



Griffith College

KUDUMBASHREE MICROFINANCE UTILISATION AND BUSINESS SUSTAINABILITY AMONG WOMEN MICRO-ENTREPRENEURS IN KERALA

Research dissertation presented in partial fulfilment of the requirements

for the degree of

MSc in Accounting and Finance Management

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September 2024

DECLARATION

Candidate Name: Steffi De Almeida

I certify that the dissertation entitled: KUDUMBASHREE MICROFINANCE UTILISATION AND BUSINESS SUSTAINABILITY AMONG WOMEN MICRO-ENTREPRENEURS IN KERALA

submitted for the degree of MSc in Accounting and Finance Management is the result of my own work and that where reference is made to the work of others, due acknowledgement is given.

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TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iv
LIST OF TABLES AND FIGURES	vi
LIST OF ABBREVIATIONS	vii
ABSTRACT	viii
CHAPTER ONE - RESEARCH BACKGROUND	1
1.1 Introduction.....	1
1.2 Industry Analysis / Context.....	2
1.3 Statement of the Problem.....	4
1.4 Research Questions	5
1.5 Research Aim and Objectives	5
1.6 Rationale and Significance	5
CHAPTER TWO - LITERATURE REVIEW	6
2.1 Introduction.....	7
2.2 Microfinance: Context and Conceptual Analysis	7
2.2.1 Overview and evolution of microfinance	7
2.2.2 Challenges and criticisms of microfinance	9
2.2.3 Historical context of microfinance in Kerala.....	9
2.3 Kudumbashree: An Overview	11
2.4 Women Entrepreneurship.....	13
2.5 Microfinance and Sustainable Development	15
2.5.1 Microfinance and Women Empowerment	16
2.5.2 Microfinance and Business Sustainability	17
2.6 Impact Assessment Methodologies in Microfinance	18
2.7 Theoretical Analysis: Theories of Microfinance.....	19
2.7.1 Social Capital Theory.....	19
2.7.2 Participatory Development Theory	20
2.7.3 Institutional Theory.....	21
2.8 Empirical Analysis	23
2.9 Conceptual Framework.....	24
2.10 Conclusion	26

CHAPTER THREE - RESEARCH METHODOLOGY	28
3.1 Introduction.....	28
3.2 Research Paradigm.....	28
3.3 Research Approach	29
3.4 Research Strategy.....	30
3.5 Source of Data.....	31
3.6 Sampling/Participants of the Study.....	31
3.7 Instrument for Data Collection	32
3.8 Validity of the Research	33
3.9 Analysis of Data	33
3.10 Ethical Considerations	34
3.11 Conclusion	35
CHAPTER FOUR - FINDINGS AND DISCUSSION	35
4.1. Introduction.....	35
4.2. Analysis of Interviews.....	36
4.2.1. Research Objective One: To analyse the utilisation patterns of Kudumbashree loans by women entrepreneurs in Kerala.....	37
4.2.1.1. Objective One	37
Theme one: Initial Loan Utilisation Patterns	37
4.2.1.2. Objective One	39
Theme two: Allocation of subsequent loans	39
4.2.1.3. Discussion of Objective One	40
4.2.2. Objective Two: To evaluate the long-term impacts of Kudumbashree microfinance schemes on the sustainability of women-led businesses.....	41
4.2.2.1. Objective Two	42
Theme one: Kudumbashree loans help in Business Sustainability.....	42
4.2.2.2. Objective Two	43
Theme two: Kudumbashree loans help in Business Growth.....	43
4.2.2.3. Discussion of Objective Two	44
4.2.3. Objective Three: To investigate the influence of institutional factors on the effectiveness of Kudumbashree loans in promoting business sustainability.....	46
4.2.3.1. Objective Three.....	46
Theme one: Kudumbashree Administrative Processes	46
4.2.3.2. Objective Three.....	48
Theme two: Training and Support Services.....	48

4.2.3.2. Discussion of Objective Three	49
4.3. Summary of Findings.....	51
CHAPTER FIVE - IMPLICATIONS, RECOMMENDATIONS, CONCLUSION	52
5.1. Introduction.....	52
5.2. Implications of the Research Findings.....	52
5.3. Contribution of the Study.....	54
5.4. Limitations	54
5.5. Recommendations.....	54
5.6. Recommendations for Future Research	55
5.7. Conclusion and Reflections	56
REFERENCES.....	568
APPENDIX A - INFORMED CONSENT FORM	A1
APPENDIX B - PLAIN LANGUAGE STATEMENT	B1
APPENDIX C - INTERVIEW SCHEDULE	C1
APPENDIX D - TRANSCRIBED INTERVIEWS.....	D1
1. Interview for LM.....	D1
2. Interview for SR.....	D3
3. Interview for PM.....	D5
4. Interview for LJ.....	D7
5. Interview for PA.....	D9
6. Interview for AP.....	D11
7. Interview for JH	D13
8. Interview for AJ	D16

LIST OF TABLES AND FIGURES

LIST OF TABLES

Table 2.1 Conceptual framework	25
Table 4.1. Interviewee Demographics.....	36

LIST OF FIGURES

Fig 1.1 % share of Export of MSME-related products in All India Export	3
Fig 1.2 The 5 Chapters of The Dissertation	6
Fig 2.1 Dr Muhammad Yunus	8
Fig 2.2 News headlines about MSMEs in Kerala - Mission 1000.....	10
Fig 2.3 News headlines about MSMEs in Kerala	10
Fig 2.4 Kudumbashree logo	11
Fig 2.5 A group of women trained by Kudumbashree	11
Fig 2.6 Kudumbashree Bank linkage program over the years	12
Fig 2.7 Organisational Structure of Kudumbashree in Kerala.....	12
Fig 2.8 No. of papers on Women Entrepreneurship in established journals	14
Fig 2.9 Women Entrepreneurs in India	15
Fig 2.10 Women entrepreneurs' major source of finance.....	17
Fig 2.11 The Circular Linkage between Social Capital and Economic Performance.....	20
Fig 2.12 Institutional theory	22
Fig 4.2 Analysis of interviews	26

LIST OF ABBREVIATIONS

1. ADS - Area Development Society
2. AIM - Amanah Ikhtiar Malaysia

3. CDS - Community Development Society
4. EDP - Entrepreneurship Development Programme
5. GDP - Gross Domestic Product
6. GOT - General Orientation Training
7. IPO - Initial Public Offering
8. JLG - Joint Liability Group
9. LGB - Local Government Bodies
10. MDG - Millennium Development Goals
11. MFI - Microfinance Institution
12. MSME - Micro, Small, and Medium Enterprises
13. NABARD - National Bank for Agriculture and Rural Development
14. NGO - Non-Government Organisation
15. NHG - Neighbourhood Help Groups
16. ROE - Return on Equity
17. ROSCA - Rotating Savings and Credit Association
18. SDG - Sustainability Development Goals
19. SHG - Self-Help Groups
20. SME - Small and Medium Enterprises

ABSTRACT

This study explored the impact of Kudumbashree microfinance schemes on the sustainability of women-led businesses in Kerala, with a focus on understanding how loans are utilised, assessing the long-term effects on business growth, and analysing the influence of institutional support. The study was guided by key research questions aimed at uncovering the specific ways

in which women entrepreneurs use these loans, the challenges they face in sustaining their businesses, and how institutional factors contribute to or hinder their success. To address these questions, a qualitative research approach was employed, involving in-depth interviews with 8 women micro-entrepreneurs who had received loans from the Kudumbashree program. The data collected from these interviews was analysed using thematic analysis, which allowed the identification of patterns related to loan utilisation, business sustainability, and institutional support. The findings reveal that while Kudumbashree loans significantly support the initial phases of business operations, challenges such as limited marketing and digitalisation investment and insufficient ongoing training stands in the way of the business reaching its full potential. Institutional support, particularly in terms of loan application processes and community networks, was found to be crucial, but the lack of continuous monitoring and follow-up training emerged as a key weakness. Based on these findings, the study recommended enhancing ongoing support and training for women entrepreneurs, improving the loan monitoring processes, and encouraging strategic investments in areas such as marketing and digitalisation to ensure the long-term success of these businesses. These recommendations are aimed at strengthening the effectiveness of Kudumbashree and similar microfinance programs in promoting sustainable economic development.

CHAPTER ONE - RESEARCH BACKGROUND

1.1 Introduction

This study is aimed at investigating how women micro-entrepreneurs in Kerala utilise microfinance loans – specifically Kudumbashree loans and how this impacts business sustainability. The available data shows that women are engaging in income-generating activities due to the credit facilities provided, and this empowered them socially, economically, and politically (Dash, 2016). K C (2018) highlighted the ability of the microfinance programs to extend financial inclusion to unbanked vulnerable sections of the population. Clients were able to break free from the grip of money lenders. It also fostered a habit of regular savings among all the clients.

However, there has been insufficient research on how women entrepreneurs utilise these Kudumbashree loans and how they impact the sustainability of their businesses. By exploring whether such microfinance schemes help sustain growth or merely provide temporary relief, this study aimed to fill this research gap in the literature.

Historically, commercial banks faced challenges in lending to the poor due to the lack of credit histories and documented records on small entrepreneurs, making it difficult to assess the creditworthiness of the borrowers. Additionally, the inability of the poor to provide collateral reduced the bank's options for recourse in the event of loan default (Sengupta and Aubuchon, 2008). Microfinance, a development tool to alleviate poverty in Asian, African and South American countries, gives quick and tangible results to poor people, especially women. The provision of microcredit to the poor operates on the premise that access to financial resources can help break the cycle of poverty (G. Modi *et al.*, 2014). Manjoor and Manders (2009), in their study, observed that women comprise around 70% of the world's poorest people just because of gender inequality. Numerous women are unable to take advantage of market opportunities due to a lack of access to capital. Additionally, they encounter challenges in obtaining capital from formal financial institutions such as banks due to security concerns (Rahman *et al.*, 2024). However, GEM (2022) states that developing economic women are starting their businesses more than women in developed countries. Nevertheless, female entrepreneurs still face numerous obstacles that hinder their ability to contribute to their countries' economic progress. These challenges include sociocultural barriers, financial limitations, inadequate education and skill development, difficulties in networking and

marketing, political and legal constraints, as well as infrastructural limitations (Dutta and Shivani, 2020; Kogut and Mejri, 2021).

Kudumbashree is a neighbourhood-based group network that collaborates with local self-governments to alleviate poverty and empower women by fostering entrepreneurship. The mission entails ensuring that women do not remain passive recipients of public assistance, but rather emerge as proactive leaders in the development of women-centric strategies (Kumar and Rakhin, 2016). Studies show that microfinance initiatives contributed to the perception and lifestyle changes of rural women to a great extent. The enhanced financial literacy and economic empowerment of rural women owe to the microfinance schemes introduced to make them more self-reliant and financially self-disciplined (Varghese and Jose, 2017).

Despite the widespread recognition of microfinance, there has been insufficient research on how women entrepreneurs utilise these loans and the subsequent impact on the sustainability of their businesses. Current literature predominantly concentrates on the immediate advantages of microfinance, such as improved capital access and short-term economic growth. Literature available on Kudumbashree is largely centred around its poverty alleviation and women empowerment aspect. This research primarily focused on female entrepreneurs who have availed of Kudumbashree microfinance loans. It investigated the allocation of these loans for various purposes and their impact on business sustainability.

1.2 Industry Analysis / Context

Kerala is considered one of the most successful states from the point of poverty reduction in the country. The success is primarily due to public action in carrying out effective land reforms and providing all-round social infrastructures, particularly education and health (Suresh, 2023).

The Micro, Small, and Medium Enterprises (MSMEs) sector is a major contributor to Indian economic development. It contributes to industrial production, GDP growth, export earnings, employment generation, regional development, economic diversification, and social stability (Khatri, 2019). In FY 2023-2024, the sector contributed 45.56% to total exports from the country (PIB Delhi, 2024).

Fig 1.1 % share of Export of MSME-related products in All India Export (* up to 2023 September)



Source: (PIB Delhi, 2024)

Kerala's MSME sector has made a big leap by adding over one lakh ventures for the second consecutive year in 2023-24, taking the total number of newly set up units to 2,40,396 since the launch of the Year of Enterprises in 2022-23 (BL Kochi Bureau, 2024).

The Kudumbashree Mission considers micro-enterprises as the most important instrument for creating employment and income for poor women (Oommen, 2008). The Kerala 2024-25 Budget earmarked ₹265 crore for Kudumbashree poverty alleviation and women empowerment mission. This is ₹5 crore more than the allocation in the previous year (The Hindu Bureau, 2024b). A state nodal agency – Kerala Startup Mission has also announced its commitment to empowering women startup founders through a series of tailored programs and initiatives for the FY 2024-25 (KSUM, 2024). As of July 2024, Kudumbashree has 3,16,295 NHGs affiliated with 19,470 Area Development Societies and 1070 CDSs with a total membership of 46,16,837 women (Kudumbashree, 2024b). Studies such as Kjosavik and Vayrynen (2021) indicate that women empowerment is significantly impacted by their access to education, participation in social activities, improved self-esteem, and acquisition of skills through training programs. These factors contribute to enhancing women's autonomy and personal empowerment. The acquired skills have influenced women's decision-making within

their households, resulting in increased decision-making authority following their participation in Self-Help Groups (SHGs). The significant role of Kudumbashree in extending financial support to women entrepreneurs presented a unique opportunity to analyse the utilisation and impact of microfinance on business sustainability. Understanding how these loans are used, and their long-term effects could provide valuable insights for enhancing the effectiveness of microfinance programs.

1.3 Statement of the Problem

Despite the significant role of microfinance in promoting economic development and empowering women entrepreneurs, there remained a substantial gap in understanding the long-term impacts of these financial interventions. The Kudumbashree program in Kerala, a prominent microfinance initiative, has been instrumental in providing loans and support to women entrepreneurs, aiming to uplift their socio-economic status. However, existing research primarily focuses on the immediate benefits of these loans, such as increased access to capital and short-term economic gains, without adequately addressing how these loans are utilised and their impact on the sustainability of businesses.

A critical area that remained underexplored is the specific utilisation patterns of Kudumbashree loans by women entrepreneurs. Understanding how these loans are allocated—whether for initial capital, operational costs, or expansion purposes—is crucial for assessing their effectiveness. Additionally, there was a lack of comprehensive studies investigating whether these financial supports lead to sustained business growth and long-term viability. Most research highlighted access to microfinance, financial inclusion, and poverty alleviation but often overlooked the long-term business outcomes once the initial benefits of microfinance dissipate.

To address these gaps, this research aimed to undertake a detailed examination of how women entrepreneurs in Kerala utilise Kudumbashree loans and the subsequent effects on their business sustainability. By exploring these dimensions, the study intended to provide valuable insights into the effectiveness of Kudumbashree microfinance programs, ultimately guiding improvements in policy and practice to support the sustained growth and empowerment of women entrepreneurs.

1.4 Research Questions

The following are the research questions:

1. How do women entrepreneurs in Kerala utilise Kudumbashree loans for their businesses?
2. What are the long-term impacts of Kudumbashree microfinance schemes on the sustainability of women-led businesses?
3. To what extent do institutional factors influence the effectiveness of Kudumbashree loans in promoting business sustainability?

1.5 Research Aim and Objectives

This study aimed to provide a comprehensive analysis of the utilisation and impact of Kudumbashree loans on women entrepreneurs in Kerala. The following objectives were targeted for achieving the overall aim of the research:

1. To analyse the utilisation patterns of Kudumbashree loans by women entrepreneurs in Kerala.
2. To evaluate the long-term impacts of Kudumbashree microfinance schemes on the sustainability of women-led businesses.
3. To investigate the influence of institutional factors on the effectiveness of Kudumbashree loans in promoting business sustainability.

Through these objectives, the research aimed to fill significant gaps in the literature and contribute to a better understanding of the role of Kudumbashree microfinance in fostering sustainable development and empowerment for women entrepreneurs.

1.6 Rationale and Significance

The empowerment of women through entrepreneurship is a critical pathway for achieving inclusive economic growth and social development. In Kerala, the Kudumbashree program has been a pioneering initiative in providing microfinance to women entrepreneurs, aiming to uplift their economic status and enhance their socio-economic well-being. However, despite the significant attention microfinance programs have received, there remained a substantial gap in understanding how these loans are utilised by women entrepreneurs and their impact on business sustainability. The significance of this study lies in its potential to provide a

comprehensive understanding of the effectiveness of microfinance programs in promoting sustainable development and empowerment for women entrepreneurs. By analysing the utilisation patterns of Kudumbashree loans and evaluating their long-term impacts, the research aimed to offer valuable insights into the financial strategies employed by women entrepreneurs and the sustainability of their businesses.

The findings of this study are expected to have important implications for policymakers, microfinance institutions, and development practitioners of Kudumbashree. They can guide the design and implementation of more effective microfinance programs that not only provide immediate financial relief but also ensure long-term business sustainability and socio-economic empowerment. Additionally, the research can contribute to the academic discourse on microfinance and women entrepreneurship, offering new perspectives and identifying areas for further investigation. Ultimately, this study aimed to enhance the understanding of how microfinance can be optimised to support the enduring growth and empowerment of women entrepreneurs, thereby contributing to broader economic and social development goals.

1.7 Research stages

Fig 1.2 The 5 Chapters of The Dissertation



Source: (Shi, 2021)

CHAPTER TWO - LITERATURE REVIEW

2.1 Introduction

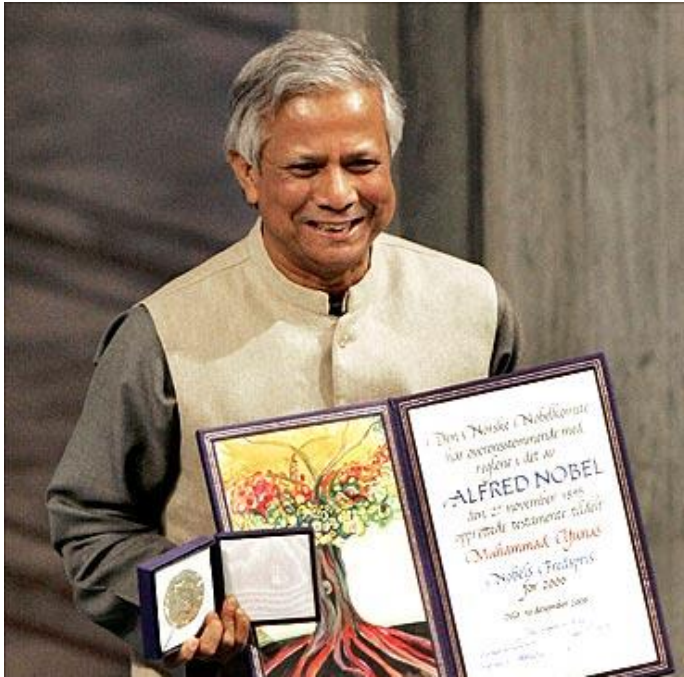
This literature review explored the role of microfinance in empowering women entrepreneurs, with a focus on the Kudumbashree program in Kerala, India. This review examined the existing body of research on microfinance, women entrepreneurship, and the socioeconomic impacts of such initiatives. It highlighted the strengths and limitations of current microfinance models, the challenges faced by women entrepreneurs, and the broader implications for policy and practice.

