

# Empowering Women through Microfinance: Insights from Welenchiti Town, East Central Ethiopia

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This study examines the role of microfinance institutions (MFIs) in empowering women in Welenchiti Town, East Central Ethiopia. Utilizing an explanatory research design and a quantitative approach, data were collected from 198 women using questionnaires. The analysis involved frequency, percentage, mean, standard deviation, correlation, and multiple linear regression. The findings reveal that while MFIs contribute to women's empowerment through loan provision and encouragement of saving habits, they fall short in areas such as training and follow-up supervision. Key factors influencing women's empowerment include loan provision, saving facilitation, business training, and follow-up on business activities. Loan provision is pivotal for initiating and sustaining businesses, impacting economic growth by converting ideas into operational ventures. The study recommends that MFIs enhance loan offerings and ensure that women use borrowed funds as intended. Additionally, increasing the number of savings accounts for women and providing business skill training are essential for empowering women and promoting business growth. MFIs should also implement follow-up supervision and consultancy services to support women in managing and expanding their businesses effectively.

**Keywords:** Empowerment; Loan; Savings; Business Training; Follow-up Supervision.

## 1. Introduction

Globally, individuals from low-income backgrounds have often been excluded from formal financial systems, leading to the creation of microfinance institutions to address this issue (Irobi, 2008). George (2005) notes that due to limited access to formal financial services, the poor have developed various informal, community-based financial arrangements to address their financial needs. Microfinance institutions aim to bridge this gap by offering financial services to low-income households and small enterprises, providing significant support for their economic activities and contributing to poverty reduction.

In Africa, microfinance institutions (MFIs) are evolving and expanding rapidly to meet the diverse financial needs of their clients. These institutions primarily offer savings as a key

financial service, which is also a crucial source of funds for lending. However, many African MFIs report lower profitability levels (Tadele, 2013). Despite this, MFIs play a vital role in assisting the poor with business establishment, asset accumulation, consumption smoothing, and risk management (CGAP, 2010). Proponents of microfinance argue that it is crucial for development, with UNCDF (2004) highlighting three main roles: aiding very poor households in managing basic needs and mitigating risks, improving household economic welfare, and empowering women by promoting their economic participation and gender equity.

In Ethiopia, microfinance began in 1996 following the takeover of the Federal Democratic Republic of Ethiopia (FDRE) from the previous military regime, aiming to accelerate economic development. Initially, four government-owned microfinance institutions were established, and by the end of 2011, this number had increased to 31 institutions with 433 branches and 598 sub-branches. These institutions are estimated to meet between 10-25 percent of the country's microfinance demand, with most being operated by non-governmental organizations (NGOs). According to Hussen (2013), these institutions have provided a total of 6.9 billion ETB in credit to 2,470,641 active borrowers. However, this coverage is minimal compared to the overall demand, reaching only two percent of the total population and five percent of the poor since their inception.

Microfinance institutions also offer significant benefits to women, playing a crucial role in their empowerment. Their primary goal as development organizations is to address the financial needs of underserved markets, which includes reducing poverty, empowering women, and creating employment opportunities (Ledgerwood, 1999).

By providing women with capital, microfinance institutions enable them to earn independent incomes and make financial contributions to their households and communities. This economic empowerment is expected to foster increased self-esteem, respect, and broader empowerment for women beneficiaries. Successful income-generating activities often translate into greater control and empowerment (Narayan, 2002). Consequently, this study aims to examine the role of microfinance institutions in women's empowerment in Welenchiti Town, East Central Ethiopia.

## **2. Literature review**

### **2.1. Definition of Micro Finance**

Robinson (2001) defines microfinance as the range of financial services—including savings, credit, funds transfer, insurance, and remittances—provided to low-income households and enterprises in both urban and rural areas. This includes services for public and private sector employees as well as the self-employed. Microfinance is commonly associated with small, working capital loans that are used to invest in microenterprises or income-generating activities.

