



International Journal of Contemporary Research In Multidisciplinary

Research Article

Empowering Women through Finance: Evaluating the impact of NEEF loans on Women Entrepreneurs in Thyolo District, Malawi

Francis Balekani Mweninguwe^{1*}, Dr. Merlin Sheela²

¹ Master of Commerce, DMI-ST. Eugene University, Zambia

² Lecturer, DMI-ST. Eugene University, Zambia

Corresponding Author: *Francis Balekani Mweninguwe

DOI: <https://doi.org/10.5281/zenodo.17397759>

ABSTRACT

The paper is a research study on the role of microfinance loans disbursed by the National Economic Empowerment Fund (NEEF) to women entrepreneurs in the Thyolo District, Malawi. There has been a harsh situation with the women in accessing financial services, which has led to poverty cycles and financial dependency. The paper employs a mixed-methods approach, combining qualitative interviews and quantitative surveys, to assess the impact of NEEF loans on entrepreneurship, self-employment, and the economic empowerment of women in general.

The findings show that microfinance can greatly improve the livelihood of women. Ninety-five percent of respondents reported positive changes, especially in household nutrition and self-employment. However, obstacles remain. These include severe loan conditions and lengthy delays in disbursement, which hinder the full realization of such initiatives. The research highlights the need to develop tailored financial products and holistic services, such as financial literacy for women entrepreneurs.

These findings have dramatic implications for policymakers and other microfinance institutions. There is a need to focus on gender parity and sustainable development. Stakeholders can promote women entrepreneurship by eliminating barriers and maximizing the efficiency of microfinance programs. This will allow women to become financially independent and contribute to the community. The author contributes to the overall discussion of microfinance and female empowerment. The paper also notes the particular significance of future research in the interview area.

Manuscript Information

- ISSN No: 2583-7397
- Received: 06-08-2025
- Accepted: 27-09-2025
- Published: 20-10-2025
- IJCRM:4(5); 2025: 418-420
- ©2025, All Rights Reserved
- Plagiarism Checked: Yes
- Peer Review Process: Yes

How to Cite this Article

Mweninguwe FB, Sheela M. Empowering Women through Finance: Evaluating the impact of NEEF loans on Women Entrepreneurs in Thyolo District, Malawi. Int J Contemp Res Multidiscip. 2025;4(5):418-420.

Access this Article Online



www.multiarticlesjournal.com

KEYWORDS: Microfinance, women entrepreneurs, economic empowerment, NEEF loans, Malawi

1. INTRODUCTION

1.1 Background of the Study

There are many obstacles that women in Malawi struggle with when using financial services, and this is how poverty and dependence cycles always continue. Women, especially those in the informal sector, are likely to be discriminated against by

traditional banking systems since most of them do not have collateral or credit histories. To this, microlending institutions (MFIs) have come up to offer financial services to women entrepreneurs in accordance with the women's needs to support their economic autonomy and to empower them socially.

1.2 Significance and Objective of the Article.

This paper will evaluate the effectiveness of NEEF loans in supporting women entrepreneurs in the Thyolo District, regarding how microfinance can be used to empower and make them self-sufficient. It is important to note that, to enhance financial inclusion and sustainable rural development, it is important to understand the effectiveness of these loans.

1.3 Objectives of the Research

- To measure how NEEF loans have impacted the entrepreneurial activities of women in Thyolo District.
- To determine the obstacles that women entrepreneurs experience in accessing and using microfinance.
- To propose recommendations on how to make microfinance programs more effective with women.

1.4 Scope of the Discussion:

The research will target women businesspeople in the Thyolo District who have borrowed funds under NEEF. It reviews the socio-economic effects of such loans and outlines the obstacles to their successful use, which is of value to policymakers and financial institutions.

2. LITERATURE REVIEW

The overview of the previous studies is presented below.

There are many studies that have emphasized the importance of microfinance in women's entrepreneurship empowerment. Evidence suggests that by using microcredit, women can exercise greater power in their decision-making, households have higher welfare, and the community is developed. But such obstacles as high interest rates, insufficient loan sums, and financial illiteracy exist.

