



An Analysis of Micro Financing on Women Entrepreneurs in Bangalore

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ABSTRACT:

Microfinance is getting a more effective tool in the new frugality for reducing poverty. The utmost microfinance enterprises have a definite focus on eradicating poverty and empowering women. For the enrichment of society, it's veritably important to educate women and to empower them. The present study aims to study the part of microfinance in women commission among women entrepreneurs in the civic region of India. Through a comprehensive analysis of data collected from women entrepreneurs who have penetrated microloans, this exploration assesses the socio- profitable changes, business growth, and commission issues. The findings suggest that microfinancing has appreciatively told the entrepreneurial trials of women in India, leading to better livelihoods, increased profitable independence, enhanced socio-profitable well- being. Studies have indicated that the best way to improve health, nutrition, and educational standards for families and, by extension, for society as a whole is to invest in women. That being said, women must receive extra assistance in the form of both financial and non-financial services. Several of the top public and commercial banks are providing programs that let women place their own bets. This study aims to investigate the potential of microfinance as a useful tool for advancing women's entrepreneurship in India.

Keywords: *Access to credit, Women Entrepreneurs Development, Savings, Business Support, Microfinance*

1. INTRODUCTION:

Today women are believed to be changing the global economy as entrepreneurs, consumers and workers. Every year, the number of women participating in the labor force is increasing and in 2012, women represented 49.5% or nearly half of the national labor force. Thus, the Malaysian Government has set a 30% target of women representation at senior decision making and corporate boards by 2016. Budget 2015 also has upheld the role of women in national development and in nurturing future generations. Hence, RM 2.26 billion has been provided to the Women, Family and Community Development Ministry for development and operating expenditure to intensify the involvement of women in the job market and entrepreneurial activities.

Women are increasingly playing a significant role in the global economy, as entrepreneurs, consumers, and workers. In Malaysia, women represent 49.5% of the national labor force, and the government has set a 30% target for women representation in senior decision-making and corporate boards. Microfinancing, launched in India in the 1980s, aims to empower women and financially benefit underprivileged members of society. It has become significant amid the global budgetary crisis, as it helps the poor engage in income-generating activities like investing in marginal farms and small-scale businesses. Microfinancing has transformed the landscape of women's entrepreneurship and lives by addressing the lack of access to traditional banking services, particularly for women. Micro financing provides small-scale financial services, including microloans, savings, and insurance, tailored to women's specific needs and capabilities, especially in underserved and low-income communities. It not only generates income for women but also contributes to local economies, creating jobs and fostering community development.

1.1 Women Empowerment

Empowerment is a transformational process in which people or groups gain power and control over their life. It includes having access to resources, which leads to higher participation in decision-making and bargaining power, as well as improved control over benefits, resources, and one's life, as well as enhanced self-confidence, self-esteem, and self- respect. It signifies that 'empowerment' refers to a broad term that comprises economic, social, and political empowerment. Women can be empowered by supporting their sense of self-worth, their freedom to make their own decisions, and their right to have an impact on social change for both them and other people.

It is directly related to women's emancipation, a basic human right that is also essential to establishing a more peaceful, affluent world. The main factor in the growth of any economy is the new empowerment of women. Numerous organizations and forums have been discovered to be making significant efforts in this regard. This viewpoint is supported by numerous research investigations.

