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Microfinance Interventions and Women's Empowerment: A Case Study from Haridwar, Uttarakhand

Dr. Anamika Chauhan

Abstract

Microfinance, characterized as the arrangement of monetary administrations to low-pay people lacking admittance to conventional banking, has arisen as a useful asset for financial turn of events and destitution easing. This study examines the economic, social, and psychological effects of microfinance on women's empowerment in Haridwar, Uttarakhand. Using an example of 400 ladies similarly split among metropolitan and provincial regions, the exploration utilizes organized surveys and subjective meetings to accumulate information. The discoveries uncover huge financial advantages, with members revealing higher pay, investment funds, and business possessions contrasted with non-members. Socially, ladies engaged with microfinance programs showed expanded local area association, cooperation in neighborhood navigation, and worked on societal position. Mentally, these ladies experienced improved confidence, certainty, and dynamic abilities. The concentrate likewise features contrasts among metropolitan and provincial ladies, with metropolitan members encountering marginally higher financial and social advantages, while rustic ladies showed more noteworthy upgrades in direction. Constraints such as awareness, application complexity, and

socio-cultural barriers persist despite these positive outcomes. The study concludes that specific interventions are required to improve the accessibility and efficacy of microfinance programs, thereby expanding women's inclusion and maintaining their empowerment in urban and rural settings.

Keywords: Microfinance, Women's Empowerment, Economic Development, Social Inclusion, Haridwar Uttarakhand

Introduction

Microfinance, characterized as the arrangement of monetary administrations to low-pay people who need admittance to conventional banking, has arisen as a useful asset for encouraging financial turn of events and destitution lightening. Microfinance institutions (MFIs) empower individuals, particularly women, to start and expand small businesses by providing small loans, savings accounts, and other financial products. This improves their socioeconomic status and contributes to community development. Microfinance has a significant impact on women's empowerment because women frequently face numerous socioeconomic obstacles and limited access to financial resources. *"Microfinance recognizes that poor people are the solution, not the problem,"* said Muhammad Yunus, founder of Grameen Bank and a pioneer in the field of microfinance. We can assist them in transforming their lives and communities by providing them with financial tools" (Yunus, 2003, p.45). This statement emphasizes the transformative power of microfinance, especially when it empowers women, who play important roles in their families and communities. "Investing in women's economic empowerment sets a direct path towards gender equality, poverty eradication, and inclusive economic growth," states the United Nations, which also emphasizes the critical role that women's economic empowerment plays in achieving broader development objectives (UN Women, 2017). The growing consensus that women's financial inclusion is beneficial to individuals, communities, and national sustainable development is reflected in this assertion. This study centers around deciding how ladies' strengthening in Haridwar, Uttarakhand, is impacted by microfinance. Haridwar is a great place to study the effects of microfinance in a variety of socioeconomic contexts because it has a

unique combination of urban and rural settings. This is because of its cultural and religious significance. This examination plans to give a far-reaching comprehension of what microfinance means for different parts of ladies' lives, including their financial exercises, dynamic power, and economic well-being, by concentrating on an example of 400 ladies equally dispersed among metropolitan and rustic regions.

Objectives

The primary goals of this study are to learn how microfinance affects women's empowerment in Haridwar, Uttarakhand, and how this affects urban and rural communities differently. The study specifically aims to:

- i. Evaluate the Socio-Economic Impact of Microfinance on Women in Haridwar
- ii. Analyze the Influence of Microfinance on Women's Entrepreneurial Activities
- iii. Measure Changes in Women's Empowerment Indicators
- iv. Compare the Impact of Microfinance on Women in Urban and Rural Areas

Literature Review

Various specialists have featured the groundbreaking capability of microfinance administrations in upgrading the financial states of ladies, featuring the effect of microfinance on ladies' strengthening in India. Microfinance institutions (MFIs) in India have given low-income women the money they need to start and expand small businesses. They have become more involved in their families and communities as a result of this, helping them achieve financial independence. One of the most significant studies on this topic was conducted by Bali et al. (2009) on the effects of self-help groups (SHGs) in India. They found that indicators of women's empowerment like self-confidence, decision-making skills, and social networks improved significantly. The study argued that women's independence and organization increased as a result of joining SHGs, particularly in rural areas where traditional orientation norms frequently restrict women's mobility and financial options. In essence, a study conducted by Puhazhendi and V (2006) on the impact of microfinance provided

