



e-ISSN:2582-7219



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

Volume 7, Issue 6, June 2024



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 7.521



6381 907 438



6381 907 438



ijmrset@gmail.com



www.ijmrset.com



Exploring the Role of Micro Finance in Empowering Women Entrepreneurs

Pooja, Dr. S. Maria Antonyraj

MBA, NIMS University, Jaipur, India

Associate Professor, NIMS University, Jaipur, India

ABSTRACT: Microfinance institutions (MFIs) have become essential players in helping women achieve economic independence and business expansion by giving them access to financial services. This study looks at how much microfinance programmes help women start their own businesses, highlighting important elements like social capital, financial knowledge, and credit availability. With a mixed-methods approach, the research integrates qualitative insights from in-depth interviews and case studies with quantitative analysis of microfinance recipients' performance statistics. Results show that microfinance helps women start and grow enterprises, which raises their income levels and improves their socioeconomic standing. Microfinance plays a major role in empowering women. The report also emphasises the contribution that MFIs provide to financial inclusion and the reduction of gender differences in financial resource accessibility. To fully realise the potential of microfinance, however, the research also finds obstacles, such as excessive loan rates, a lack of financial awareness, and sociocultural hurdles. To improve the efficacy of these programmes, policymakers and microfinance practitioners are given recommendations. These include the necessity of customised financial products, measures to create capacity, and policy frameworks that support them. This study adds to our knowledge of the role microfinance plays in empowering women by providing insightful information that can be used to improve the efficacy of microloans and foster the long-term growth of women entrepreneurs.

Keywords: Microfinance, Women Entrepreneurs, Entrepreneurship, Income Generation, Development of Small Businesses, Gender Equality.

I. INTRODUCTION

The process of launching and expanding a business presents particular difficulties for women in many regions of the world, particularly in developing nations. Compared to their male colleagues, they frequently face problems related to uneven opportunities, social standards, and restricted access to financial resources. On the other hand, microfinance is a viable option that has gained popularity lately. But one possible answer to these problems may be found in microfinance, a kind of financial service intended for people without access to standard banking services. For those who would not normally be eligible for loans from traditional banks, microfinance provides small loans, savings accounts, and other financial services. The microfinance institutions (MFIs) that cater to low-income people and communities are frequently the ones offering these services. Women entrepreneurs are among the groups that have greatly profited from microfinance. To help women acquire the abilities and information required to be successful business owners, microfinance frequently includes training and support services. Microfinance has demonstrated potential in empowering women entrepreneurs. In order to fully comprehend the effects of microfinance and determine strategies to enhance its efficacy, a comprehensive investigation of its role in empowering women entrepreneurs is needed. The crucial role that microfinance institutions (MFIs) play in giving underprivileged groups—including female entrepreneurs—access to vital financial services. By providing customised services including credit, savings, insurance, and payment options, microfinance helps women start and expand their enterprises, increasing their economic independence and social power. The objective of this introduction is to examine the various ways that microfinance empowers women entrepreneurs, emphasising how it promotes financial inclusion, socio-economic growth, and gender equality. It gives women the opportunity to launch companies, generate money, and improve their lives. In addition to promoting independence and the launch of new businesses, microfinance also lowers poverty, boosts the economy.

II. NEED AND SIGNIFICANCE OF THE STUDY

Money Matters: By providing the capital required for women to launch new ventures or grow current ones, microfinance may help women make money and enhance their quality of life.



Helping families: Women who are successful business owners frequently utilise their income to provide for their family, particularly with regard to expenses like healthcare and education.

Learning Opportunities: Microfinance programmes assist women acquire critical business skills by giving them support, training, and money in addition to other benefits.

Better Policies: Researching microfinance enables us to design programmes that are effective for women, which can result in the development of more favourable policies for their welfare.

Long-Term Success: We aim to ensure that women who receive microfinance benefit for a long time and that their lives and communities continue to be improved.

