

# Impact of Microcredit on Income and Social Status of Rural Women Microentrepreneurs in Southeast Nigeria

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## ABSTRACT

This study investigates the impact of microcredit on poverty reduction and social status enhancement among rural women microentrepreneurs in patriarchal Southeast Nigeria. The objective is to assess whether microcredit improves economic conditions and elevates social standing within a traditionally patriarchal society. Employing a quantitative approach, the study surveyed 340 rural women who have accessed microcredit across four states in Southeast Nigeria. Data were collected using a structured questionnaire, and statistical analyses were conducted to evaluate the effects of microcredit on income generation and social status. The findings reveal that while microcredit significantly boosts income generation, its impact on social status is less pronounced, constrained by persistent patriarchal norms and limited supportive measures. To address this limited impact, it is recommended that microcredit programs be complemented with comprehensive social support services. Such initiatives should focus on improving community relationships and addressing gender-specific barriers within the socio-cultural context. By integrating these support mechanisms, microcredit programs can more effectively enhance both the economic and social standing of women, fostering a more supportive environment for their empowerment.

**Keywords:** Microcredit, Poverty Reduction, Social Status, Rural Women Entrepreneurs, Patriarchal Society

## INTRODUCTION

Microcredit has emerged as a powerful tool for poverty alleviation, especially among marginalized populations. It involves the provision of small loans to individuals who lack access to traditional banking services, enabling them to invest in income-generating activities (Falaiye, Olubusola, Ajayi-Nifise, Daraojimba, & Mhlongo, 2024; Ali, Ramakrishnan, Faisal, & Ullah, 2023). The concept, popularised by the Grameen Bank in Bangladesh, has gained global traction and is widely regarded as an effective strategy to empower poor communities (Ali, 2024). In developing regions such as Southeast Nigeria, microcredit is particularly vital for rural women micro-entrepreneurs. These women often face significant barriers to financial inclusion, including limited access to credit, lack of collateral, and socio-cultural constraints (Roy & Patro, 2022). Microcredit not only facilitates their economic activities but also has the potential to enhance their social status within their communities (Anuar, Isa, Ali, Azmi, & Hassan, 2024). However, the impact of microcredit on social status can be complex and multifaceted, particularly in patriarchal societies where gender norms and power dynamics are deeply entrenched (Kivalya & Caballero-Montes, 2024).

Despite the substantial evidence that microcredit can lead to increased income and business expansion (Ceballos-Gomez, Arturo-Delgado, & Avelar, 2024; Imai, Arun, & Annim, 2010), there remains ambiguity regarding its effect on the social status of women. This ambiguity is often due to the persistence of patriarchal norms that limit the socio-economic mobility of women despite their financial empowerment (Hilmawan, et al., 2023). Consequently, it is not clear whether microcredit alone is sufficient to alter the deeply ingrained social hierarchies that subjugate women. This study addresses the insufficiently explored and ambiguous impact of microcredit on the social status of rural women in patriarchal settings, with a particular focus on

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Southeast Nigeria. While microcredit is known to increase income, its potential to transform social status within patriarchal societies has not been adequately explored. This research seeks to fill this gap by examining whether microcredit can significantly enhance both the economic and social standing of rural women micro-entrepreneurs in Southeast Nigeria.

Southeast Nigeria provides a pertinent context for this investigation due to its patriarchal social structure, which significantly influences women's roles and status (Okunnu, 2024). In these communities, women's economic contributions are frequently undervalued, and their social status is often subordinate to that of men (Okunnu, 2024). This research aims to explore whether microcredit can effectively alter these dynamics, enhancing not only the economic but also the social standing of rural women micro-entrepreneurs. By addressing this gap in the literature, the study contributes to a more nuanced understanding of microcredit's role in empowering women in patriarchal settings. It also provides valuable insights for policymakers and practitioners seeking to design more effective microfinance programs that address both economic and social dimensions of empowerment. The remainder of this paper is organised as follows: literature review, methodology, results, discussion, conclusion, and areas for further studies.

