IMPACT OF MICROFINANCE ON WOMEN ENTREPRENEURSHIP

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ABSTRACT

The purpose of the paper is to address the knowledge gap regarding the role of microfinance in women’s micro-entrepreneurship. There is a dearth of studies on the subject and has been getting recent research attention. The research conducted in this study administered interview schedule to 370 women Self Help Group members registered for the provision of microfinance services under the Programmed “National Rural Livelihood Mission” in Kashmir Valley. In order to understand the influence of microfinance on women entrepreneurship, the study used Binary Logistic Regression considering three different Models for three different microcredit dimensions with control variables of age, education, marital status and family type. The results of all the three models showed positive and significant impact of microfinance (access to microcredit) on women’s micro-entrepreneurship. In addition to target variables, age of the women is negative and significant determinant of women entrepreneurship. However, in this study education and marital status of women and family system have no impact on women entrepreneurship.

KEYWORDS: Microfinance, Self Help Groups, Micro-entrepreneurship, Binary Logistic Regression

1. INTRODUCTION

Worldwide, women are more likely to be poorer than men, deprived of higher education, under-represented in power and decision making in both private and public spheres and even subjected to all forms of violence- physical, sexual, psychological or even economical (United Nations, 2015). Women, if utilized properly, are very crucial for economic development of the developing countries besides that of developed nations. The developmental policies are required to focus on women so as to achieve best results in reducing birth rates, child mortality, health and nutrition, education, HIV/AIDS, building self-sustaining community organizations and encourage grass roots democracy (Coleman, 2004). In this direction, Microfinance as one of the emerging interventions is aimed to end world poverty and has become an essential field in which many of the relevant issues are yet to be discovered by academic researchers (Brau and Woller, 2004). Microfinance, ensuring access to the very basic small financial services to the poor and deprived sections who have no access to such services for lack of collateral to offer, is believed to be an effective initiative to address the issues of ‘Feminization of Poverty’ (Chant, 2014). Microfinance is basically an alternative source of finance to the poor especially women who otherwise rely on informal sources of finance. It has also reduced household borrowing from informal lenders and has increased household savings capability.

Though the savings impact has been seen more pronounced on women than that of men (Khandker, 2000). Microfinance being dominant through Self Help Groups (SHGs)[1] can play a vital role in eradication of poverty mostly in rural areas of India by casting positive socio-economic impact on women who subsequently are expected to improve overall economic conditions of their families (Vatta, 2003). The huge literature on microfinance documents that poor have good potential to
borrow, save and repay the small amount of loans more successfully with less default rate. However, it is women who take more intense and active role in microfinance sector mostly through group mechanism i.e. Self Help Group Approach (Srinivasan and Sriram, 2003). Microfinance is believed to provide economic opportunities in the form of micro-entrepreneurship or self employment options to women that further improve their education, asset base, jobs and hence raise women’s standard of living (Muhammad et al, 2012). Moreover, compared to all other traditional employment options, self employment or micro-enterprises have an intense impact on women’s economic empowerment. In addition, Self-employment options are more likely to overcome the hindrances of culture, racism, classism and sexism that low-income women often face in traditional jobs.

Self-employment increase women’s personal advancement (power, wealth and status) and women gain independence in the home, work place as well as collective male control of the social welfare system in male dominated structures of the society (Raheim and Bolden, 1995). An exclusive focus on women in microfinance is also supported by the fact that for women, particularly the members of SHGs, it has been found that economic factors have a twofold impact on their empowerment. Thus, access to financial services and its utilization in creating economic ventures would have a noticeable effect on their income generation and savings thereby influencing bargaining power of women in their respective households (Swain and Wallentin, 2012).

1.1. Understanding Women Entrepreneurship

Entrepreneurship is an interdisciplinary concept and involves the subjects of management, sociology, psychology, anthropology, economics and so on. An important thing is to make sure that insights from other researchers are followed while attempting to define entrepreneurship. For definitional purposes, a host of approaches are being followed and no consensus has reached among researchers on single definition of entrepreneurship. Entrepreneurship has been defined under various approaches – a) Trait Approach- entrepreneurship is defined by asking question ‘who is an entrepreneur?’ i.e. an individual with certain traits or attributes such as self-efficacy, risk bearing capacity, need for achievement, locus of control are more inclined to start business ventures b) Behavioral Approach- entrepreneurship is defined by focusing on what an entrepreneur does?’ an individual is considered entrepreneur if he/she is able to create new business venture. And c) Opportunity Recognition Approach- entrepreneurship is defined by how opportunity is discovered, created and exploited by whom (Kobia and Sikalieh, 2010).