III. LITERATURE REVIEW

- **20 Mar 2023, Peter Robinson:** This study investigates the role of microfinance services on women's entrepreneurship development in Assosa town. The study employed both descriptive and explanatory designs and a quantitative research approach. The study targeted 352 women clients of Assosa Woreda Microfinance Institution, and 165 samples were selected using a simple random sampling technique. The data were collected through a questionnaire and analysed through the statistical package for social science (SPSS) 26 software. The findings from the descriptive mean analysis indicate that the microfinance institution financial and non-financial services offered were found unable to significantly empower disadvantaged and poor women by improving their livelihood and development of their business.
- **18 Feb 2023, M. Jayaseely, 2Dr. Saffina C:** Micro-finance programmes not only give women and men access to savings and credit, but reach millions of people worldwide bringing them together regularly in organised groups. Although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's empowerment, as well as pro-poor development and civil society strengthening. Through their contribution to women's ability to earn an income these programmes have potential to initiate a series of 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment.
- **1 Jan 2023, Pavithra, B., & M, S. G. V. :** After agriculture, microenterprises are a major economic segment that provides large employment opportunities. According to the 2021–2021 annual report for MSMEs [micro, small, and medium enterprises], there were 630.52 lakhs of microenterprises, 1076.19 lakhs of people gained employment opportunities, and 30.27% to India's GDP came from these microenterprises. Microfinance is the tool to reduce poverty and income inequality and to provide financial services for self-employment opportunities to underprivileged citizens in both rural and urban areas.
- **28 Feb 2023, Borthakur, A., & Boruah, P. :** Micro finance has become a tool of empowering the underprivileged people in the society. It plays a prominent role in the developing countries of Asia. These countries are having lots of success stories where the poor and backward people could manage to have sustainable source of revenue for themselves through microfinance. It is observed that in maximum cases women are plying a vital role in the use of micro finance through the self-help groups (SHGs). This paper tries to see the impact of micro finance on the rural women of Assam - a state which is very near to Bangladesh, the country where microfinance has got tremendous response from the women folk.
- **20 Mar 2023, Sharma, D. N. :** The research article tried to highlight the impact of microfinance on women's empowerment in the context of Nepal and the impact of COVID-19 on the business and economic sustainability of microfinance in Nepal. In this paper, the history of microfinance and the link between microfinance and women's empowerment has been discussed comprehensively. Apart from that in the wider phenomenon of women empowerment, the theories on woman empowerment have been explained. The research gap here is stated as the effect of COVID-19 on these two topic variables.
- **23 Sep 2022, Hameed, W. U., Basheer, M. F., Iqbal, J., Nisar, Q. A., Meo, M. S., & Razzaq, S. :** The objective of this chapter is to highlight the important relationship between microfinance institutions and women entrepreneurs in new venture creation. This chapter is proposed because women-empowerment is one of the crucial issues worldwide. In certain parts of the world, women are bound to customs, norms, beliefs, which are unique. These issues are found to promote social problems and hinder the economic contribution from women.
- **27 Oct 2022, Mengstie, B. :** Women's economic empowerment a strategy aimed at enabling women in decision-making, increment in income and asset ownership. The main aim of the study is to examine the impact of microfinance on women's economic empowerment. Data were derived from a questionnaire of a sample of 346 women clients of microfinance. Multiple regression and paired sampled t -test data analysis techniques were used in the study. Multiple linear regression result revealed that age, marital status, education level, credit amount, and number of trainings have significant effect on women's economic empowerment.



- **05 Nov 2022, Nazia Bhutto, Ghulam Ali Jariko, Shahabuddin Mughal :** This study aimed to analyse out the role of microfinance in perspective of women empowerment in socio-economic aspects, and also reviewed some of the past studies relevant to the impact of microfinance in empowering the women. Microfinance is the basic tool to reduce poverty- provide a better livelihood to women and improve social, economic and personal lives of women. As women are always considered as a poor segment of society because mainly do not participate directly in income generating activities.

IV. OBJECTIVES OF THE RESEARCH

1. Examine how women entrepreneurs' capacity to launch and grow their enterprises is impacted by their access to microfinance.
2. Examine the social and cultural aspects that affect how well microfinance initiatives empower women business owners.
3. Identify areas of success and possible development for microfinance initiatives that support women entrepreneurs.

