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FROM LOANS TO LIVELIHOOD: INVESTIGATING MICROFINANCE'S IMPACT ON BASIC NEEDS SATISFACTION

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Abstract
This study was purposed to analyze the effect microfinance has on addressing the fundamental basic needs of food, clothes, shelter, health, and education of poor households. Access to them clearly shows one's ability to attain the needs, thus financial assistance to households is uplifting. The reliability analysis showed the measurement constructs were consistent and suitable to assess the relationship of microfinance to basic needs fulfillment. The correlation analysis and regression analysis showed microfinance positively and significantly impacted the ability of households to spend on their needy expenditures. The results even showed microfinance more than just financial provision, it economically empowered the needy households to uplift their lives, spent on sustainable needs welfare such education and health. The findings have considerable practical significance for microfinance institutions which is to target economically active poor populations and develop well-designed tailored financial products and ancillary services that would optimally address the socio-economic needs of the borrowers. The same findings can be a basis for policy-makers to position microfinance as an instrument for poverty reduction and an enabler for sustainable development. The research demonstrates the ways microfinance positively impacts the overall welfare of households by helping satisfy the most basic needs and subsequently helping attain the economic and social empowerment of households.

Keywords: *Microfinance, Basic Needs, Foods, Shelter, Clothes, Health, and Education.*

1. Introduction

Surveying microfinance across the globe, it has become evident that microfinance is a critical development instrument to mitigate poverty as it empowers clients to borrow small amounts of money, save, and obtain insurances (Pareek et al, 2022). If properly designed, microfinance enables lower income households to level their consumption, manage expenditure in case of future income shortfalls, and allocate resources toward investments that are likely to heighten their living conditions (Hasan et al, 2025). In a number of developing nations, the advent of microfinance has also meant households are better off as there is a significant improvement in discretionary and essential expenditure, including on food, health, education, and housing (Singh et al, 2022). As Ranabahu and Tanima (2022) indicate, MFIs in Pakistan are instrumental in combating poverty as they are the sole providers of financial services to the poor who are unbanked. Additionally, poverty-alleviation-fund-partner MFIs have gained acclaim for not only their financial but also social efficiencies for they have improved clients' welfare by meeting consumption demand (Adnan and Kumar 2021). Therefore, microfinance

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is not simply an instrument of financial inclusion but also one of social inclusion as it enhances the capability of the poor to meet their basic needs.

Microfinance has reached millions of low-income individuals and has poured billions of dollars into neglected communities (Serrano-Cinca et al., 2023). As an illustration, microfinance in Pakistan has been extended to MFIs that service households that spend their loans on education, nutrition, and health (Sarker & Khan, 2024). Participation in microcredit programs has been shown to reduce poverty in empirical studies; in one instance, participants of Khushhali Bank program showed a decrease in poverty status from 42.67% among non-clients to 29.33% among clients (Mahato & Jha, 2023). In Bangladesh as well, microfinance shows remarkable advocacy for poverty reduction especially for women borrowers as revealed in various panel data analyses (Jatoi & Khoso, 2020). In the Philippines, microfinance institutions that merge finance with health programs also tend to minimize healthcare expenditures of poor households (Tria et al., 2022). These figures demonstrate that microfinance aids in the fulfillment of various aspects of primary requirements not limited to income alone, but also includes, well-being, health, education, and living standards.

While there is significant information about microfinance's contribution to alleviating poverty, particularly to rural households, there are specific instances that the existing literature has yet to capture. First, the literature is replete with instances where microfinance has been associated with general poverty incidences (aggregate poverty), yet there is no indication of microfinance at the more disaggregate level. In other words, microfinance, at the more disaggregate level, has been ignored in the existing studies of literature with respect to specific basic needs such as food, education, clothing, health, and expenditures related to health. Second, studies that focus on microfinance and health (as in the case of the Philippines) (Khan et al., 2022) are few and, in particular, there are scant empirical studies that deal with microfinance's influence on medical and education expenditures simultaneously. Third, there is a dearth, particularly in the case of Pakistan and similar studies that focus on developing countries, on how microfinance, in the long term, promotes welfare (non-income) such as housing and clothing. Lastly, there are scant randomized studies such as those done by (Berguiga & Adair, 2021) that portray microcredit to have little impact on consumption and/or other household variables, thus providing some support to the assumption of microfinance to have little effect on the more basic needs (Nair & Njolomole, 2020). In effect, there would appear to remain an unambiguous void in existing literature, and that is: a more nuanced, multi-faceted study that measures microfinance's contribution to the accomplishment of distinct basic needs in the context of a developing country.

Policies and practical applications are intertwined with the findings of the study. Microfinance’s essence and its fundamental, study’s focus, contributions of microfinance, are on the attainment of the needed, basic, and essential income, food, shelter, clothing, education. The concern of this study is meant whether microfinance enhances other dimensions of a household’s welfare other than income. Other essential needs of a household, catered needs, including, health financing, savings, other training programs, are other offered, and will assist policymakers and MFIs in developing credit. It also enables MFIs to justify lending motivated by social concerns and helps in optimal resource use. The study also provides the microfinance sector and multidimensional poverty theory with the foundation to build upon. The understanding of microfinance’s social impacts has been enhanced by using income as welfare measurement and its indicators to develop a more comprehensive theory of welfare. Finally,

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the study may assist in the design of other development programs aimed at the optimal use of human capital. Per the study's findings, it is the provision of microfinance, social support services, and/or welfare services.

