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# Experiences of Women in Informal Savings Groups: Pathways to Leadership Empowerment

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## Abstract

Women actively participate in informal savings groups such as Village Community Banks (VICOBA) in Tanzania, yet their representation in leadership roles remains low. Existing research focuses mainly on economic benefits and pays limited attention to how participation creates pathways to leadership empowerment. This study examined how involvement in unregistered VICOBA groups in Arusha District serves as a pathway to leadership empowerment among women. Guided by Trans-formational Leadership Theory and Social Capital Theory, the study adopted a qualitative phenom-enological design. 23 women participated in the study: 15 through semi-structured interviews and 8 through two focus group discussions. Data were analysed to identify patterns related to leadership empowerment. Findings indicate that participation strengthens five interconnected dimensions that function as pathways to leadership empowerment: financial literacy, decision-making capacity, teamwork, communication skills, and self-confidence. Financial literacy and decision-making capacity emerged as the most influential pathways. However, empowerment outcomes remained largely confined to group settings due to cultural norms, limited institutional recognition, and lack of structured leadership training. The study concludes that unregistered VICOBA groups function as grass-roots platforms for nurturing pathways to leadership empowerment. Strengthening legal recognition and structured leadership development initiatives could expand their contribution to women's broader participation in community leadership.

**Keywords:** *Women, Informal Savings Groups, Leadership Empowerment, Women Empowerment, VICOBA*

## 1.0 INTRODUCTION

Leadership empowerment among women in unregistered Village Community Banks (VI-COBAs) refers to the process through which women in informal savings and credit groups develope confidence, practical knowledge, relational influence, and decision-making ability in ways that shape both household and community life. Across Africa and other developing contexts, savings groups are increasingly understood not only as mechanisms of financial access but also as spaces for social learning, peer accountability, and agency formation. IPA (2025) shows that women's savings groups commonly improve saving behaviour, access to credit, and household decision-making, while Ayandibu and Kola (2024) argue that transformational leadership re-mains closely associated with motivation, confidence, and developmental capacity in collective settings. In a related sense, Cheruiyot and Kibett (2024) demonstrate that trust, reciprocity, and networks continue to function as practical social-capital resources that strengthen collective action. Taken



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together, these contemporary perspectives suggest that women's participation in savings groups may generate leadership-related capabilities rather than merely financial outcomes.

In Tanzania, this issue is particularly significant because women are highly visible in community savings initiatives, yet their presence in broader leadership spaces remains comparatively limited. UN Women (2024) shows that gender inequalities persist across decision-making spheres in Tanzania Mainland, while UNDP (2023) stresses the continuing need to expand women's voice, agency, and leadership opportunities through institutional and development frameworks. These two sources complement each other: UN Women (2024) documents the persistence of the gap, whereas UNDP (2023) frames that gap as an ongoing strategic development concern. This means that strong participation in grassroots financial groups should not automatically be equated with leadership empowerment. Rather, it raises a more critical question: whether women's routine participation in informal financial groups actually develops the legitimacy, confidence, and practical capacity required for broader leadership engagement.

This concern is reflected in a growing scholarly debate. One strand of recent literature presents savings-group participation as a practical route to empowerment by linking it to im-proved saving capacity, credit access, and stronger involvement in household decision-making. IPA (2025), for example, finds consistent positive effects on financial inclusion and economic activity, thereby supporting the optimistic view that group-based finance can strengthen women's agency. Another strand is more cautious. The same evidence synthesis also notes that gains are often more consistent in financial behaviour than in deeper non-economic transformation, suggesting that stronger savings outcomes do not automatically overturn entrenched gender norms or widen public leadership opportunities. Thus, recent scholarship does not dismiss the empowering potential of savings groups, but it does question whether financial par-ticipation alone can overcome broader structural barriers to leadership.