2.2 Microfinance: Context and Conceptual Analysis

2.2.1 Overview and evolution of microfinance

Microfinance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their microenterprises (ADB, 2000). The most common financial service provided by microfinance institutions is microcredit, hence microfinance and microcredit are commonly used interchangeably (Sengupta and Aubuchon, 2008). The push to “microfinance” came with the recognition that households can benefit from access to financial services more broadly defined (at first the focus was mainly on savings) and not just credit for microenterprises (Armendariz and Morduch, 2005).

Microfinance has its roots in informal lending practices that date back centuries. At one end of the cost spectrum are loans among family, relatives, and friends. At the other end are moneylenders, with long-standing, if not always accurate, reputations as loan sharks (Ray, 1998, p.19). Rotating savings and credit associations (ROSCAs) and credit cooperatives are in the middle. ROSCAs are built on informal understandings among friends and acquaintances, while cooperatives typically have a formal constitution and a degree of legal status (Armendariz and Morduch, 2005).



A pivotal figure in the modern microfinance movement is Muhammad Yunus, an economist from Bangladesh, and founder of the Grameen bank. By providing small loans to the extremely poor, the Grameen Bank gives them the chance to become entrepreneurs and earn a sufficiently high income to break themselves free from the cycle of poverty (Sengupta and Aubuchon, 2008).

Fig 2.1 Dr Muhammad Yunus (Rediff,

2011)

Today, in modern microfinance, many commercially viable microfinance institutions are being established as banks or nonbank financial institutions. They operate from a financial systems perspective, and they see microfinance as filling an important niche in the financial system by providing financial services—for profit—to the working poor (Robinson, 2001).

The Self-Help Group is a savings-led model that has been mainly formed by women members. It is generally facilitated by an NGO, an MFI, or a bank. Group formation is followed by members making regular savings contributions. The savings remain in the custody of the group's elected head till the group opens a bank account. The money saved by group members is used for inter-lending (Sarma and Mehta, 2014).

Sarma and Mehta (2014) highlighted the complementary roles of different microfinance models based on their development agendas and management styles. They suggest that Self-Help Groups (SHGs) are more effective in regions with numerous implementing organisations focused on comprehensive development, not just microfinance. In contrast, Joint Liability Groups (JLGs), modelled after the Grameen approach, are better suited for organisations with a commercial focus and professional management. Conversely, Fotabong (2011) asserted that the MC2 microfinance model, characterised by its strong community identity and alignment with local values and customs, outperforms other models in fostering rural development.

2.2.2 Challenges and criticisms of microfinance

The excellent repayment performance led to high expectations for microfinance. However, as it turned into a business, suppliers started rolling out large-scale consumer loans under the flag of microfinance, changing the risk landscape (Köhn, 2013).

High interest rates: The microfinance institutions (MFIs) are supposed to meet the financial requirements of the poor at a low cost. But the original idea of service to the poor is getting replaced by profiteering concepts like IPO, ROE, Securitisation, etc (Mitra, 2009).

Over-indebtedness: According to Schicks (2010), “A microfinance customer is over-indebted if he is continuously struggling to meet repayment deadlines and repeatedly has to make unduly high sacrifices to meet his loan obligations.” Lender behaviour can put borrowers at undue risk, clients themselves make bad borrowing decisions, and external factors beyond either party’s control can push borrowers into situations where it’s very difficult or impossible to repay (Alam, 2012).

Profit vs social mission: Ben Soltane Bassem (2012) discussed the dual mission of MFIs, highlighting the challenge of balancing profitability with the goal of serving the poor. Focusing too much on profits may compromise the delivery of financial services to the poor, while an overly social approach could threaten the institution's viability by applying very low interest rates. These divergent priorities can easily lead to conflict. Augsburg and Fouillet (2010) tries to raise some caution regarding the overwhelming push for microfinance institutions to become financially self-sustainable. This can have severe consequences such as a mission drift and questionable practices by institutions.

2.2.3 Historical context of microfinance in Kerala

Kerala, the southernmost state, is one of the 29 states of India. It is further subdivided into fourteen administrative units called districts. The region has a microeconomy with high adult literacy rates, education, and remittance levels. In comparison with all Indian states in the human development index on health, education, and income indicators, Kerala ranks first (Government of India, 2019).

Various positive factors in Kerala contribute to the growth of MSMEs. There are innovative entrepreneurs with first-hand experience in developed and Middle Eastern countries, highly

educated and committed workers, deliberated supportive mechanisms both government and private, and besides all, the crucial habit of consumerism of State which widens the market for the product (P.A., 2018).

250 more MSMEs to get scale-up support this year under Mission 1000

Updated - January 04, 2024 11:03 pm IST Published - January 04, 2024 08:09 pm IST - Thiruvananthapuram

THE HINDU BUREAU



The government is planning to provide scale-up support for an additional 250 micro, small and medium enterprises (MSMEs) this year in the first phase of the Mission 1000 initiative aimed at scaling up 1,000 MSMEs into businesses with an average annual turnover of ₹100 crore in a span of four years. The selection process to identify the 250 MSMEs would be conducted soon, said Industries Minister P. Rajeeve while speaking after inaugurating the first phase selection of 88 MSMEs from across the State under 'Mission 1000' scheme here on Thursday.

Fig 2.2 News headlines about MSMEs in Kerala - Mission 1000 (The Hindu Bureau, 2024a)

One lakh MSMEs launched for second successive year under entrepreneurship year initiative, says Industries Minister

Updated - March 13, 2024 07:23 pm IST Published - March 13, 2024 06:14 pm IST - THIRUVANANTHAPURAM

THE HINDU BUREAU



More than one lakh micro, small and medium enterprises (MSMEs) were launched for the second successive year in Kerala under the Industries department's entrepreneurship year initiative, Industries Minister P. Rajeeve has said.

Fig 2.3 News headlines about MSMEs in Kerala (The Hindu Bureau, 2024c).

There are two types of MFIs in Kerala based on institutional type. The commercial model of MFI aims at financial inclusion through relationship banking. The social welfarist model of MFI uses informal community organisations such as SHGs and links them with formal financial institutions (Kuriakose and Joseph, 2020).

An analysis by K C (2018) showed that after participating in microfinance, clients mainly borrowed from SHGs and banks, moving away from informal sources like moneylenders, indicating improved financial inclusion. However, the study suggests that microfinance could

further improve financial inclusion if the State Government and NGOs expand their outreach to include more poor and vulnerable groups.

2.3 Kudumbashree: An Overview

Launched in 1998 to wipe out absolute poverty from the State through concerted community action under the leadership of Local self-government, Kudumbashree is today one of the largest women-empowering projects in the country (Sathyadevi and Phil, 2015). Literally translated, Kudumbashree means the welfare (or prosperity) of the family. It is a unique micro-credit partnership between the Government of India, the Government of Kerala, local bodies and NABARD (Gervais, 2008). It follows the structure of Self-Help Groups.

Fig 2.4 Kudumbashree logo



Source: (Kudumbashree, 2024a)

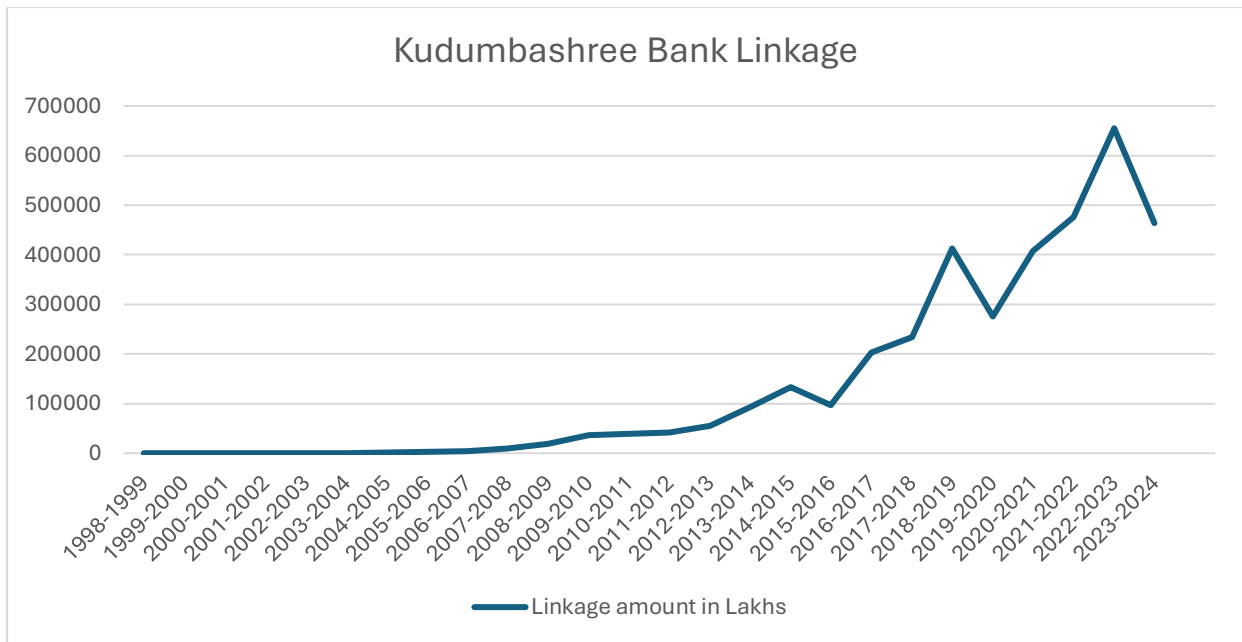
Fig 2.5 A group of women trained by Kudumbashree



Source: (Shaji, 2023)

The core mission of Kudumbashree is to wipe out absolute poverty through women empowerment (Kudumbashree, 2024a). Sathyadevi and Phil (2015) stated that the purpose of the mission is to ensure that women should no longer remain as passive recipients of public assistance, but as active leaders in women-involved development initiatives.

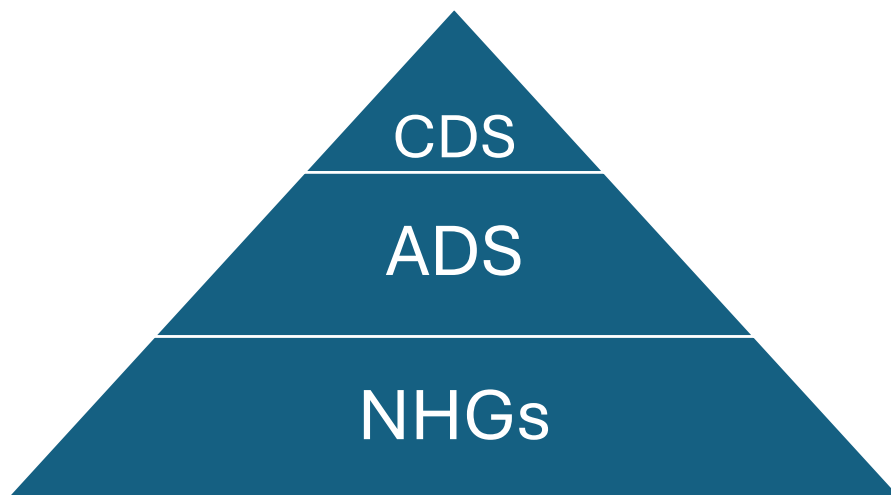
Fig 2.6 Kudumbashree Bank linkage program over the years



Source: (Kudumbashree, 2024a).

This community-based programme follows a three-tier federal structure with well-defined roles and responsibilities at each level. At the grass-roots level are the neighbourhood groups (NHGs) with Area Development Societies (ADSs) at the ward level and finally the Community Development Centre (CDCs) at the Panchayat level (Unni, 2020).

Fig 2.7 Organisational Structure of Kudumbashree in Kerala



Source: (Unni, 2020)

Sathyadevi and Phil (2015) in their paper examined whether microfinance through Kudumbashree led to economic empowerment and resulted in the generation of a set of self-reliant women. Although economic betterment was observed, various factors that need to be

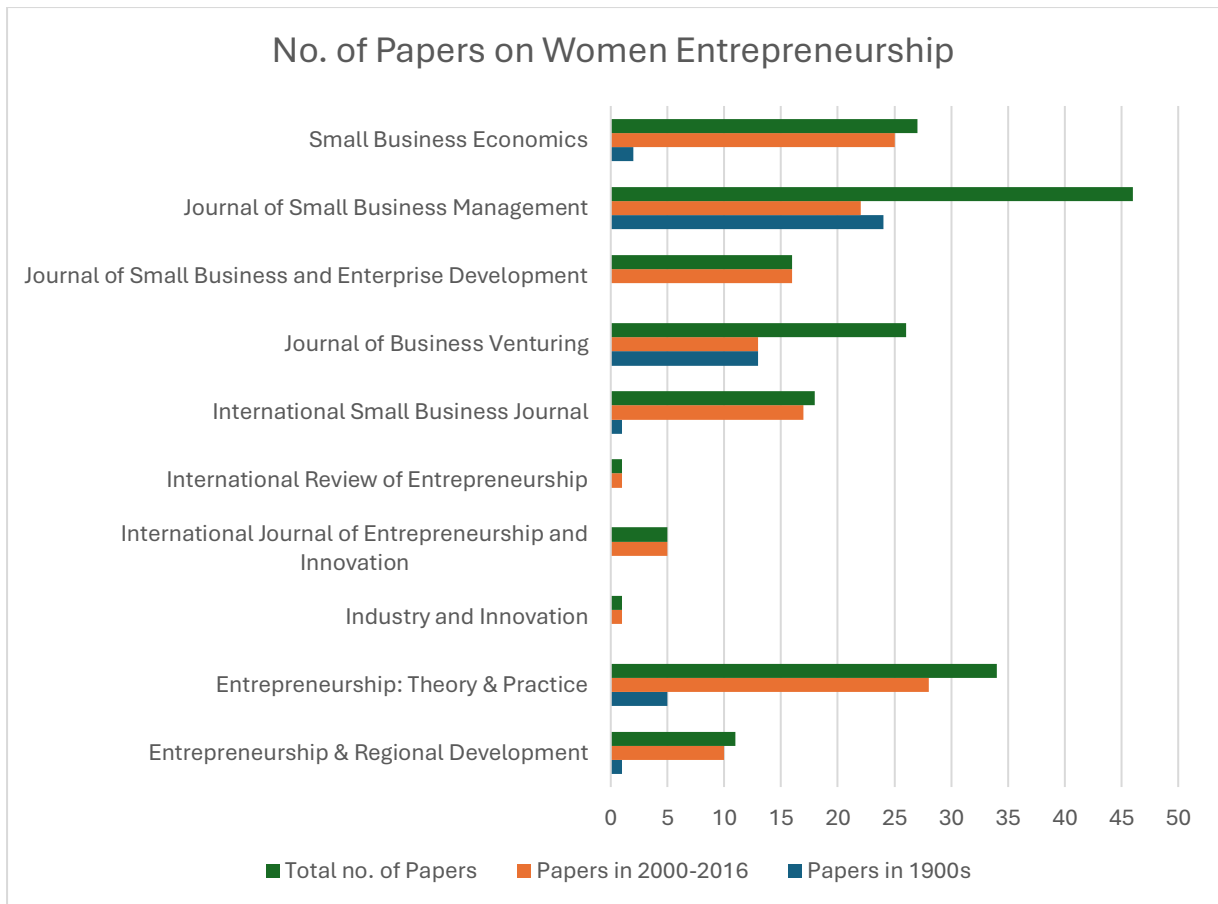
considered, such as motivation, overcoming fear of authority, confidence in one's abilities, autonomy in resource use, and participation in household decision-making. A study by Varghese and Jose (2017) on women in Idukki revealed that microfinance initiatives contributed to the perception and lifestyle changes of rural women to a great extent. The government must facilitate more financial and technical support to the microfinance entities to provide more education to the members to further enhance financial literacy and economic empowerment.

Gervais (2008) looked at the prospects and problems of Kudumbashree microfinance. It does not always cover the poorest of the poor as they are seen as a bad credit risk. The second most important challenge of the Kudumbashree microenterprise program is the lack of demand for its goods and services (non-tradable). However, it has successfully created social capital to assist the poor in addressing livelihood challenges. Oommen (2008) raised some issues that need to be addressed to strategically improve Kudumbashree as a poverty-reducing and empowering instrument in Kerala society. He mentions how several members perceive KDS as a source of public benefits and bounties. This can work towards weakening Kudumbashree as a tool of sustainable empowerment.

2.4 Women Entrepreneurship

Historically, the male-centred business model was considered the natural model of doing business. However, research on women entrepreneurs' reveals that entrepreneurship is a gendered phenomenon and entrepreneurial activities can be rooted in families (Jennings and Brush, 2013). Initially, entrepreneurship literature focused on male entrepreneurs, emerging in the 1930s. Schwartz's 1976 paper in the *Journal of Contemporary Business* marked the first academic focus on female entrepreneurship. It wasn't until 2009 that the *International Journal of Gender and Entrepreneurship* was launched, prompting mainstream journals to recognise the need for research in this area (Yadav and Unni, 2016).

Fig 2.8 No. of papers on Women Entrepreneurship in established journals



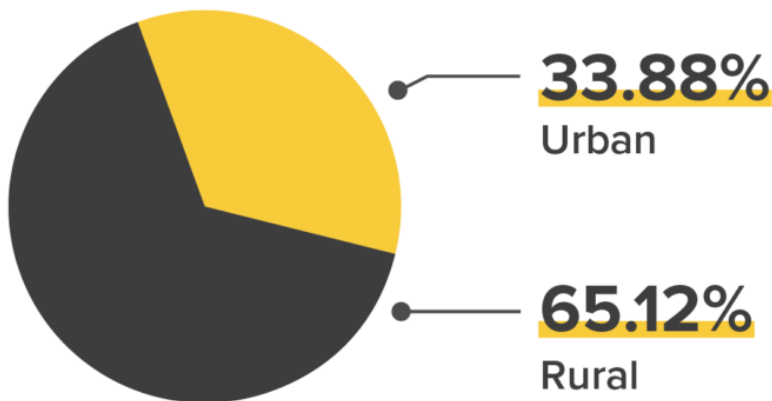
Source: (Yadav and Unni, 2016)

Research surveyed by Carranza et al. (2018) has shown that businesses owned by women generally experience lower economic performance due to factors such as the choices and preferences of women, their available resources, external constraints, and internal constraints. A notable cultural norm is the prevailing negative societal attitudes towards women in business. Additionally, the disproportionate responsibility placed on women for childcare and household duties influences their business choices, leading to a preference for home-based or locally situated businesses, as well as part-time and irregular work hours. M and U (2022) in their research concluded that entrepreneurial abilities are crucial for the success of women entrepreneurs in the micro segment within dynamic market conditions. Key attributes such as self-efficacy, risk management, decision-making abilities, innovation, and technology adaptation form the foundation for business success. It is clear that women entrepreneurs who lack these skills also lack confidence, which negatively impacts the success of their businesses.

Fig 2.9 Women Entrepreneurs in India

Women entrepreneurs in India

Total number of establishments owned by women entrepreneurs are **8,050,819**



Source: (MyReview, 2022).

Pollard (2006) in his paper on perceptions of women entrepreneurs suggested that in one-on-one mentoring, practitioners can use results to help women understand how their perceptions of success can affect their potential. Entrepreneurship development programs could collect data with the intent of critiquing the effectiveness of using approaches designed uniquely for women.

