

IMPACT OF MICRO-FINANCE AND WOMEN EMPOWERMENT THROUGH BANKS: AXIS BANK

¹ PERLA ANIL KUMAR, ² K. SRUJITHA

¹Student, ²Assistant Professor, Department of MBA, TEEGALA KRISHNA REDDY ENGINEERING COLLEGE, MEDBOWLI, MEERPET, BALAPUR, HYDERABAD, TELANGANA-500097

ABSTRACT

Microfinance has emerged as an effective instrument for poverty alleviation and women empowerment, particularly in developing countries where access to formal financial services remains limited. The present study examines the impact of microfinance services provided through banks, with special reference to Axis Bank, on the empowerment of women beneficiaries. The study investigates the extent to which microfinance contributes to economic and social empowerment by improving income levels, savings habits, asset ownership, entrepreneurial activities, self-confidence, and participation in household decision-making. Data were collected from women beneficiaries through a structured questionnaire using a simple random sampling method. A sample of 480 respondents was considered for the analysis. Descriptive and inferential statistical techniques were employed to evaluate the relationship between microfinance services and women empowerment. The findings reveal that microfinance services significantly enhance the socioeconomic status of women by providing easier access to credit, promoting self-employment opportunities, and encouraging participation in income-generating activities. The study indicates that women who received microfinance support experienced improvements in household income, savings, quality of life, and social recognition. Furthermore, microfinance participation strengthened women's decision-making ability, mobility, self-esteem, and confidence. The results also demonstrate that Self-Help Groups (SHGs) play a crucial role in creating awareness, facilitating financial inclusion, and supporting entrepreneurial development among women. Despite challenges such as limited financial literacy and inadequate awareness of certain financial products, microfinance has proven to be an effective mechanism for enhancing women's economic independence and social status. The study concludes that banks and microfinance institutions should expand financial literacy programs, improve accessibility of financial services, and introduce innovative credit schemes to maximize the empowerment outcomes for women. Strengthening microfinance initiatives can contribute significantly to sustainable development, gender equality, and inclusive economic growth.

Keywords: Microfinance, Women Empowerment, Axis Bank, Self-Help Groups, Financial Inclusion, Economic Empowerment, Social Empowerment, Entrepreneurship, Rural Development, Financial Literacy.

I. INTRODUCTION

Women empowerment has become a critical component of sustainable economic development and social transformation across the world. Empowering women through financial inclusion enhances their ability to participate actively in economic activities and decision-making processes [1]. Microfinance has emerged as a powerful mechanism for addressing poverty and gender inequality by providing financial services to low-income

households that lack access to traditional banking systems [2]. The concept of microfinance includes small loans, savings facilities, insurance services, and financial literacy programs designed to support economically weaker sections [3]. In developing countries, women constitute a significant proportion of microfinance beneficiaries because access to financial resources enables them to improve their livelihoods and family welfare [4]. Research has shown that microfinance contributes to income generation, asset creation, and entrepreneurial development among women [5]. It also facilitates greater participation in household decision-making and strengthens social status [6]. Self-Help Groups (SHGs) have played a significant role in promoting financial inclusion and collective empowerment among women [7]. Through group-based lending and mutual support systems, women gain access to credit and develop confidence in managing financial activities [8]. Financial independence has been identified as a key determinant of women's empowerment and social mobility [9]. Microfinance institutions and banks have therefore become essential agents of inclusive growth and poverty reduction [10]. The role of banking institutions in extending financial services to marginalized women has gained increasing attention in recent years [11]. Studies indicate that access to microcredit improves employment opportunities and reduces vulnerability among rural women [12]. It further enhances savings behavior and investment capacity [13]. Women empowered through microfinance often become contributors to local economic development [14]. The growing integration of microfinance with mainstream banking has strengthened financial accessibility and outreach [15].