The debate becomes even more relevant in the case of unregistered VICOBAs in Tanzania. Kamugisha (2025) describes VICOBA as an important grassroots mechanism for women's empowerment in Tanzania by strengthening access to savings, local support, and socio-economic participation. Similarly, recent Tanzania-based work on VICOBA points to these groups as co-operative spaces in which women save, borrow, exchange support, and improve socio-economic mobility through locally organised financial practices. Yet this relatively optimistic reading is qualified by current gender-policy analysis, which still shows that women's movement into wider leadership and decision-making spaces remains constrained by broader institutional and socio-cultural conditions in Tanzania. In other words, participation in unregistered VI-COBAs may build internal confidence and practical competence without necessarily guaranteeing leadership mobility beyond the group. This study therefore argues that participation should not be assumed to produce leadership automatically; instead, it should be examined as a con-text-bound process shaped by both lived group experience and the wider environment in which women exercise voice and influence.

The empirical gap is equally evident. Much of the recent literature on VICOBA and similar savings groups has concentrated on income, saving behaviour, access to loans, and household welfare. Kamugisha (2025) confirms that VICOBA participation contributes to women's empowerment and socio-economic mobility, while Malombe (2025) shows that women's reliance on informal institutions such as VICOBA is closely tied to the realities of unstable income and exclusion from more formal systems. These studies are useful, but they focus more clearly on financial access

and economic coping than on leadership formation itself. As a result, the literature explains much about what women gain economically, but far less about how they develop self-confidence, communication skills, decision-making capacity, teamwork, and financial literacy as interconnected pathways to leadership empowerment. The problem, therefore, is not simply that women participate without leading; it is that the mechanisms linking participation to leadership remain insufficiently explained, especially in the specific context of unregistered VI-COBAs in Arusha District.

It is this gap that the present study addresses. Although Tanzania's current gender and development frameworks support women's participation in leadership, recent evidence still points to implementation challenges and persistent underrepresentation. Guided by contemporary applications of transformational leadership and social capital thinking, this study examines how participation in unregistered VICOBA groups in Arusha District contributes to leadership empowerment through five interrelated dimensions: self-confidence, communication skills, decision-making capacity, teamwork, and financial literacy. Ayandibu and Kola (2024) associate transformational leadership with empowerment, motivation, and developmental influence, while Cheruiyot and Kibett (2024) show that trust-based social capital remains central to collective action and group effectiveness. By bringing these perspectives together, the study argues that leadership empowerment is not a simple by-product of financial inclusion, but a socially mediated and contextually constrained process that must be understood through women's lived experiences in informal group settings.

## 2.0. LITERATURE REVIEW

### 2.1. Theoretical Framework

This study is guided primarily by Transformational Leadership Theory and supported by Social Capital Theory. Transformational Leadership Theory, developed by Burns (1978) and extend-ed by Bass (1985), explains leadership as a process through which individuals grow in confidences, initiative, commitment, and influence. It serves as the primary theory because the study focuses on leadership empowerment among women in unregistered VICOBA groups. Its key constructs include idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration. From these, the study applies self-confidence, communication skills, and decision-making capacity to explain how women develop the ability to influence others and take leadership roles.

The study is further informed by Social Capital Theory, associated with Bourdieu (1986), Coleman (1988), and Putnam (1993). This is the supporting theory because leadership empowerment in informal savings groups is shaped not only by personal growth but also by social interaction. The theory assumes that trust, networks, reciprocity, and shared norms are re-sources that promote cooperation and collective action. In this study, it helps explain team-work, trust, mutual support, shared learning, and financial literacy as social processes through which women strengthen leadership capacity in meetings, loan discussions, record-keeping, conflict resolution, and collective decision-making.

