

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Microfinance, also called microcredit, is a type of banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services. The goal of microfinance is to ultimately give impoverished people an opportunity to become self-sufficient. Microfinance services are provided to unemployed or low-income individuals because most of those trapped in poverty, or who have limited financial resources, do not have enough income to do business with traditional financial institutions.

Microfinance is the provision of financial services to low income clients who traditionally lack access to banking and related services. It is a form of financial development that has primarily focused on alleviating poverty through providing financial services which help poor to take up income generating activities and secondly it focuses on women empowerment.

Microfinance has emerged as an economic development approach to benefit low-income section of the society. Microfinance is a kind of service products viz. savings, credits, training, insurance and social intermediation services such as group formation, development of self-confidence, training in financial literacy and management capabilities among members of a group. Microfinance is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services.

Women, especially poor mothers, must divide their time between work "productive role" and family "reproductive role", and balancing all the demands. Time is valuable for these women, as their livelihoods depend largely on their ability to fulfil the multiple demands of the household and the marketplace. In spite of the remarkable importance of women's participation, their jobs have been considered as an "extra income" to family survival or simply to improve its living conditions. Moreover, micro enterprises owned by women have been considered as a way to meet primary needs instead of a profitable source of income.

Chaudary and Nosheen (2009) women empowerment is one of important issue of present day development policies in developing countries. Since empowerment is multidimensional concept, it is determined by many socio economic factors and cultural norms. The author attempts to explore the determinants of women empowerment using regression analysis. The data were collected from district of southern Punjab, especially from rural urban and tribal areas. The status of women is much more vulnerable in rural and tribal areas and they have very limited access to all basic facilities. The sample selected for survey by using stratified random sampling and all respondents belonging to the age group of 14-65 years. For women empowerment measurement four indices are developed in making a cumulative index. The results show that age, married women and women having Islamic view have statistically positive impact on women empowerment.

Cheston and Kuhn (2002) stated that microfinance programs have been potential to transform poor relation and to empower women especially by using case study of Sinapi Aba Trust. Although women access to financial resources has substantially increased yet loans given to women differ in sizes. In spite of this, just financial help not enough to empower women and improve wellbeing but if they are properly designed then they make important contribution to women empowerment. The writer explains empowerment indicators and measurement techniques. The contribution of micro insurance, saving to empowerment, technology transfer through microfinance institutions, the relationship between microfinance program, empowerment, family planning and cultural norms are exist. He describes different theories of targeting women. Microfinance plays a major role in gender and development strategies because of its direct relationships to both poverty alleviation and women. As women are the poorest of the poor so greater financial security allows the women to become more empower in household and community affairs. As women spend most of their income on their family needs particularly children's education, diet, health care and clothing. Proponents of targeting women argue that women repayment record is good and their behavior is more cooperative than men. Access to financial resources does not alone empower women but also access to material (credit, property, and money), human and social resources (education, business). Empowerment is culturally relative term; it is itself not a western concept. Microfinance affect women's ability or decision making and self-confidence which is closely linked with knowledge,

women's status and gender relations at home. Microfinance program strengthen women's economic autonomy and gives them means to pursue nontraditional activities. Through these programs women escaped from abusive relationship. Purdah also confines their activities to their homes. Mobility has also increased. Microfinance programs impact also on political empowerment and women's right.

Micro finance can contribute to solving the problems of inadequate housing and urban services as an integral part of poverty alleviation programmes among women. A promising solution is to provide multipurpose lone or composite credit for income generation, housing improvement and consumption support. Consumption loan is found to be especially important during the gestation period between commencing a new economic activity and deriving positive income.

Empowerment can be viewed as means of creating a social environment in which one can make decisions and make choices either individually or collectively for social transformation. It strengthens the innate ability by way of acquiring knowledge, power and experience (Hashemi Schuler and Riley, 1996).

Empowerment is the process of enabling or authorizing individual to think, take action and control work in an autonomous way. It is the process by which one can gain control over one's destiny and the circumstances of one's lives. Empowerment includes control over resources (physical, human, intellectual and financial) and over ideology (beliefs, values and attitudes) (Baltiwala, 1994).

According to (Cheston, 2004), women tend to have higher saving ability and repayment of loan is higher than men. It is stated that rural poor women despite of being illiterate, work on group base and guarantees rather collateral. They focus not only in investing opportunities for income but also manages risks against emergencies and planning for their kids' future and family members. They therefore value saving and are more careful about investment decision which helps to continue business for long term.

Working women contribute to national income of the country and maintain a sustainable livelihood of the families and communities, throughout the world. As they

face many socio- cultural attitude, legal barriers, lack of education and personal difficulties.

Empowerment literally means making someone powerful; facilitating the weak to attain strength, enabling someone to confront injustice and oppression. Empowerment is a process which makes the powerless to acquire and control over power through awareness, capacity building, participation in decision making, acquiring information, attaining confidence and self-employment.