Axis Bank has actively participated in promoting financial inclusion through various microfinance initiatives targeted at women and Self-Help Groups [16]. These initiatives aim to enhance financial accessibility and support entrepreneurial activities among women beneficiaries [17]. Women receiving microfinance assistance often invest in small businesses, agriculture, handicrafts, and service-related enterprises [18]. Such investments contribute to household income enhancement and improved living standards [19]. Microfinance programs also facilitate educational opportunities for children and better healthcare access for families [20]. Studies have highlighted the positive relationship between microfinance participation and women's self-confidence [21]. Economic empowerment further strengthens social empowerment by increasing women's role in community affairs [22]. Participation in SHGs encourages leadership development and collective action [23]. Financial literacy acquired through microfinance programs improves resource management and savings practices [24]. Microfinance has also been associated with enhanced bargaining power within households [25]. The contribution of banks to women empowerment aligns with broader national goals of financial inclusion and gender equality [26]. Effective microfinance services promote entrepreneurship and reduce dependence on informal lenders [27]. They also support sustainable livelihood generation among disadvantaged groups [28]. Consequently, understanding the impact of microfinance on women empowerment remains an important area of academic and policy research [29]. The present study therefore examines the influence of microfinance services offered through Axis Bank on the economic and social empowerment of women beneficiaries [30].

II. LITERATURE REVIEW

Several scholars have examined the relationship between microfinance and women empowerment from different perspectives. Yunus emphasized that microfinance serves as a vital instrument for poverty alleviation and economic development among marginalized populations [1]. Kabeer argued that empowerment involves

enhancing women's ability to make strategic life choices and control resources [2]. Pitt and Khandker found that microcredit programs positively influence women's economic participation and household welfare [3]. Mayoux reported that access to microfinance contributes significantly to income generation and social recognition among women [4]. Hashemi et al. identified increased mobility, decision-making authority, and asset ownership as major outcomes of microfinance participation [5]. Cheston and Kuhn highlighted the role of microfinance in promoting self-confidence and leadership among women [6]. Swain and Wallentin observed improvements in savings behavior and entrepreneurial activities through SHG participation [7]. Basu and Srivastava reported that financial inclusion enhances economic opportunities for rural women [8]. Reddy and Manak emphasized the contribution of SHGs in strengthening social security and financial independence [9]. Tankha examined the sustainability and effectiveness of SHG-based microfinance initiatives [10]. Thilagaraj concluded that SHGs significantly improve the social status and empowerment levels of women members [11]. Aggarwal observed that SHGs contribute to economic, social, and personal empowerment [12]. Mishra identified several operational challenges affecting the effectiveness of SHGs [13]. Takur highlighted the role of microfinance in achieving sustainable growth and poverty reduction [14]. Uma and Rupa reported that financial inclusion through SHGs improves both economic and social empowerment [15].

Recent studies have further expanded understanding of the empowerment outcomes associated with microfinance programs. Goto found that SHG participation contributes to asset creation and poverty reduction among disadvantaged groups [16]. Srivastava emphasized the positive impact of microfinance on socioeconomic development among rural women [17]. Nader identified a significant relationship between access to credit and entrepreneurial performance [18]. Banerjee and Duflo highlighted the role of microfinance in supporting small-scale enterprise development [19]. Karlan and Zinman reported that microfinance improves financial resilience and income stability [20]. Sultana and Hasan observed improvements in women's decision-making power through microfinance participation [21]. Chowdhury found that microfinance contributes to gender equality and household welfare enhancement [22]. Rahman highlighted the role of financial literacy in maximizing microfinance benefits [23]. Sharma reported increased self-employment opportunities among women beneficiaries [24]. Singh identified improved savings and investment behavior among SHG members [25]. Gupta and Sharma emphasized the contribution of microfinance to financial inclusion [26]. Joseph and Imhanlahimi reported positive impacts on women's social mobility [27]. Verma found that microfinance encourages entrepreneurship and economic independence [28]. Kumar concluded that microfinance strengthens women's confidence and leadership skills [29]. Overall, the literature consistently demonstrates that microfinance serves as a powerful tool for enhancing women's economic, social, and psychological empowerment while contributing to inclusive development and poverty reduction [30].

