International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

The Effects of Microfinance on Women Empowerment

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Abstract
The microfinance, women empowerment and their relevance to poverty diminution is an important dimension in economic development in third world countries. It begins with a brief review of the historical background of Microfinance in the version of poverty diminution all over the world and exclusively in Afghanistan. It then elapsing the methods of utilizing of Microfinance Institutions, experimental studies on the lash of Microfinance on micro, small and medium measure enterprises (MSMEs). The experience of microfinance in different nations of the world and how it has helped to deduct poverty in these nations are also run over. The figure, execution, and successes of Microfinance institutions in deducting poverty are also stated in this section. This section also considers different competent confronting Microfinance Institutions.
Societies around the world over have different ways of addressing the financial wants of the poor. In India it put out facilities for tiny savings, rotational loans, and credit facilities. However, the turning work of Prof. Yunus has opened a new dimension to microcredit financing. He started the practice that has come to be known as microfinance in which tiny-scale loans are made available mainly to women with tiny or no availability to a common origin of financial capital. According to, Yunus founded the Gramin Bank in 1983, now widely generic and seen as a sample being evoked by many integrated leaders, NGOs, and advocacy groups in dozens of countries.
This study is conducted in Mohali India; therefore, for this research, the population size could be more than a hundred thousand bank customers or microfinance institution clients. Having an exact population size for this research is a tough task or even we can say impossible, therefore, this research has not exact population size. The researcher has selected 50 clients of microfinance institutions in Mohali city. Therefore, the sample size of this research is 50, the researcher meets them individually and collected the primary information of the research. The sample of this research belongs to microfinance banks in Mohali city, the banks are; Punjab Gramin Bank, Capital Small Finance Bank, and Ujjivan Small Finance Bank. The sampling technique for this research is used convenient sampling method.

1.1 Introduction

In the formation and operations of small, medium and large businesses, microfinance play a significant role. The role of microfinance with the mentioned businesses could be in the form of assistance to them, besides microfinance can play a role in the reduction of poverty among the population of a country. The families take and use loans from microfinance institutions in order to raise their living standards and to protect their lives form unexpected natural and economic disasters. Microfinance services are far better than the ordinary loan.

The microfinance also helps women in many ways, like nowadays women in India take a loan or getting the support of microfinance institutions for their family and business empowerments.

The overall aim of this research is to get information regarding the enactment and effects of microfinance institutions and banks in Mohali since they have started their operations. Some researchers have done researches already in this field, the results of their researches show that the microfinance services affect the women empowerment, poverty reduction, and other related matters positively, but still, the gap for another research exists to find out if the microfinance help the society in poverty reduction, women empowerment and other stuff for a longer duration.

Before the entry and subsequent spread of the new microfinance model in India, people relied heavily on informal sources for availing loans. Borrowing money from friends, relatives, peers, local moneylenders, and business associates was prevalent, especially in rural India. Entry of microfinance institutions (MFIs) and banks offering microfinance loans in small sizes to support entrepreneurship and improve livelihoods significantly enhanced formal credit access. By the early 2000s, India's microfinance sector began picking up, and millions of poor people benefited from small loans. While the organizational structure of microfinance institutions was not as evolved as in many other countries, the government of India, Reserve Bank of India (RBI), World Bank, and organizations like SIDBI and NABARD were keen supporters of the promotion and scale-up of microfinance services. This synergy in efforts led to rapid sector growth, which made a significant contribution to financial inclusion and economic development.

Consequently, another important organization, the Microfinance Investment Support Facility for India, was established in 2008, which was considered to be a big success by the government of India. Microfinance Investment Support Facility for India was financially supported by the World Bank and the Small Industries Development Bank of India (SIDBI).

Ever since its inception, the Indian microfinance sector has grown at a considerable pace. Active microfinance clients in the range of 1 million in the early 2000s grew at a 25-30% average annual growth rate from 2005 to 2010. Microfinance institutions (MFIs) have not only played a pivotal role in reducing poverty and generating employment but also in providing small, collateral-free loans to low-income groups and self-help groups. The Indian government and the Reserve Bank of India (RBI) have extended their patronage to the microfinance sector as well. RBI guidelines state that eligible microfinance institutions can register as Non-Banking Financial Companies (NBFCs-MFIs), thus allowing them to operate as formal financial institutions while fostering financial inclusion for the poor.

