



Women, Finance, and Growth: Evidence from the DanaNITA Financial Program

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Abstract. Access to financing continues to pose significant challenges for women entrepreneurs, particularly in developing countries. In response, the DanaNITA program by Majlis Amanah Rakyat (MARA) was established to support Bumiputera women entrepreneurs through targeted financial assistance aimed at improving business performance and household income. This study examines the effectiveness of DanaNITA program using quantitative method from 207 women entrepreneurs across various business sectors in Malaysia. Data was collected through a structured survey to compare key business indicators—such as sales, profit, employment, and household income—before and after receiving the financing. The study is guided by the Resource-Based View, which positions financial capital as a valuable external resource that can enhance internal business capabilities. The findings indicate positive changes in several areas of business performance, including profit, employment, and household income, following the receipt of DanaNITA financing. However, improvements in sales performance were more varied, suggesting the need for additional support mechanisms beyond funding alone. This research offers practical insights for policymakers and program designers, emphasising the need for complementary support services such as marketing assistance and advisory guidance alongside financial aid. It also contributes to the broader discourse on inclusive entrepreneurship and provides a foundation for strengthening women-targeted financial programs in Malaysia and beyond.

Keywords: Financial Assistance, Business Performance, Resource-Based View, Entrepreneurs.

1 Introduction

Women entrepreneurs play a vital role in the economic development of nations, particularly in developing countries where inclusive growth and poverty reduction remain national priorities (Endut, 2024; Paoloni & Sevilla-Guzmán, 2025). However, access to financing continues to be a major barrier that limits the potential of women-owned micro and small enterprises (UNCTAD, 2021). Despite growing interest in female entrepreneurship, many women still face structural challenges such as limited collateral, lack of financial literacy, and institutional biases that hinder their access to formal credit

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systems (Andriamahery & Qamruzzaman, 2022). In Malaysia, the government has launched various initiatives to support women entrepreneurs, including the DanaNITA program under the auspices of Majlis Amanah Rakyat (MARA). DanaNITA provides financial assistance to Bumiputera women entrepreneurs with the aim of enhancing their business capacity, generating employment, and improving household income (Sharif, 2024). The program not only delivers capital but also includes training and guidance elements to ensure more sustainable outcomes (DanaNITA, 2025).

Despite these efforts, there is limited empirical evidence evaluating the actual outcomes of such programs. Previous studies in Malaysia have primarily focused on microfinance impacts at the household level (Mandy, 2023; Thapa & Chowdhary, 2022), with fewer examining structured government initiatives such as DanaNITA. As the Malaysian government intensifies efforts to empower women under its Shared Prosperity Vision 2030, assessing the effectiveness of financing programs becomes increasingly important for policy calibration.

This study evaluates the impact of DanaNITA on selected business outcomes—namely sales, profit, employment, and household income—among Malaysian women entrepreneurs. Drawing on the Resource-Based View (RBV), which views financial capital as a key external resource for business growth (Barney, 1991). The study uses a quantitative design to examine changes before and after receiving the funds. The findings are intended to support data-driven policy decisions and enhance the effectiveness of women-targeted financial programs in Malaysia.

2 Literature Review

Access to finance is widely recognized as a critical determinant of entrepreneurial entry, firm survival, and business growth. However, extensive research documents persistent gender disparities in access to financial resources, with women entrepreneurs facing greater constraints than men, particularly in developing and emerging economies (Emeordi et al., 2023; Eton & Nkamusiima, 2023; Malmström et al., 2024).

2.1 Barriers to Women's Access to Finance

Women entrepreneurs face significant challenges in accessing formal financial institutions due to both demand-side and supply-side constraints. Traditional lenders typically require collateral, asset ownership, and established credit histories—resources that women are less likely to possess because of historical inequalities in income, employment, and property rights (Emeordi et al., 2023; Malmström et al., 2024). Meta-analytic evidence further shows that female entrepreneurs experience higher loan rejection rates and less favorable lending conditions than male entrepreneurs (Malmström et al., 2024).

These financial constraints are exacerbated by institutional and regulatory barriers in developing-country contexts, where bureaucratic inefficiencies and gender inequality embedded in legal and financial systems restrict women's access to capital (Eton &

Nkamusiima, 2023). Socio-cultural norms further limit women's entrepreneurial activities by prioritizing household responsibilities over business engagement, particularly in rural and conservative settings (Ergün et al., 2024; Warsame et al., 2025).

In addition, low levels of financial literacy and limited familiarity with financial products reduce women's ability to navigate financial systems effectively, constraining both access to finance and business performance (Lestari et al., 2025). These constraints are often compounded by limited access to inclusive financial services, especially in developing economies (Paoloni & Sevilla-Guzmán, 2025).

