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Analyzing the Effects of Micro-Finance Institutions on the Growth of Women-Led Businesses: A Case Study of Meanwood Finance

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Abstract

The aim of this study was to analyze the understand the role of Micro Finance Institutions in promoting women empowerment with a specific focus on Meanwood Finance Corporation. The study employed a mixed methods approach, integrating quantitative and qualitative methods allowed for a robust analysis of complex socio-economic phenomena by combining numerical data with in-depth, subjective perspectives. Out of the 109 distributed questionnaires to women entrepreneurs who were clients of Meanwood Finance Corporation. Interviews were also successfully conducted with three key informants from Meanwood Finance Corporation (MFC). The study revealed that while Meanwood Finance Corporation provides critical financial services to women-led businesses, its impact on growth and empowerment is significantly constrained by systemic and structural barriers. The findings revealed that only 9.6% and 4.8% of respondents found accessing loans easy or very easy, respectively, with 58.6% citing difficulties due to high interest rates (84.6%), strict collateral requirements (71.2%), and bureaucratic processes (52.9%), which perpetuated financial exclusion, particularly for women lacking assets or formal education. Microcredit contributed moderately to business growth for 51.9% of respondents, primarily supporting capital and inventory (78.8%), but 26.9% reported no growth or income declines, reflecting inadequate loan sizes and high repayment pressures. Likert scale responses indicated strong agreement that institutional policies limited benefits (mean=4.31) and repayment schedules hindered growth (mean=3.94), with inadequate financial literacy support (mean=2.64) underscoring a critical gap in capacity building. Key informant interviews highlighted additional challenges, including limited rural outreach, gender-based barriers rooted in patriarchal norms, and insufficient staff training on gender sensitivity, which collectively undermined MFC's empowerment efforts. Despite some positive impacts, such as moderate income increases for 51.0% and business expansion support (mean=3.96), the study revealed that MFC's services often fell short of transformative outcomes due to a lack of tailored loan products, poor customer service (40.4%), and limited collaboration with local organizations. To enhance its impact, MFC must implement competitive interest rates, flexible loan terms, robust financial literacy programs, streamlined processes, and strategic partnerships to foster inclusive economic empowerment for women entrepreneurs in Zambia.

Keywords: Microfinance, Women-led Businesses, Financial Inclusion, Women's Empowerment

1. Introduction

1.1 Background to the Study

Microfinance institutions (MFIs) have emerged as a cornerstone of financial inclusion strategies worldwide, particularly for women, who represent a significant portion of the 1.7 billion people excluded from formal financial systems, with women accounting for approximately 70% of this group (Demirgüç-Kunt *et al*., 2018). By 2018, MFIs were serving over 140 million clients globally, with women making up 80% of borrowers in many programs, particularly in regions like South Asia, Sub-Saharan Africa, and Latin America (Microfinance Barometer, 2019). These institutions provide accessible financial services, including microcredit, savings, and insurance, which enable women to start or expand small businesses, contributing significantly to economic growth. According to the International Finance Corporation (IFC), micro, small, and medium enterprises, many of which are women-led, account for 37% of global GDP (IFC, 2017). Research demonstrates that microfinance can increase women's household income by 15–20% on average, fostering economic empowerment and

improving family welfare (Khandker, 2005). However, the impact of microfinance is not uniform, as socio-cultural barriers, such as limited property rights or restrictive gender norms, often hinder women's ability to fully leverage these financial resources (Swain & Wallentin, 2009). Critics, such as Bateman (2010) [10], argue that many MFIs prioritize financial sustainability over social impact, with average interest rates of 20–30% globally, which can burden low-income women and limit outreach to the poorest segments. To address these challenges, global development discourse, as highlighted by Mayoux (2010), emphasizes the need for MFIs to integrate non-financial services, such as business training and mentorship, to enhance the sustainability and growth of women-led enterprises, ensuring that microfinance fulfills its transformative potential.

In Sub-Saharan Africa, where 87% of women lack access to formal financial services, microfinance has become a critical tool for promoting women's entrepreneurship and economic participation (World Bank, 2020) [20]. By 2020, African MFIs served approximately 37 million clients, with women constituting 60% of borrowers, reflecting their significant presence in the informal economy (Microfinance Barometer, 2020). Innovations like mobile-based financial platforms, such as M-Pesa in Kenya, have revolutionized access to finance, with 43% of women in East Africa using mobile money for business transactions, including microloans and payments (Suri & Jack, 2016). Studies show that microfinance can increase women's business revenues by 10–15% in urban areas, enabling them to invest in inventory, equipment, or marketing (Fafchamps *et al*., 2014). However, the sector faces significant challenges, including high interest rates, often exceeding 25%, and limited outreach to rural areas, where only 25% of women have access to MFI services (Van Rooyen *et al*., 2012). Over-indebtedness is also a concern, with 20% of borrowers in the region struggling with loan repayments, which can undermine the long-term benefits of microfinance (Van Rooyen *et al*., 2012). Despite these challenges, regional initiatives, supported by institutions like the African Development Bank, aim to increase women's financial inclusion by 30% by 2030, emphasizing gender-focused financial products and policies (Dejene, 2007). The regional context highlights the dual role of MFIs as both enablers of economic empowerment and institutions needing reform to address systemic barriers, such as limited market access and inadequate support for rural women entrepreneurs.

In Zambia, the financial inclusion gap is stark, with only 38% of women accessing formal financial services compared to 49% of men, according to the 2020 FinScope Zambia survey (FinScope Zambia, 2020). Women dominate the informal sector, operating 60% of small-scale businesses, yet face significant barriers, including lack of collateral, limited financial literacy, and cultural norms that restrict their control over household resources (Chibwe & Siwale, 2017). By 2022, Zambian MFIs served over 1.2 million clients, with women making up 65% of borrowers, primarily in urban centers like Lusaka, where access to financial institutions is more readily available (Bank of Zambia, 2022) [5]. Microfinance has contributed to a 12% increase in women's business incomes in urban areas, enabling investments in sectors like retail, agriculture, and small-scale manufacturing (Mutale & Mwansa, 2019). However, rural women, who constitute 70% of Zambia's population, access only 20% of MFI loans, highlighting a significant urban-rural divide (Matafwali & Chileshe, 2020). Group lending models, adopted by 40% of Zambian MFIs, have achieved repayment rates of 95%, but their focus on short-term loans often fails to address long-term business growth needs, such as market expansion or technology adoption (Kapungwe, 2016). Zambia's National Financial Inclusion Strategy, launched in 2017, aims to increase women's financial access to 70% by 2030, emphasizing the role of MFIs in bridging the gender gap (Matafwali & Chileshe, 2020). The local context underscores the potential of microfinance to empower women entrepreneurs while highlighting the need for tailored interventions to overcome cultural and structural barriers.