Yirsaw (2008) characterizes Microfinance Institutions (MFIs) by several features: targeting the poor, especially women; supporting small businesses; enhancing the capacity of the poor; offering small loans without requiring collateral; combining credit with savings; charging commercial interest rates; and demonstrating innovation and flexibility in their operations. Microfinance creates new opportunities by helping individuals secure financial resources, *Nanotechnology Perceptions* Vol. 20 No. S6 (2024)

thereby equalizing opportunities and fostering self-reliance. It plays both economic and social roles, improving living conditions and contributing to poverty alleviation (Adnan & Kumar, 2021).

The term MFI refers to organizations that provide access to a variety of financial services—such as savings, credit, microinsurance, and leasing—to low-income clients, including consumers and self-employed individuals who lack access to traditional banking services. MFIs are crucial in the fight against poverty by providing appropriate financial services to small and micro enterprises. This broad definition encompasses various providers with different legal structures, missions, and methodologies, but all share the common goal of serving clients who are poorer and more vulnerable than traditional bank clients (CGAP, 2010). Typically, MFIs are not part of the formal banking industry or government but are often non-governmental organizations (Tchuigoua, 2014).

Microfinance encompasses all types of financial services—such as savings, credit, funds transfer, insurance, and pension remittances—offered to low-income households and enterprises in both urban and rural areas, including public and private sector employees and the self-employed (Rosengard, 2000). Otero (1999) views microfinance as the provision of financial services to low-income, self-employed individuals.

Financial services in microfinance include savings and credit, and can also extend to other services like insurance and payment solutions. Schreiner and Colombet (2001) describe microfinance as efforts to improve access to small deposits and loans for poor households neglected by traditional banks. Ledgerwood (1998) defines microfinance as providing appropriate financial services to significant numbers of economically active, low-income people, with the ultimate goal of alleviating poverty. Microfinance is recognized as an effective tool in the fight against poverty, offering financial services to those who are underserved or rejected by commercial banks and other financial institutions.

The impact of the microfinance sector on economic growth tends to be more pronounced in developing countries compared to developed nations (Rahman et al., 2017). In many developing countries, including Ethiopia, the economy has benefited from providing credit to poor households through microfinance schemes. Microfinance can be a critical component of effective poverty reduction strategies.

Economists believe that the development of the microfinance sector can directly contribute to poverty reduction by expanding access to financial services for the poor (ADB, 2009). As microfinance gains wider acceptance and undergoes improvements, the provision of services to poor households may increase, enhancing both efficiency and effectiveness. According to Rubambey (2001), better access to and provision of savings, credit, and insurance can help the poor manage risks, smooth consumption, build assets, develop microenterprises, increase income, and improve quality of life.

## 2.2.The Emergence of Micro Finance

Microfinance emerged as a viable solution to bridge the gap between traditional financial institutions and underserved populations. Dilayehu (2014) traces the origins of microfinance back to the early 1700s, when Jonathan Swift, an Irishman, proposed a banking system designed to assist the poor. Swift established the Irish Loan Fund, which provided small, short-

term loans to the poorest individuals in Ireland who were excluded from commercial banks, with the aim of fostering economic development in rural areas (Jennifer, 2010).

In the late 1800s, similar banking systems appeared throughout Europe, targeting both rural and urban impoverished communities. Friedrich Raiffeisen from Germany recognized that poor farmers were being exploited by predatory lenders. He realized that under the existing lending system, these individuals would remain trapped in a cycle of borrowing and repayment without achieving real economic progress. To address this issue, Raiffeisen founded the first rural credit union in 1864 to help break this cycle. In the 1950s, loans funded by donors and government subsidies were introduced to support agricultural workers and stimulate economic growth. However, these efforts were short-lived.