1.2 Problem Statement

The underdeveloped countries and developing countries struggle to get rid of the phenomena of poverty. There are many international financial institutions including the World Bank, International Monetary Fund, and some of the non-governmental organizations that belong to developed countries are trying to establish their offices at the third world countries for assisting the people in order to avoid poverty. Therefore, the mentioned international financial institutions and non-governmental organizations are investing in the programs that are developing a specific industry in the host country for poverty reduction, the advancement of human living standards, women empowerment and post-conflict recovery as well. Considering the current poverty condition of the developing countries then we come to the conclusion that the aid program from developed countries can only help to make easier the process for the development of a country it does not work as a solution to underdevelopment.

Nowadays, numerous microfinance institutions and banks in India offer micro and small-sized loans, the majority of which are registered as Non-Banking Financial Companies-Microfinance Institutions (NBFC-MFIs) under the Reserve Bank of India (RBI). The main aims of these institutions are poverty eradication, entrepreneurship growth, improved financial inclusion, and women empowerment, mainly in rural parts of the country and economically backward sections of society. Some of the well-known microfinance players in India are SKS Microfinance (now Bharat Financial Inclusion), Bandhan Bank, Ujjivan Small Finance Bank, and Spandana Sphoorty, and so on.

The performance of these institutions is going very well according to their reports, research is needed in the field to find out whether their services really help reduction in poverty among people, empowering women, and post-conflict recovery, besides the impact of their services should be tested and calculated too.

1.3 Research Question

Following is the research question for this study:

Are the microfinance services offered by the microfinance institutions empower women and in turn reduce poverty?

1.4 Objectives

The objectives of the research are as follow:

- To measure the overall impact of the microfinance program in Kabul since the establishment of microfinance institutions and evaluate its impact on women empowerment.
- To find out the effects of microfinance services on women empowerment, the wellbeing of society members and poverty.

1.5 Significance

The study analyzes the overall effects of microfinance services on women empowerment, poverty reduction, and wellbeing of poor people in Mohali, India. Although, the microfinance institutions are established for the specific objective that is to help society members, empower women and other specific objectives. The study would be significant to some extent to show the path for further studies in the measure of well-being, women empowerment, and post-conflict recovery.

2.1 Literature Review

This part evolved both the methodical and experimental literature on microfinance effects on women empowerment and their relevance to poverty diminution and post-contrast recovery. It begins with a brief review of the historical background of Microfinance in the version of poverty diminution all over the world and exclusively in India. It then elapsing the methods of utilizing of Microfinance Institutions, experimental studies on the lash of Microfinance on micro, small and medium measure enterprises (MSMEs).

The experience of microfinance in different nations of the world and how it has helped to deduct poverty in these nations are also run over. The figure, execution, and successes of Microfinance institutions in deducting poverty are also declared in this section. This section also considers different compete confronting Microfinance Institutions.

2.2 Microfinance: A Review of Background, Operations and Structure/Models

2.2.1 Brief Historical Background

Societies the world over have different ways of addressing the financial wants of the poor. In India, it put out facilities for tiny savings, rotational loans, and credit facilities. However, the turning work of Prof. Yunus has opened a new dimension to microcredit financing. He started the practice that has come to be known as microfinance in which tiny-scale loans are made available mainly to women with tiny or no availability to a common origin of financial capital.

According to Hennessey (2006), Yunus founded the Gramin Bank in 1983, now widely generic and seen as a sample being evoked by many integrated leaders, NGOs, and advocacy groups in dozens of countries.

In India, the microfinance phenomenon has grown exponentially in the past three decades, mainly through the efforts of institutions like the Self-Employed Women's Association (SEWA) and the National Bank for Agriculture and Rural Development (NABARD). The institutions have played a significant role in the coverage of providing small loans to women in rural and urban areas, thus initiating entrepreneurship and poverty reduction (Tankha, 2002). The research carried out by Khandker (2005) shows that microfinance operations in India have resulted in households' income gains, improved education for children, and an improvement in women's empowerment. The study also indicates that female borrowers in India repay their loans at a higher rate than the male borrowers, thus confirming the effectiveness of targeting women in microfinance schemes.

