



Microfinance Institutions' Role in Empowering Women Entrepreneurs in Ethiopia: A Qualitative Study

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Abstract

Microfinance institutions (MFIs) have been recognised for their potential to empower women entrepreneurs in various contexts around the world. However, there is a dearth of detailed qualitative studies specifically examining how MFIs contribute to gender empowerment within specific national and cultural settings. The study employs a qualitative research design that includes in-depth interviews with female entrepreneurs who have received microfinance services over several years. Additionally, participant observation was conducted at selected MFIs to gain a comprehensive understanding of their operations and impact on beneficiaries. Women entrepreneurs reported significant improvements in business management skills and financial stability after accessing MFI services. A notable theme emerged regarding the importance of trust-building between clients and MFIs, which facilitated better utilization of loans and reduced instances of loan default. This study underscores the crucial role of microfinance institutions in fostering economic empowerment among women entrepreneurs in Ethiopia. The findings suggest that building stronger client relationships can enhance service delivery and beneficiary outcomes. Microfinance organizations should prioritise trust-building initiatives to ensure more effective support for their female clients, thereby contributing to broader socioeconomic development goals. microfinance institutions, women entrepreneurs, empowerment, business development, Ethiopia

Keywords: *African geography, empowerment studies, qualitative research, microfinance, women's entrepreneurship, development economics, feminist economics*

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