2.5 Microfinance and Sustainable Development

Microfinance was first included in Millennium Development Goals (MDGs), launched in 1990 – the United Nations’ grand development challenges to be met by 2015; eventually, microfinance was embedded in Sustainable Development Goals (SDGs) – drafted in 2015 to be pursued by 2030 (UN, 1990; UN, 2015).

Gatto and Sadik-Zada (2022) in their paper emphasised that access to finance, particularly microfinance is crucial for sustainable development. They highlight the role of NGOs and interest groups in improving financial access for all socioeconomic groups, aligning with the SDGs. While the economic and social aspects of microfinance are well-covered by the SDGs, environmental and institutional dimensions require more attention. A study by Zouhair and

Rivera (2023) demonstrated that microfinance and microcredit significantly impact sustainable development, including poverty reduction and income generation. They suggest that microfinance institutions can also promote climate-smart agriculture and sustainable practices, despite challenges such as building capacity among institutions to assess and manage environmental and social risks. In contrast, Bateman and Chang (2012) presented a critical perspective on microfinance, arguing that it often traps people and communities in poverty, especially in the agricultural sector, citing severe indebtedness among farmers in regions like Andhra Pradesh, India. They propose that better alternatives exist, such as financial cooperatives, credit unions, and local and national development banks, which could provide more sustainable benefits for local development.

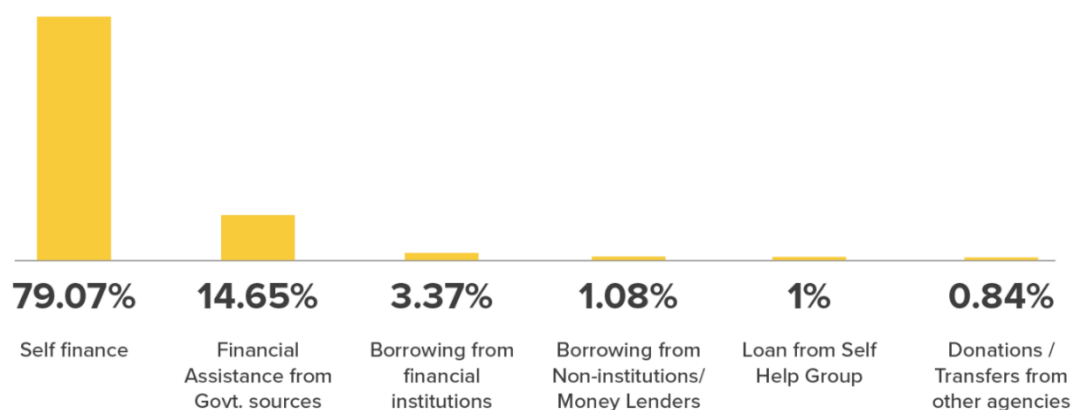
2.5.1 Microfinance and Women Empowerment

It has become increasingly recognised that the empowerment of women is crucial for the socio-economic development of any community. Many governments around the world are focusing on increasing female participation in nation-building. Microfinance programs are viewed as a key strategy in addressing both poverty alleviation and women empowerment in particular (Aruna and Jyothirmayi, 2011). Kjosavik and Vayrynen (2021) found that women's empowerment is positively impacted by their exposure to knowledge and social activities, as well as an increase in self-esteem and skills gained through training. While women's decision-making power within their households improved as a result of participating in SHGs, their political activity did not notably increase. The study also raised questions about women's control over their loans, as the income from their activities was often uncertain, and husbands frequently repaid the loans. This raised concerns about the profitability and sustainability of SHGs.

A study by Dash (2016) found that respondents engaged in income-generating activities due to the credit facilities provided, leading to improved income and savings. Microfinance has reduced over 80% of women's reliance on informal finance and empowered them socially, economically, and politically. Microfinance has helped women become more creative, intelligent, innovative, proactive, and better organised, fostering self-confidence and decision-making abilities.

Fig 2.10 Women entrepreneurs' major source of finance

% Distribution of number of establishments under women entrepreneurs by major source of finance



Source: (MyReview, 2022).

Hunt and Kasynathan (2002) found that most women valued the confidence, knowledge, or training they received the most. Many also highlighted the importance of having access to credit, which enabled them to contribute to household finances. Men, on the other hand, tended to prioritise access to money as the most valuable aspect of women's credit groups. Access to credit, knowledge, and group support significantly increased women's power and decision-making within their households, making them feel more respected and valued.

Mudaliar and Mathur (2015) put forward that while women's access to financial services has increased significantly in the past decade, their ability to take full advantage of these services is still hindered by gender-related disadvantages. It highlights the lack of female leadership in many MFIs and emphasises the importance of targeting and empowering women as the industry develops tailored products and services.

2.5.2 Microfinance and Business Sustainability

Sustainability as a business strategy is the integration of economic, environmental, and social aims into a firm's goals, activities, and planning, with the aim of creating long-term value for the firm, its stakeholders, and the wider community society (Ramli et al., 2022).

Ndungu (2018) concluded that the sustainability of small and medium-sized enterprises (SMEs) owned by youth in Nairobi city county, Kenya is impacted by the competitive environment, access to funds, entrepreneurial skills, and technology as the major factors. Access to funds significantly influences the sustainability of youth SMEs, indicating that higher levels of access to funds lead to increased sustainability of youth-owned SMEs in Nairobi, Kenya. Tuyon et al. (2011) emphasised the need for a sustainable microfinance industry in Malaysia to promote financial inclusion, especially for the 80% of SMEs that are micro-enterprises. It identifies the need for financially sustainable MFIs with extensive outreach capabilities and recommends enhancing the institutional framework to support the integration of lower-income groups and microenterprises into the economic mainstream.

The research by Yemelyanov et al. (2020) emphasised how complex it is to assess the efficiency of microcredit for small businesses. It requires various indicators tailored to specific goals such as the establishment, development, or survival of microenterprises. A significant finding is the positive impact of microcredit on the financial performance of Ukrainian microenterprises. The study by Fazal et al. (2022) assessed the impact of various dimensions of entrepreneurial motivation on competency and enterprise sustainability performance. It found that self-improvement has a positive effect on entrepreneurial competency but not on enterprise sustainability. Self-confidence and openness to change enhance competency, with self-confidence also improving sustainability. Pull factors positively influence both competency and sustainability. Interestingly, the need for achievement did not impact competency but did enhance sustainability.

2.6 Impact Assessment Methodologies in Microfinance

Explicitly, impact assessments are promoted by both the sponsors and implementers of programs so that they can learn what is being achieved and improve the effectiveness and efficiency of their activities. Implicitly, it is a method by which sponsors seek to get more information about program effectiveness than is available from the routine accountability systems of implementing organisations (Hulme, 1997). Barnes and Sebstad (2000) has put forth guidelines to assist the planning, design and conduct of credible, useful, and cost-effective microfinance impact assessments. It is the outcome of a series of papers and virtual meetings held on behalf of the Consultative Group to Assist the Poorest (CGAP) Working Group on Impact Assessment Methodologies. Rather than advocating a particular impact assessment design, the guidelines lay out a general framework. This framework is intended to be flexible enough to consider different types of programs and different contexts. Hulme (1997) describes

different methodologies. The scientific method aims to attribute effects to causes through experimentation. Quasi-experiments compare intervention outcomes with simulated non-intervention outcomes. Another approach is the control group method, which involves comparing populations that did or did not receive a specific treatment. Meanwhile, the humanities tradition focuses on interpreting intervention processes and impacts rather than proving impact within statistically definable limits.

2.7 Theoretical Analysis: Theories of Microfinance

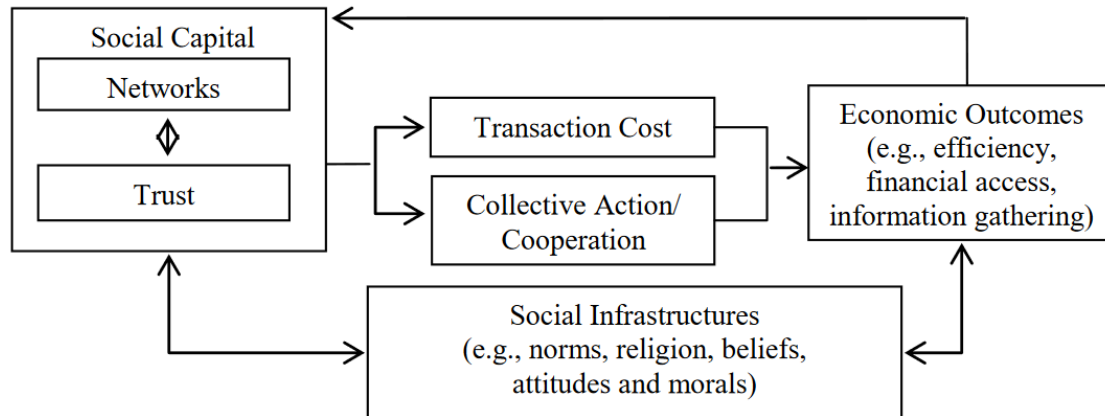
2.7.1 Social Capital Theory

The central proposition of social capital is that ‘relationships matter’ and that social networks are a valuable asset. Social capital is aspects of social context that have productive benefits (Claridge, 2018). Different scholars have framed and interpreted social capital in various ways, highlighting its multifaceted nature.

Bourdieu framed social capital as accrued actual or virtual resources acquired by individuals or groups through the possession of “more or less institutionalised relationships of mutual acquaintance and recognition” (Bourdieu, 1986). In contrast, Coleman treated social capital as almost universally productive, i.e. it is used so that actors can achieve ends that would have been impossible without it. Direct contributions by actors will benefit the whole, not just the individual (Coleman, 1988). For Putnam, social capital refers to ‘features of social organisations, such as networks, norms and trust that facilitate action and cooperation for mutual benefit’. He made the argument that social capital is essentially the ‘amount’ of ‘trust’ available and is the main stock characterising the political culture of modern societies (Putnam et al., 1993).

Claridge (2018) summarised that Bourdieu viewed social capital as a property of the individual rather than the collective. Coleman considered social capital as a group's collective asset and didn't address the inequality that results from or causes differential power and status. According to Putnam, social capital is not just a feature of individuals but also of large population groups. Social capital becomes a collective characteristic that operates at the group level (Tzanakis, 2013).

Fig 2.11 The Circular Linkage between Social Capital and Economic Performance



Source: (Nugroho, 2008).

Portes (1998) critiqued the concept, suggesting that labelling it as social capital is mainly a way to make it more appealing conceptually. Additionally, there is little reason to believe that social capital will solve major social problems as boldly claimed by its proponents. Therefore, he suggests that it is better to study these complex processes as social facts rather than examples of value. Feigenberg et al. (2010) in their study on 100 borrower groups found that development programs can strengthen social ties and increase social capital in a localised community within a short period. Their study showed that microfinance meetings helped neighbours with similar socio-economic backgrounds cooperate, thereby boosting economic development and empowering women. Maclean (2010) argued that in rural areas, women primarily rely on close social connections, which they refer to as bonding capital. She cautioned that using these connections solely for income generation can have unintended negative consequences. The harnessing of networks to promote income generation and capitalisation may seriously undermine the vital role that they play in subsistence and production.

2.7.2 Participatory Development Theory

The World Bank's Learning Group on Participatory Development (1994) has defined participatory development as: - 'A process through which stakeholders influence and share control over development initiatives, and - the decisions and resources which affect them' (The World Bank, 1994).

Giles (2001) critiqued the tendency to equate development to copying 'advanced' Western countries through rational planning by experts, which often marginalises local communities. In contrast, participatory approaches, such as the Participatory Action Research, advocated by the radicals in the 1970s (Freire, 2000), emphasise creating appropriate learning environments for

people to express their needs and achieve development. Robert Chambers was a notable academic who supported this view by arguing that 'putting the last first' was the only way to achieve rural development (Chambers, 1984). Dalal-Clayton et al. (2000) concluded that paradoxically, successful participatory projects have thrived in countries with limited government support for public participation. Local-specific planning structures were invented, and independent groups communicated and worked directly with each other without being constrained by formal institutions.

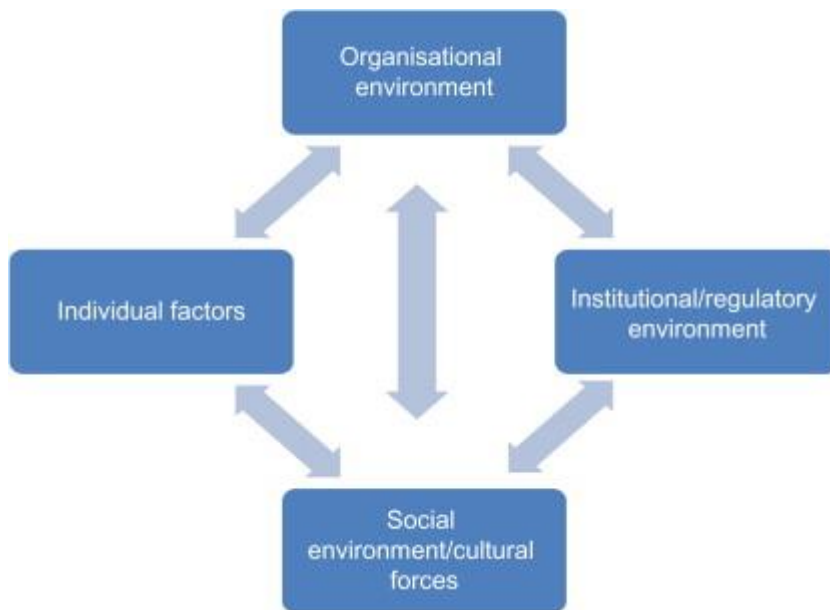
Cleaver (1999) argued that the focus should shift from just implementing projects to understanding broader economic and social changes, recognising social networks and power dynamics. (Dalal-Clayton et al., 2000) further emphasises that there will always be development issues that are of national significance, where decisions must be made in the broader national interest. In other cases, the responsibility for taking action should lie with local communities. These approaches are not mutually exclusive, nor are they alternatives. The choice of approach depends on the purpose and context.

Mayoux (1998) said that supporting a participatory process in microfinance requires facilitating dialogue between gender advocates and microfinance divisions within donor agencies. Incorporating questions on empowerment and participation into microfinance guidelines and evaluation procedures can contribute to long-term program sustainability and broader institutional development.

2.7.3 Institutional Theory

Institutional theory considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behaviour. It investigates how these elements are created, spread, adopted, and adjusted over time and space, as well as how they eventually decline and fall out of use (Scott, 2004).

Fig 2.12 Institutional theory



Source: (Dau et al., 2020).

Amenta and Ramsey (2010) covered three distinct types of institutionalism. Sociological institutionalism operates as a cultural theory, focusing on the diffusion of ideas and cultural forms within organisations and politics. Historical institutionalism, on the other hand, emphasises the role of institutions in shaping political behaviour and processes. Lastly, political institutionalism explicitly addresses power and underscores the causal role of political institutions on political outcomes and processes. Each type of institutionalism brings its own methodological and theoretical perspectives to the study of political institutions and processes. Willmott (2015) critiqued institutional theory for its conservative roots and the tendency to overlook the fundamental role of power in the processes of institutionalisation. Unlike critical theory, institutional theory does not aim to reveal forms of domination, oppression, and exploitation, nor does it focus on the political production of taken-for-grantedness.

Suddaby (2010) said that researchers have mainly focused on studying the effects of institutional influences on organisations rather than how these influences are interpreted within the organisations themselves. Researchers need to shift their focus towards viewing organisations as interpretive mechanisms that process and translate broader social systems (Rao and Giorgi, 2006). This means paying less attention to the outcomes of institutional pressures and more to the processes through which these pressures are interpreted (Daft and Weick, 1984). Case studies on microfinance and land titling by Haldar (2015) suggested that informal cooperation and substantive rights play a crucial role in development. The paper argued for recognising the interplay between formal law and informal norms and the importance of their complementarities.

Overall, these studies indicated the need for a more detailed understanding of the dynamics of power, the interpretive role of organisations, and the interaction between formal and informal systems. By adopting this integrated perspective, we can better handle the complexities of development and institutionalisation.

2.8 Empirical Analysis

The research by Yemelyanov et al. (2020) showed a quadratic relationship between microcredit share and dividend yield, with benefits becoming evident after the third year. Additionally, a linear relationship was found between microcredit intensity and capital growth, suggesting sustainable development. However, microcredit did not significantly impact capital productivity, labour productivity, or wages, potentially due to the lack of technological investment. The study recommended partial state compensation for interest and improved microcredit conditions through budget financing.

The study by Farghly et al. (2018) explored the impact of microfinance on the sustainable growth of MSMEs in Egypt, emphasising the factors of Acceptability, Availability, Affordability, and Awareness. Their findings showed a positive effect on financial and social growth, explaining 22.1% and 19.6% of the variation respectively. However, only Acceptability and Awareness significantly impacted environmental growth, accounting for 42.5% of the variation. They emphasised the importance of enhancing financial growth to attract MSMEs to microfinance programs, which would subsequently lead to social and environmental benefits.

G. Modi et al. (2014) analysed the impact of microfinance services in empowering the rural women of Gujarat. The results indicate that four of the five factors (i.e. socio-economic status upgradation, autonomy for life choices, women's position in the family/society, and positive approach towards child development) significantly impact rural women empowerment. They recommend training programs to improve entrepreneurial skills for the women as well as tax exemptions and incentives to organisations supporting rural women in developing small-scale businesses.

Overall, the studies emphasised the numerous benefits of microfinance, including financial growth, social empowerment, and environmental sustainability. They also pointed out areas that need improvement, such as technological investment and policy support. The studies suggested that targeted interventions and supportive policies can improve the effectiveness of microfinance in promoting sustainable development and empowerment.