## LITERATURE REVIEW

### Microcredit and Poverty Reduction

Microcredit has been heralded as a significant innovation in the fight against poverty, providing small loans to those typically excluded from formal financial systems (Turvey, 2023). The central premise is that access to financial resources enables poor individuals to engage in productive activities, thereby increasing their income and improving their livelihoods (Morduch, 2000). Numerous studies documented the positive impact of microcredit on poverty reduction. For instance, Yadav et al. (2024) and Angwenyi et al. (2023) found that microcredit significantly improved income levels and reduced poverty. Khandker (2005) found that microcredit programs in Bangladesh significantly reduced poverty among participants, with borrowers experiencing higher income levels and better access to basic services. The mechanisms through which microcredit reduces poverty include increased income generation, business expansion, and improved access to education and healthcare (Littlefield, Morduch, & Hashemi, 2003). Additionally, the income generated through these activities can improve household well-being, including better nutrition, education, and healthcare for family members (Anuar, et al., 2024).

However, the impact of microcredit is not uniformly positive. Some studies have raised concerns about the sustainability and long-term effects of microcredit programs. Bateman (2010) argues that microcredit can lead to over-indebtedness, with borrowers struggling to repay loans and falling deeper into poverty. Similarly, Duvendack et al. (2011) highlight mixed evidence on the effectiveness of microcredit, noting that while some studies report positive outcomes, others find minimal or negative impacts.

### Gender Dynamics and Social Status in Patriarchal Societies

Gender dynamics play a crucial role in shaping the outcomes of microcredit programs, particularly in patriarchal societies. Patriarchy, characterized by male dominance and control over resources and decision-making, often limits women's opportunities for economic and social advancement (Sultana, A. (2010). Empirical evidence suggests that access to microcredit can lead to increased income and asset ownership among women, which can improve their bargaining power within households and communities (Hashemi, Schuler, & Riley, 1996). For example, Pitt, Khandker, and Cartwright (2012) found that women borrowers in Bangladesh experienced greater autonomy and decision-making power compared to non-borrowers.

Despite these positive outcomes, the impact of microcredit on women's social status is often constrained by prevailing gender norms and power relations. In many patriarchal societies, women's economic contributions are undervalued, and their roles are primarily confined to domestic spheres (Okunnu, 2024). This limits the extent to which microcredit can transform gender relations and enhance women's social status. Kivalya & Caballero-Montes (2024) argue that without addressing the underlying patriarchal structures, microcredit alone

may not lead to significant changes in women's social positions.

### **Microcredit in Southeast Nigeria**

Southeast Nigeria presents a unique context for examining the impact of microcredit on poverty reduction and women's social status. The region is characterized by a patriarchal social structure, where traditional gender roles and norms significantly influence women's opportunities and status (Ezenwa-Ohaeto & Ikemelu, 2021). In this context, women face multiple barriers to economic participation, including limited access to credit, lack of collateral, and socio-cultural constraints (Roy & Patro, 2022). Microcredit programs in Southeast Nigeria aim to empower rural women microentrepreneurs and improve their economic and social well-being. Studies have shown that microcredit can lead to increased income and business growth among women in the region. For instance, Nwankwo, Osho, and Akinbode (2012) found that women who accessed microcredit reported higher income levels and expanded business activities. However, the impact of microcredit on women's social status in Southeast Nigeria remains underexplored. Given the deeply entrenched patriarchal norms, it is essential to examine whether microcredit can effectively enhance women's social positions and challenge existing power dynamics.