V. HYPOTHESIS

Null Hypothesis (H0): The empowerment of female entrepreneurs in terms of company success, financial independence, and social status is not significantly impacted by microfinance.

Alternative Hypothesis (H1): Microfinance significantly contributes to the financial independence, company success, and social standing of women entrepreneurs by empowering them.

VI. SCOPE OF THE STUDY

Geographical Scope: The focus of this study will be on women entrepreneurs and microfinance programmes in particular geographic locations, such as cities, towns, or rural areas.

Business Types: To understand how microfinance supports diverse entrepreneurial initiatives, we'll look at a variety of businesses run by women, including stores, farms, and service providers.

Impact Areas: To determine how microfinance affects women's lives and communities overall, we'll look at the different ways it empowers them on a personal, social, and financial level.

Success Indicators: To assess how well microfinance is empowering women, we'll pinpoint particular success indicators, such as higher income, company expansion, or better quality of life.

Policy and Practices: In order to understand how governments' and microfinance institutions' policies and practices affect women's empowerment and entrepreneurial prospects, we will also look at these areas.

VII. RESEARCH METHODOLOGY

RESEARCH DESIGN

The methodology of the study was survey-based. Finding the customer's level of satisfaction is the study's main goal. A mixed-approaches strategy will be employed for this project. This method will help to provide a thorough grasp of the subject and triangulate data to bolster the accuracy and dependability of the findings. The following will be included in the research design.

TYPES OF DATA COLLECTION

Primary Data: Primary data are distinct since they were originally and thoroughly collected, this information is current and comes straight from the source.

. Questionnaire

Secondary data: Secondary data is acquired from previous research and publications to finish the corresponding project. The following methods were used to collect the secondary data:

- News stories
- Annual reports

Sample size: 60

Methodology for Analysis: To get information from the respondent, the researcher employed a questionnaire and random sampling.



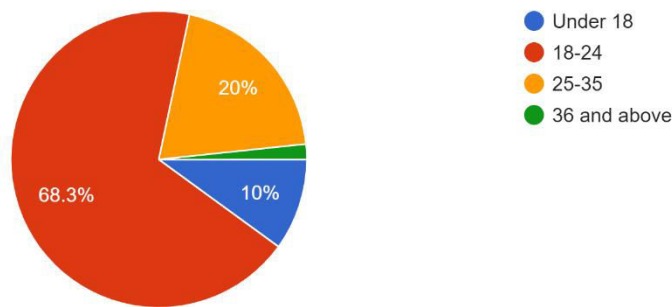
VIII. DATA ANALYSIS & INTERPRETATION

AGE

Responses	Frequency	Percentage
Under 18	41	10%
18-24	12	68.3%
25-35	6	20%
36 and above	1	1.7%
Total	60	100%

Survey Report

1. Age
60 responses



Analysis:

From the above graph and table, it is observed that out of 60 responses, 41 respondents are from under 18 age groups with 10%, 12 respondents are from 18-24 age groups with 68.3%, 6 respondents are from 25-35 age group with 20%, 1 respondent are from 36 and above age groups with 1.7%.

Interpretation:

It is observed that most of the respondents are in the age group of 18-24 Years and the least number of respondents belong to the age group of 36 and above.

Gender

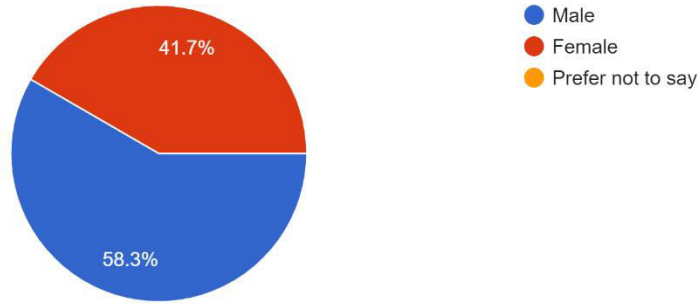
Responses	Frequency	Percentage
Male	35	58.3%
Female	25	41.7%
Prefer not to say		
Total	60	100%



Survey Report

2. Gender

60 responses



Analysis:

From the above graph and table out of 60 responses. 35 respondents are male with 58.3% and 25 respondents are female with 41.7%.

