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Micro-Finance as a Triggering Mechanism for Empowering Women's Entrepreneurship in Sri Lanka

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ABSTRACT

The Micro-Finance sector has been identified as one of the main sectors that contributes to the eradication of poverty and to empowering women in developing countries. Women's Entrepreneurship is considered an emerging trend among nations and contributes to the development of a country. It is also identified as an important means to end poverty and therefore, female empowerment through entrepreneurship has been well recognized. Micro-finance enables women's entrepreneurial success; however, the context of the urban sector has not been well examined in the literature since most scholars perceive that poverty is mainly confined to the rural areas of a country. There are many services provided by the Micro- Finance sector. However, it is vital to identify their impact on Women's Entrepreneurial success, particularly in the urban sector of the country. Accordingly, this study focuses on examining the impact of Micro-Finance, which includes Micro-Credit, Micro-Savings and Micro-Insurance, on Women's Entrepreneurial success in Sri Lanka, specifically in the Colombo district. 240 women entrepreneurs who have obtained micro financial services in the Colombo district were used as the sample of this study. In order to arrive at a conclusion regarding the relationship between micro-credit, micro-savings, micro-insurance and entrepreneurial success, a 5-point Likert scale questionnaire has been used. The required data were collected by distributing the questionnaire through Google Forms. The statistical software package SPSS was used to analyze the collected data. It was identified that all the measurement items under Micro-Credit, Micro-Savings and Micro- Insurance exhibit significant relationships with Women's entrepreneurship in the Colombo District, and therefore, all the hypotheses were accepted. Recommendations are provided to further enhance female presence and success in entrepreneurship in Sri Lanka.

Keywords: Micro-Credit; Micro-Savings; Micro-Insurance, Women's Entrepreneurship, Sri Lanka

INTRODUCTION

Poverty is considered to pose one of world's greatest threats to people. It has created major issues related to the improvement of people's lives. It has been mentioned that 1.8 billion people in the world exist in poverty and of that number, 70% are women [1]. As per [2], 4.1% of the Sri Lankan population lived below the poverty line in 2016 and of those, the majority who suffered from poverty were women. Accordingly, it can be seen that it is women who are predominantly facing the negative consequences of poverty prevailing in Sri Lanka and the world. To improve the lives of poor women in Sri Lanka, the concept of micro finance, which was introduced to empower low-income people in Bangladesh by Dr. Muhammad Yunus, was applied in Sri Lanka and focused mainly on rural women living in poverty.

Microfinance provides services that are both financial and nonfinancial in nature, including small business loans to lower income clients, generally communities, with the aim of supporting economic development through the growth of entrepreneurial activity [3].The history of the micro-finance industry as a means of aiding less privileged people [4] dates back to the eighteenth century. As per [5], Micro-finance is identified as a tool to alleviate poverty of those who earn low incomes, especially females, in studies conducted in countries such as Bangladesh, China, India, Kenya, and Sri Lanka. The microfinance industry has long recognized women as a force in international development and as a market worthy of attention, but it could do even better if it addressed ongoing barriers to women's participation and empowerment [6]. Furthermore, women's capital is very important for increasing socio economic and political development in emerging countries, as they are involved in entrepreneurial activities that promote regional development and economic growth [7].

Although the female population in Sri Lanka represents approximately 57% of the total estimated population of 21 million, of the total economically active population of 8.5 million persons, only 33.4% are women. Thus, almost 70% of the labour force constitutes economically inactive women [8]. The past few years has witnessed a reasonable emergence of women entrepreneurs in the country, but the main problem they encountered was the inability to acquire financial resources to initiate and maintain their businesses. Accordingly, micro-financial institutions have mainly targeted women for micro finance facilities to empower them to start their own businesses, as women entrepreneurs will not only contribute to the upliftment of their own families but also to the upliftment of the country as a whole.

