



Islamic Microfinance and Women Entrepreneurial Success: Mediating Role of Human Capital

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Purpose: This paper examines Islamic microfinance impeding sustainable women's entrepreneurial performance in South Punjab, Pakistan. Further, we examine whether human capital mediates the relationship between variables

Design/Methodology/Approach: To examine the impact, the primary data were collected from 220 women entrepreneurs who obtained microfinance from Islamic microfinance institutions (IMFIs) and Non-Islamic microfinance institutions operating in South Punjab, Pakistan. The correlation and regression models are used to translate the relationship and measure the impacts of microfinance on women's entrepreneurial performance.

Findings: Results show that Islamic microfinance plays a positive role in women's entrepreneurial success. Further, documented that IMFIs have contributed more to entrepreneurial growth as compared to non-IMFIs.

Implications/Originality/Value: This paper can be further extended by incorporating more factors and increasing sample size in order to get more significant results.



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Introduction and Background

Globally, women entrepreneurs are playing a vital role in boosting the GDP of the economy and managing the sustainable livelihood of their families. Women are facing many socio-cultural attitudes, legal obstacles, lack of education, and personal difficulties (Newman et al. 2017). Microfinance is identified as a significant tool that allows financial and social freedom for poor women by facilitating access to financial services. Microfinance institutions (MFIs) have a high concentration of women beneficiaries and aim at alleviation of poverty in all its forms. Thus, the

primary purpose of MFIs is to be social by reducing poverty (Khaval et al. 2013). The objective of microcredit is to alleviate poverty by enabling the poor to participate in fruitful activities and be self-sufficient in generating income (Siwale & Ritchie, 2012). MFIs have focused on finance-related services to poor families who have no access to official financial schemes (Postelnicu & Hermes, 2016). Access to microfinance enhances the capabilities of the poor by financial support to involve in sustainable self-employment economic activities. The MFIs provide small loans to help the poor women in establishing/enhancing their businesses (Khavul et al. 2013). In Islamic countries, IMF has grown to be a popular method to alleviate poverty by offering new avenues for entrepreneurs and promoting empowerment (especially among women), while improving social and human capital in poor communities (Aldrich & Meyer, 2015).

In the 70s, the microfinance economic expert Muhammad Yunus presented the idea of microfinance; to help poor women by providing them microfinance and enlightened capital. Subsequently, Yunus established Grameen Bank for the awareness of microfinance, and later on MFIs upraised globally (Bruton et al. 2011). Hence, microfinance had increased the abilities and the living standard of the poor as a global strategy (Banerjee & Jackson, 2017). The female inclusion and proportion in micro-enterprises have been remarkably increasing worldwide (Fielden & Davidson, 2005). Pakistan has the lowest rates of female participation in economic business activities as compared to Iran and India (Syed, 2010). Entrepreneurship represents entrepreneurial tenacity and success; it performs a major role in bringing changes in all aspects of the community (Pahuja & Sanjeev, 2015). Entrepreneurial development is the process of generating employment levels and reduction in poverty; however, all economies are willing to generate entrepreneurial development. Kibet et al. (2015) established optimistic impacts of microcredit on the entrepreneurial establishment. Whereas, Zawadi (2014) observed that MFIs have significant effects on micro-entrepreneurship development and offer significant consultation, training, and enterprise-based activities; however, higher interest has important restraint for entrepreneurs in Pakistan. It is also documented that microfinance gives a lot of advantages to poor individuals and households (Newman et al. 2017).

