



Impact of Micro Finance on the Social Status of Women: A Study of Women Entrepreneurs of Bhopal Division

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ABSTRACT

Purpose –Microfinance provides finance to women and helps them to start new businesses and expand their existing ones. It helps in easing women’s economic problems, creating self-employment opportunities, and developing businesses for women entrepreneurs. The present study is an attempt to assess the impact of microfinance on the social status of women entrepreneurs with special reference to the Bhopal division.

Methodology–Simple random sampling was used to select the sample from women entrepreneurs of the Bhopal division who have availed of microfinance facilities. A total of 525 questionnaires were distributed among randomly selected women entrepreneurs of the Bhopal division, out of which 512 questionnaires were considered fit for final analysis. A self-administered questionnaire was designed to collect data and the data so obtained was analyzed using one-way ANOVA.

- **Findings** – Based on Age, a significant difference was found in the opinions of sample women entrepreneurs about the impact of microfinance on their social recognition. The mean score of women belonging to the 21-30 years of age group was found to be the highest and it showed the lowest score for women in the 41-50 years of age group because of efficiency, speed, accuracy and creativity in younger age than older ones.
- Based on Marital Status, a significant difference was found in the opinions of sample women entrepreneurs about the impact of microfinance on their social recognition. The mean score of unmarried women was found to be the highest because of No Family barrier for taking own decision.

- Based on Educational Qualification, a significant difference was found in the opinions of sample women entrepreneurs about the impact of microfinance on their social recognition. The mean score of women securing higher secondary was found to be the highest and it showed the lowest score for women having high school degrees because of basic education is require to run a business.

Research limitations/implications – The study is confined to women entrepreneurs of the Bhopal division who have availed of microfinance facilities. MFI owners and policymakers can also be investigated to get a deep insight into the given problem.

Originality/value – This article is an analytical update on the impact of microfinance on the social status of women entrepreneurs in the light of their opinions and can be a valuable resource for policymakers, MFIs as well as researchers.

Keywords—social status, microfinance, MFIs, women entrepreneurs

Paper type-Research paper

1. Introduction

Microfinance is imperative for inclusive sustainable development, particularly for developing nations like India. It not only benefits the poor but also supports enhancing the country's total GDP by increasing employment, literacy level, raising income, and the standard of living. It helps in fluctuating individuals from the informal sectors to the formal sectors with the intention to receive financial help and thus creates consciousness and awareness among people. The microfinance industry supports local economic development by providing the needed financial and non-financial services for small enterprise development. Similarly, microfinance provides finance to women and helps them to start new businesses and expand their existing ones. Microfinance institution service of credit and training gives women confidence and helps them to be more active in participating in household and community affairs. It plays a great role in different countries in easing women's economic problems, creating self-employment opportunities, and developing businesses for women entrepreneurs (*Mengstie, 2022*). It empowers women economically by providing working capital and supporting women in order to get constant income for their families (*Tandon, 2016*). Moreover, the development of women economically generated self-esteem and respect for them (*Khanday et al., 2015*). With this background, the present study is an attempt to assess the impact of microfinance on the social status of women entrepreneurs with special reference to the Bhopal division.

2. Literature Review

Datta&Sahu (2017) discussed in their paper that MFIs proved to be a supportive and helpful tool for the empowerment of borrowers in many ways such as economical, psychological and social empowerment. Similarly, *Tariq & Sangmi (2018)* revealed that SHGs (Self Help Groups) are the major source from where women participate in microfinance activities, these SHGs empower women in many ways such as economic, psychological, social and political. In line with these studies, *Samineni&Ramesh (2020)* concluded that microfinance is a great tool for the achievement of exciting growth. The success and development of SHGs (Self Help Groups) will help in many ways such as empowerment of women, poverty mitigation, financial inclusion, social upliftment and entrepreneurial development. *Mengstie (2022)* also found that microfinance has a significant positive effect on women's economic empowerment by improving women's independent income, increasing asset possession levels, and improving monthly saving amounts. Moreover, the study proved that microfinance has a positive impact on women's entrepreneurship development and business exposure. The findings of the study reveal that there is a significant effect of microfinance institutions (MFIs) on women's empowerment. MFIs invest in women's empowerment by enhancing their well-being, improving their level of literacy, ensuring access and control of their recourses, and taking an active share in economic decisions. It further concluded that microfinance institutions (MFIs) have boosted and positively impacted the self-esteem of women.

