

# Role of microfinance in increasing the level of awareness about the outer world among the women

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## Abstract

A key component of women's empowerment is their awareness of and exposure to the outside world, which shows their degree of expertise, self-assurance, and capacity to interact with others outside of the home and conventional spheres. Through financial inclusion, training initiatives, and community involvement, this study investigates how microfinance can increase women's understanding and exposure to the outside world. The study used descriptive and inferential statistical methods, such as cross-tabulation, ANOVA, and t-tests, to examine differences across marital status, community, and family type based on responses from 400 women connected to different microfinance organizations and self-help groups. The findings showed that, although the extent of the influence varies slightly across various community groups, microfinance has greatly raised women's knowledge across all demographic categories. The results confirm that microfinance is a transforming tool for social and economic empowerment, promoting independence, decision-making skills, and participation in societal development, in addition to being a financial mechanism.

**Keywords:** Microfinance, Women Empowerment, Awareness, Community Development, Financial Inclusion, Social Change, Self-Help Groups (SHGs), Gender Equality.

## Introduction:

Particularly in developing nations like India, microfinance has been a potent tool in recent decades for advancing women's empowerment and socioeconomic development. Women have historically been restricted to the home and have had little access to the outside social and economic surroundings in rural and semi-urban communities. The emergence of microfinance initiatives—through microcredit institutions, cooperatives, and self-help groups

(SHGs)—has not only given women access to financial resources but also acted as a catalyst for raising their level of social consciousness.

Beyond only giving out modest loans, microfinance serves as a socially revolutionary tool that promotes women's engagement with markets, financial institutions, governmental organizations, and other constituencies. These kinds of contacts broaden their perspectives, enhance their comprehension of the socioeconomic environment, and boost their self-assurance while making decisions. In addition to gaining exposure to new concepts, possibilities, and challenges outside of their conventional settings, women acquire critical skills through group activities, training sessions, and money management.

Understanding market systems, social challenges, legal rights, economic trends, and educational and entrepreneurial opportunities are all parts of being aware of the outside world. Women are more likely to make wiser decisions in life, support their families, and actively participate in community development when they are better informed and involved with these outside influences. Therefore, microfinance bridges the gap between social empowerment and economic inclusion by acting as a financial and instructional tool.

This study explores how different demographic parameters, including marital status, community, and family type, impact the relationship between microfinance and women's increased awareness of the outside world. Through an examination of women's perspectives and experiences, the research aims to demonstrate how microfinance programs enhance women's perspectives, self-esteem, and engagement in society in addition to providing financial advancement.

### **Literature review**

One important instrument for advancing women's empowerment and social change is microfinance. It serves as a catalyst for raising women's exposure to and understanding of the outside world in addition to offering financial support. Microfinance helps women to gain financial literacy, social awareness, and commercial acumen through self-help programs and participatory methods (Awojobi et al., 2014). These initiatives widen women's perspectives beyond household duties by assisting them in understanding institutional institutions, community networks, and market dynamics.

Microfinance empowers people in ways that go well beyond financial freedom. It involves improved confidence, decision-making skills, and knowledge of social, political, and legal rights. According to Schuster (2015) and Kumar et al. (2015), empowerment is the process by which people acquire autonomy, self-assurance, and the ability to make decisions that affect their life. Women who engage in microfinance activities are exposed to training, meetings, and business planning activities that foster an understanding of community development, financial management, and entrepreneurship. They are exposed to broader social and economic structures that they were previously unaware of.

Programs provided by microfinance institutions (MFIs) usually include elements related to capacity-building and gender awareness. Through these initiatives, women are better able to comprehend the larger context in which they work, including local governance institutions, customer preferences, and market connections. According to Dutt and Sharma (2016), empowerment has several facets, including social, psychological, and economic ones, and it empowers women to question conventional norms and interact more successfully in public settings. Similarly, Kamal (2016) highlights that by raising women's knowledge and engagement, education and employment possibilities provided by microfinance projects are essential to sustainable development.

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According to Mishra (2016) and Chen et al. (2017), certain microfinance initiatives have successfully integrated rights-based training and gender sensitization. In addition to raising women's economic standing, these programs have given them more confidence when interacting with banks, governmental institutions, and neighborhood associations. Their understanding of society institutions, growth plans, and prospects in the outside world is greatly enhanced by this interaction.

