

Women Empowerment Through Microfinance: Empirical Evidence from India (A Micro-Level Study)

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Abstract

This paper aims to conduct an empirical investigation of how microfinance contributes to the empowerment of women. Then, it examines the relationship between the microfinance services and the dependent women entrepreneurs' performance (economic and social). Descriptive design was used to learn about the status of women, and correlational design was used to look at relationships. Both qualitative and quantitative methods were used in this particular study. The respondents were chosen at random to evaluate the casual relationship between the hypotheses that were designed to analyse the impact of microfinance on women's empowerment. The results show that generally, the Micro financial institutions are placing more emphasis on sound lending and saving habits as well as training programmes. The microfinance programme was perceived by participants as providing social and economic empowerment. They did, however, highlight the somewhat positive impact of the microfinance programme on information empowerment. Furthermore, there is a strong connection between microfinance services and women's empowerment. The results of the path analysis report that economic and social empowerment have a significant relationship with women empowerment due to availing microfinance programme in developing countries. The study highlights that to encourage women empowerment in developing countries, governments and policymakers have to carefully check and reconsider what are the most optimal Micro financial institutions that will help to improve women empowerment in the country.

Keywords: Microfinance, Economic, Social, Women empowerment

1. Introduction

One of the most important issues in developing countries is the empowerment of women. Although women play a significant role in society and can contribute greatly to its advancement, their involvement in decision-making is still very low. It has been understood that even in developed countries, women continue to face various forms of discrimination in one way or another, making women's empowerment one of the top priorities of governments and development organisations around the world. Gender inequality or low status for women has been acknowledged as a major barrier to equality and development in developing nations. However, with the focus primarily on women's well-being, women's empowerment has been seen as one of the key accomplishments in the development process for women (Sen, 1999). Women's participation in the social, economic, and political processes is referred to as "women empowerment." For a life to be productive and fertile, both men and women must participate fully. Since most women work for free or in the difficult-to-

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-measure informal economy, it is often difficult for them to enter the formal economy. There are many possible causes for this, including the fact that women are less likely than men to complete their education, to be illiterate, to have lower job skills, and to face social and cultural barriers that keep them out of the formal economy. Women still face many obstacles, such as the childcare penalty and the gender pay gap, even though they are employed in the formal sector. The term "gender pay gap" refers to a specific situation in which women earn less than men. This is mainly because women are still more likely than men to be the primary carers and stay at home to raise their children. This phenomenon, also known as the "childcare penalty," refers to situations in which women miss out on opportunities to advance their careers, gain more experience, and increase their income as a result of caring for their children.

Women's empowerment and economic growth go hand in hand; on the one hand, growth by itself can significantly reduce gender inequality; on the other hand, empowerment of women may help growth (Duflo, 2012). The above is one of the financial plans intended to assist those who are unable to obtain financing from banks or other lending organisations. Microfinance has several goals, one of which is to empower women. Microfinance is thought of as the arrangement of small-scale financial provisions for people in need (Morduch, 1999). The concept of microfinance was developed by Friedrich Wilhelm Raiffeisen and nationalist Jonathan Swift. They took this selfless action because they wanted to better the welfare of the rural poor and help them stop depending on payday lenders. Their primary goal was to provide brief, low-interest loans of less than \$100. Since the 1870s, a sizable portion of the Rhine Province and other areas of the German States have seen a rapid increase in microfinance institutions (Global Envision, 2006).

Microfinance is a crucial practise that provides small, no-collateral loans or other forms of financial support to those who are underserved, primarily to help those regions develop without having access to credit. You will come across a variety of microfinance organisations, such as those that promote financial inclusion and non-governmental organisations that typically target browsers. Microcredit provides sufficient financial backing to increase the precise value of physical capital. For the past few decades, microfinance has gained popularity, especially in developing and underdeveloped nations. The governments of these nations have designed and implemented numerous financial and economic policies, with the goal of maximising microfinance's potential to simultaneously empower women and reduce poverty.

The "Grameen Model" of microfinance was developed by economist Professor Muhammad Yunus in 1976. He lent a small sum of money to a group of women who were rural basket weavers while on a field trip with his students to a village in Bangladesh that was not particularly wealthy. The loan not only helped the poor women to survive, but it also inspired people to take the personal initiative and enterprise necessary to escape poverty. He founded the Grameen Bank and popularised the "Grameen Model" just two years after his field trip, and it is now regarded as one of the most successful models in the microfinance sector. This assumes that the original goal of microfinance was to empower women, which explains why it is sometimes referred to as "women finance" (Rahman & Nie, 2011). The idea of "microfinance," a type of financial service that offers small loans along with additional financial services to poor and low-income households in a reliable and legitimate manner, was born out of the need to support low-income families in developing nations like India as well as uplift and provide them with improved living conditions through financial support in a more efficient way. It is an economic tool created to encourage financial inclusion, which enables low-income and poor households to escape poverty, raise their income levels, and generally improve their standard of living. It can make it easier to carry out national policies that improve living conditions, empower women, help vulnerable groups, and reduce poverty (India Brand Equity Foundation, 2022).

1.1 How Microfinance Empowers Women in India

Women in many developing countries contribute significantly to agricultural production, particularly when it comes to crop processing. However, the labour is entirely unpaid and is also complementary to instead of

similar to that of a man. In addition, women with lower levels of useful education and skills who also have more children exhibit a heavy focus on raising their offspring. In addition, even without salaries or savings, sons are typically left with land and other traditional assets. When it comes to microfinance services, these are things like housing, money, insurance, remittances, credits, and savings. These services give women access to a range of activities that are very effective at reducing their patriarchal authority over those assets. Thus, it promotes gender equality as well as economic advancement. The main goal of microcredit is to make it possible for women to access financial aid even without any kind of security or proof of income. They can obtain microcredit in various amounts. Based on your needs, you must select the best option for you. Women have the option to repay their loans in a variety of instalment schedules, including daily, every week, and monthly. Most importantly, compared to interest rates charged by formal institutions like banks, these kinds of loans are provided at a negligible rate. By boosting their courage and self-esteem and enabling the creation of various networks with other women in their neighbourhood, microfinance is an effective tool for empowering women.