However, *Agier&Szafarz (2013)* found that the approval of the loan given by microfinance institutions is gender neutral but on the other hand glass ceiling effect is found in the size of loans which hurts the female entrepreneurs having large ventures. The study also reveals that there is a disproportionate increment of the gender gap in the size of loans with reference to the scale of the project of borrowers. The findings from the few studies revealed the disempowerment of women in terms of having no control over their income levels, extensive working load and effect on their children's education. Thus, there is a need to provide conflicting views on the impact of microfinance on the economic status of women in India. The present study aims to fill the gap with an analytical study of women entrepreneurs' perceptions.

3. Research Objectives

- To assess the impact of microfinance on the social status of women entrepreneurs.
- To compare women entrepreneurs' perceptions of the improvement in their social status based on demographic factors viz., Age, Educational Qualification, and Marital Status.

4. Hypotheses

H_{01a}: There was no significant difference in the Social Recognition score of women entrepreneurs based on different demographic factors.

H_{01b}: There was a significant difference in the Social Recognition score of women entrepreneurs based on different demographic factors.

5. Research Method

Simple Random Sampling has been applied to select the sample from women entrepreneurs of the Bhopal division who have availed of microfinance facilities. A survey was conducted from December 2022 to January 2023. A total of 525 questionnaires were distributed among randomly selected women entrepreneurs, out of which 512 questionnaires were found complete in all senses and were considered for final analysis. A self-administered questionnaire was designed to collect data and the data so obtained was analyzed using one-way ANOVA.

For testing this hypothesis, one-way ANOVA was applied to each demographic factor to compare the mean scores of women entrepreneurs' social recognition. The Post-Hoc Tukey test was also applied in order to make pair-wise comparisons.

6. Data Analysis

Table 1

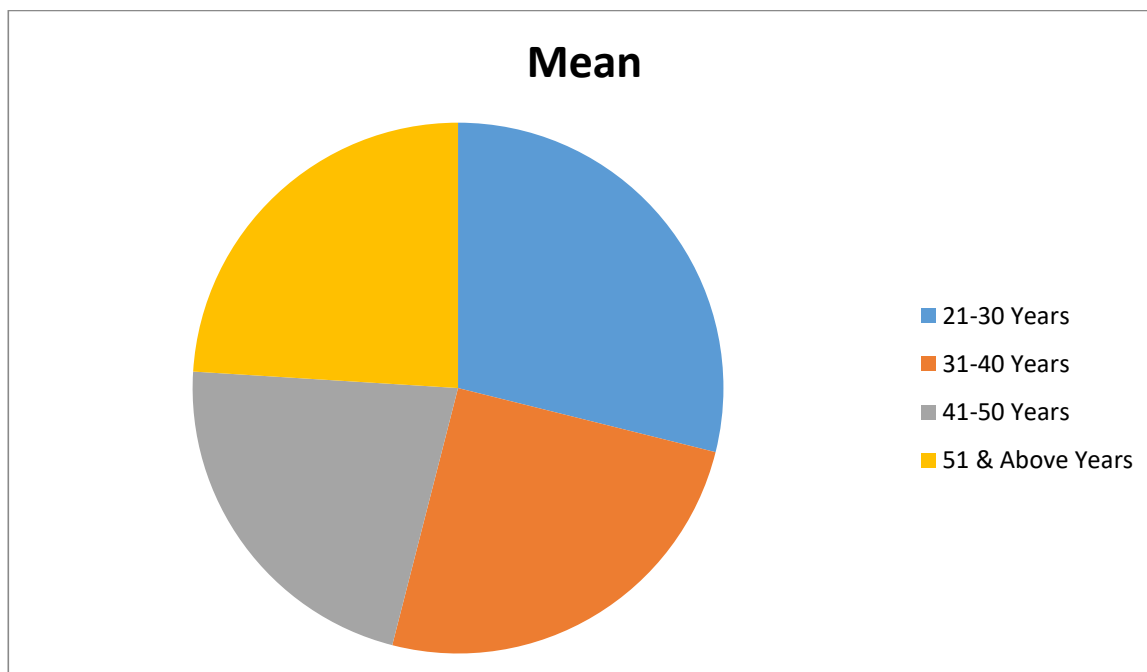
Comparison of Mean Social Recognition Score among Different Age Groups

Variable	Age Group	N	Mean	Std. Dev	F TEST	P Value	Result
Social Recognition	21-30 Years	314	42.78	5.758	37.032	0.000	Sig
	31-40 Years	126	37.18	10.410			
	41-50 Years	54	32.59	9.735			
	51 & Above Years	18	35.56	10.467			
	Total	512	40.07	8.572			

Table 1 and the corresponding graph showed the comparison of mean scores of Social Recognition based on Age.