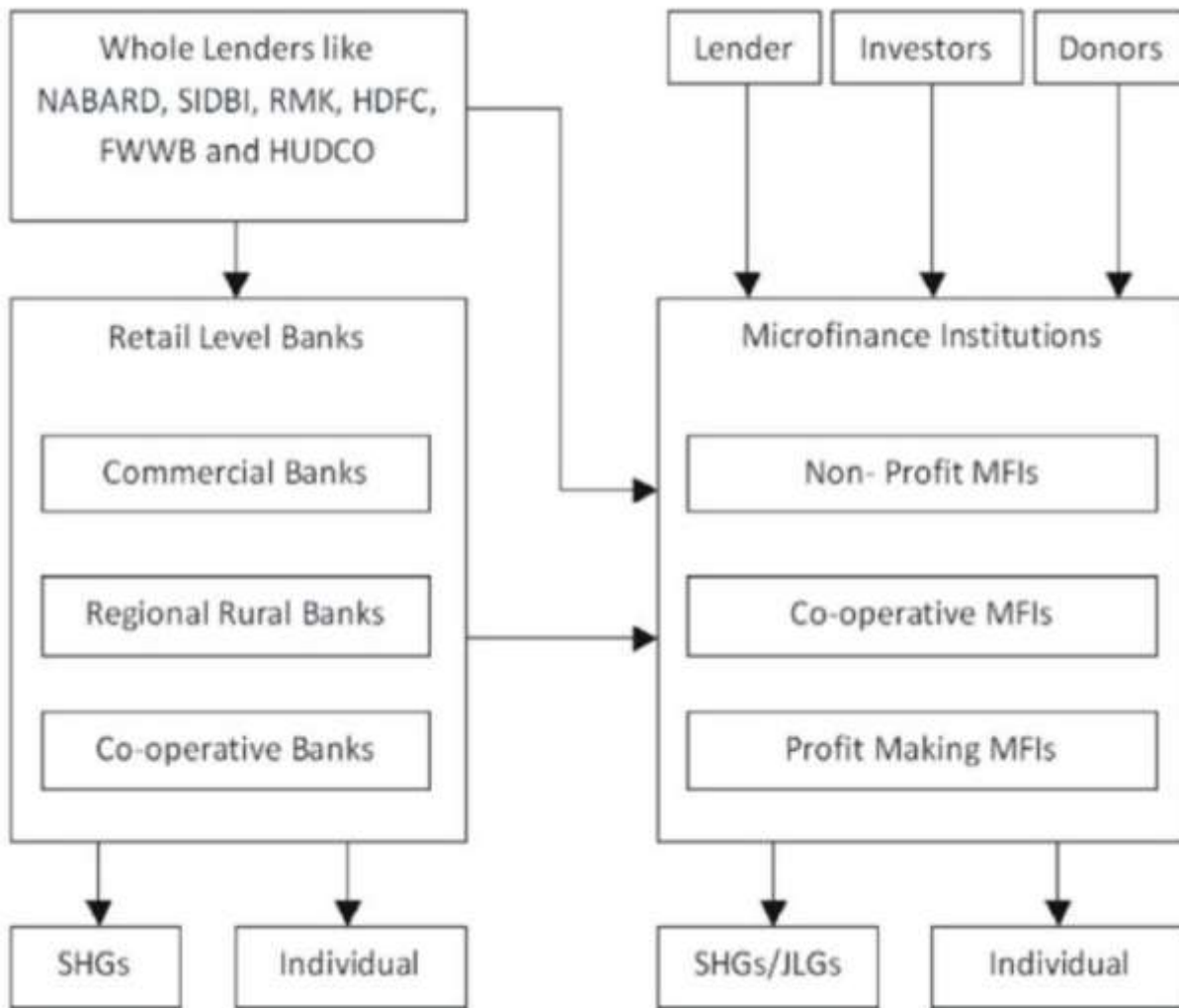


Fig1.1 Institutional Setups for Indian Microfinance Disbursement

(Source : Microfinance Disbursement)

In India, three separate approaches for connecting SHGs to financial institutions have arisen.

- SHGs are formed and funded by banks.
- SHGs are founded by NGOs and other organizations but financed by banks.
- Banks finance SHGs through NGOs and other organizations as financial intermediaries.

The second model is the most popular. This paradigm accounts for over three-fourths of all SHGs. Only 20% of SHGs are covered by the first model, and 8% by the third.

Self-help groups (SHGs) are village-based financial intermediaries composed of 10-20 local women who make regular savings contributions to provide loans. These SHGs are connected to banks to provide microcredit, focusing on capacity development, activity cluster planning, infrastructure expansion, technology, credit, and marketing. The main goal is to help members develop the habit of saving money and using financial services, resulting in stronger negotiating skills and better loan access. SHGs encourage women to take on social obligations and promote economic empowerment. The gender dynamics of power within

families and society have changed due to SHG culture, allowing women to have more influence and financial independence. Banks evaluate SHGs and determine interest rates, easing their members' interest load and preventing exploitation by unofficial organizations.

At present, there are two main channels available for Microfinance in India:

- Self-help groups Bank Linkage Program (SHG-BLP)
- Microfinance Institutions (MFIs)

Self Help Group-Bank Linkage Program:

Launched in 1992, the Self-Help Group-Bank linkage program serves as a bridge between the formal banking sector and the unorganized sector. Self-Help Groups (SHGs) are groups of up to twenty individuals who are socially and economically similar and are formed voluntarily with the aim of credit and savings, without the need for collateral. The world's largest microfinance program, it involves over 10 million self-help groups. The program's objectives are to support rural impoverished families financially and to empower women. Regular group meetings, savings, internal lending, on-time loan repayment, and keeping accurate books of accounts are the five key guidelines that SHGs must follow.

Microfinance institutions (MFIs):

MFIs are institutions that offer low-income individuals financial services. Financial institutions that provide microloans to people without access to banking services also offer microinsurance, microsavings, and microloans. Just like a bank, a microfinance organization extends credit. Nonetheless, the loans are smaller than those provided by commercial banks. The word "microcredit" refers to a few small loans. Micro Entrepreneurs who need financial assistance to launch their businesses are often the clients of microfinance institutions. These kinds of clients are seen by traditional banks as excessively risky due to their inability to provide legitimate collateral and frequent participation in the unstructured economy. Prior to authorizing the loan, MFIs assess the clients' willingness and capacity to pay.

