



Microfinance Outreach as a Framework for Understanding Women's Empowerment: A case study of Vision Fund Malawi

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ABSTRACT

Microfinance gives low-income individuals, especially women, the opportunity to advance in both society and the economy. In addition to economic empowerment, microcredit has a host of other advantages for women, such as improved reproductive health control and decreased susceptibility to domestic abuse. The evaluation of how microfinance impacted the expansion of women-owned small and micro companies was the primary objective of this paper. Because it develops the environment that will enable women to move from marginalized positions within the household to positions of greater influence in local, national, and international decision-making. For women to be socioeconomically empowered, microfinance is essential. Widespread acclaim has been accorded to microfinance as a strategy for eradicating poverty and fostering the improvement of the underprivileged and women's economic status. Nevertheless, there is a conspicuous lack of data on how microfinance has impacted the expansion of Small and Medium Enterprises (SMEs) owned and operated by women.

The research design for this study included qualitative and quantitative techniques (mixed method), using focus groups and questionnaires as research instruments to gather information from a sample size of 60 people in both qualitative and quantitative ways. While SPSS was used to evaluate the quantitative data from these focus group discussions, content-based analysis was used to assess the qualitative data. Microfinance was determined to have had a favourable effect on the growth of women-owned enterprises. According to this research, women are more likely than males to use microfinance services provided by microfinance institutions. The results demonstrate the loan options provided by Vision Fund Malawi (VFM) are essential to satisfy the need for financial services among low-income earners, the majority of whom are women. The findings further show that microloans and savings offered by VFM reduce domestic violence against women. Most of the non-VFM workers, were found to be unaware of services like microinsurance and trainings. Women-owned SMEs are determined by governmental policies and processes, loan availability, and individual capabilities. Malawian women want to have increased access to microfinance and larger sums to run SMEs.

Keywords: Microfinance, Microcredit, Women, Small-business, Vision Fund Malawi

1.

INTRODUCTION

Women, who earn more money, are less likely to be victims of gender-based violence (GBV). Microfinance is essential to the socioeconomic empowerment of women because it fosters the conditions that will allow them to advance from marginalized positions within homes to positions of greater influence in local, national, and

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international decision-making. The major objective of this study is to determine the effect of microfinance on the expansion of women-owned micro and small businesses in Malawi.

Prior to microfinance, it was challenging for African women to find a means to contribute to society. They were frequently forbidden from assuming the gender roles imposed on them by their different societies. More and more women are being integrated into the productive sector of the economy thanks to the introduction of micro finance institutions like Vision Fund and the associated income-generating activities. According to the African Development Bank Report from 1998, less than 10% of enterprises in Sub-Saharan nations like Malawi are held by women (ADB, 2005). But as of right now, with 27%, sub-Saharan Africa has the largest percentage of female entrepreneurs worldwide. Uganda (34.8%) and Botswana (34.6%) were named as the two African nations with the highest percentage of female entrepreneurs worldwide in the 2017 MasterCard Index of Women Entrepreneurs. These numbers might imply that microfinance is involved in some way (GEM, 2020).

Due to strict baseline criteria, commercial banks in the majority of developing countries have yet to properly service the financial needs of low-income people. Additionally, because they lack assets that could serve as security for loan facilities, commercial banks view low-income individuals as uncreditworthy (World Bank, 2008). The loan facilities offered by Microcredit Institutions (MFIs) address the need for financial services among low-income earners, the majority of whom are women, and are crucial in this regard. MFI services are adaptable and designed to satisfy the funding requirements of women in both urban and rural settings (Chandrasekhar, 2004).

The Franciscan monks who established the neighbourhood-focused pawnshops in the 14th century are credited with creating microcredit (World Bank, 2008). The founding of the Credit Union Movement in Western Europe in the 19th century gave the microcredit sector a considerable boost. These early initiatives were essential in the development of pro-poor institutions, which provided low-income workers with easily accessible and affordable financing options (World Bank, 2008).

Unemployment, poverty, and slow economic growth are issues in many emerging nations around the world. As a result, because the impoverished in these nations lack access to adequate financial services, they are unable to better their economic situation. One of the most crucial challenges in emerging nations is the empowerment of women. Despite being an essential component of society, women have very low status, are underrepresented in decision-making processes, and are underrepresented in the economy. Thus, microfinance programs are utilized globally to end poverty, elevate the economic standing of women by encouraging economic activity, and boost economic growth.

Microfinance helps the poor and significantly improves their socioeconomic and financial circumstances. In order to address how the poor are excluded from the development process and outcomes in the main stream intervention frameworks, microfinance support is used as a development instrument. Due to the diversity and context of developing nations and poverty, there is a dearth of comprehensive understanding and empirical data regarding the effects of microfinance. Particularly, less is known about how microfinance services affect the expansion of Micro and Small Businesses owned and operated by women.

2. LITERATURE REVIEW

A lot of material has been written about the effects of microfinance on various aspects of the community and members. In a similar vein, other studies on women's empowerment have been conducted, with a particular emphasis on methodological issues, empirical analysis and metrics, and empowering instruments. The research on both microfinance and women's emancipation is of the concerns.

By enhancing women's income-generating activities, microfinance programs for women, according to Hunt and Kasynathan (2002), have a favorable effect on economic growth. The information was gathered from three Bangladeshi NGO's and one Indian state. The study discovered that because women have limited access to markets, the majority of those who receive credit have no control over their debts. Further research revealed a connection between microcredit and women's education, marriage customs, mobility, violence against women, and self-respect. Additionally, although being intended for the poorest, microfinance does not actually reach them. Donors and NGO's must focus their efforts on ensuring that the poorest people have access to loans. Instead of reviewing its signs, Malhotra et al. (2002) focused on conceptualizing and operationalizing the word

empowerment. They emphasized the psychological, legal, political, familial/interpersonal, social, and economic aspects of empowerment. Women have a responsibility to empower one another as well. Through political and legal reforms, the government and other institutions should support policies that boost empowerment and guarantee gender equity (Malhotra & Schuler, 2005).