Nevertheless, the impact of microfinance in India comes with a plethora of challenges. Hulme and Mosley (1996) and later authors like Khandker (1998) and Cohen and Sebstad (2000) emphasized the need to examine and monitor microfinance schemes to ensure their efficacy. In India, studies have revealed that although microfinance can bring families out of poverty, its effectiveness relies on program design, borrowers' socio-economic status, and support from MFIs and donors (Sinha, 2005). For instance, Hulme (2000) reported that 21 percent of the members of microfinance schemes were able to move out of poverty after four years of membership in microfinance schemes, while the proportion of extremely poor households among members fell from 33 percent to 10 percent. Despite these encouraging findings, there is a critical need for improved transparency and accountability in the utilization of microfinance schemes to reduce possible adverse effects, like over-indebtedness and exploitation (Sriram, 2010).

2.3 Review of Microfinance Models

The Grameen Bank Model: This model emerged from the work of Prof. Muhammad Yunus in Bangladesh in 1976. It concentrates on the poor and low-income households. The bank functions as a part set up with a Field Manager and bank employers coating a determined area of about 15 to 22 villages. Managers and employers visit villages in order to introduce themselves with the environment, classify clients, and clarify purpose, functions, and mode of acting. Groups of five prospective borrowers are formed from which only two obtain a loan in the first mode while others take their shift later. The Group is then pragmatic for a month to see if members are matching to the rule of the bank. If the two beneficiaries of a loan facility give back primary plus interest over an era of 52 weeks, others become qualified. As it is, there is considerable group pressure to make the individual conform to the rules and regulations leading the operations of the bank, chiefly with esteem to the repayment of loans. In the Grameen bank model, the group structure is also used for other purposes such as educating the members, responsiveness building, and joint bargaining.

Adaju (2006) presents a very clear-cut model of microfinance. This is a model of credit lending status of a “90-among” organization: among lenders and borrowers. Liaison plays a serious figure in

generating credit alertness and education among the borrowers including starting savings. In this specimen, processes are wrapping towards exalting "creditworthiness of the borrowers to a level that is adequate to absorb lenders". Links developed by the intermediaries could cover investment, programmed links, training, and education and research. These processes can take place at the individual, residential, regional, national and international surface.
A target society can form an association through which diverse microfinance processes are initiated. The association can be multiplex of youth only or women only. The assembly may be a savings group, religious group, political, cultural or professional. The significant thing is that the group should have something alike in common in order to bring up flat interrelationship.
Credits are usually ordered in such a procedure that some members of the association or group take loan facilities in turn such that while some members enjoy loan facilities, the other members of the group purvey security for the loan by standing as guarantors.
Another procedure of operation is through bank guarantees. Bank guarantee is used to grab a loan from a bank and maybe ordered externally through donors, government agency or internally that be within members of a savings group. Using guarantee is credit collateral, loans receive may be given directly to a sole beneficiary or to a self-formed group. Various international and UN organizations have formed international guaranteed funds that banks and NGOs can subscribe to for onward lending or launch microcredit programs.
The Society Banking methodology treats the whole society as one unit. It appoints semi-formal or formal institutions through which microfinance is spread over and it is formed by the help of NGOs and other organizations that guide society members in different financial activities of the society banks. Often society banks are also an element of larger society development programs that use finance as an encouragement for action. However, society banking has been phased out in Africa giving way to microfinance banks. Quite a significant number of microfinance banks in Africa today, transmitted from society banking.
Mutual associations. These form another model of microfinance operation. They are self-directed associations of persons that are willingly united with the wish to meet their ordinary economic, social and cultural needs as well as their aspirations. The model is a mutually owned and democratically, restricted enterprise which treats the whole society as one unit. In some cases, financing and savings actions are built-in in their command.
Finally, there is the Credit Union. This is an exclusive member-driven, self-help financial institution usually ordered by and comprised of members of an exacting group or organization who consent to save their money jointly and make loans to members from the savings at rational rates of interest. Typically, members have regular bonds by the asset of regular agency, labor union or living in the same society. Association of credit unit is open to all who fit into the group, in spite of race, religion, color or creed. It may be a non-profit financial supportive.

2.4 Review of Empirical Studies

The reputation of microfinance institutions is not limited to Bangladesh only. All over the world, the skill of MFIs is being propagated. This is seen in Asia, Latin America, and Africa.