III. RESEARCH METHODOLOGY

The present study adopted a descriptive research design to examine the impact of microfinance on women empowerment through Axis Bank. The study focused on women beneficiaries associated with microfinance programs and Self-Help Groups. Both primary and secondary sources of data were utilized to ensure comprehensive analysis. Primary data were collected through a structured questionnaire administered to women

beneficiaries. The questionnaire was designed to gather information relating to socioeconomic status, awareness of microfinance services, utilization of credit facilities, savings behavior, entrepreneurial activities, and empowerment outcomes. Secondary data were collected from books, journals, reports, websites, government publications, and previous research studies related to microfinance and women empowerment.

A simple random sampling technique was employed to select respondents from the study area. A total sample size of 480 women beneficiaries was considered for analysis. The collected data were coded, classified, and analyzed using Statistical Package for Social Sciences (SPSS). Descriptive statistical tools such as percentages, frequencies, mean values, and graphical representations were used to summarize the data. Inferential statistical techniques including correlation analysis, regression analysis, chi-square test, t-test, ANOVA, factor analysis, and reliability testing were employed to examine relationships among variables and test research hypotheses.

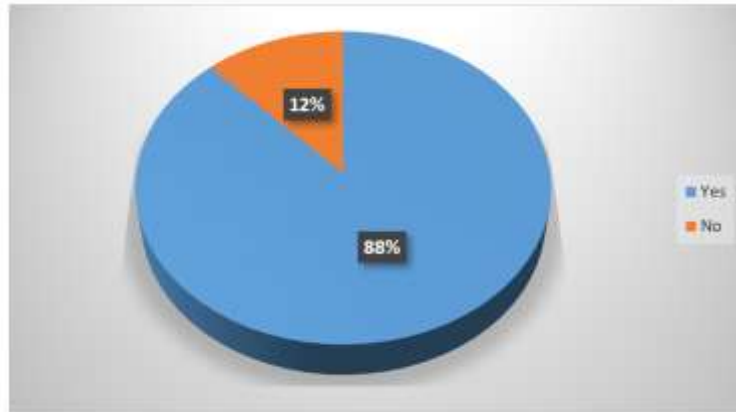
The study considered microfinance services as the independent variable, while women empowerment indicators such as income generation, asset ownership, decision-making ability, savings behavior, self-confidence, mobility, and social participation were treated as dependent variables. The findings obtained through statistical analysis provided insights into the effectiveness of microfinance services in promoting economic and social empowerment among women beneficiaries.

IV. RESULTS & DISCUSSION

The findings of the study reveal that microfinance services have a substantial positive influence on women empowerment. The analysis indicates that 88% of respondents were aware of microfinance schemes, while 90% actively availed microfinance services. The high awareness and participation levels demonstrate the effectiveness of outreach initiatives undertaken by banks and Self-Help Groups. The study found that access to microfinance enabled women to improve their income levels, savings behavior, and asset ownership. Most respondents expressed satisfaction with the ease of obtaining loans, flexible repayment facilities, and affordable interest rates. The majority of beneficiaries utilized microfinance funds for business activities, housing improvements, agricultural investments, and educational purposes. These findings suggest that microfinance plays a crucial role in supporting livelihood development and reducing financial vulnerability among women.

