



Impact of Microfinance on socio economic empowerment of small business women in Virudhunagar district: An empirical approach

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Abstract: The present study examines the impact of microfinance on the economic empowerment of small businesswomen in Virudhunagar District, Tamil Nadu. The study adopts a descriptive research design based on 150 small businesswomen, with primary data collected through interviewer-administered surveys using a structured questionnaire. The study focuses on five independent variables, namely revenue increase, profit margins, business expansion, customer base growth, and savings and investments, while economic empowerment of small businesswomen is considered the dependent variable. Descriptive statistics, correlation and multiple regression analysis are proposed to examine the relationships between these variables and economic empowerment. The study seeks to assess how improvements in business performance contribute to women's financial independence, entrepreneurial development and economic decision-making capacity. The findings are expected to provide useful insights for microfinance institutions, policymakers and development agencies in strengthening women's entrepreneurship and promoting sustainable economic empowerment.

Keywords: Microfinance, Economic Empowerment, Small Businesswomen, Revenue Growth, Profitability, Business Expansion, Financial Inclusion, Virudhunagar District.

Introduction

Women's socio-economic empowerment is an essential component of inclusive economic growth, poverty alleviation and sustainable development. The participation of women in economic activities contributes not only to their personal financial independence but also to the welfare of families and the development of communities. However, women, particularly those belonging to economically disadvantaged and rural households, continue to experience difficulties in accessing institutional finance, productive resources, employment opportunities and entrepreneurial support. These limitations often restrict their economic participation and decision-making capacity within households and society. Microfinance has emerged as an important financial inclusion strategy intended to address such challenges by providing small-scale credit, savings opportunities and other financial services to low-income individuals, particularly women. Herath et al. (2015) observed that microfinance contributes to women's empowerment by improving their access to resources, participation in household decisions, self-confidence and social status. Similarly, Modi et al. (2014) established that microfinance services are significantly associated with improvements in the socio-economic conditions, autonomy and family status of rural women.

Microfinance encompasses a range of financial services, including microcredit, savings facilities, insurance and financial support for income-generating activities. Unlike conventional banking institutions, which generally require collateral and established financial credentials, microfinance programmes seek to provide financial opportunities to individuals who face difficulties accessing formal banking services. In India, microfinance has developed substantially through Self-Help Groups (SHGs), microfinance institutions, commercial banks and government-supported livelihood programmes. SHGs have become an important institutional mechanism for encouraging savings, facilitating credit accessibility, strengthening collective participation and promoting entrepreneurship among women. Basargekar (2009) highlighted that microfinance programmes encourage micro-entrepreneurship among economically disadvantaged women and that the utilisation of credit for productive



activities is particularly relevant to economic empowerment. Rehman and Priya (2024) also emphasised the importance of SHG-bank linkages in improving financial inclusion, encouraging savings behaviour and creating livelihood opportunities among rural women.

The concept of women's empowerment extends beyond financial independence and includes social recognition, personal autonomy, confidence, participation in decision-making and control over available resources. Economic empowerment generally refers to women's capacity to earn income, accumulate savings, acquire productive assets, undertake entrepreneurial activities and participate independently in financial decisions. Social empowerment, on the other hand, involves improvements in self-confidence, freedom of mobility, social participation, awareness of rights and involvement in household and community decision-making. These dimensions are interconnected because improvements in economic opportunities may strengthen women's bargaining position and social standing. Khan et al. (2023) examined the economic, social, political and psychological dimensions of empowerment among women associated with SHGs in Kashmir Valley and found a positive but varying degree of impact across these dimensions. Their findings indicate that microfinance empowerment cannot be adequately understood through economic indicators alone. Similarly, Wakoko (2003) demonstrated that participation in microfinancial activities may improve women's decision-making power, although the extent of improvement is influenced by household characteristics and prevailing socio-cultural conditions.

Microfinance is particularly significant in the Indian context, where SHGs provide opportunities for women to participate collectively in savings, borrowing and entrepreneurial activities. Through regular group meetings and financial transactions, women may develop financial discipline, leadership qualities, communication abilities and greater awareness of economic opportunities. Group participation can also encourage mutual assistance, social interaction and collective problem-solving. Sultana et al. (2018) examined the impact of microfinance on women's empowerment in Chennai, Tamil Nadu, and reported that microfinance contributed more strongly to knowledge and social empowerment than to economic empowerment. Their study also highlighted improvements in confidence, courage and skill development among women participating in microfinance programmes. Likewise, Radhaakrishnan et al. (2026), in their study conducted in Chengalpattu District, Tamil Nadu, examined the role of SHGs in promoting economic, social and political empowerment, decision-making capacity and managerial skills. These studies establish the relevance of microfinance as a potential mechanism for enhancing the socio-economic position of women in Tamil Nadu.