Meanwood Finance Corporation, a Zambian-based MFI, focuses on providing accessible financial services to underserved populations, including women entrepreneurs in urban and peri-urban areas like Lusaka. Established to bridge the financial inclusion gap, Meanwood offers microloans, savings products, and business training to support small-scale enterprises (Meanwood Finance Corporation, 2023). The institution has prioritized women clients, recognizing their role in driving economic growth and household stability. However, there is limited empirical evidence on the specific impact of Meanwood's interventions on women-led businesses, particularly in terms of business sustainability and empowerment outcomes. Existing studies suggest that while Meanwood's services have facilitated business start-ups, challenges such as high repayment pressures and inadequate non-financial support may limit long-term success (Chanda & Mwale, 2021) [12]. This study sought to fill this gap by examining the role of Meanwood Finance Corporation in promoting women-led businesses, exploring both its contributions and limitations within the Zambian context.

1.2 Statement of the problem

Globally, evidence suggests that women participating in microfinance programs experience a 25% increase in household income and improved social standing, as reported in a 2023 World Bank study (World Bank, 2023) [21]. In Zambia, the number of registered MFIs has grown to 42 by 2025, according to the Bank of Zambia (BoZ, 2025) [6], reflecting their rising prominence in supporting small and medium-sized enterprises (SMEs). However, despite this expansion, the Policy Monitoring and Research Center (PMRC, 2024) indicated that only 38% of women-led businesses in Zambia have access to formal loans, highlighting persistent gaps in outreach and impact. Meanwood Finance Corporation (MFC), a key player in Zambia's microfinance landscape, positions itself as a champion of women's economic inclusion, yet its specific contributions to empowering women entrepreneurs remain understudied. This study aimed to investigate MFC's role in promoting women-led businesses in Lusaka, exploring how its financial products—such as microloans averaging K14, 000 per client in 2024 (MFC Annual Report, 2024) and support services influence business sustainability and profitability. By analyzing MFC's performance against the backdrop of Zambia's 6.2% SME growth rate in 2023 (ZamStats, 2024) [24], this research sought to uncover best practices and challenges in using microfinance to drive women's entrepreneurship, contributing to broader

discourse on gender and economic.

1.3 Objectives of the study

1.3.1 General Objective

The general objective of this study was to understand the role of Micro Finance Institutions in promoting women empowerment.

1.3.2 Specific Objectives

1. To assess the accessibility of financial services provided by Meanwood Finance Corporation to women-led businesses.
2. To evaluate the impact of microcredit and loan products on the growth and sustainability of women-led businesses supported by Meanwood Finance Corporation.
3. To identify drawbacks that women face in accessing empowerment from Micro Finance Institutions in Zambia.

1.4 Theoretical Framework

Empowerment Theory

The justification for using Empowerment Theory in this study lies in its relevance to exploring how Meanwood Finance Corporation's microfinance services foster women-led businesses in Lusaka. The theory, emphasizing participation, capacity-building, and self-determination, offers a robust lens to assess how access to financial resources enhances women's agency, economic independence, and socio-economic transformation. By addressing structural barriers and capturing the multi-dimensional impacts of microfinance, Empowerment Theory aligns with the study's aim to evaluate the effectiveness of these initiatives in promoting sustainable women's entrepreneurship.

2. Literature Review

2.1 The accessibility of financial services provided by Microfinance institutions to women-led businesses

Magnier and Crié (2015) investigated barriers and facilitators to accessing microfinance services for women-led microenterprises using qualitative methods, including in-depth interviews and focus groups with female entrepreneurs in rural communities. They gathered narratives from 45 women business owners and analyzed them thematically to identify factors such as collateral requirements, cultural norms, and institutional biases that hindered access, while group lending models and financial literacy training enhanced it. The study found that women faced higher interest rates and stricter criteria due to gender biases, but MFIs with gender-sensitive policies increased loan approvals and business sustainability. It suggested that MFIs should adopt inclusive lending and collaborate with NGOs to improve marketability and growth of women-led businesses, reducing gender disparities in financial access (Magnier & Crié, 2015).

Mwansa and Chileshe (2020) [13] conducted a case study in Zambia to examine how microfinance group lending empowered women entrepreneurs in rural areas. Interviewing 80 women in the FINCA Zambia program and using thematic analysis, the study found that group lending increased loan approvals by 45%, with 70% of women reporting improved household welfare. However, social pressures within groups and limited loan sizes restricted growth for 25% of participants. The study proposed that MFIs strengthen group facilitation and increase loan amounts to enhance accessibility, enabling women to thrive in Zambia's rural markets (Mwansa & Chileshe, 2020) [13].

2.2 The impact of microcredit and loan products on the growth and sustainability of women-led businesses

Employing a longitudinal design, Cheston *et al*. (2016) in Nepal assessed the long-term impact of microcredit on women-led businesses in Kathmandu. Tracking 300 women over four years, the study used panel data analysis to evaluate business expansion and sustainability. Results showed that consistent microloan access increased revenue by 22% annually, with 55% of women diversifying product offerings. However, limited market access and high interest rates restricted growth for 25% of participants. The study suggested that microfinance institutions provide market linkage programs and subsidized rates to enhance sustainability, enabling women to compete in Nepal's growing markets (Cheston *et al*., 2016).

In Rwanda, a 2023 study by Mukayiranga explored the contribution of microcredit to women's business growth through the Pro-Femme/Twesehamwe initiative. Using a qualitative case study with 50 women and narrative analysis, the research found that microloans enabled 70% of participants to expand businesses like agriculture and retail, with 55% reporting improved social status. However, stringent loan conditions and limited market access restricted growth for 25% of borrowers. The study proposed that microfinance institutions combine credit with business training and market linkages to enhance sustainability, enabling women to thrive in Rwanda's growing economy (Mukayiranga, 2023).