Micro finance as a tool of poverty reduction and women's economic empowerment is gaining an extensive recognition. The gender inequality there is a considerable reason to target women for their economic empowerment. The World Bank has remarked that the societies that categories on the basis of gender have slower economic growth, greater poverty, weaker control and a lower standard of living. Micro Finance playing an important role in introducing several innovative financial services to the poor. Microfinance is helping women in strengthening economic roles by empowering them. MFIs are considering women as a preferred client because their income benefits their families in terms of health, education and wellbeing. It is also an observed fact that women have higher repayment rates in comparison to male.

Women's perspectives and needs must be fully integrated into all training and social and infrastructure provision. Gender awareness is obviously central to any empowerment strategy but is often one of the first things to be cut under pressure for financial self-sustainability. Gender awareness may in fact be more effective when fully integrated with other programmer services for both women and men e.g. all organizational training, skills training.

1.2 Statement of the Problems and Research Questions

In the developing countries like Nepal are still traditional and socio-cultural beliefs which have limited women's participation in the economy. There is limited access of resources for development. However, it is seen and believed in the current situation that if women are empowered both at the economic and social level than they can play a meaningful role in economic development of a country.

The provision of micro-credit facilities helps in the empowerment of women. The decision for the credit and further use of the funds can be increased after participation in the microfinance program Hashemi, Schuler & Riley (1996). Credit facility helps the women in making major decisions.

Males and females are two wheels of same cart, but in practice we cannot get such consideration. They are ignored in every aspect. Plans or policies consisting women supporting concept are only focusing few aspects of women which are not sufficient to empower women. They are not allowed to take decision though the decision is related to them.

The opportunity to save rather than access to credit would lever the poor out of poverty (Holvoet, 2005). The ability and opportunities to save also serve as protection against illness, occasional, unemployment, and opportunities for income generating activities which can help in the ownership of assets as a whole.

Their mobility is made limited by social and family related barriers. So, they do not know about the global movement, which can be beneficial to learn some new idea to improve their comprehensive aspects. They are not allowed to take part in any program by their own desire.

In order to reduce these facts, Microfinance could be helpful to those people who have no collateral, but willingness, desire and capacity to work for the improvement of their living standard and generating income from small-scale business. Hence the study will be focused to access the performance and impact of microfinance programs on the capacity building on decision making power of women

Most of the Nepalese women, lack skill and experiences to do new things, it is so, because of illiteracy and lack of proper supports. In rural area of Nepal, the main role of women is to look after the household and bring up children. If wives want to do something new like business, services their husband and other family member restrict them. So, study deals with above maintained obstacles of rural women. After getting support on their doorstep how they react it, is shown by the result of the work. The study has following research questions.

- i. What is the impact of microfinance in women empowerment on household wellbeing's such as nutrition, health and education?
- ii. What is the impact of microfinance in women empowerment on economic empowerment such as income under women control, improve in decision making, women economically empower and living standard?
- iii. What is the impact of microfinance in women empowerment on social and political empowerment such as women network and mobility, social development and awareness about political?

1.3 Purpose of the Study

The general objective of the study is to examine the empowerment of women through micro finance. The following specific objectives has be achieved in order to achieve the general objective of this research are as follows:

- i. To analyze the impact of women empowerment through microfinance on household wellbeing of women.
- ii. To examine the impact of women empowerment through microfinance on economic empowerment of women.
- iii. To assess the impact of women empowerment through microfinance on social and political empowerment of women.

1.4 Significance of the Study

This study has contribute to existing women empowerment on microfinance. The study is conducted in Nepal, where awareness about importance of women empowerment is in increasing trends. That means this study helps to attract policymakers, researchers, and other people to know and research on the role of women empowerment through microfinance. This study highlighted to analysis the status of role of women empowerment through microfinance in pyuthan municipality, Pyuthan district which provide good opportunity to analyses the condition of women role of microfinance through microfinance in pyuthan municipality, pyuthan district. This study helpful to stakeholders, Nepal Rastra bank to develop and implement the women literacy program. Similarly, this study will be helpful to financial institutions to lunch different schemes and program. To the researcher for further research by taking more variables than this study and to the general public to see their status of the role of women empowerment through microfinance and take necessary action to

improve the women empowerment if necessary. The significance of the study lies on that, and try to explore the impact and service of micro financing project for small farmers.

1.5 Limitations of the Study

There are different models of micro finance program in Nepal. The study limited to the study of Microfinance institutions. Following are the limitation of the present study:

- i. The overview of the study has taken into consideration take of Microfinance Institutions. So, finding of this study cannot be generalized.
- ii. Questionnaire method has been used to collect the data.
- iii. Only these tools (Mean, Standard Deviation, Correlation Analysis and Regression Analysis) has been used.
- iv. This study only focus on three variables of micro finance services (household wellbeing, economic empowerment and social and political empowerment) other remaining services are not focus of the study.
- v. The study is based on the opinion expressed by microfinance clients; the reliability of the study depends upon the answer given by them.
- vi. Study is based on the sampling method which can only study women members where 120 members are studied.
- vii. The study focus to access the effect of microfinance program carried out for only women empowerment impact other aspects such as political aspect and legal aspect are negated.
- viii. This study mainly focused on microfinance development bank, categorized under D class by NRB and NGO model of microfinance.