2.2 Financial Interventions

In response to these barriers, alternative financial interventions have been implemented to improve women's access to entrepreneurial finance. Microfinance institutions have played a significant role in expanding access to credit for women entrepreneurs excluded from conventional banking systems by offering smaller loans and flexible repayment mechanisms (Hameed et al., 2024; Kato, 2023). However, evidence suggests that while microfinance improves access to finance, its impact on sustained business growth remains mixed without complementary support such as training and market access (Kato, 2023).

Despite extensive research on financial barriers and interventions, there remains limited empirical evidence evaluating government-led, women-targeted financial programs in developing countries that assess both business performance and household-level outcomes. Existing studies also suggest that financial support alone may be insufficient to generate sustained improvements without complementary interventions addressing capability development and institutional constraints (Kato, 2023; Lestari et al., 2025).

2.3 Theoretical Framework: Resource-Based View (RBV)

The Resource-Based View (RBV) posits that firms gain competitive advantage by acquiring and effectively utilizing valuable, rare, and inimitable resources (Barney, 2001). In small and micro enterprises, particularly those led by women in developing countries, financial capital is often the most limited yet critical resource. Without access to adequate funding, business growth, innovation, and operational sustainability remain constrained (Brush et al., 2019). From the RBV perspective, DanaNITA functions as a strategic external resource that supports internal business development, such as increased production, hiring, and improved service delivery. These improvements are expected to enhance performance results, including profit, employment, and household income.

However, RBV also suggests that resource impact varies across firms based on internal capabilities. Entrepreneurs with better skills, networks, or support systems may utilize the funding more effectively than others (Barney, 2001). Therefore, combining financial assistance with complementary services like training and mentoring is essential for sustained performance.

3 Methodology

3.1 Research Design

This study employs a quantitative one-group pretest–posttest design to evaluate the impact of the DanaNITA financing program on business performance among Bumiputera women entrepreneurs in Malaysia. This design is suitable for measuring changes over time in a single group of participants before and after an intervention, without the use of a control group (Creswell & Creswell, 2022).

3.2 Population and Sampling

The population for this study consists of women entrepreneurs who received financing from DanaNITA. A total of 207 valid responses were collected through purposive sampling. Respondents were selected from various sectors, including food and beverage, services, lifestyle, and automotive. All participants had received financial support from DanaNITA and operated registered businesses in Malaysia.

3.3 Data Collection Instrument

A structured questionnaire was developed and distributed via online channels. The instrument consisted of three sections:

- Section A: Demographic and business profile (e.g., age, education, state, business sector, and years in operation);
- Section B: Business performance indicators before DanaNITA financing (sales, profit, number of employees, household income);
- Section C: Business performance indicators after DanaNITA financing.

3.4 Data Analysis

The collected data was cleaned and analyzed using SPSS version 26. Descriptive statistics (mean, median, frequency) were used to summarize demographic data and business performance indicators. To determine the statistical significance of changes in performance before and after the financing, paired sample t-tests were conducted for the four main variables: annual sales, net profit, number of employees, and household income.

In addition, Cohen's *d* was calculated to determine the effect size for each variable, offering insight into the magnitude of the observed differences. Effect sizes were interpreted using standard thresholds (small ≥ 0.2 , medium ≥ 0.5 , large ≥ 0.8) as suggested by Cohen (2013).

4 Result

4.1 Respondent Profile

This study involved 206 Bumiputera women entrepreneurs who participated in the DanaNITA financial program across Malaysia. The distribution of participants shows that Sabah recorded the highest number of entrepreneurs (24), followed by Johor and Sarawak with 23 participants each. Other notable representations include Selangor and Kedah (19 each), Terengganu and Melaka (18 each), while Perlis recorded the lowest with six participants.

Most respondents were aged 29–38 years (39.3%), followed by 39–48 years (35.5%), 49–60 years (15.5%), and 18–28 years (9.7%). The majority were married (84%), while 8% were single and 8% were single mothers.

In terms of business ownership, 93.7% of participants operated as sole proprietors, 3.4% managed private limited companies, and 2.9% were involved in partnerships. The main business sectors were food and beverage (40.8%), services (37.9%), and lifestyle (19.4%), with a small proportion (1.9%) engaged in the automotive sector. The demographic and business characteristics of the participants are summarized in Table 1.

Table 1. Demographic Profiles.

Variable	Level	Percentage
Marital status	Single	8
	Married	84
	Single Mother	8
Age Range	18 – 28	9.7
	29 - 38	39.3
	39 – 48	35.5
	49 – 60	15.5
Business Ownership	Sole Proprietorship	93.7
	Private Limited	3.4
	Partnership	2.9
Business Sector	Food & Beverage	40.8
	Services	37.9
	Lifestyle	19.4
	Automotive	1.9

4.2 Business Performance Before and After DanaNITA

Table 2 summarizes key business performance indicators before and after receiving DanaNITA financing. The data show clear improvements in net profit, employment, and household income, suggesting positive outcomes from the program. For example,

the average net profit nearly doubled, and the average number of employees increased from 1.83 to 2.93, indicating business expansion. However, changes in annual sales were less consistent. Although the mean sales increased substantially, the gap between mean and median values suggests the presence of outliers—a few businesses with exceptionally high sales—skewing the average.

