and micro businesses held by women may be impacted by recent advancements in microfinance services.

According to the study carried out by Borch and Madsen (2007) Smaller established businesses may require different skills than newer, bigger businesses. Smaller businesses must make steps to maintain their current operations while facilitating a seamless transition to new market strategies as part of their dynamic processes toward new business platforms. The entrepreneurial process must include the transformation of current resources into new company platforms.

In this study, dynamic capability theory is used to analyze how women-owned micro and small businesses leverage microfinance services to improve their adaptive capacity and ability to respond to market changes. It examines how women entrepreneurs utilize microfinance services to access new markets, diversify their product offerings, or adopt innovative business practices. This theory helps to better understand the dynamic character of microfinance utilization and its impact on the performance of women-owned micro and small businesses in Bujumbura, Burundi.

The RBV theory is supported by the Dynamic capability theory, which describes how businesses may quickly absorb and utilize resources in a changing environment to improve performance. The theory takes into account both factors, performance and microfinance services.

2.1.3 Contingency theory

In 1993, Fred Fiedler developed the Contingency Theory, which identifies "the personality of the leader and the degree to which the situation gives the leader power, control and influence over the situation" as the two primary components that contribute to effective or successful leadership. According to contingency theories, the right organizational structure and management approach depended on a variety of "contingency" elements, most often the ambiguity and instability of the environment. According to contingency theory, businesses should choose their tactics carefully in order to match their contexts (Hellriegel & Slocum, 1973).

Performance is determined by how well a company's external elements, like the environment, and internal elements, like its organizational structure and resources, work together. These include, among other things, governmental rules and regulations, political, economic, and social challenges. This theory's main premise is fitness, and it is shown when the firm's internal and external elements are equal (Hellriegel & Slocum, 1973).

As a means of comprehending organizational behavior, contingency theory explains the makeup and operation of organizations are impacted by external elements including culture, technology, and the environment. Contingency theory is based on the notion that various organizational structures are required for various types of organizations. Instead, an organization's operational effectiveness is determined by the interaction of its size, organizational structure, information system, technology, and volatile environment (Jesmin, 2012).

There are several methods for gaining performance, and the best strategy depends on the environment that a corporation is located in. The performance of entrepreneurs is slowed down by harsh environmental factors including high taxes, inflation, and insecurity, as well as by harsh government restrictions. Since they improve the likelihood of making more money, supportive environmental factors encourage performance. These circumstances consist of cheap taxation and a stable political environment (Lawrence & Lorsch, 1967).

Because government guidelines, which are a component of environmental circumstances, are explained and reinforced by contingency theory (Lawrence & Lorsch, 1967), which is employed in this current study. Government rules either limit or boost performance, depending on how strict or appropriate they are. Government laws are the moderating variable in this research, therefore improving the fit between a business's internal and external components enhances the performance of the firm as a whole. In this study, contingency theory is used to assess how the performance of women-owned micro and small businesses is contingent upon various factors such as the regulatory environment, cultural norms, access to resources, and market conditions.

Contingency theory supports RBV theory in this study by considering the contextual features that affect the utilization and effect of microfinance services on women-owned micro and small businesses' performance (Lawrence & Lorsch, 1967). By integrating both theories, researchers will gain a comprehensive understanding of how the allocation of microfinance resources interacts with contextual contingencies to drive competitive advantage and enhance the performance of women-owned micro and small businesses in Bujumbura City, Burundi.

2.2.4. Innovation Theory

The ideas of entrepreneurship and innovation are arguably Schumpeter's most notable contributions to economics in 1912. In his writings, Schumpeter often discussed the role that innovation and entrepreneurship, or "new combinations," play in the advancement of the economy (Śledzik, 2013).

The study of innovation diffusion examines how novel concepts, goods, or services proliferate and gain acceptance over time among people or institutions. Innovation theory can be used to examine the diffusion and adoption of microfinance services among women entrepreneurs It can shed light on the aspects that impact the implementation process, such as the alleged advantages, compatibility with current procedures, simplicity of usage, and societal influence (Suseno & Abbott, 2021).

Innovation theory also encompasses the exploration of technological advancements and their impact on businesses and society. For example, the adoption of mobile banking platforms or digital financial services can enhance access, convenience, and efficiency for women entrepreneurs. Innovation theory can help analyze how technological innovations are diffusing among women entrepreneurs in the EAC region and the subsequent effect on their performance outcomes (Suseno & Abbott, 2021).