Women from underprivileged and rural communities who were previously shut out of official financial institutions have profited greatly from microfinance on a global scale. According to Mansurali and Swaminathan (2017), microfinance initiatives have made it possible for these women to interact with financial institutions, go to workshops, and take part in forums where decisions are made. Their perspective and comprehension of life outside of their local surroundings are expanded as a result of these experiences, which expose children to new concepts, technology, and social networks.

According to World Bank and CGAP reports, women who obtain microfinance not only increase household income but also become more knowledgeable about political involvement, health care, education, and property rights. They are able to participate more actively in local and community governance thanks to this knowledge. According to Bayes (2006), microfinance interventions enable women realize their capacity to affect social change and improve their socioeconomic standing. The understanding that results promotes leadership, mobility, and group action participation. Thus, microfinance functions as a social learning process in addition to a financial mechanism. It gives women access to official institutions, peer groups, and marketplaces so they may learn about social services, legal systems, and business operations. Women have a deeper comprehension of the outside world and their place in it as a result of these encounters.

To sum up, microfinance has a major role in raising women's awareness, self-esteem, and social participation. It changes their perspective and equips them to take a more active role in the process of development by increasing their access to economic opportunities, social contact, and information. As a result, microfinance becomes a tool for education and financial empowerment that enables women to transcend conventional household constraints and actively participate in society.

## **Research methodology**

### **Research Design**

In order to evaluate how microfinance contributes to women's increased awareness of the outside world, the current study used a descriptive and analytical research approach. The study aims to assess the ways in which women's exposure, social consciousness, and comprehension of external socio-economic settings are influenced by their participation in microfinance across several demographic segments, including marital status, community, and family type.

### **Sample and Sampling Technique**

For the study, 400 female respondents in total were chosen. Women who were recipients of loans from different microfinance organizations and self-help organizations in the research region were included in the sample. The respondents were selected using a stratified random sampling technique to guarantee representativeness, covering a range of groups according to community (General, OBC, SC, and ST), family type (joint and nuclear), and marital status (married, unmarried, widowed, and divorced).

## **Data Collection**

A structured questionnaire with items scored on a five-point Likert scale (from Strongly Disagree to Strongly Agree) was used to gather primary data. Women's awareness and exposure to the outside world as a result of their involvement in microfinance programs was the main variable evaluated. To guarantee accuracy and clarity, the questionnaire was distributed via in-person meetings and interviews.

## **Data Analysis Tools**

Both descriptive and inferential statistical methods were employed to examine the gathered data:

- Descriptive statistics, including frequency, percentage, mean, and standard deviation, were employed to encapsulate the respondents' overall viewpoints.
- To test the hypotheses and determine whether there were significant differences between groups based on marital status, community, and family type, inferential statistics like ANOVA and t-tests were used.
- Hypotheses Tested

The following hypotheses were formulated and tested:

- H<sub>01</sub>:** There is no significant role of microfinance in increasing the level of awareness about the outer world among women with respect to their marital status.
- H<sub>02</sub>:** There is no significant role of microfinance in increasing the level of awareness about the outer world among women with respect to their community.
- H<sub>03</sub>:** There is no significant role of microfinance in increasing the level of awareness about the outer world among women with respect to their family type.

## **Demographic Profile of the respondents**

Table 1: Showing Demographic profile of the respondents

<b>Demographic Profile of the Respondents</b>		
<b>Family Type</b>	Joint Family	319
	Nuclear Family	81
<b>Marital Status</b>	Married	195
	Unmarried	172
	Widow	11
	Divorcee	22
<b>Community</b>	General	70
	OBC	125
	SC	110
	ST	95
<b>Total</b>		400

The demographic details of 400 female respondents are shown in the table according to their marital status, community background, and family type. According to the data, 319 (79.8%) of the respondents are from joint families, whilst 81 (20.2%) are from nuclear families. This suggests that the majority of women polled are part of conventional joint families, which could affect their understanding of social and economic issues. There are 195 individuals (48.8%) who are married, 172 (43%) who are single, 11 (2.8%) who are widowed, and 22 (5.4%) who are divorced. With a lower percentage of

widowed and divorced individuals, this distribution shows a balanced representation of married and single women.