The loans often failed to reach the poorest farmers, instead benefiting those who were relatively better off and did not need the assistance as urgently. Additionally, these loans were provided at interest rates well below market rates, making the system unsustainable in the long term. With high default rates, banks' capital quickly diminished, and when the subsidized funds were exhausted, there were no additional resources to continue supporting the agricultural economy through microloans (Jennifer, 2010).

The Grameen Bank in Bangladesh began as an action research project by a professor who experimented with a credit program. This nonprofit initiative successfully distributed and recovered thousands of loans across hundreds of villages. Although initial attempts to introduce this model to other bankers in Bangladesh were met with skepticism due to perceived business risks, Grameen Bank has since grown into one of the world's largest microfinance institutions, serving over 7.9 million borrowers as of 2011. The term "Grameen" means "rural" or "village" in the Bengali language (Tolosa, 2011).

### 2.3. The role of Microfinance Institutions

Naing (2019) suggested that while microfinance loans may not completely eradicate poverty, they help low-income borrowers gradually improve their financial situation by supporting their involvement in economic activities. These loans provide a means for borrowers to better manage their economic conditions, even though they might not fully escape poverty. Naing (2019) further emphasized that microfinance institutions are often seen as more reliable, flexible, and convenient compared to other financial tools available for managing daily cash flow, both for business and personal needs. Despite borrowers frequently returning for microfinance loans and repaying them at high rates, microfinance remains a key sector dedicated to supporting the growth of small businesses. Borrowers are motivated to repay their loans not just to avoid pressure from lenders or achieve business success, but primarily to ensure continued access to these valuable services.

Additionally, microfinance offers the advantage of enabling households, individuals, and small businesses that might otherwise be unable to raise capital to acquire assets and start businesses. By providing access to loans, microfinance institutions help borrowers invest in essential areas such as housing, education, food, and health, leading to tangible improvements in their quality of life and contributing to a reduction in poverty.

## 2.4. Financial Intermediation

Financial intermediation refers to a type of microfinance institution that offers resources including investments, recognition, indemnity, loan receiving cards, and disbursement systems (Ledgerwood, 1999; La Torre et al., 2006). Each of these products and services within this category is discussed as follows.

### 2.4.1. Loan provision

Loans are typically intended for productive purposes, such as generating income within an enterprise. Some microfinance institutions (MFIs) also provide loans for expenditures, housing, or specific events (La Torre et al., 2006). Additionally, while some MFIs focus exclusively on loans that have productive uses, others offer loans that improve household liquidity, thereby freeing up business income that can be reinvested into the enterprise (La Torre et al., 2006).

### 2.4.2. Saving provision

The rapid growth of microfinance, particularly in the specialization of lending small amounts, is a key factor that enables the poor to access credit. Many microfinance institutions (MFIs) also offer savings accounts, with Grameen Bank in Bangladesh being a notable example. Despite this, the sector remains predominantly focused on credit, and the ability to save through an MFI is often linked to the customer's tendency to borrow. A 2009 survey of 166 MFIs by Microfinance Information Exchange revealed that while all provided loans, only 27% offered savings facilities. Advocates for a broader range of financial services argue that a more balanced approach is needed to better meet the financial needs of clients (Guichandut, 2006).

### 2.4.3. Training Provision

Training provided by banks and microfinance institutions (MFIs) is essential for the successful performance of beneficiaries. Management competence includes functional knowledge, management skills, and managerial behavior. Key competencies such as marketing, financial control, training, and networking are critical management functions. Many studies suggest that the success of the informal sector largely depends on the managerial skills of entrepreneurs, who are often drawn to this sector due to its relatively low investment and service costs (Momany & Jomo, 2013).