According to Cheston and Kuhn (2002), microfinance initiatives have the capacity to alter power dynamics and advance women's emancipation. Despite a significant rise in women's access to financial resources, loans made to women vary in size. It has been established that giving women access to financial resources alone is insufficient to increase their well-being and give them more authority. Although microfinance does not address every obstacle to women's empowerment, if it is correctly implemented, it can make a significant contribution. The relationship between a microfinance program, empowerment, family planning, and cultural norms is real, according to the study's discussion of empowerment indicators and assessment procedures. Microfinance has a significant impact on gender and development initiatives due to its close ties to both women's empowerment and the reduction of poverty (Cheston & Kuhn, 2002).

Women are the poorest of the poor, thus having more financial stability gives them more authority in domestic and community matters. Access to financial, human, and social resources (such as education and business opportunities), as well as material resources (such as credit, real estate, and money), is important for women's empowerment. Women's decision-making abilities and self-confidence, which are directly tied to knowledge, women's status, and gender dynamics in the home, are impacted by microfinance. Microfinance initiatives increase women's economic independence and provide them with the resources to engage in non-traditional pursuits. These programs help women leave violent relationships. Programs for microfinance have an effect on women's rights and political emancipation as well. Pitt et al., (2003) evaluate the effects of men and women participating in microfinance programs in rural Bangladesh on women's autonomy and gender relations within the home. According to the study's findings, women's engagement in microcredit programs promotes more female empowerment. It encourages women to play a bigger part in household decision-making, to have better access to financial and economic resources, to have larger social networks, to have more negotiating power than their husbands, and to have more flexibility to move about. In general, spousal communication about family planning and parenting issues tended to rise when women had more credit. Male credit, on the other hand, has a detrimental impact on a number of aspects of women's empowerment, including their ability to manage some household transactions, access to savings and financial resources, and physical mobility (Pitt & Khandker, 1996).

Rehman and Khan (2007) honed particularly on the mechanisms of microfinance in Asia. They made an effort to investigate how microfinance assists low-income people in raising their standard of living from the viewpoint of the client. They came to the conclusion that the supply of microfinance in the form of collateral-free loans is an efficient method for reducing poverty and enhancing living conditions in terms of sanitation, health, and education. Microfinance initiatives focus on women since they are the most at risk in society and are more likely to live in households with no assets. These initiatives can increase the women's security, autonomy, self-confidence, and status within the household, which in turn increases their empowerment, by giving them the chance to work for themselves (Rahman & Naoroze, 2007).

Sharma (2007) wrote a paper titled "Microfinance and Women Empowerment" that was published in "The Journal of Nepalese Business Studies." The article looks at how women's engagement in group-based microcredit programs affects a wide range of qualitative answers to questions that define women's autonomy and gender relations in the home. The information came from a unique survey conducted in Nepal's Terai and hills between 2004 and 2006. From the study, it was found that similar changes in the self-confidence of women following the program by ecologically belt hills showed a relatively higher proportion of men's involvement in cooking as compared to Terai, but that men's involvement is relatively higher in the Terai belt than the men in hills in terms of childcare, fetching water, washing clothes, cleaning house, and utensils. It also demonstrates that there has been a major shift in women's social and political participation following the program's significant influence on terai women's economic control relative to hills. Terai depicts violence and changes in family dynamics that are quite recent (Sharma, 2007).

Adhikari (2010) draws the conclusion that microfinance has the ability to have a significant influence on the emancipation of women. Most women do experience some level of empowerment, even though microfinance does not necessarily empower all women. As a result, the microfinance program is the most effective program for raising living standards and empowering different groups of people, including women, both socially and

economically. Due to the acknowledged challenges in delivering financial services to this target demographic and the potential for welfare enhancement, microfinance was developed (Adhikari, 2010).

The following findings were reached by Shakya (2016) after conducting a thesis in international business on "Microfinance and women's empowerment" (Shakya, 2016):

- The study establishes the idea that because poor villages depend so heavily on the agricultural economy, they are less likely to take risks with lending. Due to the fact that urban women work only in the commercial sector (regardless of the sort of business they are in), they are more likely to be committed to repaying their loans than to stop due to a natural disaster, such as flooding.
- An emphasis on lending to women in microfinance programs since they have greater repayment rates than men. By fostering self-confidence, it is closely related to women's empowerment and economic development. They are regarded as significant borrowers since they have the ability to turn tiny loans into prudent investments rather than blowing money on opulent items. Additionally, they now have access to cash whereas they previously had little financial independence.
- Women concurred that the microfinance program has had a significant impact on their sense of self-worth. In the community, women are urged to assume positions of authority within their households. The initiative has aided women in establishing chances for decision-making about domestic issues.
- Women who participate in the microfinance program gain social and economic empowerment.
- Women who participate in the microfinance program obtain a microloan from MFIs to launch their businesses. They are not only able to increase their money through business establishment, but also their social standing.

2.1. Country Reviews connected to this investigation

Several studies have been done in Malawi to determine how microfinance programs affect poverty. However, the majority of these research have not placed a strong emphasis on how microfinance programs affect dimensions of welfare like food security. In a study by Kwataine (2002) on the effects of microfinance programs on welfare indicators in rural Zomba, it was discovered that female-headed families were more likely than male-headed households to see improvements in their food security status after being exposed to microfinance. It seems that women feel more pressure to buy more food for the family when they run their own enterprises than men do (Kwataine, 2002).