1.2 Objectives Of The Study:

The goals of microfinance are to empower women and create job possibilities through encouraging self-employment, which enhances the social well-being of the poor. As a result, the purpose of this research is to improve understanding of the function of microfinance from the perspective of recipients in boosting their empowerment and entrepreneurial development.

1. Determine strategies to raise microfinance awareness among female entrepreneurs.
2. Determine the association between women entrepreneurs' awareness of microfinance and their degree of education.
3. To investigate the relationship between microfinance and female empowerment among female entrepreneurs.

1.3 Statement of problem:

Microfinance provides financial support to women who need to start a business and contribute to the economy. With the financial stability they get self confidence, they start actively participating in decision making process and it encourages gender equality. With the help of Microfinance institutions women entrepreneurs are getting developed slowly.

1. Societal Barriers:

Women face difficulties in establishing an enterprise as they have barriers to overcome like negative socio- cultural attitudes, legal barriers, practical external barriers, lack of education et

2. Financial barriers:

Women entrepreneurs suffer from shortage of finance on two counts.

Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources.

Secondly, the banks consider women less credit-worthy and discourage women borrowers. Considering all of this women entrepreneurs are bound to rely on their own savings.

3. Lack of Education:

In India, around three-fifths (60%) of women are still illiterate which is the root cause of socio-economic problems. Due to the lack of education women are not aware of business, technology and market knowledge and lack motivation. Thus, lack of education creates one type or other problems for women in the setting up and running of business enterprise.

2. REVIEW LITERATURE

According to (Mader, 2013), “Andhra Pradesh financial crisis was secured common examples of possible mistakes made in micro financing. The possible reasons of crisis were debt as a tool of social policy”. (CS Reddy, 2005) “SHGs have spread rapidly due to their ease of replication. He identified weakness areas of micro financing as average to weak quality of MFI and their financial and human resource management. He suggested that there is a need of improvement in financial management of MFI.” (Kristin Krenz, 2014) “The theme of empowerment is improving social ties ups, encouraging improved economic development improving women's opportunities and gender equity.” (Vijay Mahajan, 2003) “Which shows that the changes in characteristics of wealth, higher savings affecting better standard of living for members of the support group in income generating activity and income level. Image of micro financing in peoples mind is like Bonsai. Another small business innovation focuses on women and creates opportunities for poor women.” (Armendáriz, 2005) “Women can have a positive effect on their well-being as they are seriously concerned about the family's needs Non-men are the cornerstone of children's health and education. Women also contribute to poverty and accessibility often burdened with modern laws. Lack of support was seen as a way to gender empowerment”. (Mayoux) “She identified three different models of women empowerment i.e. financial self-sustainability, poverty Alleviation and feminist empowerment.” (S.Sarumathi, 2011) “Micro financing enhanced psychological, social empowerment along with economic development. People are expecting NGO's to come forward and educate and train them.”

According to (Ritu Gupta, 2018) “The objective of creating a management platform that can improve the efficiency and competitiveness of SMEs was published in the magazine "Economic Yearbook". The EU market has concluded that there is still no way to register female entrepreneurs in the EU, which will be an innovative recoding. (Ashok K. Pokhriyal, 2014) “Women's are less financially independent and are often the poorest in the society. It is observed that 70% of the women in the world are poor. However, they have very limited access to credit, bank and other financial institutions and services. That is why the microfinance is mainly aimed for women. Microfinance is important to support women from poor families. For example, women in particular can use microfinance institutions, many of which focus exclusively on women to support them.” (S.P.Naganagoud, 2011) “The self-help groups are studied by “self-governed, peer controlled informal group of people with similar socio- economic background and giving a desire to collectively perform common purpose”. (T.S, 2011) “He predicted that Indian economy will be at 5th position by 2050. The essence of India must stand above the dignity of developed countries Indeed, poverty reduction and income inequality must reach the highest level with the highest priority. To achieve millennium development goals, a bank linkage program should be achieved.”

2.1 Access to credit and growth of women entrepreneurial:

To understand further the topic and how microfinancing has been a beneficial resource to women in India let us discuss the incredibly famous example of Shri Mahila Griha Udyog Lijjat Papad -it is an organization which – “of the women, by the women, For the women” The fairytale success of Lijjat Papad, which is currently a multimillion-dollar enterprise launched in 1959 in a congested Mumbai tenement by seven women from Gujrat with a seed capital of ₹80 (€0.99), belies its revolutionary feminist ideals.