Research Problem

Many research studies conducted on entrepreneurship have focused on entrepreneurship in general rather than focusing on women's entrepreneurship. In addition, though some studies have been conducted in the context of women's entrepreneurship in developing countries, most studies have focused on women's entrepreneurship in developed countries. Over the decades, many researchers around the world have conducted studies with the aim of exploiting the relationship between Micro-financial services and the entrepreneurial success of women entrepreneurs in particular countries or regions. Further, although some past studies on micro finance and women's entrepreneurship have been conducted in the context of Sri Lanka, they have focused mainly on the impact of micro finance on the empowerment of women entrepreneurs in different rural areas in Sri Lanka, rather than considering the urban areas of the country. Therefore, this study addressed this research gap by*;*

'Examining the impact of micro-financial services, including micro-loans, micro-savings and micro-insurance, on enhancing women's entrepreneurial success in the Colombo District, Sri Lanka'

Research Objective

General Objective

- To examine the impact of Micro-Finance on enhancing Women's Entrepreneurial Success in the Colombo District, Sri Lanka.

Specific Objective

- To examine the impact of Micro-Credit on enhancing Women's Entrepreneurial Success in the Colombo District, Sri Lanka.
- To examine the impact of Micro-Savings on enhancing Women's Entrepreneurial Success in the Colombo District, Sri Lanka.
- To examine the impact of Micro-Insurance on enhancing Women's Entrepreneurial Success in the Colombo District, Sri Lanka.

Significance of the study

It is expected that the findings of this study will be able to provide Micro-finance institutions with a better understanding about the specific measures and improvements they should implement regarding the provision of micro finance facilities to women. The findings will also be useful to potential women entrepreneurs in acquiring micro-financial services to initiate and develop their businesses in the Colombo District.

Furthermore, the findings of this study will eventually be useful to other local and international micro-financial institutions to understand and compare the factors motivating women entrepreneurs and will help to deliver effective micro-financial services to women entrepreneurs in these urban areas.

Limitations of the study

Although this study has resulted in diverse benefits, it has some drawbacks as well. In conducting this study during the COVID 19 pandemic period, limitations of resources, time, and small sample size from the Colombo district prevents generalization of these findings to many other contexts.

LITERATURE REVIEW

Entrepreneurial Success of Women

A "woman entrepreneur is any women who organizes and manages any enterprise, especially a business" [9]. Women are able to gain success by setting up new enterprises, improving the performance of existing enterprises, expanding them and also improving the well-being of their families [10]. As per [7], women's capital is of utmost importance to develop the political and socio-economic environment of emerging nations, as entrepreneurs engage in activities that promote economic growth and regional development. Women's entrepreneurship is a topic that has been discussed extensively in the literature. Unlike most males, females are motivated to improve their family's economic status through working committedly towards this goal and are confirmed to have more focus on entrepreneurial success than men [11].

Women entrepreneurs prefer businesses in the fields of education, hotels and restaurants, insurance, retail trade and manufacturing. A study [12] has identified that many women entrepreneurs attribute their entrepreneurial success to factors such as the ability to balance work and family life, the ability to choose the daily activities that are most important, the manner in which they contribute to society and the quality of life they could achieve through engaging with their businesses. Another study [13] stated that the entrepreneurial success of women can be mainly defined through the tangible elements of the particular business such as revenue, turnover, growth of the firm and profitability. Thus, entrepreneurial success is emphasized as a multidimensional discipline which consists of the performance of the business, personal satisfaction, and the survival of the particular business, and is based on several economic indicators [14].

Micro-Credit

Micro-Credit is the small amounts provided as loans to the poor in order to empower them economically and encourage them to earn revenue through self-employment [15]. As per [16], Micro-Credit refers to a means of providing effective tools to resolve poverty issues by improving entrepreneurial activities, enhancing women's entrepreneurship and uplifting the education levels of women as well as men. Micro-credit has been able to provide a role for many women in the economy which has resulted in conferring on them a worthwhile status in society [17]. According to one study [16], Micro-Credit has been set up in order to aid poor people by lending small loans to them, as they are often rejected by conventional banks since they are considered to be unworthy of credit due to lack of a sound wage or collateral . The term Micro- credit was first introduced in 1970 by Dr. Muhammad Yunus, professor of economics at the University of Chittagong, and describes the provision of loans to poor people to begin income-generating activities [18]. Micro- credit seems to have existed in different forms throughout many centuries, especially in Asia, where there exists many informal modes of lending and borrowing [19]. According to [20], the empowering of women through Micro-Credit began with the offering of small amounts of money as loans to women entrepreneurs, so that they could work without pressure from their spouses. As per [6], small entrepreneurs usually obtain micro-credit from Micro-finance institutions twice a year. With the inauguration of the Grameen bank project, which is also known as the village bank project, and with its rapid proliferation into many other micro-financial institutions, the micro finance industry paved the way for the economic and social development of rural lower-income families[19].