Pakistan is an emerging market with a population size of 210 million, 63 percent of the population used to live in rural areas (Pakistan first-ever report, 2016) about 40 percent of the population was living under the dimensional poverty line. The poverty index reduced from 55 percent to 39 percent between 2015 to 2019, however, later poverty index increased. In rural areas, the poverty level is about 54.6 percent and in urban areas is 9.3 percent. The government of Pakistan's significant concern is to eliminate poverty, enhance the supply of employment, and to achieve sustainable economic growth. The availability of microcredit to poor individuals and households is the foundation of enterprise development. Currently, most of IMFIs are introducing new microfinance programs for poor women with zero interest rates. In 2001, the Government of Pakistan constituted MFIs and MFIs Ordinance to legalize performances of MFIs licensed by the SBP. Currently, following MFBs/NGOs and TCs are working in Pakistan, such as Naymet, Akhuwat, Microsoft Innovation Center, Damen, The Founder Institute, SMEDA, The First MF, Kashif Foundation, Peracha Organization, FINCA, Khushhali, NRSP, Social Innovation Lab, CED IBA, Telenor Velocity, Revolt, Plan9, The Nest I/O, Invest2Innovate, LUMS Center for Entrepreneurship, PlanX, Serendipity, The Incubator, Technology Incubation Center, NUST, Arpatech Hatchery. The MFIs provide microcredit, allow quick access to poor people and create prospects for poverty alleviation. MFIs facilitate poor individuals to access microfinance easily; microcredits are provided to them on doorstep; encourage women to get self-employed and reduce the burden of overloaded interests to poor. One important outcome from these benefits is the inclusion and integration of women in economic development (Hartarska & Mersland, 2012). Thus; women should be a priority in development programs in developing countries, as this will increase their economic integration as well as alleviate absolute poverty. The group lending process of MFI provides the borrowers extra support to fulfil their individual goals. Women are supported through peers' groups to make economic

decisions; this gives self-confidence and mutual pledge for their entrepreneurship (Byrne et al. 2019). Recently, MFIs are also growing speedily in Muslim countries such as Pakistan (Shaikh, 2016). Existing literature highlights that microfinance cuts down the poverty level and intensifies empowerment of women in such a way. For instance, in rural areas women have lacked easy access to microfinance from MFIs. In literature, it has been documented that there have been some attempts made. However, such attempts have often resulted in one-to-many as well as many-to-one mappings and the resultant clutter that adds little value in terms of comprehending the underlying relationships. In what follows, we seek to explore the relationship by going to the basics. We seek to delineate the relevant Shariah norms (interest free microcredit) and their impact on one of SDG.

It is also documented that MF successfully eliminates the poverty level among poor women, but, the suitable effect of IMF and human capital on entrepreneurial growth remains under-studied. Further, literature also missing that microfinance is significantly related to women's business performance and relationship is moderated by human capital. Providing Islamic MF to poor women will make a multiplier effect that will increase the MF activities. Islamic microfinance (IMF) has been considered a major approach in supporting poor women by enhancing access to financial services. IMF also assists poor women in providing an improved life condition through increasing household income. Thus, the aim of IMF is to be social performing by reducing poverty. Islamic microfinance (IMF) has been acknowledged globally as an essential tool that permits women to financial and social independence. This study endeavors to fill the gap and attempt to insight the entrepreneurial performance of IMF users in comparison to conventional microfinance in the same socio-economic climate in an emerging economy. Although, some research scholars explored the nexus between MF and entrepreneurial growth in industrialized countries. However, there is a gap that needs to be investigated. It is pertinent to mention that our study is in a local environment and does not investigate earlier; the role of Islamic MFIs are fulfilling the financial need of women's entrepreneurs. The major purpose of the paper is to examine the impact of Islamic microfinance and human capital on women's business growth, particularly in South Punjab, Pakistan; where people have a high poverty level as compared to other regions of Pakistan. Moreover, it is investigated whether the MFIs contribute more than conventional MFIs in women enterprises' growth. The overall objective of the paper is to get a better understanding of the relationship between Islamic microfinance and performance of the women entrepreneurship. After completion of this study, it is hoped that it will contribute to the current study on the impact of microcredit on women's entrepreneurial growth. It will help other research scholars and policymakers who will be in need of material in different requirements. Findings are beneficial for microfinance institutes that will find it necessary to help entrepreneurs who have direct consequences on wealth creation, poverty alleviation, and job innovation. It will also provide insight to women entrepreneurs into the effects of microcredit in the establishment and extension of their businesses. This study will also show why Islamic microfinance is very important for women's business growth.