A dream was the driving force behind the establishment of this company. A dream to be noticed, a dream to break the stereotype that Women cannot work or run a business. They went through a lot on their way from being a tiny women's club making home-baked papads to being one of the largest organizations in this business producing papads. "Some of our ladies make more than their husbands, and their families appreciate it."

Shri mahila Griha Udyog lijjat papad created a great social impact. They created direct employment for so many women in different localities they made a positive impact on various families by this. They currently not just operate nationally but their distribution channel and sales market forces have expanded globally as well.

Over these years, they have been recognized with various awards by the government and other institutions for their works and achievements.

2.2 Savings and growth of women entrepreneurial ventures:

“Microfinance can be described as the supply of financial services to clients not served by the regular banking system due to their lower economic standing. By eliminating collateral requirements and establishing a banking system based on confidence, financial services typically take the form of loans and savings. Microfinance, according to this simplistic definition, is aimed at low-income persons who do not have access to the traditional lending system” according to a study conducted by (Rehman et al., 2015).

However, despite its significance, little work has been done to study the growth of women-owned enterprises until recently. There was a lack of cumulative knowledge to adequately conceptualize and build explanatory theories on women-owned enterprises' growth process” (Brush & Cooper, 2012). “Most of the work conducted was on women's motivation to start a business and the subsequent effect of those motivations on growth performance and the effect of size and sector on business development (Du Ritz & Henrekson, 2000). The main objective of microfinance services is to allow people to access financial services to engage in income-generating activities.”

Though women have a crucial role in their communities and families' economic development, hurdles such as poverty, joblessness, low earnings, and societal bias have obstructed them from effectively performing that role. Unlike their male counterparts, women entrepreneurs cannot easily access finance to facilitate their entrepreneurial activities in some countries.

2.3 Business support service and women entrepreneurial development:

It is important to determine the government's position regarding the informal sector and micro enterprise development, as this affects policies that may influence the behavior of micro entrepreneurs. Some governments recognize the positive contribution of micro enterprises to the economy and may actively include informal sector development in the national plan. However in many countries, informal sector issues and their relationship to government issues receive little attention. Most policy frameworks favor the large manufacturing sector and are biased against the informal sector and small enterprises. "Active collaboration in this sense involves the establishment of a favorable climate to enable these institutions to continue and expand their work with support but no interference from government entities. This can include national recognition of the micro enterprise sector, funding research and scaling up pilot programs" (Nader, 2016; Druschel, 2013).

When policies and practices negatively affect clients businesses, a microfinance institution or donor may choose to undertake environment level interventions, such as policy and advocacy work, in addition to providing or supporting the provision of financial services. Advocacy can include helping clients organize to protest unfair policies or treatment. "Microfinance institutions can influence policy by working alone or through coalitions of similar organizations to lobby appropriate government or regulatory bodies on behalf of their clients" (Parker, 2006; Rahman, 2015).

2.4 Microfinance and women entrepreneurship:

The relationship between microfinance and women's empowerment is seen as hopeful, purposefully constrained, cost-effective in eradicating poverty, and an unnecessary waste of resources. Small self-help groups and large institutions that focus on reducing poverty offer a variety of microfinance programs. Delivery, group roles and structures, and supplemental services can all differ between models. The financial sustainability method, the integrated community development strategy, and the feminist empowerment approach are three opposing perspectives on microfinance and women's empowerment. Microfinance initiatives have occasionally led to marital conflict and the loss of spousal income and support. There were moments when pressures between women were brought on by group payment. Many women prioritized personal goals over social ones.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESIS TESTING:

3.1 Access to credit and growth of women entrepreneurial:

"Access to finance is critical in the startup phase of entrepreneurship development" (Etim & Iwu, 2019) and lays the business's foundation" (Verheul et al., 2006). However, "women experience disproportionately high levels of gender discrimination and bias while accessing finance; hence, their options for creating businesses are constrained" (Etim & Iwu, 2019). "Several scholars have also concluded that microfinance schemes embarked on in many developing countries have yielded positive results" (Baruah & Bezbaruah, 2020; Elson, 2009; Mauchi et al., 2014; Verheul & Thurik, 2001). Verheul and Thurik (2001) "argued that even though female and male entrepreneurs have equal access to capital, there may be gender-related impediments to obtaining it."