Interpretation:

It is observed that most of the male respondents and the least number of respondents belong to the females.

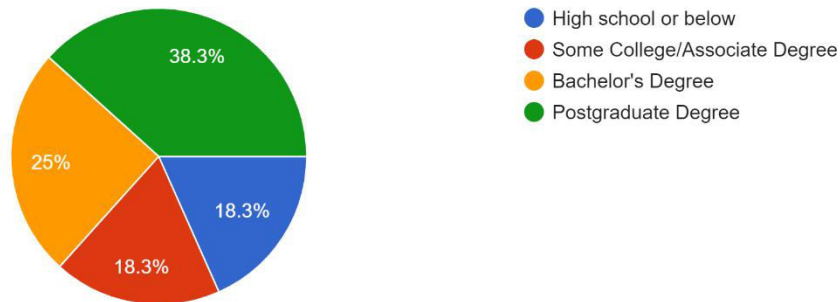
Education Level

Responses	Frequency	Percentage
High school or below	11	18.3%
Some College/Associate Degree	11	18.3%
Bachelor's Degree	15	25%
Postgraduate Degree	23	38.3%
Total	60	100%

Survey Report

3. Education Level

60 responses





Analysis:

From the above graph and table out of 60 responses, 11 respondents are from high school or below and also some college/associate degree with 18.3%, 15 respondents are from bachelor’s degree with 25%, 23 respondents are from postgraduate degree with 38.3%.

Interpretation:

It is observed that most of the respondents are from postgraduate degree and the least number of respondents belong to the high school or below and some college/associate degree.

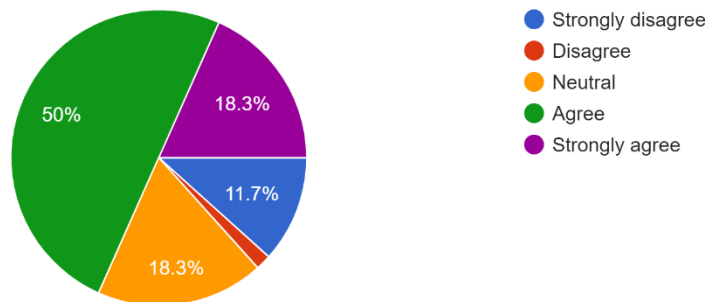
To what extent do you believe microfinance programs contribute to the economic empowerment of women entrepreneurs?

Responses	Frequency	Percentage
Strongly disagree	7	11.7%
Disagree	1	1.7%
Neutral	11	18.3%
Agree	30	50%
Strongly agree	11	18.3%
Total	60	100%

Survey Report

5. To what extent do you believe microfinance programs contribute to the economic empowerment of women entrepreneurs?

60 responses



Analysis:

From the above graph and table out of 60 responses, 7 respondents are from (strongly disagree) with 11.7%, 1 respondent are from(disagree) with 1.7%, 11 respondents are from (neutral and strongly agree) with 18.3%, 30 respondents are from (agree) with 50%.

Interpretation:

It is observed that most of the respondents are from (Agree) and the least number of respondents belong to the (Disagree).

How effectively do microfinance institutions provide financial resources to women entrepreneurs compared to men?

Responses	Frequency	Percentage
Not Effective	2	3.3%
Somewhat Effective	9	15%

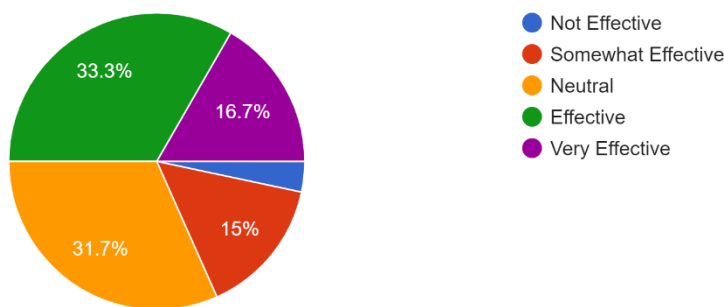


Neutral	19	31.7%
Effective	20	33.3%
Very Effective	10	16.7%
Total	60	100%

Survey Report

6. How effectively do microfinance institutions provide financial resources to women entrepreneurs compared to men?

60 responses



Analysis:

From the above graph and table out of 60 responses, 2 respondents are from (Not Effective) with 3.3%, 9 respondents are from (Somewhat Effective) with 15%, 19 respondents are from (neutral) with 31.7%, 20 respondents are from (Effective) with 33.3%, 10 respondents are from (Very Effective) with 16.7%.

