



# Microfinance Institutions and Women Entrepreneurs in Ethiopian Rural Economies: An Action Research Perspective

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## Abstract

Microfinance institutions (MFIs) have been implemented in various rural economies to support small-scale entrepreneurs, particularly women. However, their effectiveness and impact on female-led businesses are not well understood. The study employed a participatory action research approach involving qualitative data collection through semi-structured interviews with 50 female entrepreneurs and focus group discussions with community leaders. Data analysis was conducted using thematic content analysis to identify common themes and patterns. MFIs in Ethiopia have demonstrated significant support for women's entrepreneurship, particularly in sectors like agriculture and small-scale manufacturing. Women reported increased access to finance, improved business management skills, and enhanced market access through MFIs' training programmes. This study highlights the positive impact of MFIs on female-led businesses in Ethiopian rural areas, underscoring their role in promoting economic empowerment among women entrepreneurs. MFIs should continue to tailor support services specifically for women entrepreneurs, emphasising gender-specific challenges and opportunities. Enhanced collaboration with local government and community organizations is recommended to ensure sustainable impact.

**Keywords:** *African geography, microfinance, entrepreneurship, participatory action research, community empowerment, gender economics, rural development*

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