Micro-Savings

"Micro savings is a branch of microfinance, consisting of a small deposit account offered to lower-income families or individuals as an incentive to store funds for future use. Micro savings accounts work similar to a normal savings account; they are, however, designed around smaller amounts of money. The minimum balance requirements are often waived, or very low, allowing users to save small amounts of money and not be charged for the service [21]". These Micro-Savings are periodical savings which will help low-income people to maintain their savings routine with the aim of achieving long term goals such as education, retirement security, starting a business and building ownership [22]. As per [23], Micro-savings incorporates these three ideas; it is savings made by poor or low-income people, it is savings which are held in institutions specialized for micro finance and it is a small quantity of savings. Micro-Savings can be considered an important means of accumulating assets and enhancing the future wellbeing of the

underprivileged [24]. According to [25], Micro-Savings leads people to acquire assets and also assists in the expansion of their businesses. It further aids in long-term financial control which will facilitate the poor to build their future capabilities. The origin of the concept of Micro-savings dates back to 1983, to a rural project launched by the Bank Rakyat in Indonesia. By the 1990's the concept of Micro savings had moved to countries like Bolivia as well. At present, there are many categories of Micro- savings products such as programmed savings, passbook savings accounts, savings accounts and investment certificates [26]. At present, there are also different micro savings tools such as digit, simple, acorns, and smartypig to help people save money without effort [27].

Micro-Insurance

Micro-Insurance provides coverage for low income people, who only have a small amount of money saved or have low household incomes, and it is given to compensate for injuries, illness or death as well as for loss of assets with low values. Similar to other types of insurance, Micro-Insurance aids both property risks and health risks. Micro-Insurance is delivered mainly through four methods. These are; the partner-agent method, the full-service mode, the provider-driven model and the community-based method [28]. Micro-Insurance comprises two aspects, which are; what is included in insurance and what is term "Micro" in Micro-Insurance [29]. The above study emphasizes several common features which are included in the concept of Micro-Insurance. They are that Micro-Insurance is suitable for people who are earning low incomes, it applies the concept of risk pooling, it can be considered as independent from the class of risk and it mainly targets people who are in the informal sector. The study further describes business models which can be used in the process of delivering Micro-Insurance. They are the; Partner-agent model, Provider-driven model, Charitable insurance model and Mutual/cooperative insurance model. Micro-Insurance, which was introduced later with the advancement of the Micro-Finance sector, is considered as an additional service provided by Micro-Finance institutions rather than merely catering to the basic needs of underprivileged persons [30]. Also, Micro-Finance institutions have initiated these insurance schemes in order to recover the payments which have not been made by Women Entrepreneurs in serious cases [10]. Micro-Insurance is considered as a mode which helps in protecting people with low incomes against risks such as illnesses, accidents, natural disasters etc. and the insurance premium is based on these people's income, risk levels and needs. Micro-Insurance provides less privileged people the means for protecting against risks, since low income people and small and medium businesses are always vulnerable to risks. Therefore, micro-Insurance can be considered as a tool that protects the larger society as well [31].

Micro-Finance market in Sri Lanka

Sri Lanka has a long history when considering the provision of financial services to low-income persons, and it dates back to 1911, where Thrift and Credit Cooperative Societies that provided financial services to underprivileged people were initiated. In the late 1980s, the concept of Micro finance began to expand in Sri Lanka with the enactment of the government's Janasaviya Programme [32]. Micro Finance loan defaulting had become an issue over the years in the country and MFI loan granting procedures, customer services offered by MFIs, influence of the borrowers family and the impact of Sri Lanka's macroeconomic performance on Sri Lankan borrowers were identified as the reasons for defaulting on loans [33]. In the study conducted by [6], which focused on the effect of micro-finance factors on women entrepreneurs' performance

in the Batticaloa district, it was identified that micro-financial factors were contributing to rural poverty reduction as well as women's empowerment. This is particularly important in the Batticaloa district as when compared to other districts, a significant number of women had lost their spouses due to war and natural disasters. From the study conducted by [34] on the impact of micro finance on empowering women entrepreneurs in the Mihinthale Pradeshiya Sabha area, it was identified that Micro-Financial services have a significant impact on the empowerment of women entrepreneurs in the area. Further, as per the study conducted by [10] on the influence of micro-financial services on the entrepreneurial success of women in Sri Lanka in 3 rural districts, the Micro-Credit and Micro-Savings elements have a positive relationship with the entrepreneurial success of women while Micro insurance does not have a strong relationship with entrepreneurial success. When considering the situation in Sri Lanka, though there exist many financial institutions within the country, low-income earners face barriers when attempting to access the financial services provided by these financial institutions. Therefore, Micro-Financial services have been initiated in the country to cater to these segments of the population [35].