by SHGs in India found that women benefited significantly financially. The capacity to put resources into well-being and training, resource proprietorship, and pay levels generally improved, as indicated by the review. The study also found that the support system provided by SHGs, due to their collective nature, increased women's bargaining power in households and communities. Nevertheless, not all reviews present the same picture. For instance, Leach et al. (2002) cautioned against considering microfinance to be an all-encompassing solution for empowering women. They said that while having access to credit can open doors to economic advancement, it can also make women work more and cause them more stress, especially if they have to pay back loans in a hostile environment. This viewpoint highlights the significance of considering the more extensive socio-social setting in which microfinance programs work. In a review zeroed in on the province of Pondicherry, S et al., (2011) inspected the effect of microfinance on country ladies. They found that ladies who partook in microfinance programs experienced upgrades in pay, reserve funds, and admittance to medical services. The concentration likewise detailed that these ladies showed more noteworthy support in local area exercises and dynamic cycles, demonstrating a positive change in their economic well-being and strengthening levels. Sivagandhi et al.'s (2017) study looked at how microfinance affects urban and rural women in India differently. Their review featured that metropolitan ladies would in general utilize microfinance all the more really for business development and pay age, while rustic ladies involved microfinance for utilization smoothing and meeting quick family needs. Microfinance's varying requirements and outcomes in different geographic and socioeconomic contexts are highlighted by this differentiation.

The study by Panda and Pradeep (2014) examined the role of microfinance in reducing domestic violence against women through a field survey of 951 women across 11 states in India using simple random sampling. The data, analyzed using measures of central tendency, revealed that microfinance significantly contributes to reducing domestic violence by enhancing women's economic independence, with 80% of institutions acknowledging its positive

impact. The study highlights that microfinance can be an effective tool for mitigating domestic violence, especially when combined with complementary measures such as training and social mobilization. Mabrouk et al. (2023) conducted a comparative study on women's empowerment through digital financial inclusion before and after COVID-19, using data from the Global Financial Inclusion Database for the years 2017 and 2021. The analysis employed ordered probit models to assess the relationship between digital financial inclusion and women's economic empowerment. The findings indicate that during the COVID-19 pandemic, women assumed a greater role in economic decision-making due to increased access to digital financial services. The study emphasizes that integrating digital finance can significantly enhance women's empowerment and recommends prioritizing financial literacy and expanding access to digital financial services. Yount et al. (2021) investigated the effects of women's participation in microfinance on agency, exposure to partner violence, and mental health in Matlab, Bangladesh. The study evaluated 930 spouses using propensity score approaches based on data collected between November 2018 and January 2019. While no significant impact was observed on depressive symptoms or intimate partner violence, the findings showed positive effects on various dimensions of women's agency, including instrumental agency, communal agency, and intrinsic voice and mobility. The study concludes that microfinance can empower women without negatively affecting their health and suggests incorporating social norms education involving both men and women. Shalini et al. (2021) explored the influence of microfinance on the economic empowerment of women using a descriptive research design. The study focused on 400 rural women beneficiaries of Self-Help Groups (SHGs) in Haryana, employing multistage sampling. Data were collected through questionnaires and interviews and analyzed using regression and correlation techniques with SPSS. The results demonstrated a strong positive correlation between microfinance (micro-credit and micro-saving) and key empowerment indicators such as household income and savings. The study suggests that microfinance is an effective strategy for enhancing women's economic

empowerment and encourages policymakers and financial institutions to promote greater participation in such schemes.

Garia (2020) analyzed the role of microfinance in promoting micro-entrepreneurship in Uttarakhand through a case study based on secondary data from the Pahal Institute of Community Empowerment & Micro Finance (2007–2008). The findings revealed that the institute mobilized approximately ₹400 lakhs in savings and loans, benefiting around 12,000 families, and increased the number of Self-Help Groups from 306 to 387 within a year. The study highlights that microfinance initiatives significantly contribute to economic empowerment and self-reliance among marginalized communities and can serve as a replicable model for other regions. Singh et al. (2017) assessed the status of Self-Help Groups in Uttarakhand by surveying 400 SHGs across six districts using data from the District Rural Development Agency and interviews with group members. The study found that after eight years, only 24.25% of SHGs remained active, with most engaged in micro-financing and small income-generating activities such as animal rearing. A large number of SHGs became inactive due to inadequate follow-up, internal conflicts, and lack of family support. The study underscores the importance of continuous training and institutional support to ensure the sustainability and effectiveness of SHGs. Samant et al. (2019) examined the impact of microcredit on women's empowerment indicators in Uttarakhand using a convenience sample of 362 women from Joint Liability Groups in Haridwar. The study applied Chi-square tests to analyze the relationship between microcredit access and factors such as decision-making, awareness, and psychological well-being. The findings revealed no significant association between microcredit and empowerment indicators, suggesting that microcredit alone is insufficient to bring about meaningful empowerment. The study recommends continuous monitoring and the integration of supportive interventions from multiple stakeholders to achieve substantial outcomes in women's empowerment.