Both theories have limitations. Transformational Leadership Theory pays more attention to personal change than to the structural and cultural barriers that may restrict women's leader-ship in patriarchal contexts. Social Capital Theory also tends to treat social ties as beneficial, yet some networks may be closed and limiting. Even so, both remain relevant. The first explains how women build confidence, voice, and decision-making ability, while the second ex-plains the group relationships that nurture these

capacities. The study therefore contributes to scholarship by contextualising the two theories within informal, community-based financial networks, showing that leadership empowerment in unregistered VICOBA groups emerges through the interaction between personal development and social relations rather than through formal structures alone

## 2.2. Empirical Literature Review

At the global level, empirical literature generally agrees that informal savings groups improve women's economic participation, but it is less clear on leadership empowerment as a distinct outcome. IPA (2025), drawing on experimental and quasi-experimental studies across multiple developing-country contexts, shows that savings groups strengthen saving behaviour, access to credit, economic activity, and household decision-making, and further notes that such groups reach about 500 million people globally, around 80% of them women. However, Duvendack, Anda León and Filopoulos (2025), using a meta-regression of published credit and savings studies, offer a more cautious view by arguing that the evidence becomes less conclusive when empowerment is extended beyond economic access into broader transformation and agency. These studies therefore complement each other in recognising economic gains, but they differ in how confidently they connect those gains to deeper leadership change. What remains unresolved in the global literature is how improved saving and household decision-making develop into public voice, leadership identity, and sustained authority in wider social spaces.

Across Africa, the literature offers a more grounded view by showing that women's group participation creates both opportunity and constraint. In Northern Ghana, Arthur-Holmes and Mengba (2024), using a qualitative case study in the Talensi mining area, found that informal women's cooperatives built solidarity, welfare support, and practical agency, highlighting that such groups function as social as well as financial institutions. In Uganda, Leticia et al. (2024), drawing on a mixed-methods study with 360 questionnaire respondents, 21 key informants, and 20 focus group discussions, similarly showed that group identification strengthened women's economic empowerment, although not all dimensions translated equally into financial au-tonomy and decision-making. Likewise, Bongomin, Woldie and Wakibi (2020), studying 395 women-owned MSMEs in post-war communities in Northern Uganda, found that social cohe-sion acted as social collateral that improved access to microfinance and supported enterprise survival. Taken together, these studies show that African women's groups can strengthen solidarity, financial access, and practical agency, but they also suggest that empowerment remains uneven and shaped by wider structural conditions. What remains underexplored is how mutual support and collective participation develop into visible and sustained leadership beyond the group itself.

In Tanzania, recent studies confirm that VICOBA is an important grassroots platform for women's socio-economic advancement, but leadership outcomes remain less clearly developed in the literature. Kamugisha (2025), working in Ilala Municipality major markets, used a qualitative case study with 30 purposively selected participants, including VICOBA members, leaders, and Community Development Officers, and found that VICOBA strengthened women's financial inclusion, social-cultural change, and market participation. Similarly, Jollystar and Lyimo (2023), studying Shinyanga Municipality through a qualitative design that purposively involved 17 participants, found that VICOBA improved women's income, savings, household decision-making, and general welfare. These studies clearly complement each other in showing the socio-economic value of VICOBA. However, they also share the same limitation: they say much more about economic empowerment than about how women's lived experiences develop into sustained leadership empowerment beyond the group or household. That is why the present study in Arusha District is necessary: it shifts the discussion from economic gains alone to the pathways through which self-confidence, communication, teamwork, decision-making, and financial literacy may translate into leadership empowerment.

## 2.3 Conceptual Framework

The conceptual framework figure2.1 illustrates the linear women's participation in informal savings groups such as Village Community Banks (VICOBA) and their leadership empowerment. It illustrates that through active involvement in savings, lending, and group meetings, women gradually build essential leadership dimensions including self-confidence, communication skills, decision-making capacity, teamwork, and financial literacy. These dimensions serve as the main pathways through which participation contributes to empowerment outcomes. The framework therefore, shows a straightforward flow from participation to the development of leadership qualities, which in turn enhance women's ability to take part in decision-making and leadership roles within their groups and communities.