Hypotheses Development

H1: There is a positive relationship between obtaining Micro-Credit services and the Entrepreneurial success of women in the Colombo District.
H2: There is a positive relationship between obtaining Micro-Savings services and the Entrepreneurial success of women in the Colombo District.
H3: There is a positive relationship between obtaining Micro-Insurance services and the Entrepreneurial success of women in the Colombo District.

METHODOLOGY

Conceptual Framework

This study of Micro-Finance as a triggering mechanism for the success of Women's entrepreneurship is a quantitative study. The conceptual framework has been developed based on the literature available in the local and international context relating to Micro-finance, and it is depicted in Figure 1 below. The independent variables identified were; Micro- Credit, Micro-Savings and Non-Financial Services which are all Micro financial services and the Entrepreneurial Success of Women is considered as the dependent variable.

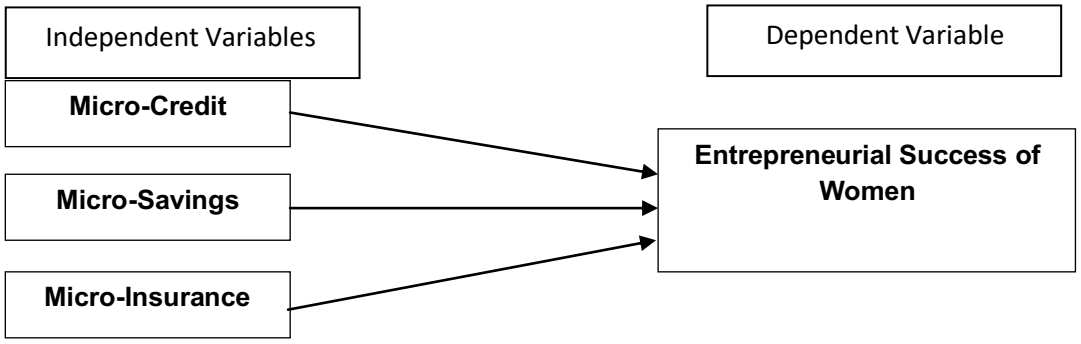


Figure 1 conceptual framework

Data Collection

Primary data were collected using a closed format structured questionnaire that comprised two parts (Appendix 1). The first section of the questionnaire focused on the background and

demographic information of the respondents and the second section focused on collecting information on the independent and dependent variables of the study. Due to the COVID 19 pandemic and the resultant lock down of the country in several areas, data had to be collected online using e-mails and google form methods. 22 items were used to collect data relevant to the independent variables of the study, comprising 6 items for micro-credit, 6 items for micro-savings and 4 items for micro-insurance. The dependent variable of the study, Entrepreneurial Success of Women, consisted of 8 items, and was measured using a 5-point Likert type scale.

The target population of this study was women entrepreneurs in Colombo, Sri Lanka who had obtained micro-financial services. In this study, the sample was selected on the basis that was identified through the literature survey, that most past studies had focused on the rural areas in Sri Lanka. Consequently, the sample of this study was women entrepreneurs who have obtained micro-financial services in the Colombo district in Sri Lanka, which is an urban area and is considered the commercial hub of the country.

RESULTS

As per the 240 respondents who had obtained micro-financial services in the Colombo district, Sri Lanka, 40% were between the ages of 30-39 followed by 29.6% between the ages of 40 - 49. 2.3% of the sample was in the 20-29 age group, and 7.1% of the sample was above 50 years of age. 8% of the total respondents in the sample had completed their primary education and 39.6% of the sample had completed their education up to the G.C.E Ordinary Level (grade 11). 37.1% of the total respondents had competed their education up to the G.C.E. Advanced Level examination (Grade 13) and 14.6% of the sample had completed a bachelor's degree. 61.3% of the sample had conducted their business for less than 5 years (i.e. emerging entrepreneurs), followed by 27.9% between 5-10 years, 10.4 % between 11-15 years and 0.4% between 16-20 years (i.e. mature and established entrepreneurs). Further, it was identified that 70% of the respondents in the sample had not taken any entrepreneurial courses while 30% had taken some kind of entrepreneurial course.