The effectiveness of microfinance, however, depends on several factors, including the accessibility and adequacy of credit, loan utilisation, repayment conditions, financial literacy, entrepreneurial skills and family support. Merely obtaining a microfinance loan does not necessarily ensure sustainable income generation or greater autonomy. Women may continue to experience difficulties in managing enterprises, accessing markets, controlling borrowed funds and balancing domestic responsibilities with income-generating activities. Jain et al. (2025) found that microfinance contributed to income generation and entrepreneurial skill development among rural women, although limitations in household decision-making autonomy continued to exist. The study identified inadequate loan amounts, cultural restrictions and limited financial literacy as important barriers to empowerment. Similarly, Shrestha and Adhikari (2026) observed that financial literacy training and supportive institutional services played a significant role in strengthening women's economic empowerment. Their findings suggest that combining financial assistance with capacity-building initiatives can produce more meaningful improvements than providing credit alone.

Recent empirical evidence further indicates that the relationship between microfinance and women's empowerment is complex and context-specific. Dariyanti (2025), through a systematic review of studies on developing economies, concluded that microfinance frequently improves women's income, savings practices and entrepreneurial opportunities, while improvements in social and psychological empowerment are less consistent.



The review emphasised that educational attainment, cultural practices, family relationships and institutional support influence empowerment outcomes. Kalimo and Mwamlangala (2025) also reported a significant positive relationship between income growth and economic empowerment among women entrepreneurs in rural Tanzania, while recognising that financial improvement alone does not fully explain empowerment. Furthermore, Betty and Peter (2025) identified differences in empowerment outcomes across microfinance models, suggesting that the design of financial services and prevailing household conditions can either strengthen or constrain their effectiveness. These findings underline the need to examine the economic and social consequences of microfinance participation within specific regional settings rather than assuming uniform benefits for all women beneficiaries.

In Tamil Nadu, microfinance and SHG-based financial activities have considerable relevance to the socio-economic advancement of women, particularly those engaged in small businesses, agricultural activities, trading, manufacturing and other informal occupations. Virudhunagar District provides a meaningful setting for examining the contribution of microfinance because its economic structure includes agriculture, trading, manufacturing and numerous small-scale business activities. Women engaged in these activities may require accessible financial resources to establish enterprises, expand existing businesses, manage household expenditure and strengthen their economic security. At the same time, differences in educational qualifications, occupation, family income, marital status and rural–urban background may influence the opportunities available to women and the benefits they obtain from microfinance participation. Consequently, evaluating the experiences of women beneficiaries in Virudhunagar District is important for understanding whether microfinance contributes to improvements in their economic independence, social participation and overall living conditions.

Although previous studies have examined the relationship between microfinance and women's empowerment in different geographical settings, their findings reveal considerable variation in the nature and extent of empowerment. Studies conducted in Gujarat, Kashmir Valley, Chennai and Chengalpattu have explored different aspects of financial inclusion, entrepreneurship, household decision-making and social advancement (Khan et al., 2023; Modi et al., 2014; Radhaakrishnan et al., 2026; Sultana et al., 2018). However, these findings cannot automatically be generalised to Virudhunagar District because the socio-economic characteristics, livelihood opportunities and institutional conditions of individual regions may differ. The literature reviewed for the present study therefore indicates a need for further district-level empirical investigation integrating both economic and social indicators of empowerment. In particular, understanding the relationship between microfinance participation and improvements in income, savings, employment opportunities, financial independence, self-confidence, social recognition and household decision-making is essential for evaluating the broader developmental significance of microfinance.

Against this background, the present study, entitled *Impact of Microfinance on Socio-Economic Empowerment of Women in Virudhunagar District: An Empirical Approach*, seeks to examine the role of microfinance in improving the economic and social conditions of women beneficiaries in the study area. The investigation focuses on the extent to which microfinance participation is associated with improvements in income-generating opportunities, savings behaviour, financial independence, entrepreneurial participation, household decision-making, self-confidence and social status. It also seeks to understand how the socio-economic characteristics of women influence their empowerment outcomes. By examining these dimensions empirically, the study aims to contribute district-specific evidence to the existing literature on microfinance and women's empowerment. The findings are expected to provide useful insights for microfinance institutions, SHGs, policymakers and development agencies in designing financial inclusion initiatives that support the sustainable socio-economic advancement of women in Virudhunagar District.