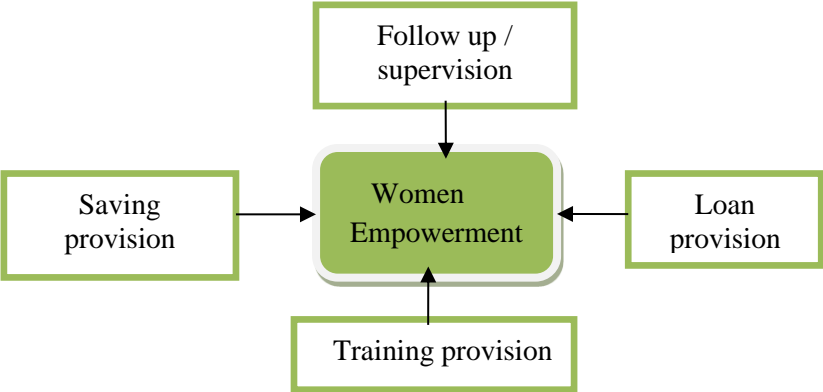
### 2.4.4. Follow-up Supervision

The purpose of monitoring and follow-up is to ensure that activities are being carried out according to the established plans and programs. This process allows management to evaluate both the quantitative and qualitative progress of the program. Regular monitoring and follow-up offer timely feedback to management and stakeholders, facilitating informed decision-making (RMDC, 2019).

## 2.5. Conceptual Framework of the Study

Based on the reviewed literature, the relationship between the selected independent variables and women's empowerment is illustrated in Figure 2.1. The conceptual framework has been developed by adapting various sources to align with the objectives of this study.

Figure 2.1: Conceptual Framework



### 3. Methods

#### 3.1. Research Design

An explanatory research design is ideal for identifying factors associated with or understanding the best predictors of the dependent variable (Oleary, 2004). Therefore, this study utilized an explanatory research design.

#### 3.2. Research Approach

The researcher employed a quantitative research approach, which involves collecting numeric data such as scores and metrics. This approach facilitates the quantification and objective measurement of variables in numerical terms, making descriptive analysis straightforward and manageable. Consequently, throughout the study, the researcher used a quantitative approach to analyze and interpret numerical data.

#### 3.3. Data Sources and Types

Both primary and secondary data were gathered from relevant sources to achieve the study's objectives. Primary data was collected from women beneficiaries in the study area. Secondary data sources included books, articles, journals, research works, and internet resources relevant to the research topic. The data collected was primarily quantitative, with quantitative information obtained from women beneficiaries through questionnaires.

#### 3.4. Sampling Technique and Sample Size

The study utilized a multi-stage sampling technique, with female heads of households as the primary units of analysis. The study population consisted of all married and female-headed households in the selected kebeles. The sampling frame was a complete list of beneficiary women from the microfinance institution. There were 5,987 beneficiary women in Wenchiti Town (WTMFI, 2023), which served as the benchmark for calculating the sample size. The representative sample size was determined using Yemane's (1967) formula as follows:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{5987}{1 + 5987(0.07)^2}$$

$$n \approx 198$$

Where: n = Sample size

N = Total Population

e=Sampling Error

Based on the total sample size, a probability proportional to size (PPS) sampling technique was employed. To select the female heads of households for the survey, a systematic random sampling technique was used.

### 3.5. Data Collection Tools

To gather relevant and reliable data from the selected respondents, both open-ended and closed-ended questionnaires were prepared and administered. These questionnaires were designed to collect primary data from the participants. They were initially prepared in English and then translated into the local language (Amharic) to ensure clarity, avoid ambiguity, and facilitate understanding by the respondents. The questionnaire included Likert scale questions with five-point ratings.

### 3.6. Methods of Data Analysis

The data collected through the questionnaires were cleaned, coded, entered, edited, and analyzed using SPSS software version 26. Descriptive statistical analysis, including frequency, percentage, mean, and standard deviation, was used to examine the background characteristics of the women beneficiaries and to provide a descriptive summary of both dependent and independent variables. Inferential statistics, such as correlation and standard multiple linear regression analysis, were employed to assess the role of microfinance institutions in women's empowerment.

## 4. Result and Discussions

Data were collected from 198 respondents, but only 189 were included in the analysis. Nine respondents were excluded due to incomplete responses or ineligibility.