### **Data Analysis and Interpretation**

Being aware of and exposed to the outside world is an important aspect of women's empowerment since it shows how knowledgeable, self-assured, and able they are to interact with people outside of their traditional and domestic spheres. By providing them with access to formal institutions, training programs, and larger community networks, microfinance has significantly improved women's awareness through its financial and social interventions. An examination of respondents' opinions about how microfinance helps women become more conscious of the outside world is provided in the section that follows. Using statistical tools like cross-tabulation, descriptive statistics, ANOVA, and t-tests to determine the significance of observed differences, it looks at changes across various demographic variables like marital status, community, and family type.

#### **Awareness about the outer world among the women**

Table 1: Showing the opinion of the respondents towards role of microfinance in increasing the level of awareness about the outer world among the women

<b>It has made them aware about the outer world.</b>	Frequency	Percent
Strongly Disagree	3	0.8
Disagree	8	2
Neutral	27	6.8
Agree	4	1
Strongly Agree	358	89.5
Total	400	100

The general distribution of women's views on how microfinance helps them become more conscious and exposed to the outside world is shown in Table No. 1. A significant majority of the 400 respondents, 358 women (89.5%), strongly believed that microfinance has increased their awareness of the outside world. This overwhelmingly positive answer suggests that microfinance initiatives have been crucial in helping women see the world from a wider angle and to access social and economic opportunities outside of their small community.

Just 6.8% of respondents said they had a neutral opinion, compared to 2.0% who disagreed and 0.8% who strongly disagreed with the statement. Just 1.0% of respondents said they agreed, although not strongly.

#### **Hypothesis a:**

**There is no significant role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. marital status.**

Table 2: Showing the crosstabulation regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. Marital Status

**Marital Status \* It has made them aware about the outer world. Crosstabulation**

			It has made them aware about the outer world.					Total	
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Marital Status	Married	Count	0	4	13	4	174	195	
		%	0.00%	2.10%	6.70%	2.10%	89.20%	100.00%	
	Unmarried	Count	3	4	10	0	155	172	
		%	1.70%	2.30%	5.80%	0.00%	90.10%	100.00%	
	Widow	Count	0	0	1	0	10	11	
		%	0.00%	0.00%	9.10%	0.00%	90.90%	100.00%	
	Divorcee	Count	0	0	3	0	19	22	
		%	0.00%	0.00%	13.60%	0.00%	86.40%	100.00%	
Total		Count	3	8	27	4	358	400	
		%	0.80%	2.00%	6.80%	1.00%	89.50%	100.00%	

The distribution of women's views on how microfinance helps them become more aware of the outside world, broken down by marital status, is shown in Table no. 2. According to the findings, the majority of respondents in every marital category strongly agreed that microfinance had raised their exposure and awareness. The statement was strongly agreed with by 89.2% of married women, opposed by 2.1%, and agreed by 6.7%. Similarly, a very positive response was shown by the 90.1% of single women and 90.9% of widowed women who strongly agreed that microfinance programs have helped them become more conscious. 86.4% of divorced women strongly agreed, while 13.6% were ambivalent, indicating that even this group views microfinance as a useful tool for enhancing their awareness of the outside world.

Table 3: Showing descriptives regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. Marital Status

Descriptives								
It has made them aware about the outer world.								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Married	195	4.7846	0.65391	0.04683	4.6923	4.877	2	5
Unmarried	172	4.7442	0.81199	0.06191	4.622	4.8664	1	5
Widow	11	4.8182	0.60302	0.18182	4.4131	5.2233	3	5
Divorcee	22	4.7273	0.7025	0.14977	4.4158	5.0387	3	5
Total	400	4.765	0.72532	0.03627	4.6937	4.8363	1	5

The descriptive statistics of women's answers to the statement "Microfinance has made them aware about the outer world" across various marital status groups are shown in Table No. 3. The

respondents who most firmly agreed that microfinance projects have improved their awareness and exposure to the outside world were widowed women, who reported the highest mean score (Mean = 4.82, SD = 0.60). This could be because widowed women, who frequently run their homes on their own, view microfinance as an essential tool for social interaction and empowerment. High levels of agreement were also shown by married women (Mean = 4.78, SD = 0.65), divorced women (Mean = 4.73, SD = 0.70), and single women (Mean = 4.74, SD = 0.81). The little differences in average scores between the groups indicate that although all categories