The difference in Social Recognition among four age groups of sample women was found to be statistically significant ($P < 0.05$), showing that their social recognition varied significantly with their age groups. The mean score of social recognition of women belonging to the 21-30 years of age group (42.78) was found to be the highest and it showed the lowest score for women in the 41-50 years of age group (32.59).

Chart 1 Comparison of Mean Social Recognition Score among Different Age Groups



To find out the pair-wise comparison the Post-Hoc Tukey is applied.

Post Hoc Tukey Tests

Dependent Variable	Pairwise Comparison		Mean Difference	Std. Error	P Value	Result
Social Recognition	21-30 Years	31-40 Years	5.595*	0.821	0.000	Sig
		41-50 Years	10.184*	1.147	0.000	Sig
		51 & Above Years	7.222*	1.887	0.001	Sig
	31-40 Years	41-50 Years	4.590*	1.267	0.002	Sig
		51 & Above Years	1.627	1.962	0.841	Non-Sig
	41-50 Years	51 & Above Years	-2.963	2.120	0.501	Non-Sig

Based on the test, a statistically non-significant ($P > 0.05$) difference was found in pairing women in the more than 50 years of age group with women belonging to 31-40 years and those in 41-50 years of age groups. However, a significant difference ($P < 0.05$) was found between other pairs of age groups showing their social recognition varied with their age group.

H_{01b}: There was no significant difference in the Social Recognition score of women entrepreneurs of different Marital Status groups.

H_{11b}: There was a significant difference in the Social Recognition score of women entrepreneurs of different Marital Status groups.

Table 2

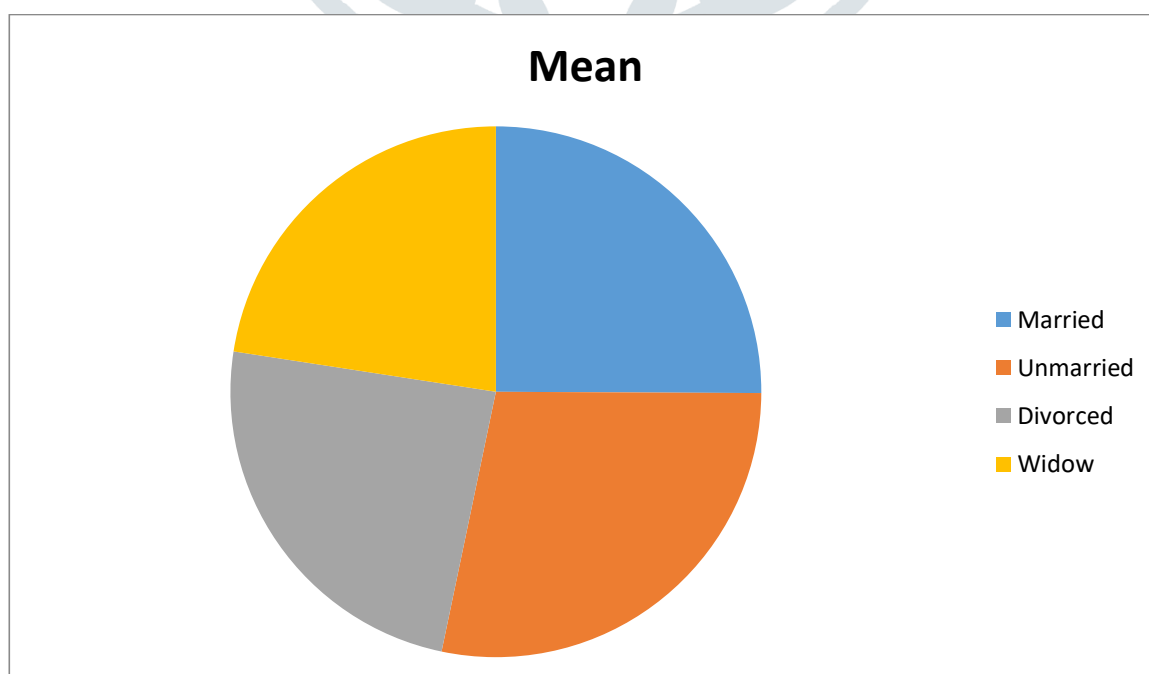
Comparison of Mean Social Recognition Score among Different Marital Status Groups

Variable	Marital Status	N	Mean	Std. Dev	F TEST	P Value	Result
Social Recognition	Married	217	37.59	9.836	15.159	0.000	Sig
	Unmarried	279	42.28	6.568			
	Divorced	10	36.20	11.679			
	Widow	6	33.83	8.280			
	Total	512	40.07	8.572			

Table 2 and the corresponding graph showed the comparison of mean scores of Social Recognition based on Marital Status.