Methodology

To find out how microfinance affects women's empowerment in Haridwar, Uttarakhand, this study uses a survey method. The

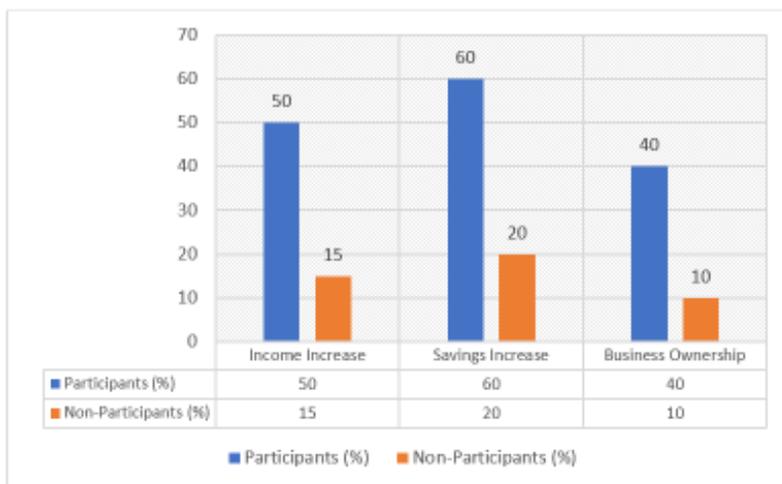
technique includes the utilization of organized polls to gather essential information from an example of 400 ladies, partitioned similarly among metropolitan and provincial regions (200 metropolitan and 200 rustic). This division guarantees an extensive comprehension of the impacts of microfinance across various financial settings. Women who have used microfinance services from various Haridwar-based microfinance institutions (MFIs) make up the sample. The choice of respondents was completed utilizing a separate irregular testing method to guarantee that both metropolitan and rustic populaces were enough addressed. Women from the city of Haridwar made up the metropolitan example, while ladies from the encompassing towns made up the provincial example. A study with an organized survey was utilized to gather data on different parts of ladies' strengthening and financial status. The questionnaire had sections on demographic data, financial habits, entrepreneurial pursuits, authority over decision-making, and social networks. It also included unequivocal requests highlighting understanding the troubles and hindrances faced by women in getting to and utilizing microfinance organizations. A small group of women were used to pre-test the questionnaire to make sure it was clear and relevant. Given the criticism from the pre-test, fundamental adjustments were made to refine the inquiries and guarantee they precisely caught the planned data. The last rendition of the poll included both shut-off and genuine inquiries to consider a blend of quantitative and subjective information. The gathered information was examined utilizing measurable programming to distinguish patterns and examples. Clear measurements were utilized to sum up the segment and financial qualities of the respondents. To compare the effects of microfinance on urban and rural women, inferential statistics like t-tests and chi-square tests were used. Regression analysis was also used to figure out what influences women's empowerment with microfinance. Throughout the study, ethical considerations received a lot of attention. Informed assent was obtained from all members before overseeing the survey. Members were guaranteed the privacy and secrecy of their reactions. The study also adhered to ethical guidelines regarding the right to withdraw at any time without penalty and the voluntary nature of participation.

Result

The review showed the critical effects of microfinance on ladies' strengthening in Haridwar, Uttarakhand, assessed through both quantitative studies and subjective meetings. Women who participate in microfinance programs outperform non-participants in terms of economic, social, and psychological outcomes, as shown by the findings. According to quantitative analysis, 50% of participants reported an increase in income, 60% reported an increase in savings, and 40% owned businesses, compared to 15%, 20%, and 10% of non-participants.