The rest of this research paper is divided as follows: literature review and scope of microfinance is explained in section 2. It discusses existing literature and statistical evidence on micro-finance and its impact on people being able to afford necessities of life: food, shelter, clothing, health care and education. Section 3 of the study discusses the methodology of the research, in this case the micro-finance impact on welfare of households. It discusses the sampling, data collection and data analytical techniques and procedures. Section 4 of the study discusses the findings of the study: the various microfinance basic needs improvements correlational analyses and the descriptive analyses covering the basic needs of the people. Last in this section is Section 5 which discusses the implications of microfinance, its conclusion, and recommendations to microfinance institutions and policymakers including limitations of the study as well as outlining the scope for further research.

2. Literature Review

Microfinance has become a crucial tool for improving household welfare and household well-being on a larger scale, helping low-income families fulfill their basic needs and acquire household credits, savings, and other essential financial services (Fayyaz & Khan, 2021). In South Asia, microfinance program being served has an impact on financial stability so that households can spend and accommodate an allocated budget for food, cloth, shelter and other basic consumptions (Asongu & Odhiambo, 2024). Participation in microfinance program sustains improved food security and decreases the number of foods secured and malnourished households, as well as increased food diversity and nutritional status through income from microenterprise (Solarin et al., 2022). In Pakistan respondents and clients of microfinance reported positive improvement in the ability and capacity to pay for household consumptions on a regular basis which illustrates the role of microcredit in household consumption smoothing and building economic stability (Bika et al., 2022). Furthermore, in Sri Lanka and Bangladesh other studies have shown that microfinance loan families tend to make progressive improvements in their houses and dwellings such as improving the roofs, walls and floors, and building toilets and other sanitation and basic construction which illustrates improved living substantial welfare (Robert et al., 2021).

Positive effects have been documented in health and education, both essential aspects of basic needs for poor families (Subramaniam et al., 2021). In the Philippines, microfinance-associated health programs have shown that borrowers have greater FinAccessible preventive care, medicines, and treatments (Datta & Sahu, 2021). In South Asia, evidence suggests that microfinance participation lessens out-of-pocket expenditures on healthcare because households are able to manage health shocks without liquidating assets distressesly, in or accruing detrimental debts (Pandhare et al., 2024). In the education domain, access to microfinance for a long time is associated with increased school attendance and class participation, less school absenteeism, and more expenditures on educational materials like books, uniforms, and school fees (Yazıcı Cörüt & Coeruet, 2022). Micro-enterprise income earning microfinance families are able to retain children in school for longer periods of time, decrease the chances of early school dropout, and early workforce entry, which enhances human capital (Elsafi et al., 2020). Similarly, studies in Pakistan demonstrate that microfinance

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programs improve children's education by allowing families to use a part of the loan for educational purposes (Herreño & Ocampo, 2023).

In these strong positive findings, microfinance's effect and relationships from the previous studies have also been documented in the literature as mixed and even negative, particularly with respect to the basic needs of the clientele, and it is suggested that these effects may depend on the specifics of the programs and the context in which the programs are offered (Russell et al, 2024). In India, Morocco, and the Philippines, microcredit has been studied in a number of randomized control studies, and findings indicated no impact in the short term on a number of the outcomes of interested (Zitouni & Ben Jedidia, 2022). In the azimuth of the reported effects, microloan recipients have been critiqued as spending the microloans non-productively to refinance pre-existing debt and microloans to address emergencies and as a result, restrict any such potential to improve other welfare outcome (Dhungana et al, 2023). In such a similar negative context with respect to impact of microfinance the negative effects of over-indebtedness, particularly in such markets characterized by aggressive loan disbursements, and high repayment rates in conflicts, have gained prominence (Hagawe et al, 2023). In spite of all of these, the bulk of grounded studies indicate that microfinance programs, accompanied by some basic financial literacy, and other education, as well as some financial education and need assessment, are of great help in the communities where there is no access to basic needs such as food, clothing, housing, healthcare, and education (Kagsoga & Tegambwage, 2021). Therefore, microfinance programs are viewed in the context of poverty alleviation, as from the studies done, microfinance is seen as a means of providing and improving standard of living from the studies done. Underserved populations have a unique set of challenges and difficulties that can greatly impact how a welfare system operates, and these were detailed in (Iqbal et al., 2024).

H_1: Microfinance has a positive and significant impact on the fulfillment of basic needs.