Literature Review

Microfinance play an important role in economic development and is used as a tool to eliminate poverty globally. Microfinance is defined as "access to financial services such as saving, microcredit, payment/transfer, insurance to poor and low-income households" (ADB, 2000). In the last two decades, Microfinance and entrepreneurship have to get the attraction by researchers due to economic development has been shifted towards developing countries (Lewin et al. 2016). The major obstacle in the growth of entrepreneurship in Pakistan is a lack of microcredit (Bagh et al. 2017). Mustafa & Ismailov, (2008) explored entrepreneurial development which comprises innovation, profit maximization, and establishing an enterprise. Entrepreneurial development activities support employment, innovation and raise economic growth. When MFIs put their hands together with entrepreneurs that plays important role in poverty reduction and sustainable entrepreneurial growth.

Umara et al. (2011) explored the impact of access to microfinance on poverty reduction in Pakistan. They found a positive effect of MF in raising the level of education of children and household expenditure. Whereas Osunde & Mayowa (2012) and Jayewardene (2012) pointed out that MFIs are performing an important and significant role in providing loan and technology facilities for women. Moreover, Salwa et al. (2013) described that microfinance performs a vital role in entrepreneurial development. Regardless of much growth in microfinance globally in the last three decades, however, the outcome of MF on entrepreneurial growth is not distinctly appreciated (Roodman, 2013). Nowadays, community awareness is in favor of microcredit. Researchers found that microfinance motivated small size enterprise activity but no such facts were available that it helps in the reduction of poverty. There exist some issues in the case of MFIs if including financial departments, rules, and regulations for the protection of consumers but developing nations lack these facilities. Likewise, Wanambisi & Bwisa (2013) found that microcredit positively affects the SME's growth. Alalade et al. (2013) examined the impact of MFIs on entrepreneurship growth in Nigeria. Findings revealed an insignificant effect of MFIs operations on entrepreneurial growth because MSME has insufficient funds; the owners of MSME borrow from relatives or use their own resources. The entrepreneurial growth could be significant with MFIs if it works for the development of the production sector if the MFIs were managed and operated properly to achieve the basic goal of their foundation. It was recommended by the researcher to provide MF to the poor to encourage them and to avoid default risk, encourage group borrowing, Government policies adopted to provide knowledge to borrowers, give awareness to borrowers, make policies for loan repayment issues, and need to introduce more factors that affect entrepreneurial growth (Unam & Unam, 2013; Akinbola et al. 2013). Salum (2014) concluded that Microfinance institutions were playing a very important role in boosting up entrepreneurial development at the micro-level and also identifying the different types of hindrances in business progress. Therefore, the aim of this study was to remove certain hurdles which were slowing down entrepreneur development which includes lack of collateral, the high-interest rate on loans, lack of registration, and poor management of SMEs.

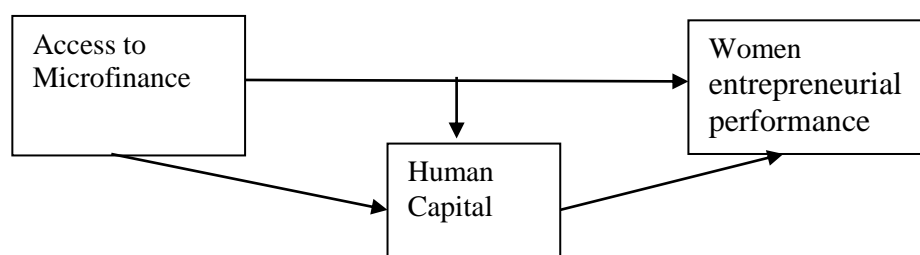
Waithaka et al. (2014) conducted research to measure the impact of microfinance institutions in the flourishing of SMEs in Nairobi. They found a significant impact of microfinance on the growth of SMEs. Microfinance has become a critical tool in credit markets for the elimination of poverty and socioeconomic growth. So far its effect is yet to under examine and varies from country to country and from urban to rural areas. However, academics considered these results true, whereas, others say that these impacts are not as correct as portrayed. Alvarez & Barney (2014) established the research about the potential for microcredit to reduce poverty and increase entrepreneurship suggests that microcredit has no ability to alleviate poverty. For example, scarcity of start-up capital is considered the main hurdle for the poor to exploit entrepreneurial opportunities. But economists and management scholars say that lack of capital is not the only factor required for encouraging innovation and the creation of growth of the business enterprise. Ferdousi (2015) discussed the effects of microcredit on sustainable business growth in Bangladesh. His study results were in favour of encouraging providing microcredit to businesses and a large amount of credit can raise output, but less innovative enterprises put pressure on these outputs. It should be recommended that microcredits connected with accurate entrepreneur expertise, knowledge, and technologies be given by microfinance institutions with a careful check. A major issue of poverty elimination is creating wealth through sustainable growth of micro-enterprises; microcredit contributes to the wealth-creation procedure.