Recently, Sahu et al. (2021) "investigated the success of a microcredit scheme in creating employment and transforming the livelihood status of tribal women entrepreneurs in India using the ordinary logistic regression model. The finding indicated that loan amounts significantly improved the livelihood of women entrepreneurs." Meressa (2020) "examined determinants of micro and small-scale enterprises' growth operating in Benishangul-Gumuz Regional State, Ethiopia. The findings from the regression analysis indicated that initial investment, access to finance, sectoral engagement, market linkage, and business experience are significantly related to micro and small enterprises' growth." Bettoni et al. (2023) "studied the impact of microcredit on small firms in Brazil and found that access to credit increases monthly revenues and profits by nearly 4.5%. Further, women in Sub-Saharan Africa, on the other hand, are not known to own property or instruments that can be mortgaged, creating an additional fence to accessing finance. Therefore, as per the above discussions, access to finance has a significant and positive effect on women-owned businesses, and the following hypothesis is developed based on these facts."

H1: There is a positive significant relationship between access to finance and women entrepreneurial development

3.2 Savings and growth of women entrepreneurial ventures

"Microfinance institutions in most countries provide both financial and non-financial services. Small business loans to low-income clients, savings, insurance, mortgages, and retirement plans are among the financial services offered to persons denied services by traditional banking and financial organizations" (Salum, 2014). As a result, saving is an essential component of development because it creates an income that can be fed back into the business or utilized to get a loan.

According to Mkpado and Arene (2007) “underlined the importance of saving for income protection while also using it to secure loans and reinvest in the firm. Several studies have investigated the influence of saving and the growth of women entrepreneurs.” Mathur et al. (2021), “in a survey conducted in Pakistan, found that microfinance institutions' services of micro-savings have a significant relationship with entrepreneurship development.” Also, Mikado and Arene (2007) “indicated that savings as a microfinance factor enable people with few assets to save because they can make weekly savings and contribute to group savings. Hence, the following hypothesis was developed based on the above discussions.”

H2: There is a positive significant relationship between savings and growth of women entrepreneurial ventures

3.3 Business support service and women entrepreneurial development

Business and government support can significantly impact the development of women's entrepreneurship. Some studies on business support services and women's entrepreneurship development have been conducted. Thaher et al. (2021) “indicated that providing incentives, psychological support, creating marketing linkage, and periodic monitoring and evaluation can positively affect women entrepreneurs' success in Jordan.” Also, Beriso (2021) “assessed the determinants and challenges of the economic achievement of women entrepreneurs in Ethiopia. The finding shows that entrepreneurship training, lack of supporting institutions, and business experience significantly influence the economic achievement of women entrepreneurs.” Further, Mathur et al. (2021), “in a survey conducted in Pakistan, found that microfinance institutions' services of micro-savings, skill development, and business assistance have a significant relationship with entrepreneurship development. The above facts lead to the development of the following hypothesis.”

H3: There is a positive significant relationship between Business support service and women entrepreneurial development

3.4 Microfinance and women entrepreneurship development

“Women are active participants in the global economy, and it is vital to understand how they contribute and the opportunities and limitations in such settings” (Greene et al., 2001). Despite the critical role that women entrepreneurs play in the economic development of their families and countries, it has been observed that women entrepreneurs outperform their male counterparts in business. Therefore, microfinance institutions (MIs) can significantly promote women's entrepreneurship development by providing access to credit, financial services, and other forms of support.

Many studies have been undertaken on the influence of Microfinance Institutions (MIs) on the success and development of female entrepreneurs. Jail (2021) “studied the impact of microfinance institutions' service on the sustainable development of rural micro-enterprises in Malaysia using the structural equation model. The study's findings reveal that microfinance institutions' financial assistance significantly influences rural micro-enterprises development.” Also, Mengstie (2022) “investigated the role of microfinance institutions in empowering women in Ethiopia. The study demonstrated that microfinance positively impacts the development of women's entrepreneurship.” Furthermore, Khurshed (2022), “in a case study conducted in Pakistan, investigated the role of MI in women's empowerment by employing a qualitative research methodology. The study results revealed that microfinance is an effective tool for developing women's empowerment and entrepreneurship.” In a quasi-experimental study conducted in India, Khan et al. (2023) “found that microfinance programs substantially empowered women in economic, political, social, and psychological dimensions. Therefore, the microfinance institution service is highly beneficial to the development of women who own businesses, and based on these premises, the following hypothesis was developed.”