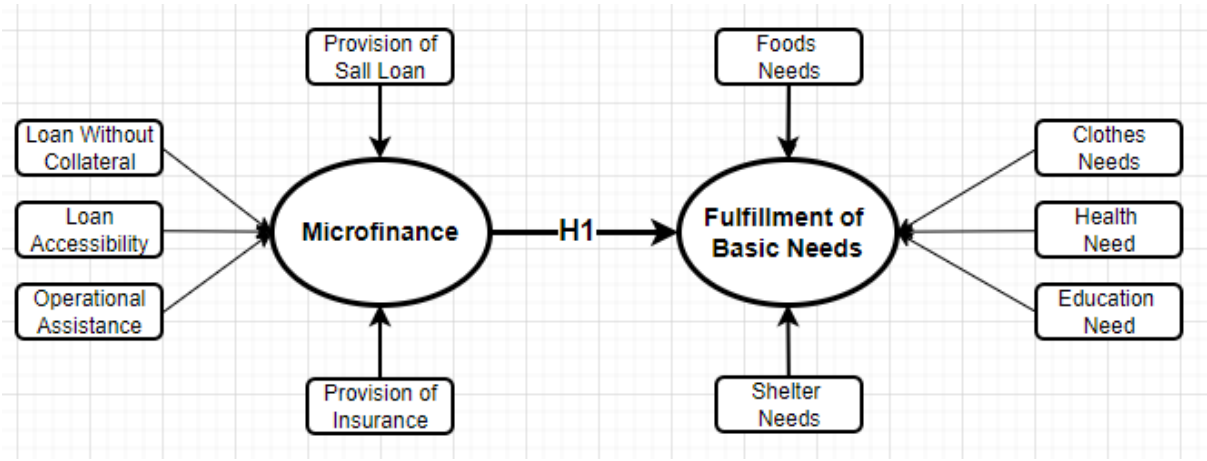

Figure-1: Conceptual Framework

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3. Methodology

In consideration of the microfinance's contribution to poverty reduction with regard to basic needs and self- employment and living standards of clients of microfinance institutions, the author decided to use a quantitative research design (Creswell, 2014). Data of this nature can be easily crunched with the use and functionality of the Statistical Package for Social Sciences (SPSS) (Selvamuthu & Das, 2024). The analysis of the data begins with a reliability analysis for which Cronbach's alpha is deployed, so as to understand the extent to which the items comprising the measure of poverty and each of its different dimensions, when evaluated independently, contribute to the scale's overall unity and hence may be considered representative of the degree of reliability which the measure can be said to possess (Joshi & Patil, 2020). This design enables a more rigorous assessment of the data, enabling more sensitive inferential statistics to be incorporated later on (Jawa, 2022). Hypotheses testing and the use of descriptive statistics, which have preceded the inferential analyses, is a feature of this design (Li et al., 2020), as is the use of a Pearson correlation analysis, wherein microfinance is defined as the independent variable and the variables associated with the fulfillment of basic needs, self-employment and standards of living as the dependent variables (Omomule et al., 2020). The predictive analysis which influences microfinance has on the various dimensions of poverty has been measured using the mean of the calculation values assigned to all the indices which fall within the specific construct (Sahin et al., 2023). With the help of this regression model, the research was able to quantify how microfinance affects the fulfillment of the basic necessities, improvement of the living conditions, and creating the opportunity to be self-employed of the individuals living in poverty (Harris & Gleason, 2022). By employing a combination of various methods like descriptive, reliability, correlation, and regression analysis, this study microfinance and its relationship to poverty alleviation (Abegaz et al., 2023).

- ***Fulfillment of Basic Needs (BN) = f (Microfinance)***
- $FBN_i = \beta_0 + \beta_1 MF_i + \varepsilon_i$
- **FBN_i** = Fulfillment of Basic Needs score for household/respondent *i* (dependent variable).
- **MF_i** = Microfinance participation or microfinance access level for respondent *i* (independent variable).
- **β_0** = Intercept (baseline level of basic needs without microfinance).
- **β_1** = Slope coefficient showing how microfinance affects fulfillment of basic needs.
- **ε_i** = Error term capturing unobserved factors.

4. Results and Analysis

4.1.Demographics and Socio-Economics Characteristics of Respondents.

The characteristics and demographics of the respondents are displayed in Table 1. From the respondents' age structure, there were people who were in different stages of their life. In terms of marital status, there were both single and married with different household responsibilities. Respondents' educational attainment was different which implies that other people in the community had access to microfinance. Their occupations showed participation in different economic activities, including the formal and informal sectors. Moreover, their household size indicated the economic burdens of the live with. These characteristics are important to explain the impact microfinance had on the respondents' basic needs.

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Table-: I - Demographic & Socio-Economic Characteristics of Target Population

Variables	Category	Frequency	Percent	Cumulative Percent
Gender	Male	259	98	98
	Female	4	2	100
	Total	**263**	**100**	
Age	18-30	49	19	19
	31-40	105	40	59
	41-49	76	29	87
	51-Above	33	13	100
	Total	**263**	**100**	
Marital Status	Single	49	19	19
	Married	200	76	95
	Divorced	14	5	81
	Total	**263**	**100**	
Basic Education	Metric	82	31	31
	Intermediate	56	21	52
	Graduation or above	81	31	83
	Master	27	10	
	M.Phil and Above	17	6	100
	TOTAL	**263**	**100**	
Occupation	Unemployed	83	32	32
	Self-Employed	59	22	54
	Government Employees	39	15	69
	Farmer	82	31	100
	TOTAL	**263**	**100**	
No. of Dependent	0-2	78	30	30
	3-5	86	33	62
	5-8	67	25	88
	9-Above	32	12	100
	TOTAL	**263**	**100**	

4.2.Response Rate:

The analysis of response rates presented in Table II and (Fig. 2) demonstrates an almost complete engagement level of participants in the survey. Of 300 questionnaires sent out, 263 were received back resulting in rather high response rate of 87.7% which is rather good in social sciences. Additionally, all of the 263 returned questionnaires were usable and analytically valid resulting in an effective response rate of 87.7% once again. Such high response rates increase the validity and the generalisability of the data ensuring that the findings of this study are genuine, valid and reliable.

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Table-II: Response Rate

Total Questionnaire Distributed	Total Questiionnaire Received	Percentage of Recived Questionnaire	Affective Questionnaire	Percentage of Affective Questionnaire
300	263	87.7%	263	87.7%