2.9 Conceptual Framework

s/n	Variable	Definition	Variable type
1.	<p>Microfinance access</p> <ul style="list-style-type: none"> ▪ Availability of Kudumbashree loans ▪ Loan size and terms ▪ Accessibility criteria 	<p>Kudumbashree is a neighbourhood-based group network that collaborates with local governments to reduce poverty and empower women through entrepreneurship. (Kumar and Rakhin, 2016).</p> <p>Access to credit allows low-income individuals to manage their expenses during income fluctuations and start businesses, ultimately helping to lift people out of poverty (Annim and Alnaa, 2013).</p>	Independent variable
2.	<p>Institutional Environment</p> <ul style="list-style-type: none"> ▪ Government regulations ▪ Socio-cultural norms ▪ Financial institution support 	<p>The institutional environment, as defined here, encompasses political institutions, such as the national framework for policymaking, regulation, and adjudication; economic institutions, such as the structure of national factor markets and the terms of access to international factors of production; and socio-cultural institutions, including informal norms (Henisz and Delios, 2002).</p>	Moderating variable
3.	<p>Resource Utilisation</p> <ul style="list-style-type: none"> ▪ Financial resources ▪ Human resources ▪ Social resources 	<p>Resource utilisation refers to the measure of how effectively an organisation's resources—including human resources, equipment, time, and other assets—are being used to achieve its objectives. It helps identify inefficiencies, make informed decisions about resource</p>	Mediating variable

		allocation, and improve overall productivity and the bottom line (Dimoff and Kelloway, 2016).	
4.	Business Sustainability	Business sustainability can be defined as the ability of firms to respond to their short-term financial needs without compromising their (or others') ability to meet their future needs (Bansal and DesJardine, 2014).	Dependent variable
5.	Socio-Economic Empowerment	Socio-economic empowerment involves enhancing individuals' capabilities to participate in, negotiate with, influence, control, and hold accountable the institutions that affect their lives (Mishra <i>et al.</i> , 2024). It includes access to resources, opportunities, and the ability to make decisions that affect one's economic and social well-being (Hawkins and Kim, 2012).	Dependant variable

Table 2.1 Conceptual framework (as developed by the author, 2024)

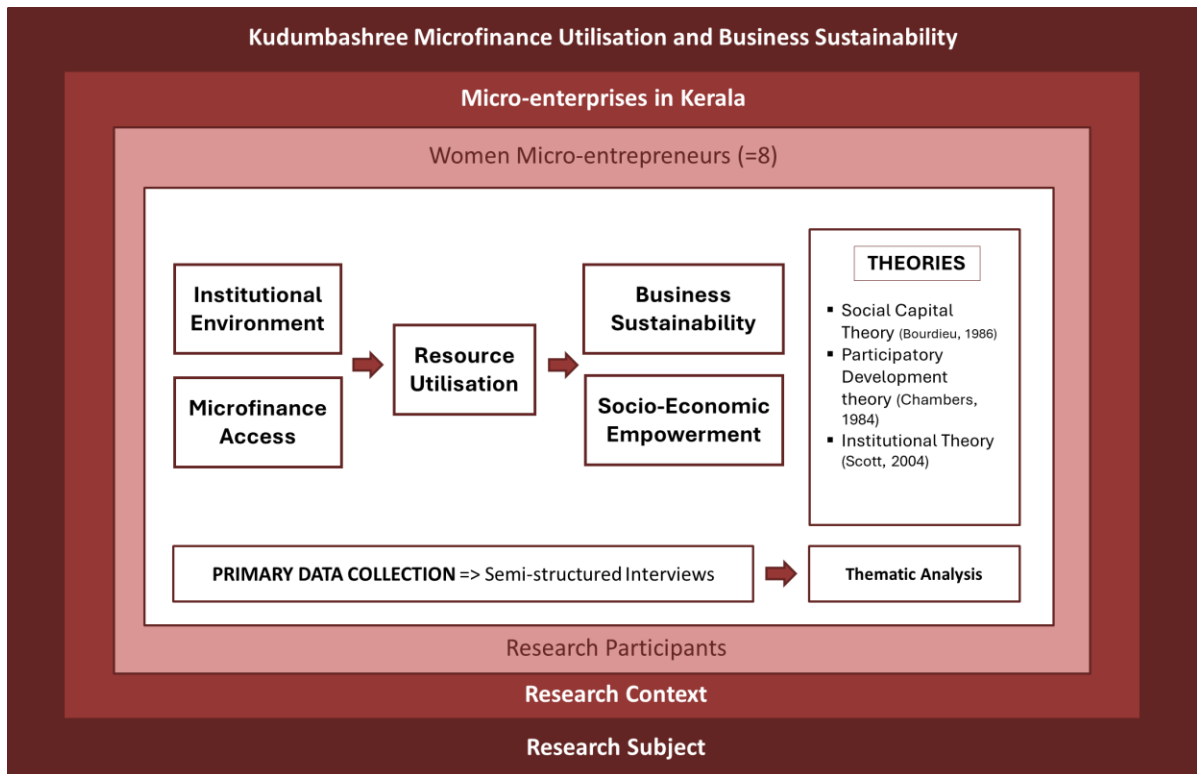


Figure 2.13 Conceptual framework (as developed by the author, 2024)

Based on the literature reviewed, a conceptual framework was developed for the study. Central to the framework, Microfinance Access represents the availability and use of Kudumbashree loans by women entrepreneurs. Institutional Environment moderates the impact of microfinance, highlighting how external factors influence the effectiveness of microfinance initiatives. Resource Utilisation acts as a mediator, showing how internal resources are leveraged to achieve business and socio-economic outcomes. Business Sustainability and Socio-Economic Empowerment are the primary outcomes of interest, reflecting the long-term impacts of microfinance on women entrepreneurs.

2.10 Conclusion

In summary, the literature reviewed in this chapter emphasises the significant impact of microfinance on women's entrepreneurship, particularly through programs like Kudumbashree in Kerala, India. However, the success of these initiatives is influenced by several factors, including the institutional environment, resource utilisation, and socio-cultural dynamics. While microfinance has played a crucial role in promoting women empowerment and financial inclusion, there has been insufficient research on how entrepreneurs utilise these loans and how it impacts the sustainability of their businesses. Future research and policy interventions should

focus on whether such microfinance schemes help sustain growth or only provide temporary relief.

CHAPTER THREE - RESEARCH METHODOLOGY

3.1 Introduction

The research employed a qualitative methodology utilising primary data to explore the utilisation of microfinance by Kerala's women micro-entrepreneurs. The research design was a case study with an interpretivism research paradigm. The research approach was interview-based, and semi-structured interviews were used for data collection. The sampling method is purposive sampling, and the study's participants were eight women micro-entrepreneurs in the manufacturing and retail industry in Kerala who are current or past recipients of microfinance loans. The research population was micro-entrepreneurs in Kerala. The research strategy was a case study approach and informed consent, participant confidentiality, and anonymity were the major concerns of research ethics. The study used an inductive approach to understand and explore the utilisation of microfinance and assess its impact on financial inclusion and sustainability.

3.2 Research Paradigm

A paradigm may be viewed as a set of basic beliefs that deals with 1st principles. It represents a worldview that defines, for its holder, the nature of the "world," the individual's place in it, and the range of possible relationships to that world and its part (Guba and Lincoln, 1994).

It was noted by Healy and Perry (2000) that there are four types of paradigms of research positivism, critical theory, realism, and interpretivism.

This research employed the interpretivism paradigm. An interpretive approach argues that social worlds cannot be studied in the same way as physical phenomena as complexity needs to be taken into account (Saunders *et al.*, 2019). According to Alharahsheh and Pius (2019), interpretivism is more concerned with in-depth variables and factors related to a context. It considers humans as different from physical phenomena as they create further depth in meanings. Interpretivism as a paradigm assumes that reality is subjective and can differ considering different individuals.

The interpretivist paradigm was particularly suitable for this research because it allowed the exploration of subjective meanings and interpretations attached to Kudumbashree microfinance practices within the cultural, economic, and social context of Kerala. The research could provide rich, in-depth insights into how microfinance has impacted these

entrepreneurs' lives, enterprises, and communities by probing into their perspectives and lived experiences. This depth of understanding was necessary to fully convey the complexity and diversity of the impacts, providing a comprehensive view of the social dynamics at play.

Moreover, interpretivism allowed for a flexible and adaptive research process, which was crucial as the study involves women entrepreneurs, who have varying viewpoints and needs. This made the interpretivist paradigm not only appropriate but also highly effective for achieving the research objectives.

3.3 Research Approach

Research approaches refer to the systematic and structured ways that researchers use to conduct research, and they differ in terms of their underlying logic and methods of inquiry (Hassan, 2024). Research approaches are plans and procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation (Creswell, 2009).

A qualitative approach to research is concerned with the subjective assessment of attitudes, opinions, and behaviour. Research in such a situation is a function of the researcher's insights and impressions. Such an approach to research generates results either in a non-quantitative form or in a form which are not subjected to rigorous quantitative analysis (Kothari, 2004).

According to Saunders' research onion, there are two main research approaches, namely inductive and deductive approaches. This research used the inductive approach.

The inductive research approach is a method that involves moving from specific observations and data to broader generalisations and theories (Saunders *et al.*, 2016). The inductive researcher is someone who works from the "bottom-up, using the participants' views to build broader themes and generate a theory interconnecting the themes" (Creswell and Plano Clark, 2011). This approach is more flexible in theoretical support than other qualitative approaches and the valuable parts of all theory-specified approaches are also retained. It mainly aims to build clear connections between research objectives and research findings (Liu, 2016).

For these reasons, this study employed an inductive approach which enables the researcher to understand the utilisation of microfinance by Kerala's women micro-entrepreneurs. It also enabled the researcher to determine the impact of this microfinance utilisation on business sustainability. The theories and insights were developed directly from the data, which gives it a strong foundation in the actual experiences of these micro-entrepreneurs. It provided the

flexibility to find emerging patterns and themes related to sustainability without being constrained by preconceived hypotheses. This was crucial for understanding the unique and diverse ways microfinance impacts women entrepreneurs in Kerala.

The main advantage of the inductive method is that there is no need for a research framework or model first. The inductive approach to science has been criticised in several aspects. A significant issue with inductive methods can be the influence of researchers, who need more knowledge of research relationships and data (Zalaghi and Khazaei, 2016). This approach to science means that empirical observations can be falsified because they depend on the cultural and social context and the researcher's knowledge and expectations, and these factors are not a reliable basis for scientific laws (Godfrey *et al.*, 2010). The inductive approach provides the freedom to explore phenomena poorly conceptualised, provides space for discovering new concepts, and deeply understands the context. However, it may need a more structured and accessible interpretation (Yuwono and Rachmawati, 2024).

Nevertheless, the researcher has offset this by using purposive sampling, which includes individuals who can provide in-depth insights and diverse perspectives. Clearly defining and justifying the criteria for participant selection maintained transparency, while targeting key informants with valuable contextual knowledge and experience.

3.4 Research Strategy

A research strategy is a flexible plan that details the methods and procedures a researcher will use to answer the research questions. The specific strategy will vary depending on the research question, the nature of the inquiry, and the researcher's philosophical underpinnings (Denzin and Lincoln, 2005). A research strategy encompasses the theoretical framework, research methods, data collection and analysis procedures, and the overall timeline for the research project (Okoli and Pawlowski, 2004).

The case study method was the research strategy used for this study. A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2003). The case study strategy will be of particular interest to the researcher if they wish to gain a rich understanding of the context of the research and the processes being enacted (Morris and Wood, 1991). The case study strategy was suitable for this research as it allowed for a detailed exploration of the specific cases of women micro-entrepreneurs. This provided rich

insights that are necessary for understanding the complexities and diversity of microfinance utilisation.

The case study approach involved collecting primary data from women micro-entrepreneurs in Kerala. This was done through in-depth interviews to meet the research's inclusion criteria. The approach aimed to thoroughly examine the research goals, including assessing how microfinance utilisation impacts business sustainability among these entrepreneurs.

Overall, the case study approach was considered to be an appropriate research strategy for this study, as it provided a comprehensive understanding of the effectiveness of microfinance in fostering financial inclusion and sustainability within Kerala's diverse micro-entrepreneurial landscape.

3.5 Source of Data

Primary data was collected directly from the responses of the interview participants. Data that is not published yet and is first-hand information which is not changed by any individual is known as primary data. The validity, reliability, objectivity, and authenticity of data are more in primary data in comparison with the secondary data types (Taherdoost, 2021).

An interview is a purposeful discussion between two or more people (Kahn and Cannell, 1957). The use of interviews can help the researcher to gather valid and reliable data that are relevant to their research question(s) and objectives. Where such a research question and objectives are not formulated, an interview or interviews may help achieve this (Saunders et al., 2016).

Using primary sources helps to gain high-quality data which can improve results, and the researcher also has the opportunity to add further data when required during the research procedures (Taherdoost, 2021).

The primary data used in this study was obtained through semi-structured interviews with 8 women micro-entrepreneurs in Kerala who are current or past recipients of Kudumbashree microfinance loans. The data was collected by the researcher through interviews and the use of audio recording equipment. The data was then transcribed for qualitative analysis.

3.6 Sampling/Participants of the Study

The sampling technique used for this study was purposive sampling, also known as judgmental sampling. Purposive sampling involves the deliberate selection of units (e.g., people,

organisations) that are particularly well-suited to provide information that will address the research objectives (Patton and Patton, 2002). This form of sample is often used when working with very small samples such as in case study research and when you wish to select cases that are particularly informative (Neuman, 2000). In this study, the criteria for selecting participants will be:

1. Age: Participants fall into the age range of 30 to 60 years.
2. Gender: Participants are all women.
3. Geographical location: Participants are from urban and rural parts of Ernakulam, Kerala.
4. Type of entrepreneurs: Survivalist and opportunist entrepreneurs.
5. Business Sector: Participants belong to micro-retail and micro-manufacturing sectors.
6. Utilisation of microfinance: Participants have actively utilised microfinance services in the last 3-5 years.

Participants were approached directly, focusing on those who are current or past recipients of microfinance loans and have experience in managing micro-enterprises.

3.7 Instrument for Data Collection

The instrument used for data collection in this study was the interview method. This was used to conduct in-depth interviews with Keralan women micro-entrepreneurs.

The interview guide covered the following key areas:

1. Background of micro-entrepreneurs and their motivations for starting their business.
2. Type of business and duration of business operations.
3. Process of obtaining microfinance loans and loan details.
4. Impact of microfinance on business profitability and identifying major challenges in running the business.
5. Impact on business sustainability (business growth since obtaining the loan, measures for long-term sustainability).
6. Role of institutional factors like training and support.
7. Recommendations for improvement from the entrepreneurs' perspective.

The interview method was developed based on the research objectives and literature review. By allowing the participants to lead the discussion and setting a conversational tone, semi-structured interviews helped uncover the subjective meanings and interpretations attached to microfinance practices within the cultural, economic, and social context of Kerala.

3.8 Validity of the Research

Validity in qualitative research means “appropriateness” of the tools, processes, and data. Whether the research question is valid for the desired outcome, the choice of methodology is appropriate for answering the research question, the design is valid for the methodology, the sampling and data analysis is appropriate, and finally, the results and conclusions are valid for the sample and context (Leung, 2015). It is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2016).

Credibility, authenticity, criticality, and integrity are considered primary criteria, whereas explicitness, vividness, creativity, thoroughness, congruence, and sensitivity are considered secondary criteria. Primary criteria are necessary for all qualitative inquiry while secondary criteria provide further benchmarks of quality (Whittemore et al., 2001).

To ensure the validity of the research instrument, the study employed various measures to validate the interview. These measures include:

1. **Member checking:** The method of returning an interview to a participant is known as member checking or participant validation. It is used to validate, verify, or assess the trustworthiness of qualitative results (Doyle, 2007).
2. **Audit Trail:** An audit trail in qualitative research is a record of how a qualitative study was carried out and how conclusions were arrived at by researchers, supported by a thorough collection of relevant documentation (Given, 2008).
3. **Peer-debriefing:** Peer debriefing is the process whereby a researcher calls upon a disinterested peer to aid in probing the researcher’s thinking around all or parts of the research process (Given, 2008).
4. **Reflexivity:** Because the researcher interacts with the data source and, thus, influences the data generated for a study, the researcher must reflect on his or her position, including the values, assumptions, and theoretical views that he or she brings to the study (Given, 2008).

3.9 Analysis of Data

Semi-structured interviews were used to collect primary data as they provided more depth and detail by deviating from set questions to explore the participants' thoughts and feelings on the topic. Thematic analysis was used for the analysis of data. Thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data (Braun and Clarke, 2012).

The extracts in the thematic analysis are illustrative of the analytic points the researcher makes about the data, and should be used to illustrate/support an analysis that goes beyond their specific content, to make sense of the data, and tell the reader what it does or might mean (Braun and Clarke, 2006). This research adopted the thematic analysis explained by Braun and Clarke (2006).

Transcription of verbal data: Interviews were transcribed into written form to get familiar with the data.

Generating initial codes: The interviews were then coded using Microsoft Excel.

Searching for themes: The codes were sorted into different themes.

Reviewing themes: The themes were reviewed to see if they form a coherent pattern, and the validity of individual themes was considered in relation to the data set.

Defining and naming the themes: The themes were defined and named after identifying the “essence” of what each theme is about.

Producing the report: A report was produced with the final analysis of the themes identified.

Overall, thematic analysis helped the research by providing a systematic method for identifying, analysing, and reporting themes within the qualitative data collected from micro-entrepreneurs. By doing this, the researcher could develop a deeper understanding of how microfinance impacts different women entrepreneurs and in turn their business sustainability.

3.10 Ethical Considerations

Throughout the project, it is important to engage in ethical practices and to anticipate the ethical issues prior to the study that will likely arise (Creswell and Creswell, 2018). Ethical issues have been usefully broken down by Diener and Crandall (1978) into four main areas:

- whether there is harm to participants
- whether there is a lack of informed consent
- whether there is an invasion of privacy
- whether deception is involved

1. Harm to participants: The study prioritised participant well-being, taking all necessary precautions to prevent physical, psychological, or emotional harm. Risks were thoroughly assessed and minimised, with support available if needed.

2. Informed consent: Participants received detailed information about the study's objectives, procedures, and their rights, including the right to withdraw at any time. Written informed consent was obtained before participation.

3. Privacy: Participant privacy was strictly protected. Personal information was kept confidential and securely stored. Pseudonyms were used to maintain anonymity, and all data protection regulations were followed.

4. Deception: The study avoided deception, ensuring participants were fully informed about the research.

3.11 Conclusion

In conclusion, the study's research methodology employed a qualitative design utilising a case study approach and an inductive method. This approach enabled an in-depth exploration of Kerala's women micro-entrepreneurs' experiences with microfinance. Semi-structured interviews were used as the primary data collection tool, with participants selected through purposive sampling. Ethical considerations, such as informed consent, confidentiality, and avoidance of harm, were rigorously maintained. The research design ensured data quality and validity, providing a comprehensive and systematic approach to understanding the impact of microfinance on business sustainability among the targeted micro-entrepreneurs.

CHAPTER FOUR - FINDINGS AND DISCUSSION

4.1. Introduction

This chapter presents an analysis and discussion of research findings derived from semi-structured interviews conducted with 8 women micro-entrepreneurs who are also members of Kudumbashree. The interviews have been documented in tables, using only the initials of the interviewees to ensure anonymity. A total of twelve main questions were asked, and all participants provided responses to each question.

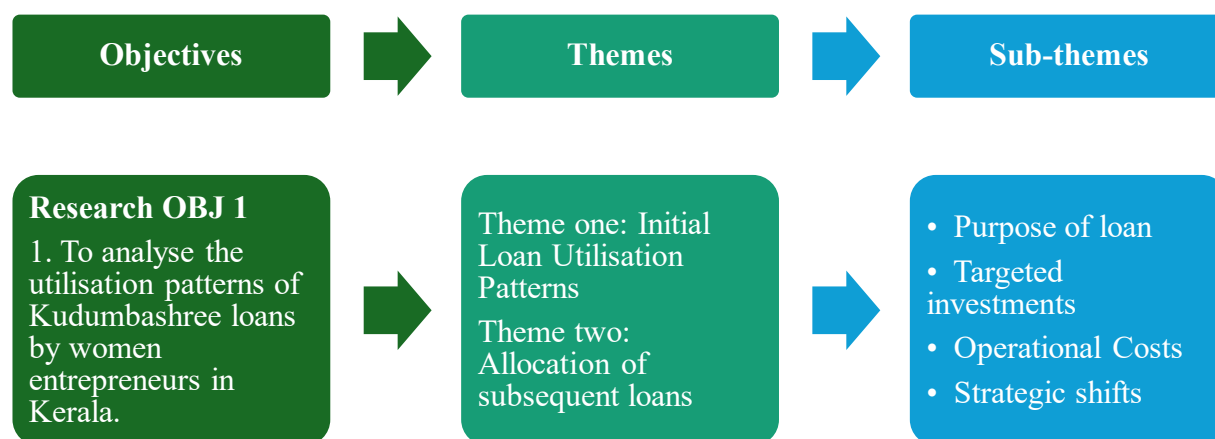
Table 4.1. Interviewee Demographics

INTERVIEWEE	AGE	GENDER	YEARS MANAGING BUSINESS
LM	48	F	2
SR	47	F	2
PM	59	F	11
LJ	56	F	20
PA	54	F	12
AP	32	F	3
JH	41	F	15
AJ	56	F	15

Source: Interviews conducted (own source, 2024)

The interviews are organised into tables, followed by discussions. The analysis was focused on the research objectives. Due to the large amount of data collected, only the most insightful responses that provided more details about the research objective were used. The findings are discussed based on themes connected to the research objectives. Six themes and twelve sub-themes were identified from the interviews. The diagram below summarises the themes.