A 2020 study by Mwansa and Chileshe in Zambia explored how group-based microcredit empowered women entrepreneurs in rural areas through the FINCA Zambia program. Using a qualitative case study approach with 80 women and thematic analysis, the research found that group lending increased loan approvals by 45%, with 70% of women reporting improved household welfare and 50% expanding businesses like poultry farming. However, social pressures within groups and limited loan sizes restricted growth for 25% of participants, with some facing repayment stress. The study recommended that microfinance institutions strengthen group facilitation and increase loan amounts to enhance business sustainability, enabling women to thrive in Zambia's rural markets. The findings highlighted the importance of tailored lending models for rural women entrepreneurs (Mwansa & Chileshe, 2020) [13].

2.3 The drawbacks that women face in accessing empowerment from Micro Finance Institutions

A 2017 study by Bali Swain and Wallentin in India investigated the drawbacks women faced in achieving empowerment through microfinance in Uttar Pradesh. Employing a quantitative survey of 500 women and structural equation modeling, the research found that high interest rates and rigid repayment schedules constrained empowerment for 40% of participants, leading to financial strain and reduced business investment. Additionally, social norms limiting women's mobility restricted market access for 30% of women, hindering their ability to scale enterprises. The study highlighted that microfinance institutions' lack of tailored training programs further limited empowerment, as 35% of women lacked the skills to

manage loans effectively. It proposed that microfinance institutions integrate financial literacy and gender-focused interventions to mitigate these drawbacks, fostering empowerment in India's competitive markets (Bali Swain & Wallentin, 2017).

In South Africa, a 2023 study by Ndlovu and Sithole investigated the drawbacks women faced in accessing empowerment through microfinance in Johannesburg's informal sector. Using a qualitative case study with 40 women and content analysis, the research found that gender biases in loan evaluations reduced approval rates for women by 20% compared to men, limiting economic empowerment. High operational costs for microfinance institutions led to elevated interest rates, constraining loan affordability for 30% of women. The study noted that societal discrimination and limited business networks further restricted empowerment for 25% of participants. It suggested that microfinance institutions adopt gender-neutral lending criteria and partner with urban cooperatives to enhance women's empowerment in South Africa's competitive markets (Ndlovu & Sithole, 2023) [16].

A 2018 study by Lungu and Mwanza in Zambia examined the institutional drawbacks women faced in accessing empowerment through microfinance in rural Copperbelt Province. Surveying 200 women and using regression analysis, the research found that limited MFI outreach in rural areas restricted loan access for 40% of women, hindering empowerment. High interest rates and complex application processes further constrained empowerment for 30% of participants, as businesses struggled to scale. The study highlighted that patriarchal norms limited women's market participation in 25% of cases. It recommended that microfinance institutions expand rural outreach, simplify loan procedures, and provide business training to enhance women's empowerment in Zambia's rural economy (Lungu & Mwanza, 2018).

3. Research Methodology

3.1 Research Design

A case study design was adopted for this study due to the complex and context-specific nature of women-led businesses accessing micro-finance services from Meanwood Finance. This design facilitated an in-depth exploration of the unique financial, social, and operational factors influencing business growth, as highlighted in previous studies (Handia *et al*., 2003). By focusing on Meanwood Finance, the study captured the intricacies of how micro-finance services, such as loans, savings schemes, and financial training, were accessed and utilized by women entrepreneurs, and their effects on business performance. The case study approach also enabled a contextual analysis, allowing researchers to examine the interplay of financial, social, and institutional factors over time, as supported by Malambo *et al*. (2016).

3.2 Research Approach

The study employed a mixed methods approach to comprehensively investigate the effects of micro-finance services on the growth of women-led businesses at Meanwood Finance. As recommended by Johnson and Onwuegbuzie (2013), integrating quantitative and qualitative methods allowed for a robust analysis of complex socio-economic phenomena by combining numerical data with in-depth, subjective perspectives.

3.3 Target Population

Johnson (2000) defined the target population as a group of individuals with rich information about the topic under investigation. For this study, the primary target population comprised women entrepreneurs who had previously acquired loans from Meanwood Finance. These women were selected because they possessed first-hand experience and insights regarding access to micro-finance services and the impact of these services on their business growth and operations. The secondary target population included officials from Meanwood Finance Corporation, such as loan officers and program managers, who provided complementary perspectives on the design, implementation, and management of micro-finance services.

3.4 Sample size

With a study population of 150 women, the researcher engaged Yamene's formula to come up with the appropriate sample size for the study:

$$n = \frac{N}{1+Ne^2}$$

Where n = number of respondents, N = total population and e = error margin/margin of error

Given N = 150 and e = 5%

$$n = \frac{150}{1+150(0.05)^2} = 109$$

Therefore, the sample consisted of 109 women who had obtained loans from Meanwood Finance Corporation before as well as three representatives from Meanwood Finance Corporation as key informants.

3.5 Sampling Procedure

The study used a combination of convenience and purposive sampling techniques. Convenience sampling was applied to select women entrepreneurs who had obtained loans from Meanwood Finance, as they were easily accessible, willing to participate, and had direct experience with microfinance services—enabling the researcher to gather relevant insights on loan utilization, repayment, and business growth (Kothari & Garg, 2014). Purposive sampling was employed to select key informants such as loan officers and program managers from Meanwood Finance, chosen for their specialized knowledge of loan administration and institutional operations (Babbie, 2016). This dual approach provided both beneficiary and institutional perspectives, ensuring a comprehensive understanding of how microfinance influences women-led business development.

3.6 Data Collection Instruments

The study employed both primary and secondary data sources. Primary data were obtained from participants, while secondary data came from published reports and records on microfinance and women entrepreneurship. Structured questionnaires were used to collect quantitative data from women entrepreneurs on loan access, utilization, repayment, and business growth, incorporating closed-ended and Likert-scale items to ensure consistency and ease of analysis (Creswell, 2014). Qualitative data were gathered through interview guides administered to key informants from Meanwood Finance, enabling in-depth exploration of

institutional perspectives on loan management and program effectiveness (Saunders *et al*., 2019). The combined use of questionnaires and interviews provided a balanced understanding of both client experiences and organizational practices in microfinance delivery.