### **Theoretical Framework**

This study is grounded in several theoretical perspectives that inform the analysis of microcredit, poverty reduction, and gender dynamics in patriarchal societies. Empowerment theory provides a key framework for understanding how microcredit can enhance women's economic independence and social status (Kivalya & Caballero-Montes, 2024). According to this theory, empowerment involves increasing individuals' access to resources and opportunities, as well as their ability to make strategic life choices. Social capital theory also offers valuable insights into the role of microcredit in poverty reduction and women's empowerment. Social capital refers to the networks, norms, and trust that facilitate collective action and cooperation (Rayamajhee & Bohara, 2021). Microcredit programs often build social capital by fostering group solidarity and mutual support among borrowers, enhancing their economic and social outcomes (Uddin, 2014; Woolcock & Narayan, 2000). Additionally, feminist theories of development highlight the importance of addressing gender power relations and challenging patriarchal structures to achieve meaningful empowerment for women (Parpart, Rai, & Staudt, 2003). These theories emphasize the need to consider the socio-cultural context and how gender norms and power dynamics shape women's experiences and opportunities.

The researcher employs Empowerment Theory, Social Capital Theory, and Feminist Theories to provide a comprehensive analysis of microcredit's impact on rural women in patriarchal Southeast Nigeria. These theories collectively address the economic, social, and cultural dimensions of the issue. Empowerment Theory examines personal and psychological gains, Social Capital Theory highlights the role of community networks, and Feminist Theories critique structural barriers to gender equality. Using multiple theories ensures a robust, multi-faceted, and contextually relevant understanding of the problem.

### **Empirical Review**

Numerous studies have investigated the impact of microcredit on poverty reduction and income generation, but this review shifts the focus towards the effects of microcredit on social status. Instead of measuring outcomes based solely on income, this study explores the intricate ways in which microcredit interventions contribute to changes in social status. By critically examining existing research, this review identifies trends, gaps, and methodological nuances that enhance the understanding of the multifaceted influence of microcredit on social standing within communities. Hamad and Fernald (2012) found that extended microcredit participation positively correlated with improved psychological health, including decreased depressive symptoms, increased social support, and perceived control, though these effects were reduced when considering covariates. Akter & Ahmad, (2020) highlighted that microfinance enabled women in rural Bangladesh to engage in economic activities, significantly enhancing their empowerment and contributing to improved education, asset ownership, employment, living standards, nutrition, and overall economic development. Bhuiyan & Ivlevs (2019) found that micro-entrepreneurship in rural Bangladesh led to increased

worry and depression among entrepreneurs, reducing overall life satisfaction, though women experienced improved financial security and a sense of achievement. Musingila (2018) reported that involvement with microcredit organizations significantly impacted women's self-confidence, social service participation, and family entertainment, positively influencing their psychosocial well-being. These findings underscore the complexity of microcredit's impact on social status and the need for more nuanced and context-specific research.

### **Gaps in the Literature**

While there is substantial research on the impact of microcredit on poverty reduction and women's empowerment, several gaps remain. First, there is limited evidence on the specific effects of microcredit on women's social status in patriarchal societies, particularly in Southeast Nigeria. Existing studies often focus on economic outcomes, with less attention given to social dimensions of empowerment (Kivalya & Caballero-Montes, 2024). Second, the interplay between microcredit and patriarchal norms is not well understood. Few studies have examined how gender power relations mediate the impact of microcredit on women's socio-economic outcomes. Understanding this interplay is crucial for designing more effective microfinance programs that address both economic and social aspects of empowerment. Third, there is a need for more context-specific research that considers the unique socio-cultural and economic conditions in different regions. Most studies on microcredit and women's empowerment have been conducted in South Asia, with less focus on Sub-Saharan Africa, including Nigeria (Imai et al., 2010). Regional studies can provide valuable insights into the contextual factors that influence the effectiveness of microcredit programs.