Innovation theory is used to investigate the growth and application of innovative business models in the microfinance sector. It explores how microfinance institutions (MFIs) are designing and delivering their services in unique and innovative approaches to meeting the requirements of female entrepreneurs. This includes offering tailored financial products, incorporating non-financial services like training and mentoring, or utilizing alternative delivery channels (Machado *et al.*, 2023).

2.2 Empirical Review

This section present review of pasted studies related to Microfinance Services and Performance of SMEs.

2.2.1 Microcredit and Performance of Women -owned micro and small businesses

According to the study carried out by Mutio (2019) in Kenya, Micro and small company owners that have access to mobile banking services can save, which boosts business performance. Services for mobile banking loans help microbusinesses build assets, pay insurance payments, and access credit. Small and medium-sized businesses (SMEs) may offer goods and services to their customers by using mobile financing to save money on mobile bank accounts and obtain loans. The enhanced service offering improves their commercial dealings.

Nonetheless, the inability of micro enterprises to get money remains a serious issue that limits the creation of new companies and hinders the development and expansion of already existing ones (Mutio, 2019). The research's location in Nairobi County, Kenya, creates a contextual gap that the present research is attempting to fill. This study wants to fill a conceptual gap created by the preceding study's focus on one microfinance service, mobile credit, and neglect of other microfinance services by including saving mobilization, financial skills training, and government regulations as moderating variables to highlight a wider view of how these services affect the performance of women-owned micro and small businesses in Bujumbura city, Burundi.

Awuah, (2014) performed research on the effect of microloans on women's well-being. in Ghana: A case of Atwima Mponua District, Ghana. The study stated that in comparison to non-beneficiaries, women who used credit had better well-being in terms of their capacity to pay for high-quality healthcare, their children's education, and their comfort in their existing housing. The research also revealed that although few women have access to loans, they use the services of microfinance firms. The study employed a survey methodology and ordered logistic regression analysis on a sample of 400 women from Ghana's Atwima Mponua District who worked in the informal sector.

By concentrating only on microcredits or loans received by women-owned small businesses, this studyAwuah, (2014) ignored additional services provided by microfinance organizations, leaving a conceptual gap that this current study is attempting to fill by integrating saving mobilization, financial skills training, and government framework as a moderating variable. The study was also carried out in Ghana. The latest investigation took place in the Burundian capital of Bujumbura.

A research done by Suryadevara (2017) in Nairobi, Kenya stated that the firm' expansion has benefited from MFI lending. Despite this, the MFI's viability was largely dependent on the staff's quality of service, low interest rates and borrowing costs, and flexible payback terms. The aforementioned study also demonstrated the critical role that microfinance banks play in supporting creative, high-growth SME companies. The research suggested that SMEs need to be educated on what they must do to have a good rating and be eligible for funding at lower interest rates and better terms.

According to a study conducted by Tundui and Tundui (2012) in Tanzania, among the growth techniques used by the owners, owning several businesses and not separating company resources from household resources have a favorable impact on firm profitability, but using unpaid family labor has a negative impact. The results of the aforementioned study exposed that household and company resource integration, as well as household earnings, were more significant factors in the success of women-owned businesses that get microloan. A survey of 221 Tanzanian microcredit borrowers from the PRIDE Microfinance program provided the study's data.

The aforementioned study by Tundui and Tundui (2012) used a poorer methodology and only took into account participants in Tanzania's PRIDE Microfinance program, which constrained the perspectives of other clients who get the same services from various MFIs. By utilizing an explanatory study design and taking into account how various MFIs may help women-owned small and micro companies, the methodological gap that was generated was closed. This study wants to close the conceptual vacuum left by Tundui and Tundui's study by incorporating additional features of microfinance services, including saving, financial skill development, and government restrictions as moderating variable.

Casmir (2014) evaluated the microcredit's impact on women-owned microbusinesses' success in Delta State in 2014. Although 46.6% of the respondents were aware that micro financing banks existed, just 16.67% used them, according to his research. According to the study, pampering them had no appreciable effect on how well they performed. High interest rates and quick payback schedules were to blame for this. This study suggested that legislative and regulatory agencies be established to monitor loan and advance interest rates as well as the availability of funding for women business owners.

Additionally, greater publicity on microfinance policies is needed to raise awareness and draw customers from the low-income category, who would then be more knowledgeable about the financing options offered by banks. In this study by Casmir (2014) , structured surveys were utilized to gather data. In order to fill the methodological gap, data will be gathered utilizing both semi-structured questionnaires. Additionally, because the study was carried out in Delta State, there is a contextual gap that our present research searches to remedy.