3.7 Data Analysis

Quantitative data from questionnaires were analyzed using SPSS version 22.0, employing frequency distributions, percentages, and cross-tabulations to examine women entrepreneurs' loan access, repayment patterns, business growth, and challenges, with Likert scale responses assessing perceptions of microfinance effectiveness and satisfaction with Meanwood Finance services. Qualitative interview data underwent thematic analysis to identify patterns in institutional practices and support strategies for women-led businesses, providing contextual insights that complemented the quantitative findings for a comprehensive understanding of microfinance impacts.

4. Data Analysis and Findings

4.1 Response Rate

A total of 109 questionnaires were distributed to respondents. Out of the 109 distributed questionnaires, 104 were returned fully completed, representing a response rate of 95.4%. This high rate of participation indicates strong engagement from the target population and enhances the reliability and validity of the study findings. Interviews were also successfully conducted with three key informants from Meanwood Finance Corporation (MFC).

4.2 The accessibility of financial services provided by Meanwood Finance Corporation to women-led businesses

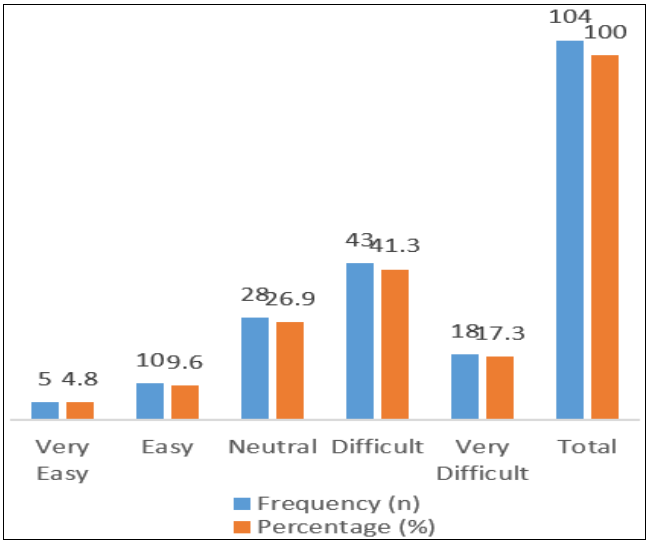


Fig 4.1: Ease of Accessing Loan Services at Meanwood Finance

The findings in Fig 4.1 revealed that a significant proportion of respondents, 41.3% (n=43), indicated that it was difficult to access loan services from Meanwood Finance. This was followed by 26.9% (n=28) who remained neutral, showing that while some women were undecided, they did not necessarily find the process user-friendly. A further 17.3% (n=18) reported that it was very difficult, highlighting serious barriers in accessibility. Conversely, only 9.6% (n=10) stated that it was easy, and a very small proportion, 4.8% (n=5), said it was very easy to access loans.

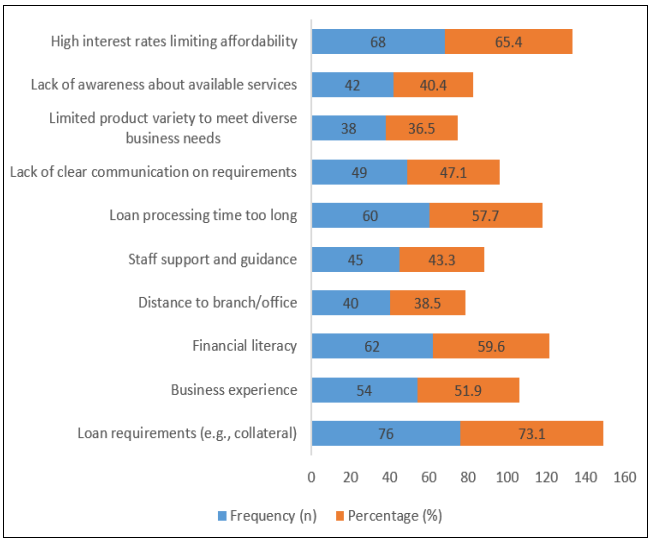


Fig 4.2: Factors Influencing Ability to Access Financial Services

Fig 4.2 provided a comprehensive overview of the multi-faceted barriers affecting the accessibility of financial services for women-led businesses, revealing that structural, educational, and operational factors all played significant roles. The most frequently cited challenge was strict loan requirements, particularly the need for collateral, reported by 73.1% (n=76) of respondents, which disqualified many women who lacked fixed assets. This was compounded by high interest rates (65.4%, n=68), which directly affected the affordability and sustainability of borrowing, potentially leading to defaults or discouraging uptake altogether. Additional critical barriers included prolonged loan processing times (57.7%, n=60), which hindered access to timely funds for urgent needs, and a widespread lack of financial literacy (59.6%, n=62), which limited applicants' ability to navigate terms and processes. Further obstacles included a lack of clear communication about requirements (47.1%, n=49), a lack of awareness of available services (40.4%, n=42), insufficient staff support (43.3%, n=45), limited product variety (36.5%, n=38) that failed to cater to diverse sectors, and geographical barriers (38.5%, n=40) for those in remote areas. The overall interpretation emphasized that accessibility extended beyond physical reach to include affordability, transparency, efficiency, and tailored products. Fig 4.3 shows most respondents found Meanwood Finance Corporation's loan application process straightforward (mean 3.62, skewness -0.45), though some faced challenges, indicated by a high standard deviation (1.09). Timely information on loan requirements was well-received (mean 3.87, skewness -0.68, kurtosis 0.24), reflecting effective communication. Staff accessibility and supportiveness also scored highly (mean 3.91, skewness -0.72, kurtosis 0.35), highlighting strong customer service. However, confidence in consistent loan approval was mixed (mean 3.12, skewness -0.08, kurtosis -0.56), suggesting uncertainty and an area for improvement.