Additionally, it enhances their ability to make decisions for their household. Due to their higher loan payment rates than men, women are seen as more trustworthy borrowers. Men are more likely than women to use this kind of financial aid for gambling, drinking, and other vices. Women, on the other end of the spectrum, borrow money and put it towards a variety of business ventures. It enables them to earn more money for their kids. They benefit economically from higher consumption rates, healthy nutrition, asset accumulation, and increased enrolment in a variety of educational institutions. We are all aware that the economic development of any region is closely related to the empowerment of women. It illustrates how a lot of microfinance organisations (MFIs) view financial supports like microloans as a comprehensive strategic tool that includes women in their development process. Despite the fact that these kinds of financial aid are available in women's names, numerous studies have already shown that a loan has a good grip on a spouse. It suggests that women are unable to use their loan money properly. In addition to this, many women generally transcend traditional gender roles, making them potentially more vulnerable to domestic abuse. Men frequently attempt to affirm their position of power, which is the cause. In addition, many microfinance critics have asserted that many of these institutions have a reputation for getting more aggressive recovery strategies. They also occasionally seize the assets of borrowers. They also drive women who default into poverty. The operational definition of women's power is something that needs to be done in order to make a thorough assessment of how microfinance affects women in a number of developing countries. Female empowerment can be defined as an improvement in women's ability to make their own life decisions in a context where this was previously largely predetermined for them. It enhances their capacity for decision-making, enabling them to actively contribute to their wellbeing.

Two approaches are available for determining the precise effect of microfinance on the empowerment of women. You can also see a number of process-based impact studies that claim that empowerment is a highly dynamic process that can only be determined with the aid of a number of indirect factors, such as managerial oversight of microloans, accounting expertise, control over intra-household spending, and many others. In addition to this, there are a tonne of indicators that assess things like asset ownership, labour force participation, asset literacy, nutrition, and many others. The assessment of various social networks and a strong belief in life's outcomes are two examples of the direct indicators that are used in outcome-based evaluations. It's important to remember that it has the potential to alter the real frameworks of gender inequality, particularly in the family and the community. Several other important considerations include the availability of time series data, the heterogeneity of women, the multifaceted nature of empowerment leading to inconsistent proof, and the significant effects of microfinance and women's emancipation.

1.2 Microfinance Institutions in India

The Reserve Bank of India defines an NBFC-MFI as a non-deposit taking NBFC with a minimum net owned fund of Rs. 5 crores (for NBFC-MFIs registered in the North Eastern Region of the country, it will be Rs. 2 crore) and getting not less than 85 percent of its net assets as "qualifying assets" (other than a company licenced under Section 25 of the Indian Companies Act, 1956). The ultimate goal of microfinance is to give low-income people a chance to become financially independent by giving them access to insurance, borrowing, and saving options. The delivery of financial services to people with limited incomes or solidarity lending groups, such as consumers and entrepreneurs, who typically lack a connection to banking and associated services, is known as microfinance. It is not just about providing microcredit to the poor; rather, it is a tool for economic development whose goal is to help the poor escape poverty. It includes a broad range of financial and non-financial services, including credit, savings, insurance, remittance, and more. The microfinance industry has expanded quickly in recent years. With the founding of Grameen Bank in Bangladesh in 1976, Nobel Prize winner Muhammad Yunus has been linked with establishing the framework for contemporary MFIs. It has now developed into a thriving industry with a range of business models. In India, there are NGOs (registered as societies or trusts), Section 25 companies, and Non-Banking Financial Companies (NBFCs) that provide microfinance. Commercial banks, regional rural banks (RRBs), cooperative societies, and other significant lenders have all been crucial in helping MFIs obtain refinancing. Banks have also utilised the Self-Help Group (SHG) channel to offer group borrowers direct credit.

Numerous conventional banks in India were unwilling to offer loans to the poor because of inadequate security and rising operating costs. As a result, the nation's microfinance institutions developed and expanded. They operated as an alternative and sought to establish financial parity. SHG (Bank Linkage Programme) and Microfinance Institutions (MFIs) are the two main microfinance distribution channels in India. One of the first contemporary microfinance institutions in the nation was founded in Ahmedabad in 1974 by the cooperative bank SEWA (Self-Employed Women's Association). In order to promote and develop a variety of economic activities in rural India, the National Bank for Agriculture and Rural Development (NABARD) was founded in 1982. The majority of microfinance loans in India have been granted to the western and southern states. Because of their inherent self-sufficiency, SHGs are capable of operating independently with only a modest amount of assistance from NGOs and organisations like NABARD and SIDBI (Small Industries Development Bank of India).

The Micro Units Development and Refinance Agency (MUDRA) was established by the Government of India in 2015 to refinance collateral-free loans up to Rs.10 lakh given by lending institutions to small non-corporate borrowers, primarily for non-farm sector revenue growth. Shishu loans are those that are up to Rs. 50,000; Kishor loans are those that are between Rs. 50,000 and Rs. 5 lakh; and Tarun loans are those that are between Rs. 5 lakh and Rs. 10 lakh. India's microfinance institutions provide financial aid to the poor and foster the expansion of the nation's small and midsize businesses. They are extremely important and have been successful in integrating the unbanked sector into the nation's organised economy.

1.3 Gaps in Financial System and Need for Microfinance

India is home to nearly one-third of the world's poor, who make do on an average of one dollar per day, according to the most recent World Bank research. Even though there are numerous federal and state programmes to combat poverty currently in place in India, microfinance is a major factor in financial inclusion. It has made a significant contribution to the eradication of poverty in recent decades. According to reports, those who have accessed microlending have been able to raise their income and, consequently, their standard of living.

The majority of Indians still lack access to any banking services and have no savings bank accounts. To meet their needs for consumption, asset building, and risk protection, the poor also require financial services. In some ways, microfinance organisations are better than banks as a complement to them. In addition to offering microcredit, these institutions also offer other kinds of services like individual counselling, training, and support for starting a business, as well as financial services like savings, insurance, and remittance. Most importantly, they do so in a convenient manner. All of these services are provided to the borrower at their doorstep, typically with a repayment schedule that suits them. However, all of this comes at a price. These institutions charge interest rates that are higher than those of commercial banks and range from 10 to 30%. Some people complain that some of these institutions charge extremely high interest rates, while others believe that given the cost of capital and the expense incurred to provide the service, the high interest rates are acceptable.