According to research done by Afrin *et al*. (2009) assessed how Micro credit programs have impact on rural women borrowers of Bangladesh and noted that Rural Bangladesh women borrowers benefit socioeconomically from microcredit initiatives. However, it is also believed by many groups that aside from ensuring survival, microcredit schemes do not assist borrowers in developing business skills. Financial management expertise is the most crucial component that significantly influences the growth of rural women entrepreneurs.

The findings of the study by Afrin *et al*. (2009) also exposed a tough connection between Bangladesh's rural entrepreneurial development and the borrower women's group identities. The experiences that borrowers get from their parents' households and the lack of available options also contribute to the expansion of entrepreneurship among Bangladeshi rural women borrowers. To determine the features connected to the expansion of entrepreneurship, the investigator employed a multivariate analysis approach called factor analysis. Structural equation modeling (SEM) was utilized in the study mentioned above to determine the link between the microcredit program and the expansion of rural women's entrepreneurship in Bangladesh.

The study of Afrin *et al*. (2009) neglected other microfinance services provided by MFIs and concentrated on the effects of microcredit programs on rural Bangladesh women borrowers, creating a conceptual gap. These services, which the researcher will utilize to close this gap and appropriately address the issue of the financial and non-financial performance of women-owned micro and small companies, include financial training, saving mobilization, and the moderating variable as government regulations. Additionally, a methodological flaw was shown by the study's use of non-parametric tests to support its conclusions. This was addressed in the current study by employing parametric tests with higher statistical power.

In conclusion, while the mentioned studies provide valuable insights into the impact of microfinance on various aspects of business performance and socio-economic well-being, there are notable gaps and limitations that need to be addressed. These studies often focused on specific microfinance services, such as mobile banking, microcredit, or micro-savings, while neglecting the broader range of services offered by microfinance institutions.

Moreover, the studies were often conducted in specific regions, limiting the generalizability of their findings. Additionally, some studies had methodological flaws, such as small sample sizes or the use of non-parametric tests. This current research aims to fill these conceptual and methodological gaps by examining the financial and non-financial performance of women-owned micro and small businesses in Bujumbura City, Burundi, while considering a comprehensive range of microfinance services and employing robust statistical methodologies.

2.2.2 Mobilization of savings and Performance of women-owned micro and small businesses

In Burundi context, a study conducted by (Bollar, 2019) disclosed that Savings mobilization, in Bujumbura, Burundi, loan provision has a very high potential to contribute to the expansion of SMEs. The results of the study are based on the interest rates that microfinance organizations in Bujumbura charge on loans that are relatively affordable for timely repayment and enhanced accessibility to savings services. This research focused not only on the microcredit provision and savings mobilizations but also the effects of the moderating variable which is government regulations and financial skills trainings variables not examined in above mentioned researches.

Additionally, all of the respondents in the previous study by (Bollar, 2019) were chosen from two districts in Bujumbura city, and used a simple size of 171owners of SMEs respondents from 306 SMEs. This presenting a methodological void that this contemporary investigation will bridge, which choose a sample size of 191 respondents from 366 women-owned micro and small businesses in three districts of Bujumbura city. Women-owned businesses had their fair share of obstacles and limitations, which must be taken care of. Nevertheless, it is obvious that empirical researches have avoided focusing on key MFIs aspects, notably their effects on women's entrepreneurship and women-owned micro and small businesses.

Ayub *et al*.(2020) intended to understand how Bumiputera SME performance in Sabah related to micro -saving. The study revealed evidence that, in Sabah, Malaysia, microsaving and Bumiputera SME performance are significantly related. However, the research found that there are no statistically significant links between financial losses and the success of Bumiputera SME businesses in Sabah. In the study, a descriptive design was employed, which sampled 187 SMEs from the Teraju (Sabah) SMEs.

This study centered its findings on finance knowledge, savings and corporate grant support towards Bumiputera SME business performance in Sabah, which hence revealed methodological and theoretical gaps that this work seeks to fill. As this study took place in Sabah it presented contextual gaps which the recent research sought to fill by carrying the study in Bujumbura City, Burundi.

According to the study carried out by (Fernandes, 2014) in Nigeria showed a long-term link between investment, savings, and economic growth. For data analysis in the study, ordinary least square regression was used. The previous study only focused on savings products, which is a limited scope for microfinance services. This current study aimed to close a conceptual gap by examining a full range of microfinance services, including microcredit, saving mobilization, financial training, and the moderating impact of government regulations.