However, some researchers argue that Behavioral Approach is the appropriate way to define entrepreneurship (Gartner, 1989; Wagner and Sternberg, 2004; Rocha and Sternberg, 2005; Chowdhury, 2009). On the other hand, it is claimed that risk bearing is one of the essential attributes that differentiate entrepreneurs from non entrepreneurs and higher degree of risk aversion discourages entrepreneurship (Ahmad, 1985; Cramer et al, 2002). Macko and Tyszka (2009) not only found risk taking capacity as one of important traits of entrepreneurs but also linked it to Schumpeter’s (1934) definition of an entrepreneur as a ‘creative destructor’ stating that the entrepreneur is a person prone to act against certain norms accepted in his/her society and in this sense he/she takes a risk. Studies from developed world found great variations in entrepreneurship. The diversities have been found in entrepreneurs, enterprises created, the ways in which these enterprises are started and also the situations in which entrepreneurial activities are started (Gartner, 2008). Moreover, the nature and extent of entrepreneurship is determined by the context. It is the contextualized view of entrepreneurship that provides more accurate and authentic understanding of the phenomenon (Welter, 2011). While analyzing the influence of cultural context on entrepreneurship, researchers claimed not to view entrepreneurship as a universally generalized phenomenon and more emphases need to be put on differences in entrepreneurship across varied contexts (Morrison, 2000). Some researchers firmly hold that context in the nature of culture and socio-economic conditions are highly relevant to the process of women entrepreneurship (Achtenhagen and Tillmar, 2013). Hence, understanding the literature on entrepreneurship, we define women entrepreneurship, in this paper, as the process whereby women take risks to start a new income generating activity (new business venture) or expand already established income generating activity (established business venture) (Mahmood, 2011; Mahmood et al, 2014).

2. LITERATURE REVIEW

The studies investigating impact of microfinance on women entrepreneurship are limited in number. Among these, some studies claim microfinance positively contributes towards women entrepreneurship, while as others found no significant influence of microfinance on women entrepreneurship. Of these, most of the studies are of exploratory or descriptive in
nature. In Nigeria, 79 per cent of women engaging in entrepreneurial activities have been found as MFI’s clients (Olu, 2009). Thus, in the Nigerian context, microfinance has been found playing a significant role in entrepreneurship development other than benefiting individuals, business organizations, other financial institutions, the government and the economy at large (Osunde and Mayowa, 2012). In Bangladesh, the study reports that the participation of women in microcredit programmes does not promote entrepreneurship at the household level as women concerned do not invest their loans in starting their own business but certainly either enable their husbands to start new micro-enterprises or contribute to expansion of capital in already established businesses fully operated by male members of the household (Chowdhury, 2008; 2009). However, another study in the same context revealed that microfinance clients, in general, usually get involved in replicated type of businesses that are expected to threaten their future business performance.

It was the lack of innovative business activities acting as a major obstacle to sustainable entrepreneurship. The study further found various issues such as lack of entrepreneurial and marketing skills, lack of required knowledge, technical information and regional barriers constraining micro-entrepreneurs towards innovation (Ferdousi, 2015). On the other hand, a combined study of Kenya, Malawi and Ghana revealed no relevance of microfinance for informal sector micro-entrepreneurs who instead excessively rely on informal sources of finance (from friends or relatives) (Buckley, 1997). Microfinance Institutions (MFIs), in Kenya, have been playing a key role in entrepreneurship development through the intervention of various basic financial services together with technical assistance thereby contributing towards the growth of micro and small-scale enterprises (Waithaka et al, 2014). Another evidence from Kenya reports significant impact of microfinance on women entrepreneurs as the good number of microfinance women clients expand their businesses as was evident from increasing ownership of cattle (K’ Aol, 2008). In another country, Vietnam, micro-credit has been found as the effective intervention to women in rural areas who are involved in Necessity-Driven Entrepreneurship [2] and found it the only option left for their survival and supplement the family income. Women start various micro-entrepreneurial activities including home based herbalist, fish and poultry, confectionery etc in which they generally employ 0-5 employees (Nguyen et al, 2014).