### Background Characteristics of Respondents

Analyzing the background characteristics of the respondents is crucial for understanding their profiles included in the study. Accordingly, the respondents' age, family size, marital status, and education level have been analyzed and are presented as follows:

Table 4.1 : Distribution of Respondents by their Age and Family Size

Variables	Categories	Frequency(n)	Percentage (%)
Age	25-34	19	10.1
	35-44	107	56.6
	45-54	63	33.3
	Total	189	100



Family size	1-3	25	13.2
	4-6	38	20.1
	7-9	79	41.8
	10-12	47	24.9
	Total	189	100

Source: Own survey data, 2024

Based on the survey results presented in Table 4.1, of the 189 valid respondents, 56.6% were in the age group of 35-44 years, 33.3% were in the 45-54 age group, and 10.1% were in the 25-34 age group. This distribution indicates that a significant proportion of women in the study area are relatively young, which presents a favorable opportunity for their empowerment.

As shown in Table 4.1, 41.8% of the women respondents have a family size of 7-9 members, 24.9% have a family size of 10-12, and 20.1% have a family size of 4-6. The remaining 13.2% have a family size of 1-3. The majority of women respondents fall into the 7-9 family size category, indicating that women in the study area likely have significant household responsibilities.

Table 4.2 : Distribution of Respondents by their Marital Status and Educational Level

Variables	Categories	Frequency(n)	Percentage (%)
Marital status	Married	107	56.6
	Single	67	35.4
	Divorced	15	7.9
	Total	189	100
Educational level	No formal education	28	14.8
	Grade 1-4	44	23.3
	Grade 5-8	31	16.4
	Grade 9-10	46	24.3
	Grade 11-12	38	20.1
	Certificate	2	1.1
	Total	189	100

Source: Own survey data, 2024

The study found that the majority of respondents (56.6%) were married, 35.4% were single, and 7.9% were divorced. This indicates that most women in the study area are married, suggesting that their marital status imposes significant responsibilities, which may limit their engagement in income-generating activities. Consequently, this could lead to lower levels of empowerment among married women.

Education is known to positively impact women's empowerment by equipping them with the knowledge and skills needed to manage their businesses effectively. According to the results presented in Table 4.2, 24.3% of women had completed grades 9-10, 23.3% had completed grades 1-4, and 20.1% had completed grades 11-12. Additionally, 16.4% of women had completed grades 5-8, while the remaining 11% held certificates. This indicates that a majority of women in the study area (85.2%) are literate and able to read and write, having received



formal education.

#### 4.3. Descriptive Summary of Variables

In assessing the impact of microfinance institutions on women's empowerment, it is crucial to understand the roles of various contributing variables. Key variables include loan provision, savings provision, training, and follow-up supervision. Loan provision is essential for starting and expanding businesses, thereby enhancing economic opportunities for women. Savings provision helps women build financial security and invest in their enterprises, supporting long-term growth. Training equips women with the necessary business skills to manage and expand their ventures effectively. Follow-up supervision ensures that loans are used appropriately and helps track business progress.

Table 4.3: Descriptive Summary of Likert Scale Questions

Variables	Minimum	Maximum	Mean	Std. Deviation
Loan provision	2.20	4.60	3.55	0.538
Saving provision	2.20	4.60	3.60	0.540
Training provision	1.50	4.75	3.76	0.600
Follow up supervision	2.25	4.75	3.47	0.488
Women empowerment	2.80	4.20	3.58	0.366

Source: Own survey data, 2024

In summary, the average values for loan provision (3.55), savings provision (3.60), lack of training (3.76), and shortage of follow-up supervision (3.47) all exceeded the agreement level of 3.4, as defined by Al-Sayaad et al. (2006) for a five-point Likert scale. These results indicate that microfinance institutions (MFIs) in Welenchiti Town are effectively providing loans and encouraging savings among beneficiary women, though there are limitations in training provision and less commitment to follow-up supervision. Despite these challenges, the overall average value for women's empowerment was 3.58, suggesting that MFIs have a positive impact on the empowerment of beneficiary women.