Figure 2.1: Conceptual Framework

Source: Researcher's Conceptualisation of the reviewed literature, 2025

## 3.0. METHODS

This study adopted a qualitative approach within the interpretivist paradigm. Creswell and Poth (2018) argue that qualitative inquiry is appropriate for understanding how people make sense of their experiences, while Denzin and Lincoln (2023) similarly emphasise that reality is socially constructed and best explored through participants' own meanings rather than measurement. These views complement each other and justify the study's focus on women's lived experiences of leadership empowerment in informal savings groups. In line with this orientation, a phenomenological design was used because, as Van Manen (2017) explains, it captures the essence of lived experience. The study was conducted in Arusha District, selected purposively because of high VICOBA participation alongside low female representation in formal leadership structures. Here, URT (2021) provides the broader governance context, while Nyoni and Rugumisa (2022) highlight continuing gaps in women's leadership progression in Tanzania. Four unregistered VICOBA groups were accessed through community gatekeepers because they offered an informal setting in which leadership develops outside formal institutional oversight.

Participants were selected purposively based on at least one year of active membership, involvement in savings and decision-making activities, and willingness to reflect on leadership experiences. To capture

varied perspectives, the study included women of different ages, years of membership, educational backgrounds, and leadership roles. A total of 23 women participated, including 15 individual interviewees and 8 participants in two focus group discussions. The sample was considered sufficient because data saturation was reached when no substantially new meanings emerged. Data collection relied on broad, open-ended prompts rather than fixed categories so that participants could describe their experiences in their own terms. Interviews lasted 16–41 minutes, FGDs about 30 minutes, and all sessions were conducted in Kiswahili, recorded with consent, and later translated into English.

Data were analysed using Braun and Clarke's (2019) reflexive thematic analysis, following familiarisation, initial coding, theme construction, review, definition, and reporting. Coding was inductive, allowing themes to emerge from participants' accounts before being linked to the theoretical framework. Trustworthiness was strengthened through triangulation of interviews and FGDs, member checking, reflexive journaling, and an audit trail. Lincoln and Guba (1985) pro-vide the foundational principles of qualitative trustworthiness, while Nowell et al. (2017) show how thematic analysis can be made transparent and dependable. Ethical principles were also strictly observed. Resnik and Shaw (2021) stress voluntary participation, informed consent, confidentiality, and respect, all of which guided this study. Because the research involved close-knit, unregistered VICOBA groups, anonymity was protected through pseudonyms, private interviews, and secure data storage, and all information was used solely for academic purposes.

## 4.0. RESULTS AND DISCUSSION

### Theme 1: Self-Confidence

Interviews with women participants revealed that joining VICOBA significantly enhanced their self-confidence and sense of self-worth. Many respondents explained that before joining, they had been timid, hesitant to speak, and often lacked the courage to express themselves in group or community settings. Through active involvement in group discussions and financial management tasks, however, they gradually developed courage and belief in their own abilities. For example, R7 stated, *"Before joining VICOBA, I used to be very quiet, but now I can speak and even guide others in our discussions"* (Interview, April 2024, 8:45 a.m.). In a similar way, R2 shared, *"Through the group I have learned to believe in myself. When I see others supporting me, I feel capable"* (Interview, March 2024, 2:35 p.m.). Some participants further noted that being entrusted with leadership roles and group funds gave them a stronger sense of respect and validation. R11 explained, *"When they chose me as treasurer, I felt that they believed in me. That made me confident even at home"* (Interview, May 2024, 1:25 p.m.), while R4 added, *"Being the one to collect and record contributions has made me feel responsible and proud"* (Interview, April 2024, 4:20 p.m.). Even so, this confidence did not always extend smoothly into broader public spaces. As R8 admitted, *"Inside the group I talk freely, but in village meetings where men are many, I feel nervous"* (Interview, April 2024, 10:50 a.m.). Overall, the interviews suggest that VICOBA participation helped transform many women from silent observers into active contributors, although confidence in wider community settings remained constrained.