Globally, there has been a big problem with women's empowerment. Most developed and developing nations have come to the realisation that empowering women is essential to the development of their countries. So, a number of strategies are in place globally to achieve the Sustainable Development Goals, and one of these interventions is microfinance. Microfinance makes a significant contribution to self-help groups by assisting in the fight against poverty and minimising gender disparities. In many regions of India, microfinance institutions have been operating, focusing particularly on women to assist them in creating opportunities for self-employment and other forms of income generation. Microbusinesses can operate with a low level of education and training. Since most women have low levels of education, they can start and grow their businesses. Microfinance is beneficial to developing nations. The services they offer are specifically designed to meet the requirements and goals of the local women and their small- to medium-sized businesses. It should be noted that while microfinance can help the poor increase their economic activity or elevate their status, it does not alleviate all of their problems. First, the study showed that women's access to microloans greatly aided their economic empowerment through the expansion of their businesses as programme recipients. The conclusion that microcredit has a significant impact on women's capacity for household decision-making is consistent with those from Kabber (2003), Rahman (2015), and Ghosh et al (2023). When compared to non-participants, women who participated in microfinance activities had higher levels of employment, income, investment, savings, and asset ownership. According to Mayoux (2000), female economic empowerment typically involves giving women greater access to financial resources, income-generating assets or activities, savings, and financial decision-making authority. It also involves giving them more economic independence. Although women are free to decide how to run their homes, they still rely heavily on their husbands, receive less attention from their family members, and play a less important role in important financial and economic decisions that affect both their homes and their businesses. The problem isn't that the women can't grow and manage their businesses well; rather, it's that they can't manage both their homes and businesses effectively, which prevents them from working to their full potential. Small businesses suffer disproportionately from a lack of funding, but when funding becomes available, they grow faster than large businesses. Small businesses are more impacted by financing challenges than large ones. In a nutshell, the study shows that microfinance is a reliable tool for empowering women because it improves their economic and social circumstances. Malhotra, A., & Schuler, S. R. (2005) compiled a list of the most widely used aspects of women's empowerment using frameworks created by different authors in various social science fields. In spite of overlap, these frameworks suggest that economic, sociocultural, familial/interpersonal, legal, political, and psychological aspects of women's empowerment must all take place. In the Kancheepuram municipality, it has been noted that microfinance services have a significant overall impact on women entrepreneurs. According to Sauramathi (2011), Rai & Shrivastava (2021) and Shohel (2021), the primary goal of microfinance is to empower women. Microfinance is only a small part of

what is required to support enterprise activities and improve household and social status, income, asset accumulation, decision-making freedom, mobility, and education. MFIs are now used as a tool for women's emancipation and social and economic transformation. The results of the path analysis report that economic and social empowerment (Duflo, 2012, Al-Shami et al., 2017; Chakraborty & Vasanthagopal, 2016; Chatterjee et al., 2018) have a significant relationship with women empowerment due to availing microfinance programme in developing countries.

2. Research Objectives

The general objective of the study is to examine the empowerment of women in India through micro finance. The following specific objectives will be achieved in order to achieve the general objective of this research.

1. To assess microfinance service accessibility among women in the study area.
2. To identify problems that women face in accessing microfinance services in the study area.
3. To examine the impact of microfinance on economic and social empowerment of women in the study area.

3. Previous Studies

The goal of Kabeer, N (2005) paper is to look at the empirical data regarding the contribution of microfinance to the eradication of poverty and the empowerment of low-income women. As with other interventions, such as education, political quotas, etc., that seek to bring about the radical structural transformation that true empowerment entails, it becomes clear that access to financial services does not automatically empower women, even though it can and does make significant improvements to the economic productivity and social well-being of poor women and their households. These additional interventions merely represent various points of entry into the larger project; each has the potential to bring about social transformation, but the realisation of this potential depends on the context, the individual's commitment, and their capacity. Microfinance programmes, according to Mayoux (2006), not only provide women and men with access to credit and savings, but also reach millions of people worldwide, bringing them together on a regular basis in organised groups. Although they are not a "magic bullet," they could make a big difference in promoting gender equality, women's empowerment, pro-poor development, and strengthening civil society. These programmes have the potential to start a series of "virtuous spirals" of economic empowerment, improved wellbeing for women and their families, and broader social and political empowerment by assisting women in earning an income. Men's attitudes and behaviours can be challenged and significantly changed through the use of microfinance services and groups as a crucial step towards achieving gender equality. Khandelwal (2007) evaluated India's microfinance development strategy. One of the most discussed, well-documented, but still widely misunderstood buzzwords in the banking and policymaking industries today is microfinance. It could be characterised as "banking for the poor" in the simplest terms. The majority of transactions classified as "microfinance" involve small sums of money, as suggested by the name. However, the term's connotation has a much broader meaning. According to its proponents, it is a potent tool that can be used to address poverty, empower the poor who are socially marginalised, and strengthen social cohesion. Additionally, it is anticipated that women will reap even greater benefits from microfinance activities. Because of this, it is intended to alter people's lives all over the world. Today, giving our less fortunate brothers and sisters financial aid through microfinance is seen as a more subaltern practise. The Task Force on Microfinance has defined microfinance in India as providing thrift, credit and other financial goods and services of tiny sums to the poor in rural, semi-urban or urban areas in order to enable them to increase their level of income and improve living standards. Sengupta and Aubuchon (2008) have focused on achievement made by Prof. Muhammad Yunus and the Grameen Bank for their efforts to create economic and social development from

below. Their article was intended as a non technical overview on the growth and development of microcredit and microfinance. The Grameen bank and its achievement were reviewed. Paper also emphasized on the group lending mode of granting microfinance and its benefit. Paper also reviewed the microfinance in different economies and its future. According to an article by Swain and Wallentin (2009), microfinance initiatives like the Self Help Bank Linkage Programme in India have become more popular due to their favourable economic effects and the perception that they empower women. Only a small number of studies, however, thoroughly analyse the relationship between microfinance and women's empowerment. In order to effectively improve their well-being, women must challenge the social norms and culture that are currently in place, according to this article's argument. The outcomes clearly show that, on average, women's empowerment in the group of SHG members has increased significantly. However, no such noteworthy change is seen in the control group participants. The beauty of the outcome is that it allows for the possibility that some participants in the SHG were more empowered than others while still clearly demonstrating a significant and higher level of empowerment. An NGO project to provide microfinance to scheduled caste women employed in India's silk-reeling industry is described in an article by Fiona Leach and Shashikala Sitaram (2010). It details the long-term effects of the project on their social and economic standing and emphasises the drawbacks of excluding male relatives from any significant roles. It suggests modifications that could have been made to the project to make it more inclusive of men while still empowering women. At the same time, it admits that the women's microbusinesses were unlikely to have been financially successful even if the men's opposition to the project had been overcome. This is because the project required the women to work together in a high-risk economic sector without a clear plan for how their work could be supported.