Kibet et al. (2015) documented that MF has a positive influence on entrepreneurship development. It was concluded that better opportunities were needed to enhance SMEs and easy access to MFIs, better government policies needed, MFIs were needed to facilitate SMEs to attract them by easy terms and conditions, the partnership of MFIs with govt. and other financial institutions, involvement of central banks needed, financial advisory services needed for

avoiding risk to provide credit to individuals and train entrepreneurs how to avoid business failure (Thorpe, 2017;Vigano, 2004). Yousaf et al. (2016) point out that women playing important role in economic development. Results show a positive nexus of MF with women's business growth and this relationship is also mediated through social capital. Hence, women should be encouraged to engage in SHGs to improve empowerment and play a very important role in economic growth. While Kapila *et al.* (2016) findings indicate that microfinance significantly contributes to women's entrepreneurial growth in India. Further, Bernard *et al.* (2016) results indicate that microcredit has a positive influence on women's entrepreneurship. Whereas Dutta & Banerjee (2018) analyzed whether MFIs influence business plans of women borrowers which contribute to poverty reduction. This research is based on the comparison of women financing through MFIs and non-MFIs in their social and economic conditions. Rathirane & Semasinghe (2016) found out that the microfinance elements (loans, savings, workshops, and social networks) have a positive relationship with entrepreneurial activities. Mahmood (2011) investigated the relationship between microfinance on women's entrepreneurship in Pakistan. The data was collected through questionnaires from women who got credit from MFIs. The statistics showed that 62% of women started their businesses with the support of MFIs. Findings show that MFIs offered loans to poor women for establishing their businesses. Findings also show that MFIs' lack of training is a hindrance in establishing their business. Mula & Sarker (2013) evaluated the effects of MFIs on women entrepreneurs in India. They found that majority of respondents were of average age and based on farming families. There is a significant increase in income generation, level of employment, consumption, rate of investment, savings, and assets of those women who participated in the SHGs. In summary, microcredit plays a very important role in the improvement of the social life of the rural population.

Kaka & Abidin (2015) analysed the moderating effects of performance and mediating impacts of MFs workshops on the reduction of poverty in Nigeria. They figured out that MFIs play an important role to help poor women to extant or to begin enterprise through workshops and training to improve the living standard of their families. Similarly, Shakya (2016) results showed that economic and social development has a relationship with income and saving. Thus, rural women borrowed from other institutions on high-interest rates as compared to urban women borrowing from MFIs. Nyoni (2017) recommended policies for betterment of women business growth such as Government, needs to offer education & training and financial support should be offered for women through govt. Swapna (2017) established the relationship between MFIs and women entrepreneurship in India. This study indicated factors such as lack of market knowledge; record-keeping and attainable profit gaining cause the women hardships to generate profit and hurt their business. This study focused that the offer of investment in women proved to be more beneficial for themselves and their families' living standards as food, medical, health, and their literary rates got better which perform a positive impact on society as a whole. Ukanwa et al. (2018) explored MF can affect the household needs of family and their potential to pay back the credit. Thus, a number of women-run small businesses for the survival of their basic needs such as food and the schooling of their kids. So, as to reduce poverty through micro-businesses is not always a required solution. Bhatt & Shastri (2018) investigates the effect of MFIs on women's entrepreneurship and suggested that microfinance plays important role in women's entrepreneurial success.