4.2. Analysis of Interviews



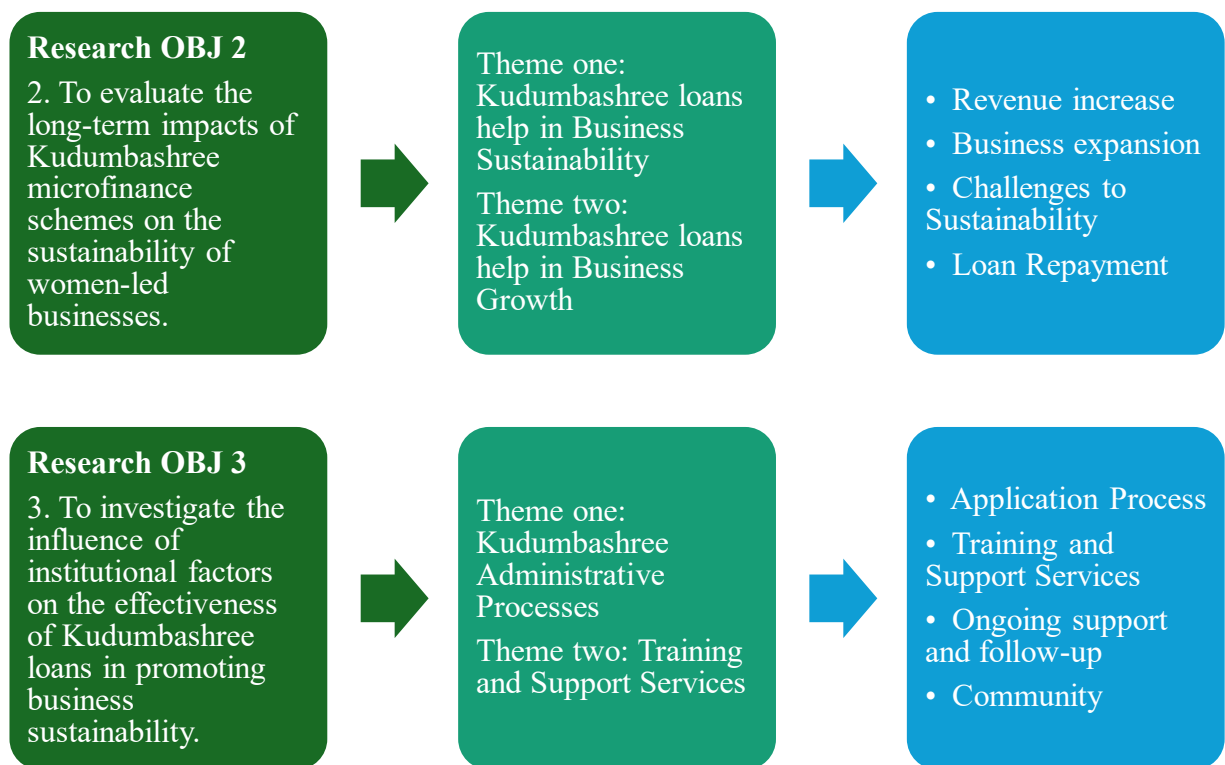


Fig 4.2. Analysis of interviews (Own Source, 2024)

4.2.1. Objective One: To analyse the utilisation patterns of Kudumbashree loans by women entrepreneurs in Kerala.

Kudumbashree Thrift and Credit Societies & Micro Credit help financially weak women to save and provide them with cost-effective and easy credit. The savings of the women are pooled together and given out as loans to the most deserving (Kumar and Rakhin, 2016). The current literature has not extensively explored how female entrepreneurs use Kudumbashree loans for their businesses. Therefore, this study aims to address this gap.

4.2.1.1. Objective One

Theme one: Initial Loan Utilisation Patterns

Participant	Response
AP	My husband's family owned a stage construction business. I used the first loan to expand into stage decoration. So, the money mostly went into buying curtains and props that could be reused, and I saved the rest to purchase fresh flowers for different events. I also hired two employees to help with the decorations.

PM	I got a certificate to train women along with 4 of my friends 11 years ago. We got the Kudumbashree loan as a group. We used the first loan to purchase some fitness machines. We got a room in a building owned by the Panchayat, so we only had to pay a minimal rent.
SR	I run a coconut products business along with five of my friends. We got an amount of Rs. 100,000 since we applied as a group. We needed some machines because we were making the products by hand. We bought a grating machine, a packaging machine, and some utensils to cook the products.
JH	I used to have a small clothing retail store. Using the first loan we expanded into selling shoes, bags, and rugs. The amount went into building an extension to our shop and buying goods for sale.

Source: Interviews conducted (own source, 2024)

This theme explored how women entrepreneurs utilised their initial Kudumbashree loans to support their businesses. The participants' feedback highlighted the distinct ways in which they employed their first loan to either start, expand, or optimise their business operations. While all of them acknowledged that the loans assisted their businesses, their methods of utilisation varied based on their specific needs.

For instance, AP used the first loan to branch out into stage decoration. The loan was used mainly to buy curtains and props. This indicates a focus on long-term utility rather than one-time expenses. AP also allocated part of the loan to hire two employees to enhance the operational capacity of her business. AP's utilisation highlighted the loan's role in enabling entrepreneurs to diversify their business offerings and secure the necessary resources for sustained operations. P.M and her group used their first loan to purchase fitness equipment for their health centre. The group managed to secure a room in a Panchayat-owned building at a minimal rent, which helped them minimise overhead costs and maximise the utility of the loan. The strategic decision to operate from a low-cost facility allowed the group to allocate most of the loan toward purchasing essential assets, demonstrating an efficient use of resources.

SR and her group of five friends used the loans to optimise their business by transitioning from manual production to a more mechanised process. The move to mechanised production was a significant step in scaling the business, enhancing product quality, and potentially increasing output. This suggests that microfinance loans can be critical in facilitating technological upgrades, which are essential for long-term sustainability and growth. JH's approach showed a clear intention to expand the business by diversifying product offerings and physically increasing the retail space. Allocating funds to both physical infrastructure and inventory

indicated a balanced approach to growth, aiming to attract a wider customer base and boost sales.

The above analysis revealed that microfinance loans facilitate both business expansion and operational efficiency. The diverse ways in which these loans were utilised demonstrate the flexibility of microfinance as a tool for supporting various business strategies.

4.2.1.2. Objective One

Theme two: Allocation of subsequent loans

Participant	Response
JH	We wanted a business that could meet all essential needs of customers. So, we used the subsequent loans to start a second department store that sells all sorts of things like perfumes, creams, shampoos, etc. Almost three years ago we also hired two employees to help customers with sales.
PA	The second loan went into buying equipment for packaging the products because that too was done by hand. The equipment helped us supply quality products in quality packaging. The uses changed based on what was needed in the business at the time.
LM	I run a shoes and rugs retail shop. The loans are always used to purchase more shoes to meet the growing demand. Whatever money that I get from the loan or from the business goes back into the business.
AP	I used the second loan to expand into catering. My mum also contributed some funds, and we manage the catering business together now. We used the money to hire part-time staff and to purchase things needed for the business, like stoves and vessels.

Source: Interviews conducted (own source, 2024)

This theme explored how women entrepreneurs utilised the subsequent loans they received through Kudumbashree. The responses indicated varied strategies customised to the specific needs and growth paths of their businesses.

JH diversified into a second department store to meet the essential needs of their customers and increase sales. Hiring more employees helped improve customer service and operational efficiency. AP used the subsequent loan to further diversify into catering. This suggests that microfinance is often used not only to sustain existing operations but also to explore new business opportunities.

PA's allocation of the subsequent loan toward packaging equipment illustrates a shift from manual to automated packaging, thereby increasing efficiency and making the business more

competitive. JH's and AP's approaches to expansion were broader, involving entirely new business areas, whereas LM focused on her existing business by increasing inventory.

LM focused on meeting immediate market demand by increasing inventory to maintain a strong supply chain and customer satisfaction by consistently offering new products. The reinvestment of both loan funds and business profits highlighted a commitment to sustaining and growing the business. PA's investment in process improvement contrasts with LM's emphasis on product availability. Hence, we can see different strategies depending on the nature of the business and its immediate needs.

The above analysis showed that microfinance loans are crucial for supporting the growth and diversification of businesses. These loans enabled entrepreneurs to expand their product lines, improve operational processes, and enter new markets. As a result, they could adapt to changing business environments and pursue opportunities for sustained growth.

4.2.1.3. Discussion of Objective One

The first objective is to analyse the utilisation patterns of Kudumbashree loans by women entrepreneurs in Kerala. This research found that women entrepreneurs employ their loans to start, expand, or optimise their businesses, and it can be broken down under the following headings.

Purpose of Loan: In this research, nearly half of the Kudumbashree entrepreneurs started their enterprise using the Kudumbashree Thrift and Micro Credit or the Bank Linkage loan. Others utilised these resources to explore new markets and product lines. Almost all the entrepreneurs availed subsequent loans to optimise their operations, either by hiring employees or by mechanising their processes. Feder and Lau found that access to credit allows for greater consumption and input use, ultimately increasing the welfare of farmers (Feder *et al.*, 1990). Some reported that credit is not only needed for farming purposes but also for family and consumption expenses (Ogunfowora *et al.*, 1972). Even then, 91.8% respondents used it for expenditure on business development (Taiwo, 2016). This also corresponds with Boateng's findings that 90% reported contracting the loan to expand their business and 7% to start a business (Boateng *et al.*, 2015).

Targeted Investments: The targeted investments made by the entrepreneurs in this research were closely tied to the specific needs of their businesses. Every entrepreneur who had the option to mechanise invested in machinery and equipment. The others invested in inventory.

Microloans could be used for productive purposes such as investments, seeds, or additional working capital (Taiwo, 2016). Microfinance schemes allow and help facilitate farmers to take advantage of new technologies and value-adding processing techniques (Sagarik, 2016).

Operational Costs: Operational costs were also a key area where Kudumbashree loans were utilised, such as labour, equipment, and materials. A study done in Nigeria revealed that 90% of the respondents made use of the credit obtained for payment of labour wages (Adebayo and Adeola, 2008). In a study done on grape farming, the majority of the loans were used for labour payments as well as the purchase of manure and fertilisers (Biradar *et al.*, 2024).

Strategic Shifts: The women entrepreneurs were able to expand into new markets and product lines. Others changed their strategy of production from manual to mechanised. The basis of any nation's industrialisation rests on the people's selfless ability to identify and venture into new business opportunities (Fowowe *et al.*, 2022).

The research themes and sub-themes provided significant information concerning how women entrepreneurs utilise Kudumbashree loans. Some researchers noted that there are often instances of loan diversion. The lending institution's 'loan utilisation monitoring' incurs higher institutional transaction cost and information asymmetry than 'loan repayment monitoring' does (Asnake, 2015). MFI clients might divert loans to meet consumption or other emergency needs that indirectly improve productivity or prevent the sale of valuable assets (Johnson and Rogaly, 1997). Directed loans are highly vulnerable to diversions and risks of default (Ledgerwood, 1999). Women agro-processors often end up spending some of the resources on meeting their household needs due to patriarchy (Kofi, 2024). Even then, it is not to generalise all borrowers. The participants in this research ensured that the loans exclusively went into fulfilling business needs. The loan amount was only sufficient to fund their enterprise, and they used income from the business revenue to meet their consumption needs.

4.2.2. Objective Two: To evaluate the long-term impacts of Kudumbashree microfinance schemes on the sustainability of women-led businesses.

Kudumbashree micro-units have been successful in reaching the unreached by providing ways and means of living and financial independence. While these enterprises are still in their early stages, they show clear signs of sustainability (Irshad and Juman, 2015). Existing literature on this topic mainly focuses on the empowerment and poverty alleviation aspects of microfinance. However, there was still a need for extensive research to determine whether such schemes only provide temporary relief or not.

4.2.2.1. Objective Two

Theme one: Kudumbashree loans help in Business Sustainability.

Participant	Response
LJ	Kudumbashree helps in sustaining the business. I have mostly taken linkage loans which I repay within 6-8 months. Once I'm done repaying, I can apply for the next one and so on. There has never been an instance where my loan has been rejected.
AJ	Yes, I can strongly say that Kudumbashree loans help in the loan term sustainability of my business. The linkage loans were mostly taken during times of emergency. When I plan ahead, I prefer enterprise loans. As long as I pay the loan back without any defaults, Kudumbashree has no problem with sanctioning subsequent loans. This has helped sustain my business for about 12 years now.
PM	Of course, they do. We approached the chairperson saying that it would be good if we could get this amount of loan. They let us know the available loans accordingly. Even later, if we need money, we can get more loans if we have paid the existing ones without default. So as long as we can run the business well, we can get continued financial support from Kudumbashree.
SR	I think it's too early to say something strongly. But from what I have seen, once you repay the loan, you can ask for higher amounts if the business is doing well. I think that we deserve the support because we've been doing well in this short amount of time. I also feel like my business partners are very close to me and each other so I don't think the group will break apart soon. So, I guess we will still be around even after a good 10 years.
AP	From whatever support I have received so far, I do think that these loans contribute to the long-term sustainability of women-led businesses. Kudumbashree has proven time and time again that it wants to help women reach great heights. I could get multiple loans because I had not defaulted on the previous ones, and I have used it to successfully expand my business. The monthly monitoring that they conduct also shows that they care about how the businesses perform in the long run.

Source: Interviews conducted (own source, 2024)

This theme explored the perception of women entrepreneurs regarding the role of Kudumbashree loans in ensuring the long-term sustainability of their businesses. The responses highlighted a shared belief among the participants that these loans are crucial for sustaining their businesses over time.

For instance, AJ's experience highlighted the flexibility of Kudumbashree's loan offerings, which cater to both emergency needs and planned business growth. This allowed her to navigate both unforeseen challenges and strategic expansions. The fact that LJ has never had a

loan rejected suggests that Kudumbashree’s microfinance model is reliable for entrepreneurs who maintain good repayment records. This cycle of borrowing, repaying, and re-borrowing allowed LJ to manage cash flow effectively, ensuring the continuous operation and stability of her business.

PM’s response emphasised the personalised support and ongoing financial backing that Kudumbashree provides. Contrary to the more confident assessments of other participants, SR’s cautious optimism reflects the early stages of her business. While she recognises the potential for long-term sustainability, her focus on mutual support within the business suggested that these social factors also play a role in business longevity. AP’s experience stressed the dual role of financial support and organisational oversight in sustaining a business. The monthly monitoring conducted by Kudumbashree served as both a support mechanism and a motivator for maintaining business performance.

Therefore, all participants highlighted the importance of being able to secure subsequent loans from Kudumbashree, which is contingent on maintaining a good repayment history. This access to continuous funding was pivotal in sustaining business operations over the long term.

4.2.2.2. Objective Two

Theme two: Kudumbashree loans help in Business Growth.

Participant	Response
JH	We were able to expand into other product lines because of Kudumbashree loans. We only had a small shop at first. Now we have a clothing and footwear store and a department store. We have even hired employees on a daily wage basis. The revenue has increased because now we sell a lot of different products.
AP	We’ve hired more employees for the decoration and catering. We now handle everything from construction to catering so our clients don’t have to rely on multiple businesses. We’ve been getting a steady stream of revenue, and we plan to slowly increase the prices since we started at a comparatively lower rate.
PA	It was initially a small unit where everything we sold was made by hand. Thanks to these loans, we could get the machines which made things a lot more efficient. We could focus on getting commissions and supplying the products while the machines did all the work in production. This helped us in selling a lot more products to suppliers and grocery stores. At first, we used to only sell to customers residing nearby.
LM	We’ve been selling more products than before.. more shoes.. we've expanded to umbrellas, rugs, carpets, and things like that. I feel like it’s not been a long

	time since we got this loan, so I think we must give it some more time to say that this loan has had a significant on this business.
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Source: Interviews conducted (own source, 2024)

This theme explored how women entrepreneurs perceived the role of Kudumbashree loans in facilitating the growth of their businesses. The responses indicated that these loans have significantly contributed to business expansion, increased revenue, and operational efficiency.

Starting from a modest retail setup, the loans provided JH with the necessary capital to broaden her product range and expand her business. Hiring additional employees also pointed to operational scaling, allowing the business to cater to a wider range of customer needs. By branching out into multiple service areas, AP had created a convenient all-in-one solution for her clients. The steady revenue stream, along with the strategic decision to gradually increase prices, indicated that the business is on a growth path.

PA's experience highlighted enhancing operational efficiency through mechanisation. By automating parts of the production process, PA was able to redirect her focus from manual labour to business development activities such as securing commissions and expanding her market reach. LM's response indicated that Kudumbashree loans have facilitated product diversification. However, she stated that business growth is a gradual process, and the full impact of the loans may take time to manifest.

The strategies for using the loans vary and this highlighted the diverse ways in which Kudumbashree loans can be leveraged to foster business growth.

4.2.2.3. Discussion of Objective Two

Objective two sought to evaluate the long-term impacts of Kudumbashree microfinance schemes on the sustainability of women-led businesses. This research underlined the substantial role that Kudumbashree microfinance schemes play in enhancing the sustainability of women-led businesses. The loans have facilitated revenue growth and business expansion and have provided a structured support system for loan repayment.

Revenue Increase: This research showed that Kudumbashree loans enabled women entrepreneurs to diversify into new markets and product offerings and scale their operations through mechanisation. These ultimately increased their revenue streams. Sales are a good indicator of size and therefore growth (Koech, 2011). Sales and or employment growth is a better measure of small business performance than accounting-based measures (Brush and

Vanderwerf, 1992). A study in Kenya revealed that MFI credit and SME's revenue had a strong positive correlation (Mbogo and Muturi, 2012).

Business Expansion: The participants' experiences suggested that Kudumbashree loans enabled them to tap into new markets and increase their service offerings. Microcredit not only helps in promoting self-employment but also in the employment generation of family workers and community workers (Mahmood *et al.*, 2016). Access to credit also affords the cash to finance the expansion of the business where the cash requirements far outstrip internal savings (Kisaka and Mwewa, 2014). However, some microenterprises fail to achieve growth as their priority may be to sustain the business to provide for their family's daily needs (Webb *et al.*, 2014).