The study by Aruna and Jyothirmayi (2011) aims to investigate the hotly contested topic of microfinance's function as a financial intermediary for promoting women's empowerment. In an innovative effort by the Indian Bank for microfinance operations intended to improve the status of women, a primary survey has been conducted to record the realistic experiences and observations from the beneficiaries of the Micro State branch of Hyderabad. According to the empirical findings of the study, microfinance has a significant impact on the financial situation, ability to make decisions, knowledge, and sense of worth of women who participate in a self-help group linkage programme in Hyderabad. According to Amin and Patel (2012), the contribution of villages or the rural segment is crucial in any developing economy. According to the author, financial institutions should be given the most weight possible in order to increase efficiency at this level in developing economies. These days, such a targeted population receives financial assistance through Self Help Groups for both economic improvement and the welfare of the poor. The contribution of women must develop more quickly in any segment. Women make up 48 percent of the population in India, and their literacy rate is 54.16 percent, but their economic impact is still very small. The most significant contribution to women's economic empowerment in the Indian economy is made by micro finance institutions. Such a foundation changes their social, cultural, and behavioural patterns in addition to empowering them financially, which is beneficial for the growth of the economy. The paper by Nilakantan et al. (2013) adds to the empirical literature on the effects of microfinance on women's empowerment. We examine the impact of access to microfinance on four aspects of women's empowerment, including (1) whether the borrower manages the microfinance backed enterprise, (2) influence over decision making on credit related issues, (3) influence over decision making on expenditure related issues, and (4) influence over decision making on children related issues, using data on women borrowers of a large microfinance institution in Eastern India. We discover that increased access to microfinance, as determined by a longer treatment period, is not associated with positive or neutral empowerment effects on the economic dimensions of empowerment, such as enterprise management, credit-related decisions, and expenditure-related decisions; however, it is associated with increased empowerment in terms of child-related decisions, suggesting a

rebalancing of power between men and women within the household along traditional gender lines. The impact of microfinance on women's empowerment in India was measured by Laha, A., and Kuri, P. K. in 2014. The reach of microfinance programmes is thought to be a way to improve economic opportunities for the female population, which has broad ramifications for the empowerment of women. In this regard, a significant variation in the reach of microfinance programmes to poor women's households is seen across national boundaries. States in India with a higher level of women's empowerment are also the states with a higher level of microfinance outreach. An all-inclusive microfinance system is therefore anticipated to strengthen India's financial inclusion process and thereby support women's empowerment. The goal of Paramanandam and Packirisamy's (2015) study is to determine whether micro-enterprises enable women to become entrepreneurs and fully engaged in income-generating activities by allowing them to select their own business venture. Empowering women is crucial for accelerating economic growth. The issue of economic empowerment of women is of utmost importance to political thinkers, social scientists, and reformers because it is currently thought of as a sine qua non of progress for a nation. Rural women now have access to economic independence thanks to self-help groups (SHGs). SHG participants engage in microbusiness activities. It is true that knowledge is capital. Any industry's lifeblood is capital. Economic development cannot occur without the advancement of women. In order to create more sustainable businesses, women should be taught technical knowledge, skill development, and marketing strategies.

The study by Kapila et al. (2016) aims to assess the effect of microcredit delivered through Self Help Groups on economic empowerment in Punjab State's rural areas. Both primary and secondary data were used in the study. 106 SHG leaders and 318 SHG members from the study area provided the primary data. The secondary data was gathered from a variety of state and federally published sources. The study demonstrates that microcredit significantly increased the respondents' income, which in turn increased their ability to participate in household decisions. Large borrowers are more affected by this than are small borrowers. Microcredit has therefore increased women's empowerment. Regression analysis's findings show that the impact of microcredit in Punjab's rural areas is highly significant and has a positive relationship with the empowerment index. Therefore, it is important to encourage women to join self-help groups through the process of empowerment, which will lead to their uplift and the overall economic development of the nation. For SHGs to operate effectively and sustainably in the state of Punjab, issues like delayed loan approval, inadequate loan size, a lack of skill-based training, and challenges with product marketing must be resolved. In order to better understand how SHGs function, Sultana et al. (2017) study compares and contrasts members of SHGs and non-members to examine the role of microfinance in empowering Muslim and non-Muslim women. The amount borrowed, how quickly it was repaid, how long the loan was outstanding, and the degree of economic, social, and intellectual empowerment are all used to analyse the concept of microfinance. The logistic regression model was used to tabulate the results. Finally, it is determined that rather than economic empowerment, microfinance brought knowledge and social empowerment. Microfinance has a notable impact on fostering self-assurance, bravery, skill development, and empowerment.

In their 2018 study, Tariq and Sangmi make an effort to look into how microfinance affects the empowerment of marginalised women who live in poverty. The study discovers that women's participation in microfinance, particularly through Self Help Groups (SHGs), empowers them in the areas of economic, social, psychological, and political power, based on empirical findings of relevant literature that is currently available worldwide. In addition to the advantages that microfinance offers to women, there are also indications of disempowerment, such as increased workload for women, lack of control over assets and income, and detrimental effects on children's education. Therefore, further empirical research is required to determine whether microfinance empowers or de-empowers women, as well as to establish a fair relationship between the two while properly weighing the various dimensions of empowerment. The study by Bhatia and Singh

(2019) examines the beneficial effects of financial inclusion on the lives of urban slum-dwelling women. This study is crucial for conceptualising and implementing programmes for the underprivileged, especially women. This study has put a qualitative plan to investigate women's access and reach in slums into practise. The findings show that joining formal financial services makes distinct aspects of empowerment statistically significant. Every empowerment measure that supports the theories in this study and earlier research has a relationship with the empowerment of women. The study also shows that women who use financial services more frequently, such as opening bank accounts and purchasing insurance, are more empowered in terms of social, political, and economic spheres. Increased negotiations, freedom to make political decisions, the ability to make financial decisions at work, and the ability to make decisions for the family all have implications for raising women's empowerment. The research of Adnan and Amri (2020) examines how women's income affects the fight against poverty. The fixed-effect method of panel regression and the Panel Granger causality test are the analysis models used on a panel dataset of 32 Indonesian provinces with time series data for the years 2010–2018. According to the study, women's income has a significant impact on reducing poverty. The poverty rate decreases as women's income increases. According to the Panel Granger Causality Test, there is a bidirectional relationship between women's income and the poverty rate. Women's income affects poverty rates, and poverty rates affect women's income. To increase the participation of women in productive economic activities, local governments in Indonesia should develop regional development policies. In addition to enhancing women's welfare, the policy has a positive impact on lowering poverty rates.