Dunford (2013) discovered that microfinance has a favourable effect on measures of household welfare in the Karonga district of Malawi. When a household is exposed to microfinance, their chances of escaping food security increase. The study's findings showed that extremely disadvantaged households that participated in microfinance initiatives had an 11.8% to 16.3% higher likelihood of moving out of the poorest food security category (severely insecure). In other words, microfinance can result in increased food security (Dunford, 2013).

Research conducted by Cooperative for Assistance and Relief Everywhere (CARE) Malawi to determine the effects of VSLAs in Central Malawi revealed that the programs help to reduce poverty and enhance family wellbeing. When even one family member participates in the VSLAs, all of this takes place. A growing number of community members are joining VSLAs as a result of these results. The only obstacle keeping others from joining is the membership price (Anyango, 2005).

Concern Universal (2016) conducted an assessment in 2016 using focus group discussions as research tools and discovered that the poor are excluded from the opportunities of financial services; as a result, microfinance is seen as a crucial tool to break the poverty cycle, which is characterized by low incomes, low savings, and low investment. The poor are one of the vulnerable populations that microfinance is supposed to target, but in practice in Malawi, it seems the poor are not benefiting from this and are afraid they won't have enough money to pay back after receiving microfinance packages from companies like Concern Universal (Concern Universal, 2016).

The majority of institutions, according to research by Kanduku (2017), think that low-income households are "too poor to save." The poor also lack access to knowledge, education, and development opportunities that could enhance their quality of life. They also have no voice in the institutions and power dynamics that affect their lives. Poor people don't seem to have adequate collateral to acquire money for their developmental needs, which slows down development overall and notably in rural areas where rural development is necessary for the nation to meet the Sustainable Development Goals by 2020 (Kanduku, 2017).

2.2. Theoretical Framework

Network theory and Resource base theory have been used to fully understand the research problem.

2.2.1. Network Theory

The fourth theoretical perspective sees entrepreneurship as being intertwined with a complicated web of social ties. Links between aspirant business owners, resources, and possibilities within these networks influence or restrict entrepreneurship. This point of view contends that networks, such as kinship, relationships, friendships, and access to or membership in associations, can influence people whether they are present or not. Amasa Walker's work helped economic theory to develop since he believed that entrepreneurs were the ones who created prosperity. Profit, in his opinion, is the entrepreneur's reward for their skills, talents, or abilities. Hawley believed in the principles of risks and uncertainties in 1929 and considered profit as the entrepreneur's reward for taking on risk. According to economists like Schumpeter, an entrepreneur is an innovator who employs novel combinations of manufacturing methods. According to his idea of economic growth, an entrepreneur's job is to innovate and upend the existing quo (Aldrich & Nelson, 2011).

2.2.2. Resource Theory

The literature on human and financial capital as well as the literature on social learning theory, which offers an alternative perspective to the resources-based paradigm, are also used to inform this study. Theoretical perspectives in the relevant fields are used to establish a hypothesis that the amount of education, past work experience, entrepreneurial family background, and financial resources of women entrepreneurs are all related to their success. The value of both human and financial capital in the establishment and development of entrepreneurial enterprises has been demonstrated by research. Successful women business owners can be distinguished from less successful ones by having access to both human and financial capital, which includes capabilities, business skills, and knowledge gained from education, prior work experiences, and entrepreneurial family backgrounds. Resource-based theory, according to Dollinger (2008), describes how business owners themselves construct their enterprises using the resources they already have or can reasonably acquire in order to gain a sustained competitive advantage.

According to the resource-based paradigm, an entrepreneur can make use of financial, physical, human, technological, reputational, and organizational resources. According to the resource-based hypothesis, choosing the right firm and industry are not sufficient to guarantee success. According to the hypothesis, an entrepreneur's resources, both in kind and calibre, might contribute to long-term success (Dollinger, 2008).

2.3. Conceptual Review

2.3.1. Microfinance

The goal of microfinance is to increase access for low-income people that banks have failed to serve to small deposits and loans. Therefore, microfinance entails offering impoverished individuals in urban and rural settings who cannot access these services via the traditional financial sector financial services like saving, loans, and insurance (Schreiner, 2002).

According to Cheston & Kuhn (2002), microfinance programs have the ability to alter the lives of the underprivileged and empower women. Even if women's access to financial resources has significantly grown, the magnitude of the loans given to women varies. Despite this, financial assistance alone is insufficient to improve women's lives, empower them, and enhance their well-being. However, if these programs are well-designed, they can significantly contribute to the empowerment of women (Cheston & Kuhn, 2002).

One powerful and promising instrument in the fight against global poverty is microfinance. In order to help the impoverished in rural, semi-urban, and metropolitan areas increase their income levels and improve their standard of living, the word "microfinance" can be described as the provision of thrift, credit, and other financial services and products of extremely small quantities. It is one of the crucial strategies that significantly contributes to the economic advancement of impoverished women and the reduction of poverty (Das, 2014).

2.3.2. Micro, Small and Medium Enterprise (MSME) Policy in Malawi

In both emerging and wealthy nations, entrepreneurship is a tool for fostering economic growth, social mobility, and job creation. Because of this, governments have prioritized encouraging entrepreneurship highly (Ndala & Pelser, 2019). Five key factors—labor, capital, loan size, fixed assets, and yearly sales turnover—are used to define SMEs. One criterion is frequently used by policymakers to define SMEs. One of the most widely used definitions in emerging nations is the size restriction. The draft of the Malawi SME Policy (2015) provides a description of SMEs, categorizing them according to their size, yearly revenue, and maximum assets as shown in Table 2.1 below (Ndesaulwa & Kikula, 2016).