Conceptual Framework



Hypothesis

H1: Microfinance has a significant impact on sustainable women entrepreneurial performance

H2: Human capital has a positive relationship with women's entrepreneurial success.

H3: Human capital mediates the relationship between MF and sustainable women's entrepreneurial success.

Research Methodology

In this research venture, we used the quantitative survey approach to inspect examine the relationship of variables. The data was collected through a questionnaire from March-July 2019 to examine the nexus between all variables. The convince sampling technique was employed to select the respondents for data collection; 220 questionnaires were get filled out form women enterprise that has access to microfinance from Akhuwat and Kashaf Foundation. For questionnaire preparation, the researcher conducted in-depth interviews with the managers of Akhuwat, Kashaf foundation and UPAP. The questionnaire was evaluated and approved by relevant researchers. After finalizing the questionnaire, every question was translated into Urdu. The Urdu translation was assessed, evaluated and approved by my respected teachers and researchers. We observed that respondents hesitate to fill the questionnaire; the managers of institutions helped the researcher and requested the respondent to complete the questionnaire. Despite all that, we could collect 220 questionnaires, out of 300 questionnaires given to respondents. The questionnaire-based was on the five Likert scale points (1 Strongly Disagree to 5 strongly Agree) and the women respondent were requested to rate the 42 items that were divided into four constructs, which are microfinance credit, microfinance services, women entrepreneurial performance, and demographic profiles. When a researcher is making a questionnaire it focused on structured and unstructured questionnaires types. A questionnaire with well-defined, concrete, and predetermined questions is known as structured questionnaires and those questionnaires whose characteristics are not present in its questions are known as unstructured questionnaires (Saunders et al. 2009). A survey questionnaire is a tool that represents the structure formed questions to receive data from the participants, as these questions are generally in a prearranged category and comprise a uniform scale to determine the dimensions of research. Questionnaires are an important technique for data collection because it saves money and time; simple for collecting data from participants; flexible with time, data analyzed easily, and manage large sample size by reducing errors of primary data (Boyce, 2003). The Likert scale approach is mostly applied in the majority of the questions to continue consistency and it's an easy way to code and categorize different variables according to the responses. The scale of code was elaborated to the women participants, those who requested to pick the reply via various measuring scales for approximately of questions in questionnaire excluding the demographic information. With all these the academic reason of the research was also explained in advance to the participants to get rid of unexpected errors. These points should be considered while constructing a questionnaire, (Pallant, 2007).

Following model employed to analyze the nexus between microfinance and women's entrepreneurial performance

$$WEP = f(MC, HC, AGE, FSIZE,)$$

$$WEP = \alpha + \beta_1 MC + \beta_2 HC + \mu_i$$

Where,

WEP= Women entrepreneurial performance; *MC*= Microfinance; *HC*= Human Capital

AGE= Business Age; *FSIZE*= Family size; *Edu*= Respondents Education; *TB*= Types of Business

Descriptive Analysis

Further, collected data were analyzed and summarized by using statistical techniques of the overall score and easy percentage. The characteristics of respondents are shown in table 02.