The difference in Social Recognition among four marital status groups of sample women was found to be statistically significant ($P < 0.05$), showing that their social recognition varied significantly with their marital status. The mean score of unmarried women (42.28) was found to be the highest and it showed the lowest score for widows (33.83).

Chart 2 Comparison of Mean Social Recognition Score among Different Marital Status Groups



To find out the pair-wise comparison the Post-Hoc Tukey is applied.

Post Hoc Tukey Tests

Dependent Variable	Pair wise Comparison		Mean Difference	Std. Error	P Value	Result
Social Recognition	Married	Unmarried	-4.694*	0.745	0.000	Sig
		Divorced	1.385	2.664	0.954	Non-Sig
		Widow	3.752	3.409	0.689	Non-Sig
	Unmarried	Divorced	6.080	2.651	0.101	Non-Sig
		Widow	8.446	3.398	0.063	Non-Sig
	Divorced	Widow	2.367	4.253	0.945	Non-Sig

Based on the test, a statistically significant ($P < 0.05$) difference was found in the social recognition of married and unmarried women. However, a non-significant ($P > 0.05$) difference was found between other pairs of marital status showing their social recognition does not vary with their marital status group.

H_{01c} : There was no significant difference in the Social Recognition score of women entrepreneurs of different Educational Qualifications.

H_{11c} : There was a significant difference in the Social Recognition score of women entrepreneurs of different Educational Qualifications.

Table 3

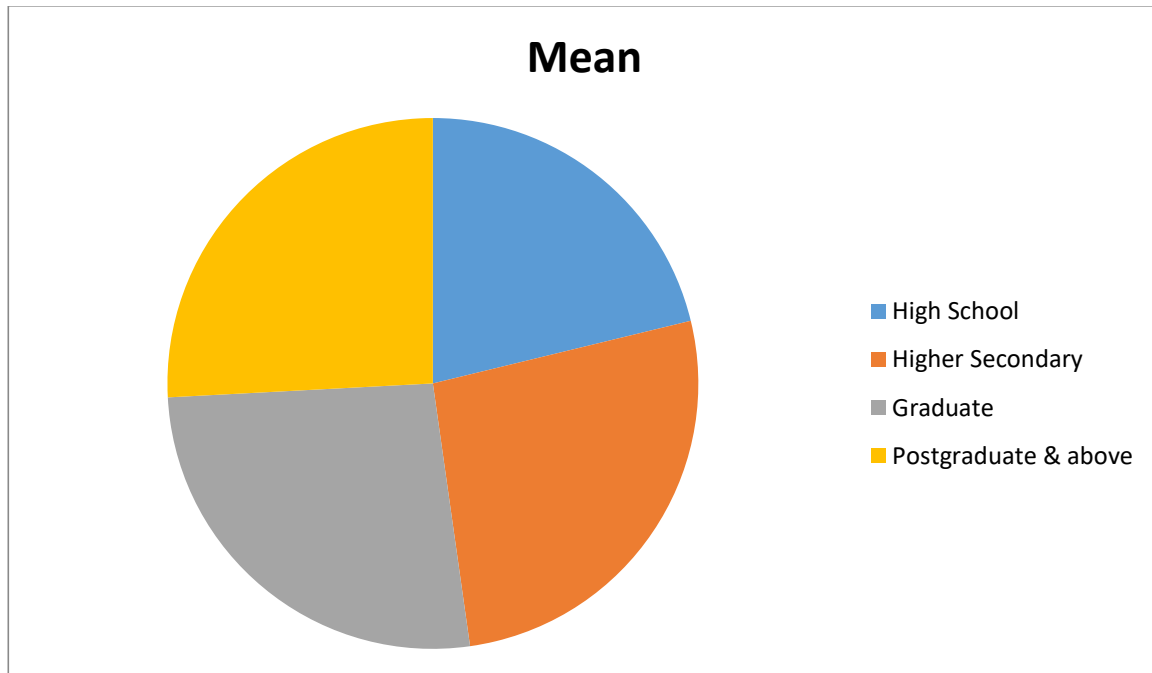
Comparison of Mean Social Recognition Score among Different Educational Qualification Groups

Variable	Education	N	Mean	Std. Dev	F TEST	P Value	Result
Social Recognition	High School	16	32.56	8.664	4.730	0.003	Sig
	Higher Secondary	69	40.77	7.737			
	Graduate	280	40.54	8.388			
	Postgraduate & above	147	39.67	8.952			
	Total	512	40.07	8.572			

Table 4.15 and the corresponding graph showed the comparison of mean scores of Social Recognition based on Educational Qualification.