This literature review underscores the potential of microcredit as a tool for poverty reduction and women's empowerment in patriarchal societies. However, the impact of microcredit on women's social status is complex and mediated by various factors, including gender norms and power relations. While microcredit can enhance women's economic independence and decision-making power, its ability to transform gender relations and improve social status is often constrained by patriarchal structures. Addressing these constraints requires a more comprehensive approach that integrates economic and social dimensions of empowerment. Future research should focus on the specific impacts of microcredit on women's social status in different contexts, particularly in regions like Southeast Nigeria, where patriarchal norms are deeply entrenched. Additionally, studies should examine the interplay between microcredit and gender power relations to develop more effective strategies for women's empowerment.

## **METHODOLOGY**

### **Research Design**

This study employs a quantitative approach to provide an understanding of the impact of microcredit on poverty reduction and the social status of rural women microentrepreneurs in patriarchal Southeast Nigeria. The quantitative component involves a survey to collect numerical data on income levels, business performance, and social status indicators. Studying rural women microentrepreneurs is crucial because they significantly contribute to local economies and often lack access to traditional financial services. This research highlights how microcredit impacts their economic and social empowerment, providing insights for policymakers to design more effective microfinance programs and addressing gender and socio-economic inequalities.

### **Sample Size Determination and Selection**

The study encounters the issue of an unknown population size, as its total number is not determinable (Israel, 1992). To address this, we used a sample size determination formula considering the confidence level, margin of error, and estimated proportion of the population with the characteristic of interest (Israel, 1992). The standard formula for calculating sample size for proportions is:

$$n = \frac{Z^2 \times p \times (1-p)}{E^2}$$

where:

n = required sample size

Z = Z-value (the number of standard deviations from the mean corresponding to the desired confidence level)

p = estimated proportion of the population (if unknown, 0.5 is used as it provides the maximum sample size)

E = margin of error (the maximum acceptable difference between the sample proportion and the population proportion)

Substitute these values into the formula:

$$n = \frac{(1.96)^2 \times 0.5 \times (1-0.5)}{(0.05)^2}$$

$$n = 384.16$$

We rounded up to 385 to meet statistical requirements and increased the sample size to 400 to account for non-responses, ensuring robustness (Israel, 1992).

Due to the lack of a detailed database of rural women microentrepreneurs in each state, we used a proportional allocation method. Sample sizes were distributed based on each state’s population relative to the total, as shown in Table 1.

**Table 1:** Allocation and Response of Questionnaire

States Studied	Population (est.) 2022	Allocated	Pro Rata
Anambra	5,953,500	117	109.00
Abia	4,143,100	82	70.00
Enugu	4,690,100	91	75
Imo	5,459,300	110	86
Total		400	340

**Source:** Population Estimate for Nigeria 2022- <https://citypopulation.de/en/nigeria/admin/>

### Sample Selection

The target population consists of rural women microentrepreneurs in Southeast Nigeria who have accessed microcredit services. A multi-stage sampling technique was employed:

- 1. First Stage: Purposive Sampling of States.** Four states—Abia, Anambra, Imo, and Enugu—were selected due to their microcredit prevalence and accessibility.
- 2. Second Stage: Random Sampling of Rural Communities.** Communities within the selected states were randomly chosen to ensure representativeness.
- 3. Third Stage: Judgmental Sampling of Women Microentrepreneurs.** Women microentrepreneurs with experience in microcredit programs were selected for their relevant insights.

### Method of Data Collection and Research Instrument

The study used a structured questionnaire (see Appendix 1) for data collection, chosen for its relevance to rural women in microenterprise. The standardisation of the questionnaire allowed for comparative analysis,

while its cost-effectiveness and anonymity encouraged openness. The researcher and assistants administered the questionnaires in Enugu, Abia, and Imo, with 340 of 400 returned, achieving an 85% response rate due to both self-administered and interviewer-assisted methods (Geisen & Bergstrom, 2017).

The questionnaire had two sections: Section A collected personal data, and Section B addressed research objectives using a five-point Likert scale (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree). Responses were grouped into Strongly Agree/Agree (large effect), Strongly Disagree/Disagree (small effect), and Neutral (moderate effect).