Table 2: Characteristics of Respondents

Age	Frequency	Percent	Valid %	Cumulative %
18-30 Year	45	20	45	20
31-40	89	40	89	60
41-50	61	28	61	88
51 years and above	25	11	25	100
Family Size				
0-2	14	6	6	6
3-4	70	32	32	38
5-<	136	62	62	100
Education				
No Formal Education	80	36	36	36
Primary Education	10	5	5	41
Secondary Education	60	27	27	68
Graduation And Above	70	32	32	100
Business Type				
Beauty Parlor	24	11	11	11
Boutique	28	13	13	24
Retail Shop	41	19	19	43
Tailoring/stitching	12	5	5	48
School	29	13	13	61
Others	86	39	39	100

The descriptive results show that most women between the ages of 31 and 40 were actively involved in the business. These results also show that there is a very significant relationship between starting a business with the age as more women are encouraged to start up their enterprises at a younger age than old age as the age range of 31 to 40 is the ideal age. The results are consistent with the findings of Carter et al. (2001) and Shaw et al. (2005) are females starting up their enterprises at a young age. Findings also show that most of the women respondents have started their business having large members as their family size was 5 to more than five members. Literature indicates that education is considered as a positive effect on starting up a new business (Goedhuys & Sleuwaegen, 2000) and achievement, development, and growth of enterprises (Parker & Van Praag, 2006). Women businesses are also affected by the level of education as the opportunity of starting a business or expanding existing business increases among educated females (Harding et al. 2007). Therefore, in developed and underdeveloped countries it is estimated that the level of education in already running business ladies is more than those starting up a business. This indicates that education might be playing a very important role to influence enterprise growth and sustainability positively (Harding et al. 2006). Results show that majority of respondents have no formal education. The main reason for the lack of education among women in the early age weddings causes the dropout of girls from school (Kamal & Haider, 2006). Further, our study, shows that the following categories of business are run by women, i.e boutique, retail shops, beauty parlor business; tailoring/stitching; school, and women invested in different businesses (livestock, cloth dying, scrap business, etc.). The most important reason is the responsibilities of their children for the female to set up their own business, and negative incidents as gender inequity and/or children bringing up issues (Brindley & Ritchie, 1999).

Table 3: Overall Descriptive Statistics

	MC	WEP	HC
Mean	4.286	4.420	4.193
Std. Deviation	0.619	0.674	0.593
Minimum	1.00	1.00	1.00
Maximum	5.00	5.00	5.00

Table 03 shows the overall descriptive results (mean, standard deviation) of all variables. Findings indicate that the average value of microfinance is 4.286; the standard deviation is 0.619, the WEP mean value is 4.420; the standard deviation is 0.674. The average value of human capital is 4.193; the standard deviation is 0.593, this show majority of respondents' response is more than normal.

Table 4: Means Comparison between Islamic & Non- Islamic MFIs

	Mean Value		t-test for Equality of Means		Inference
	IMF	Non-IMF	Difference	p-value	
MC	4.346	4.180	0.166	0.031	H1 accepted
WEP	4.502	4.382	0.120	0.010	H1 accepted
HC	4.320	4.105	0.215	0.000	H1 accepted

One of the objectives of this paper is to investigate whether Islamic microfinance institution contributes more as compared to non-Islamic microfinance institution in entrepreneurial performance. Table 4 outcomes indicate a significant difference between IMFIs and non-IMFIs. These results confirmed that IMF contributes more to women's entrepreneurial performance as compared to non-IMFIs. Further, findings investigated that IMF imparts more in poverty reduction as compared to non-IMFIs. Islamic finance prohibits interest-based (riba) transactions and speculation (gharar), while non-IMF is based on the debtor-creditor relationship. Further, to check the reliability of measurement items, CFA analysis was done and results meet the criteria. Further, composite reliability (CR) should be greater than 0.70 (Bagozzi & Yi, 1988), CR should be higher than AVE, which should be more than 0.50 (Hair et al. 2010). Hence, data met the criteria and validity of convergent and discriminant. Hence, the variables are considered to be adequate for further analysis.

Table 5: Measurements Model Results (Reliability and Validity)

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Women Enterprise Performance	0.841	0.919	0.742
Microfinance (MC)	0.852	0.900	0.694
Human Capital	0.880	0.908	0.590

Results, Analysis, and Explanation

The correlation test was used to confirm the significance of nexus between microfinance (MC), women's entrepreneurial performance (WEP), and human capital (HC). Table 6 outcomes indicate that there is a positive correlation of WEP with MC & HC at a level 1% and 5%. The results are similar to the traditional, findings which evidence that microfinance has a positive impact on women's business performance (Osunde and Mayowa, 2012).