Interpretation:

It is observed that most of the respondents are from (Effective) and the least number of respondents belong to the (Not Effective).

To what extent do microfinance institutions address the specific needs and challenges faced by women entrepreneurs?

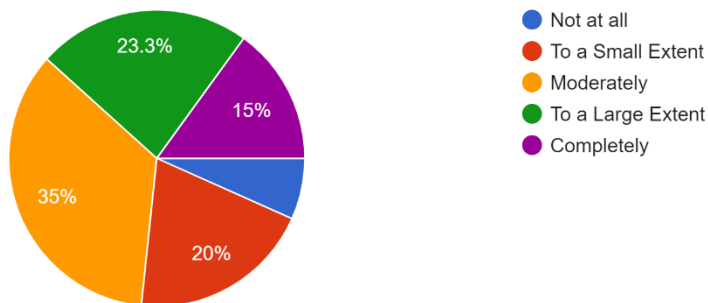
Responses	Frequency	Percentage
Not at all	4	6.7%
To a Small Extent	12	20%
Moderately	21	35%
To a Large Extent	14	23.3%
Completely	9	15%
Total	60	100



Survey Report

8. To what extent do microfinance institutions address the specific needs and challenges faced by women entrepreneurs?

60 responses



Analysis:

From the above graph and table out of 60 responses, 4 respondents are from (Not at all) with 6.7%, 12 respondents are from (To a small extent) with 20%, 21 respondents are from (Moderately) with 35%, 14 respondents are from (To a large extent) with 23.3%, 9 respondents are from (Completely) with 15%.

Interpretation:

It is observed that most of the respondents are from (Moderately) and the least number of respondents belong to the (Not at all).

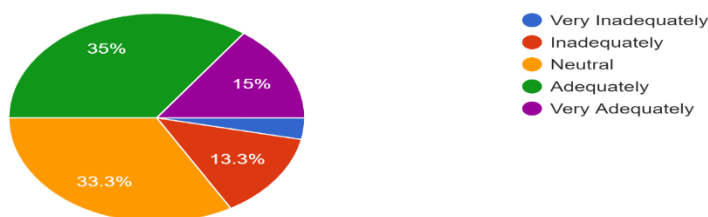
How adequately do microfinance programs support women entrepreneurs in terms of training and capacity building?

Responses	Frequency	Percentage
Very Inadequately	2	3.3%
Inadequately	8	13.3%
Neutral	20	33.3%
Adequately	21	35%
Very Adequately	9	15%
Total	60	100%

Survey Report

9. How adequately do microfinance programs support women entrepreneurs in terms of training and capacity building?

60 responses





Analysis:

From the above graph and table out of 60 responses, 2 respondents are from (Very Inadequately) with 3.3%, 8 respondents are from (Inadequately) with 13.3%, 20 respondents are from (Neutral) with 33.3%, 21 respondents are from (Adequately) with 35%, 9 respondents are from (Very Adequately) with 15%.

Interpretation:

It is observed that most of the respondents are from (Adequately) and the least number of respondents belong to the (Very Inadequately).

IX. FINDINGS

- As to the report, the age group of 18-24 is responsible for the greatest number of consumers.
- Microfinance helped women entrepreneurs expand their businesses and raised income levels dramatically.
- Women company owners indicated that they needed training in marketing, business management, and financial literacy.
- The self-efficacy and confidence of female entrepreneurs have significantly improved.
- Participation in local decision-making procedures and community events has increased, and they frequently take on leadership roles.