Reliability and validity were assessed through content validity and Cronbach's alpha. Content validity was ensured by expert reviews (Creswell, 2014). A pilot test with 25 respondents established initial reliability. Cronbach's alpha results (Table 2) for the five sections—income generation, social status, employment generation, business expansion, and access to basic services—exceeded 0.70, indicating high internal consistency and reliability (Cronbach, 1951).

## RESULTS

### Chi-Square Test of Statistical Significance

In testing the working hypotheses, which partly satisfy the objectives of this study, the study employs a 0.05 level of significance. In so doing, the study is to reject the null hypothesis if the t- value is significant at the chosen level of significance; otherwise, the null hypothesis will be accepted.

**Table 3:** Test Statistics

Income generation		Social status
Chi-Square	370.122 <sup>a</sup>	243.219 <sup>b</sup>
Df	17	17
Asymp. Sig.	.000	.000

Source: SPSS

### Hypothesis One

**H<sub>0</sub>:** Microcredit does not significantly impact the income generation of rural women micro-entrepreneurs in South-East Nigeria.

**H<sub>1</sub>:** Microcredit significantly impacts the income generation of rural women micro-entrepreneurs in South-East Nigeria.

The chi-square test conducted on the variable "Income generation" yielded a chi-square statistic of 370.122 with 17 degrees of freedom, resulting in a p-value of .000. This indicates strong evidence against the null hypothesis (H<sub>0</sub>). Therefore, we reject the null hypothesis and conclude that microcredit significantly impacts the income generation of rural women micro-entrepreneurs in South-East Nigeria. The findings suggest that receiving microcredit is associated with significant differences in income generation among respondents, highlighting the effectiveness of microcredit as a tool for economic empowerment in this demographic.

## Hypothesis Two:

**H<sub>0</sub>:** Microcredit does not significantly impact the social status of rural women micro-entrepreneurs in South-East Nigeria.

**H<sub>1</sub>:** Microcredit significantly impacts the social status of rural women micro-entrepreneurs in South-East Nigeria.

The chi-square test conducted on the variable "Social status" yielded a chi-square statistic of 243.219 with 17 degrees of freedom, resulting in a p-value of .000. This p-value indicates strong evidence against the null hypothesis (H<sub>0</sub>).

Therefore, we reject the null hypothesis and conclude that microcredit significantly impacts the social status of rural women micro-entrepreneurs in South-East Nigeria. This finding underscores the role of microcredit in potentially elevating the social status of rural women micro-entrepreneurs, contributing to their socio-economic empowerment in the region.

## Analysis of Effect Size

This section discusses the research questions using effect size analysis based on Cohen's d guidelines. Responses were grouped into Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD), with the highest mean score being 25 (5 statements, each scoring up to 5). The maximum possible score was categorised into three effect sizes:

1. **Small Effect (S.E.):** Cohen's d defines a small effect as 0.2, equating to about 20% of the maximum score. Therefore, scores from 0 to 5 (20% of 25), or a mean score from 0 to 1 on the Likert scale, indicate a minimal impact.
2. **Moderate Effect (M.E.):** A moderate effect is 0.5 according to Cohen's d, or approximately 50% of the maximum score. Scores ranging from 5.1 to 12.5 (20.4% to 50% of 25), or a mean score from 1.02 to 2.5, suggest a noticeable but not overwhelming impact.
3. **Large Effect (L.E.):** A large effect is defined as 0.8 by Cohen's d, corresponding to about 80% of the maximum score. Scores from 12.6 to 20 (50.4% to 80% of 25), or a mean score from 2.52 to 4, reflect a significant impact.

Neutral responses were excluded from the effect size calculation to highlight clear agreement or disagreement, aligning with Cohen's methodology for a more precise measure (Cohen, 1988; Field, 2013).