H4: There is a positive significant relationship between Microfinance and women entrepreneurship development

3.5 The framework of the study

The above literature review shows that MI's financial and non-financial service directly affects the development of women entrepreneurs. This study examined the independent variable, i.e., micro-finance institutions' service, using four variables: access to loans, saving, skill development training, and business support services. “The items included in this study to measure the four dimensions of the MI's service are adopted from” (Bel Hadj Miled, 2022; Boateng & Poku, 2019; Thaher et al., 2021;

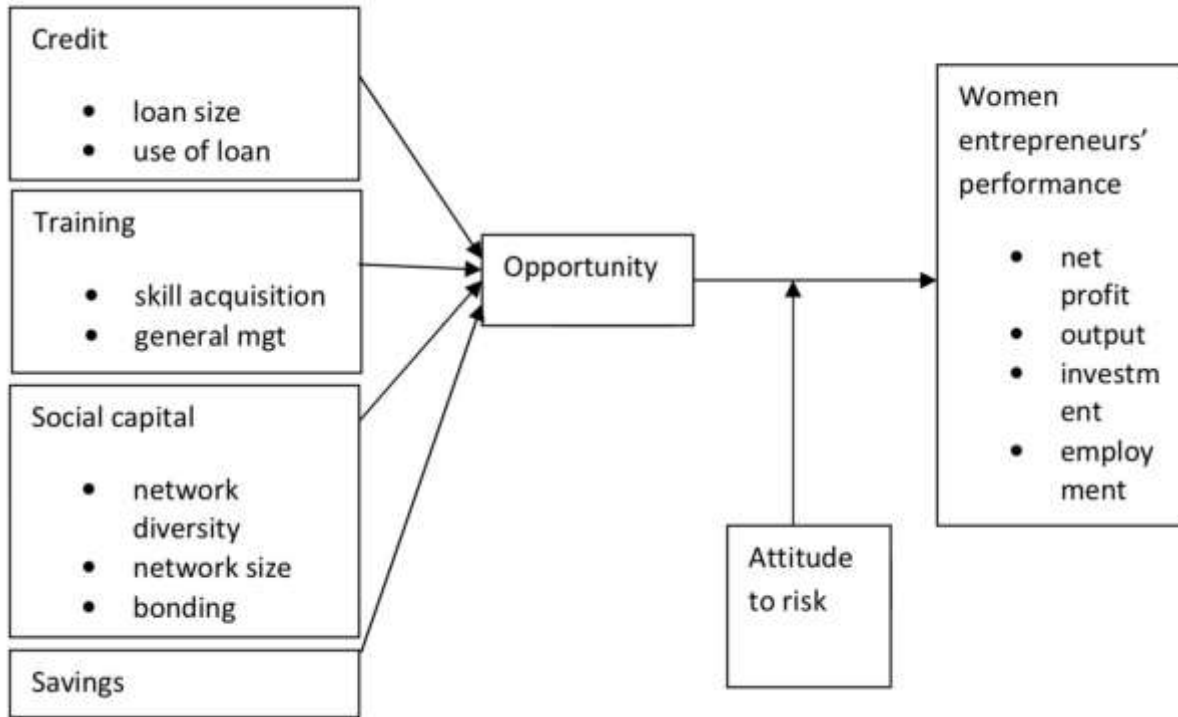
According to (Yousfani et al., 2019) and “modified according to the study area context. The items used to measure the dependent variable, i.e., women entrepreneurship development, were adopted from” (Ferdousi, 2015; Yousfani et al., 2019) and also adopted according to the context of the study area.

This research is underpinned on the Entrepreneurship Theory of Shane (2003). “The theory consists of opportunity discovery, evaluation of the opportunity and the decision to exploit the opportunity. Other elements of the theory include self-employment, business operation and performance. The theory highlighted four operational measures of performance which are survival, growth, profitability/income, and experiencing initial public offering. Survival refers to continuation of entrepreneurial activity while growth refers to increase in the venture's sales and employment. Profitability refers to new surplus of revenue over cost while experiencing initial public offer refers to the sale of stock to the public” (Shane, 2003).

“The decision to exploit the opportunity leads to the quest for micro-finance; that is acquisition of resources. Acquisition of resources could also lead to opportunity for entrepreneurial activity; that is new business or business expansion. The appropriate use of the acquired resources in terms of business strategy

and organizational design could lead to profit performance” (Branan, 2008; Koontz & Wehrich, 2006; Salman, 2009; Shane, 2003). “ However, environment plays greater role in opportunity exploitation than individual attributes”(Kuzilwa, 2005).

The focus of this study is to examine the relationship between credit, savings, training and social capital; and women entrepreneurs’ performance. The conceptual framework for this study is as shown below:



4. RESEARCH METHODOLOGY:

4.1 Research Design And Approach:

The study is exploratory and descriptive in nature pursuing into the assessment of the role of microenterprises in the empowerment of women and also in order to examine the causal relationship between microfinance services and women's entrepreneurship development. Also, a quantitative research approach addressed the study's main objectives. Primary data was collected from the sample respondents through a structured schedule specially designed for the purpose. Personal interview method was used to get the required information with the aid of schedules.

4.2 Sampling And Data Collection Method:

The primary data were collected from 154 selected women clients of Bangalore, Karnataka through a five-point Likert structured questionnaire. Further, the secondary data related to the number of women clients and other relevant data were collected from the institution's annual reports. For this purpose particularly access to credit, savings, business support and microfinance market was targeted.