Table: 2.1

Enterprise Size	Number of Personnel	Annual Revenue	Maximum assets (manufacturing enterprises, excluding land and building)
Micro	1-4	Up to K5,000,000	K1,000,000
Small	5-20	K5,000,000 - K50,000,000	K20,000,000
Medium	21 - 99	K50,000,000 – K500,000,000	K250,000,000

2.3.3. Models of Microfinance

The world's microfinance institutions use a range of credit lending models. The following describes a few of them.

Grameen Model: Prof. Mohammed Yunus created the Grameen model in Bangladesh, focusing on women from low-income groups as the primary borrower. In this concept, a bank manager and employees travel to villages to inform residents of the bank's goals and manner of functioning. Two out of every five individuals in a group acquire loans in the initial round. After that, the group is watched for a month to see if they are adhering to bank policy. Only when the first two borrowers repay the money with interest within fifty weeks of the lending period may the remaining member of that group borrow money. This puts pressure on the team to maintain a clean individual record (AD Bank, 2000).

Group Model: According to this approach, if one member is having trouble repaying the loan, the other members will exert pressure on them to do so as quickly as possible. However, if it fails, the entire group will pay back the debt on that member's behalf (Johnson & Rogaly, 1997).

Individual Model: Since a microloan is given to the individual directly, this model does not require the formation of any group. Therefore, there is no peer pressure to pay back the loan (AD Bank, 2000).

Community Banking: Most NGOs and other organizations use this banking model to foster community growth by implementing initiatives for community development. To do this, semi-formal or formal institutions are established in the neighbourhood to disburse microloans and instruct neighbourhood residents in various financial activities for earning income and saving (AD Bank, 2000).

Bank Guarantees: In this approach, a commercial bank assumes the function of a lender, arranging funding from an outside donor or government agency or from within the bank itself utilizing member deposits. Direct loans are given to an individual or a self-organized group. In order to initiate micro-funding schemes, many

international organizations, like the UN, have started developing international guarantees funds that banks and NGOs can contribute to (AD Bank, 2000).

Rotating Savings and Credit Associations: This concept is set up so that a number of individuals each donate a specific sum each month. Then, through a lottery or other mutually agreed-upon means, this money is loaned to other members who will repay it with ongoing or additional monthly contributions (AD Bank, 2000). This model is a highly typical type of savings and credit, claims Harper. He claims that the group's members are typically neighbours and friends, and that it is particularly well-liked by women since it offers a forum for social interaction (Harper, 2002).

Village Banking Model: Midway through the 1980s, the Foundation for International Community (FINCA) developed this idea. In order to increase access to financial services in rural regions, create a community self-help organization, and aid members in saving money, community-managed credit and savings associations known as "Village Banks" were founded (Otero & Rhyne, 1994). A village bank typically has 30 to 50 members, the majority of whom are women. Self-selection is the basis for membership. The bank is funded internally through member contributions and through loans from the MFI.

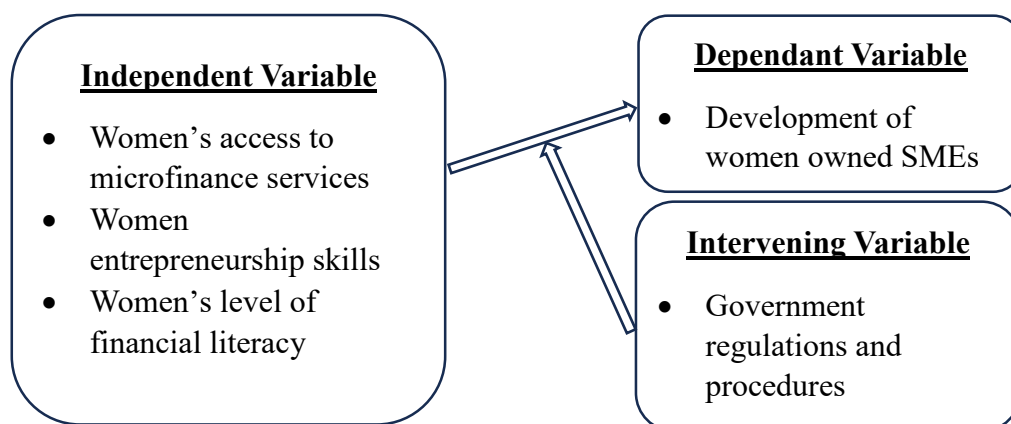
2.3.4. Women Empowerment

Women's empowerment is the process of enabling a group of underprivileged women in society to make decisions on household activities, children's education, household economic activity, and decisions regarding pregnancy and family planning. Many rural women lack education, are unaware of their rights, and are frequently oppressed by male household and social figures. As a result, the government, NGOs, and other organizations have started a number of programs aimed at empowering women. Many essential rights for women are included in the majority of international constitutions as a means of empowering women. The ability of people, especially the least privileged, to have access to productive resources that allow them to increase their earnings, obtain the goods and services they need, and participate in the development process and decisions that affect them is defined as empowerment (regardless of gender). These two elements go hand in hand, and empowerment is not possible without both.