The difference in Social Recognition among four educational qualification groups of sample women was found to be statistically significant ($P < 0.05$), showing that their social recognition varied significantly with their qualifications. The mean score of social recognition of women securing higher secondary (40.77) was found to be the highest and it showed the lowest score for women having high school degree (32.56).

Chart 3 Comparison of Mean Social Recognition Score among Different Educational Qualification Groups



To find out the pair-wise comparison the Post-Hoc Tukey is applied.

Post Hoc Tukey Tests

Dependent Variable	Pair wise Comparison		Mean Difference	Std. Error	P Value	Result
Social Recognition	High School	Higher Secondary	-8.206*	2.353	0.003	Sig
		Graduate	-7.977*	2.180	0.002	Sig
		Postgraduate & above	-7.111*	2.232	0.008	Sig
	Higher Secondary	Graduate	0.229	1.140	0.997	Non-Sig
		Postgraduate & above	1.095	1.237	0.813	Non-Sig
	Graduate	Postgraduate & above	0.866	0.864	0.748	Non-Sig

Based on the test, a statistically significant ($P < 0.05$) difference was found in pairing women securing High School with women having other qualifications. However, a non-significant ($P > 0.05$) difference was found between other pairs of qualification groups showing their social recognition does not vary with their educational qualifications.

Thus, the results of h_{y1a} potheses testing are as presented in table 5-

7. Hypotheses Results

Impact of Microfinance on Social Recognition

- Based on Age, a significant difference was found in the opinions of sample women entrepreneurs about the impact of microfinance on their social recognition. The mean score of women belonging to the 21-30 years of age group was found to be the highest and it showed the lowest score for women in the 41-50 years of age group because of efficiency, speed, accuracy and creativity in younger age than older ones. Thus, the null hypothesis (H_0) stating “There was no significant difference in the Social Recognition score of women entrepreneurs of different Age groups” gets rejected.
- Based on Marital Status, a significant difference was found in the opinions of sample women entrepreneurs about the impact of microfinance on their social recognition. The mean score of unmarried women was found to be the highest and it showed the lowest score for widows. Thus, the null hypothesis (H_{01b}) stating “There was no significant difference in the Social Recognition score of women entrepreneurs of different Marital Status groups” gets rejected.
- Based on Educational Qualification, a significant difference was found in the opinions of sample women entrepreneurs about the impact of microfinance on their social recognition. The mean score of women securing higher secondary was found to be the highest and it showed the lowest score for women having high school degrees. Thus, the null hypothesis (H_{01c}) stating “There was no significant difference in the Social Recognition score of women entrepreneurs of different Educational Qualifications” gets rejected.

No.	Hypothesis	Result
H ₀₁	There is no significant difference in women entrepreneurs' perceptions of the improvement in their social status due to microfinance based on their Age groups.	Rejected
H ₀₂	There is no significant difference in the social Status of women entrepreneurs having different Educational Qualifications due to microfinance.	Rejected
H ₀₃	There is no significant difference in the social Status of women entrepreneurs of different Marital Statuses due to microfinance.	Rejected

8. Conclusion

The study further concludes that demographic factors affect the opinions of women entrepreneurs about the usage of microfinance and its impacts. Their opinions about the impact of microfinance on their social recognition differ with their Age, Marital status, Educational Qualification in Business.

It can be inferred from the analysis that women entrepreneurs agreed with the fact that there was an improvement in their social status due to microfinance. The majority of them confirmed that their social status increased due to microfinance. Microfinance enabled them to have better access to credit facilities and better control of their financial resources. It further led to an increase in their savings and helped in the expansion of their business. Thus, it can be concluded that microfinance can significantly contribute towards achieving women's economic empowerment. Further, based on different demographic factors, women's perceptions of improvement in their social status varied with their age groups, marital status and educational qualification. It is recommended that there must be customized microfinance programs for meeting the needs of women entrepreneurs having different demographic backgrounds. They must be made more aware of the benefits of these programs and the procedures for accessing these facilities.

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