Table 2. Business Performance Before and After DanaNITA

Indicator	Mean Before	Mean After	Median Before	Median After
Annual Sales (RM)	647,089	1,092,311	45,000	60,000
Net Profit (RM)	65,445	121,885	13,100	20,500
Employees (count)	1.83	2.93	1	2
Household Income (RM)	104,937	138,663	18,000	29,000

4.3 Statistical Analysis

Paired sample t-tests were conducted to assess the significance of performance improvements. Effect sizes were assessed using Cohen's *d*. Table 3 summarizes the results.

Table 3. Paired Sample t-Test and Effect Size

Indicator	Mean Difference	<i>t</i> Value	<i>p</i> -Value	Cohen's <i>d</i>	Interpretation
Annual Sales (RM)	+RM 445,221	1.14	0.254	0.08	Not significant
Net Profit (RM)	+RM 56,441	2.04	0.043	0.14	Significant (small)
Employees (count)	+1.09 persons	6.50	<0.001	0.45	Significant (medium)
Household Income (RM)	+RM 33,726	2.52	0.012	0.18	Significant (small)

The results indicate that profit, employment, and household income all significantly increased after receiving financing. The most substantial effect was seen in employment growth, underscoring DanaNITA's role in promoting job creation. However, the increase in annual sales was not statistically significant, likely due to high variability among businesses. This suggests that recipients experienced varying financial outcomes, influenced by differing market conditions and internal business factors.

5 Discussion

The findings of this study provide valuable insights into the effectiveness of the DanaNITA financing program in supporting Bumiputera women entrepreneurs in Malaysia. The positive changes observed in profit, employment, and household income reflect the program's role in enhancing entrepreneurial outcomes among its beneficiaries.

5.1 Interpreting the Impact of DanaNITA

The significant increase in net profit following receipt of DanaNITA funds suggests that the financial assistance was used to enhance operational capacity – through improved inventory, better production tools, or expansion of services. This aligns with the RBV, which posits that financial capital, when effectively deployed, can enhance internal business capabilities and provide competitive edge (Barney, 2001). In the case of DanaNITA recipients, this may have been translated into improved cash flow management, better inventory planning, or greater production efficiency.

The most notable improvement was observed in the number of employees, indicating that the financing enabled entrepreneurs to expand their workforce. This is a particularly relevant outcome for public programs, as employment generation contributes directly to local economic development. It also reinforces the argument that small-scale financing can have a multiplier effect beyond the individual business owner (Nawai & Mohd Shariff, 2013).

Furthermore, the improvement in household income reflects the dual role of women entrepreneurs as both business owners and household providers. This outcome highlights the ripple effect of financial empowerment—where business gains translate into better living conditions and family welfare (UNCTAD, 2021).

5.2 Sales Variability and Non-Significant Change

Despite positive changes in other areas, annual sales did not increase significantly. This result could be due to variability in how the funds were used, differences in market conditions, or the limited scale of some businesses. Some participants may have used the funds for equipment upgrades or debt repayment rather than immediate sales-generating activities. This finding indicates that access to financing alone may not be sufficient for consistent revenue growth.

This result underscores the importance of non-financial support, such as marketing assistance, post-loan advisory services, and financial literacy training, which could help entrepreneurs maximize the revenue potential of their businesses. As financial capital alone may not guarantee sales growth, a more holistic approach is needed to drive long-term success.

6 Conclusion

This study concludes that DanaNITA financing has a positive impact on the business and socioeconomic outcomes of women entrepreneurs in Malaysia. Specifically, the program has contributed to improved profitability, employment, and household income. These results validate the importance of financial capital as a strategic resource, consistent with the Resource-Based View, and highlight the program's potential in advancing gender-inclusive economic growth. These findings reinforce the value of public financing schemes in promoting gender-inclusive economic development, especially among small, women-led enterprises operating in resource-constrained settings.

However, the study also highlights that financial assistance alone is insufficient to guarantee sustained business growth. The limited improvement observed in sales performance suggests that beneficiaries may face challenges in areas such as marketing, digital visibility, or business strategy. To address this gap, it is crucial for financing programs like DanaNITA to be embedded within a broader entrepreneurial support ecosystem.

For long-term effectiveness, such programs should integrate sustained mentorship, tailored training, and sector-specific advisory services. Addressing the unique needs of different industries—such as retail, food, or services—can improve relevance and outcomes. Furthermore, institutionalizing best practices like simplified application processes, continuous monitoring, and integrated market access would enhance program scalability.

DanaNITA serves as a strong example of inclusive financing that can be adapted and expanded to other regions and contexts. Future research should examine the long-term impacts of such support, explore variations across sectors, and assess how complementary non-financial interventions can enhance the success of public financing schemes for women entrepreneurs.

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