2 Review of Literature

The economic empowerment of small businesswomen has received considerable attention in development and entrepreneurship research, particularly in relation to microfinance, financial inclusion and business sustainability. Economic empowerment involves improving women's ability to generate income, control financial resources, expand entrepreneurial activities and participate independently in economic decisions. Previous studies have identified revenue growth, profitability, business expansion, customer development and savings accumulation as important indicators of entrepreneurial progress. The present review examines five independent variables—revenue increase, profit margins, business expansion, customer base growth, and savings and investments—and their proposed relationship with the dependent variable, economic empowerment of small businesswomen.

2.1 Revenue Increase and Economic Empowerment of Small Businesswomen

Revenue increase is an important indicator of business performance because it reflects the capacity of an enterprise to generate sales and sustain its economic activities. For small businesswomen, increasing revenue may improve financial independence, strengthen household contributions and enhance control over business operations. Microfinance programmes seek to improve revenue generation by providing access to working capital, enabling women entrepreneurs to purchase raw materials, maintain inventories and undertake income-generating activities.

Basargekar (2009) examined micro-entrepreneurship developed through microfinance among 217 SHG members in India. The study emphasised the importance of productive loan utilisation in assessing women's economic empowerment. It suggested that the economic benefits of microfinance depend partly on whether borrowed funds are used for entrepreneurial activities rather than solely for consumption purposes. Similarly, Herath et al. (2015) investigated microfinance and women's empowerment in Sri Lanka and identified market availability and household economic conditions as important factors influencing empowerment outcomes. Their findings highlighted the relationship between income-generating opportunities, control over resources and women's participation in economic decisions.

Kalimo and Mwamlangala (2025) examined the relationship between income growth and economic empowerment among 252 women entrepreneurs in rural Tanzania. Their regression analysis revealed a positive and statistically significant relationship between income growth and empowerment ($\beta = 0.488$, $p < .001$). The findings indicated that higher income was associated with greater economic independence and decision-making capacity, although income growth alone did not fully explain empowerment outcomes. Jain et al. (2025) also reported that microfinance services contributed to income generation and entrepreneurial skill development among rural women. Collectively, these studies suggest that increased business revenue may strengthen women's economic position, provided that women retain sufficient control over their earnings and business decisions.

H₁: Revenue increase has a significant positive influence on the economic empowerment of small businesswomen.

2.2 Profit Margins and Economic Empowerment of Small Businesswomen

Profit margin is an important measure of business efficiency and financial sustainability, indicating the proportion of revenue remaining after meeting business expenses. Unlike revenue growth, which reflects an increase in sales, improved profit margins indicate the ability of entrepreneurs to manage costs and generate greater financial returns. For small businesswomen, improved profitability may create opportunities for reinvestment, savings, asset accumulation and greater economic independence.

Herath et al. (2015) identified access to markets as an important factor influencing women's economic empowerment through microfinance. Their findings indicated that market accessibility was relevant to enterprise income and profit generation. Access to appropriate markets may allow women entrepreneurs to improve sales opportunities and obtain better returns on their products. Basargekar (2009) similarly distinguished between productive and non-productive loan utilisation, highlighting the importance of entrepreneurial investment in



strengthening women's economic position. These findings suggest that the financial benefits of microfinance depend on the ability of women entrepreneurs to convert borrowed capital into sustainable business returns.

Rehman and Priya (2024), examining microfinance and rural women's economic empowerment in Uttarakhand, discussed the importance of market linkages, enterprise development services and business support in improving the viability and profitability of microenterprises. Their analysis emphasised that credit access alone does not guarantee sustainable business outcomes. Jain et al. (2025) similarly identified inadequate loan amounts, low financial literacy and limited entrepreneurial capabilities as constraints affecting business sustainability. Although these studies support the relevance of profitability to economic empowerment, they do not all measure profit margin as a separate statistical predictor. Therefore, examining profit margins independently may provide additional evidence regarding the relationship between business efficiency and women's financial autonomy.