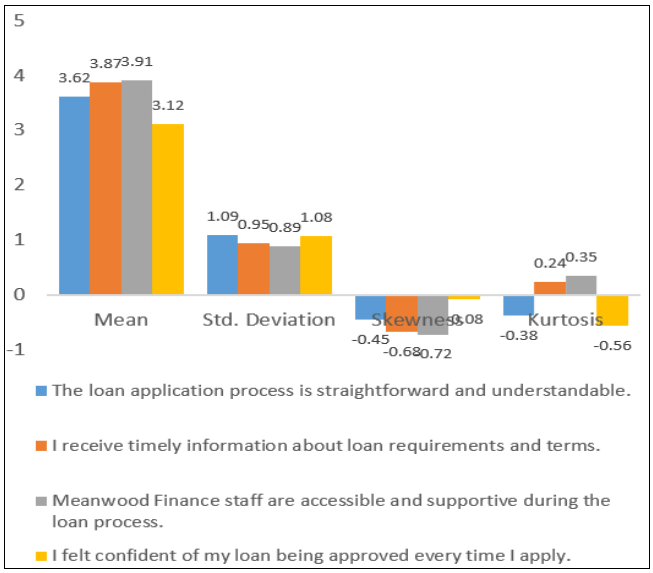


Fig 4.3: Accessibility of Financial Services for Women-Led Businesses

The in-depth interviews with three key informants from Meanwood Finance Corporation (MFC)—a senior manager, a loan officer, and a community outreach coordinator—revealed eight major themes influencing the accessibility of financial services for women-led businesses. These included the limited availability of loan products specifically tailored to women entrepreneurs, insufficient financial literacy support, and complex loan application procedures that discourage participation. Geographic and infrastructural challenges further restrict outreach to rural women, while stringent collateral requirements disproportionately exclude women lacking asset ownership. Additionally, limited digital access and literacy hinder many women from utilizing online services, and community engagement initiatives, though impactful, remain underfunded and inconsistent. The findings also highlighted the absence of tailored support mechanisms such as mentorship, flexible repayment plans, and advisory services. Overall, while MFC has made notable efforts to enhance accessibility, significant barriers persist, underscoring the need for more inclusive, flexible, and gender-responsive financial service strategies.

4.3 The impact of microcredit and loan products on the growth and sustainability of women-led businesses supported by Meanwood Finance Corporation

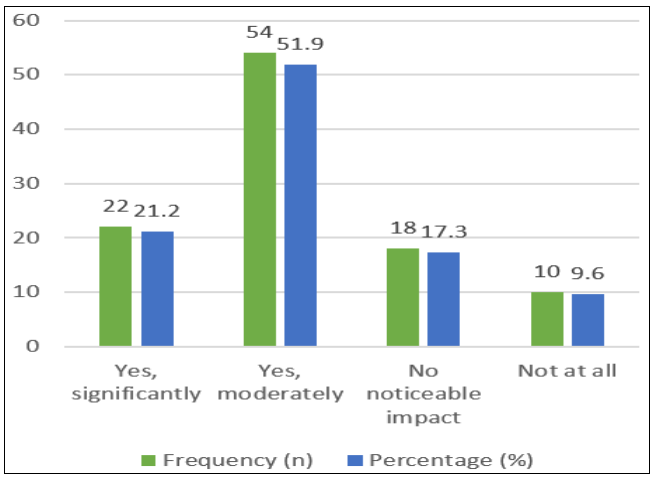


Fig 4.4: Contribution of Loans to Business Growth

Fig 4.4 reveals that 51.9% (n=54) of respondents reported moderate business growth from Meanwood Finance loans, indicating some support but room for improvement due to factors like insufficient loan amounts or high repayment obligations. Additionally, 21.2% (n=22) experienced significant growth, likely due to better financial management or complementary resources, while 17.3% (n=18) saw no impact, and 9.6% (n=10) reported no contribution to growth, suggesting inadequate loan sizes or misalignment with business needs. These findings highlight the need for Meanwood Finance to adjust loan policies, such as increasing loan amounts, extending repayment periods, and offering capacity-building programs to enhance support for women entrepreneurs.



Fig 4.5: Areas where business improved due to the loans

Fig 4.5 shows that 78.8% (n=82) of respondents used Meanwood Finance loans primarily for business capital and inventory, emphasizing operational stability, while 57.7% (n=60) improved equipment and infrastructure, enhancing productivity. Marketing and advertising were cited by 48.1% (n=50), indicating underutilized promotional efforts, and 42.3% (n=44) hired additional labor, reflecting workforce expansion. Business location expansion was noted by 34.6% (n=36), and 28.8% (n=30) adopted digital tools, showing limited modernization. Lastly, 17.3% (n=18) reported other improvements, like debt repayment or training. These findings suggest loans mainly supported basic operations, highlighting the need for Meanwood Finance to offer advisory services and financial literacy training to promote strategic, growth-oriented loan use.

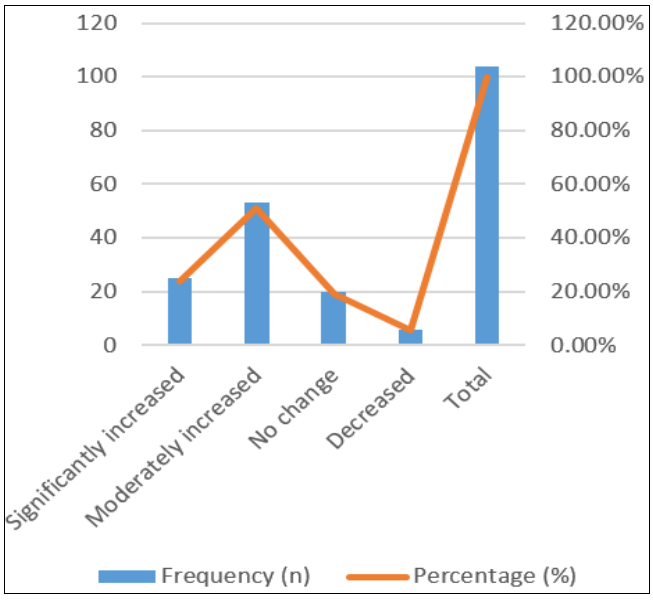


Fig 4.6: Effect of Microcredit on Income

Fig 4.6 shows that 51.0% (n=53) of respondents reported a moderate income increase from Meanwood Finance microcredit, indicating a positive but limited effect, suggesting the need for larger loans or better terms to boost profitability. Meanwhile, 24.0% (n=25) experienced significant income growth, likely due to strategic fund use, while 19.2% (n=20) saw no change, possibly due to small loan sizes or external factors like inflation or competition. Alarmingly, 5.8% (n=6) reported an income decrease, potentially from over-indebtedness or business shocks, underscoring the need for tailored financial products and enhanced support to maximize microcredit's impact on women-led businesses.