Reliability and Validity

Cronbach's alpha value was used to test reliability, where the alpha value explains how well the measurement items of a particular variable are positively related to each other. Cronbach's alpha values of the three dimensions considered under Micro-finance were, Micro-credit 0.885, Micro-savings 0.958 and Micro-insurance 0.918. Cronbach's alpha value of Entrepreneurial Success is 0.955.Therefore, it can be seen that the Cronbach's Alpha values of the independent variables and dependent variables exhibited values more than 0.7. Thus, it can be concluded that the items possess the required measurement adequacy and consistency. According to the factor analysis (Appendix 2), all measurement items under the variables have values between 0.3 and 0.9 and some are above 0.9, implying that they satisfy the condition of appropriateness for the study. Only one component was retained. The correlations of the model are depicted in Table 1 below.

Table 1 Correlation Analysis

Micro-credit	1.000	.729**	.737**	.753**
Micro-Savings	.729**	1.000	.798**	.833**

Micro-insurance	.737**	.798**	1.000	.880**
Entrepreneurial success	.753**	.833**	.880**	1.000

Table 2 represents the multiple regression analysis conducted by the researchers. Accordingly, it can be seen that the R^2 value is 0.888, where F=623.573 and $p < 0.001$ (Table 3). This implies that 88.8% of the variation in the Entrepreneurial Success of Women can be explained by Micro-Credit, Micro-Savings and Micro-Insurance. Also, as per Table 4, the VIF value is less than 5, which reveals that there are no multicollinearity issues in the model.

Table 2 Results of regression analysis model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942[a]	.888	.887	1.37160

a. Predictors: (Constant), mean MI, mean MC, mean MS
b. Dependent Variable: mean ES
c. Weighted Least Squares Regression - Weighted by Weight ES

Table 3 Regression analysis (ANOVA) table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3519.369	3	1173.123	623.573	.000[c]
	Residual	443.985	236	1.881		
	Total	3963.354	239			

a. Dependent Variable: mean ES
b. Weighted least square regression -weighted by weights
c. Predictors: (Constant), mean MI, mean MC, mean MS

Table 4 Regression model coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.078	.093		-.840	.402
	Micro-credit	.135	.038	.116	3.517	.001
	Micro-savings	.249	.050	.231	4.943	.000
	Micro-insurance	.634	.038	.658	16.623	.000

Hypotheses Testing

According to the correlation analysis, there exist statistically significant relationships between micro-credit, micro-savings, micro-insurance and entrepreneurial success of women in the Colombo district, Sri Lanka. By considering the overall results of the Regression Analysis, the analysis of the hypotheses is presented in Table 5.

Table 5 Hypotheses Testing Results

Hypotheses	Result
H1: There is a positive relationship between obtaining Micro-Credit services and the Entrepreneurial Success of Women in the Colombo District.	Supported
H2: There is a positive relationship between obtaining Micro-Savings services and the Entrepreneurial Success of Women in the Colombo District.	Supported
H3: There is a positive relationship between obtaining Micro-Insurance services and the Entrepreneurial Success of Women in the Colombo District.	Supported

DISCUSSION

This section discusses the findings that are in line with the findings of previous empirical studies in the area. The research variables were developed based on previous empirical works, and the research questions and hypotheses were then formulated. Eight items were used to measure the dependent variable of the study (namely, the Entrepreneurial success of women in the Colombo district). The respondents of the study confirmed that '*After obtaining Micro-Finance services the number of buyers of my enterprise tend to increase'*. (see Appendix 2). This might be because the positive perception towards micro-finance services enhances the business expansion capacity of women entrepreneurs. However, they identified '*After obtaining Micro-Finance services the turnover of my enterprise tends to increase'* as the least important influencer on entrepreneurial success. This might be due to the fierce competition between businesses and the adverse macroeconomic conditions prevailing in the country during the COVID-19 pandemic.