Focus group discussions reinforced this pattern by showing that confidence was nurtured collectively rather than individually alone. Participants in FGD1 (April 2024, 9:30 a.m.) and FGD2 (April 2024, 2:00 p.m.) described VICOBA as a safe and supportive space where women encouraged one another to speak and gradually overcome fear. One participant remarked, *"We*

*motivate each other. When one speaks, others encourage her. That helps us lose fear,"* while another explained, *"At first, I was shy, but now I can even speak at church."* Others similarly noted that observing fellow members speak without fear inspired them to contribute more actively and to express their own ideas with confidence. These discussions suggest that women's self-confidence developed not only from personal growth, but also from mutual learning, peer affirmation, and repeated participation in a supportive group environment.

These findings indicate that VICOBA participation fosters self-confidence through a combination of internal transformation and collective affirmation. Women's willingness to speak, lead, and take responsibility appears to grow from the trust and recognition they receive from fellow members. In this sense, the findings align with Transformational Leadership Theory, which Bass (1985) uses to explain how empowerment begins with self-belief, intrinsic motivation, and the gradual development of influence. The results also resonate with Social Capital Theory, since Coleman (1988) shows that trust, cooperation, and bonding relationships can strengthen individual confidence through supportive social interaction. Empirically, the findings complement those of Kimario and Nchimbi (2023), who found in Kilimanjaro that savings groups improved women's confidence to speak in public, and Mwakajinga (2022), who similarly observed in Arusha that peer support strengthened women's self-expression and leadership readiness. However, the present study adds a more cautious insight. While earlier studies tend to imply that confidence gained within savings groups naturally extends into wider leadership spaces, the current findings show that such transfer is often limited by cultural norms and weak institutional pathways. The findings therefore suggest that VICOBA functions effectively as a safe space for building self-confidence and leadership identity, but that sustained empowerment beyond the group requires broader structural and cultural support.

### Theme 2: Communication Skills

Interviews with participants showed that participation in VICOBA significantly improved women's communication skills. Many respondents explained that before joining, they found it difficult to express themselves clearly, manage disagreements, or remain calm during tense discussions. Regular interaction within the groups gradually changed this. Through meetings, loan discussions, and everyday financial negotiations, women learned how to speak with confidence, listen carefully, and engage others respectfully. R5 explained, *"In our group, we discuss everything together. Even when we disagree, we talk calmly until we understand each other"* (Interview, May 2024, 9:20 a.m.). In a similar way, R3 noted, *"I learned to listen before answering. That has helped me even at home with my husband"* (Interview, April 2024, 11:40 a.m.). R13 also reflected this shift, saying, *"Before, I would walk away when angry, but now I can talk calmly and finish issues"* (Interview, March 2024, 3:55 p.m.). Some participants further explained that these changes extended into business and family life. For instance, R9 stated, *"When I talk to customers, I now use polite words but still make my point clear"* (Interview, May 2024, 4:10 p.m.). Taken together, these accounts suggest that VICOBA did not only improve women's ability to speak, but also strengthened their capacity to negotiate, persuade, and maintain mutual understanding in everyday relationships.

Focus group discussions confirmed this pattern by showing that communication skills developed through repeated participation in collective dialogue. Participants in FGD1 (April 2024, 10:30 a.m.) emphasized that constant discussion taught them how to speak politely while remaining

firm. One member stated, *"When there is a disagreement, we let everyone talk first, then find a solution together,"* while another added, *"We have learned to speak without anger, even when correcting someone."* Participants in FGD2 (April 2024, 2:15 p.m.) made a similar point, explaining that frequent exposure to group meetings reduced fear and improved confidence in speaking before others. As one woman put it, *"When we meet every week, you get used to talking in front of people, and that fear disappears."* Others noted that they had learned to handle misunderstandings through empathy and calm discussion rather than avoidance or anger. These findings show that communication competence was not gained instantly; rather, it evolved gradually through practice, observation, and mutual respect within the group environment.