Table 6: Pearson Product Correlations Results

Variables	MC	WEP	HC
WEP	0.550*** (0.000)		
HC	0.431** 0.034	0.896*** 0.000	1

Note: *** is significant at 0.01 level; ** is significant at the 0.05 level

Further, the normality of the response variable and autocorrelation was checked, the results confirm no normality issues found in the data. Lastly, to test the null hypotheses, the regression and mediation test was employed.

Table 7: ANOVA Results

Model	Sum of Squares	Df	Mean Square	F	p value
Regression	29.262	3	9.754	45.155	0.000
Residual	44.498	206	0.216		
Total	73.760	209			

Table 8: A: Regression Results (Dependent Variable: WEP)

Model	Unstandardized Coefficients		t-statistic	p-value
	B	Std. Error		
Constant	0.199	0.452	0.440	0.660
MC	0.654	0.057	11.565	0.000
HC	0.438	0.034	7.456	0.000

Table 9: Mediation Results of MC-HC-WEP

Direct Effect	Coefficient	Sample Mean	Std. Deviation	t-statistic	p-value
MC -> WEP	0.577	0.585	0.073	7.934	0.000
MC -> HC-> WEP	0.078	0.084	0.040	1.947	0.050

Regression results show that MF significantly affects women's entrepreneurial growth. This shows that a better perception of microfinance worthiness leads to better performance of women entrepreneurs. The results are similar to our assumptions that a better perception of microfinance creditworthiness improves the performance of women entrepreneurs, so H1 is accepted. Results are similar to previous findings that microfinance has a positive impact on women's business performance (Osunde & Mayowa, 2012). The table 09 results show a mediation relationship of human capital between microcredit and women's business growth because this study found a direct positive and significant relationship between microfinance and women's business growth. This indicates that there is a partial mediation of human capital between microfinance and women's business growth. The possible justification of our results may be due to certain barriers that impede entrepreneur development including lack of collateral, the high-interest rate on loans, and lack of registration and poor management of micro-entrepreneurs (Salum, 2014). Mahmoud (2011) documented similar patterns that although MFIs are providing credit to women for starting their business, however a lot of women did not use microfinance for the said purpose. Further, it is recommended by the researcher to provide MF to the poor to encourage them and to avoid defaulting risk, encourage group borrowing, government policies need to be adopted to provide knowledge to borrowers, discussion in groups and conferences done to give awareness to borrowers, need more MFIs to be established in villages, to make policies for loan repayment issues and need to introduce more factors that affect entrepreneurial growth.

Conclusions and Policy Recommendations

The major purpose of the study is to measure the effects of microfinance on women entrepreneur performance. Further, we conduct a deep review of literature in women's entrepreneurial performance, microfinance area, and their critical consideration of the issues influencing them; the socio-economic benefits of encouraging women to begin a journey of entrepreneurship. The study encourages women for starting their own enterprises, significant the gender performance and performance of factors as socio-economic (age, level of employment, educational level, income of household, balance in life work), and detail of effects of the financial and non-financial resources. The major aim was attained about thoughtful level about problems of gender discrimination which were faced by women. The most important theoretical conclusion of the research is microfinance played a significant role in the development of women's entrepreneurial performance not only in starting a business but in boosting up the established business as well. Moreover, this paper examines the role played by microfinance in women's entrepreneurial performance. So results provide helpful insights into the entrepreneurship and microfinance accessibility research domains.

Future researchers should include more regions (data coverage) for the generalization of these results. Women entrepreneurship improvement is one of the major issues which could be better unearthed through interviews. Thus, future researchers should use qualitative research design (interview method) to help us understand the intricacies of women's entrepreneurial activities and their perception of the creditworthiness of microfinance institutions. Lastly, the sample size

is not enough to compute or represent the whole population, so the sample size must be increased.

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