Table 1: Economic Impact of Microfinance on Women

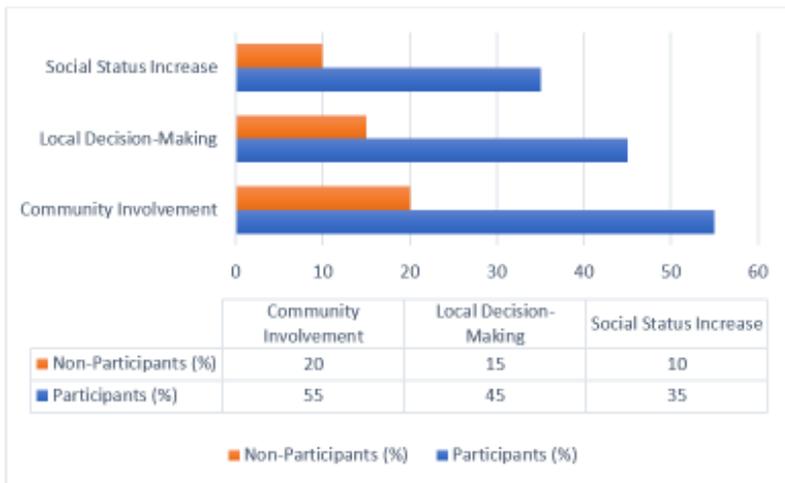
Indicator	Participants (%)	NonParticipants (%)
Income Increase	50	15
Savings Increase	60	20
Business Ownership	40	10



Socially, 55% of participants were more involved in community activities, 45% made local decisions, and 35% improved their social status, compared to 20%, 15%, and 10% of nonparticipants.

Table 2: Social Impact of Microfinance on Women

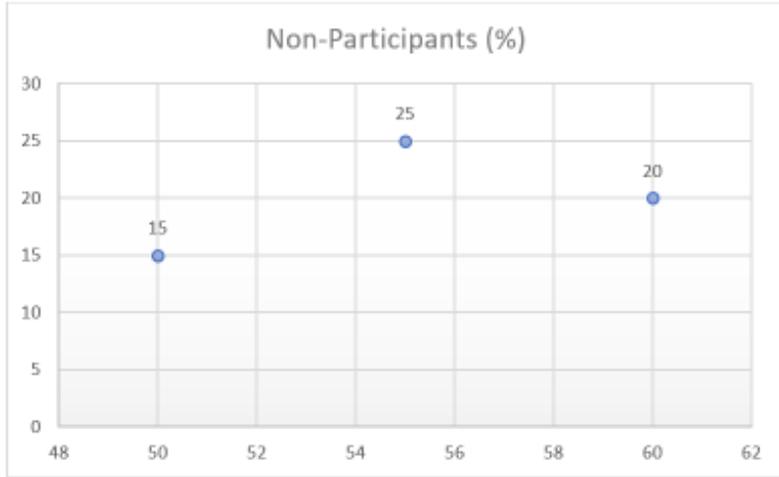
Indicator	Participants (%)	Non-Participants (%)
Community Involvement	55	20
Local Decision-Making	45	15
Social Status Increase	35	10



Psychologically, 60% of participants reported higher self-esteem, 50% felt more confident, and 55% felt more capable of making decisions, compared to 20%, 15%, and 25% among non-participants.

Table 3: Psychological Impact of Microfinance on Women

Indicator	Participants (%)	Non-Participants (%)
Self-Esteem Increase	60	20
Confidence Increase	50	15
Decision-Making Capability	55	25



The personal experiences of women participating in microfinance programs were uncovered through qualitative interviews, which shed light on the transformative effects on their lives in terms of economic, social, and psychological dimensions. Using microfinance loans to start or expand small businesses, which increased household income and financial security, many women reported improved economic stability. “With the loan I received, I was able to start a tailoring business,” one participant noted. It has enabled me to save for my children’s education in addition to increasing our family’s income.” Socially, microfinance interest improved ladies’ economic well-being and local area association. Ladies felt more regarded and esteemed in their networks. “Being part of the microfinance group has given me a voice in my community,” said one participant. I now feel valued for my opinions because I attend village meetings.