Awareness of microfinance and its schemes	Frequency	Percent
Yes	422	88
No	58	12
Total	480	100

Source: Compiled from the field survey



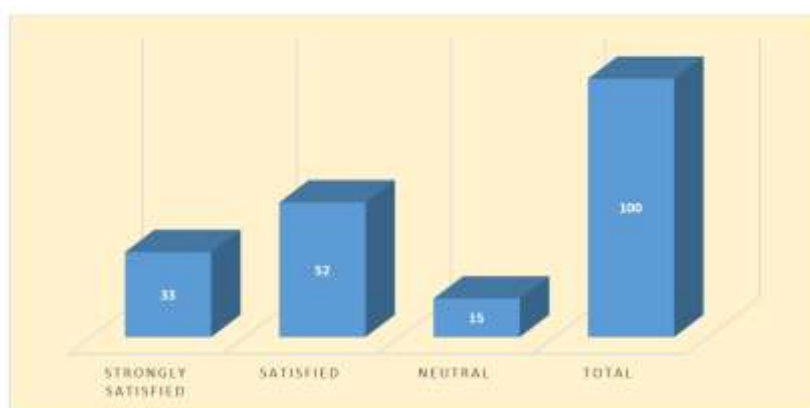
Availing of microfinance facility	Frequency	Percent
Yes	432	90
No	48	10
Total	480	100

Source: Compiled from the field survey



Sources	Respondents
People of locality	66
SHGs Representatives	24
Bank Representatives	10
Total	100

Source: Compiled from the field survey



The study further reveals that microfinance significantly contributes to social empowerment. Women beneficiaries reported increased self-confidence, self-esteem, decision-making power, and participation in family and community affairs. Membership in Self-Help Groups facilitated knowledge sharing, leadership development, and collective action. Respondents indicated improvements in social status, mobility, and awareness of health, education, and legal issues. Participation in income-generating activities strengthened women's bargaining power within households and enhanced their contribution to family welfare. The findings also show that women became more financially independent and capable of supporting household expenses after joining microfinance programs. Although challenges such as limited financial literacy and insufficient awareness of advanced financial products persist, the overall impact of microfinance remains highly positive. The results support previous studies that identify microfinance as an effective tool for poverty reduction, entrepreneurship promotion, and gender equality. Therefore, expanding access to microfinance services and strengthening financial literacy initiatives can further enhance the empowerment outcomes achieved by women beneficiaries.

Ranking	Percent
strongly satisfied	26.0
satisfied	64.0
neutral	10.0
Total	100.0

Source: Compiled from the field survey

Purpose of availing microfinance	Mean
Consumption	3.77
Emergencies	3.08
Education	2.51
Marriage	4.88
Housing/housing repairs	2.1
Tools/machines/equipment's	2.58
Business	1.44
Agriculture	2.4

Source: Compiled from the field survey

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	27.835 ^a	1	.000		
Continuity Correction	18.480	1	.000		
Likelihood Ratio	14.731	1	.000		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	27.557	1	.000		
N of Valid Cases	100				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .30.

Source: Compiled from the field survey

V. CONCLUSION

The study concludes that microfinance has emerged as a powerful instrument for promoting women empowerment and socioeconomic development. The findings demonstrate that access to microfinance services significantly improves the economic condition of women by enhancing income generation, savings accumulation, asset ownership, and entrepreneurial activities. Microfinance institutions and banks, particularly Axis Bank, have contributed substantially to financial inclusion by extending credit and related financial services to women who traditionally lacked access to formal banking systems. The study further reveals that economic empowerment resulting from microfinance participation translates into social empowerment through increased self-confidence, improved decision-making authority, enhanced mobility, and greater participation in family and community affairs. Self-Help Groups serve as an important platform for collective action, leadership development, and mutual support among women beneficiaries. The positive relationship between microfinance participation and women

empowerment indicates that financial inclusion can act as a catalyst for sustainable development and poverty reduction. Despite the encouraging outcomes, challenges related to financial literacy, awareness of financial products, and accessibility of advanced financial services remain. Therefore, banks and policymakers should focus on strengthening financial education programs, simplifying loan procedures, and introducing innovative microfinance products tailored to the needs of women entrepreneurs. Greater collaboration among financial institutions, government agencies, and Self-Help Groups can further enhance the effectiveness of microfinance initiatives. Overall, the study confirms that microfinance is not merely a source of credit but a transformative mechanism that empowers women economically, socially, and psychologically, thereby contributing to inclusive growth, gender equality, and national development.