Theoretical Framework

This paper is based on the Theory of Change. According to this theory, women can achieve better economic results when they have access to financial resources. MFIs empower women through loans to invest in businesses. This process boosts their income levels and improves their social position.

3. MAIN CONTENT/DISCUSSION

3.1 Explanation of Key Concepts

Microfinance is a term used to describe a variety of financial services comprising small loans, savings, and insurance that are offered to people of low income. Women entrepreneurs can be described as women who own and run businesses and may encounter special difficulties when it comes to finance.

3.2 Supporting Evidence Analysis.

As it is found in the analysis, NEEF loans have played a significant role in empowering women through economics in Thyolo District. The qualitative data through interviews reveal personal experiences of change, whereas the quantitative data reveal the increase in income and business sustainability.

3.3 Case Studies, Examples, or Data.

According to the data obtained after researching 66 female entrepreneurs, it was found that 95% of the women said that their lives changed because of NEEF loans. Retail stores and food services are some of the businesses that have thrived due to the availability of capital.

4. FINDINGS / OBSERVATIONS

4.1 Major lessons learned during the discussion.

The availability of the NEEF loans has seen higher rates of self-employment and better housing nutrition.

Poor loan processing speed and inadequate loan quantities are some of the barriers to business development.

To make the most of the benefits of microfinance, financial literacy training is necessary.

4.2 Statistical Analysis or Results.

Statistical results indicate that there is a high correlation between business performance and loan access. Most of the respondents (80 percent) were satisfied with the loan services, but most respondents complained of the insufficient amount of loans and a lack of support mechanisms.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Main Points

This paper confirms that NEEF loans can positively affect the economic independence of women entrepreneurs in Thyolo District and help improve the community. Nevertheless, there are still issues that need to be overcome to streamline the efficiency of these loans.

5.2 Research or action recommendations.

- **Increase Loan Amounts:** Improve the initial loan amounts to suit the operational needs of women entrepreneurs.
- **Automize the Loan Processing:** Embark on technology-based solutions to make the process of loan distribution faster and customer-friendly.
- **Financial Literacy Training:** Intensive training should be extended to equip women with knowledge that will help them run their businesses efficiently.
- **Community Engagement** can be done by building community support networks that promote women entrepreneurs and give them success stories.

REFERENCES

1. Alexandre A. Women entrepreneurship in Bahrain: The role of non-financial services. *Int J Bus Manag.* 2019;14(3):45-58.
2. Bansah K. The impact of microfinance on women's lifestyles in India: A case study. *J Entrep Innov Emerg Econ.* 2020;6(2):123-134.
3. Banerjee AV. Poor economics: A radical rethinking of the way to fight global poverty. New York: Public Affairs; 2015.

4. Bongomin GO. The role of social cohesion in the survival of women-run micro and small enterprises in post-war communities: Evidence from Northern Uganda. *J Afr Bus.* 2020;21(3):345-367.
5. Chliova M. Microfinance and entrepreneurship: A review of the literature. *J Small Bus Manag.* 2015;53(4):1025-1045.
6. Chowdhury S. Overcoming barriers to women entrepreneurship: A microfinance perspective. *J Bus Res.* 2017;75:113-121.
7. Hermes N. The role of external support in the sustainability of microfinance institutions in developing countries. *Dev Policy Rev.* 2019;37(5):657-675.
8. Haines R. Women borrowers in Latin America: A study of microfinance success. *Womens Stud Int Forum.* 2016;59:44-51.
9. Khavul S. Microfinance: A research agenda. *J Bus Ventur.* 2015;30(3):389-406.
10. Khatun F. Barriers to women's entrepreneurship development in Bangladesh. *J Bus Manag.* 2013;8(2):1-9.

Creative Commons (CC) License

This article is an open-access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY 4.0) license. This license permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

About the Corresponding Author



Francis Balekani Mweninguwe is a Master of Commerce postgraduate from DMI–St. Eugene University, Zambia. He is engaged in academic research and professional development in the field of commerce and management studies.