The findings show that communication improvement among women in VICOBAs is both practical and relational. Women strengthened these skills through repeated participation in meetings, discussions, and conflict resolution, but they also benefited from a group environment built on listening, respect, and peer support. In this sense, the findings reflect Transformational Leadership Theory, because Burns (1978) links leadership to influence and collective purpose, while Bass and Riggio (2006) extend that view by emphasizing empathy, encouragement, and individual consideration. The results also resonate with Social Capital Theory, as Putnam (1993) explains how trust and repeated interaction deepen cooperation. Together, these theories help explain why VICOBA functions as an informal space where women learn to persuade, listen, and speak respectfully through practice rather than formal training.

The findings also compare well with earlier studies, though not entirely. Massawe and Swai (2021) found in Morogoro that women's savings groups improved negotiation and dispute-resolution skills, while Nyambura and Wambugu (2020) similarly showed in Kenya that collective participation strengthened women's communication confidence and social competence. These studies complement the present findings by confirming that communication grows through group interaction. However, the current study differs from them in one important respect. Whereas the earlier studies imply that communication gains transfer fairly easily into broader leadership spaces, the present findings show that this transfer remains limited. Women communicated more confidently within VICOBA, at home, and in business settings, yet their assertiveness in formal or mixed-gender spaces was still constrained. This suggests that although VICOBA builds strong communication skills and mutual respect, wider structural inequalities and gendered expectations continue to limit women's expression in public leadership contexts

## Theme 3: Decision-Making Capacity

Interviews with participants revealed that participation in VICOBA strengthened women's decision-making capacity both within their groups and at household level. Many participants explained that before joining, they depended heavily on husbands or other family members to make financial and social decisions on their behalf. Through regular exposure to group deliberations, loan discussions, and financial planning, however, they gradually learned to weigh alternatives, think critically, and take responsibility for outcomes. R10 explained, "We decide together how much to contribute and who should get a loan. It has taught me to think carefully" (Interview, March 2024, 11:10 a.m.). In a similar way, R14 noted, "Before joining, I used to wait for my husband to decide everything, but now I decide for my business myself" (Interview, April 2024, 3:40 p.m.). R6 also pointed out that, "Being part of group decisions helped me to compare

options before choosing, even when buying things at home" (Interview, May 2024, 9:05 a.m.), while R15 added, "Now my husband asks for my opinion before selling crops, because he knows I can plan well" (Interview, April 2024, 10:50 a.m.). These accounts suggest that VICOBA gave women practical experience in analysing choices and gradually strengthened their confidence to influence both group and family decisions.

Focus group discussions reinforced this pattern by showing that decision-making was learned through collective reasoning and participatory practice. Participants in FGD1 (April 2024, 11:45 a.m.) described how regular deliberation encouraged fairness, accountability, and the expression of diverse opinions before consensus was reached. One woman remarked, "We vote openly, and everyone's opinion counts. That gives us courage to speak our mind," while another added, "We compare different choices and agree on what benefits the group most." Participants in FGD2 (April 2024, 3:10 p.m.) similarly explained that involvement in group financial decisions gave them confidence to make comparable decisions in their households and small businesses. As one participant put it, "When we decide on loans or fines, we use reasoning and examples. I now apply the same at home." These discussions indicate that VICOBAs functioned as practical learning spaces where women developed decision-making capacity through shared governance, dialogue, and real-life responsibility.

The findings therefore suggest that VICOBA participation strengthens women's decision-making ability by drawing them into collective problem-solving, analysis, and voting. This process not only improved women's confidence to make independent and rational choices, but also extended their influence from the financial sphere into family and social life. In theoretical terms, the findings align with Transformational Leadership Theory, though in a specific way. Avolio and Yammarino (2013) link empowerment to the development of independent and informed judgement, and the present findings reflect this in the way women described becoming more analytical, responsible, and self-assured through participation. Social Capital Theory adds a relational dimension to this interpretation. Nahapiet and Ghoshal (1998) explain that shared knowledge and trusted relationships build cognitive social capital, and this helps clarify why open discussion, consensus-building, and mutual learning within VICOBA improved women's ability to reason and decide collectively. The findings also compare well with previous studies, but not without difference. Kato and Kratzer (2019) found in Uganda that participation in savings groups improved women's confidence and bargaining power in financial decision-making, while Kimario and Nchimbi (2023) similarly observed in Tanzania that VICOBA discussions enhanced women's self-efficacy and participatory decision-making skills. These studies complement the present findings by confirming that group participation builds confidence and judgement. However, the current study departs slightly from them by showing that although decision-making capacity improves clearly within VICOBAs and households, women's authority often weakens in formal or male-dominated community spaces. This suggests that while VICOBA is an effective micro-level platform for developing decision-making competence, broader social transformation and sustained gender sensitisation remain necessary if that competence is to translate into wider leadership influence.