Table 4: Showing descriptives regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. Marital Status

<b>ANOVA</b>					
It has made them aware about the outer world.					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.212	3	.071	.133	.940
Within Groups	209.698	396	.530		
Total	209.910	399			

A one-way ANOVA test was used to determine whether women of different marital statuses—married, unmarried, widowed, and divorced—perceived that microfinance had raised their awareness of the outside world differently. The results are shown in Table No. 4. According to the findings, the F-value is 0.133 with a significance level (Sig.) of 0.940, which is significantly more than the conventional cutoff point of 0.05. This suggests that the mean perception scores for the various married groups do not differ statistically significantly.

#### **Hypothesis 5b:**

**There is no significant role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. community.**

Table 5 : Showing the crosstabulation regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. community.

			Community * It has made them aware about the outer world. Crosstabulation					Total	
			It has made them aware about the outer world.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Community	General	Count	0	3	1	0	66	70	
		%	0.0%	4.3%	1.4%	0.0%	94.3%	100.0%	
	OBC	Count	0	1	6	0	118	125	
		%	0.0%	0.8%	4.8%	0.0%	94.4%	100.0%	
	SC	Count	3	4	7	4	92	110	
		%	2.7%	3.6%	6.4%	3.6%	83.6%	100.0%	
	ST	Count	0	0	13	0	82	95	
		%	0.0%	0.0%	13.7%	0.0%	86.3%	100.0%	
	Total		Count	3	8	27	4	358	400
			%	0.8%	2.0%	6.8%	1.0%	89.5%	100.0%

The cross-tabulation of women's responses to the statement "Microfinance has made them aware of the outer world" and their community background is shown in Table 5. The data suggest that a huge majority (89.5%) of women strongly felt that microfinance had significantly enhanced their understanding and exposure beyond their household sphere. Just 2.8% of respondents said they disagreed. Women from the OBC (94.4%) and General (94.3%) categories showed the highest levels of agreement among the different community groups, indicating that microfinance has been very successful in expanding their perspectives. Similar to this, a sizable percentage of women from ST (86.3%) and SC (83.6%) strongly agreed, indicating that microfinance projects have improved women's awareness in all communities, albeit to differing degrees.

Table 6: Showing descriptives regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. community.

<b>Descriptives</b>								
It has made them aware about the outer world.								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
General	70	4.8429	0.65132	0.07785	4.6876	4.9982	2	5
OBC	125	4.88	0.50161	0.04487	4.7912	4.9688	2	5
SC	110	4.6182	0.95765	0.09131	4.4372	4.7992	1	5
ST	95	4.7263	0.69101	0.0709	4.5856	4.8671	3	5
Total	400	4.765	0.72532	0.03627	4.6937	4.8363	1	5

The opinions of women in various areas about how microfinance helps them become more aware of the outside world are compiled in Table 6. The respondents' strong and constant agreement is indicated by the total mean score ( $M = 4.7650$ ,  $SD = 0.7253$ ). The mean was marginally lower for SC women ( $M = 4.6182$ ) than for OBC women ( $M = 4.8800$ ), who were followed by the General ( $M = 4.8429$ ) and ST ( $M = 4.7263$ ) groups. All groups showed high levels of agreement (mean range: 4.61–4.88), despite some differences, indicating that microfinance has helped raise women's external awareness in various localities.

Table 7: Showing the results of ANOVA testing regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. community.

<b>ANOVA</b>					
It has made them aware about the outer world.					
		Sum of Squares	df	Mean Square	F
Between Groups		4.591	3	1.53	2.951
Within Groups		205.319	396	0.518	
Total		209.91	399		

**Table 7** presents the one-way ANOVA results examining differences among women of various communities regarding the role of microfinance in enhancing their awareness about the outer world. The analysis shows an F-value of 2.951 with a significance level of 0.033, which is below the 0.05 threshold. This indicates a statistically significant difference among community groups. Hence, the impact of microfinance on increasing women's external awareness varies across communities, suggesting that community background influences how women perceive and benefit from microfinance programs.