Sen and Batliwala (2000) claim that the empowerment of women results in an increase in one's intrinsic capacity, more self-assurance, and an inner alteration of one's consciousness that empowers one to get beyond obstacles on the outside. This viewpoint focuses mostly on two significant factors. First off, it is the ability to fulfil one's goals without having control over other people. Second, the concept of empowerment is more applicable to those who lack authority, regardless of gender, group membership, class, or caste, whether they are male or female. Even while the idea of empowerment is not unique to women, it is special in that it transcends all castes and classes and also applies within families and households (Sen & Batliwala, 2000). According to Malhotra et al. (2002), empowering women entails allowing them to live with dignity, humanity, respect, self-esteem, and self-reliance. If one simply considers inequality and leaves out crucial non-economic aspects of women's decision-making authority in the home and over their own bodies and sexuality, one risks having an incomplete and biased picture of how empowered women are (Malhotra, Schuler, & Boender, 2002).

According to UNIFEM (2000), key components of women's empowerment include the ability to make choices, the capacity to use negotiating power, the development of a feeling of self-worth, the ability to secure desired changes, and the right to govern one's own life. Women's empowerment is often described as a shift in a woman's environment that increases her capacity to live a fruitful life. Through self-awareness and self-confidence, it manifests in outward attributes (MHDC, 2000).

2.3.5. Conceptual Framework



Source: Primary

3. MATERIAL AND METHODS

Both qualitative and quantitative research methods were used in the study. Mixed descriptive research establishes reality and reports it while making an effort to characterize things like potential actions, attitudes, values, and traits. Additionally, the respondents' impressions of the promotion of women-owned SMEs were the subject of the quantitative data obtained from them, whereas focus groups discussions were held to collect qualitative data in order to better understand their perspectives. The influence of microfinance institutions, the use of microfinance as a strategy to combat poverty, the factors that encourage women to start small and unprofitable businesses, the difficulties women have in obtaining microloans, and the difficulty of government rules and procedures are all discussed. Therefore, the ideal environment, standards, and capabilities for a women-owned business were investigated using the quantitative technique; on the other hand, the ground reality relating to the microfinance sector and the women beneficiaries in Malawi was detailed using qualitative techniques. The group of all participants who meet the criteria for a study is referred to as the study's population. Here, beneficiaries, former beneficiaries, non-beneficiaries, and employees of Vision Fund Malawi are the target populations. The convenient sampling and purposive sampling procedures were utilized after taking practicality into account, and 60 women were ultimately selected to participate in this study. The study location was determined to be Lilongwe, the capital of Malawi, where all potential respondents to the study were residing.

Questionnaires were chosen for the needs of this research since they allow for in-depth analysis, quick information gathering, and increased experience. Thirty surveys were given to each of the ten Vision Fund Malawi workers, ten clients, and ten non-clients. There were three focus groups with ten participants each: one with current beneficiaries, one with former beneficiaries, and one with women who have never received assistance from Vision Fund Malawi. Because this research included qualitative and quantitative research approaches and thematic analysis while appropriate statistical tests using SPSS were selected as data analysis tools. Additionally, t Test, One-way ANOVA, Correlation and Stepwise Multiple Regress Analysis were applied for numerical data analysis. All participants in this study provided their informed consent before participating, and questions for the focus groups and questionnaires were written in the respondents' native tongues to ensure their comprehension. The respondents' values, ethics, and traditions were upheld throughout this study, as well as confidentiality and privacy.

Approach, Tools and Sample Size	Distribution of Respondents according to the Strata		
Quantitative Questionnaire	VFM staff	VFM Beneficiaries	VFM Non-Beneficiaries
30	10	10	10
Qualitative FGDs	VFM former beneficiaries	VFM beneficiaries	VFM Non-Beneficiaries
30	10	10	10

4. RESULTS

4.1. Numerical Analysis: Opinion Survey

The sections of the questionnaire and focus group discussion guide that correspond to the study's findings are discussed. This information was gathered and examined in accordance with the aim of the study. Men made up just 26.67%, while women accounted for 73.33% in terms of participation in this study.

Table: 4.1

Mean difference across the respondents on access to microfinance services and their personal efficacy

S. No.	Group	Factors	N	Mean	S.D	Statistical Test & Significance	Post-hoc Test
Gender							
1	1	Male	8	35.13	6.512	t = -2.121 P = 0.042 df = 28 Sig	NA
	2	Female	22	46.55	14.579		
Age in years							
2	1	20 – 30	8	51.88	16.048	F = 1.249 P = 0.316 df = 4, 25 Not Sig	Nil
	2	30 – 40	4	45.50	7.047		
	3	40 – 50	8	40.38	12.059		
	4	50 – 60	6	37.50	11.502		
	5	60 – 70	4	40.00	18.019		
		Total	30	43.50	13.803		
Marital Status							
3	1	Single	7	51.86	17.334	F = 1.301 P = 0.295 df = 3, 26 Not Sig	Nil
	2	Married	14	42.14	13.347		
	3	Widowed	5	37.40	11.908		
	4	Divorced	4	41.25	6.292		
	Total	30	43.50	13.803			
Educational Level							
4	1	No Schooling	5	39.00	15.764		Nil

S. No.	Group	Factors	N	Mean	S.D	Statistical Test & Significance	Post-hoc Test
	2	Primary	11	38.64	12.659	F = 1.430 P = 0.257 df = 3, 26 Not Sig	
	3	Secondary	6	49.83	18.060		
	4	College	8	48.25	8.582		
		Total	30	43.50	13.803		
Association with VFM							
5	1	VFM staff/employee	10	47.90	7.608	F = 18.835 P = 0.000 df = 2, 27 Sig	Gp1 Vs Gp3
	2	VFM beneficiary	10	53.40	13.729		
	3	Non-beneficiary	10	29.20	3.155		Gp2 Vs Gp3 & Gp1
		Total	30	43.50	13.803		

Gender: When comparing how well men and women access microfinance programs and how effective they are as individuals, a difference of (35.13±6.512), (46.55±14.579); F = -2.121 with the P value of 0.042 was found. It follows that more female respondents than male respondents would wish to leverage their personal efficacy and seek microfinance services.

