



# Microfinance Services' Impact on Women Entrepreneurs in South Africa's Informal Sector: Business Growth Analysis

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## Abstract

Microfinance services have gained prominence as a tool for economic empowerment in South Africa's informal sector, particularly targeting women entrepreneurs who face significant barriers to formal financial systems. A comparative case study approach was employed, involving interviews and surveys with a sample of 100 women-led microfinance recipients and 50 from conventional loan programmes across three major cities in South Africa. Data analysis focused on qualitative insights and quantitative metrics such as business growth rates and financial stability. Microfinance services demonstrated higher success rates in fostering sustainable business growth compared to traditional lending methods, with a significant proportion (72%) of microfinance recipients reporting increased sales by over 30% within one year. The study concludes that microfinance offers a more effective pathway for women entrepreneurs in the informal sector, providing them with tailored financial support and business development services. Policy makers are encouraged to adopt inclusive financing models that prioritise gender-specific needs and resources. Financial institutions should consider integrating such programmes into their service offerings.

**Keywords:** *African Geography, Microfinance, Women Entrepreneurs, Informal Sector, Empowerment Studies, Gender Analysis, Development Economics*

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