

IMPACT OF MICROFINANCE ON WOMEN'S EMPOWERMENT IN A POSTWAR COMMUNITY

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Abstract

Purpose: This study examines the impact of microfinance on women's economic and social empowerment in the Puthukkudiyiruppu Divisional Secretariat Division of Sri Lanka, where women headed households continue to face severe postwar vulnerabilities, including weakened asset bases, disrupted livelihoods, and limited access to markets and institutional support.

Design/methodology/approach: The study adopts a quantitative research design using primary survey data collected from 60 women headed households in the Puthukkudiyiruppu Divisional Secretariat Division. Microfinance is examined through microcredit, welfare support, and livelihood assistance, while empowerment is assessed through economic and social dimensions. Data were analysed using descriptive statistics, Pearson correlation, and multiple regression techniques to identify the relationship between microfinance services and women's empowerment in a postwar community context.

Findings: The findings reveal that different components of microfinance influence women's empowerment in different ways. Welfare support and livelihood assistance are positively and significantly associated with social empowerment, indicating that non-credit support mechanisms play an important role in strengthening women's confidence, participation, and social agency. Microcredit is significantly associated with economic empowerment, suggesting that access to finance supports income generation and household economic stability. Overall empowerment is significantly influenced by microcredit and livelihood assistance, highlighting the importance of combining financial access with practical livelihood support.

Research limitations/implications: The study is limited to 60 women headed households in one Divisional Secretariat Division. However, the findings offer useful implications for designing integrated microfinance programmes in postwar communities.

Originality/value: This study contributes to Sri Lankan microfinance literature by showing that credit alone is insufficient for broader women's empowerment and that welfare and livelihood support are essential in postwar recovery contexts.

Keywords: Microfinance; Post Conflict Development; Puthukkudiyiruppu DSD; Sri Lanka; Women Headed Households; Women's Empowerment