4.3 Data Analysis, Testing, And Result:

4.3.1. Sample Characteristic:

The analysis of demographic characteristics of the sample revealed that most of them were in the 20 - 39 year age category (154 respondents). First, the data were analyzed with descriptive statistical analysis to provide frequency and percentage for respondents' interpretation and firm characteristics.

4.3.2 Data Analysis :

Then, A Confirmatory Factor Analysis (CA) and Structural Equation Modeling (SEM) analysis were employed to establish the measurements' validity and reliability and test five hypotheses developed to examine the role of microfinance institutions' services on women's entrepreneurship development, respectively, with AMOS 23. The data collected through the questionnaire were analyzed through the statistical package for social science (SPSS) 26 software and with AMOS 23.

4.3.3 Ethical Considerations:

This study does not include any human subjects' experimentation. It is a pure survey, and the data was collected through a questionnaire. Thus, only the consent of the respondents is required to participate. As a result, all participants were informed of the study's objective, and their verbal consent was obtained before completing the questionnaire. In addition, the study was conducted according to the established ethical guidelines of the research paper.

5. FINDINGS AND DISCUSSION

5.1. Respondents Demographic Profile:

Along with many other constraints for the development, success, and long-term profitability of MSEs, the owner or manager's experience and education level have a significant impact. The result indicates that 37.6 % and 32.7% of respondents were aged between "20-30" and between "30 - 40" years, respectively. At the same time, the remaining 25.5% and 4.2% of respondents were aged between "40 - 50" and above 50 years, respectively. The above result indicates that the majority, i.e., 70% of the respondents, were between "20 - 30". The finding concludes that a significant representation of young and productive workforces is geared towards improving their living standards and the general development of their communities. When we examine the respondents' highest level of education, the findings show that half of the respondents, 30.5% and 33.1% have graduation and senior secondary level education, respectively. In contrast, 15.6%, 8.4%, 12.3% of respondents have a primary education and no formal education, and post graduation degree respectively. The above finding means that most surveyed women have attained basic literacy skills and could understand and utilize the economic importance of microfinance.

5.2. Enterprise Characteristics:

The result indicates that 48.5% women-owned MSEs were established "between" 2011 and 2020, and 43.6% joined the sector after 2020, respectively. The remaining 6.1% and 1.8% of enterprises were found "between 2000-2010" and before 2000.

Concerning the type of businesswomen engaged, about 33.1% are involved in any other occupation, the venture accounts for 31.2% of the sample enterprises, the laborer or helper sector accounts for 16.9%, the agriculture sector accounts for 9.1% and 9.7% were unemployed.

The enterprises' initial and current status results indicate that the majority, 33.1% verified that microfinance has positively impacted their business whereas, 22.7% surveys found that microfinance helped in the diversification of their products and services. While only 15.6% of surveyed enterprises found it increased their revenue. However, from the status of these enterprises, it's noted that 12.3% were found that it led to creation of employment and 16.2% found that it improved their financial stability. Therefore, it shows the need for serious follow-up from local government to promote micro and small enterprises from micro to small, small to medium, and the like based on capital growth and employment level.

5.3. Reliability analysis

Reliability analysis was subsequently done using Cronbach's Alpha and composite reliability, which measures the internal consistency that a particular item within a scale measures the same variable. The Cronbach's alpha coefficient of all five variables was between 0.746 out of 40 items, which is relatively greater than the minimum recommended value of 0.7.

In addition to the global measures of fit, several other assessment criteria were considered. Cronbach's alpha values provided strong evidence of measurement reliability (Fornell and Larcker 1981, (Nunnally and Bernstein 1994). According to Hair et al (1998) Cronbach's alpha values must be 0.70 in order to establish scale reliability. Internal consistency reliability reflects the stability of individual measurement items across replications from the same source of information; it was assessed by computing Cronbach's alpha, whose coefficients for the five construct above 0.70. Indicating a reasonable level of internal consistency among the items of which it is constituted (Hair, et al, 1998).

In summary, the fit indices demonstrate a good overall fit between the measurement model and the data. Therefore, the items within the questionnaire are considered to be reliable indicators of the intended constructs. This implies that the survey instrument effectively captures the multifaceted impact of microfinance on women entrepreneurs, providing valuable insights into their financial inclusion, business development, and socio-economic empowerment. These results underscore the importance of microfinance in empowering women entrepreneurs and fostering socio-economic development.

Further research utilizing this validated instrument can provide deeper insights into the effectiveness of microfinance interventions in promoting women's economic empowerment and inclusive growth.