Campus (2014) researched the effect of microfinance services on beneficiaries in the Democratic Republic of Congo. According to the results, the study revealed that microfinance institutions primarily serve as tools for social change, growth facilitators, banking system providers, and instruments for empowering SMEs. The study focused on saving accounts and money transfers. The study was conducted in Democratic Republic of Congo, which presented a contextual gap and also ignored other features of microfinance such as financial training, microcredit and the moderating impact of government regulations, which present a conceptual gap.

The author used questionnaires and a descriptive study approach to gather primary data. This study used 77 small and medium entrepreneurs as sample size. The respondents proved that saving is a crucial service that entrepreneurs value and expect from MFIs. The findings showed that making greater savings boosted the profitability of SMEs. The sample used in the previous work was too small and this was addressed by increasing the sample size for this study. The current research employed both financial and non-financial performance metrics, in contrast to the previous study, which only focused on financial performance.

Amoah (2020) stated that the financial performance of SMEs improved significantly and favorably as a result of micro-savings in the Sekondi-Takoradi metropolis of Ghana. The investigation showed that SMEs in the Ghanaian metropolis of Sekondi-Takoradi continued to utilize microfinance services at a relatively low rate, despite the favorable effects of these services on the financial performance of SMEs. An approach called stratified random selection was used to pick the 260 SMEs. According to a descriptive analysis of the data, SMEs preferred the saving plans offered by MFIs since they gave them access to additional microfinance services and provided simple access to funds.

According to Amoah (2020) , managers of enterprises that offer microfinance services should survey small- and medium-sized businesses (SMEs) to learn more about their needs and the unique difficulties they encounter when seeking to use microfinance programs. The study primarily concentrated on SMEs in the Sekondi-Takoradi metropolis of Ghana, creating a contextual gap that this current study aims to fill. Nevertheless, the study encompassed SMEs across all entrepreneurs, and the variability of the findings may not be generalized for a specific set of entrepreneurs, yet the current research concentrated on women-owned micro and small businesses in Bujumbura City, Burundi.

The research conducted by Koskey (2016) determined the effect of microfinance organizations on the growth of small and medium-sized businesses (SMEs) in Roysambu area of Nairobi County, Kenya. Descriptive and inferential data analysis demonstrated that Savings mobilization had positive effect on SMEs. Additionally, a statistically significant linear relationship between financial services and the growth of SMEs was found by the study, as well as the fact that MFIs provided business funding at more inexpensive interest rates than other lending institutions. The study employed a sample size of 222 SMEs in the Roysambu community and was gotten using the Yamane formula.

The study found that the management skills provided by MFIs enabled business to grow. Moreover, the findings demonstrate a statistically significant linear link between training services and SME expansion. The research also made the case that MFIs and other financial institutions ought to educate SME owners and other entrepreneurs about alternate funding options for SMEs. By analyzing performance indicators of women-owned micro and small companies in Bujumbura City, Burundi, this study intends to address a contextual gap that was highlighted by the researchers' attention to the expansion of SMEs in the Roysambu district of Nairobi County, Kenya.

In conclusion, while the mentioned studies((Fernandes, 2014) ; Campus (2014); Amoah (2020); Koskey (2016) shed light on various aspects of microfinance and its impact on SMEs in different contexts, there are still notable gaps and limitations that needs to be addressed. The studies conducted in Burundi and Sabah focus on specific regions, limiting the generalizability of their findings.

Additionally, the studies in Nigeria, the Democratic Republic of Congo, and Ghana lacked a comprehensive examination of all microfinance services, such as microcredit, financial training, and the moderating influence of government regulations.

Furthermore, the sample sizes in some studies were relatively small, reducing their representativeness. Therefore, this current research seeks to bridge these gaps by examining women-owned micro and small businesses in Bujumbura City, Burundi, while encompassing a broader range of microfinance services and employing a larger sample size.

2.2.3 Financial Training and Performance of women-owned micro and small businesses

Low literacy rates and restricted access to higher education in Burundi impede economic growth. Today, microfinance is acknowledged as an efficient and financially viable strategy for reducing poverty, mainly in developing nations but also for the underprivileged in industrialized nations. Since not all impoverished households may benefit from it, microfinance is not a magic bullet to end global poverty(Mayoux, 2002).

Ngek (2016) examined the influence of financial literacy on business performance in the Free State province of South Africa, taking a sample of 300 entrepreneurs into account. The findings demonstrated that SME generally had poor levels of financial knowledge and access to finance. The outcomes of the investigation also revealed that financial literacy positively influence SMEs performance. The study also showed that developing financial literacy skills is crucial for SME owners as part of their business endeavors.