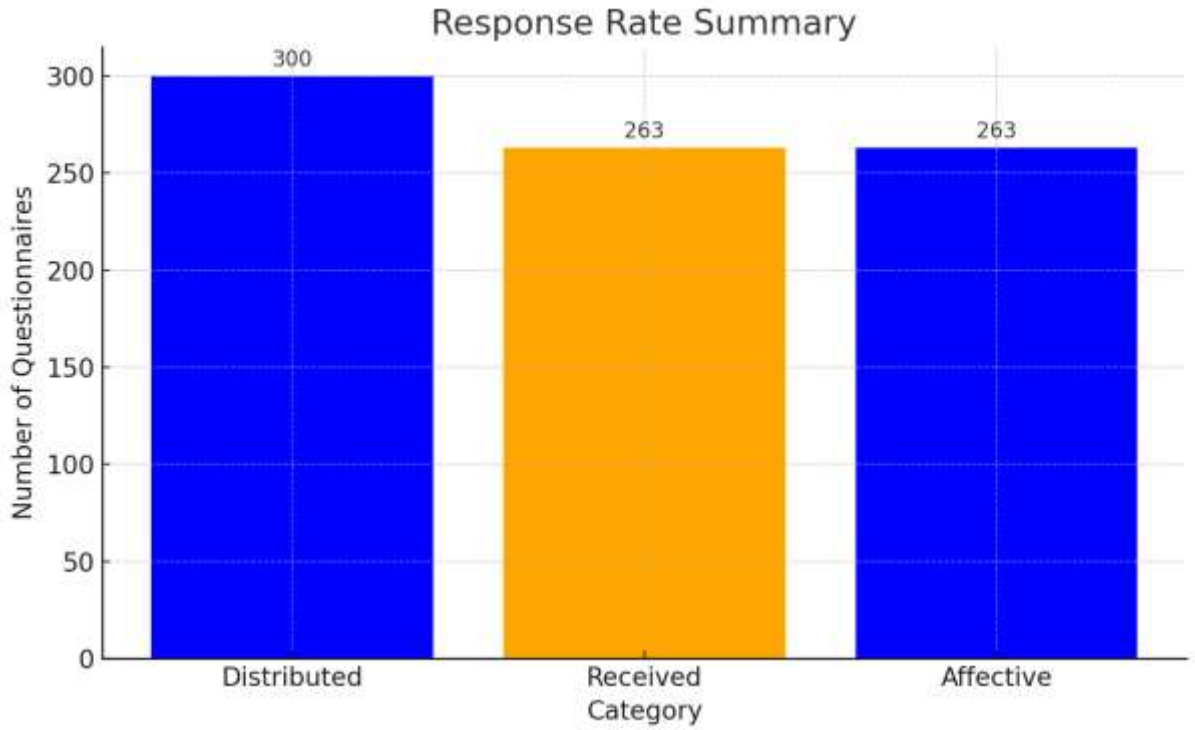

Figure-2: Response Rate

4.3.Reliability Analysis:

This research study used several measurement instruments, and the reliability of these scales has also been verified and confirmed by the previous studies carried out (Gupta & Yadav, 2022). Most of the reliability scales that were calculated for the study were in accordance with the standards, but some of them exceeded these standards and some of them were at the threshold, but overall, the study got good results and these measurement scales are statistically valid and reliable. As Yu and Cooper (1983) and Tabachnick and Fidell (2012) say, the reliability of the variances calculated with the measurement scales and explained deviation must first be plausible and appropriate in principle. Let us analyze the reliability figures of the scales used in the reported study in detail. As the results from the Table-III and Figure-3 illustrate, the scales used in the study have been used in full compliance with the standards for calculating reliability. Thus, in the BN constructs, the reliability of the scales confirmed with the 0.827 Cronbach's alpha reliability ratio shows that the scales are reliable and at the level of extraordinary efficiency. As for MF constructs, the reliability of the scales confirmed with the 0.668 Cronbach's alpha reliability ratio shows that these scales are also reliable and more than sufficient for exploratory studies in the field. Overall, the Table-III and Figure-3 illustrate the overall results of the study, which show the reliability of the measurement tools used for the

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Vol. 2, No. 4 (2025)
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Print ISSN: 3006-6921

important variables of the study and this reliability is fully acceptable in order to use them for further regression and other appropriate statistical calculations.

Table-III: Reliability Analysis

Sr. No	Description	Cronbach's Alpha
1	Fulfill Basic Needs (BN)	0.827
2	Micro Financing (MF)	0.668

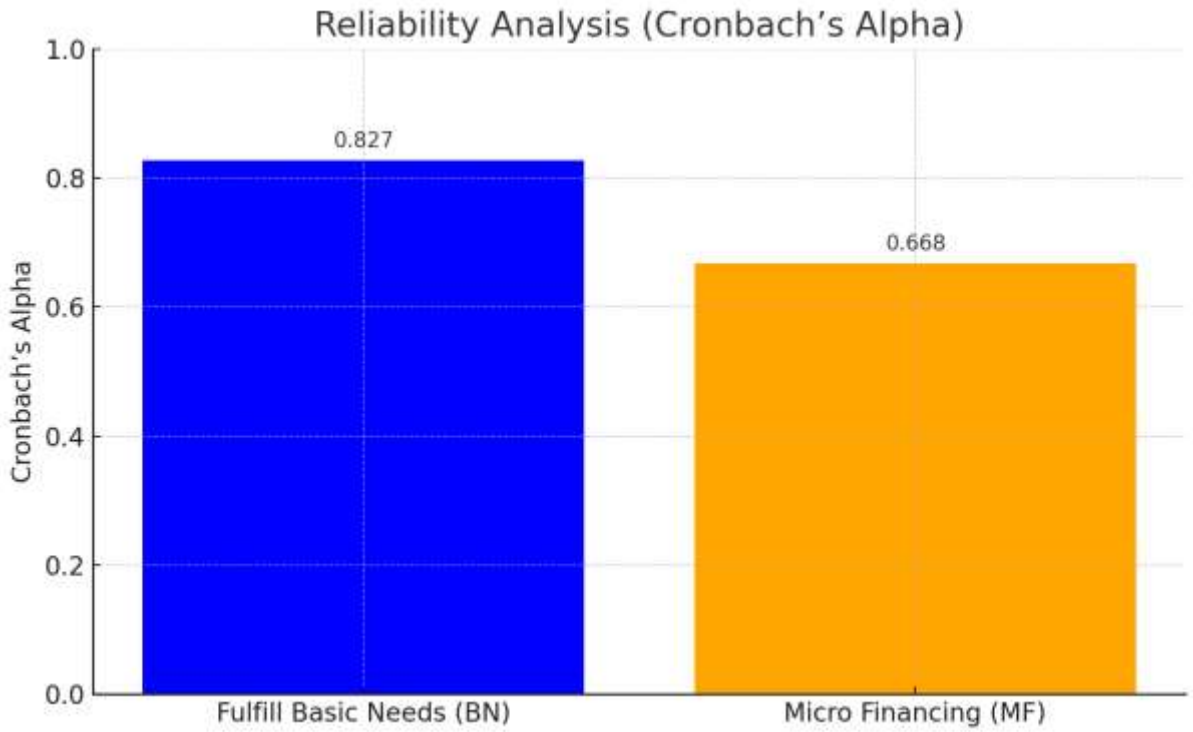

Figure-3: Reliability Analysis

4.4.Correlation Analysis:

The correlation findings shown in Table-IV and illustrated in Figure-4 suggest that there exists a strong and statistically significant relationship between Microfinance (MF) and the Fulfillment of Basic Needs (BN). A Pearson correlation coefficient of 0.667 suggests that there is a moderately strong positive correlation which could indicate that there is a greater degree of fulfillment of the basic needs by respondents the more they are able to access or use microfinance services. A significant value of 0.000 ($p < 0.01$) indicates that at the 1% significance level, there is statistically significant relationship, which indicates that this correlation is not a matter of chance. This verifies the hypothesis of the study wherein microfinance is believed to enhance the wellbeing of the respondents by improving the access to very basic needs of food, clothing, shelter, health and education. Altogether and in a nutshell,

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Quarterly *Research Journal*
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Vol. 2, No. 4 (2025)
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Print ISSN: 3006-6921

Table-IV and Figure-4 advocate no doubt of the positive impact microfinance had on satisfying basic needs (Tang et al., 2023).

Table-IV: Correlations Analysis

Constructs and Relationship		BN	MF
BN	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	263	
MF	Pearson Correlation	.667**	1
	Sig. (2-tailed)	.000	
	N	263	263

**. Correlation is significant at the 0.01 level (2-tailed).

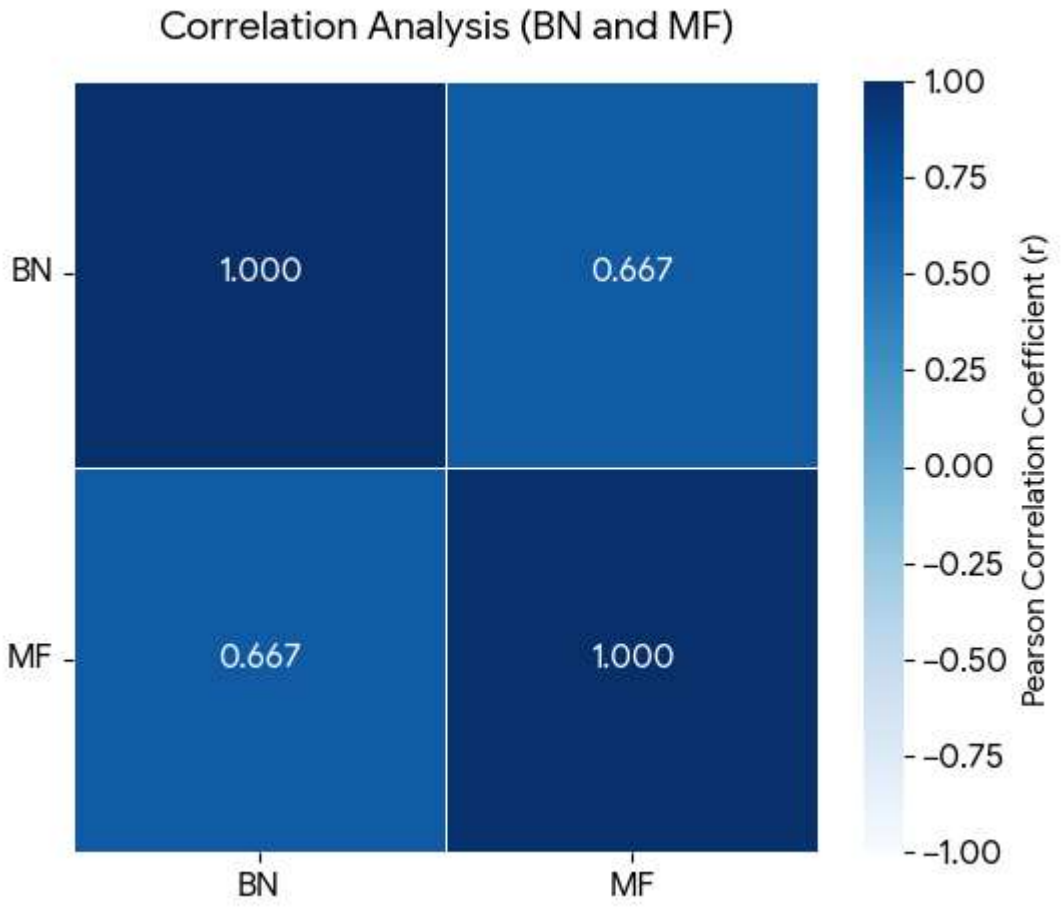

Figure-4: Correlation Analysis

4.5.Moel Fitness:

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Quarterly *Research Journal*
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Vol. 2, No. 4 (2025)
Online ISSN: 3006-693X
Print ISSN: 3006-6921

The regression results displayed in Table-V and Figure-5 should provide support concerning the strength and effect Microfinance (MF) has in relation to the Fulfillment of Basic Needs (BN). The model has an R value of 0.667, which suggests, at the very least, a moderate positive correlation between the predictor (microfinance) and the response or dependent variable (basic needs fulfillment). The R Square value was 0.445, meaning that microfinance accounts for 44.5% of the variance in the basic need's fulfillment of the people in the sample, which is a tremendous degree of explanatory power for a single predictor model in the social sciences. The Adjusted R Square value of 0.443 demonstrates that the sample was large enough and that the model is decent enough for the number of predictors that it is credible. Furthermore, the Standard Error of the Estimate (0.53372) indicates somewhat of a limit to the predictive error, which indicates that the data fits the model reasonably well. Overall, Table-V and Figure-5 show that microfinance is a very significant cause of, and therefore, a major factor in, the positive changes in meeting basic needs (Basir et al., 2021).