In order to arrive at a conclusion on the accuracy of the above hypotheses, the collected data were analyzed using various methods. Multiple regression analysis was conducted to determine the relationships between the independent variables and the dependent variable. Accordingly, it was identified that all the independent variables; Micro-credit, Micro-savings and Micro-insurance, exhibit a significant relationship with the dependent variable, Entrepreneurial Success of Women in the Colombo District. Also, with respect to Micro-credit, Micro-savings and Micro-insurance, Entrepreneurial success exhibited a higher level of variation. As per the above results generated from the data analysis, the three hypotheses formulated in the study are supported. When considering the results related to the unstandardized coefficients, it was also identified that Micro-credit, Micro-savings and Micro-insurance have significant positive impacts on the Entrepreneurial success of women in the Colombo District. The three research questions formulated in this study have been the basis for hypotheses generation. Accordingly, the research questions of the study are;

- What is the effect of Micro-Credit on the Entrepreneurial success of women in the Colombo District?
- What is the effect of Micro-Savings on the Entrepreneurial success of women in the Colombo District?
- What is the effect of Micro-Insurance on the Entrepreneurial success of women in the Colombo District?

The findings of this study have been compared and contrasted below with the results of previous empirical works.

What is the effect of Micro-credit on the entrepreneurial success of women in the Colombo district?

According to the findings of the study, it can be seen that Micro-Credit has a significant positive relationship with the Entrepreneurial success of women in the Colombo District. This has been supported by past empirical works as well. As per the study conducted by [10], Micro-Credit has a significantly positive relationship with the Entrepreneurial success of women. The study conducted by considering 750 women entrepreneurs also proved that Micro-Credit has a positive impact on Entrepreneurial Success [5]. Confirming the above findings, it has also been proved that Micro-Credit has a positive relationship with the empowerment of women entrepreneurs [35] where Micro-Credit and Women's Entrepreneurship exhibit a significant positive relationship. The most important item measuring this factor is '*The required documents by the institution are reasonable*' (see Appendix 2). That means that women entrepreneurs in the Colombo district are comfortable and satisfied with the documentation procedure required during the approval of a micro-credit loan. However, they perceive that the loan obtaining procedure is complex since the least important item in this factor was '*The loan obtaining procedure of the institution is simple*' (see Appendix 2). Micro-Credit is said to have a substantially significant positive impact on the success of women entrepreneurs when it is supported by other non-financial services [37]. Further, the study conducted by [38] also arrived at the conclusion that Micro-Credit has a substantial impact on the empowerment of women, thus enabling the Entrepreneurial success of women in the Colombo district.

What is the effect of Micro-savings on the Entrepreneurial success of women in the Colombo district?

From the findings derived from this study, it was identified that Micro-Savings also exhibits a positive relationship with the Entrepreneurial success of women in the Colombo District. The respondents of this study were satisfied with the savings options available in their MFIs. This was measured by the item *'The savings options available in the institution are attractive'* (see Appendix 2). However, they perceived that the convenience in saving procedure provided by the MFI was of less importance, where this was measured by the item '*Convenience of saving procedure in the institution is high'* in the questionnaire (see Appendix 2). When reviewing past empirical works, it has been identified that several previous empirical findings are in line with the findings of this study. Yet, previous empirical works on Micro-Savings have not presented deep insights into this concept. Though previous studies have not been very specific in explaining how micro-savings impacts on women's entrepreneurial success, they have identified Micro-Savings as a useful concept to fund business expansion and to establish new businesses [40]. Previous research has also identified that Micro-Savings exhibits a positive relationship with the Entrepreneurial Success of Women. Therefore, the findings of this study support the work of [40]. However, a study conducted in Jaffna, a District in the Northern Province of Sri Lanka and a previously war-torn area, identified that Micro-Savings does not show a significant relationship with women's entrepreneurship [41]. This difference in results might be due to differences in perceptions among women entrepreneurs in rural and war-torn regions compared to those of women in the urban, commercial district of Colombo. Thus, women entrepreneurs in regional and less developed areas in Sri Lanka may be perceiving micro-credit as a tool essential to entrepreneurial success.

What is the effect of Micro-insurance on the Entrepreneurial success of women in the Colombo district?