The study by Datta, S., & Sahu, T. N. (2021) looks at how microfinance institutions should respond to changes in borrowers' methods of subsistence. The effect of microfinance on the lives of 350 West Bengali borrowers as a whole has been empirically observed by using various statistical tools. In this study, it was found that MFIs' offerings helped to gradually change the beneficiaries' practises of living. Utilising microcredit enables borrowers to begin businesses that generate income and hire labour both inside and outside of their homes. By contrasting the pre- and post-loan phases, this study adds to the body of existing research on microfinance and identifies the current function of MFIs. This study is explicable to policymakers for designing additional policies in this context by taking the appropriate framework and approach into account. It also aids in identifying resources that are required to flourish in the current state in the future. The study by Das (2021) attempts to analyse how MFIs affect women's emancipation. To gather information, semi-structured depth interviews were conducted. Utilising the grounded theory method, data analysis is done. The study's findings imply that five different facets of women's empowerment are significantly impacted by access to credit. The study shows that MFI has a favourable effect on generating employment, income, savings, and living standards. MFI aided women borrowers in improving their decision-making, self-confidence, social attitudes, and political participation. The effectiveness of microfinance-backed entrepreneurship as a mechanism for the total empowerment of women is the subject of a study by Khan and Bhat (2022). This study uses a mixed-method research approach that includes semi-structured in-depth interviews, a quasi-experimental design (quantitative approach), and women who are both entrepreneurs and non-entrepreneurs. According to quantitative analysis, female entrepreneurs have better access to economic, social, political, and psychological indicators of empowerment than female non-entrepreneurs do. The impact on women's political and, to a lesser extent, social empowerment was found to be less significant. These results were supported by analysis of in-depth interviews, demonstrating the value of entrepreneurship as a tool for the total empowerment of women. Non-entrepreneurs, however, also display social empowerment. In this study, Sinha et al. (2023) use primary data on female borrowers from various microfinance institutions in the West Bengal districts of Nadia and Murshidabad to empirically examine the impact of microfinance access on women's empowerment. Due to their strong ties to the empowerment of women and the reduction of poverty, microfinance institutions are crucial in strategies for gender and development. Self-help groups

(SHGs), one of the many microfinance programmes, are encouraged and promoted due to their substantial economic effects on the empowerment of women. They look at how access to microloans affects three aspects of women's empowerment that have an impact on choices about credit, spending, and having kids. We use multivariate probit estimation to conduct a primary survey of about 800 female borrowers from various microfinance institutions. Our results suggest that increased access to microfinance credit has a detrimental effect on economic empowerment, i.e., choices regarding credit and spending-related matters.

The article by Reshi and Sudha (2023) offers a review of the most recent research on women's economic empowerment, focusing on the key interventions' main strategies, difficulties, and effects. The review is based on a wide range of research projects from various countries and industries, such as microfinance, entrepreneurship, technical training, and employment policies. The article emphasises the need for a more comprehensive and integrated strategy for women's economic empowerment that addresses the structural obstacles to women's full economic participation. An empirical investigation of how financial inclusion affects women's empowerment is the goal of Arshad (2023) paper. The panel data is then used to examine the overall impact of different aspects of financial inclusion on women's empowerment in developing countries. The findings confirm earlier empirical literature findings and demonstrate that financial inclusion generally has a positive influence on women's empowerment. According to the study, greater financial inclusion will benefit women by enabling them to recognise their strengths and abilities, which make them powerful and dominant. Only with the proper education, awareness, and freedom to express oneself are those skills capable of being developed and improved in the proper manner. The findings show that gender discrimination has a negative effect on women's empowerment while financial development, the gender parity index, and women's employment have positive effects. The study emphasises that to promote women's emancipation in developing nations. Governments and policymakers need to carefully examine and reevaluate what the best financial inclusion programmes are that will contribute to increasing women's empowerment in the nation.

3.1 Research Gap

The literature review demonstrated that microfinance is a tool for development. In order to help women and those with low incomes and poor financial standing, it provides financial services. The microfinance programme assists women and the poor in generating income, empowering them both socially and economically to lead self-sufficient lives. This study demonstrated that women are more likely than men to be involved in business for the purpose of earning money and that their ability to repay loans and pay interest is also favourable. In addition, it increases women's ability to make decisions and participation in social issues. The literature review emphasised the key components of microfinance services and their effectiveness in empowering women. It was made clear that microfinance and microcredit are two concepts that are closely related by outlining the concept of microfinance in relation to its historical development and evolution. Microcredit is a part of microfinance, which is a broader and more all-encompassing concept, along with other related ideas like microsaving and micro training. Nevertheless, despite its importance, the microfinance industry only reaches a very small portion of the population. The literature review revealed that although much has been written about the relationship between microfinance and poverty, access-related issues with microfinance products still exist among low-income earners. It is clear that the studies that are currently in existence have not been able to pinpoint specific mechanisms that have a greater influence on the expansion of access to microfinance products.

Numerous studies on the impact of microfinance on income, loans, education, assets and outreach, poverty reduction, etc., have been conducted in India. Between current research and previously conducted research, there is a gap. With this current relevance in mind, this research includes to the body of knowledge

already available on the relationship between microfinance and women's empowerment in India by administering the different problems both in terms of economic dimension and social dimension such as economic and social reputation change due to participation in Microfinance programmes, change in income after involving Microfinance programmes, ownership in the business, decision power, and women's perception below sequential.

4. Economic and Social Dimensions of Women Empowerment through Microfinance

Increasing women's access to financial resources, income-generating assets or activities, savings, financial decision-making power, and economic independence are the typical goals of female economic empowerment (Mayoux, 2000). By increasing investments in income-generating activities and potentially diversifying one's sources of income, access to credit can help increase income over the long term. It can also help one accumulate assets (Niels Hermes, & Lensink, R. (2007) claimed that participation in microfinance increased women's ownership of assets and improved women's economic independence. The microfinance industry has proven to be an effective intervention point for helping women launches long-term projects that enhance their livelihoods and work to eradicate poverty, thereby boosting their capacity for economic independence (Kimanjara, 2013). Microfinance can help people become more self-reliant. When the poor increase their income, start their own businesses, and become less vulnerable, it empowers them to make changes (Adhikari & Shrestha, 2013). The microfinance industry has proven to be effective intervention points for helping women launch long-term projects that enhance their livelihoods and work towards eradicating poverty, increasing their capacity for economic independence (Kimanjara, 2013, Hasan et al, 2022). According to Mayoux (2000), "target women with the explicit goal of empowering them. The primary reasons for pursuing women's empowerment vary. Helping women should be a priority because they are among the most underprivileged and vulnerable people. The author goes on to say that it has been well established that an increase in women's resources leads to the well-being of the family, particularly the children, maintaining goals of financial viability, and that an increasing number of microfinance institutions prefer women members because they think they are better and more trustworthy borrowers. Women who were members of the Economic Empowerment of Women Headed Family (WHF) Group and were married in marital status, according to Saleh et al. (2022), still tended to have lower economic status. The social reality was that husbands and wives' roles and responsibilities had changed in many communities, particularly for WHF Group members. Economic factors were a key factor in the mentioned shift. Wives used to only support the family's breadwinners, but due to the financial needs of the family, women began to take on the role of breadwinners. While society had not yet fully acknowledged women's participation in development communication as the head of the family, wives nonetheless took action as the primary decision-makers in their homes. The most recent discovery in this study was that married women whose husbands had lost their jobs were already enrolled in the WHF Programme. The findings of the FGD confirmed that some married women had changed their roles from supporting to primary breadwinners. In their study, Weber and Ahmed (2014) examined the relationship between microfinance and women's economic empowerment in more detail and discovered that a higher frequency of utilising microfinancial services results in higher levels of empowerment for women.