H₂: Profit margins have a significant positive influence on the economic empowerment of small businesswomen.

2.3 Business Expansion and Economic Empowerment of Small Businesswomen

Business expansion refers to the growth of an enterprise through increased production capacity, additional business activities, investment in equipment, diversification of products or the establishment of new operating locations. Expansion is an important aspect of women's entrepreneurship because it may improve earning opportunities, strengthen business ownership and increase participation in economic activities.

Basargekar (2009) investigated the relationship between microfinance-supported entrepreneurship and economic empowerment among SHG members. The study considered how the utilisation of loans for establishing or developing microenterprises could contribute to women's control over economic resources. Guvaju and Sherpa (2020), in their study of microfinance and women's empowerment in Nepal, examined the contributions of women entrepreneurs, changes in socio-economic activities and improvements in living standards. Their analysis reinforced the relevance of entrepreneurial participation to women's economic development.

Shrestha and Adhikari (2026) investigated the role of microfinance services in women's economic empowerment in Nepal. Their findings indicated that access to finance, savings participation and financial literacy were associated with improved entrepreneurship and economic outcomes. The study emphasised that financial literacy and complementary institutional services were important in strengthening empowerment. Jain et al. (2025) also found that microfinance contributed to entrepreneurial skill development and income-generating activities among rural women, while identifying limitations in business sustainability and decision-making autonomy.

These studies indicate that business expansion may strengthen women's economic empowerment by increasing productive opportunities, improving their control over enterprises and supporting long-term financial independence. However, expansion may not necessarily produce empowerment when business growth is accompanied by excessive debt, inadequate market demand or limited control over business earnings.

H₃: Business expansion has a significant positive influence on the economic empowerment of small businesswomen.

2.4 Customer Base Growth and Economic Empowerment of Small Businesswomen

Customer base growth refers to an increase in the number of customers purchasing products or services from a business over a given period. A growing customer base may improve sales stability, strengthen market presence and create opportunities for business development. For small businesswomen, the ability to attract and retain customers is particularly important because many microenterprises operate within geographically restricted and highly competitive local markets.

Herath et al. (2015) highlighted the importance of market availability in explaining women's empowerment outcomes. Their study indicated that access to markets influenced income-generating opportunities and business-



related decision-making. These findings suggest that women entrepreneurs require market opportunities in addition to financial resources to benefit from microfinance participation.

Rehman and Priya (2024) discussed the importance of enterprise development, market linkages and participation in exhibitions and livelihood promotion activities for strengthening women's entrepreneurial opportunities. Such initiatives may improve the visibility of women-owned enterprises and create opportunities to reach additional customers. Shrestha and Adhikari (2026) similarly emphasised the importance of market access and complementary support services in overcoming barriers to women's economic empowerment.

Customer base growth may improve the economic position of small businesswomen by creating more consistent sales opportunities, reducing dependence on a limited number of buyers and enabling entrepreneurs to expand their operations. Nevertheless, the reviewed studies primarily examine market access, business development and income growth rather than customer base growth as an independent explanatory variable. Consequently, there is a need for empirical investigation into whether an increase in customer numbers contributes significantly to the economic empowerment of small businesswomen.

H₄: Customer base growth has a significant positive influence on the economic empowerment of small businesswomen.

2.5 Savings and Investments and Economic Empowerment of Small Businesswomen

Savings and investments represent important dimensions of women's financial security and long-term economic development. Savings provide financial protection against unexpected expenses and business uncertainties, while investments enable entrepreneurs to acquire productive assets, improve business infrastructure and pursue future growth opportunities. For small businesswomen, the accumulation and independent management of financial resources may strengthen self-reliance and reduce dependence on informal borrowing.

Modi et al. (2014) examined the impact of microfinance services on rural women's empowerment in Gujarat using data from 205 respondents. Their findings established that improvements in socio-economic status, autonomy in life choices and women's position within families and society were significantly associated with empowerment. The study highlighted the broader importance of access to financial resources in strengthening women's economic participation.

Herath et al. (2015) found that microfinance participation contributed to improvements in women's access to and control over private resources, household decision-making and social status. Their findings suggest that financial inclusion becomes more meaningful when women exercise control over the resources obtained through microfinance. Khan et al. (2023), in their study of SHG members in Kashmir Valley, identified positive effects of microfinance on economic, political and psychological empowerment, with a smaller overall effect on social empowerment.