The previous study by Ngek (2016) concentrated only on financial literacy as a service of microfinance, whereas the current study focused on financial literacy together with other microfinance services like microcredit and saving mobilization, which are offered to women owned micro and small businesses, thus filling the conceptual gap. Additionally, this previous study was done in the Free State province of South Africa and included all SMEs, the present study will be carried out in Bujumbura, Burundi and was focusing on women-owned micro and small businesses, filling the contextual gap.

However, findings by Ngek (2016) contradicts the study done by Amoah (2020) that affirmed that Financial performance of SMEs was demonstrated to be unaffected by financial literacy training in the Sekondi-Takoradi metropolis of Ghana. The study employed 260 SMEs as a purposive sample and encouraged management of microfinance institutions to look into the necessities of SMEs and the particular difficulties they face in getting microloan. Structured questionnaires were utilized to collect the data.

The study by Amoah (2020) presented methodological and contextual gaps, which this study aims to fill. The current study will utilize explanatory research to emphasize the random link between the studied factors, thereby filling the methodological gap. The previous study used descriptive research to explain the impacts of the variables. Furthermore, Amoah's study was conducted in Ghana and concentrated on SMEs, however the current study was done in Burundi with a focus on women owned micro and small businesses, thereby completing the contextual gap.

In Kenya, Ajuna (2018) in a study done Meru Town sought to investigate the impact of training on the performance of Women Entrepreneurs. According to the study, coaching significantly affects how well women business owners do because it enables them to venture outside of their comfort sectors and into new areas of opportunity or possibilities. This means that coaching helps women entrepreneurs perform beyond the "ordinary" to the "extraordinary." The sample selection was totally purposeful and based its conclusions on financial training, therefore presenting methodological and theoretical gaps that this current study seeks to bridge. The current study will apply an explanatory research design with a multi-stage random sampling and established a connection among the study variables.

Financial Literacy has been suggested to positively influence the growth of Small and Medium-sized Businesses(SMEs) in Mbala District, Zambia (Chileshe, 2019). Chileshe (2019) found that financial literacy is highly correlated with the expansion of small and medium-sized enterprises. A 66 respondents random sample was used in the study. Financial literacy among SME owners is still low, according to a descriptive analysis, and everyone involved has to do more to promote sound financial practices that aid in business success, such as budgeting, debt management, saving, and record-keeping.

The above study included all MSEs in diverse areas in Mbala District, Zambia, and the changeability of results could affect the generalization of the recommendations to a specific sector, however the current research will concentrate on women-owned micro and small businesses in Burundi, therefore filling the contextual gap. Additionally, the current study will look into how government regulations specifically taxes and license fees, as moderating variable, affect the performance of women-owned micro and small businesses and the relationship between micro and small business and microfinance services, which fills a conceptual gap since this moderation was disregarded by the previous researchers.

Johnson (2022) investigated how financial knowledge affects the financial performance of micro-enterprises (MEs) in developing nations. The findings demonstrated that microenterprises in emerging nations perform better financially when they are financially literate. Also, research has shown a connection between microenterprises' access to finance and their financial literacy.

The study recommended microbusinesses should make an effort to comprehend how to apply for financing from microfinance organizations. Additionally, micro-enterprises owner should educate themselves on the conditions involved in obtaining credit, such as loan size, interest rate, and payback time. By being aware of these terms, they will be able to apply for microloans that will better suit their requirements and accelerate the expansion of their businesses.

The study by Johnson (2022) used a simple random sample of 196 people drawn from the Nebbi area in Northwestern Uganda as part of a cross-sectional and quantitative techniques research design. The aforementioned study was carried out in Nebbi district in Northwestern Uganda and focused on microbusinesses. This offered a contextual gap that this contemporary seeks to solve since it will be undertaken in Bujumbura, Burundi, and will be focused on women owned micro and small businesses. The main focus of the previous study was on financial literacy which presented the conceptual gap, while this current study used different features of microfinance, such as microcredit, saving mobilization, and financial training, to address the conceptual gap.

Financial knowledge is discussed to influence the performance of SMEs in Morogoro municipal, Tanzania (Kirumbi, 2019). The study's outcomes showed that financial behavior had a very small effect on the success of SMEs. Additionally, the findings indicated that most people had a positive attitude about setting future financial goals. The research reached this conclusion that having being skilled financially is not enough to make a firm profitable; it also has to be applied to other business-related tasks and decision-making.