X. LIMITATIONS OF RESEARCH

The study was carried out within the stated parameters. Nevertheless, the research was limited.

- The concentrates on just 60 clients.
- This study is based on the information provided by the respondents.

XI. SUGGESTION & RECOMMENDATION

- Take little steps at first to evaluate if they are effective. Setting attainable objectives for your company or yourself is a good place to start.
- Take a close look at the actions of prosperous business owners to determine whether you can adapt their tactics to your own circumstances.
- Ask for help and support from friends, mentors, or experts without hesitation. They may be able to assist you with their experiences or insights.
- Retain a cheerful outlook despite difficult circumstances. Have faith in your own strengths and ability to conquer obstacles.
- Keep learning about entrepreneurship and your field on a regular basis. Books, online classes, or networking gatherings may be used for this.
- Take care of your physical and emotional well-being and don't forget to take breaks. Both physical and mental well-being are important for entrepreneurship success.
- No matter how small, be proud of your accomplishments. You may stay inspired and motivated for the trip ahead by acknowledging your accomplishments.
- Establish connections with clients, business associates, and experts in the field. Making connections can lead to beneficial resources and new opportunities.

XII. CONCLUSION

In summary, we now know that microfinance is crucial to the success of women entrepreneurs. Even in situations where they are unable to obtain loans from traditional banks, it provides them with access to capital to launch or expand their businesses. They can live better lives and participate more actively in their families and communities as a result.

Microfinance programmes also provide women with training, imparting critical skills for managing their enterprises. Microfinance is obviously very beneficial for empowering women, even though there are obstacles such as high lending rates and reaching women in remote locations. Supporting microfinance programmes and looking for ways to improve them will allow us to keep assisting women in achieving success in business and contributing positively to society.



In the end, microfinance proves to be an effective instrument for advancing social and economic change, one enterprising woman at a time.

REFERENCES

1. Abebe A, Kegne M. The role of microfinance institutions on women's entrepreneurship development. *J Innov Entrep.* 2023 Mar 20;12(1):1–18. <https://doi.org/10.1186/s13731-023-00285-0>
2. Jayaseely SCM. The Empowerment of Women Through Microfinance as Decision Maker and as a Development Participant of the Country. *Proc Int Conf Eng Sci Appl.* 2023 Feb 18;11(1):1–8. <https://doi.org/10.52783/cienceng.v11i1.384>
3. Pavithra B, M S G V. Role of MUDRA Yojana in financing women entrepreneurs in India. *Bij Soc Sci Humanit Res.* 2023 Jan 1:1–10. <https://doi.org/10.54646/bijsshr.2023.31>
4. Borthakur A, Boruah P. Microfinance as a Tool of Socio-Economic Empowerment of Rural Women. *Int J Res Appl Sci Eng Technol.* 2023 Feb 28;11(1):1–10. <https://doi.org/10.22214/ijraset.2023.48940>
5. Sharma DN. EMPOWERING WOMEN THROUGH MICROFINANCE IN NEPAL. *Nepal J Manag Sci Res.* 2023 Mar 20;6(1):1–10. <https://doi.org/10.53056/njmsr-2023.6.1.010>
6. Hameed WU, Basheer MF, Iqbal J, Nisar QA, Meo MS, Razzaq S. Women Entrepreneurs and Microfinance Institutions. *IGI Global eBooks.* 2022 Sep 23:1–20. <https://doi.org/10.4018/978-1-6684-7552-2.ch005>
7. Mengstie B. Impact of microfinance on women's economic empowerment. *J Innov Entrep.* 2022 Oct 27;11(1):1–15. <https://doi.org/10.1186/s13731-022-00250-3>
8. Bhutto N, Jariko GA, Mughal S. Critical Analysis of Microfinance in Perspective of Empowerment of Women: A Case Study of District Matiari. *Prog Res J Arts Humanities.* 2022 Nov 5;4(2):1–15. <https://doi.org/10.51872/prjah.vol4.iss2.227>



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

| Mobile No: +91-6381907438 | Whatsapp: +91-6381907438 | ijmrset@gmail.com |

www.ijmrset.com