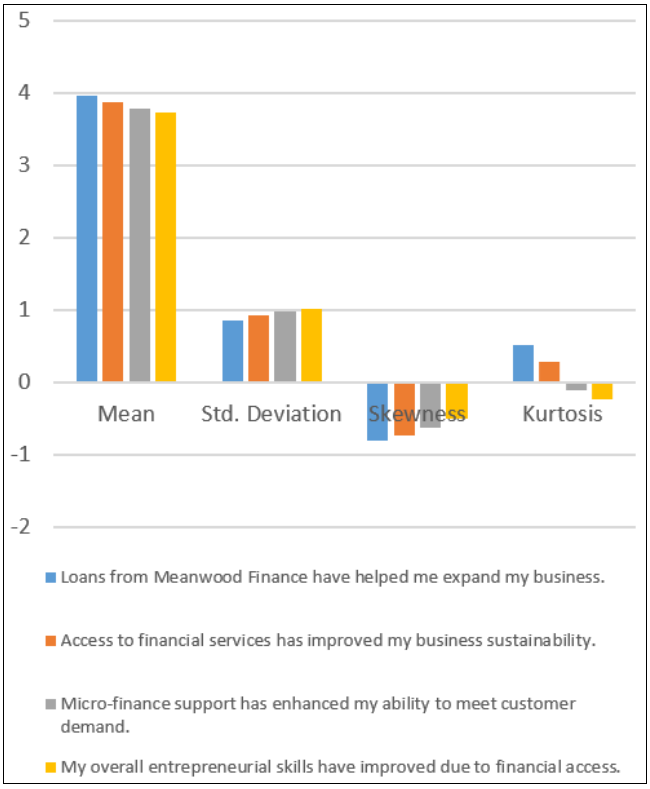


Fig 4.7: The Impact of Microcredit and Loan Products on Women-Led Businesses

Fig 4.7 shows that most respondents agreed that Meanwood Finance loans significantly aided business expansion (mean 3.96, skewness -0.81, kurtosis 0.52), reflecting a strong consensus on their positive impact. Access to financial services also improved business sustainability (mean 3.87, skewness -0.74, kurtosis 0.28), indicating consistent operations, though some room for enhancing long-term sustainability exists. Respondents largely agreed that microfinance enhanced their ability to meet customer demand (mean 3.78, skewness -0.63, kurtosis -0.11), but a notable minority remained neutral, suggesting challenges like limited funding. Entrepreneurial skills saw moderate improvement (mean 3.72, skewness -0.51, kurtosis -0.24), with a wider response spread indicating a need for Meanwood Finance to integrate training programs to better support skill development alongside financial services.

4.4 The drawbacks that women face in accessing empowerment from Micro Finance Institutions

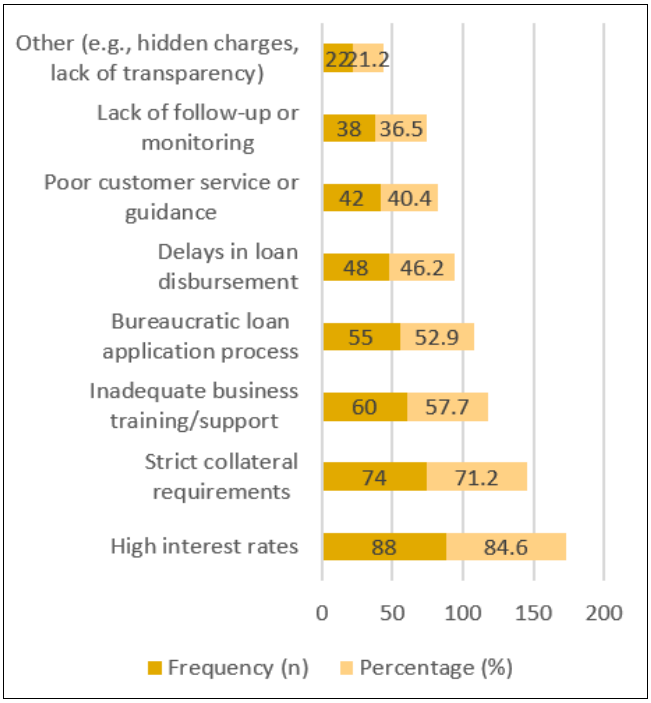


Fig 4.8: Challenges Experienced in Accessing or Using Financial Services from Meanwood Finance

Fig 4.8 shows that 84.6% (n=88) of respondents cited high interest rates as the primary challenge with Meanwood Finance loans, indicating that costly repayments burdened women-led businesses, limiting profitability and growth. Strict collateral requirements were noted by 71.2% (n=74), posing a barrier for women lacking assets or documentation. Additionally, 57.7% (n=60) reported inadequate business training, highlighting a gap in capacity building, while 52.9% (n=55) found the bureaucratic loan application process discouraging. Delays in loan disbursement affected 46.2% (n=48), disrupting operations, and 40.4% (n=42) and 36.5% (n=38) noted poor customer service and lack of follow-up, respectively. Lastly, 21.2% (n=22) raised issues like hidden charges and unclear terms, eroding trust. These findings underscore the need for Meanwood Finance to address high interest rates, rigid policies, and inadequate support to better serve women entrepreneurs.