Another study found the integrated package of microfinance as the most effective in fostering women micro-credit recipients to sustain their micro-enterprises. As such women have been found slightly higher in investing micro-loans in family business rather than establishing their own micro-enterprises (Raven and Le, 2015). While as, analysis of 45 countries revealed negative effect of microfinance on Necessity-Driven Entrepreneurship and the results are unclear about Opportunity Based Entrepreneurship [3] (Lahimer et al, 2013). In Yemen, it was found majority of the women clients of microfinance were at start-up stage of entrepreneurship who had established micro-entrepreneurial activities mostly in retail businesses and services followed by manufacturing, wholesaling and home-based enterprises. Women are confronted with many barriers such as difficulty in obtaining loans and lack of training while attempting to start a new business. In addition, insufficient loans and high interest rates have been the major obstacles confronting women in further growth of their enterprises (Ahmad, 2012). Ironically, a USA based study found that all types of entrepreneurs irrespective of their gender rely on small amount of loans during initial years of the business and thus it gives an indication that microloans or in other words micro-credit is very useful for first generation small/micro entrepreneurs irrespective of the regional development (Kariv and Coleman, 2015). In other developing context, Pakistan, microfinance has been significantly promoting entrepreneurship among women as majority of them utilized microfinance loans for business purposes either by establishing a new business activity or investing these loans in already established own business (Mahmood, 2011).

In some instances, Women in India has been found dominantly using microfinance loans for agricultural and self-employment activities (Shree and Jayakumar, 2015). In India, women being the members of Self Help Groups accessing micro-credit and mobilizing their savings are involved in micro-entrepreneurship comprising various activities such as incense sticks, broom sticks, cattle grazing, bangle stores, eatable business etc (Poornima, 2013). However, in another study it was found even though women use microfinance initial loans for immediate consumption needs but the use of subsequent loans increased gradually for productive purposes (Sooryamoorthy, 2007). In an experimental study, in Turkey, it is reported that microcredit practices support women to put their ideas into economic activities who have never been in any economic venture previously (Demet and Anil, 2015). A cross-sectional study in Bangladesh reports positive impact of access to microcredit (MFI membership and size of loan received) on women entrepreneurship (Chowdhury et al, 2016).

3. OBJECTIVES AND METHODOLOGY
The number of studies available examining impact of microfinance on women entrepreneurship is not good enough and has been capturing recent research attention. However, based on few of the most recent and relevant studies the following research questions have been posed for this research study:

R1: Does women’s participation in microfinance program enable them to start their own business ventures (new income generating activity) or invest in already established own income generating activities?

R2: Does the size of loans received as a result of microfinance participation foster women to involve in micro-entrepreneurship?

R3: Does the increasing association of women in microfinance programs help them to become micro-entrepreneurs?

The main broad objective of the study and the hypotheses developed to answer the above questions are as: To analyze the effect of microfinance (access to microcredit) on women entrepreneurship

H01: microcredit participation does not lead women to start or expand own business ventures

H02: size of loan received does not determine women micro-entrepreneurship

H03: membership duration of women has no effect on their micro-entrepreneurship

The study has been conducted in Kashmir Valley of J & K state, India and is mainly based on primary data collected, using structured Interview Schedule, from women SHG members mobilized and nurtured under mission mode programme ‘National Rural Livelihood Mission’ implemented since 2013. The study uses Multi-Stage sampling method. Out of the total of ten districts, four leading districts have been purposively selected viz. Budgam, Baramulla, Ganderbal and Kupwara, for there is higher concentration of SHGs in these districts and respondents have been graduated to dose-III of bank loans. As per Monthly Progress Report (MPR) of Kashmir Division for September 2017, the total number of SHGs in these districts is 3736 and total number of members are 8249 (Office of the Mission Director, Jammu and Kashmir State Rural Livelihood Mission). A sample of 367 has been drawn from the total number of SHG members using Krejcie and Morgan’s (1970) formulae for sample size determination. The total sample size has been proportioned into four selected districts. From each of the selected districts, one block has been selected as in rest of the blocks bank loans have not been disbursed. Each selected block consists of six clusters, out of which three leading clusters have been selected. For equal representation, already proportioned sample of blocks has been further proportioned into clusters and then respondents have been selected at random for administering Interview Schedule. Finally, it was possible to collect data from total of 370 respondents.