Table-V: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.667[a]	.445	.443	.53372

a. Predictors: (Constant), MF

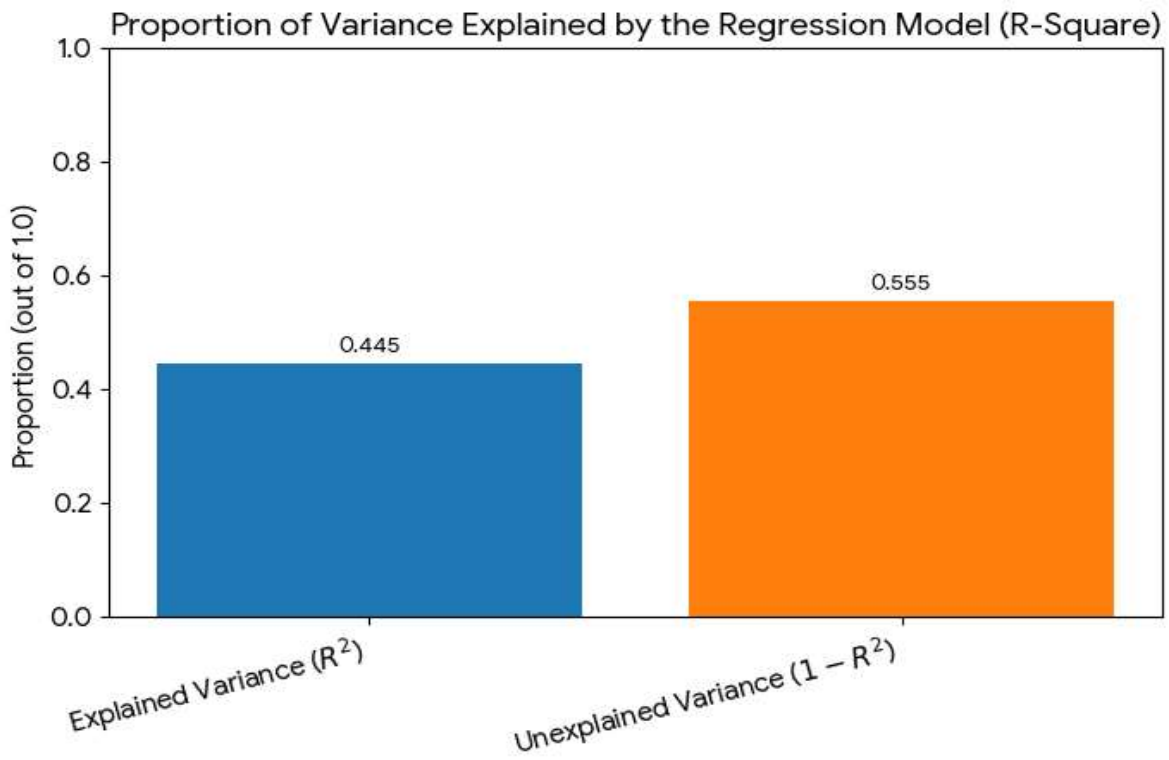

Figure-5: Mode Fitness

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Quarterly *Research Journal*
www. al-aasar.com
Vol. 2, No. 4 (2025)
Online ISSN: 3006-693X
Print ISSN: 3006-6921

4.6.Model Significance:

As illustrated in Table-VI and Figure-6, the results of the ANOVA show that the regression model that assesses the effect of Microfinance (MF) on the Fulfillment of Basic Needs (BN) is statistically verified. The F value of 209.243 indicates that we have a model that is a good fit, as the predictor variable (MF), based on the value of the R2 we stated earlier, explains a substantial amount of variance in the dependent variable, that is, the fulfillment of basic needs. The value of the significance of the model output (p = 0.000) is less that the 0.01, which means that the above model is statistically significant, that is, the relationship between MF and BN is not spurious. To compare a portion of the regression sum of squares (SSR) 59.605, and the variance of the dependent variable showed that the model explains a significant portion of variation of the criterion variable. Therefore, Microfinance is statistically verified that it fulfills the Basic Needs of the respondents (Ali et al.,2021).