### Theme 4: Teamwork

Interviews revealed that teamwork played a central role in strengthening women's leadership empowerment within VICOBAs. Participants explained that mutual support, collaboration, and trust sustained group unity and helped them achieve collective goals. Through cooperation, women learned patience, shared responsibility, and problem-solving. For example, R9 stated, *"When one of us faces a problem, the group stands together. That gives us strength"* (Interview, May 2024, 1:10 p.m.), while R4 added, *"If a member misses payment, we remind her kindly, not with anger. That keeps us together"* (Interview, April 2024, 10:35 a.m.). Others similarly noted that teamwork made them more patient, supportive, and connected, turning the group into a source of both practical cooperation and emotional strength.

FGD findings reinforced this view by showing that VICOBAs operate as networks of solidarity built on trust and shared responsibility. Participants in FGD1 and FGD2 explained that collaboration was essential not only in managing savings and contributions, but also in supporting members during business setbacks and family difficulties. One woman explained, *"When someone's business fails, we comfort and support her until she recovers,"* while another noted, *"We trust each other because everyone plays a role in what we achieve together."* These discussions showed that teamwork within VICOBAs was both practical and transformative, creating a sense of belonging, accountability, and mutual respect.

The findings suggest that teamwork in VICOBAs is a key driver of women's empowerment because it encourages collective responsibility, empathy, and cooperation. This aligns with Social Capital Theory, as Coleman (1988) explains that trust, reciprocity, and shared norms strengthen cooperation and collective achievement. The findings also reflect Transformational Leadership Theory, since Bass and Riggio (2006) link leadership to shared vision, encouragement, and mutual support. Earlier studies support this interpretation. Nyoni and Rugumisa (2022) found in Dodoma that teamwork in women's savings groups improved confidence and social problem-solving, while Mwakajinga (2022) similarly observed in Arusha that collaboration strengthened social cohesion and cooperative leadership behaviour. These studies complement the present findings by showing that teamwork builds both trust and leadership readiness. However, the current study adds that such teamwork often remains confined within the group and rarely extends into wider community leadership. This suggests that stronger links between informal group cooperation and formal leadership spaces are needed if empowerment is to move beyond VICOBA settings

### Theme 5: Financial Literacy

Interviews with participants revealed that financial literacy was one of the most transformative outcomes of participation in VICOBA. Many women explained that before joining, they lacked budgeting, saving, and record-keeping skills, but through active involvement in group activities they gradually learned to manage money both individually and collectively. For example, R12 stated, *"Before joining, I did not know how to plan my expenses, but now I can budget for business and home"* (Interview, March 2024, 8:50 a.m.), while R1 added, *"I learned to separate profit from capital. That discipline has helped my business grow"* (Interview, April 2024, 9:40 a.m.). In a similar way, R5

explained that managing group funds improved her transparency and trust at home, and R8 noted that handling records taught her honesty and accuracy in business practice. These accounts show that VICOBA acted as an informal financial school where women learned budgeting, saving, and accountability through everyday practice. Focus group discussions reinforced this point, as participants in both FGD1 and FGD2 explained that record-keeping, loan discussions, and saving targets helped them understand discipline, transparency, and financial planning. Taken together, the interviews and FGDs suggest that financial literacy developed through shared practice, peer guidance, and repeated responsibility.