The basic idea behind microfinance is that by giving women access to financial services, they will be able to start their own small businesses and earn money on their own. They can use their access to microfinance to increase their bargaining power within their households and make decisions about family planning, for example (Al-shami, 2016). Microfinance for the underprivileged and women has gained wide acceptance as a strategy for eradicating poverty and promoting economic empowerment. Microcredit's effectiveness in assisting the poorest people, particularly women, in achieving economic empowerment has come under increased scrutiny over the last five years. Development experts in India and other developing nations

frequently claim that the government and public institutions have neglected to address the needs of the poor in terms of employment and subsistence due to the excessive emphasis placed on microfinance as a solution for the poor. Women who have access to financial services are more likely to take part in family and community decisions, have greater confidence and assertiveness, and are better able to address systemic gender inequities (Hashemi, 1996). The three factors that determined women's empowerment through microfinance were decision-making, freedom of movement, and family support. Living conditions typically get better when women are given more control over their own lives and the lives of their children. According to these researchers, this is because women are more likely to use household income to improve the health, nutrition, and educational opportunities for their children and family. Women's ability to grow and improve their businesses with the aid of credit and business training has given them more control over decisions and earned them respect in the family and community. Because of the participation in addition to financial intermediation, many MFIs offer social intermediation services like group formation, confidence building, and instruction in money management skills for group members. Therefore, financial and social intermediation are frequently included in the definition of microfinance (Ablorh, 2011). Although women are more mobile in terms of jobs that pay well, the social stigma associated with their mobility persists (Pokhreyal, 2014). The social empowerment movement focuses on a woman's freedom of movement, confidence, and self-reliance, as well as her ability to better her family's education and finally engage in local issues (Alshebami, 2015). The ability of the entrepreneur to improve contacts, interpersonal skills, and self-confidence and self-esteem were used to evaluate the social impact of microfinance. (Naeem, 2015) The majority of women business owners claimed that participating in microfinance business activities raised their standard of living, boosted their self-confidence, and gained support from their husbands because their husbands appeared pleased with their business performance (Sultana, 2012). According to Banerjee's (2015) study, clients of microlending did not experience improvements in their health, education, or ability to empower women. According to Rehman (2015), there is a tenuous positive correlation between microfinance initiatives and rural women's empowerment. It is discovered that microfinance has the least impact on women's ability to make decisions, which empowers them. Women who have achieved social empowerment through participating in microfinance activities are given recognition in society, which allows them to become more involved in community activities, gain respect from family members, and improve their ability to deal with social problems (Al-Shami et al., 2017; Chakraborty & Vasanthagopal, 2016; Chatterjee et al., 2018). In line with all these, hypotheses for the study are framed as follows:

- There is a positive relationship between microfinance services and economic dimension of empowerment.
- There is a positive relationship between microfinance services and social dimension of women empowerment.
- There is a positive relationship between microfinance services to women empowerment.

5. Methodology

Microfinance aids the uneducated and underprivileged group of women in generating income. It offers services for micro saving, microcredit, insurance, and transfers, as well as numerous programmes for enhancing capabilities like skill development training. The primary goal of this study is to determine how microfinance helps women become more empowered. The study was conducted in five different blocks within Kancheepuram district of Tamil Nadu, India. This study used a descriptive and correlational methodology. Descriptive design was used to learn about the status of women, and correlational design was used to look at relationships. It was discovered that the majority of people who live close to the Kancheepuram municipality run various types of businesses with the aid of MFI services. Both qualitative and

quantitative methods were used in this particular study. The respondents were chosen at random to evaluate the casual relationship between the hypotheses that were designed to analyse the impact of microfinance on women's empowerment in Kancheepuram Municipality.

The population of Kancheepuram municipality includes women who began or expanded their businesses with the aid of microloans. The researcher visited five MFIs in the Kancheepuram Municipality and asked for the name, address, and contact information of women clients who had borrowed money from them for their businesses in order to extract the precise data. The MFIs were pounded, and the necessary information was gathered. Given that the research is based on the researcher's subjective judgement, the sampling technique used in this study is a non-probability sampling method. The application of purposive non-probability sampling in the present research depends on Neuman's (2006) and Zikmund's (2002) positions on sampling, which both emphasize the need for non-probability sampling techniques when the sample members must possess peculiar characteristics. Once more, because individual MFIs are reluctant to disclose the number of their clients due to competition and other factors, the sample size is judgmental because the population is infinite. Purposive sampling, one of several non-probability sampling techniques, was used for this study because it was convenient for respondents and allowed them to freely express and share their information with the researcher. Study participants were selected based on the researcher's knowledge of the population and the study's objectives. According to a manager at MSM Microfinance, more than 1,000 women clients have used microfinance credit to launch their businesses. A purposive non-probability sampling technique was utilized in a 250 sample-size selection from female microfinance customers from Kancheepuram, Kundrathur, Sriperumbudur, Uthiramerur and Walajabad of Kancheepuram District of Tamil nadu, India (50 from each block). The relationship between the independent variable (microfinance services, including credit and other services) and the dependent variable (women entrepreneurs' performance, including economic and social performance) is shown in the theoretical framework. The study used a paired sample t-test and two related sample test statistics to analyse the significant difference in women's economic and social empowerment before and after taking loans from microfinance for their microenterprises. This study has analyzed with the help of SPSS Statistical tool used for the analysis. The objective of the study has been implied by descriptive and inferential statistics. The effectiveness of women's financial empowerment through microlending has been evaluated using tables, percentages, means, t-tests, correlation, and regression.

6. Data Analysis

Empowerment is incredibly hard to define, let alone quantify. For instance, while Kabeer (2005) defines empowerment as the processes by which women take control and ownership of their lives through the expansion of their choices, Baltiwala (1995) defines empowerment as control over material assets, economic resources, and ideology. According to Malhotra, A., & Schuler, S. R. (2005), nearly all definitions of women's empowerment include some mention of an increase in choice and freedom to make decisions and take the necessary actions that shape their life outcomes. As a result, we discover that a woman's capacity for self-determination is essential to understanding what it means to empower women. It suggests a dynamic, multifaceted process that empowers women to reach their full potential in all areas of their lives. The analysis of various issues in terms of economic and social dimensions is shown in this section. Examples include how business involvement, decision-making power, and women's perception affect economic and social reputation as well as income after involvement in MFPs. Another aspect of women's empowerment through microfinance is freedom of movement. Women were asked to rate their level of freedom of movement on five different criteria, including going places, going to the market to make purchases for their businesses, meeting stakeholders, attending business-related seminars and programmes, and participating in MFI events.