Shrestha and Adhikari (2026) reported improvements in household income and personal savings among women participating in microfinance programmes in Nepal. Their analysis also identified financial literacy as a significant predictor of economic empowerment, demonstrating the importance of financial knowledge alongside financial access. Kalimo and Mwamlangala (2025) similarly highlighted the importance of combining financial services with business training and financial literacy to strengthen sustainable empowerment outcomes.

The literature suggests that savings and investments may enhance women's economic empowerment by improving financial resilience, strengthening asset ownership and supporting independent financial decision-making. However, the extent of empowerment depends on whether women can independently determine how their savings and investments are managed and utilised.

H₅: Savings and investments have a significant positive influence on the economic empowerment of small businesswomen.

2.6 Economic Empowerment of Small Businesswomen

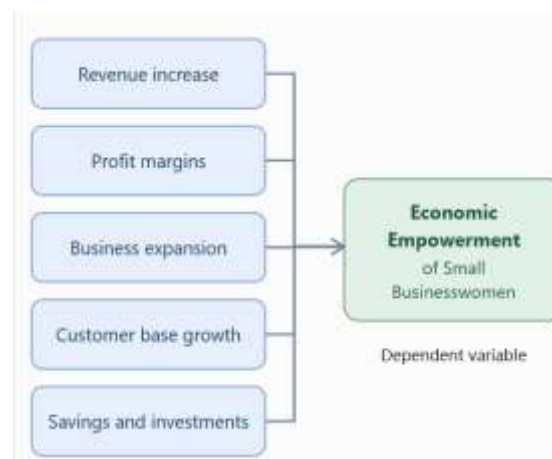
Economic empowerment of small businesswomen refers to their ability to access, control and utilise financial resources, make independent economic decisions, develop entrepreneurial capabilities and achieve sustainable improvements in their economic position. It encompasses financial independence, decision-making power, access to productive assets, business management capabilities and the confidence to participate in economic activities.

Khan et al. (2023) conceptualised women's empowerment as a multidimensional process involving economic, social, political and psychological dimensions. Their findings demonstrated that microfinance programmes could contribute to different forms of empowerment, although the magnitude of improvement varied across dimensions. Herath et al. (2015) also highlighted control over resources, freedom of decision-making and self-confidence as important criteria for evaluating women's empowerment.

Kalimo and Mwamlangala (2025) examined economic empowerment through the relationship between income growth and women's control over economic activities. Their findings confirmed that income growth was significantly associated with empowerment, but other individual, institutional and socio-cultural factors also influenced the outcomes. Shrestha and Adhikari (2026) further emphasised that financial access should be accompanied by financial literacy, capacity development and market opportunities to strengthen women's entrepreneurial independence.

Therefore, the economic empowerment of small businesswomen should not be assessed exclusively through business performance indicators. Although revenue growth, profitability, expansion, customer development and savings accumulation may create favourable economic conditions, actual empowerment is reflected in women's ability to exercise control over resources, participate in financial decisions and independently manage their entrepreneurial activities.

Figure 1 Proposed Conceptual Model



Research Methodology

The present study adopts a descriptive research design to examine the impact of microfinance on the economic empowerment of small businesswomen in Virudhunagar District, Tamil Nadu. The study is based on primary data collected from 150 small businesswomen through interviewer-administered surveys using a structured questionnaire. The questionnaire focuses on five independent variables, namely revenue increase, profit margins, business expansion, customer base growth, and savings and investments, while economic empowerment of small

businesswomen is considered the dependent variable. Secondary data are obtained from research journals, published articles and relevant reports. The collected data are analysed using descriptive statistics, percentage analysis and multiple regression analysis to examine the relationships between the selected variables and economic empowerment. Statistical significance is assessed at the 5 per cent level.

4 Analysis

4.1 Profile of the Respondents

The demographic profile of the 150 respondents indicates that the majority (40.67%) belong to the age group of 31–40 years, while 36.00% are illiterate and 34.67% have completed primary education. Regarding marital status, most respondents (62.67%) are married. The analysis further reveals that 42.67% belong to families with more than seven members, and 53.33% live in joint families. In terms of monthly family income, the highest proportion (38.00%) falls within the income category of Rs. 10,001–15,000, followed by 23.33% earning Rs. 5,000–10,000. Overall, the demographic distribution indicates a predominance of middle-aged, married women with relatively low educational attainment and modest family incomes, highlighting the relevance of examining microfinance in relation to their economic empowerment.