As per the findings of the study, like the other two variables, Micro-Insurance also shows a significant positive relationship with the Entrepreneurial success of women in the Colombo District. The respondents of this study confirmed their satisfaction with the different insurance policies offered by their MFIs. They showed least satisfaction with the efficiency of the payment procedure when paying insurance claims. This was measured by the item *'Insurance claims are promptly paid by the institution' (see Appendix 2).* Though this study revealed the above result, most empirical works presented contradictory results. However, a few studies such as [10] have identified Micro-Insurance as an influencing factor for Women's Entrepreneurship though [10] has not identified a specific relationship between Micro-Insurance and the Entrepreneurial Success of Women. This might be because the concept of Micro-Insurance is still a novel concept in the Sri Lankan context.

CONCLUSION AND RECOMMENDATIONS

This study confirms that micro-credit, micro-savings and micro-insurance have significant positive relationships with the success of women's entrepreneurship in the Colombo district, Sri Lanka. Therefore, the following recommendations could be made.

Firstly, it is recommended that managers of MFIs modify the clauses of insurance contracts and improve the products or policies offered. The study confirmed that women entrepreneurs perceive that micro insurance enhances their entrepreneurial success. However, since most insurance claims are granted in the event of the death of the insured, this may be seen as a source of harassment to borrowers. So, MFIs should alter the clauses in their policies, and policy coverage must be changed in a way to better serve women borrowers. MFIs can use better advertisements, marketing and promotional campaigns to educate female loan borrowers on obtaining a policy. MFIs can also think of introducing product bundling options when offering a micro-finance loan.

Secondly, it is recommended that guidance be provided to female borrowers in the process of taking loans. This study confirmed that female borrows perceive that micro-loans enhance their entrepreneurial success. However, in Sri Lanka, Micro-finance default remains very high [33]. Therefore, MFIs must advise borrowers on how they could utilize the loans efficiently and effectively to yield higher earnings which will increase their confidence and ability to repay the loan as well. To this end, MFIs should organize training and development programs that improve the financial literacy of female borrowers. Group leaders of loan groups should, in particular, be provided information on how to access MFI staff in any event to obtain ready advice.

Thirdly, MFIs and their staff should follow up on customers who obtain their services and provide assistance to them. This will enable MFIs to recognize those female customers who utilize the funds best and to develop more sustainable relationships with such customers. Thus, MFIs should regularly meet female borrowers and collect feedback on customer satisfaction, financial difficulties and business progress. MFIs can recruit more female sales staff to better reach the female community in the country keeping in mind the cultural diversity of the nation.

Fourthly, MFIs should be concerned about improving the savings options available to female customers. This study confirmed that women entrepreneurs in the Colombo district perceive that Micro-savings enhances their entrepreneurial success. Hence, MFIs should help these female customers understand and select the savings options most suitable to their businesses. To this end, MFIs can offer attractive interest rates and various types of savings accounts to their female customers.

Fifthly, the government of Sri Lanka and the relevant ministries related to entrepreneurship and female capacity development should educate women to use micro-finance as a triggering mechanism to enhance their business success. The government can award grants to MFIs to reduce interest rates for loans and increase rates for savings. The government can also contribute to a micro finance insurance policy to encourage women to enroll with the new micro-finance insurance policy that would ensure their financial sustainability during illness, damage to their business or even loss of life.

LIMITATIONS AND FUTURE RESEARCH SUGGESTIONS

Though there are many benefits deriving from this study, the study has several drawbacks as well. The limitations of this study are discussed below.

Access to a large sample has been difficult since the COVID 19 outbreak. When conducting the research, a relatively small sample has been used, limited to several areas in the Colombo District. This may result in the inability to generalize the findings to other areas in the Colombo District. Also, due to the COVID 19 outbreak, the perceptions of the respondents regarding certain issues have changed, particularly in the case of pandemic- related economic, social and psychological issues. Due to the small sample size, the researchers have also been unable to acquire more descriptive and in-depth information. In certain instances, the researchers experienced difficulties in obtaining relevant information from their female respondents to complete the data collection as they refused to divulge certain demographic details such as education, age and income level.

Based on the above limitations, future researchers can address the areas mentioned below. Since this study is only limited to a sample obtained from the Colombo district in Sri Lanka, future researches could access a much larger sample from the Colombo district that represents the demographic diversity of the country. Also, future researchers can conduct a comparative study using rural and urban samples to compare perceptions about the impact of micro-finance on enhancing women's entrepreneurial success. Comparative studies can also be conducted based on the age, income and educational levels of women entrepreneurs or based on urban and rural women entrepreneurs in Sri Lanka. A future comparative study can also be conducted on how micro-finance influences male and female small-scale entrepreneurs in Sri Lanka.