2.4.1 Microfinance Experience in the United States of America.

America has exposed little interest in the Grameen type of microfinance and contributed to it as donors only primarily. In broad, early feedback to microcredit was quite negative. There was hesitation as well as optimism about whether anything would actually elevate people out of their poverty, fairly than purely alleviating it. Many Americans dispute that their welfare state has created an idle underclass of dysfunctional individuals who would never be concerned or be skilled in starting their own business or sustaining themselves (Ynus, 2003:176). By 1985, when Bill Clinton was Governor of Arkansas State, he hunted behavior to create new economic opportunities for the low-income people of the state. A group of bankers in the Chicago region advised Bill Clinton to espouse a Grameen type programmed as responding to the poverty problem in the state. This guidance gave origin to the Grameen Pilot project in Pine Bluff, Arkansas, manned by Julia Vindasius. The Project was initially named Grameen Fund but later renamed Good trust Fund (GFF), signifying that the bank does not rely on guarantee but slightly on the good reliance of its borrowers. The bank in Arkansas gradually grew and reached hundreds of low-income people.

As more noted in the overwork, other places where Grameen Foundation USA (GF-USA) operates are Washington DC, Tulsa, Oklahoma, Dallas, Texas and Harlem in New York City. In accumulation, there are other programs in the USA that have adopted Micro-Credit thoughts, some do not need borrowers to shape groups, and others do not mark the poor but spotlight on women only. “Some suggest business training as disparate to credit”. There are over 250 of these organizations that have shaped a network called Association of Enterprises Opportunity (AEO) in order to manage their activities (Yunus 2003: 189).

2.4.2 Microfinance Experience in Europe.

Like in the USA, the following are the initial challenges as pragmatic by Yunus (2003) to the takeoff of microfinance in both wealthy Western Europe and poor Eastern Europe:

- Grameen, as a non-European idea disturb many Europeans;
- The social welfare system does not actually persuade self-development. People go on a monthly basis to gather money from the government for their minimum upkeep;
- Many cannot settle the amount of welfare money and insurance exposure they would drop, to what may build up to them in self-employment; and
- Self-employed poor must file documents, keep books of account, etc. These are too much for their poor, and unskillful who generally should squeeze the microfinance scheme in order to help themselves.

The state is varying in Europe currently as many of them now look up to the confidential sector initiative as an answer to poverty easing rather than the little bits they receive from the government as social welfare.

Rosalind Copisarow, a Polish graduate of Oxford University left high profile employment in J.P. Morgan Bank to set up the FunduszMikro in Poland. The microfinance institution has evidence of 98.5 percent loan repayment. It is a Grameen bank model project, and its accomplishment has encouraged hundreds of other microfinance initiatives in Poland. The story of BodilMaal (1997) who set up the Micro-Credit Project in Lofoten Island of Norway with the partnership of the Norwegian Government is ever told. It is mainly besieged at the young women (girls) of the islands in order for them to take away boredom and encourage them to stay on the islands so as not to depopulate them.

The Finnish Micro Credit Ltd was set up to meet alike desires as in Norway. A related depopulation difficulty was also happening in Northern Finland and the nearby state of Northern Russia. The Finnish Microcredit Ltd has started operations in the Helsinki district, the supportive Eho-Osuusraha gives

Microloans to people for natural and social desires, while four other Micro-Credit organizations manage in rural Finland. The Finnish Microfinance
Organizations essentially finance the manufacture of the following stuff: Sweaters, Paper Weights, Postcards, Wooden troll statues. They also provide in the area of social integration, (Yunus, 2003: 189 192).

2.5. Figures of Microfinance in Micro, Small and Medium Enterprises (MSMES)

2.5.1 Some Innovative Ideas

Microfinance has numerous major facts in micro, small and medium enterprises. Kefas (2006) submitted that Microfinance was often measured as one of the most effective and bendable strategies in the fight against global poverty. It is sustainable and can be implemented on an enormous scale necessary to answer to the vital needs of the world's poorest people. Microfinance has also packed up certain gaps that bulk banking has neglected in helping the people, principally the poor. The nature of the gaps and examples of how such gaps have been crammed by the microfinance institutions has been well documented.

a. Provision of Seed Money:

Malama Umma, a homemaker from Bauchi State, Africa, as reported by Kefas (2006) took the first loan from the growth Exchange Centre (DEC) microfinance institution and used it to purchase a spaghetti making machine. She used the revenue she made to buy a needlework machine and within one year, she was capable to pay back the loan. This is an example of a microfinance institution only if seed money for an individual to start a victorious enterprise.

b. Business Training and Social Rehabilitation:

As reported in Units novel Solutions to worldwide Poverty Publication (2005), Susan, aged 30, single, with two kids lived in Nairobi, Kenya. She grew up in a poor state of Kenya and got married, but the husband left her when he learned that Susan contracted HIV. She ended up in prostitution, as she was not able to find occupation, and had to maintain the two children and herself. Soon after she learned about Jamii Bora, a Nairobi based microfinance institution from her neighbor in the slum. The microfinance institution provided Susan with some outline of business teaching skills and gave her a loan to start an outfit restoration and sales business. Jamaii Bora's microfinance services enabled Susan to quit prostitution and encouraged her family away from a slum into a safer house. Here is evidence of analysis and business exercise provided by a microfinance institution.

c. Social Rehabilitation:

Marcelino, a Colombian was forced to run away from his community in rural Colombia because of combat (guerilla) to Barrio Nelson Mandela – a shantytown just outside of Cartagena. He took a loan of \$95 from Mario Santo Domingo (microfinance) opened with the state reason for serving migrants like Marcelino. The loan was used to open a small variety store. After a year, Marcelino owned the most extraordinary store in the zone. This rehabilitation gap-filling scenario was reported in the book "Access for All: Building as well as financial systems" (2006:19).

d. Start Up Funding and Training in Business Practices:

Jumba, a widow who lives in Gar, Bauchi State, and Africa, as reported by Kefas (2006) belonged to a women's assembly and took a loan of N 2000 from DEC. She said that she was not scared because microfinance (DEC) had taught her many things such as good farming practices and how to make use of a loan. She bought a goat and two rams fattened the rams and sold them at great earnings, and repaid the loan.

This is evidence of a widow who had entrance to credit from a microfinance institution that also skilled her good business practices, particularly how to increase animals and provided the startup finance.

e. Promotion of Socio-Economic Conditions and General Welfare:

Agbobli, Kekar, Togo, and Garba (2007) in their involvement to the publication “UNDP, UNCDF Mid-Term Evaluation Reports” identified Non-Governmental Organizations (NGOs) that are noted for their dedication to poverty improvement, principally in areas of sponsorship of socio-economic situation and common welfare of the communities where they provided service. Farmers Development Union (FADU) to be found in Ibadan Oyo State is one of such NGO. It provides progress programs aimed at accomplishing the poor and the helpless groups with basic and social services for superior rural income, nourishment, employment and raising the ordinary living circumstances. The mainstream banks barely afford these services. This indeed is satisfying a huge gap in the financial and economic landscape of the nation and of civilization in general.

2.6 A Global Perspective on Microfinance

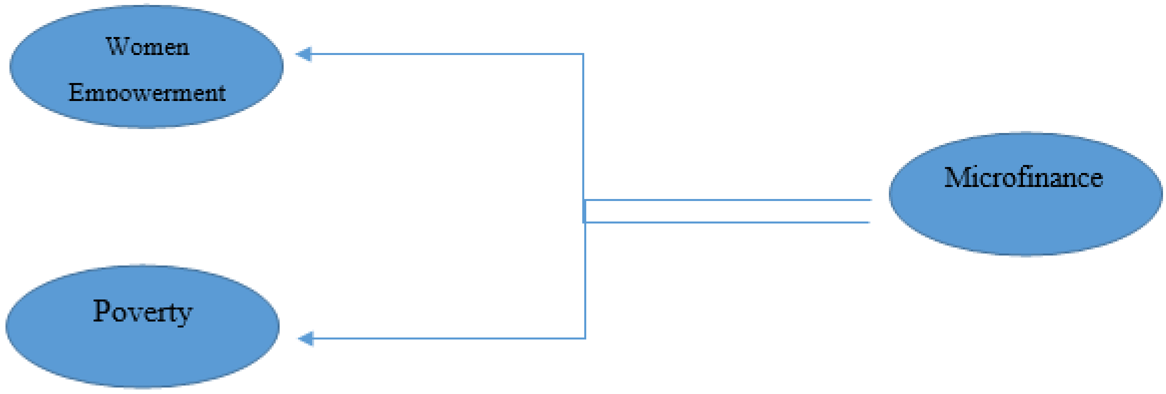
Comprehensive contact studies have shown that microfinance helps very poor households to gather necessary needs and protects them against risks. The use of financial services by low – income households is associated with improvements in household economic welfare and enterprise development and strength. Moreover, microfinance helps to authorize women, therefore promoting gender fairness and civilizing household comfort. Studies in microfinance operations in the last twenty years have brought out some startling data regarding microfinance institutions' operations outreach and gaps yet empty if they were to make the desired collision on poverty improvement. These data are discussed in this segment.