Also, it was asserted that sound financial management, including prudent saving, retirement planning, debt management, budgeting, and recordkeeping, is vital to the success of SMEs. This investigation proposed that the government and other financial institutions give education and training on proper finance with the goal of promoting the application of financial knowledge in company decision-making. The study used a conducting interview to a sample group of 120 respondents for collecting data.

By concentrating just on financial literacy and Businesses in general, the prior study by (Kirumbi, 2019) left a conceptual vacuum. In contrast, the current study will use various microfinance strategies and examine how they impact the performance of women-owned micro and small businesses as broadly measured using both non-financial and financial metrics. These strategies include microcredit, saving mobilization, and financial trainings.

The modern study also paid attention to the moderating impact of governmental rules, which was ignored by the earlier study. Moreover, the previous study generated a methodological gap by using leading interview to a sample group of 120 respondents that this study seeks to fill with an explanatory research approach and a sample size of 191 respondents. The previous study also presented a contextual gap that this current study aims at satisfying since it will be carried out in Bujumbura, Burundi and concentrated on women owned micro and small business.

In the Nigerian city of Bauchi, financial literacy was shown to statistically affect how well entrepreneurs performed (Ma *et al.*, 2022). The study showed that financial literacy is a key determinant of the success of entrepreneurial businesses. The study argued that financial education provided by various institutions and the government improves company owners' financial literacy and boosts performance of entrepreneurs.

The study mentioned above, which focused on company owners, was carried out in Nigeria. This exposed a contextual vacuum that the current study seeks to solve by concentrating on women-owned micro and small businesses in Bujumbura City, Burundi. The study also had a conceptual gap because its main focus was on financial literacy, but this modern study used several microfinance approaches, such as microcredit, saving mobilization, and financial trainings, to close the conceptual gap.

In summary, while the studies examined the connection between financial literacy and the performance of micro and small businesses, there are notable gaps and limitations in terms of context, methodology, and scope. The studies often focused solely on financial literacy, neglecting other important microfinance services. Additionally, the studies were conducted in specific regions, limiting the generalizability of their findings.

Furthermore, some studies had methodological flaws, such as small sample sizes or the use of descriptive research designs. This current research aims to address these gaps by examining the performance of women-owned micro and small businesses in Bujumbura City, Burundi while considering a comprehensive range of microfinance services and employing robust research designs and statistical methodologies.

3. RESEARCH METHODOLOGY

This study utilized an explanatory research design in order to confirm a causal effect relationship among study variables while explaining the causes of an observed occurrence as argued by (Salkind, 2012; Hair & Brunsveld, 2019). The target population was 366 women-owned micro and small businesses, however, a sample size of 191 women-owned micro and small businesses was selected using proportionate stratified and random sampling techniques. Similar approach was used by Agbim & Ph, (2022) used same approach and stated that this method of sampling decreases the risk of bias and enhances the generalizability of study results. A questionnaire was used to collect primary data using the drop and pick method. The quantitative data was analyzed using multiple linear regression model and the results presented in tables for ease of understanding and interpretation.

4. RESEARCH FINDINGS AND DISCUSSION

A multiple regression analysis model was conducted to test the effect of the independent variables (microcredit, savings mobilization and financial training) on the dependent variable (performance of women owned micro and small businesses). Table 1 shows the model summary results.

Table 1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.650[a]	.423	.411	.328015

Source: Research data, 2023

Table 4.12 revealed R-square value of 0.423. This denotes that when MFI services are combined with government regulations, they explain 42.3% of variations in performance of women-owned micro and small businesses. The ANOVA results variations in the performance of women-owned micro and small businesses. The presented in Table 2 confirm the results

Table 2. Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	16.967	3	5.656	82.49	.000b
Residual	9.873	144	0.069		
Total	26.84	147			

Source: Research data, 2023

The ANOVA model results demonstrated an F statistic of strong predictor in forecasting business performance. The 82.49 and a reported p-value of 0.000. Because the p-value is below the standard significance level of 0.05, this indicates that, with a 95% confidence level, microfinance services have a statistically significant impact on the performance of micro and small businesses.