Association with VFM: There were evidences that the VFM beneficiary (53.40±13.729), who associated more with Vision Fund Malawi want to access more microfinance services and utilize their self-efficacy more than the VFM staff/employee (47.90±7.608) and the non-beneficiary (29.20±3.155); F = 18.835 with the P value of 0.000 level. Since the P value (0.000) is far below the critical region of 0.05 level, it is confirmed that the VFM beneficiary were wanting to use VFM and the capacities developed by VFM programme for their self-owned SMEs (Small and Marginal Enterprise).

Age, marital status educational status of the participants of the study did not register any differences in accessing the microfinance and the use of self-potential for owning SMEs.

Table: 4.2

Mean difference across the respondents on government regulations and procedures

S. No.	Group	Factors	N	Mean	S.D	Statistical Test & Significance	Post-hoc Test
Gender							
1	1	Male	8	13.25	5.849	t = -2.215 P = 0.035 df = 28 Sig	NA
	2	Female	22	18.45	5.638		
Age in years							
2	1	20 – 30	8	19.38	5.951	F = 0.550 P = 0.701 df = 4, 25 Not Sig	Nil
	2	30 – 40	4	18.50	3.109		
	3	40 – 50	8	16.00	6.908		
	4	50 – 60	6	15.83	7.195		
	5	60 – 70	4	15.00	6.055		
		Total	30	17.07	6.063		
Marital Status							
3	1	Single	7	18.57	5.940		Nil

S. No.	Group	Factors	N	Mean	S.D	Statistical Test & Significance	Post-hoc Test
	2	Married	14	15.86	6.479	F = 0.670 P = 0.578 df = 3, 26 Not Sig	
	3	Widowed	5	16.00	7.106		
	4	Divorced	4	20.00	3.162		
	Total		30	17.07	6.063		
	Educational Level						
4	1	No Schooling	5	13.40	6.348	F = 2.231 P = 0.108 df = 3, 26 Not Sig	Nil
	2	Primary	11	15.18	6.161		
	3	Secondary	6	19.33	6.121		
	4	College	8	20.25	4.132		
	Total		30	17.07	6.063		
Association with VFM							
5	1	VFM staff/employee	10	19.90	3.784	F = 27.448 P = 0.000 df = 2, 27 Sig	Gp1 Vs Gp3 Gp2 Vs Gp3 & Gp1
	2	VFM beneficiary	10	21.10	2.807		
	3	Non-beneficiary	10	10.20	4.104		
	Total		30	17.07	6.063		

Gender: The mean difference in the scores of government regulations and procedures are concerned there were differences in opinion observed among male and female participants of this study. The male respondents (13.25±5.849) required less facilitation by the government regulations and procedures than the female respondents (18.45±5.638); F = -2.215 with the P value of 0.035. The female respondents, therefore, needed a relatively better facilitation for moving for a women-owned SMEs.

Association with VFM: Regarding the VFM beneficiary (21.10±2.807), who associated with Vision Fund Malawi wished to access more and enhanced microfinance services and utilize their self-potentials when compared to the VFM staff/employee (19.90±3.784) and the non-beneficiary (10.20±4.104); (F = 27.448 with the P value of 0.000 level). Since the P value (0.000) is more significant than the critical region of 0.05 level, it could be concluded that the government regulations and procedures needed facilitation of the VFM beneficiaries more than the VFM staff and the non-beneficiaries in the development of women-owned SME.

Age, marital status educational status of the participants of the study did not record any differences in being governed by government regulations and procedures towards owning SMEs. The observed P values of under these three categories are higher than the critical value of 0.05, and therefore they registered no significant differences.

Table: 4.3

Mean difference across the respondents in the development of women-owned SME

S. No.	Group	Factors	N	Mean	S.D	Statistical Test & Significance	Post-hoc Test
Gender							
1	1	Male	8	14.50	5.682	t = -2.764 P = 0.010 df = 28 Sig	NA
	2	Female	22	21.50	6.277		
Age in years							
2	1	20 – 30	8	22.63	5.780	F = 0.572 P = 0.685 df = 4, 25 Not Sig	Nil
	2	30 – 40	4	19.75	4.992		
	3	40 – 50	8	19.00	7.819		
	4	50 – 60	6	17.83	8.183		
	5	60 – 70	4	17.50	7.234		
		Total	30	19.63	6.800		
Marital Status							
3	1	Single	7	22.71	6.237	F = 1.512 P = 0.235 df = 3, 26 Not Sig	Nil
	2	Married	14	18.21	7.245		
	3	Widowed	5	16.40	6.950		
	4	Divorced	4	23.25	3.304		
		Total	30	19.63	6.800		
Educational Level							
4	1	No Schooling	5	15.40	7.829	F = 1.762 P = 0.179 df = 3, 26 Not Sig	Nil
	2	Primary	11	18.09	7.106		
	3	Secondary	6	23.17	6.706		
	4	College	8	21.25	4.464		
		Total	30	19.63	6.800		
Association with VFM							
5	1	VFM staff/employee	10	21.90	4.122	F = 23.064 P = 0.000 df = 2, 27 Sig	Gp1 Vs Gp3 Gp2 Vs Gp3 & Gp1
	2	VFM beneficiary	10	24.70	4.668		
	3	Non-beneficiary	10	12.30	4.029		
		Total	30	19.63	6.800		

Gender: According to the mean difference in the scores related to the development of women-owned SMEs, the male respondents (14.50 ± 5.682) wished to develop women-owned SMEs less than the female respondents (21.50 ± 6.277); F = -2.764 with the P value of 0.010. while the female respondents were of the opinion that they needed more and enhanced women-owned SMEs.