2.7 Theoretical Framework and Hypothesizes

In the subsection of this study, the extent of poverty was highlighted. Poverty by definition is multifaceted. It can be described as a situation of lack of basic necessities of life including basic food, shelter, medical care, and safety. It is acknowledged that poverty is an outcome with various dimensions including social, political and economic. According to Hazel and Haddad (2001), poverty consists of two interacting deprivations: physiological and social. Physiological deprivation is a state of an individual’s inability to meet basic material and physiological needs resulting from a lack of income. Social deprivation refers to an absence of elements that are empowering such as autonomy, time, information dignity and self-esteem. In a more general term that allows international comparison, poverty can be seen as a statistical measure that indicates the annual income for a family to survive. This is commonly known as the “poverty line”.

Microfinance is the supply of loans, savings, and other basic financial services to the poor. SMEs require a wide range of financial resources to meet the working capital requirements, build assets, stabilize consumption and shield themselves against risks, Ehigiamusoe (2005). Financial resources include working capital loans, consumer credit, savings, pensions, insurance, and money transfer services. In this study, MFIs are seen as a means for poverty alleviation. Therefore, in what follows, the study examines the various theories that shape anti-poverty strategies.

Dependent Variables **Independent Variable**



3.1 Research Methodology

This part refers to the design of the quantitative study. It incorporates the population surrounding the study, the sample size for the study, the data collection methods and process, the data analysis techniques and the research advantage and limitations.

3.2 Population

This study is conducted in Mohali India; therefore, for this research, the population size could be more than a hundred thousand bank customers or microfinance institution clients. Having an exact population size for this research is a tough task or even we can say impossible, therefore, this research has not exact population size.

3.4 Sample

The researcher has taken into account 50 clients of microfinance institutions in Mohali city. The sample size for the present study is 50. The researcher personally met them and gathered the most important data of the study. The sample taken in the present study is pertaining to microfinance banks in Mohali city, i.e., Punjab Gramin Bank, Capital Small Finance Bank, and Ujjivan Small Finance Bank. The method employed for the present research is the convenient sampling method.

3.5 Research Tools

3.5.1 Primary Data:

The primary data of this research is the information collected from the customers of banks and microfinance institutions in Mohali India; this information was generated from a questionnaire with sections including demographic questions and main questions. Where demographic part contains five questions and the main part contains fifteen questions.

3.5.2 Secondary Data:

The researcher used reliable sources of secondary information such as book, journals, and research papers for information gathering. The list of all sources used in this research has been noted in appendix of chapter five of this research.

3.6 Methods of analysis

3.6.1 Descriptive analysis

The researcher has analyzed the first part of the questionnaire a frequency analysis, demographic questions. Analysis of main questions is multiple regression analysis, to see the impact of microfinance over the poverty and women empowerment.

4.1 Analysis and Findings

The microfinancing was the insensitivity of the conventional formal finance sector. The essence was to reach the overwhelming population of the poor and to assist in the drive to diminish poverty. The questionnaires were distributed to 14 Male and 36 Females, these people are clients of microfinance banks in Mohali. The respondent of this research belongs to different banks like; Punjab Gramin Bank, Capital Small Finance Bank, and Ujjivan Small Finance Bank. Respondents of this research are the ones who have private businesses mostly, but there are the ones who are working in other organizations and some are students.

4.2. Descriptive Statistics Analysis & Findings

Table 1

What is your gender?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	14	28.0	28.0	28.0
	Female	36	72.0	72.0	100.0
	Total	50	100.0	100.0	

The questionnaires were distributed to 14 Male and 36 Female, these people are clients of microfinance banks in Mohali. The respondent of this research belongs to different banks like; Punjab Gramin Bank, Capital Small Finance Bank, and Ujjivan Small Finance Bank.