#### 4.4. Inferential Analysis

##### 4.4.1. Correlation Analysis

Table 4.4: Correlation Analysis Result

		V <sub>1</sub>	V <sub>2</sub>	V <sub>3</sub>	V <sub>4</sub>	DV
Loan provision (V <sub>1</sub> )	Correlation	1	.370**	.233**	.425**	.492**
	Sig		.000	.001	.000	.000
Saving provision(V <sub>2</sub> )	Correlation	.370**	1	.339**	.452**	.640**
	Sig	.000		.000	.000	.000
Lack of training provision(V <sub>3</sub> )	Correlation	.233**	.339**	1	.374**	.418**
	Sig	.001	.000		.000	.000
Shortage of follow-up supervision(V <sub>4</sub> )	Correlation	.425**	.452**	.374**	1	.683**
	Sig	.000	.000	.000		.000
Women empowerment (DV)	Correlation	.492**	.640**	.418**	.683**	1
	Sig	.000	.000	.000	.000	

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

Source: Model Output, 2024

The correlation analysis reveals that loan provision is positively and significantly associated with women's empowerment ( $r = 0.492$ ,  $p < 0.01$ ), indicating a notable relationship between the two. Similarly, saving provision shows a positive and statistically significant relationship with women's empowerment ( $r = 0.640$ ,  $p < 0.01$ ). Training provision also has a positive and statistically significant impact on women's empowerment ( $r = 0.418$ ,  $p < 0.01$ ). Additionally, follow-up supervision demonstrates a positive and statistically significant relationship with women's empowerment ( $r = 0.683$ ,  $p < 0.01$ ). According to Bhattacharjee (2012), these results suggest that all independent variables exhibit moderate to strong relationships with women's empowerment.

4.4.2. Regression analysis

Table 4.5: Results of Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797	.635	.627	.22382

Source: Model Output, 2024

The model summary from the multiple linear regression analysis indicates an R-value of 0.797, reflecting a strong relationship between the independent and dependent variables as shown in Table 4.5. The  $R^2$  value of 0.635 suggests that 63.5% of the variance in women's empowerment can be explained by loan provision, saving provision, training provision, and follow-up supervision. The remaining 36.5% of the variance is attributed to other factors not included in the study.

Table 4.6: Results of ANOVA Output

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.026	4	4.007	79.980	.000
	Residual	9.217	184	.050		
	Total	25.244	188			

Source: Model Output, 2024

The ANOVA table (Table 4.6) assesses whether the multiple regression model is statistically significant. While the  $R^2$  value indicates the proportion of variance explained by the predictors, it does not test statistical significance. The F-ratio in the ANOVA table, however, evaluates whether the observed  $R^2$  could have occurred by chance alone. Essentially, the F-ratio measures the likelihood that the relationship between the predictors and the outcome deviates from a straight line due to random chance. According to the results from the ANOVA table, the model, which includes loan provision, saving provision, training provision, and follow-up supervision, is statistically significant ( $F = 79.980$ ,  $p < 0.001$ ). Thus, the overall regression model is considered statistically significant.

Table 4.7: Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	SE	Beta		
1	(Constant)	.998	.151		6.600	.000
	Loan provision	.108	.034	.159	3.152	.002
	Saving provision	.243	.035	.358	6.868	.000
	Training provision	.064	.030	.105	2.134	.034

Follow up /supervision	.312	.041	.415	7.667	.000
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Note: B= Regression coefficient (Estimate), Std.Error = Standard Error, Dependent variable = Women empowerment

Source: Model Output, 2024

According to Table 4.7, loan provision has a positive and significant impact on women's empowerment. The regression coefficient indicates that each one-unit increase in loan provision corresponds to a 0.108 unit rise in women's empowerment. This underscores the crucial role of loan provision in enhancing women's economic independence and social status. This finding aligns with Dereje's (2012) research, which highlighted that loans from financial institutions significantly contribute to women's empowerment by providing essential financial resources for entrepreneurial activities, improving livelihoods, and advancing personal and professional lives. Thus, increased access to loans is an effective strategy for fostering women's empowerment.