The findings indicate that VICOBA participation empowers women economically through practical financial education gained from hands-on experience. Financial literacy improved women's ability to plan, save, keep records, and manage money responsibly, which in turn strengthened their autonomy and credibility in both household and group settings. In this respect, the findings align with Transformational Leadership Theory**,** because Bass (1985) links empowerment to the development of competence, discipline, and autonomy through learning. The findings also reflect Social Capital Theory, though in a relational sense. Putnam (1993) emphasizes that trust and cooperation grow through repeated interaction, while Coleman (1988) shows that shared networks can promote responsibility and mutual accountability. In the present study, financial literacy emerged not only as an individual skill but also as a collective achievement shaped by trust, peer mentoring, and shared monitoring within the group.

The findings also compare well with earlier empirical studies, though they add an important nuance. Massawe and Swai (2021) found in Morogoro that women's savings groups strengthened accountability and financial management, while Adjei (2021) similarly reported in Ghana that community savings schemes improved women's financial decision-making. These studies complement the present findings by confirming that savings groups can build practical financial competence. However, the current study differs slightly from findings in Uganda and Kenya reported by Kato and Kratzer (2019) and Nyambura and Wambugu (2020), where financial training appeared more structured and institutionalised. In the Tanzanian VICOBA context, learning was largely informal and experience-based. This means that while VICOBAs effectively nurture grassroots financial literacy and leadership readiness, the absence of formal recognition and structured training may limit women's access to broader economic and leadership opportunities.

## 5.0. CONCLUSION

This study investigated whether women's experiences in informal savings groups constitute pathways to leadership empowerment. The findings affirm that participation in unregistered VICOBA groups in Arusha District functions as a substantive pathway to leadership empowerment. However, the resulting transformation remains predominantly internal to group set-tings and is constrained by wider socio-cultural and institutional structures.

Among the five empowerment dimensions, financial literacy emerged as the most influential contributor, followed by decision-making capacity, teamwork, communication skills, and self-confidence. Financial literacy enhanced economic discipline, transparency, and social credibility, thereby strengthening women's authority within both household and group contexts. Decision-making capacity reinforced autonomy and participatory governance skills; teamwork cultivated collective efficacy and shared accountability; and communication skills improved negotiation and

deliberative competence. Although self-confidence was evident, it remained context-dependent and moderated by prevailing patriarchal norms. This hierarchy indicates that leader-ship empowerment within VICOBA is grounded primarily in experiential financial practice and participatory engagement rather than in psychological transformation alone.

## 6.0. RECOMMENDATIONS

The study recommends that unregistered VICOBA groups should be strengthened not only as savings platforms but also as spaces for women's leadership development. Simple leadership training in public speaking, conflict resolution, participatory decision-making, record-keeping, and confidence-building should be integrated into group activities, while rotational leadership responsibilities should be encouraged so that more women gain direct leadership experience.

The study further recommends that local government authorities and community development officers should formally recognise VICOBA groups as grassroots platforms for women's empowerment and participation. This recognition should be supported by mentorship systems involving women leaders, civil society organisations, and local institutions, as well as gender-sensitisation programmes to address cultural norms and male-dominated attitudes that continue to limit women's leadership in public spaces.

Finally, policymakers should align VICOBA support with national gender and community development frameworks so that empowerment extends beyond informal group settings. Providing structured training, financial literacy support, and institutional pathways into broader community leadership would strengthen the link between individual growth, social support, and formal recognition, making VICOBA a more sustainable instrument for women's leadership empowerment and community development.

### Author Contributions

Janeth Isanzu conceptualised and designed the study, conducted data collection and analysis, interpreted the results, and prepared the manuscript for publication.

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### Conflict of Interest

The author declares no conflict of interest concerning the publication of this research.

### Data Availability Statement

The author confirms that all qualitative data used in this study, including interview and focus group transcripts, are available upon reasonable request for academic and verification purposes.

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