To analyze the impact of microfinance on women entrepreneurship, Binary Logistic Regression is used as the dependent variable in this study is of categorical in nature and all the independent variables are ordinal/continuous/categorical in nature. The Binary Logistic Regression is a statistical technique that examines the relation between categorical or qualitative dichotomous outcome variable and one or more predictors. It is used to predict the probability of Y (dependent variable) occurring, given the Known values of X (independent variable) (Peng and So, 2002; Malhotra and Dash, 2011). In the present study, the dependent variable ‘women entrepreneurship’ originally collected in categorical form is recoded into different binary type of outcome variable i.e. if women takes the risk to start a new income generating activity (new business venture) or expand already established income generating activity (established enterprise) is coded as 1 and 0 for otherwise i.e. starting or expanding husband’s/any other male member’s business or pay back previous loans or meeting consumption needs. In this study, three different dimensions of microcredit have been considered a) Microcredit program participation (MPP) b) Total amount of loan received and c) Microcredit membership duration (Chowdhury, 2009; Chowdhury et al, 2016). For assessing the impact of microfinance on women entrepreneurship, the following broader equation is specified for entrepreneurship by women ‘i’ conditional on control variables and microfinance (access to microcredit)

\[ W_{\text{Ent}_{i}} = C_{i} \alpha_{Y} + MF_{i} \beta_{Y} + \varepsilon_{i} \]

In the present study three different dimensions (proxy indicators) of microfinance (access to microcredit) are considered. These include a) Micro-Credit Program Participation b) Self Help Group Duration and c) Total Amount of Loans. For each of the microcredit variable, the three different models have been created in order to assess the effect of access to microcredit on women micro-entrepreneurship. The different models for different microcredit dimensions have been created in other
studies as well (Chowdhury, 2008; Chowdhury et al, 2016). We specify following three reduced form of equation 1 to examine the impact of microfinance on women entrepreneurship

\[
\begin{align*}
W_{\text{Entre}}_i &= \alpha_Y + \text{MPP}_i\beta_Y + \varepsilon_i \quad \text{I} \\
W_{\text{Entre}}_i &= \alpha_Y + \text{Loan}_i\beta_Y + \varepsilon_i \quad \text{II} \\
W_{\text{Entre}}_i &= \alpha_Y + \text{Duration}_i\beta_Y + \varepsilon_i \quad \text{III}
\end{align*}
\]

In Model I, Binary Logistic Regression is run between one dependent variable “women entrepreneurship” and independent variables of “microcredit program participation” along with control variables of age, education, marital status and family system. The independent variable “microcredit program participation” is a dummy variable considering new borrowers as a comparison group coded ‘0’ (who just received first loan) and established borrowers as a program group (received more than one loan) coded ‘1’, as it has been well understood that selecting comparison group that is not self-selected and different in characteristics from that of program group would create a selection bias and thus faulty econometric estimation. This selection bias arises from non random selection of participants into the program and non random selection of places to implement the program, as the program is designed for target groups and not for the entire community. Hence, a common and selection bias free methodology to treat new borrowers as comparison group and established borrowers as program group has been employed (Coleman, 1999; Chowdhury, 2000; Chowdhury, 2005; Chowdhury, 2008). In Model II, in addition to main dependent variable “women entrepreneurship” there is independent variable of “total amount of loans received” along with control variables of age, education, marital status and family system. Whereas, Model III consists of one dependent variable “women entrepreneurship” and independent variables of “SHG membership duration” along with control variables of age, education and marital status. These three estimated Models are analyzed separately using SPSS version 20.

4. RESULTS AND DISCUSSIONS

4.1. Hypothesis Testing

In the preliminary analysis, descriptive analysis of all the dependent and independent variables is worked out and is depicted in Table I. In addition, multicollinearity test between independent variables showed Tolerance values not below than 0.1 and Variance Inflation Factor not greater than 10 indicating no issue of collinearity between the predictor variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Entrepreneurial Status (OES)</td>
<td></td>
</tr>
<tr>
<td>Women entrepreneur</td>
<td>35.7</td>
</tr>
<tr>
<td>Women non-entrepreneur</td>
<td>64.3</td>
</tr>
<tr>
<td>SHG Duration (in years)</td>
<td></td>
</tr>
<tr>
<td>1.00</td>
<td>5.4</td>
</tr>
<tr>
<td>2.00</td>
<td>20.0</td>
</tr>
<tr>
<td>3.00</td>
<td>34.1</td>
</tr>
<tr>
<td>4.00</td>
<td>40.5</td>
</tr>
<tr>
<td>Total Loan (in Rupees)</td>
<td></td>
</tr>
<tr>
<td>less than 50000</td>
<td>52.7</td>
</tr>
<tr>
<td>50001- 100000</td>
<td>35.9</td>
</tr>
<tr>
<td>100001-150000</td>
<td>8.6</td>
</tr>
<tr>
<td>150001-200000</td>
<td>1.4</td>
</tr>
<tr>
<td>200001-250000</td>
<td>.5</td>
</tr>
<tr>
<td>250001-300000</td>
<td>.5</td>
</tr>
<tr>
<td>300001-350000</td>
<td>.3</td>
</tr>
</tbody>
</table>
As a main part of analysis, Binary Logistic Regression was conducted after all the satisfactory preliminary tests. The results for all the three different Models are following:

In Model I, the significance of relationship between dependent variable women entrepreneurship and MPP (Microcredit Program Participation) is tested using Chi-square test of independence. The results of Pearson Chi-square shows a value 27.647 with degree of freedom 1 and significant value (P<0.05) indicating significant relation between the variables. Further, the Chi-square test of Binary Logistic Regression indicates statistically significant model fit with 5 degree of freedom, a value of 41.228 and a significant value of 0.000. Hosmer and Lemeshow test shows a value of 5.467 with 8 degree of freedom and p> 0.05 = .707 indicating good fit to the data. The Model explained between 10 per cent (Cox & Snell R Square) and 14 per cent (Nagelkerke R Square) of the variance in dependent variable and correctly classified in 67.3 per cent of the cases. The impact of program participation and other control variables on women entrepreneurship is depicted in table II. microcredit program participation is a significant and positive determinant of women entrepreneurship with B= 1.262, Wald= 28.121, p< 0.05 with odds ratio of 3.534 that is greater than 1 indicating women in program group are 3.534 times more likely to start or expand own business venture. However, all the control variables are insignificant contributors to the model I except age that is negatively associated with women entrepreneurship with B= -.540, Wald= 9.178, p<0.05 and odds ratio of .582 indicating women of higher age group are less likely to involve in micro-entrepreneurship.
Table 02: Variables in the Equation

| Variable(s) entered on step 1: MPP, age, education, maritalstatus, familytype. |

| Variable(s) entered on step 1: Age, education, maritalstatus, familytype. |

| Variable(s) entered on step 1: Tloan, age, education, maritalstatus, familytype. |

In Model II, the results of Pearson Chi-square exploring the relationship between dependent variable “women entrepreneurship” and independent variable “total loan” shows a value of 119.225 with 6 degree of freedom and p<0.05 i.e. significant relationship between the variables. Using Binary Logistic Regression, the Chi-square test of model fit is significant with a value of 78.138, df=5 and a significant value of 0.000 indicating all the variables have a predictive capability. Another test of model fit i.e. Hosmer and Lemeshow test (H-L) indicates poor fit of the model with a value of 36.561, df=8 and p<0.05. Researchers believe that there are lot of problems with H-L test and is too conservative and in some cases can’t detect model’s poor fit Peng and So, 2002). The model explained variance between 17 per cent (Cox & Snell R Square) and 24 per cent (Nagelkerke R Square) with correctly classification rate of 73.5 per cent in cases. Table III reports positive and significant impact of total loan received on probability of women to become entrepreneur with B= 1.208, Wald= 46.30, p< 0.05 and odds ratio is 3.348 meaning thereby women with increasing amount of loan are 3.348 times more likely to become entrepreneurs. However, age of the women among all control variables is also a significant contributor to the model but negatively associated to women’s likelihood to become entrepreneur as is the case in model I.

Table 03: Variables in the Equation

| Variable(s) entered on step 1: tloan, age, education, maritalstatus, familytype. |

| Variable(s) entered on step 1: Age, education, maritalstatus, familytype. |

In the final Model, the relationship between dependent variable “women entrepreneurship” and independent variable “SHG duration” is significant with Pearson Chi-square value of 53.888, df=3 and p<0.05. with the control variables of age, education, marital status and family system, the results of binary logistic regression shows statistically significant model fit with a Chi-square value of 64.220, 5 degree of freedom and a significant value of 0.000. Hosmer and Lemeshow test shows a Chi-square value of 8.556, df =7 and p>0.05 (.286) indicating good fit to the data. The model explained between 15 per cent (Cox & Snell R Square) and 21 per cent (Nagelkerke R Square) of the variance in the dependent variable and correctly classified in 71.4 per cent of the cases. Further, it is clear from the Table IV that SHG membership duration is a positive and significant determinant of women entrepreneurship with B= 1.039, Wald= 42.209, p<0.05 and odds ratio is 2.828 meaning women with increasing membership in microcredit program are 2.828 times more likely to become entrepreneurs. In addition to microcredit variable, age is negative and significant contributor to the model. However, rest of the variables- education, marital status and family type are insignificant determinants of women entrepreneurship in the present study.
### Table 4: Variables in the Equation