Similarly, Table 4.7 reveals that saving provision positively and significantly affects women's empowerment. The beta coefficient shows that each one-unit increase in saving provision results in a 0.243 unit increase in women's empowerment. This highlights the significant role of saving provision in enhancing women's financial stability and their capacity to invest in businesses or personal development. Mengistie (2022) supports this observation, finding that savings accounts offered by microfinance institutions significantly contribute to women's empowerment by improving financial stability and investment opportunities.

Table 4.7 demonstrates that training provision has a notable and positive effect on women's empowerment, as indicated by a beta coefficient of 0.064. This coefficient signifies that each unit increase in training provision corresponds to a 0.064 unit rise in women's empowerment, underscoring the critical role of training in this context. Training equips women with essential skills, knowledge, and attitudes needed to successfully initiate or expand their business ventures, which in turn enhances their economic independence and overall empowerment. This finding is supported by Kithae (2013), who identifies training as a pivotal factor in women's empowerment by facilitating the development of critical business skills and knowledge. Such training not only provides women with the tools necessary to navigate and thrive in the business environment but also contributes to their personal growth and confidence. Consequently, the structured educational opportunities offered through training programs enable women to better manage their enterprises, make informed decisions, and achieve sustainable success, thereby significantly advancing their empowerment and socio-economic status.

The results indicate that follow-up supervision has a significant and positive impact on women's empowerment, as evidenced by a regression coefficient of 0.312. This coefficient implies that each additional unit of follow-up supervision is associated with a 0.312 unit increase in women's empowerment, highlighting its critical role in this process. Follow-up supervision ensures that women effectively utilize loans for their intended purposes, which significantly contributes to their economic and social empowerment. Bent (2019) supports this view by demonstrating that ongoing supervision and regular training play crucial roles in guiding women to apply loans effectively for income-generating activities. This support not

only enhances their capital but also fosters job creation, improves their savings capacity, and strengthens their loan repayment performance. Consequently, women who receive consistent follow-up supervision are more likely to experience higher levels of empowerment due to the structured guidance and oversight, which help them leverage financial resources efficiently and achieve greater economic stability and independence.

## 5. Conclusion and Recommendations

Even though microfinance institutions contribute to women's empowerment by providing loans and encouraging saving habits, they have limitations in providing training and follow-up supervision. The main factors that influence women's empowerment were loan provision, saving provision, training provision, and follow-up of the business activities of microfinance institutions. Loan provision is crucial for starting a business. It impacts economic growth by transforming an idea into an actual business capable of daily operations. Therefore, microfinance institutions should increase loan provision to women. Additionally, women should utilize borrowed funds for their intended purposes. They should create a detailed plan before obtaining a loan and adhere to it, avoiding changes after securing funds. This will facilitate loan repayment and prevent property loss. Likewise, saving mobilization is vital for women's empowerment. It empowers business owners by enabling them to use their savings for business growth.

The researcher recommends that microfinance institutions increase the number of savings accounts held by women, as savings are essential for their empowerment. Similarly, business skill training is crucial for women's empowerment. It is essential for effective business management and growth. Businesses that can effectively manage their financial resources experience growth by having funds available for expansion and sustaining daily operations. Therefore, microfinance institutions should increase the number of women beneficiaries trained in business skills by employing field agents to inform business owners about the benefits of business management skills and other business-related training. Microfinance institutions' follow-up supervision also impacts women's empowerment. It ensures the proper use of loans for the intended project, fostering business growth and development. Therefore, the researcher recommends that microfinance institutions provide follow-up supervision and consultancy services to beneficiary women to guide them toward business success.

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