

**Micro-credit and Growth of Micro-Enterprises**  
**A Case of Vision Fund in Tanzania**  
**By**  
**Andrew Peter Maungu**  
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This study sought to establish the impact of micro credit on growth of micro-enterprises with evidence from Vision Fund Tanzania. The study was aimed at identifying the link between access to micro-credit and business performance of micro-enterprises. A sample of 100 micro-enterprises constituted the total sample size of this study. Data collection methods involved were questionnaire, interview, documentary review and observation. Data were analyzed using statistical package for social science (SPSS). Descriptive statistics, which involve percentage, tables and figures were used to present the data collected. The study revealed that a number of the micro-enterprises benefitted from the micro-credit accessed from MFIs. Interestingly, the majority of the microenterprises acknowledge positive contributions of micro-credit towards increasing their net cash flow, household income and sales volume thus placing them in the competitive arena. Also, the study has revealed that clients have been addressing their household issues through taking business loans. This implies that using an umbrella of business loans, micro-enterprises were able to improved their household income. However, the study recognized that micro-enterprise confronted with some challenges, including complex in the formation of solidarity groups and inability to pay financial and non financial costs before and after loan disbursement. It is recommended that MFIs should 100k on possibilities of reducing costs of micro-credit. Also, micro-finance institutions have to diversify its credit services by providing not only working capital loan, but also in other area of investment to cater for the financial needs of household economic activities. MFI should give opportunities to progress any group which encounter drop out in the process.