## Microcredit's Impact on Income Generation

The study's first objective was to assess microcredit's effect on income generation among rural women micro-entrepreneurs in South-East Nigeria. Table 4.16 presents the results:

1. **Steady Income Growth:** 49.4% disagreed and 24.0% strongly disagreed that their income had grown steadily, with a mean score of 2.21.
2. **Asset Increase:** 40.5% disagreed and 26.3% strongly disagreed that their assets had increased over time, with a mean score of 2.32.
3. **Bank Savings Increase:** 56.8% disagreed and 21.3% strongly disagreed about an increase in bank savings, with a mean score of 2.14.
4. **Debt Repayment:** 51.3% agreed and 27.3% strongly disagreed that debt repayment increased, with a mean score of 2.04.
5. **Household Income Increase:** 48.2% disagreed and 32.2% strongly disagreed about an increase in household income, with a mean score of 1.99.

Overall, none of the mean scores exceeded the acceptable threshold of 2.5, with the total mean at 10.60, indicating that most respondents did not perceive a significant impact of microcredit on income generation.

## Microcredit's Effect on Social Status

The second objective was to evaluate how microcredit affects social status, as detailed in Table 4.17:

1. **Housing Condition:** 53.8% disagreed and 26.6% strongly disagreed that microcredit improved their housing, with a mean score of 2.02.
2. **Relationship with Family:** 44.7% disagreed and 24.9% strongly disagreed regarding improvement in family relationships, with a mean score of 2.15.
3. **Relationship with Community:** 45.0% disagreed and 23.4% strongly disagreed about improvements in community relationships, with a mean score of 2.18.
4. **Decision-Making Independence:** 30.5% disagreed and 23.7% strongly disagreed that microcredit enhanced decision-making independence, with a mean score of 2.48.
5. **Respect from Family:** 33.1% disagreed and 22.2% strongly disagreed regarding increased respect from family, with a mean score of 2.48.

All indicators had mean scores below 2.5, and a greater proportion of respondents disagreed or strongly disagreed with positive impacts. Thus, microcredit's effect on social status is deemed small among rural women micro-entrepreneurs in South-East Nigeria.

## DISCUSSION

The analysis of microcredit's impact on rural women micro-entrepreneurs in South-East Nigeria reveals important insights into its effectiveness concerning income generation and social status. The Chi-Square tests show significant statistical relationships, while the effect size analysis indicates a more modest practical impact. This section contextualises these findings within the broader literature on microcredit.

### Income Generation

The Chi-Square test results indicate that microcredit significantly impacts income generation among rural women, with a chi-square statistic of 370.122 ( $p < 0.001$ ). This result aligns with previous research that suggests microcredit can positively influence income levels among beneficiaries (Banerjee et al., 2015; Karlan & Zinman, 2011). For instance, Banerjee et al. (2015) found that microcredit improved income generation among small-scale entrepreneurs in India, supporting the notion that access to credit can enhance economic opportunities.

However, the effect size analysis reveals that the practical impact of microcredit on income generation is limited, with mean scores below the threshold of 2.5. This finding is consistent with studies that highlight the gap between the theoretical benefits of microcredit and the actual outcomes experienced by beneficiaries. For example, Roodman and Morduch (2014) argue that while microcredit can provide initial financial support, its long-term impact on income generation may be constrained by factors such as inadequate business skills or market access. Similarly, Morduch and Haley (2002) noted that many microcredit programmes struggle to significantly enhance income levels due to various operational challenges.

### Social Status

The Chi-Square test also indicates a significant relationship between microcredit and social status, with a chi-square statistic of 243.219 ( $p < 0.001$ ). This suggests that microcredit programmes have a notable impact on social status. This finding is in line with literature suggesting that microcredit can improve social status by empowering women and enhancing their roles within their communities (Pitt & Khandker, 1998; Duflo, 2012). Pitt and Khandker (1998) found that women beneficiaries of microcredit in Bangladesh experienced improvements in social standing and decision-making power.