References

1. Aggarwal, S. (2017). *Women empowerment through self-help groups*. New Delhi: Sage Publications.
2. Banerjee, A., & Duflo, E. (2011). *Poor economics*. New York, NY: Public Affairs.
3. Basu, P., & Srivastava, P. (2005). Exploring possibilities of credit access. *Economic and Political Weekly*, 40(17), 1747–1756.
4. Cheston, S., & Kuhn, L. (2002). *Empowering women through microfinance*. Washington, DC: Opportunity International.
5. Chowdhury, M. (2018). Microfinance and women empowerment. *Journal of Development Studies*, 54(4), 612–628.
6. Goto, J. (2014). The impact of self-help group programmes in South India. *Asian Economic Journal*, 28(2), 167–182.
7. Gupta, R., & Sharma, S. (2020). Financial inclusion and women empowerment. *International Journal of Finance*, 12(3), 45–56.
8. Hashemi, S., Schuler, S., & Riley, A. (1996). Rural credit programs and women's empowerment. *World Development*, 24(4), 635–653.
9. Joseph, E., & Imhanlahimi, J. (2011). Access to microfinance and social mobility. *International Journal of Economics*, 5(2), 55–66.
10. Kabeer, N. (2001). Resources, agency, achievements. *Development and Change*, 30(3), 435–464.
11. Karlan, D., & Zinman, J. (2010). Expanding credit access. *Review of Financial Studies*, 23(1), 433–464.
12. Kumar, M. (2018). A literature review on women empowerment. *International Journal of Research*, 5(8), 112–118.
13. Mayoux, L. (2001). Tackling the down side of microfinance. *Small Enterprise Development*, 12(1), 76–87.

14. Mishra, K. C. (2016). Problems of self-help groups: A micro study. *Indian Journal of Rural Development*, 35(2), 88–97.
15. Nader, Y. (2008). Microcredit and women entrepreneurs. *International Business Research*, 1(2), 108–120.
16. Pitt, M., & Khandker, S. (1998). The impact of group-based credit programs. *Journal of Political Economy*, 106(5), 958–996.
17. Rahman, A. (2019). Financial literacy and microfinance. *Journal of Banking Studies*, 14(2), 121–135.
18. Reddy, C. S., & Manak, S. (2005). *Self-help groups: A keystone of microfinance in India*. Hyderabad: APMAS.
19. Sharma, P. (2020). Women entrepreneurship and microfinance. *International Journal of Management Studies*, 7(3), 78–89.
20. Singh, R. (2018). Savings behavior among SHG members. *Asian Journal of Finance*, 9(1), 55–66.
21. Srivastava, A. K. (2015). Role of self-help groups in socio-economic development. *Indian Journal of Social Work*, 76(4), 521–536.
22. Sultana, N., & Hasan, M. (2017). Women empowerment through microfinance. *Journal of Social Sciences*, 8(2), 45–59.
23. Swain, R., & Wallentin, F. (2009). Does microfinance empower women? *International Review of Applied Economics*, 23(5), 541–556.
24. Takur, S. (2016). Microfinance through self-help groups. *International Journal of Rural Studies*, 23(1), 15–27.
25. Tankha, A. (2012). *Banking on self-help groups: Twenty years on*. New Delhi: Sage Publications.
26. Thilagaraj, A. (2020). Women empowerment through self-help group members. *International Journal of Social Research*, 10(4), 85–96.
27. Uma, H. R., & Rupa, K. N. (2013). The role of SHGs in financial inclusion. *Journal of Rural Development*, 32(3), 231–245.
28. Verma, S. (2021). Entrepreneurship development through microfinance. *International Journal of Commerce and Management*, 15(2), 66–79.
29. Yunus, M. (2007). *Creating a world without poverty*. New York, NY: Public Affairs.
30. World Bank. (2022). *Women, business and the law 2022*. Washington, DC: World Bank.