**Hypothesis 5c:**

**There is no significant role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. Type of family.**

Table 8: Showing the results of ANOVA testing regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. type of family

Family Type * It has made them aware about the outer world. Crosstabulation			It has made them aware about the outer world.					Total
Family Type	Joint Family	Count	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
		Count	3	8	21	0	287	319
	Nuclear Family	% within Family Type	0.9%	2.5%	6.6%	0.0%	90.0%	100.0%
		Count	0	0	6	4	71	81
	Total	% within Family Type	0.0%	0.0%	7.4%	4.9%	87.7%	100.0%
		Count	3	8	27	4	358	400
		% within Family Type	0.8%	2.0%	6.8%	1.0%	89.5%	100.0%

The association between family type and women's perceptions of the statement, "Microfinance has made them aware of the outer world" is seen in Table 8. According to the findings, women from nuclear and joint families generally concur that microfinance has improved their understanding of the outside world. Ninety percent of respondents from joint families strongly agreed, compared to 87.7% of women from nuclear households. In both categories, just a small percentage expressed neutrality or disagreement. Overall, 89.5% of all women strongly agreed, showing that microfinance has successfully increased their social involvement, awareness, and confidence regardless of the type of family.

Table 9: Showing the Group statistics regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. Type of family.

Group Statistics		Family Type	N	Mean	Std. Deviation	Std. Error Mean
It has made them aware about the outer world.	Joint Family	319	4.7555	.76258	.04270	
	Nuclear Family	81	4.8025	.55722	.06191	

**Table 9** presents group statistics comparing women's perceptions of microfinance in increasing their awareness about the outer world based on family type. The mean score for joint family women is 4.76 (SD = 0.76) and for nuclear family women 4.80 (SD = 0.56), indicating high and consistent agreement in both groups. The minimal difference between the means suggests that family structure has little impact on perceptions. Overall, microfinance has been equally effective in enhancing women's exposure, awareness, and understanding of the external environment, regardless of family type.

Table 10: Showing the result of Independent sample t-test regarding role of microfinance in increasing the level of awareness about the outer world among the women w.r.t. community.

		Levene's Test for Equality of Variances									t-test for Equality of Means	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference			
									Lower	Upper		
It has made them aware about the outer world.	Equal variances assumed	1.632	.202	- .520	398	.603	-.04698	.09033	- .22456	.13060		
	Equal variances not assumed			- .625	164.808	.533	-.04698	.07521	- .19548	.10151		

**Table 10** presents the results of the Independent Samples t-test conducted to examine whether women's perceptions of microfinance's role in enhancing awareness of the outer world differ by family type. The Levene's Test for Equality of Variances ( $F = 1.632$ ,  $Sig. = 0.202$ ) indicates that equal variances can be assumed. The t-test results ( $t = -0.520$ ,  $p = 0.603$ ) show no statistically significant difference between women from joint and nuclear families. The negligible mean difference (-0.04698) and the 95% confidence interval (-0.22456 to 0.13060) further confirm this. Overall, women from both family types share similar views, agreeing that microfinance has effectively enhanced their external awareness, regardless of family structure.

### Conclusion

In order to increase women's understanding and exposure to the outside world across a variety of demographic categories, microfinance is essential. It allows women to participate more actively in social and communal activities by giving them access to financial resources and economic engagement opportunities. Although there are minor variances among communities, which reflect disparities in social and cultural circumstances, the impact of microfinance is often found to be consistent across various marital and family patterns. Overall, the results show that microfinance is a catalyst for women's social and economic empowerment in addition to being a financial tool. It helps children transcend conventional domestic boundaries and develop a sense of independence and self-reliance by increasing their knowledge, boosting their self-confidence, and encouraging greater participation in decision-making processes.

### Suggestions

In order to improve women's knowledge and empowerment through microfinance, the report recommends that efforts concentrate on increasing access to underserved regions, incorporating education and skill-building initiatives, and providing focused assistance for women who are widowed or unmarried. Ensuring inclusivity across family types, encouraging group learning through Self-Help

Groups (SHGs), and routinely assessing the effects at the community level are also crucial. It is advised to work together with regional groups and governmental entities to improve outreach and guarantee long-lasting results in empowerment.

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