Challenges to Sustainability: Despite the positive impacts, the responses also highlighted challenges related to market fluctuations, gender discrimination, changing customer preferences, and the need for ongoing financial support. Many female entrepreneurs report that they must prove their competence as business owners to customers, suppliers, and other resource providers (Buttner, 1993). Poor marketing institutions, weak supply channels, and communication issues with business stakeholders are also major challenges that hamper the growth of women entrepreneurship (Yousfani *et al.*, 2019).

Loan Repayment: The consistent repayment of loans and the ability to obtain further financial support were key factors that contributed to the long-term sustainability of these businesses led by women. Borrowers who have a small number of or no dependents in the household perform better in loan repayment (Pasha and Negese, 2014). A study in Ethiopia found that loan diversion is significant and negatively related to loan repayment rates (Abafita, 2003). Smaller loans are often advanced by microfinance institutions as a way of minimising risks (Natukunda, 2010). This could be one of the reasons why there had been no loan diversions or defaults in this research.

Most research participants agreed that Kudumbashree loans have long-term impacts on the sustainability of their businesses. However, one respondent mentioned that it is too early to definitively state this, but they remain optimistic as things are currently going well. There is existing literature on other microfinance schemes with similar findings. Nonetheless, some articles emphasise that long-term sustainability cannot be solely attributed to access to microfinance.

A study in Kenya showed that most women entrepreneurs who were beneficiaries of microfinance had expanded their businesses and increased their household income (K'Aol, 2008). AIM's microcredit program has been proven to increase the microenterprise income of their clients in Peninsular Malaysia (Al Mamun *et al.*, 2012). The literature points out other factors that help in the growth and success of these businesses. The expansion of a business must include skills and marketing strategies (Donou-Adonsou and Sylwester, 2017). Internal factors contributing to group success include (i) the presence of an educated, sincere, and dynamic leader (ii) stability in leadership (iii) homogeneity in membership (iv) democracy and transparency, and (v) cooperation, unity, and mutual understanding (Sivachithappa, 2013).

The analysis of participant responses highlighted the significant role that Kudumbashree microfinance schemes play in enhancing the sustainability of women-led businesses in Kerala. The loans have facilitated revenue growth, and business expansion, and have provided a structured support system for loan repayment. When asked if the respondents were satisfied with the support received from Kudumbashree, almost all of them mentioned the financial assistance. They were able to sustain their business by using subsequent loans provided by Kudumbashree, as there were no defaults or diversions with the first loan. However, there were sustainability challenges that need to be addressed, including concerns about the long-term impact and potential risks that could affect continued business success.

4.2.3. Objective Three: To investigate the influence of institutional factors on the effectiveness of Kudumbashree loans in promoting business sustainability.

Objective Three aimed to explore how institutional factors, such as administrative processes and training support, influence the effectiveness of Kudumbashree loans in promoting the sustainability of women-led businesses. Although financial assistance was the most significant support from the respondent's perspective, they all agreed that the institutional elements also helped in the success of their businesses.

4.2.3.1. Objective Three

Theme one: Kudumbashree Administrative Processes

Participant	Response
PM	It took almost 6 months to get the loan because we had the certificate course going on. Once the training was done and we found a room to start the club, they approved our loan. It was hard to find a room though. Eventually, the Panchayat let us use a room in their building for rent. Once

	the loan was sanctioned, we got the money in our bank accounts within a month.
AJ	Following the chairperson's advice, I applied for the loan. Some staff visited my shop to take note of the current business condition. The first loan amounted to Rs. 100,000. It took around one month for the loan to get sanctioned after I completed the EDP and GOT training. The following loans were for lesser amounts which had a similar process.
PA	I already had a business and an existing loan from KIDS when I applied for the Kudumbashree loan. Because of that, they did not sanction my loan at first. Me and several other members had to fight the Panchayat for support. After assurance from KIDS, Kudumbashree sanctioned our loan in two months.
LJ	Kudumbashree initially sends its staff to observe the business to determine the loan amount that can be provided. Once this was completed, I applied for the loan by filling out a form and submitting it to Kudumbashree. The loan was sanctioned at the next month's committee meeting. Every loan that I have applied for has been sanctioned quickly without any issues. The staff is also very cooperative. The amount gets credited to my account, and I can withdraw it using a cheque.

Source: Interviews conducted (own source, 2024)

This theme probed into the experiences of women entrepreneurs with the administrative processes involved in securing loans.

PM's experience underscored the potential delays in the loan approval process, particularly when specific conditions, such as training completion and securing a business location, are required. However, once the conditions were met, the disbursement process was relatively quick, indicating that Kudumbashree was responsive once the necessary criteria were fulfilled.

Participants like AJ and LJ noted that Kudumbashree staff conducted site visits before approving the loan, reflecting a common procedural step to ensure the viability of the businesses receiving funds. The relatively quick sanctioning process after training demonstrates the efficiency of Kudumbashree's administrative procedures. LJ's positive experience may be due to a well-established rapport with Kudumbashree or the advantage of having a business that fits neatly within the organisation's lending criteria.

However, PA's experience revealed the complexities in the Kudumbashree loan approval process, especially for applicants with existing financial commitments. The initial rejection shows the cautious approach taken by Kudumbashree, particularly to avoid over-leveraging applicants. Unlike LJ, who had a straightforward approval process, PA had to actively campaign for her loan approval.

The analysis of participant responses showed that Kudumbashree's administrative processes are thorough and methodical. However, the efficiency of these processes can vary significantly depending on individual circumstances, such as existing financial commitments, the need for specific training, or logistical challenges.

4.2.3.2. Objective Three

Theme two: Training and Support Services.

Participant	Response
PA	Even though I had an existing business, I still chose to attend both the EDP (Entrepreneurship Development Programme) and GOT (General Orientation Training) training from the Panchayat. Because this was a long time ago, I was also able to attend a SKILL training. It helped me with the business because that was the first time I had gotten a proper official class.
AJ	I attended a three-day class. The training consisted of both GOT and EDP. I was the first in my family to run a business, so these classes exposed me to how things work and how I must deal with different situations. The best part was that they put us into groups for games and this helped me connect with other women entrepreneurs.
PM	When we let the chairperson know that we wanted to start a help club, they sent us for a 6-month certification course so that we could provide fitness training to other women professionally. We also attended some training classes by Kudumbashree to get an idea of how to run a business.
JH	I attended the GOT training which gave me an understanding of accounting and dealing with customers. Even though it was just a one-day class, I found it very insightful. The organisers had designed the classes in the form of games which made it interactive and fun. I also got to meet more female entrepreneurs and chat with them.
LM	Because I already had experience running a family business with my husband, I only went for the one-day training. They teach you basic things about business, like how to deal with customers and technical things like profit and loss. It benefitted me even though I had previous experience.

Source: Interviews conducted (own source, 2024)

This theme explored the experiences of women entrepreneurs with the training and support services provided by Kudumbashree. The responses reflected the varied types of training received, as well as the perceived benefits of these programs.

AJ's experience highlighted the importance of structured training programs in building foundational business knowledge. The combination of practical lessons and interactive activities also helped her build a network with other women entrepreneurs. The fact that PA

attended multiple programs, even with prior business experience, indicated a recognition of the value these training sessions could provide.

PM's experience highlighted Kudumbashree's commitment to providing specialised training. The 6-month certification course reflected a significant investment in professional development, ensuring that the participants were well-prepared to deliver fitness training services. The additional business management training provided by Kudumbashree further supported their entrepreneurial journey. JH's positive experience with the one-day training highlighted Kudumbashree's ability to deliver impactful education in a short time frame. LM's acknowledgement of the training's benefits, despite her experience, suggested that Kudumbashree's programs are well-structured to reinforce and build upon existing knowledge.

All participants, regardless of their prior experience, found value in the training programs offered by Kudumbashree. The responses indicated that Kudumbashree offers a range of training programs catering to diverse needs and levels of experience among women entrepreneurs. However, it was noted that the training is only given in the initial stages of loan application.

4.2.3.2. Discussion of Objective Three

This objective sought to investigate the influence of institutional factors on the effectiveness of Kudumbashree loans in promoting business sustainability. The institutional factors can be further explained using the following four sub-headings.

Application Process: Most respondents had their loans sanctioned within a month, while others experienced delays due to external factors. These differences emphasised the importance of flexibility to meet diverse entrepreneurial needs. There are two types of loans, one from their savings and the other from banks based on the total amount saved by the group (V, 2019). All group members can be said to be financially included in terms of having access to savings and credit facilities from banks (Bhanot and Bapat, 2016).

Training and Support Services: The respondents all received training from Kudumbashree based on their experience and industry. General Orientation Training (GOT) helps women identify employment opportunities based on their skills & interests. The Entrepreneurship Development Programme (EDP) develops the basic entrepreneurial skills of the participants. Project planning and skill training are given based on the sector in which the business is planned (Kudumbashree, 2024c). A study in Malappuram revealed that 83.33% of Kudumbashree

members are exposed to training at the initial stages of the establishment of the units (Irshad and Juman, 2015).

Ongoing support and follow-up: All respondents agreed that they received monthly site visits by Kudumbashree staff. ADS (Area Development Society) monitors the thrift and credit operations of each NHG (John, 2009). However, a survey done by Jacob John revealed that around 15 per cent of members who take loans do not use the fund for the purpose for which the loan is availed (Shihabudheen, 2013). In this study too the monitoring focused on business performance and not on proper loan utilisation.

Community: Every participant emphasised the importance of the sense of community that they felt from being a member of Kudumbashree. These interactions not only offer emotional and social support but also create a network of like-minded individuals who can share resources and advice (Saegert and Carpiano, 2017). They join for a sense of community and employment opportunities, in addition to developing social skills (P B, 2023). In this research, however, individual business ambitions remained their top priority.

Therefore, all participants agreed that institutional elements of Kudumbashree do play a significant role in the sustainability of their businesses. The efficiency of the application process and the comprehensive training programs reflected the strengths documented in previous studies. However, the impact of social capital has only been studied on Kudumbashree members as a whole and not on members who are entrepreneurs.

About 24 manuals have been prepared to train staff at all levels (state, district, and LGB) on various topics (Kadiyala, 2004). While the training programs are well-structured, there is room to question whether they sufficiently address the evolving marketing needs and technological advancements. The Kudumbashree model helped women to venture into unexplored professions such as auto-rickshaw drivers, restaurants, catering, etc. Jagratha Samithi (meaning vigilance committee) also formed part of the Kudumbashree network and has been helpful for collective action by women (Unni, 2020). Other studies found that there was a lack of support from the officials as they did not frequently visit the enterprises and provide guidance (Kurian, 2016). Our respondents, however, acknowledged the monthly visits by Kudumbashree staff. The discrepancies could be the result of Kudumbashree learning from their past mistakes. If not, there is a need for enhanced oversight.

4.3. Summary of Findings

The research findings are summarised below according to the research objectives.

To analyse the utilisation patterns of Kudumbashree loans by women entrepreneurs in Kerala: The findings revealed that women entrepreneurs employ Kudumbashree loans in varied ways, predominantly for business expansion, initial setup, and optimisation of operations. However, the specific utilisation patterns were influenced by the unique needs and goals of each business, indicating a high degree of adaptability among the entrepreneurs.

To evaluate the long-term impacts of Kudumbashree microfinance schemes on the sustainability of women-led businesses: Participants reported that the availability of subsequent loans, contingent on prompt repayment, has provided stable financial support or long-term business operations. The loans have facilitated business expansion, increased revenue, and allowed for the hiring of additional staff. The findings were consistent with previous literature on the role of microfinance in ensuring financial independence and business sustainability. However, challenges such as market competition and economic fluctuations remain, which could impact long-term sustainability.

To investigate the influence of institutional factors on the effectiveness of Kudumbashree loans in promoting business sustainability: The findings indicated that while the application process is generally efficient, and the training programs are well-received, ongoing support and community engagement are critical to ensuring business sustainability. This contradicted previous studies which mention a lack of support and guidance by officials. However, the need for more rigorous monitoring to ensure proper loan utilisation was still noted.

CHAPTER FIVE - IMPLICATIONS, RECOMMENDATIONS, CONCLUSION

5.1. Introduction

This research focused on exploring the utilisation patterns, long-term impacts, and institutional factors associated with Kudumbashree microfinance loans in the context of women-led businesses in Kerala. The study was guided by three primary research questions: How do women entrepreneurs utilise Kudumbashree loans? What are the long-term impacts of these microfinance schemes on business sustainability? How do institutional factors influence the effectiveness of these loans in promoting business success? To answer these questions, the research engaged with 8 women entrepreneurs who were active participants in the Kudumbashree microfinance program.

The study employed a qualitative research methodology, utilising in-depth interviews as the primary data-gathering instrument. The collected data was analysed using thematic analysis and six themes were identified namely Initial Loan Utilisation Patterns, Allocation of Subsequent Loans, Business Sustainability, Business Growth, Kudumbashree Administrative Processes, and Training and Support Services.

5.2. Implications of the Research Findings

The findings of this research showed that the loans were effectively utilised for purchasing equipment, expanding inventory, and hiring staff, with no investment in marketing activities. This is largely due to the relatively small size of the initial loans, which limited the entrepreneurs' ability to allocate funds toward marketing, a critical area for business growth. Previous research on Kudumbashree loans typically focused on women empowerment and poverty alleviation. Some examples are studies by Oommen (2008), Gervais (2008), and Kumar and Rakhin (2016). The utilisation of these loans and their impact on business sustainability is a relatively unexplored area.

The research found that Kudumbashree loans have played a significant role in supporting women entrepreneurs in Kerala by enabling them to start, expand, and sustain their businesses. This supported the argument that microfinance initiatives like Kudumbashree are crucial in fostering entrepreneurship and economic independence among women. However, the findings also agree that microfinancing is not enough to grow a business (Donou-Adonsou and Sylwester, 2017). The participants agreed that some institutional factors also contributed to the sustainability of their businesses, albeit with some concerns.

The research revealed that while most participants praised the efficiency of the Kudumbashree administrative processes, a few encountered delays due to external factors. The training provided by Kudumbashree was mostly concentrated in the initial stages of the business, leaving a gap in ongoing skill development and support as the businesses matured. This implied that while Kudumbashree loans are effective in establishing and sustaining businesses, there are limitations in scaling these businesses to their full potential. Additionally, it was noted that although there was no loan diversion, follow-up focused on business performance and not proper loan utilisation, suggesting that while Kudumbashree's support is valuable, it could be enhanced for greater effectiveness.

Therefore, while Kudumbashree loans significantly contributed to business sustainability by providing financial backing, the findings implied that refining institutional processes and support services could further amplify the positive impacts, ensuring that the benefits of microfinance are maximised for women entrepreneurs in Kerala.

Theoretical Implications

The findings of this research authenticated the theories discussed in the literature review. Social capital theory suggests that networks of relationships among people who live and work in a particular society enable society to function effectively (Putnam *et al.*, 1993). This research confirmed that the strong social networks and community support within the Kudumbashree program significantly contributed to the sustainability of women-led businesses in Kerala. The sense of community provided emotional and practical support, which enhanced business resilience, thereby validating the importance of social capital in business sustainability.

Additionally, the findings aligned with institutional theory, emphasising the impact of established institutions on the behaviour of individuals and organisations (Scott, 2004). Kudumbashree's structured processes, such as the application and loan disbursement procedures, were effective in promoting business sustainability. However, the research also revealed limitations in the continuous training and support provided by Kudumbashree, indicating that while the institutional framework is strong, it requires enhancement to support long-term business growth.

Finally, the participatory development theory, suggests that involving people in decisions that affect their lives leads to more effective and sustainable outcomes (Chambers, 1984). This is reinforced by the research findings as Kudumbashree's model of community-based decision-making and local governance has empowered women entrepreneurs. However, the limited

focus on ongoing training suggested a need for more participatory approaches in the later stages of business development. Overall, these findings reinforced the relevance of these theories in understanding the dynamics of microfinance and women's entrepreneurship in the context of Kudumbashree.

5.3. Contribution of the Study

This research provides new insights into how women entrepreneurs primarily used initial loans for essential business needs, such as inventory and equipment, rather than for marketing as the initial loan amount is not enough to cover everything. The findings related to long-term business sustainability support previous literature by confirming that continuous financial support is crucial for business growth and stability. Unlike previous studies which noted a lack of support and monitoring from Kudumbashree staff (Shihabudheen, 2013; Kurian, 2016), the findings showed that initial training was provided and there was regular monitoring of business performance. The loan application process was also generally efficient. However, the lack of ongoing training and strategic guidance after the initial stages may hinder their potential.

5.4. Limitations

The research was limited to Kudumbashree members in Ernakulam district of Kerala. This district was chosen as it is the commercial capital of the State and is the highest revenue-yielding district (Ministry of MSME, 2019). The research was also limited by time and hence only 8 participants could be interviewed, as interviews are rigorous and difficult to conduct, translate, and analyse. However, the researcher ensures that the data analysis is dependable, the findings are the result of the collected data and have not been manipulated. There were also some limitations due to the researcher being new to research. If the researcher had experience, the research might have been conducted in a more elegant manner using a larger set of participants.

5.5. Recommendations

Based on the research findings, the subsequent recommendations for practice have been proposed by the researcher.

The research revealed that the loan amount is primarily utilised for essential needs, and women entrepreneurs encounter difficulties in effectively marketing their products. Hence, it is recommended that Kudumbashree assist in marketing these products by allocating stalls to the women entrepreneurs during government and other events and fairs. Currently, such

opportunities are exclusively provided to units entirely under the control of Kudumbashree. They could also encourage the adoption of digital platforms and tools to streamline business operations, marketing, and customer engagement. Industry practitioners should provide training on how to use social media and e-commerce to increase business visibility.

Furthermore, the study highlighted that entrepreneurs encounter challenges in receiving a salary during the initial months due to revenue being allocated towards loan repayment and business requirements. Hence, it is suggested that the government consider allowing a grace period. This would provide entrepreneurs with some financial flexibility before repayment begins.

Moreover, the research pointed out that while Kudumbashree staff engage in monthly on-site monitoring, the focus is primarily centred on the business performance of the enterprises. It is recommended that monitoring efforts should also incorporate the proper utilisation of the loans provided to prevent any instances of loan diversion. It will also help identify issues early and provide timely interventions.

It is worth noting that the research indicated that Kudumbashree only provides training in the initial stages of the loan application process. Consequently, ongoing training is recommended. Financial advisors and support staff should guide entrepreneurs in creating business plans that include investment in areas such as marketing and technology adoption that drive long-term growth, not just immediate operational needs.

5.6. Recommendations for Future Research

Future research could dive deeper into Kudumbashree microfinance utilisation patterns across different sectors and regions to identify best practices and potential areas of improvement. Understanding how different industries benefit from microfinance can inform more targeted and effective support strategies. A quantitative study regarding the factors contributing to sustainability according to Kudumbashree women entrepreneurs could help in providing findings backed by statistics which can contribute to policy making. Future researchers could also explore the impact of Kudumbashree institutional factors on the sustainability and growth of enterprises. Researchers could also explore its impact on the social and economic empowerment of women entrepreneurs. These valuable perspectives could help in enhancing their long-term success.