Association with VFM: With regard to the VFM beneficiary (24.70 ± 4.668), who associated with Vision Fund Malawi wanted to develop women-owned SMSs more than the VFM staff/employee (21.90 ± 4.122) and the non-beneficiary (12.30 ± 4.029); F = 23.046 with the P value of 0.000 level. With a more significant P value (0.000), it is confirmed that the VFM beneficiaries aspired for developing women-owned SMEs more than the VFM staff and the non-beneficiaries.

Age, marital status educational status of the respondents did not account for any differences in developing women-owned SMEs. The observed P values of under these three categories are higher than the critical value of 0.05, and hence they registered no significant differences. Therefore, it could be concluded that the intention of developing women-owned SMEs across the respondents with different age, marital status and educational status was similar.

Table: 4.4

Correlation between Age, Access to Microfinance & Personal Capabilities, Government Regulations & Procedures and Women-owned SMEs

Correlations		1	2	3	4
1. Age	Pearson's r	1	-0.342	-0.222	-0.243
	Sig. (2-tailed)		0.064	0.238	0.197
	N		30	30	30
2. Access to Microfinance and Personal Capability	Pearson's r		1	**0.718	**0.773
	Sig. (2-tailed)			0.000	0.000
	N			30	30
3. Government Regulations & Procedures	Pearson's r			1	**0.932
	Sig. (2-tailed)				0.000
	N				30
4. Women-owned SMEs	Pearson's r				1
	Sig. (2-tailed)				
	N				

Access to Microfinance & Personal Capabilities and Government Regulations & Procedures: It was obvious that these two variables had a positive association with one another when they were observed using Pearson's correlation coefficient. There was evidence that government laws and standards were favourably correlated with having access to microloans and using one's own resources ($r = 0.718$, $P=0.000$). It is determined that the correlation between these two variables is very high (>0.05). So, it's possible to draw the conclusion that women-friendly government policies and procedures can make it easier for people to acquire microloans and tap into their own potential. In order to obtain microfinance and use their own potentials for the empowerment of women, the women in Malawi wanted favourable and accommodating government regulations and procedures.

Access to Microfinance & Personal Capabilities and Development of Women-owned SMEs: To determine the relationship between these two variables, Karl Pearson's correlation coefficient was used. Additionally, it was discovered that the growth of women-owned SMEs was positively correlated with having access to microfinance and using one's own resources ($r= 0.773$, $P=0.000$). A substantial degree of link is shown by the effect size of the relationship between these two variables, which is above 0.7. Thus, it might be inferred that there are more opportunities for the development of women-owned SMEs if more microfinance and personal potentials are explored and utilized. Therefore, among the respondents in Malawi, access to microfinance and personal capabilities may lead to a rise in the establishment of women-owned SMEs.

Government Regulations & Procedures and Women-owned SMEs: The Karl Pearson's Correlation Coefficient was employed to ascertain the relationship between these two variables. The observed correlation was 0.932, which is higher than the threshold of 0.05 level and closer to +1, and the P value was 0.000. There was virtually a perfect positive relationship between governmental legislation, procedures, and women-owned SMEs because the Pearson's r is almost closer to 1. It also suggests that Malawi would see a dramatic increase in the number of women-owned SMEs as a result of improved government laws and efficient procedures. This

leads to the further conclusion that government policies and processes in Malawi must be entrepreneur-friendly and SME-promotional, with a focus on women-owned businesses.

However, there was no correlation between any of the other three research factors and the respondents' age. Consequently, the growth of women-owned SMEs in Malawi not necessarily be age-specific.

Table: 4.5

Multiple Regression Analysis for the women-owned SMEs (DV) subject to access to microfinance services and government regulations & procedures (Predictors / INV)

Model	Factors	R	R ²	R ² Change	B	t	Sig.
1	Government regulations and procedures	0.932	0.869	0.865	0.779	8.550	P = 0.000
2	Access to microfinance and personal capabilities	0.944	0.892	0.883	0.214	2.345	P = 0.027

The goal of this study was to determine whether or not all of the independent factors, or the main study topics, had a significant impact on the growth of women-owned SMEs (dependent variable). Therefore, the two predictors were put into test whether which of the predictors were influencing the dependent variable and how much did they influence or contribute. While observing the influence of such predictors upon the development of women-owned SMEs with the application of stepwise multiple linear regression analysis, it was found that both the predictors could positively influence the dependent variables at 86.9 percent and 89.2 per cent of variance respectively.

The regression was further found to be a decent one as the F-ratios (186.400 and 110.931) were highly significant at P = 0.000 for developing women-owned SMEs. Moreover, it also examined the contribution of useful and effective government regulations & procedures (86.9%) and easy access to microfinance & effective use of personal capabilities (89.2%) confirmed to have positively influenced the development of women-owned SMEs (t = 8.550 and 2.345). Even though the contribution of access to microfinance & personal capabilities could be more (89.2% of variance) towards development women-owned SMEs, the t values (8.550 vs 2.345) determine that it's the influence of government regulations and procedures that can have relatively more effect on the development of women-owned SMEs. Therefore, both the factors of poor-friendly VFM (Vision Fund Malawi) and the better regulations & procedures of the Malawi Government can be highly contributing to the women-owned SMEs and that can result in women empowerment. Moreover, the development of women-owned SMEs can be significantly influenced by the personal qualities of the entrepreneurs.

4.2. Thematic Analysis

"MFIs have helped women do businesses, they own their own businesses, contributing to household income, improving living standards before microfinance institutions like FINCA, Vision Fund the majority of businesses' were owned by males," according to the findings from the FGDs and by the respondents.