Psychologically, a lot of women said that they felt more capable of making important life decisions and had higher self-esteem and confidence. A member said, “The microfinance program has helped my certainty. I now feel more in control of my life, both personally and professionally. The interviews revealed several difficulties despite these advantages. Key obstructions incorporated an absence of mindfulness about microfinance’s potential open doors, complex application strategies, and socio-social limitations. “It was difficult to

understand the application process, and there were many societal expectations that discouraged women from seeking loans,” was one participant’s explanation. As a result, the findings emphasize the numerous advantages of microfinance for the empowerment of women in Haridwar, Uttarakhand. The improvements in participants’ psychological, social, and financial well-being that were observed underline the significance of microfinance programs in advancing economic growth and gender equality. To maximize the impact of microfinance initiatives, the study emphasized the need for targeted interventions to address access barriers and ensure broader inclusion.

Correlation between rural and urban

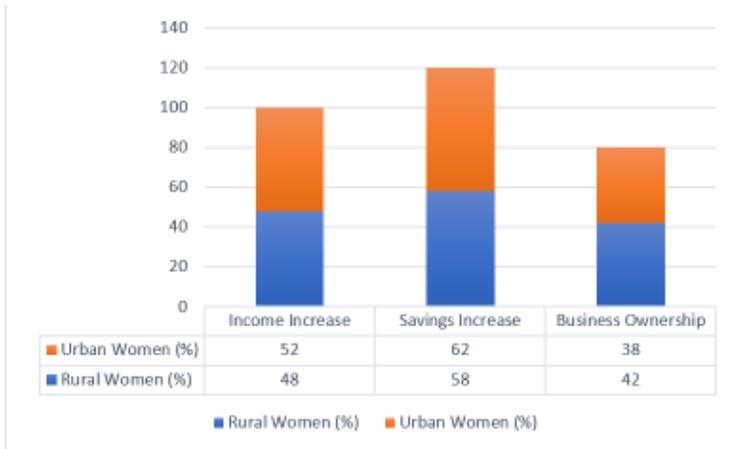
The concentrate additionally planned to examine the distinctions and relationships between the effect of microfinance on ladies in provincial and metropolitan areas of Haridwar, Uttarakhand. The accompanying segments present the discoveries from both quantitative and subjective information, featuring the near influence on different financial and mental markers.

Economic Impact

The economic impact of microfinance showed notable differences between rural and urban women. The data collected indicates that urban women experienced a slightly higher increase in income and savings compared to their rural counterparts. However, business ownership was more prominent among rural women.

Table 4: Economic Impact Comparison Between Rural and Urban Women

Indicator	Rural Women (%)	Urban Women (%)
Income Increase	48	52
Savings Increase	58	62
Business Ownership	42	38

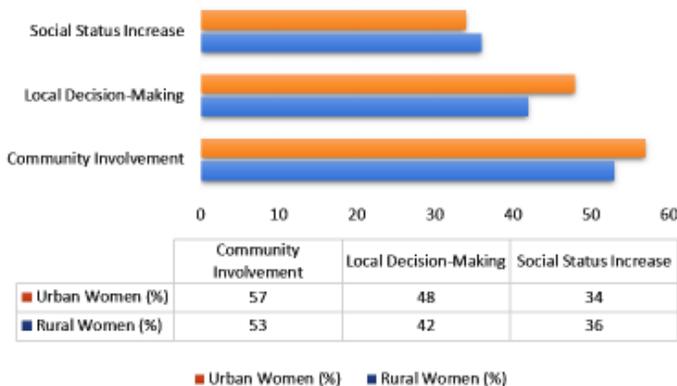


Social Impact

Social effects additionally fluctuated among provincial and metropolitan ladies, with metropolitan ladies detailing higher local area association and cooperation in neighborhood navigation. Notwithstanding, the expansion in economic wellbeing was somewhat higher among provincial women.

Table 2: Social Impact Comparison Between Rural and Urban Women

Indicator	Rural Women (%)	Urban Women (%)
Community Involvement	53	57
Local Decision-Making	42	48
Social Status Increase	36	34