Table 1 Profile of the respondents

Demographic Variables	Category	Frequency	Percentage (%)
Age (in Years)	20–30	25	16.67
	31–40	61	40.67
	41–50	42	28.00
	Above 50	22	14.67
Educational Level	Illiterate	54	36.00
	Primary	52	34.67
	Secondary	28	18.67
	Higher Secondary	10	6.67
	Graduate	4	2.67
	Post Graduate	2	1.33
Marital Status	Unmarried	51	34.00
	Married	94	62.67
	Divorcee	2	1.33
	Widow	3	2.00
Size of Family	1–3	32	21.33
	4–7	54	36.00
	Above 7	64	42.67
Type of Family	Joint Family	80	53.33

	Nuclear Family	70	46.67
Monthly Income of Family	Less than Rs. 5,000	27	18.00
	Rs. 5,000–10,000	35	23.33
	Rs. 10001– 15000	57	38.00
	Rs. 15001–20,000	13	8.67
	More than Rs. 20,000	18	12.00

4.2 Impact of Microfinance

The multiple regression analysis indicates a strong relationship between the five predictor variables and overall retail brand equity, with an R value of .750. The R^2 value of .563 shows that 56.3% of the variation in overall retail brand equity is explained jointly by retailer brand loyalty, retailer brand awareness, retailer brand association, retailer reputation, and revisit intention. The adjusted R^2 of .548 further indicates that the model retains substantial explanatory power after accounting for the number of predictors included. The ANOVA results confirm that the overall regression model is statistically significant, $F(5,144) = 37.064$, $p < .001$. Therefore, the selected predictors, when considered collectively, significantly explain variations in overall retail brand equity. This demonstrates that the regression model provides a statistically meaningful explanation of retail brand equity among the respondents.

Interpretation of Table 3: Regression Coefficients

The coefficient results show that retailer brand association is the strongest significant predictor of overall retail brand equity ($\beta = .406$, $t = 5.264$, $p < .001$). This indicates that stronger and more favourable associations with the retailer contribute substantially to higher retail brand equity.

Retailer brand awareness also has a significant positive effect ($\beta = .246$, $t = 4.092$, $p < .001$), suggesting that greater customer awareness and familiarity with a retailer enhance its overall brand equity. Similarly, retailer brand loyalty significantly and positively influences retail brand equity ($\beta = .215$, $t = 3.147$, $p = .002$). In contrast, retailer reputation ($\beta = .119$, $t = 1.607$, $p = .110$) and revisit intention ($\beta = .083$, $t = 1.182$, $p = .239$) do not have statistically significant effects at the 5% significance level. Although both coefficients are positive, their p-values exceed .05, indicating insufficient evidence to conclude that they independently predict overall retail brand equity when the other variables are controlled.

Table 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750 ^a	.563	.548	.28186
a. Predictors: (Constant), revenue increase, profit margins, business expansion, customer base growth, and savings and investments				

Table 3 Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.097	.236		4.641	.000
	Revenue increase, and	.140	.045	.215	3.147	.002
	Profit margins,	.166	.041	.246	4.092	.000
	Business expansion,	.299	.057	.406	5.264	.000
	Customer base growth,	.089	.056	.119	1.607	.110
	Savings and Investments	.064	.054	.083	1.182	.239
a. Dependent Variable: Economic Empowerment						

5 Conclusion

The present study examined the impact of microfinance on the economic empowerment of small businesswomen in Virudhunagar District, with particular emphasis on revenue increase, profit margins, business expansion, customer base growth, and savings and investments. The study was undertaken in recognition of the important role played by microfinance in improving access to financial resources among women who may otherwise face difficulties obtaining formal institutional credit. Women's economic empowerment extends beyond access to loans and involves their ability to generate income, control financial resources, manage enterprises independently, accumulate assets and participate meaningfully in economic decision-making. The conceptual foundation of the study therefore treated empowerment as an outcome of improvements in both business performance and women's control over economic opportunities. S1

The demographic profile of the 150 respondents provides important context for understanding the findings. The largest proportion of respondents belonged to the 31–40 age group, while considerable numbers had either no formal education or only primary education. Most respondents were married, more than half belonged to joint families and a substantial proportion reported comparatively modest monthly family incomes. S1 These characteristics suggest that the women covered by the study operate within socio-economic conditions where accessible finance, business income and entrepreneurial opportunities can play an important role in strengthening household security and individual financial independence.