Microfinance as a tool for reducing poverty

According to the results shown in the figure below, it is evident that many of the respondents to this study view microfinance as a means of reducing their level of poverty. This is supported by 83.33% of survey respondents, as indicated in figure 4.7. The information gleaned from focus group talks also supports this. Here are a few quotes from the focus groups:

"Many women and their families have been able to escape poverty thanks to MFIs because women started contributing to household income, and there were also improvements in living standards thanks to loans they received from a microfinance institution like Vision Fund." # of FGD Respondent

"I know more than 20 women who invested the money they received from these MFIs and are now reaping the rewards." # of FGD Respondent

"I am the ideal illustration of how microfinance may aid someone in escaping poverty. I was in need of basic necessities for my family before Vision Fund came to this area, but today I own so many businesses in the adjacent local market that I'm even considering opening a store in town, which shows how much microfinance has helped me". # of FGD Respondent

Motivating factors for women entrepreneurs

According to the results of the focus groups, the following factors are important for women entrepreneurs: access to capital, social and financial support from the spouse, personal development, independence, and self-reliance; financial success; dissatisfaction with current work arrangements; and being your own boss. The quotes from the focus group are as follows:

"Women are motivated to start businesses if given the chance to get a loan from somewhere, but if not, then we will just be regular housewives and nothing more than that," a woman once said. Respondent to #FGD. "I started my business because I wanted to be independent and not really rely on my family to send me remittances every time," the entrepreneur said. # of FGD Respondent

"I wanted to be my own boss and make my own money because I saw that working for someone else or for a company increases the wealth of the owner of that company." "Just relying on agriculture and employment alone cannot lead to my personal development, money that comes from agriculture and employment is not enough to help me grow, I need financial success and stability so that my children have a better future." # FGD Respondent

According to a respondent, "I believe husbands should motivate us women to undertake businesses because on our own we fail to make such critical decisions" #FGD Respondent - she launched her business after she was encouraged and given money to do so by her husband.

Obstacles that women entrepreneurs must overcome

The results of the FGD support that the average loan amount given was 45,000 Malawian Kwacha. The data indicates that respondents do not believe this amount is adequate despite the fact that it is really modest. In other words, they appear to be dissatisfied with their pay.

One FGD respondent who is a recipient was reported as saying, "We are not satisfied with the money we got from these MFIs; the money is not enough to start up a business that can sustain itself." # FGD Respondent

This time, a former beneficiary of an MFI responded to the FGD, saying, "I stopped being a beneficiary of any MFI because the money they offer is useless to most of us; it would be better if they were to offer large sums of money to community members, so perhaps we women can escape poverty." # FGD Respondent

"We the poor are the ones that these MFIs are targeting, but when you look at the money we were given, it's very low and cannot make us come out of poverty," said a former beneficiary who participated in the Focus Group Discussions. "Perhaps for those getting the loans, the current beneficiaries might be getting an increased amount, but for us former beneficiaries, the amount was unsatisfactory." # FGD Respondent

Recommendation to the growth of women-owned micro and small businesses

Considering the results of the study, the respondents suggested the following measures to promote the growth of women-owned micro and small businesses, including lowering microfinance services' high interest rates, increasing access to microfinance, and providing adequate training in business management and financial

literacy. The respondents also recommended firing rude and dishonest employees from microfinance organizations like Vision Fund and FINCA Malawi. Several quotes from the focus group talks are included below.

“Some of the MFIs in our community have excessive interest rates, making you question if they are truly MFIs or commercial banks. They should lower the interest rates.” # FGD Respondent

"If they were to provide adequate trainings that seek to improve financial literacy and business management skills, this will lead to the development of more businesses for women in this area, and some women in this community are financially illiterate and lack adequate business management skills that are essential for success." # FGD Respondent

5. DISCUSSION

Women in Sub-Saharan Africa have difficulties obtaining government-established enterprise funds, according to the Global Entrepreneurship Monitor report from 2019. This difficulty was also revealed by the results of the primary data.

According to a 2012 Siddiqui study of Asian society, there is a perception that women in that continent are less valuable than men and should be housewives and partners who are dependent on their husbands. This perception prevents women from starting their own businesses. From the study's findings, it was also determined that this information was accurate. According to the vast majority of respondents, women in Malawi are socially inferior.

Both secondary and primary data show that women who are entrepreneurs struggle with access to financing, lack of family support, lack of technology skills, lack of training and education, and start-up capital. According to secondary data from the Tambunans study conducted in Muslim nations, religion presents a significant barrier to women's entrepreneurship. Women are unable to move freely and must wear veils or at the very least scarves. For instance, there aren't enough seats on public transportation for women in Pakistan. This, when compared to the primary data, shows that this problem is persistent in Malawian rural areas.

Data from a 2015 South African study by Chinomona & Maziriri revealed that society discriminates against women. Due to gender imbalance, science subjects like chemistry, physics, mathematics and engineering are discouraged from being studied by women entrepreneurs since they are viewed as "male" subjects. This discourages women from pursuing entrepreneurship. The main conclusions of this study also revealed that certain women in Malawi's rural communities are denied access to schooling.

6. CONCLUSION

Women tend to think of themselves as being less valuable than males and that their roles as housewives and partners should be dependent on their husbands. This perception deters women in Malawi from starting their own businesses. They believed that women are less valuable in society. Women entrepreneurs face difficulties with startup funding, family support, technological aptitude, education and training, and financial accessibility. Another significant barrier to women's business is religion. Therefore, a framework for the empowerment of women in Malawi might be quality microfinance outreach and other value-added services.

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