Table 1 Demographic characteristics of the sample

Variable	Type	Frequency	Percentage	Cumulative Percent
Age	20-30	10	4.00	4.00
	31-40	75	30.00	34.00
	41-50	135	54.00	88.00
	51-60	30	12.00	100.00
Marital Status	Married	182	72.80	72.80
	Single	68	27.20	100.00
Education	No education	18	7.20	7.20
	Basic Education	132	52.80	60.00
	Secondary Education	72	28.80	88.80
Occupation	Tertiary and above	28	11.20	100.00
	Agriculture	144	57.60	57.60
	Business	82	32.80	90.40
Income	Job	24	9.60	100.00
	< 10000	142	56.80	56.80
	10000 - 20000	76	30.40	87.20
	20000 - 30000	15	6.00	93.20
	30000 - 40000	12	4.80	98.00
	> 40000	5	2.00	100.00

Source: Computed from primary data

Table 1, shows that the majority of the women that took part in this study, who made up to 135 (54%) of the overall response rate, were between the ages of 41 and 50. 75 respondents 30% of the population, were between the ages of 31 and 40, while 30, or 12% of the population, were between the ages of 51 and 60. Ten respondents (4% of all respondents) were between the ages of 20 and 30. It is also evident that 182 respondents (72.8%) were married, compared to 68 respondents (27.20%) who were single. More than half, or 52.80%, of the 132 respondents had a basic education or its equivalent. 72 (28.80%) of the female clients had a secondary education or its equivalent, and 28 (11.20%) of them had a higher education. This is a blatant sign that the majority of the study's female participants fall into the 31–40 and 41–50 age groups. This may imply that married women make up the majority of MFI clients, and as a result, they may require MFI assistance to manage their houses. The majority of the women who participated in this study also had some schooling.

The majority of respondents (57.60%) had obtained a microloan to begin enhancing their farming, breeding poultry, growing vegetables, and purchasing seeds and fertiliser. While it was found that 32.80% of the survey respondents who were women had acquired a microloan for a new business. Only 9.60% of women who held lower-level jobs with various groups, including sweeper and gardener, also took out loans. The majority of women who work in agriculture participate in microfinance because it gives them access to interest at reduced rates and helps them advance their farming. Because launching a business demands a large investment, few women get loans for business enterprises. The perspectives of women who work in business and other fields are investigated in this study. The study's findings can thus only be extrapolated to other people of the same age. According to the table, the majority of women had incomes of less than Rs. 1000. Women with lower income levels were (56.80%), which suggests that using microfinance services is preferred by women with lower income levels. 30% of women made between Rs. 10,000 and Rs. 20,000 per month. In general, women in the corporate world made more money than those in the agricultural sector. The Rs. 20,000–Rs.30,000 range of income for the 6% of women who utilised microfinance services suggested that these women had high earnings and were involved in both work and business. The bulk of the consumers

belonged to the lower income category, according to the aggregate comments about income level. The majority of women who utilise microfinance are low-wage earners who must rely on it in order to raise their socioeconomic status since their income is insufficient to maintain their family.

Table 2 Distribution of microfinance services and women empowerment

	Minimum	Maximum	Mean	Standard Deviation
Credit facility	3.75	5.00	4.2450	0.28911
Savings facility	3.76	5.00	4.5650	0.38455
Training facility	3.80	4.82	4.3122	0.29124
ownership of assets	2.66	4.66	3.9422	0.49346
saving and expenditure	3.00	5.00	4.2133	0.72468
Decision Making	4.00	5.00	4.2713	0.27923
Mobility	3.50	5.00	4.3852	0.27701

Source: Computed from primary data

The Table 2 shows that the mean value of credit, savings, training, asset ownership, saving and spending, decision-making, and mobility offered by MFIs is found to be satisfactory. The average value of saving/spending, decision-making, and mobility can be seen to be quite good, but the average value of asset ownership is slightly lower than the average, indicating that MFIs continue to not support females in their pursuit of land ownership.

6.1 Economic Empowerment

As can be seen from the above table 3, there is a significant correlation between the average level of economic empowerment and the use of microfinance services ($r=0.736$, $p < 0.01$, $p < 0.05$). This suggests that using microfinance services results in greater economic empowerment. It is correlated at a level of 0.01, according to correlation values, demonstrating a significant positive correlation between them. These correlation coefficients' p values ($p=0.00 < 0.05$) at the 95% confidence level were found to be statistically significant. Analysis of regression is shown in the table 4. We are aware that R square measures the proportion of the dependent variable's variation that can be accounted for by the independent variables. The R^2 value for this study is 0.524. It means the changes made by the independent variable (credit, saving, and training) have led to a variation of 52.4% in economic empowerment. Accordingly, the economic empowerment coefficients' p values ($p < 0.05$) shown table 5 that the result is statistically significant at the 95% level of confidence. The findings imply that the alternative hypothesis, according to which there is a significant impact of microfinance services on economic empowerment, is accepted because the p value for the independent variable, $p=0.00 < 0.05$, is less than the significance level.

Table 3 Association between microfinance services with economic empowerment

Pearson correlation	Microfinance service	Economic empowerment
Microfinance service	1	
Sig. (2-tailed)		
average of economic empowerment	0.736**	1
Sig. (2-tailed)	0.000	

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at 0.05 level (2-tailed)

Table 4 Regression analysis of microfinance service with economic empowerment

Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	0.736 ^a	0.524	0.512	0.26452

a. Predictors: (Constant), credit, saving and training

Table 5 Coefficient of microfinance service and average of economic empowerment

Model	Unstandardized coefficient		t	Sig.
	B			
(Constant)	-0.184		-0.542	.568
I Microfinance service	0.928		12.624	.000

a. Dependent Variable: economic empowerment

6.2 Social Empowerment

Table 6 shows a significant correlation between the use of microfinance services and social empowerment ($r=0.782$, $p<0.01$, $p<0.05$), suggesting that using these services increases social empowerment. It is correlated at a level of 0.01, according to correlation values, demonstrating a significant positive correlation between them. These correlation coefficients' p values ($p=0.00<0.05$) at the 95% confidence level were found to be statistically significant. Table 7 demonstrates regression analysis. We are aware that R square measures the proportion of the dependent variable's variation that can be accounted for by the independent variables. The R^2 value for this study is 0.544. It means that the changes made by the independent variable (credit, saving, and training) have resulted in a variation of social empowerment of 54.4%. Accordingly, the social empowerment coefficients' p values ($p<0.05$) shown table 8 that the result is statistically significant at the 95% level of confidence. The findings imply that the alternative hypothesis, according to which there is a significant impact of microfinance services on social empowerment, is accepted since the p value for the independent variable, $p=0.00<0.05$, is less than the significance level.