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHG duration</td>
<td>1.039</td>
<td>.160</td>
<td>42.209</td>
<td>1</td>
<td>.000</td>
<td>2.828</td>
</tr>
<tr>
<td>Age</td>
<td>-.465</td>
<td>.182</td>
<td>6.563</td>
<td>1</td>
<td>.010</td>
<td>.628</td>
</tr>
<tr>
<td>Education</td>
<td>-.039</td>
<td>.091</td>
<td>.188</td>
<td>1</td>
<td>.664</td>
<td>.961</td>
</tr>
<tr>
<td>marital status(1)</td>
<td>.064</td>
<td>.413</td>
<td>.024</td>
<td>1</td>
<td>.876</td>
<td>1.067</td>
</tr>
<tr>
<td>family type(1)</td>
<td>.131</td>
<td>.312</td>
<td>.176</td>
<td>1</td>
<td>.675</td>
<td>1.140</td>
</tr>
<tr>
<td>Constant</td>
<td>-2.934</td>
<td>.826</td>
<td>12.632</td>
<td>1</td>
<td>.000</td>
<td>.053</td>
</tr>
</tbody>
</table>

*Step 1a: Variable(s) entered on step 1: SHG duration, age, education, marital status, family type.*

*Source: Authors calculations based on Primary data*

### 5. CONCLUSIONS AND FINDINGS

The application of Binary Logistic Regression considering three different models with control variables of age, education, marital status and family type indicate positive and significant contribution of three different dimension of microcredit to the probability of women starting a new business venture or expanding already established business venture. These findings are in line with Chowdhury et al. (2016) as they found positive effect of women’s microfinance membership and size of loans received on women entrepreneurship. In model I microcredit program participation contributed positively and significantly to the model. In other words, participation of women in microfinance program enables them to involve in entrepreneurial activities. All other control variables except age of women showed no impact on women’s micro-entrepreneurship. In the second Model, total amount of loans received by women as a result of membership in microfinance program influence women’s probability of starting or investing in already established own business venture. The third Model confirmed the findings of two models suggesting SHG membership duration as a microcredit variable is contributing well towards women entrepreneurship.

However, in all the three models, age of the women is negatively associated with women’s likelihood of starting or expanding own business i.e. women of older age are less likely to involve in micro-entrepreneurship. Other studies also found negative impact of age on women entrepreneurship (Chowdhury, 2009; Arenius and Minniti, 2005). All other control variables- education of women members, their marital status and family system have no impact on women entrepreneurship in the present study. Hence, microfinance (access to microcredit) is a significant determinant of women entrepreneurship. In all the Models Microfinance variables made positive and significant impact on women entrepreneurship thereby leading to reject all the three null hypothesis that stated there is no significant impact of microcredit program participation, size of loan received and membership duration on women entrepreneurship. Hence, microfinance enables and fosters women to start their own business ventures or micro-enterprises as well as expand the already established micro-enterprises. The finding is in line with other researchers (Mahmood, 2011; Chowdhury, 2016). The programs targeting women clients for their empowerment would make ample efforts to foster entrepreneurship among women. Besides microcredit, training and counseling are necessary to enhance skills of women.

### 6. FUTURE DIRECTIONS

Microfinance is a vast subject and includes both financial (microcredit, micro-savings, micro-insurance) as well as non-financial services (training, guiding and counseling). The present study is limited to microcredit services and small geographical area. The future studies would attempt to assess the impact of microcredit along with skills training, while also covering for large area and sample, on women’s micro-entrepreneurship.

### Notes

1. **Self Help Group** is a small group of 10-20 members belonging to homogeneous socio-economic background who come forward and assemble to address their common problems (Swain and Wallentin, 2012)
2. **Necessity-Based Entrepreneurship** is a type of entrepreneurship in which entrepreneurs are pushed into entrepreneurship for the reasons of dissatisfaction with jobs, unemployment, and low paying jobs and so on. These entrepreneurs are also called ‘Lifestyle Entrepreneurs’ whose objective is to support family income or to maintain a desired lifestyle.
3. **Opportunity-Based Entrepreneurship** is that type of entrepreneurship in which entrepreneurs are pulled into starting their business, are better educated and skilled, have better access to financial resources and start-up capital and often start business that has growth potential. Individuals are attracted to entrepreneurship due to pull factors such as the desire to have greater freedom, the opportunity to innovate and create new products and higher social status.

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