5.7. Conclusion and Reflections

This study investigated the utilisation patterns of Kudumbashree loans among women entrepreneurs in Kerala. The focus was on understanding how these loans contribute to business sustainability and growth. The study aimed to assess the impact of these loans on the sustainability of women-led businesses and examine the role of institutional factors in promoting business success. The findings indicated that Kudumbashree loans significantly support business sustainability by providing essential financial resources and fostering community support among women entrepreneurs. However, the study also identified certain gaps, such as the underutilisation of loans for marketing due to limited initial loan amounts and the lack of continued training after the initial stages of business. These insights suggested a need for Kudumbashree to enhance its support mechanisms to ensure proper loan utilisation and better address the evolving needs of women entrepreneurs.

In reflecting on my experience during this research, the process of analysing the data and comparing it with existing literature has improved my critical thinking and analytical skills. I now better understand that data is not just a collection of facts, but rather, it must be rigorously analysed to transform it into meaningful information. I have gained a better understanding of the research methodology, particularly in qualitative data analysis, which was initially challenging. If I were to do this research again, I would consider employing a mixed-methods approach, combining qualitative interviews with quantitative surveys, to allow for a more detailed analysis of trends and correlations.

Through the guidance of my supervisor and extensive reading, I have developed a stronger foundation for conducting research, which I plan to use in my future academic and professional ventures.

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APPENDIX A - INFORMED CONSENT FORM

INFORMED CONSENT FORM

I. Research Study Title: KUDUMBASHREE MICROFINANCE UTILISATION AND BUSINESS SUSTAINABILITY AMONG WOMEN MICRO-ENTREPRENEURS IN KERALA

University: Griffith College, Graduate Business School.
Principal Investigator: Dr Garrett Ryan.
Researcher Name: Steffi De Almeida
Email: steffi.de.almeida@gmail.com

II. Clarification of the purpose of the research

This research aims to present an empirical analysis of the long-term effect of microfinance programs on women-led businesses. Furthermore, through a combination of your participation and the latest research into Kudumbashree Microfinance, this research will add to the body of academic understanding of Kudumbashree Microfinance and Business Sustainability.

III. Confirmation of particular requirements as highlighted in the Plain Language Statement

This project involves taking part in semi-structured interviews. The interviews/survey responses will be recorded and seek to gather information on your experience of Kudumbashree Microfinance loans. Questions are directed towards your thoughts on Business sustainability through Kudumbashree Microfinance. I estimate the interviews will take no longer than 45 minutes to complete.

Participant – please complete the following (Circle Yes or No for each question)

Have you read or had read to you the Plain Language Statement	Yes/No
Do you understand the information provided?	Yes/No
Have you had an opportunity to ask questions and discuss this study?	Yes/No
Have you received satisfactory answers to all your questions?	Yes/No
Are you aware that interviews will be audiotaped?	Yes/No

IV. Confirmation that involvement in the Research Study is voluntary

Involvement in this Research Study is voluntary. Participants who decide to take part may withdraw from the Research Study at any point. There will be no penalty for withdrawing before all stages of the Research Study are complete.

V. Advice as to arrangements to be made to protect confidentiality of data, including that confidentiality of information provided is subject to legal limitations

Every effort is made to ensure the confidentiality of the participant. Participant names will not be recorded, as all participants will be assigned a code. Where used, recorded interviews will be downloaded to a password-controlled computer, typed transcripts are held within password-controlled documents. Participant biographical details and or mention of other persons will be omitted in the final report. Confidentiality of information provided is subject to legal limitations.

VI. Participant Signature:

I have read and understood the information in this form. My questions and concerns have been answered by the researcher, and I have a copy of this consent form. Therefore, I consent to take part in this research project

Participants Signature: _____

Name in Block Capitals: _____

Witness: _____

Date: _____

APPENDIX B - PLAIN LANGUAGE STATEMENT

PLAIN LANGUAGE STATEMENT

I. Introduction to the Research Study

Research Study Title: KUDUMBASHREE MICROFINANCE UTILISATION AND BUSINESS SUSTAINABILITY AMONG WOMEN MICRO-ENTREPRENEURS IN KERALA

University: Griffith College, Graduate Business School.

Principal Investigator: Dr Garrett Ryan.

Researcher Name: Steffi De Almeida

Email: steffi.de.almeida@gmail.com

II. Details of what involvement in the Research Study will require

This project involves taking part in semi-structured interviews. The interviews/survey responses will be recorded and seek to gather information on your experience of Kudumbashree Microfinance loans. Questions are directed towards your thoughts on Business sustainability through microfinance. I estimate the interviews will take no longer than 45 minutes to complete.

III. Potential risks to participants from involvement in the Research Study (if greater than that encountered in everyday life) I do not anticipate any risk to participants as a result of participation in this Research Study.

IV. Benefits (direct or indirect) to participants from involvement in the Research Study

The objective of this Research Study is to gain new knowledge that will enable a comprehensive understanding of the effectiveness of Kudumbashree microfinance programs in promoting sustainable development and empowerment for women entrepreneurs. This study may, therefore, be of benefit to you by providing you with the opportunity to contribute to body of knowledge on Kudumbashree Microfinance so that you and or society may benefit.

V. Advice as to arrangements to be made to protect the confidentiality of data, including that confidentiality of information provided is subject to legal limitations

Every effort is made to ensure the confidentiality of the participants. Participant names will not be recorded, as all participants will be assigned a code. Where used, recorded interviews will be downloaded to a password-controlled computer, and typed transcripts are held within password-controlled documents. Participant biographical details and or mention of other persons will be omitted in the final report. Confidentiality of information provided is subject to legal limitations.

VI. Advice as to whether or not data is to be destroyed after a minimum period

Audio tapes will be destroyed on the successful completion of this master's degree in full compliance with GDPR regulations.

VII. Statement that involvement in the Research Study is voluntary

Involvement in this Research Study is voluntary. Participants who decide to take part may withdraw from the Research Study at any point. There will be no penalty for withdrawing before all stages of the Research Study are complete.

If participants have concerns about this study and wish to contact an independent person, please contact:

Dr Garrett Ryan
Graduate Business School
Research Committee
Griffith College
South Circular Road, Dublin 8, Ireland

Phone: + 353 1 416 3324

Email: garrett.ryan@griffith.ie

APPENDIX C - INTERVIEW SCHEDULE

Opening A. (Establish Rapport) My name is Steffi De Almeida. I am a student from Griffith College, pursuing a course in Accounting and Finance Management. It would be great if you could lend me some of your time for an interview.

B. (Purpose) This research aims to investigate how women micro-entrepreneurs in Kerala utilise microfinance loans – specifically Kudumbashree loans and how this impacts business sustainability. The study aims to provide valuable insights into the effectiveness of Kudumbashree microfinance programs, ultimately guiding improvements in policy and practice to support the sustained growth and empowerment of women entrepreneurs.

C. (Motivation) I hope to use this information to complete the information provided will enable me finish my dissertation which is a requirement for the award of a MSc in Accounting and Finance Management.

D. (Timeline) The interview will last a minimum of 30 – 45 minutes.

[Some general questions]

1. What is your name?
2. Your gender?
3. What is your age?

- 1. Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?**
- 2. How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?**
- 3. Have your strategies for utilising these loans changed over time? If so, how and why?**
- 4. What role, if any, does financial planning or advice play in how you use the loans?**
- 5. How has your business evolved since you started using Kudumbashree loans?**
- 6. Can you describe any significant changes in your business revenue and operations since receiving these loans?**
- 7. What challenges have you encountered in maintaining or growing your business?**
- 8. In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?**
- 9. How would you describe your experience with the Kudumbashree administrative processes?**
- 10. Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?**

11. What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

12. In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

APPENDIX D - TRANSCRIBED INTERVIEWS

1. Interview for LM

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: Alright I will help you in whatever way I can.

I: Thank you so much for your time! Can we start now?

R: Sure, let's start.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I have a Shoe business. My Husband had a family business for 34 years at Munambam. We opened this shop here two years ago and closed the one in Munambam. Now I run this shop along with my husband. So, a Kudumbashree member named Gopika had taken a class for us about starting umm micro-enterprises. Since we already had a business I thought that it would be a good idea to you know apply for this loan and then make use of it to expand our business.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: The loan amount was only 40,000 and I used it mainly to purchase more shoes because there was more demand so almost all of the money from this loan went to buying shoes for the business because we already had a shop, and this loan was used to expand the business and not to start it.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: Not really. The strategies for using these loans have remained the same more or less. Whatever money that I get from the loan or from the business goes back into the business, so all the money keeps going to you know buying more shoes to sell so basically the money keeps rolling within the business.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: I have not really taken financial advice from anyone else so I don't know if I can answer this question. The only classes or training that I have attended are from Kudumbashree itself.

I: How has your business evolved since you started using Kudumbashree loans?

R: Well, we've been selling more products than before.. more shoes.. we've expanded to umbrellas, rugs, carpets, and things like that. But right now, it's a difficult time because of the trolling restriction that the government has put in place. Because of that the fishermen are not able to go into the sea and since this is a coastal area the people over here, they do not have a lot of money to spend so I feel like our business would get more sales once this restriction is lifted because you know the people will have more spending power once all this is done. But

in general, the business has umm become a little bit better than before even though the growth is not very significant

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: I don't think I can really say that there are any significant changes. I feel like it's not been a long time since we got this loan, so I think we have to give it some more time to you know actually say that this loan has had that bigger effect on this business. Maybe time will tell.

I: What challenges have you encountered in maintaining or growing your business?

R: I feel like there are a lot of other stores that sell similar products. So, I would say competition has been a constant challenge. And like I said before, when the government imposes a trolling restriction, people hesitate to spend money on things that are not necessary. So, during those times, business is slow and we can't really get a sum for our household needs.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: I got to know about these loans from the Kudumbashree meetings. I came to know that we can use these loans to grow our business because of Kudumbashree. All the members are very supportive they also encouraged me to take the loan. As in people who have already used it before..., they had positive feedback, and they told me to go for it so that was enough to sort of influence me to get this loan. Another good thing about these loans is that if we repay the loan without any defaults, Kudumbashree will give us a second loan and that amount might be much higher than the first one so that also acted as an incentive. So right now, I only have one loan from Kudumbashree. I took this loan as an experiment to see how it would help my business.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: By the time I had applied for the loan umm the election started, and you know the election was going on and because of that, there was a one-month delay. Usually after the training in the next month's committee meeting, they sanction the amount for the loan. But since the elections were going on we were not allowed to have these meetings and because of that I had to wait a month to get the loan sanctioned. So once that is done Kudumbashree will put the loan amount in my bank account, and I can just go collect it from my bank using a cheque.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: So, because I already had experience running a family business with my husband I did not go for the 3-day training, I only went for the one-day training. So, the people who come to teach us have this project in their minds, and they divide us into groups, and we play games that are related to business management. They teach you basic things about business, they also teach you how to deal with customers, things about profit and loss umm they teach it to you in a very efficient way and you know like they get things done in one day. Even people who have no idea about the basics of business can benefit from this class. It has helped my business a lot even though I had experience with my husband I can still say that I have learned a lot of things from those classes, and it was good to sort of interact with the rest of the members and you know have that sense of community while also learning about business.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: I think the government does support us women. Most of us have no means to earn a living. The government doesn't ignore us instead through things like Kudumbashree, they encourage us to make use of these loans. Moreover, they don't require us to show collateral security, and the interest rate is also very low at only 4%. The staff from Kudumbashree also visits our business every month for follow-up and monitoring purposes. They check how well the business is doing and if we're making a profit or loss. They help us with things that we don't have much knowledge about.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: I am pretty satisfied with the support that I am receiving. Because right now, I am focusing on just this business. I don't plan on expanding into other lines or expanding it too much. The loan interest rate is also low and hence affordable. So for the current business, I feel like the support from Kudumbashree right now is more than enough.

2. Interview for SR

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: I don't mind giving you an interview.

I: Thank you so much for your time! Can we start now?

R: Yup lead the way.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I have a coconut products business. I have been running this for almost two years now along with a group of five other women. I got help from MSSR to start the business initially. We got the machinery under a scheme by MSSR and HDFC Bank. As for the Kudumbashree loan, I attended a program called SVEP. I got to know about the loans from there. We needed some money to buy more machines, so we applied for a loan as a group.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: We got an amount of Rs. 100,000 since we applied as a group. Like I said before we needed some machines. We bought a grating machine, a packaging machine and some utensils to cook the products.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: I have taken only one loan from Kudumbashree so far. And like I mentioned, the first loan from MSSR in the form of machines. Both these were used in the business itself as the amount wasn't very large. Our business is still growing so right now we are focusing on the production part.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: I have not taken extra financial advice. However, I have received other loans from Krishibhavan that helped me to buy stoves and some essential furniture. We had decided to pay back the loans without default. So whatever profit that we make goes back to either paying the loan or for further use in the business.

I: How has your business evolved since you started using Kudumbashree loans?

R: Things have been going well so far. We have not had a period of losses yet. Along with selling our products, we have also started commissioning small catering deals. It's only been two years, so the growth isn't huge, but I feel like it's happening at a steady pace.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: Well, we could purchase all of these machines and equipment because of the loan and obviously, that has made things a lot easier than before when we had to do a lot of things by hand. The revenue has increased but the money goes to repaying the loan mostly.

I: What challenges have you encountered in maintaining or growing your business?

R: We face challenges in distributing our products. We don't have enough funds to market it so we usually go around offices selling our products. There are not a lot of customers who come to our unit to purchase it because our unit is not really on the main road. Some of our products have a short life, and because of this, it becomes obsolete. We do try to predict the sales so that we don't overproduce and waste goods.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: Haha I think it's too early to say something strongly. But from what I have seen, once you repay the loan, you can ask for higher amounts if the business is doing well. Hopefully, if that is the case for us, then I think we can use that extra funding to grow our business. I think that we deserve the support because we've been doing well in this short amount of time. I also feel like my business partners are very close to me and each other so I don't think the group will break apart in the near future. So, I guess we will still be around even after a good 10 years.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: By the time I had applied for the loan umm the election started, and you know the election was going on and because of that, there was a one-month delay. Usually after the training in the next month's committee meeting, they sanction the amount for the loan. But since the elections were going on we were not allowed to have these meetings and because of that I had to wait a month to get the loan sanctioned. So once that is done Kudumbashree will put the loan amount in my bank account, and I can just go collect it from my bank using a cheque.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: I didn't have previous experience running a business, so I attended both the EDP and GOT training. It was a three-day training. The training was very practical, and they taught us things through games, which made it easier to understand and retain the information. And we have another training coming up this month. I don't know the details, but I heard that it's a new training. The training did help the business because it was our first time managing one so none of us had any experience. We have not really learned things like this in school either. So, I guess I can say that everything I learned about business came from Kudumbashree training

classes. Kudumbashree also has a monthly follow-up program, and the staff comes by to monitor our processes and ask us how things are going and such.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: Well, I don't know about other government policies except for Kudumbashree. I can say that Kudumbashree are doing a wonderful job with giving out financial support at such a low interest rate. Not only that, but they also train us women to handle things on our own.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: I feel like there are a lot of training programs. Whatever they have going on now is good enough. Kudumbashree does help with training, and I might sound ungrateful saying this, but to us, revenue is more important. We have no problem with production, but we could use a little help with supplying these products. If they gave us a hand in marketing these products, it would help our sales. The money that we receive from these loans go into technology and production so there is nothing left for marketing. If Kudumbashree could set up stalls and sell products from us women entrepreneurs that would be the biggest help. I have approached a coordinator regarding this issue, and she said she will raise it in the next meeting.

3. Interview for PM

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: It's always a pleasure to talk to students like you.

I: Thank you so much for your time! Can we start now?

R: Yes, please.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I run a fitness club. I got a certificate to train women along with 4 of my friends 11 years ago. I was a member of Kudumbashree. Back then, the Panchayat president and secretary suggested that we attend their annual business training. Once that was done they asked us what kind of business we would like to run. We chose this and then they sent us to a 6-month course to get the certificate.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: We got the loan as a group. We used the first loan to get some fitness machines. We got a room in a building owned by the Panchayat, so we only had to pay a minimal rent.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: We used the second loan to buy more machines. At first, it was just cardio equipment. The second loan went into weight training equipment. The thought behind our business was to serve the women in our locality. Back then there were no gyms or health clubs for women, so we decided to take matters into our own hands.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: We haven't taken any financial advice. The loans were used to buy equipment because that was the only thing needed to run the club. We had gotten training sponsored by Kudumbashree so that was technically free of cost. The thing that drives us is not money but a desire to serve the community.

I: How has your business evolved since you started using Kudumbashree loans?

R: Because the loans were from Kudumbashree, we had the support of our fellow members. There was a strong sense of community among us. Almost every member back then bought a membership to our club, and they also got their friends and relatives to do the same. The loans helped in getting more equipment which made our club on par with the other private gyms in the region.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: Being a part of Kudumbashree really helped us get a good percentage of our customers. We have never advertised our club. But we've always had members join the club because of word-of-mouth marketing. We have not had huge profits worth mentioning but that is because our fees are very low. We did not have a profit motive when we started the business, and we didn't feel like it was right to raise the prices later. The women who are part of the club enjoy themselves and it makes me feel really good about doing this business as well. We've even had some foreigners join when they visit. All these memories are really valuable to me.

I: What challenges have you encountered in maintaining or growing your business?

R: We had some challenges in finding a room at first. Landlords weren't very keen because they didn't think our business would last long. And recently, we have had a reduction in members because there are more specialised gyms in the neighbourhood and people can afford to pay higher fees for better equipment.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: Of course, they do. We approached the chairperson saying that it would be good if we could get this amount of loan. That is an amount that we are confident that we can repay. They let us know the available loans accordingly. Even later, if we need money, we can get more loans as long as we have paid the existing ones without default. So as long as we can run the business well, we can get continued financial support from Kudumbashree.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: It took almost 6 months to get the loan because we had the certificate course going on. Once the training was done and we found a room to start the club, they approved our loan. It was hard to find a room though. Eventually, the Panchayat let us use a room in their building for rent. Once the loan was sanctioned, we got the money in our bank accounts within a month.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: When we let the chairperson know that we wanted to start a help club, they sent us for a certification course so that we could provide fitness training to other women. We also attended some training classes by Kudumbashree to get an idea on how to run a business. The 6-month training course is what made us capable to start the business because that was what made us certified fitness trainers.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: Kudumbashree and the government do provide good financial support but from what I have seen, a lot of women quit because of familial responsibilities and such. Speaking from my experience, we started as a group of five people. Now it's just two of us managing the business. Some of them left because their husbands passed away and the income from the club was not enough to provide for their family. Another dropped out because she found a better paying job.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: I think that Kudumbashree is doing everything to support my business. Even now, the chairperson mentions our club at meetings to encourage new members to join our club since it is an initiative by Kudumbashree members. I feel like entrepreneurs who sell products could use some help with distribution but for my business I feel like they are giving whatever support that they can.

4. Interview for LJ

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: It would be my pleasure.

I: Thank you so much for your time! Can we start now?