Table 3. Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.242	0.277		-0.875	0.383
Microcredit	0.445	0.067	0.397	6.689	0.000
Savings	0.313	0.055	0.313	5.642	0.000
Financial training	0.306	0.056	0.317	5.436	0.000

Source: Research data, 2023

Regression Equation

$Y = -0.242 + 0.445X_1 + 0.313\ X_2 + 0.306X_3 + \varepsilon$

Y= performance of micro and small enterprises

X_1= Access to microcredit

X_2= Savings mobilization

X_3= Financial trainings

ε = Error term

The regression coefficient results in Table 4.11 showed that access to microcredit (β=0.445, p=0.000) had a positive and significant effect on performance of micro and small enterprises. This suggests that a one-unit increase in microcredit availability would result in a 0.445-unit increase in micro and small business performance. The null hypothesis (H01) anticipated that there is no significant effect of microcredits on performance of women-owned micro and small businesses in Bujumbura, Burundi.

The regression model indicated a p-value less than 0.05, thus the null hypothesis was rejected. The research outcomes agreed with Awuah, (2014) and Afrin *et al*. (2009) who found respectively that microloans enhanced women's well-being and borrowers benefit socioeconomically from microcredit initiatives. This study also agreed with Suryadevara (2017) in Nairobi who demonstrated that microfinance banks play the critical role in supporting creative and high-growth SME firms.

Table 3 also indicates that savings mobilization (β =0.313, p=0.000) had a positive and significant effect on performance of micro and small enterprises. This suggests that a one-unit increase in savings mobilization would translate into a 0.313-unit improvement in micro and small business performance. The null hypothesis(H02) anticipated that there is no significant effect of savings mobilization on performance of women-owned micro and small businesses in Bujumbura, Burundi. The regression model demonstrated a p-value less than 0.05, thus the null hypothesis was rejected. This study agreed also with Campus (2014) in Democratic Republic of Congo who showed that making greater savings boosted the profitability of SMEs. Furthermore this study agreed with Koskey (2016) in Roysambu area of Nairobi demonstrated that Savings mobilization had positive effect on SMEs.

In addition, outcomes presented that financial training (β =0.306, p=0.016) had a positive and significant effect with performance of micro and small enterprises. This suggests that raising the bar for financial education by only one unit would raise performance of micro and small enterprises by 0.306 units. The null hypothesis (H03) predicted that there is no significant effect of financial training on performance of women-owned micro and small businesses in Bujumbura, Burundi. The regression model showed a p-value less than 0.05, thus the null hypothesis was rejected. The study findings supported Ngek (2016) whose findings revealed that financial literacy positively influence SMEs performance.

It showed also that developing financial literacy skills is crucial for SME owners as part of their business endeavors. However, the study contradicted Amoah (2020) who affirmed that Financial performance of SMEs was demonstrated to be unaffected by financial literacy training in the Sekondi-Takoradi metropolis of Ghana. Moreover, the study findings agreed with Chileshe (2019) who found that financial literacy is highly correlated with the expansion of small and medium-sized enterprises.

Table 4. Moderation effect of government regulations

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.853	.919		3.103	.002
Microfinance services (X)	.347	.230	.253	1.507	.134
Regulations (M)	-.618	.274	-1.072	-2.252	.026
X.M	.137	.072	.826	1.920	.057

Source: Research data, 2023

As indicated in Table 4, government regulations (M) (β = -0.618, p = 0.026<0.05) have a negative and significant influence on the performance of women-owned micro and small companies. This suggests that the performance of women-owned micro and small businesses is hampered by government rules. The unexpected results showing that government regulations have a negative impact on the viability of women-owned micro and small businesses could be explained by the intricate nature of regulatory frameworks.

The findings also show that women-owned micro and small businesses performance is positively, but marginally, impacted by the interaction term (XM) (β=.137, p=0.057<0.05). This indicates that the relationship between MFI services and the success of women-owned micro and small businesses in Burundi is not significantly moderated by government rules. The results of this study support the null hypothesis (H04), which states that there is no moderating influence of government restrictions on the link between micro and small business performance and women-owned micro and small businesses ownership in Bujumbura, Burundi. The findings disagreed with those of Brako Ntiamoah *et al*. (2016) who demonstrated that the government rules positively influence the performance of SMEs despite the current state of the economy. The findings agreed with Nakabugo *et al*. (2022) in Uganda who disclosed that governmental rules had a negative moderating effect on the connection between microfinance services and the productivity of smallholder coffee firms. The findings disagreed with Twesige and Gasheja (2019) in Rwanda who indicated that tax incentives had a strong positive and substantial impact on the expansion of small and medium-sized firms in Rwanda.