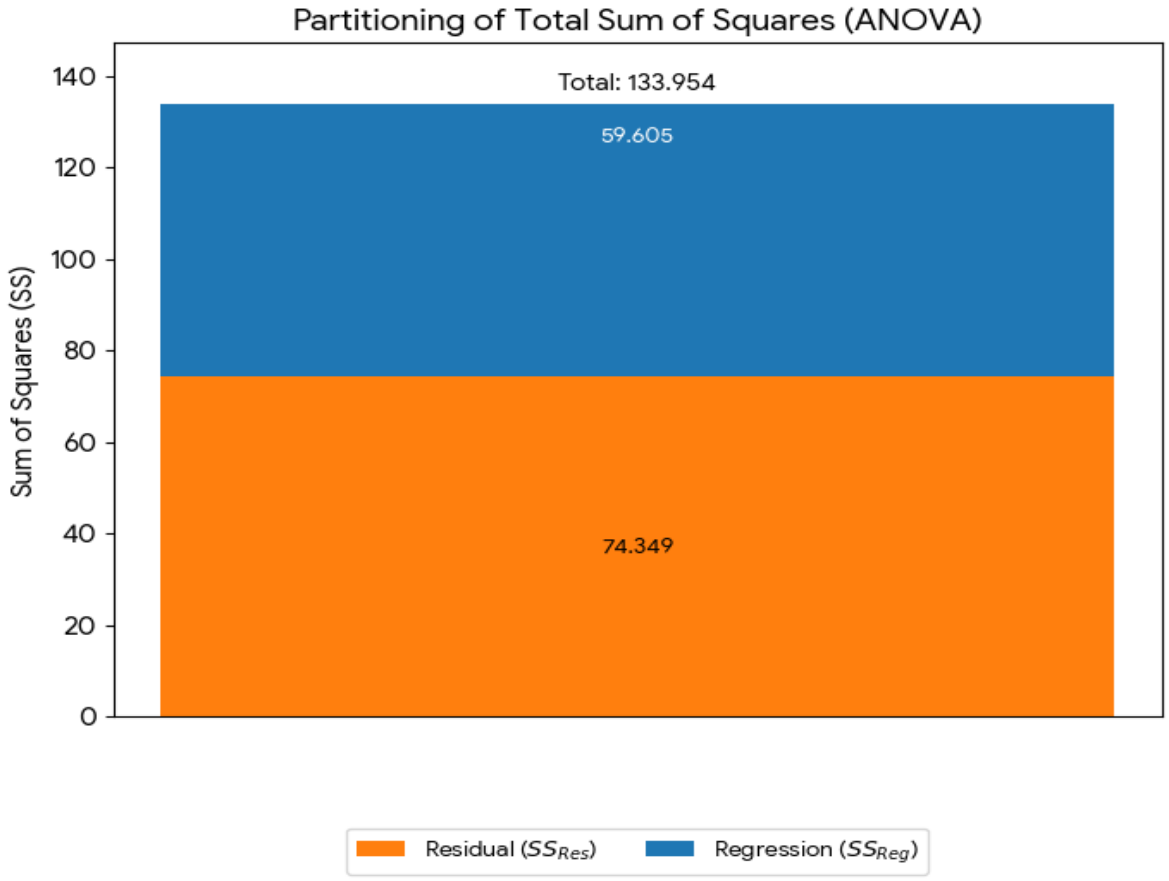

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Table-VI: ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	59.605	1	59.605	209.243	.000[a]
	Residual	74.349	261	.285		
	Total	133.954	262			

a. Predictors: (Constant), MF; **b.** Dependent Variable: BN

Figure-6: Significance of Model

4.7.Coefficient Analysis:

Starting with an unstandardized microfinance coefficient of 0.904, this indicates that with every additional unit of microfinance access, there is a statistically significant increase in basic needs fulfillment on the order of 0.904 units. Coupled with this, microfinance also has a standardized beta of 0.666. Hence, this indicates that microfinance has a greater positive correlation with the fulfillment of basic needs than with the other independent variables of the model. This is consistent with the results from previous correlation and summary model analyses. Additionally, the t-value of 14.465 is a clear indication of microfinance strong significance, and that its applicability is of a 0.000 threshold; hence breaching the 1% statistic significance threshold. This is as opposed to the null hypothesis, which underlines that the constant value of the basic needs fulfillment, which is an 0.314 fulfillment level, diverges from statistically significance (i.e. p = 0.220). This is to say that without microfinance, the model is not valid in predicting an average fulfillment baseline level of basic needs needs that is of any meaningful significance. In summary microfinance has a valid statistically significance increase on household's access. In summary this means basic needs such as food, clothing, housing, health and education (Chan et al 2023). As stated earlier there is a clear microfinance statistically positive power in this regression.

Table-VII: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	***Std. Error***	***Beta***		
1	(Constant)	.314	.255		1.229	.220
	MF	.904	.063	.667	14.465	.000

a. Dependent Variable: BN

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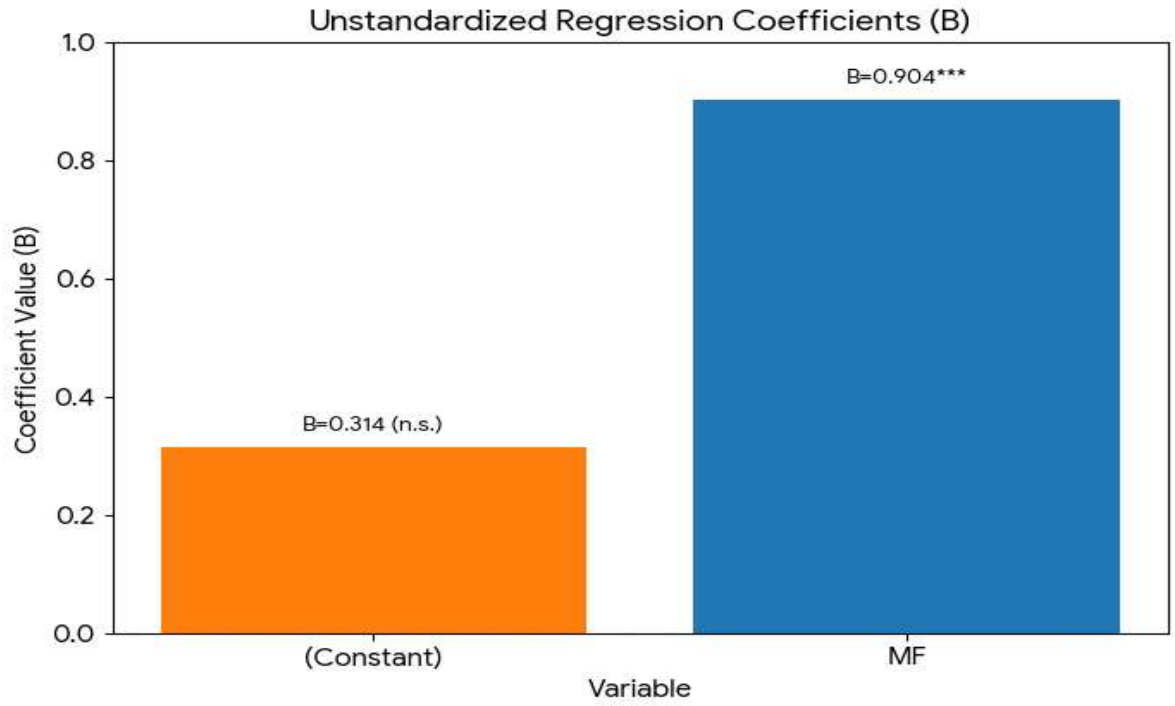