Table 2

What is your occupation?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Man/Women	31	62.0	62.0	62.0
	Student	5	10.0	10.0	72.0
	Employed in private organization	14	28.0	28.0	100.0
	Total	50	100.0	100.0	

Respondent of this research are the ones who have private businesses mostly, but there are the ones who are working in other organizations and some are students.

4.3 Regression Analysis for Women Empowerment:

Table 3

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.650[a]	.423	.398	.09876
a. Predictors: (Constant), Microfinance				

Interpretation:

The table model summary shows the importance or effects of the independent variable over the dependent variable on percentage.

Microfinance has an immensely positive influence on women empowerment. The correlation coefficient ($R = 0.650$) being high and significant explanatory power ($R^2 = 0.423$) demonstrate that microfinance plays an extremely important part in enhancing women's socio-economic status, decision-making power, and overall empowerment.

The adjusted R-squared of 0.398 validates the robustness of the model that microfinance is a strong predictor of women's empowerment.

The low estimate standard error (0.09876) shows that the model gives accurate predictions.

Whereas microfinance accounts for 42.3% of the variation in women empowerment, the remaining 57.7% is accounted for by other variables outside the model's universe. In order to improve the explanatory power of the model, other predictors such as education, culture, access to healthcare, etc., can be added.

Adjusted R-squared measures reveal that though the model is statistically significant, further improvement is possible by introducing other related variables in the model.

Women Empowerment ANOVA Table:

Table 4

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.902	1	.902	4.251	.049[b]
	Residual	216.573	48	4.512		
	Total	217.476	49			
a. Dependent Variable: Women Empowerment						
b. Predictors: (Constant), Microfinance						

The significance column of the ANOVA table is (0.049) which is less than 0.05 which indicates the Independent Variable microfinance significantly explain variance in women empowerment.

Table 5

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.737	2.751		1.722	.000
	Microfinance	.147	.329	.064	2.045	.002
a. Dependent Variable: Women Empowerment						

Interpretation:

The coefficients table is the third findings in regression analysis. The coefficient table talks about the impacts of an independent variable on the dependent variable. From the above-given coefficient table we can conclude that the higher the absolute value of b0(Standardized Coefficients Beta) the better the

independent variable can predict the dependent variable. Here the Independent variable microfinance Standardized Co-efficient beta (b0) is = 0.064, which shows that: One unit/item/currency change in the microfinance will cause 6.4% or 0.064 unit/item/currency in the women empowerment. The sig value of microfinance in the coefficient table is 0.002 which is less than 0.05 shows that it significantly explains the dependent variable women empowerment.
The Coefficient Beta also helps us determine which one of the given IVs has a great impact on the DV.
The regression line is: Women Empowerment = 4.737 + 0.147 (Microfinance institutions)

Regression analysis for poverty:

Table 6

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.285[a]	.21	.19	2.11645
a. Predictors: (Constant), Microfinance				

The table model summary shows the importance or effects of the independent variable over the dependent variable on percentage.
R square is 0.21 which means 21% changes in poverty are because of Microfinance and 79% of changes in poverty are because of other factors that the researcher has not taken into consideration.
The Adjusted R Square is 0.19 which shows percentage variation in poverty caused by only those variables which in reality affect the dependent variable poverty, which is 19%.
This means that the independent variables kept in the consideration effect the dependent variables only 19%. This implies that in reality there are some other factors that constitute 81% of the effect on poverty.
The closer the adjusted R squared to one the better the effect of the independent variable on the dependent variable and can be called a good fit. The value of R square should be at least .60 than that is a good fit.
Here the R square is 0.21 or 21% which means microfinance predicts poverty by 21%. it is not a good fit variable. The value of R square should be at least .60 than that is a good fit.
The important draw-back of the R squared adjusted is that it doesn't show the analyst whether the data points or predictions are biased and also cannot tell whether the coefficient value is good or bad it is based on the purpose of the researcher.