5.0 CONCLUSION

In Burundi, developing micro and small businesses into viable, long-term firms has emerged as a top priority in the country's efforts to become a competitive, agri-food, commercial, and high-value industrial economy by 2040. Thus, in order to accomplish this goal, various financing organizations and business enabling services that streamline operations and increase profits for small enterprises are needed. Microfinance services are indispensable to improve performance of women-owned micro and small businesses. These services include microcredit, savings mobilization and financial education.

The use of microloans by women-owned micro and small businesses in Bujumbura, Burundi has significantly improved the performance of their businesses. Microcredit initiatives have helped women-owned micro and small enterprises borrow funds to expand, buy more property, handle deals on time, pay employees, and take care of urgent issues. The use of savings mobilization services by women-owned micro and small companies in Bujumbura-Burundi had positively and significantly influenced their performance. Given this, the study acknowledged that saving has made it possible for women-owned micro and small companies to obtain loans at a higher rate of return after the saving term, faster than from commercial banks, and with less restrictions.

Financial training services have a statistically significant beneficial effect on the success of women-owned micro and small businesses. Taking part in financial training programs, women-owned micro and small enterprises can improve their performance by creating financial strategies and gaining knowledge and skills related to business management. The study also concluded that government regulations do not significantly moderate the link between microfinance services and performance of women-owned micro and small firms in Bujumbura-Burundi. Overall, the study revealed that high taxes, license fees and length procedure limit the profits of women-owned micro and small enterprises.

5.1 Policy Recommendations

The results of the study have significant implications for the government of Burundi, microfinance institutions, and the general population, especially for women-owned micro and small businesses. As a result, multiple recommendations have been made.

Microcredit has positively influenced the performance of women-owned micro and small businesses in Bujumbura, Burundi. For this reason, MFIs ought to open additional branches, employee additional agents in the various sub-districts of Burundi, loosen lending restrictions, cut interest rates, and lengthen the payback period in order to increase the availability of credit for women-owned micro and small enterprises. This will make it easier for women-owned micro and small firms to obtain loans and solve business challenges faster, which will improve their performance.

Furthermore, saving mobilization has positively and significantly influenced the performance of women-owned micro and small companies in Bujumbura, Burundi. In this case, women-owned micro and small companies should always save their deposits in time to avoid the heavy penalties for irregular saving because this practice removes many of them and causes them to miss out on saving chances. In the end, this will motivate women-owned micro and small enterprises in Bujumbura, Burundi to make more savings, which will enable them to gain more interest, get easy loans and low cost so enhancing their overall performance.

Financial training improves the performance of women-owned micro and small businesses in Bujumbura, Burundi. In order to strengthen and complement the current financial training, MFIs ought to implement additional programs, seminars, and campaigns. MFIs should assess the content's applicability before providing women-owned micro and small businesses with information about financial training programs. As a result, women-owned micro and small businesses will have access to more vital financial knowledge and abilities, which will enable them to better manage their company's finances and enhance its long-term profitability.

The Republic of Burundi through the ministry of finance should reduce taxes and license fees. These taxes increase the cost of investing, which drives up costs and reduces purchasing power. Tax breaks for women-owned micro and small enterprises will stimulate creativity by enabling them to develop new goods and services. Additionally, it will allow them to conserve more money for future investments, which will improve the business performance. The Investment Promotion Agency should also reduce the high fees and length of time needed to obtain a license in order to support women entrepreneurs. As a result, it will be simpler for Burundian women entrepreneurs to get these licenses and engage widely in micro and small businesses.

5.2 Limitations and Future Research Direction

The researcher had a difficult time gathering information from the chosen women-owned micro and small businesses since some of them never wanted to reveal information they thought was crucial and confidential, like information on their business net profit each year. To remove this difficulty, the researcher obtained a permit from the Bujumbura city authority and an introduction letter from the institution assuring responders that the data they provided is primarily for scholarly purposes. Moreover, the investigator also experienced challenges in collecting information because many respondents were not able to speak or write English. To get over this limitation, the researcher hired a translator to translate the questionnaire from English to Kirundi.

Finally, this study focused on women-owned micro and small business. Further studies can focus on other enterprises that are owned by men and by youths for purposes of comparison. As this study has been done in Bujumbura City (western), further research should focus on evaluating the effects of microfinance services on the performance of women-owned micro and small companies in Burundi's other areas, specifically the eastern, central, and northern regions, in order to identify any association that may exist.

Additionally, this study did not account for a variety of variables, such as market accessibility and competitiveness, that could have an impact on the link between the studied variables. Therefore, additional research examining these variables with a focus on the operations of women-owned micro and small businesses is necessary.

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