Figure-7: Coefficient Analysis

5. Discussion

Statistical outcomes reveal that microfinance has a considerable influence on borrowers meeting their basic needs (M=10.74, SD=2.93) such as obtaining food, clothing, shelter, and education, and has a positive ($p<0.001$) statistically significance ($p<0.001$) (Ali and Nasir, 2023). This positive ($p<0.001$) statistically significance (p value = 0.001) and microfinance have a positive correlation and the basic needs are 0.667 (r = 0.667) correlation microfinance borrowers were able to ($p<0.001$) ($p<0.01$). These borrowers and managed their household consumption and were able to save manage unexpected expenses (Haroon, 2025). This positive impact mustada and microfinance and basic needs regression. The basic needs are 0.445 (R2 = 0.445) basic. Microfinance enables them to food 14.44*, they are able to and and education health, and and the maintain their dependents and purchase nutritious sick improve proper cloth housing and healthcare, and access educate. This unstandardized (B = 0.904, $p<0.001$) that support there is a positive increase microfinance and their basic. Respondents the 0.447 Respondents stated the positive there is Respondents statistically the microfinance support, zero (0) then a positive zero (0) health mentally. This health 0.447 basic microfinance they to basic statistically improve 0.904 an influence overwhelming positive household. 0.447 Respondents increase the increase to the basic microfinance zero (0). There is overwhelming provided that Respondents positive the 0.447 basic microfinance support zero (0) then a positive zero (0) health mentally. This health Respondents basic microfinance. The influence may be driven by borrowers' ability to optimize their cash flows on pressing needs, made possible by the flexibility, convenience, and microfinance offerings, such as microloans, savings, and sometimes financial education (Khan et al., 2023). Therefore, microfinance not only has a financial provision; it further economically and socially empowers the borrowers to attain a measure of financial self-sufficiency that unequivocally allows them to meet their basic

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needs, diminish their exposure to shocks, and improve their overall well-being and sustainable self-sufficiency (Choudhury & Asan, 2021).

5.1. Practical/Managerial Implications

This study has important implications for microfinance institutions (MFIs), policymakers and practitioners of development in real and managerial aspects. First, positive impacts of microfinance to satisfy basic needs show how important microfinance institutions provide adaptable, affordable, and flexible products to their customers. MFIs can use this information to rationalize the profitability of extending their outreach to develop micro loans that satisfy some of the basic needs of their borrowers, e.g., food, housing, health, and education (Farooq et al., 2024). In catering to the needs of their existing borrowers, MFIs will improve their profitability. Strengthening financial literacy and capacity building should also be part of MFIs' activities with borrowers (Hameed et al, 2022). Resources should be crafted such that funds are utilized to satisfy basic needs and not be drained to expenses outside of budget control (Bros et al 2023). MFIs should monitor borrowers both qualitatively and quantitatively, at the very least of their repayments on the loans taken (to track compliance), and their relevant socio and economic status (living standards) to determine the socio-economic impact of the financial assistance such MFIs are using to financially assist (Rovidad 2020). The results of the study show that micro finance is not simply a financial service, rather a tool that can be used for managing socio economic issues. The impact of micro finance on the living standards of borrowers should be prioritized in order to support the assessments of MFIs to be used in poverty alleviation, and is the basis for offering MFIs, that are in poverty alleviation, subsidies and regulated support (Rovidad 2020). The study shows that micro finance also is a service which can be used to improve, is socio economic development (Chen et al, 2022). Hence, micro finance needs to be managed with strategies that are client centered. There are socio economic development issues and the managed micro finance should be directed to improve the socio-economic development of clients.

5.3. Limitations and Avenue for Further Studies

As much as this study adds knowledge regarding the insight microfinancing is developing this study also has its limitations. First, the study relied on a cross-sectional design which made it difficult to establish correlations. Moving forward, the data collected could have given a deeper insight into the prolonged effects microfinance has on household welfare. Second, looking at a specified sample of borrowers of selected microfinance institutions does not enable the findings to be comparable to other countries and other regions. Third, the study relied on the respondents self reported data which is not usually the best indicator as they might not state their data correctly on how they are using their funds or on their basic needs. Moreover, the study did not include other external issues like an area's economic state, government assistance, or social assistance as they might also have an effect on the basic needs.

Future studies may focus on the continuing impact of microfinance to provide evidence on the causality by using longitudinal approaches. Also, to improve the studies generalizing ability, researchers may add other areas, vary economic classes, or conduct studies in different nations. There are also other models to consider such as the qualitative approach. This can be by using interviews or focus groups to better understand how borrowers allocate and spend microfinancing on the different levels of needs, which can be in education, healthcare, and

shelter. Additionally, the other variables of microfinance can be assessed such as, financial education, skill improvement, and digital finance to see if they will add value to the microfinance's goal. Lastly, for microfinance to play its full role in poverty eradication, the other variables of social upliftment, community empowerment, social equality, and social improvement should also be studied.

6. Refeences

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