Table 7

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.014	1	19.014	4.245	.045[b]
	Residual	215.009	48	4.479		
	Total	234.023	49			
a. Dependent Variable: Poverty						
b. Predictors: (Constant), Microfinance						

The significance column of the ANOVA table is (0.045) which is less than 0.05 this indicates the Independent Variable microfinance significantly explain variance in poverty.

Table 8

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.030	2.741		1.105	.275
	Microfinance	.676	.328	.285	2.060	.005
a. Dependent Variable: Poverty						

Interpretation:

The coefficients table is the third findings in regression analysis. The coefficient table talks about the impacts of the independent variable on the dependent variable. From the above-given coefficient table we can conclude that the higher b0(Standardized Coefficients Beta) the better the independent variable can predict the dependent variable. Here the Independent variable microfinance Standardized Co-efficient beta(b0) is 0.285, which shows that: One unit/item/currency change in the microfinance will cause 28.5% or 0.285 unit/item/currency change in poverty. The sig value of microfinance in the coefficient table is 0.005 which is less than 0.05 shows that it significantly explains the dependent variable poverty. The b0 Coefficient Beta also helps us determine which one of the given IVs has a great impact on the DV.

The regression line is: Poverty = 3.030 + 0.676 (Microfinance institutions)

5.1 Conclusion and recommendation

The regression coefficient for microfinance (β) = .064 which implies that one Unit/item/currency /percent increase in microfinance, causes 0.064 unit/item/currency or 6.4% increase in women empowerment level if other variables are kept controlled. The T value is .447, which is significant at .002.

The Coefficient Beta also helps us determine which one of the given IVs has a great impact on the DV.

The regression coefficient for microfinance (β) = .285 which implies that one unit/item/currency/ percentage increase in microfinance will cause a 28.5% change in the poverty level if other variables are kept controlled. The T value is 2.060, which is significant at .005.

The microfinance movement has captured the imagination of academics, policymakers, and experts. It has demonstrated possibilities for lending to poor households and has transformed discussions on poverty alleviation to real. The last fifteen years have seen significant advances in the provision of financial services to improve economic development and the annihilation of poverty.

This includes providing the financial means to access credit and start small businesses, with the potential to enhance the community, local and national development. It has been proven that when microfinance is properly joined and supported, it can scale-up beyond the micro-level as a sustainable part of the process of economic empowerment by which the poor can lift themselves out of poverty.

These findings suggest that microfinance is one of the successful critical interventions for empowering the poor people especially businesspersons regardless of the size and nature of their businesses. In

conclusion, the study has established that microfinance programs have influenced the businesses and lives of the beneficiaries in several positive ways, particularly in their economic circumstances and access to essential life-enhancing facilities and services.
More research is needed in this regard.

5.2 Recommendations:

1. Microfinance is considered one of the important poverty alleviation and rural empowerment around the globe. The G20 also recommend is it as one of the main sources of funds to the far located poor who don't have access to the standard Financial Institutions. Therefore, the government of India, business development institutions, commercial and microfinance banks in India should take this as an opportunity to support the self-employment and particularly well skilled suburban women in Afghanistan who are experts in handloom and carpet fabrication. They can do this through the followings:

- Subsidized Loans.
- Lower interest rate lending to the already started a small business.
- Women Endeavor Specialized loan as an incentive to overcome the current cultural barrier to women's employment.
- Loans with higher leisure periods.

2. In order to improve the service of these microfinance institutions, it would be better to increase the loan amount given to the borrowers so as to enable them to further expands and diversify their investment opportunities, "reduce the interest rates so that all the profits realized do not go towards paying back the loan and also increase the grace period to allow the growth of the enterprise and also for the mobilization of money for payment" Further, microfinance programs should include some social loans for weddings, funeral, and other social activities. The borrowers recommended that microfinance institutions should increase on the amount given as loans to the borrowers and strongly assess repayment capabilities before giving loans. Further, microfinance institutions should supervise and monitor their active clients closely to avoid diversion of funds.
3. The government in coordination with Civil Society and the international community should establish a better network through surveys and research must determine the current available potential areas and provide the minimum investment required facilities for small women-owned businesses such as construction pools for fish farming.
4. The Government should involve in determining the interest rate and monitor the services of the microfinance institutions. Finally, Clients are not supposed to move from one MFI to another. However, clients are strongly recommended not to take further loans for starting new businesses but rather take to expands and diversify the current investments.

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