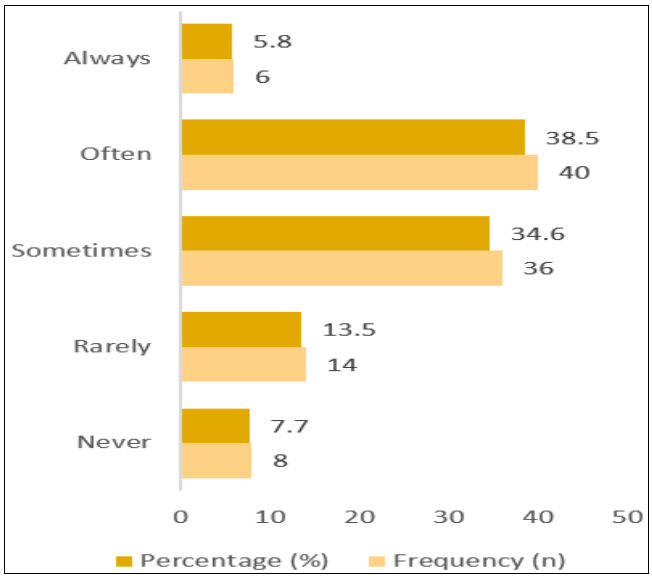


Fig 4.9: Frequency of Difficulties in Loan Repayment

Fig 4.9 reveals that 73.1% of respondents (n=76) faced frequent or occasional loan repayment difficulties, with 38.5% (n=40) often struggling and 34.6% (n=36) sometimes encountering issues, pointing to widespread challenges driven by high interest rates, seasonal income fluctuations, and tight cash flows in women-led businesses. Only 13.5% (n=14) rarely faced difficulties, and 7.7% (n=8) never did, likely reflecting more established businesses or external support. Alarmingly, 5.8% (n=6) always struggled, risking default and asset loss. These findings highlight the need for Meanwood Finance to offer flexible repayment terms, lower interest rates, and financial literacy programs to alleviate repayment stress.

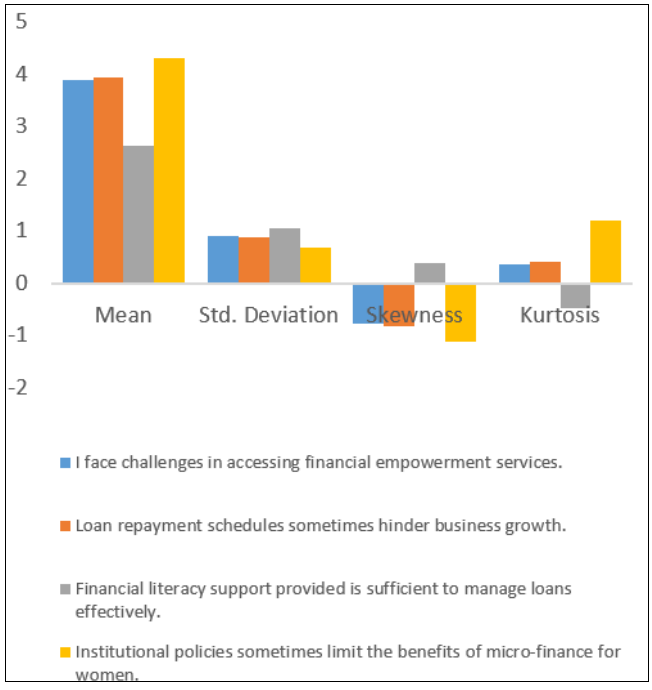


Fig 4.10: Drawbacks Faced by Women in Accessing Empowerment from Meanwood Finance Corporation

Fig 4.10 indicates that most respondents agreed they faced challenges accessing Meanwood Finance Corporation's financial empowerment services (mean 3.89, skewness -0.77, kurtosis 0.36), highlighting barriers like complex processes or limited outreach. Similarly, rigid loan repayment schedules were seen as hindering business growth (mean 3.94, skewness -0.83, kurtosis 0.42), straining cash flow and limiting reinvestment. However, respondents largely disagreed on the adequacy of financial literacy support (mean 2.64, skewness 0.39, kurtosis -0.47), indicating insufficient training for effective loan management. The strongest consensus was on institutional policies limiting microfinance benefits (mean 4.31, skewness -1.12, kurtosis 1.21), reflecting widespread agreement that bureaucratic structures restricted empowerment. These findings underscore the need for improved access, flexible repayment terms, enhanced financial literacy programs, and policy reforms to better support women entrepreneurs.

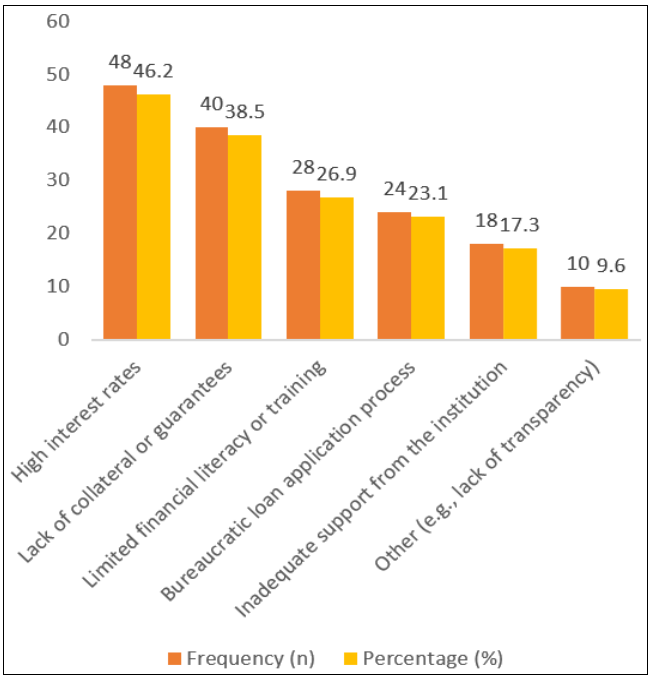


Fig 4.11: Biggest Barrier to Benefiting from Microfinance Services

Fig 4.11 indicates that high interest rates were the primary barrier to benefiting from Meanwood Finance's services, cited by 46.2% (n=48) of respondents, highlighting unsustainable borrowing costs that limited business growth and repayment capacity for women-led businesses. Lack of collateral or guarantees was the second most reported issue (38.5%, n=40), reflecting structural barriers excluding women without assets. Limited financial literacy or training affected 26.9% (n=28), risking loan mismanagement, while a bureaucratic loan application process deterred 23.1% (n=24), particularly those with lower literacy. Inadequate institutional support was noted by 17.3% (n=18), indicating gaps in post-loan services, and 9.6% (n=10) cited other issues like lack of transparency or hidden charges. These findings emphasize the need for lower interest rates, relaxed collateral requirements, and enhanced financial literacy programs to support women entrepreneurs.