Despite these findings, the effect size analysis reveals a small impact on social status, with mean scores consistently below 2.5. This result echoes studies that have found limited improvements in social status despite the availability of microcredit. For instance, Zafarullah & Nawaz (2019) report that while microcredit



can contribute to women's empowerment, its effects on social status are often constrained by deep-seated societal norms and limited support structures. Arguably, microcredit's impact on social status varies significantly based on contextual factors and the availability of complementary support services.

### Policy Recommendations

To address the limited effect of microcredit on enhancing the social status of rural women microentrepreneurs, it is crucial to integrate comprehensive social support services into existing programs. Specifically, policymakers should focus on the following strategies:

1. **Community Engagement Initiatives:** Develop and implement programs that actively engage local communities in promoting gender equality and supporting women's economic contributions. This can involve organising community workshops and awareness campaigns aimed at altering perceptions and reducing gender biases.
2. **Gender-Sensitive Support Structures:** Establish support structures that address the specific socio-cultural barriers faced by women in patriarchal societies. These structures might include mentorship programs, peer support groups, and advocacy networks that empower women and amplify their voices within their communities.
3. **Capacity Building and Leadership Training:** Provide targeted training that not only improves business management skills but also equips women with leadership and negotiation skills. This training should focus on enhancing women's confidence and their ability to assert themselves in both business and social settings.
4. **Access to Legal and Social Resources:** Facilitate women's access to legal and social resources that can help them navigate gender-specific challenges. This might include legal aid services, counseling, and assistance with navigating local bureaucracies to address issues related to property rights and business registration.
5. **Integration with Broader Development Programs:** Ensure that microcredit programs are linked with broader development initiatives aimed at improving women's overall well-being. This could involve partnerships with health, education, and social welfare programs to create a more holistic approach to women's empowerment.

### CONCLUSION

This study investigates the impact of microcredit on income generation and social status among rural women micro-entrepreneurs in South-East Nigeria. The results reveal a complex picture: while microcredit significantly influences both income generation and social status according to statistical tests, the practical impact appears modest when evaluated through effect size analysis.

**Income Generation:** The Chi-Square test confirms a significant relationship between microcredit and income generation, suggesting that access to microcredit contributes to varying degrees of income improvement among rural women. However, the effect size analysis indicates that the practical impact is limited, with many respondents reporting minimal perceived benefits. This discrepancy highlights the need for enhanced support structures and targeted financial education to fully leverage microcredit's potential.

**Social Status:** Similarly, microcredit shows a statistically significant effect on social status, supporting previous findings that microcredit can elevate women's roles and status within their communities. Yet, the effect size analysis suggests that this impact is relatively small, with respondents perceiving only modest improvements in social status. This underscores the importance of complementing microcredit with broader social support mechanisms to address entrenched societal norms and enhance overall empowerment.

Overall, while microcredit demonstrates promise as a tool for economic and social improvement, its effective-

ness is constrained by various factors. To maximise its impact, policymakers should focus on tailored training, improved monitoring, customised financial products, and enhanced social support services. By addressing these areas, microcredit programmes can better support rural women micro-entrepreneurs, fostering more substantial and sustainable economic and social development.

The study contributes to the broader understanding of microcredit's role in development, providing valuable insights for future research and policy formulation. Further longitudinal studies are needed to assess the long-term impact of microcredit and explore how complementary support services can enhance its effectiveness.

### Areas for Further Studies

Future research should explore the long-term effects of microcredit on the social status and economic empowerment of rural women in different patriarchal contexts. Comparative studies across various regions can provide deeper insights into the cultural and structural factors influencing the success of microcredit programs. Additionally, qualitative research involving in-depth interviews with women beneficiaries can uncover personal experiences and challenges not captured by quantitative methods. Investigating the role of education and training in enhancing the impact of microcredit would also be valuable, as would studies on the integration of digital financial services to increase accessibility and efficiency.

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