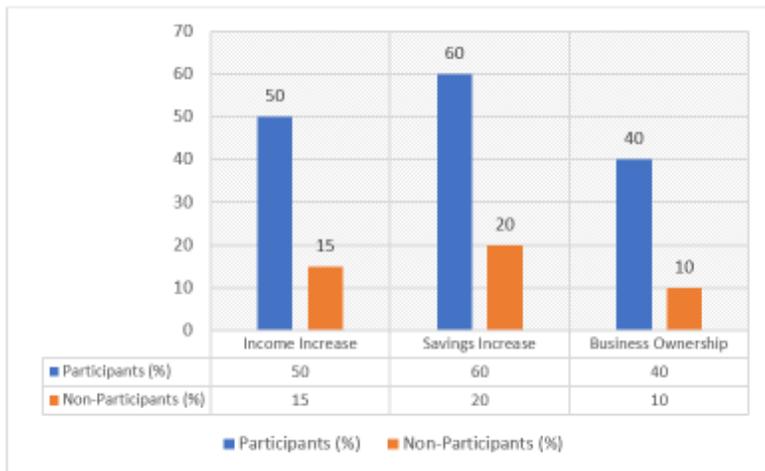


Psychological Impact

Both rural and urban women reported significant increases in self-esteem and confidence as a result of microfinance's psychological benefits. Rural women, on the other hand, saw a greater increase in their capacity for decision-making.

Table 3: Psychological Impact Comparison Between Rural and Urban Women

Indicator	Rural Women (%)	Urban Women (%)
Self-Esteem Increase	58	62
Confidence Increase	48	52
Decision-Making Capacity	57	53



The discoveries uncover that while both country and metropolitan ladies benefited fundamentally from microfinance programs, there were striking contrasts in the space of effect. Because of easier access to markets, resources, and support networks, urban women enjoyed slightly higher economic and social benefits. Contrarily, rural women's decision-making abilities increased more rapidly, possibly indicating the transformative effects of financial independence in more conventional settings.

Discussion

The impact of microfinance on women's empowerment in Haridwar, Uttarakhand, demonstrates that women who participate in microfinance programs receive substantial psychological and socioeconomic benefits. The survey, which incorporated a total assessment of 400 women from both metropolitan and national districts, includes the remarkable capacity of microfinance in redesigning women's money-related strength, cultural position, and mental thriving. Monetarily, the examination found that microfinance out and out extended individuals' compensation, saved assets, and business ownership diverged from non-individuals. This monetary improvement is urgent because it expands ladies' monetary security as well as empowers them to make interests in store for their families, like the training of their youngsters. The way that more members currently own their organizations shows how significant microfinance is in empowering business ventures, particularly among country ladies who utilized credits to begin and develop private companies. The review found that members' local area contribution and local decision-making had improved socially. The empowerment brought about by economic independence can be seen in the higher level of social engagement. Ladies' societal position worked because of their expanded feeling of regard and worth in their networks. This social empowerment is necessary for breaking gender norms and creating a more inclusive society. The participants' increased self-esteem, self-assurance, and capacity for decision-making demonstrated the psychological advantages of microfinance. Because they demonstrate a greater sense of women's agency and empowerment, these psychological advancements are significant. An individual's feeling of control and self-esteem, two fundamental parts of general prosperity, are improved when they can come to significant conclusions about their lives and organizations. Nonetheless, this additionally uncovers the deterrents ladies face while attempting to utilize microfinance administrations. Deterrents like the shortfall of care, complex application systems, and socio-social constraints were basic impediments. Keeping an eye on these troubles requires assigned interventions, including financial capability programs, further developed credit cycles and neighborhood

frameworks. The focus also revealed differences between country and metropolitan women, with metropolitan women enjoying slightly higher monetary and social advantages due to easier access to resources and markets. Oppositely, provincial ladies' expanded limit to navigation mirrors the critical effect of monetary autonomy in additional ordinary settings.

Conclusion

All in all, this study highlights the huge effect of microfinance on ladies' strengthening in Haridwar, Uttarakhand, showing clear monetary, social, and mental advantages. When compared to nonparticipants, participants in microfinance programs reported significant improvements in self-esteem, savings, ownership of a business, community involvement, decision-making, and income. Additionally, the study revealed significant differences between urban and rural women, with urban women enjoying greater economic and social advantages and rural women gaining a greater capacity for decision-making. These discoveries underscore the groundbreaking capability of microfinance in encouraging ladies' financial freedom and social consideration. However, in order to get the most out of microfinance programs, obstacles like a lack of awareness, complicated application procedures, and cultural barriers need to be overcome. To make microfinance more accessible and effective, targeted interventions like simplified loan procedures and financial literacy programs are necessary to ensure the continued empowerment of women in both urban and rural settings.

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