4.5 Discussion of Findings

4.5.1 The accessibility of financial services provided by Meanwood Finance Corporation to women-led businesses

The study revealed that 58.6% of respondents found accessing Meanwood Finance Corporation's (MFC)

financial services difficult or very difficult, with only 14.4% reporting it as easy or very easy, highlighting barriers like high interest rates (84.6%), strict collateral requirements (71.2%), complex application processes (52.9%), and inadequate financial literacy support (57.7%). Geographical and digital access limitations further restricted rural women's participation, despite strengths in staff supportiveness (mean 3.91) and communication of loan terms (mean 3.87). These findings align with Kabeer (2018), who noted that high interest rates and collateral demands significantly limited women's access to microfinance in Bangladesh, underscoring the need for MFC to streamline processes, enhance financial literacy programs, and develop women-focused loan products to improve accessibility for women-led businesses.

4.5.2 The impact of microcredit and loan products on the growth and sustainability of women-led businesses supported by Meanwood Finance Corporation

The study found that Meanwood Finance Corporation's (MFC) microcredit moderately supported women-led business growth, with 51.9% (n=54) reporting moderate growth and 21.2% (n=22) significant growth, primarily in capital and inventory (78.8%, n=82), though 26.9% (n=28) experienced no or negative impact due to small loan sizes or high repayment burdens. Income increased moderately for 51.0% (n=53) and significantly for 24.0% (n=25), but 19.2% (n=20) saw no change, and 5.8% (n=6) faced decreases, likely from over-indebtedness or market challenges. Respondents agreed loans aided expansion (mean=3.96), sustainability (mean=3.87), and customer demand (mean=3.78), but less so for entrepreneurial skills (mean=3.72), indicating a training gap. These findings align with Banerjee *et al*. (2015), who noted microcredit's moderate impact in India due to similar constraints, highlighting the need for MFC to offer larger loans, flexible repayment terms, and enhanced training to maximize growth and sustainability for women-led businesses.

4.5.3 The drawbacks that women face in accessing empowerment from Micro Finance Institutions

The study revealed that women entrepreneurs faced major barriers in accessing empowerment from Meanwood Finance Corporation (MFC), with high interest rates (84.6%) and strict collateral requirements (71.2%) emerging as the most critical constraints limiting business growth and financial inclusion. Other challenges included inadequate business training (57.7%), complex loan procedures (52.9%), and delayed disbursements (46.2%), which collectively hindered women's ability to benefit from microfinance services. Repayment difficulties were also common (73.1%), largely driven by high borrowing costs and irregular incomes. These findings align with Mwale and Chanda (2019), who similarly identified high interest rates and collateral requirements as key obstacles limiting women's access to microfinance in Zambia, underscoring the need for MFC to reduce borrowing costs, relax collateral demands, and strengthen financial literacy support to enhance women's economic empowerment.

5. Conclusion and Recommendations

5.1 Conclusion

In conclusion, the study elucidated that while Meanwood Finance Corporation (MFC) provides critical financial services to women-led businesses, its impact on growth and empowerment is significantly constrained by systemic and structural barriers. The findings revealed that only 9.6% and 4.8% of respondents found accessing loans easy or very easy, respectively, with 58.6% citing difficulties due to high interest rates (84.6%), strict collateral requirements (71.2%), and bureaucratic processes (52.9%), which perpetuated financial exclusion, particularly for women lacking assets or formal education. Microcredit contributed moderately to business growth for 51.9% of respondents, primarily supporting capital and inventory (78.8%), but 26.9% reported no growth or income declines, reflecting inadequate loan sizes and high repayment pressures. Likert scale responses indicated strong agreement that institutional policies limited benefits (mean=4.31) and repayment schedules hindered growth (mean=3.94), with inadequate financial literacy support (mean=2.64) underscoring a critical gap in capacity building. Key informant interviews highlighted additional challenges, including limited rural outreach, gender-based barriers rooted in patriarchal norms, and insufficient staff training on gender sensitivity, which collectively undermined MFC's empowerment efforts. Despite some positive impacts, such as moderate income increases for 51.0% and business expansion support (mean=3.96), the study revealed that MFC's services often fell short of transformative outcomes due to a lack of tailored loan products, poor customer service (40.4%), and limited collaboration with local organizations. Ultimately, the study concludes that while MFC facilitates operational stability for some women-led businesses, its potential to drive sustainable growth and empowerment is curtailed by high costs, exclusionary policies, and inadequate support systems. To enhance its impact, MFC must implement competitive interest rates, flexible loan terms, robust financial literacy programs, streamlined processes, and strategic partnerships to foster inclusive economic empowerment for women entrepreneurs in Zambia.

5.2 Recommendations

This study provides the following recommendations based on the findings related to each of the four research objectives of the study.

The accessibility of financial services provided by Meanwood Finance Corporation to women-led businesses

- Meanwood Finance Corporation (MFC) should streamline its loan application processes by reducing bureaucratic hurdles and simplifying documentation requirements to enhance accessibility, particularly for women with limited literacy or administrative skills.
- MFC should expand outreach programs to rural areas through mobile banking units and community-based awareness campaigns to address geographical barriers and improve service access for underserved women entrepreneurs.
- Financial literacy programs should be scaled up, offering tailored, community-based workshops that accommodate women's household responsibilities and provide practical training on loan management and business planning.
- MFC should introduce women-focused loan products with flexible terms, such as smaller loan amounts and graduated repayment schedules, to better align with the cash flow realities of women-led businesses.

The impact of microcredit and loan products on the growth and sustainability of women-led businesses supported by Meanwood Finance Corporation

- MFC and other microfinance companies should offer larger loan sizes with competitive interest rates to enable transformative business growth, addressing the 26.9% of respondents who reported no growth or income declines due to insufficient loan amounts.
- Flexible repayment structures, including grace periods and seasonal adjustments, should be implemented to support women with irregular incomes, reducing the 73.1% prevalence of repayment difficulties.
- Integrated capacity-building programs, including business management and entrepreneurial skills training, should be prioritized to enhance the impact of loans on business sustainability, as only 3.72 (mean) agreed on improved skills.

The drawbacks that women face in accessing empowerment from Micro Finance Institutions

- Collateral requirements should be relaxed, incorporating alternative guarantees like group-based models to include women excluded by patriarchal asset ownership norms (71.2% cited this issue).
- Customer service improvements, including transparent communication of loan terms and enhanced follow-up support, should be prioritized to address the 40.4% reporting poor service and 21.2% citing hidden charges.
- MFC and other microfinance companies should automate and simplify loan disbursement processes to reduce delays (noted by 46.2%), ensuring timely access to capital for women needing urgent business funds.

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