This study has only utilized a quantitative approach, whereas future researchers could use a qualitative method or a mixed method to obtain more detailed and in-depth exploration on the topic. Future researchers can also investigate how MFIs can bridge the gap between women entrepreneurs' needs and the service offerings of MFIs to enhance women's entrepreneurial success across the country.

COMPETING INTERESTS

The authors have declared that no competing interests exist.

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APPENDIX 1: QUESTIONNAIRE

Part A-Background Information

Please put a cross on the suitable answer.

1. Age	2. Educational Level
20-29 years	Primary education
30-39 years	Up to Ordinary Level (O/L)
40-49 years	Up to Advanced Level (A/L)
More than 50 years	Graduates

3.Years of conducting business	4. Whether undertaken any entrepreneurial courses
Less than 5 years 5-10 years 11-50 years	Yes
16-20 years More than 21 years	No

Part B

Please express your degree of agreement or disagreement on the following statements based on the given scale by putting a cross.[1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree]

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Micro-Credit					
The loan interest charged from the institution is reasonable					
The loan obtaining procedure of the institution is simple					
The loan amount provided by the institution is sufficient					
The loan repayment period of the institution is sufficient					
The loan repayment procedure is easy					
The required documents by the institution are reasonable					
Micro-Savings					
The savings interest provided by the institution is reasonable					
The procedures of the saving scheme of the institution are simple					
The savings options available in the institution are attractive					
The savings withdrawal method of the institution is easy					
Credibility of the savings of the institution is high					
Convenience of saving procedure in the institution is high					
Micro-Insurance					
Insurance benefits provided by the institution are effective					
Availability of different policies in the institution are satisfactory					
Obtaining an insurance policy in the institution is					

compulsory					
Insurance claims are promptly paid by the institution					
Entrepreneurial success of Women Entrepreneurs					
After obtaining Micro-Finance services the profits of my enterprise tend to increase					
After obtaining Micro-Finance services the turnover of my enterprise tends to increase					
After obtaining Micro-Finance services the number of employees of my enterprise started to increase					
After obtaining Micro-Finance services the number of products of my enterprise tend to increase					
After obtaining Micro-Finance services the number of buyers of my enterprise tend to increase					
After obtaining the Micro-Finance services the family income tend to increase					
After obtaining Micro-Finance services the family assets tend to increase					
After obtaining Micro-Finance services the family savings tend to increase					

APPENDIX 2: EXPLORATORY FACTOR ANALYSIS

Micro-credit

Statement	Factor loadings	Cronbach's Alpha
The loan interest charged from the institution is reasonable	.845	.886
The loan obtaining procedure of the institution is simple	.663	
The loan amount provided by the institution is sufficient	.786	
The loan repayment period of the institution is sufficient	.823	
The loan repayment procedure is easy	.814	
The required documents by the institution are reasonable	.857	

Micro-savings

Statement	Factor loadings	Cronbach's Alpha
The savings interest provided by the institution is reasonable	.910	.958
The procedures of the saving scheme of the institution are simple	.921	
The savings options available in the institution are attractive	.924	
The savings withdrawal method of the institution is easy	.923	
Credibility of the savings of the institution is high	.889	
Convenience of saving procedure in the institution is high	.886	

Micro-insurance

Statement	Factor loadings	Cronbach's Alpha
Insurance benefits provided by the institution are effective	.893	.918
Availability of different policies in the institution are satisfactory	.917	
Obtaining an insurance policy in the institution is compulsory	.889	
Insurance claims are promptly paid by the institution	.885	

Entrepreneurial success of women

Statement	Factor loadings	Cronbach's Alpha
After obtaining Micro-Finance services the profits of my enterprise tend to increase	.847	.955
After obtaining Micro-Finance services the turnover of my enterprise tends to increase	.845	
After obtaining Micro-Finance services the number of employees of my enterprise started to increase	.851	
After obtaining Micro-Finance services the number of products of my enterprise tend to increase	.883	
After obtaining Micro-Finance services the number of buyers of my enterprise tend to increase	.901	
After obtaining the Micro-Finance services the family income tend to increase	.880	
After obtaining Micro-Finance services the family assets tend to increase	.894	
After obtaining Micro-Finance services the family savings tend to increase	.870	