Table 6 Associations between microfinance service with social empowerment

Pearson correlation	Microfinance service	Economic empowerment
Microfinance service	1	
Sig. (2-tailed)		
average of social empowerment	0.782**	1
Sig. (2-tailed)	0.000	

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at 0.05 level (2-tailed)

Table 7 Regression analysis of microfinance service with Social empowerment

Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	0.782 ^a	0.544	0.536	0.18457

a. Predictors: (Constant), credit, saving and training

Table 8 Coefficient of microfinance service and average of social empowerment

Model	Unstandardized coefficient		t	Sig.
	B			
(Constant)	1.242		6.154	.000
I Microfinance service	0.642		14.458	.000

a. Dependent Variable: social empowerment

6.3 Women Empowerment

Table 9 shows a significant correlation between the use of microfinance services and women's empowerment ($r=0.922$, $p<0.01$, $p<0.05$), suggesting that using these services increases women's empowerment. It is correlated at a level of 0.01, according to correlation values, demonstrating a significant positive correlation between them. These correlation coefficients' p values ($p=0.00<0.05$) at the 95% confidence level were found to be statistically significant. We are aware that R square measures the proportion of the dependent variable's variation that can be accounted for by the independent variables. R^2 was found to be 0.684 in this study (Table 10). It means that changes made to the independent variables (credit, saving, and training) have resulted in a variation of economic empowerment of 68.4%. An analysis of variance was used to determine whether differences in variable mean values were statistically significant. This is done by analysing the variance, which entails dividing the total variance into components due to true random error and components due to differences between means. The total variance is then tested for statistical significance to determine whether or not the components due to mean differences are statistically significant. The study's findings indicate that, at the 95% level of significance, the means of the independent and dependent variables are statistically different from one another ($p=0.00<0.05$). The constant, $p=0.00<0.05$, is shown to be statistically significant at the 95% confidence level by the p-values in parenthesis. Accordingly, the economic empowerment coefficients' p values ($p<0.05$) shown table 11 that the result is statistically significant at the 95% level of confidence. The findings imply that the alternative hypothesis that there is a significant effect of microfinance service on women's empowerment is accepted because the p value for the independent variable, $p=0.00<0.05$, is less than the significance level.

Table 9 Associations between microfinance service with women empowerment

Pearson correlation	Microfinance service	Economic empowerment	Social empowerment	Women empowerment
Microfinance service	1			
Sig. (2-tailed)				
average of economic empowerment	0.736**	1		
Sig. (2-tailed)	0.000			
average of social empowerment	0.782**	0.642**	1	
Sig. (2-tailed)	0.000	0.000		
Women empowerment	0.922**	0.714**	0.638**	1
Sig. (2-tailed)	0.000	0.000	0.000	

**Correlation is significant at the 0.01 level (2-tailed)

Table 10 Regression analysis of microfinance service with women empowerment

Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	0.842 ^a	0.684	0.613	0.18452

a. Predictors: (Constant), credit, saving and training

Table 11 Coefficient of microfinance service and average of women empowerment

Model	Unstandardized coefficient	t	Sig.
	B		
(Constant)	0.645	2.654	.014
I Microfinance service	0.824	17.125	.000

a. Dependent Variable: women empowerment

7. Recommendations

The study showed that the clientele of women had experienced multiple forms of empowerment through microfinance; however, there are numerous issues that work against the effective empowerment of these women through microfinance. Therefore, the following suggestions have been made to help microfinance be packaged as the ideal tool for women's empowerment.

- This study has identified the key factors influencing women's empowerment in India. The Indian government can create policies for women's empowerment by taking those factors into account. The study has significant ramifications for female entrepreneurs working with microfinance organisations. Through this study, local government entities may receive guidance on how to design their plans and policies in the areas of women's empowerment and poverty alleviation. The NGOs working in the field of women may find this study useful in forming their plans and policies by using it to gain a general understanding of the economic power of women.
- The study found that while women encounter a number of barriers to using microfinance services, the highest of these is the high rate of interest on loans. It is therefore advised that loan interest rates be decreased in order to promote existing female customers' patronage and even draw in new ones, given that obtaining loans is the primary objective of the majority of women who use MFIs. The Indian government may impose a cap on the interest rate at which MFIs are not permitted to extend credit to their customers. This will free these women from the exploitation brought on by high interest rates on loans while also assisting MFIs in meeting their need for sustainability.
- The study also showed that women's lack of business knowledge is another issue they face in microfinance. Therefore, basic business education should be a consideration in microfinance programmes to train these women in fundamental business management.
- The study's findings support the idea that increased access to microloans improves women's economic and social empowerment, paying particular attention to their marital status and level of education. Therefore, it is advised that the Government of India and decision-makers expand microfinance outreach programmes, particularly among poor women, while addressing the issues that arise with regard to these women's accessibility to microfinance and paying close attention to their marital status and level of education.

8. Conclusion

In order to empower women and reduce poverty, the Indian government has implemented a number of policies to improve microfinance. The effectiveness of microfinance in empowering Indian women, however, has been hotly debated because loans given to women are controlled by men and because Microfinance Institutions (MFIs) extort money from poor women by charging exorbitant interest rates, much like money lenders. This has led to many women fleeing their homes and villages after failing to repay loan installments in order to prevent their properties from being seized by MFIs. In order to determine the relationship between the economic and social empowerment of women as a result of their participation in microfinance

programmes, this research was conducted to examine the impact of microfinance programmes on the economic and social empowerment of women in India. The results of this study suggest that increasing access to microfinance is more likely to increase the likelihood that women will be economically and socially empowered. This study also shows that age has no bearing on the economic and social empowerment of women brought about by microfinance, and that the importance of such a relationship depends on the women's marital status and education. This indicates that, in addition to microfinance accessibility, the respondents' marital status and level of education are the two demographic characteristics of women that have an impact on women's empowerment. This study makes it clear that women face a number of obstacles when trying to access microfinance services, including high interest rates on loans, collateral requirements for loans, time-consuming application processes, and a lack of business education for women, of which high interest rates are the most important. Despite the obstacles they face in getting access to microfinance services, women in India still greatly benefit from microfinance, especially those who have completed at least a basic education. Since improved microfinance accessibility could be the ideal tool to accelerate economic and social empowerment of women in India, it is crucial for the Government of India, policymakers, and MFIs to devise strategies to specifically overcome problems Indian women face in accessing microfinance as well as increase microfinance outreach programmes, especially among rural women.

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