R: Yes Steffi let's start.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I have been a tailor for almost 20 years. I was a member of Kudumbashree. When my kids were still in school, my husband passed away. All the family responsibility was suddenly on my shoulders. I realised that I'd have to take tailoring as a profession seriously because it was the only skill I had. The Kudumbashree members also encouraged me to apply for a Linkage loan to purchase a new sewing machine.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: The first loan went into buying a sewing machine and some fabrics. The one I had was pretty worn down since it belonged to my mother. I figured that I'd need a new one if I was going to be sewing all day.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: The subsequent loans were mainly used to buy fabrics. The loan amount always went into the business. I started taking orders to stitch school uniforms, so most clients preferred if I purchased the fabrics myself and just gave them the final product.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: I haven't taken financial advice, except for what we discussed during Kudumbashree meetings. I have not really thought about taking professional advice or asking for help from co-ordinators. I do plan my finances though. My kids were in elementary school when I became a widow, so I saved money from my income for their future. I could educate them and marry them off well using my sole income.

I: How has your business evolved since you started using Kudumbashree loans?

R: Before taking these loans, I used to only titch clothes for my family members, relatives, and neighbours. The loan allowed me to purchase fabrics and other sewing accessories. This helped me accept bigger orders and commissions.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: Yeah, business revenue has gone up. I have been able to fulfil bulk orders. Uniform commissions play a huge part. I also have a lot of revenue from stitching blouses for saris. Women own a lot of saris so if they're happy with the stitching, you've basically bagged a customer for life.

I: What challenges have you encountered in maintaining or growing your business?

R: The challenges were mostly personal. It was hard to accept my husband's passing. It happened suddenly and I wasn't prepared. It was a challenge to pull myself together for the sake of my children. I used to stitch day and night at one point to meet the household expenses and my children's education. I had to work hard so that I don't lose my customers to others because I didn't meet the deadline.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: Kudumbashree helps in sustaining the business. I have mostly taken linkage loans which I repay within 6-8 months. Once I'm done repaying, I can apply for the next one and so on. There has never been an instance where my loan has been rejected.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: Kudumbashree initially sends its staff to observe the business and its operations in order to determine the loan amount that can be provided. Once this is completed, I applied for the loan by filling out a form and submitting it to Kudumbashree. The loan was sanctioned at the next month's committee meeting. Every loan that I have applied for has been sanctioned quickly without any issues. The staff is also very cooperative. The amount gets credited to my account, and I can withdraw it using a cheque.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: I did not have to attend any specific training for the linkage loan. However, after my friends persuaded me, I recently applied for an enterprise loan. I had to attend the General Orientation training. It was a one-day class where they teach us things about entrepreneurship and how to deal with customers. I have been in this business for quite some time now, so I think I had learned a lot of things with time. This class did introduce me to some concepts, but I don't know if it will have a huge impact on my business.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: Not directly from the government, but the Panchayat and Kudumbashree are supportive. There are subsidies for the loans and lower interest rates. There is a set duration during which we must repay the loan. Kudumbashree also provides insurance services. This is automatically debited from our accounts. For people like me who do not have other insurance policies, this ensures that my children will not have to worry in the event of something bad happening to me.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: I don't think I have enough knowledge to make suggestions to be honest. Kudumbashree has been very supportive of my business, both financially and otherwise so I am happy with their current services. I also think that the success of a business depends mostly on the skill and motivation of the entrepreneur and institutions like Kudumbashree can only provide background support.

5. Interview for PA

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: I'm happy to help you.

I: Thank you so much for your time! Can we start now?

R: Yes let's start.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I've been a Kudumbashree member for quite a while now. 12 years back I learned that the Panchayat is giving out loans via Kudumbashree to members to start or expand their businesses. I already had a rice flour business with a friend of mine. So, we thought that the loan would help us buy some machines because we used to do all the work by hand. We have also taken two other SVEP loans over the years for the business.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: The first loan amounted to Rs. 200,000. We already had a unit in my house compound, so we did not have to worry about renting a space. The money went into buying machines and equipment to powder the rice grains. We also bought equipment to roast the powder as well.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: The second loan went into buying equipment for packaging the products because that too was done by hand. The equipment helped us supply quality products in quality packaging. The uses changed based on what was needed in the business at the time.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: I have not taken extra financial advice per se. It was mostly the Kudumbashree meetings. At first, we also got enough money back to pay the loan. After about 2 years, we were able to take home a salary. We didn't employ any people from outside though. It was mostly me and my friend. Our families also helped when they found time as the unit was close to our homes. So, the loans were mostly for the machines and equipment. The loans keep rolling in the business.

I: How has your business evolved since you started using Kudumbashree loans?

R: Of course. As I mentioned before, it was initially a small unit where everything we sold was made by hand. Thanks to these loans, we could get the machines which made things a lot more efficient. We were able to take orders from shops and other suppliers. At first, we only sold to people living in our neighbourhood. The business hasn't grown in terms of number of people employed because we wanted to keep it within the family. Also, at the time we felt like we could handle things without external help. But in terms of revenue and profit, our business has evolved. We were able to make enough money to provide for our family and reinvest in the business.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: Back then we used to powder rice grains by hand. We also sold some rice flour-related food products which were also cooked by hand. After the loans helped us with setting up machines and equipment, all these tasks were carried out more efficiently. We could focus on getting commissions and supplying the products while the machines did all the work in production. This helped us in selling a lot more products to suppliers and grocery stores.

I: What challenges have you encountered in maintaining or growing your business?

R: At first, we did face some issues because we were one of the few women entrepreneurs in our locality. I had faced gender discrimination from men at the electricity board and also from some male suppliers. I had to fight a lot to show that just because I am a woman, it doesn't mean that my business is lacking. Even our ward members who were supposed to support us didn't do so until we raised issues and fought for our rights. But now they have understood that we can do business as well and they have been supportive.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: These loans play a part in the sustainability of my business, but I think it was our sheer determination and willpower that made us stay in this industry. As women, as I mentioned before, we have faced a lot of issues and sometimes it even made us question our worth. But as a community, we were ready to fight and that was what gave us a reason to prove ourselves to everyone who doubted us.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: I already had a business and an existing loan from KIDS when I applied for the Kudumbashree loan. Because of that, they did not sanction my loan at first. Me and several other members had to fight the Panchayat for support. Then later staff from KIDS assured them that these two loans were different, and it shouldn't be a problem to have both at once since our business was going well. After assurance from KIDS, Kudumbashree sanctioned our loan in two months. The money was credited to my bank account.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: Even though I had an existing business, I still chose to attend both the EDP and GOT training from the Panchayat. Because this was a long time back I was also able to attend a SKILL training in Kakkanad. I think now those training classes are only given to people in the service industry. It helped me with the business because that was the first time I had gotten a proper official class. I think that still helped even though I had first-hand experience because I was exposed to things I hadn't heard of before.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: Whatever policies I am aware of do support women. But I think that most women are still not capable in terms of using that support to their benefit. Which is why I think some businesses fail or do not grow. As a woman, during my time, I had to fight against gender discrimination. Even now I feel like there are challenges even though society is more accepting. So, people who survive in the business industry are the ones who are ready to face the challenges thrown against them and make the most out of every little opportunity that comes their way.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: I think the government could help more by supplying products made by Kudumbashree women. There is only so much we can do with the loans that we receive, and I think most women entrepreneurs invest it in production, so they don't have money left for marketing and supply. I think the government can help with this as they conduct a lot of events with stalls to sell products.

6. Interview for AP

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: I'll gladly help you.

I: Thank you so much for your time! Can we start now?

R: Yes let's start.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: My husband's family had a stage construction business. They've been managing it for about 25 years now. After I married into the family, I also helped with the business. For the last three years, I've been managing the decorations and catering. These two were not included in the business before. I persuaded my husband and told him I'd manage it. I have a coconut products business. I had taken linkage loans from Kudumbashree before since it was common practice. Then, some members told me to apply for the SVEP business loan since the interest rate is lower and I would qualify since I wanted to expand my business. As long as I made no defaults, I felt that this loan was much more beneficial than the linkage loan and hence I applied for it.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: I used the first loan to expand into stage decoration. So, the money mostly went into buying curtains and props that can be re-used and I saved the rest to purchase fresh flowers for different events. I also hired two employees to help with the decorations.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: I used the second loan to expand into catering. My mum also contributed some funds, and we manage the catering business together now. We used the money to hire part-time staff and to purchase things needed for the business, like stoves and vessels. I did not have to purchase a van because I used the one from the family business. But I feel like the strategies remain the same, it's just different ways of expanding the business. Whatever profits we've made so far have been re-invested into the business or used to pay back the loan.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: My family is familiar with financial planning as they have been in the industry for a while now. I have also been attending training classes from Kudumbashree. I think it helped me in expanding my business in this short amount of time. I have been able to manage repayment of the loan without any defaults too. But I must add that I have not been able to make enough money to give myself a proper salary since the business is still growing and I want to prioritise repaying the loan and expanding my business over it.

I: How has your business evolved since you started using Kudumbashree loans?

R: Well for all these years, my husband's family has only focused on stage construction. I was the one who convinced them to expand into decoration and catering with these Kudumbashree loans in mind. We've not had trouble getting clients since the family business has been around for a while. People were thrilled to know that we've started taking orders as a package. So now we can handle everything from construction to catering so they don't have to rely on multiple businesses.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: We've been getting a steady stream of revenue, and we plan to slowly increase the prices since we started at a comparatively lower rate. As for operations, like I said before, we've hired more employees for the decoration and catering. The operations have also changed to include these new services we've introduced.

I: What challenges have you encountered in maintaining or growing your business?

R: I had some experience with helping out at our family business, so it wasn't something entirely new. But we didn't have experience in decoration and catering so I had to attend a skill training class organised by Kudumbashree. It is tailored to specific businesses and that helped me get a detailed understanding of catering and decoration. And as I mentioned before, we didn't have much trouble getting clients because the family business had loyal customers.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: From whatever support I have received so far, I do think that these loans contribute to the long-term sustainability of women-led businesses. Kudumbashree has proven time and time again that it wants to help women reach great heights. I could get multiple loans because I had not defaulted on the previous ones, and I have used them to successfully expand my business. The monthly monitoring that they conduct also shows that they care about how the businesses perform in the long run.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: I was able to apply for a higher amount since my family already had a business. The processes went smoothly, and the loan was sanctioned in the next month's committee meeting. Since there were no defaults and since I had made visible expansions, I was able to get a second loan too without much trouble. We just had to fill the forms and Kudumbashree takes care of the rest. Once the loan was sanctioned, they immediately signed me up for the training classes needed as well.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: Since I had experience in the family business I did not attend the EDP training. But I took part in the GOT and SKILL training sessions. The GOT was a one-day training at our Panchayat. But the SKILL training takes place on a block basis. So, everyone who needed that training from the Vypin block meets up at a place and Kudumbashree gives us training according to the type of service business we run.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: I am not aware of other policies except for Kudumbashree. I think they are very supportive and genuinely want women entrepreneurs to succeed. My business wouldn't have run this smoothly if it wasn't for the training and support given by Kudumbashree.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: The current training programs, especially the SKILL training classes for service businesses are curated well. I think that it is easy to understand without compromising on the quality aspect of it. From the point of view of my business, I can't really think of any suggestions to improve, sorry. I feel like they are doing a good job already.

7. Interview for JH

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: The interview is my pleasure.

I: Thank you so much for your time! Can we start now?

R: Yeah let's start.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I used to have a small clothing retail store. We opened it almost 15 years ago. Since I already had a business, I thought the loan would help with expansion when I heard about it during a meeting. The interest rate was only 4% and we didn't have to pledge any collateral security, so I applied for it without much thought.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: Using the first loan we expanded into selling shoes, bags, and rugs. The amount went into building an extension to our shop and buying goods for sale.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: Our strategy was to expand the business because we wanted a business that could meet all the essential needs of customers. So, we used the subsequent loans to start a second department store which sells all sorts of things like perfumes, creams, shampoos, etc. Almost three years ago we also hired two employees to help customers with sales.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: I haven't taken any financial advice. I use the loans to first expand the business. The income that I get from the business first goes into repaying the loan. But we have had regular customers and because of that, we could repay it soon. Now I have a regular income to provide for my personal needs.

I: How has your business evolved since you started using Kudumbashree loans?

R: We were able to expand into other product lines because of Kudumbashree loans. We only had a small shop at first. Now we have a clothing and footwear store and a department store. We have even hired employees on a daily wage basis.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: The revenue has increased because now we sell a lot of different products. Ours is the biggest store in the area so we don't have much competition now like we did before. There hasn't been any major change in operations because it has always been a retail business. The business has scaled up compared to the first shop though.

I: What challenges have you encountered in maintaining or growing your business?

R: We faced some competition at first because there were other similar shops selling clothes. That was also one of the reasons why I wanted to expand into other products so that people would have a single place to purchase all essential items. I did face some trouble finding a

place to rent for the second shop. Our first shop wasn't doing very well and because of that, it was hard to convince landlords to let us their room to start our business.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: As long as you don't make any defaults in repayment, Kudumbashree is very keen to support your business. Once we repay the initial loan, we can even apply for a higher amount of loan if we can show that our business has grown and that we can put this money to good use. They also monitor the business's performance monthly to ensure that we are not lacking. So I can say that Kudumbashree provides good opportunities and support but it is up to the entrepreneurs to make the most out of it.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: Kudumbashree first sends its staff to observe the business and its operations to decide the amount of loan that can be provided. Once this was done, I applied for the loan by filling out a form and submitting it to Kudumbashree. Since I already had experience running a business, I only attended the GOT training classes. Once that was done, they sanctioned the loan at a committee meeting. The whole process only took a month, and it went smoothly for the most part. The amount was credited to my bank account.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: I attended the General Orientation training which gave me an understanding about accounting and dealing with customer. Even though it was just a one-day class, I found it very insightful. The organisers had designed the classes in the form of games which made it interactive and fun. I also got to meet more female entrepreneurs and chat with them. I did not go for the SKILL training because I don't run a service business. The classes helped me make business operations more structured and organised.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: I am not really aware of government policies or initiatives other than Kudumbashree. I think that Kudumbashree is passionate about giving women opportunities to start their own enterprises and grow in society. I feel like they want women to do well, and they are willing to provide all the support needed to achieve this. I don't think my business would be able to do this well if I had acquired funding from other banks or money lenders.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: Kudumbashree has been supporting my business well. But I have heard other women entrepreneurs share their experiences on how they had to shut down their business because, after repayment of the loan, they did not have any income to provide for their family. I think that if Kudumbashree gave them the option to start repayment of the loan after a period of 6 months or so it would reduce the number of enterprises that fail. This might not be ideal from their perspective so maybe the government can help with the initiative. I have also heard that women who set up their businesses in their homes find it difficult to go door to door selling their products. If the government permanently set up stalls in the town, it would help with achieving more sales and hence income for the members.

8. Interview for AJ

I: Hi, my name is Steffi. I'm a student doing my master's in accounting and finance management. Nice to meet you.

R: Nice to meet you too Steffi.

I: I would like to interview you for my dissertation. My topic revolves around Kudumbashree microfinance loans and business sustainability, and I thought that you would be apt for this interview.

R: Glad that I can be of help to you

I: Thank you so much for your time! Can we start now?

R: Sure, let's start.

I: Can you describe how you first learned about Kudumbashree loans and what motivated you to apply?

R: I have been selling tea, snacks, and other drinks for about 15 years now. I have been a Kudumbashree member for a long time. At first, like most members, I used to use Linkage loans for business as well as for personal reasons. The interest rate for Linkage loans now is 8.5%. That is when the chairperson suggested that I apply for an enterprise loan the next time because the interest is only 4% and I would be eligible for it because I already have an existing business. Following that advice, I applied for the loan once my initial loan was fully repaid.

I: How did you decide on the allocation of your first loan from Kudumbashree? What were your priorities?

R: The shop is an extension of my home. Because of this, I didn't have to find a room for lease. Because of that all the money from the loan went into buying goods for resale and to purchase ingredients for the drinks and snacks that I make by hand.

I: Have your strategies for utilising these loans changed over time? If so, how and why?

R: The shop is right next to a Basilica church. During Easter, Christmas, and the annual church feast, thousands of people visit, and this includes both Christians and non-Christians. So, during this time my business has a lot of turnover. I even have to ask my daughter and son-in-law to help because of the rush. So, every year during these times, I apply for a Kudumbashree loan and use it to stock up on products. I get almost 20 times the sales I get during normal business periods. I have been following this strategy for quite a while now and it seems to work.

I: What role, if any, does financial planning or advice play in how you use the loans?

R: I haven't gotten any professional financial advice. I do have financial planning to some extent because this shop was the only source of income for my family. The money from the loans always goes into the business. As I mentioned before, during busy periods, I make good money. I save this money in a savings account and some of it goes into insurance. This ensures that my family will have some assets in times of need.

I: How has your business evolved since you started using Kudumbashree loans?

R: Well, we've been able to sell more because of these loans. But the shop has not really grown in size or the number of employees. Most of the profit I make goes into providing for my family.

I: Can you describe any significant changes in your business revenue and operations since receiving these loans?

R: Before these loans, my shop wouldn't have enough products to meet the demand during peak season. I used to feel dejected because there were people right in front of the store willing to buy goods, but I had to send them away because we ran out of stock. After utilising the loans to stock up on products, there has been a steep revenue growth. This also helps my family during times when sales are low. There has been no changes in operations because I have been running the shop in the same way as I did before.

I: What challenges have you encountered in maintaining or growing your business?

R: Like I mentioned before, I didn't have enough funds to buy enough products to meet the demand. Because of that, I lost customers, and they went ahead to find other similar shops. Other than this, I have also faced some gender discrimination from suppliers. That was a long time ago though. Now, I don't face such issues.

I: In your opinion, do Kudumbashree loans contribute to the long-term sustainability of your business? Why or why not?

R: Yes, I can strongly say that Kudumbashree loans help in the loan term sustainability of my business. I have taken a lot of loans according to my needs. This includes both the enterprise loans and the linkage loans. The linkage loans were mostly taken during times of emergency. When I plan ahead, I prefer enterprise loans. As long as I pay the loan back without any defaults, Kudumbashree has no problem with sanctioning subsequent loans. This has helped sustain my business for about 12 years now.

I: How would you describe your experience with the Kudumbashree administrative processes?

R: Following the chairperson's advice, I applied for the loan. Some staff visited my shop to take note of the current business condition. The first loan amounted to Rs. 100,000. This helped me purchase more ready-to-eat packaged snacks. It took around one month for the loan to get sanctioned after I completed the EDP and GOT training. The following loans were for lesser amounts which had a similar process. I frequently took loans and every time the process went smoothly.

I: Have you received any training or support services from Kudumbashree? If so, how have they impacted your business?

R: I attended a three-day class. The training consisted of both GOT and EDP. I was the first in my family to run a business, so these classes exposed me to how things work and how I must deal with different situations. The best part was that they put us into groups for games and this helped me connect with other women entrepreneurs. I still keep in touch with some of them. Since some of them have similar businesses, they help me with getting contacts and such.

I: What are your thoughts on the current government policies related to women entrepreneurs and microfinance? How do they affect your business?

R: I don't know much about policies, but Kudumbashree is very supportive. I have been able to run this business for all these years only because of the financial support from them and also the encouragement of the Kudumbashree members.

I: In what ways could Kudumbashree or government policies better support women entrepreneurs like yourself?

R: I have not faced any significant challenges. The support I get is good. I have heard my friends say that they face difficulties in distributing their products and I think Kudumbashree

could do something to help with this issue. They should either allot agents or maybe set up a stall in busier areas and let the women entrepreneurs manage that stall.