SCALE : ALL VARIABLES

CASE PROCESSING SUMMARY

	N	%
CASES : VALID	154	100.0
EXCLUDED ^a	0	0.0
TOTAL	154	100.0

(Table 5.1)

a. Listwise deletion based on all variables in the procedure

Cronbach's alpha	Number Of Items
0.746	40

(Table 5.2)

The theoretical accuracy of the model has been searched by using SPSS in order to determine the internal relations of the research model presented in the above figure, after the confirmatory factor analysis.

H(1), a positive impact of Access to credit and women entrepreneurial development were detected, and it was statistically verified [$r(8) = 154, p > .17$].

Hypothesis **H(2), a positive impact of Savings and women entrepreneurial development** were detected, and it was statistically verified [$r(8) = 154, p > .17$].

Hypothesis **H(3), a positive impact of Business Support and women entrepreneurial development** were detected, and it was statistically verified [$r(8) = 154, p > .17$].

Hypothesis **H(4), a positive impact of Microfinance and women entrepreneurial development** were detected, and it was statistically verified [$r(8) = 154, p > .17$].

"The concept of microcredit was exploited by some and transformed into a profit-making venture for microcredit institution owners." Many people followed the unavoidable path of loan sharking. It was never expected for microcredit to take such a devastating turn. The beneficiaries also do not fail to state how their rights have been exploited and a higher rate of interest is expected to pay on the loan amount. Before I know it is like borrowing money to pay and pay. It is a never-ending vicious cycle.

Considering the study, it is understood that though microfinancing has been a boon to the economy at the same time it has failed in various sectors such as:

- High rates of Interest lead to pressure on the beneficiaries.
- Non-availability of loans even though schemes are available
- The political influences in the area of the disbursement of the loans
- Migration from places
- Lack of business understanding
- Using loan amount for another purpose than the actual.

- Failing to repay the loan

With a gross loan portfolio at 74,371 crores as of March 31, 2020, NBFC-MFIs account for a sizable portion of the entire microfinance industry. The failure of IL&FS in 2018 and subsequent events exacerbated the sector's liquidity difficulties and made risk perception worse. Better-performing businesses kept raising money, while those with concerns about asset quality or asset-liability mismatch (ALM) had to pay higher borrowing charges (RBI, 2019).

CONCLUSION AND RECOMMENDATION

From the above study, we can conclude that Microfinance plays a very important role in developing women entrepreneurs in the society. Banks play a vital role in creating awareness towards microfinance for women entrepreneurs. Awareness towards microfinance is education dependent as educated women were more aware towards microfinance compared to their less educated counterparts. Similarly, micro financing always leads to a feeling of empowerment among women entrepreneurs as it helps them take appropriate decisions in operating their business and subsequent expansion. Women entrepreneurs must be educated toward various options in micro financing their business leading to women empowerment. Microfinance and women entrepreneurship can be introduced in the higher secondary syllabus of various school boards to increase its scope and create awareness among women in the society. The entry of rural women in micro- enterprises must be encouraged to inspire more women into entrepreneurship which will lead to women empowerment in the society. Banks must take an active role in propagating various schemes for encouraging women entrepreneurship.

The governments of the various states ought to take action to guarantee that women are educated about microfinance and entrepreneurship. The effective implementation of women's entrepreneurship and microfinance in society depends on a number of factors, including knowledge of credit availability, different financing agencies, certification processes, government social protection programs, technical skills, motivation, and support from family, governments, and other organizations. Numerous studies have shown that the best way to enhance family and society standards for health and education is to support women. Women typically need more convenient access to small loans (primarily for working capital), flexible collateral options, frequent repayment plans that better fit the cash flow of their businesses, expedited application procedures, and easier access to savings accounts. The results of the structural equation analysis in this study showed a favorable and noteworthy effect.

Microfinance initiatives are crucial for facilitating female borrowers and promoting economic development. They emphasize self-effectiveness, self-confidence, and economic autonomy, aiming to reduce poverty by encouraging women entrepreneurship. This study aims to assess the role of microfinance institutions in boosting women's decision-making power and social empowerment through word cloud analysis. The findings confirm that microfinance significantly influences women's decision-making power, along with other vital factors. Microfinance plays a critical role in the socio-economic upliftment of the poor and low-income people, particularly in developing nations like India. Self-help groups encourage women to participate actively in the nation's socioeconomic advancement. MFIs assist families in increasing their earnings by expanding production, offering a larger choice of commodities, providing insurance and marketing programs, and optimizing resource utilization. However, the unrealized potential of microfinance is a testimony to the tremendous opportunity that awaits businesses, particularly among the financially excluded masses in rural regions. The microfinance movement in India has not failed, but it is essential to address the challenges faced by rural areas and moneylenders.

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