The regression results demonstrate that the selected dimensions of microfinance-related business development have considerable explanatory power in relation to economic empowerment. The model recorded an R value of .750, indicating a strong overall relationship between the selected predictors and economic empowerment. The R² value of .563 shows that revenue increase, profit margins, business expansion, customer base growth, and savings and investments collectively explain 56.3 per cent of the variation in economic empowerment. The adjusted R² value of .548 further indicates that the model retains substantial explanatory capacity after accounting for the number of predictors. S1

Among the individual predictors, business expansion was the most influential factor, recording the highest standardized beta coefficient ($\beta = .406$, $p < .001$). This finding suggests that women experience greater economic empowerment when microfinance enables them to expand the scale or scope of their enterprises. Business



expansion may strengthen women's ownership of productive activities, increase their control over resources and create more sustainable income-generating opportunities. The result supports the view developed in the literature review that access to finance becomes more meaningful when borrowed funds are productively invested in enterprise development rather than being used only for short-term consumption. S1

Profit margins were also found to have a significant positive influence on economic empowerment ($\beta = .246, p < .001$). Higher profitability provides women entrepreneurs with greater capacity to meet business expenses, reinvest in their enterprises, contribute to family expenditure and retain financial resources for future use. This indicates that empowerment cannot be assessed merely in terms of access to credit or sales growth; the ability of a business to generate sustainable financial returns is equally important.

Similarly, revenue increase had a statistically significant positive effect on economic empowerment ($\beta = .215, p = .002$). An increase in business revenue can strengthen women's financial independence and their contribution to household income, while also improving their capacity to make independent business decisions. The finding is consistent with the study's theoretical expectation that microfinance can support empowerment by enabling women to obtain working capital, maintain inventories and engage more actively in income-generating activities. S1

In contrast, customer base growth ($\beta = .119, p = .110$) and savings and investments ($\beta = .083, p = .239$) did not emerge as statistically significant independent predictors of economic empowerment at the 5 per cent significance level. S1 This does not necessarily imply that these factors are unimportant. A growing customer base may improve market opportunities, but its contribution to empowerment may depend on whether additional customers generate adequate revenue and profit. Likewise, savings and investments may contribute to long-term financial security, but their effects may be influenced by household responsibilities, control over financial resources, loan repayment obligations and the ability of women to independently decide how savings are utilised.

Overall, the results indicate that microfinance can contribute substantially to the economic empowerment of small businesswomen when it leads to tangible improvements in business performance, particularly business expansion, profitability and revenue generation. Access to finance alone is therefore unlikely to produce the full benefits of empowerment. Women entrepreneurs also require adequate loan amounts, financial knowledge, entrepreneurial skills, market access and supportive institutional services. This interpretation is consistent with the literature reviewed in the study, which emphasises that financial assistance becomes more effective when it is accompanied by capacity-building and financial literacy initiatives. S1

The findings have practical implications for microfinance institutions, Self-Help Groups, banks and government agencies operating in Virudhunagar District. Microfinance programmes should move beyond a narrow focus on loan disbursement and repayment and give greater attention to the productive use of credit. Training in cost management, pricing, bookkeeping, digital financial practices, marketing and business planning can help women convert borrowed funds into sustainable revenue and profits. Programmes should also support women who demonstrate potential for business expansion through appropriately designed credit products and enterprise-development assistance.

Greater attention should also be given to market development. Although customer base growth did not independently predict empowerment in the present analysis, access to broader and more stable markets remains important for converting business expansion into sustainable financial returns. Support through exhibitions, local market networks, digital marketing, producer groups and linkages with larger buyers may enable women entrepreneurs to reach customers beyond their immediate geographical areas.

In conclusion, microfinance represents an important instrument for promoting the economic advancement of small businesswomen in Virudhunagar District, but its effectiveness depends on the extent to which financial access produces productive and sustainable business outcomes. The study establishes that business expansion, profit



margins and revenue increase are the principal significant determinants of economic empowerment among the respondents. Therefore, the most effective microfinance interventions are likely to be those that integrate credit with entrepreneurship development, financial literacy, market support and opportunities for enterprise expansion. Such an integrated approach can strengthen women's financial independence, improve the sustainability of their businesses and contribute to their broader socio-economic advancement.

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