

Impact of microcredit facilities on empowering women entrepreneurs at household level in Gampaha district, Sri Lanka

W.D.I.C. Weerasiri

Department of Business Management, Faculty of Management Studies, Rajarata University of Sri Lanka, Mihintale

M.G.S. Pathmini

Department of Marketing Management, Faculty of Management Studies, Rajarata University of Sri Lanka, Mihintale

Corresponding author: imashi.weerasiri@gmail.com

Abstract

Microcredit is an important source that addresses to the lower-income people those who cannot access to the formal financial institutions. The empowerment of women entrepreneurs plays a vital role in the social mission of poverty alleviation. They also have to involve to the process of income generation via some appropriate activities like micro business. Microcredit has a key role empowering rural women in developing countries such as Sri Lanka by accessing credit facilities for their income generating activities to improve rural women's entrepreneurship. The key objective of the study is to investigate the impact of microcredit facilities on empowerment of women entrepreneurs at household level in Gampaha District. In this study, three main independent variables; loans, savings and insurance were tested under the construct of Microcredit facilities and dependent variable as Empowerment of Women Entrepreneurs at Household Level. The population of this study was all women entrepreneurs in Gampaha District. In which 150 women entrepreneurs were selected administrating stratified random sampling from the Minuwangoda Divisional Secretariat in Gampaha District as the sample. Both primary and secondary data were used for the current study. Self-administrated questionnaire with five point Likert scale was utilized for collecting the primary data. The collected data was analyzed using descriptive and inferential statistics with the support of statistical package SPSS 21. Cronbach's alpha values confirmed the reliability of data and all hypotheses were statistically supported. Further, the result of this study indicated that all independent variables; loans, savings, insurance are significantly correlated with empowerment of women entrepreneurs at the household level. Similarly, regression result also indicated significant impacts of loans, savings and insurance with empowerment of women entrepreneurs in the area. The findings of the study there by indicated that the micro finance institutions should provide attractive micro loan options, saving options and insurance options as strategies for empowering women entrepreneurs at the household level for the maximum achievement. Finally, future studies also recommended conducting the same in different districts in Sri Lanka to generalize the result with more advanced statistical techniques.

Keywords: *Empowerment, microcredit, women entrepreneurs*