1.6 Chapter Plan

The study is divided into five chapters.

Chapter I: Introduction

This chapter explains background of the study, statement of the problem, objective of the study significance of the study, research hypothesis and limitation of the study.

Chapter II: Review of Literature

This chapter includes review of literature which incorporates the theoretical review, the review of previous studies, conceptual framework and research gap.

Chapter III: Research Methodology

This chapter includes research design, justification for the selection of the unit, population and sample size, Nature and sources of data, data collection procedures, data processing and Analysis tools.

Chapter IV: Result

In this chapter the presentation and analysis of relevant data and applying various statistical tools, Tables and graphs are also interpreted to accomplish the objective of the study. This chapter also includes data presentations, data analysis and major findings of the study.

Chapter V: Conclusion

This is the final chapter which deals with summary, conclusion and implications, reference and appendices also be attached at the end of the study.

CHAPTER II

LITERATURE REVIEW

2.1 Conceptual Review

Microfinance is a part of development finance rural or urban targeted toward specific groups of people male or female falling in the lower bracket of society. Microfinance is a program which provides opportunities to those who are usually considered non-bankable due to poverty, lack of sufficient property for the collateral purpose and do not have capacity to save small amount of money, receive loan at their doorsteps without collateral in a very simple way which can be seed to build their economic foundation and empowerment.

MF is a powerful instrument for poverty alleviation. It enables the poor to take advantage of existing opportunities, buildup their assets generate self-employment develops micro enterprises raise income level buildup self-confidence, and self-esteem improves purchasing power, empowers women and enhances overall economic growth, enhances domestic saving and provides escape route from poverty (Shrestha, 2001). In Nepalese context, even MF has been proven as effective and efficient mechanism in poverty reduction, endeavor most of MFIs have become unable to reach the ultra-poor due to inability to identify and measure them on the other hand improving access to financial services has been commonly viewed as strong tool to fight against poverty, however the outreach of Formal Sector Credit Institutions (FSCI) has been concentrated due to high cost of their services delivery (Upadhayaya, 2001). Nevertheless MFI pursue the activities to promote the interest of the poor by providing basic services and contribute to increase in outreach sustainability and effectiveness.

Empowerment is a process that emerges from people themselves. Only concerned bodies, organization etc. can empower themselves to make choice or to speak out on their own behalf. The role of development workers is to provide tools (information, awareness, leadership, training, etc) to support the empowerment. There are not magical recipes. Each context is specific and development workers must be able to analyze and identify what could be more efficient in each situation. However, empowerment needs usually a combination of different actions.

Women's access to savings and credit gives them a greater economic role in decision making through their decisions about savings and credit. When women control decisions regarding credit and savings, they optimize their own and the households welfare. The investment in women's economic activities will improve employment opportunities for women and thus have a 'trickle down and out' effect. The financial sustainability and feminist empowerment paradigm emphasize women's own income-generating activities. In the poverty alleviation paradigm, the emphasis is more on increasing incomes at the household level and the use of loans for consumption. In the feminist empowerment paradigm, individual economic empowerment is seen as dependent on social and political empowerment.

(i) Household wellbeing

Microcredit is widely recognized to be a crucial development approach to poverty reduction, household welfare improvement, and women empowerment. The main targets of microcredit program are poor households who are unable to gain a loan from banks because they cannot offer physical collateral credit. Most of microfinance institutions (MFIs) target women because the majority of the poor in the world are women and they are subjected under the control of males (Kabeer, 2012). In addition, women borrowers are trustworthy in loan repayment compared to men (Bruton, Khavul, & Chavez, 2011). The underlying logic is that by extending a small loan to deprived women, they will be able to start-up their small businesses and gain returns. Accordingly, they will be able to support their families' expenditure and participate in household decision-making.

Microcredit has been broadly documented as an effective financial tool to address household welfare and women empowerment, especially those who live in poverty and cannot access into formal financial lenders due to their economic vulnerability. However, the literature delivers contradictory evidence and demonstrates that women empowerment and poverty may not, or may only be partially achieved. The varying impact from one study to another is due to the fact that microcredit works differently from one country to another and from rural to urban. This paper aims to examine the effect of the productive microcredit that is provided for start-up new business on household welfare proxied by household income and value of accumulated assets and

women empowerment proxied by household decisions-making, business decisions, and control over minor finances.

Household income per capita the effect of Malaysian microfinance on poverty reduction was measured through daily income per capita. The main aim of using daily income per capita is to gain an accurate finding and avoid poverty underestimation. We follow the methodology that been used by (Hamidet al., 2011), which used poverty line as an indicator to determine the impact of micro health insurance on women in Bangladesh. The study defines women with income low than poverty line as poor and given score 0; while women with poverty line or above were defined as better-Off and given score 1. To determine the poverty line in Malaysia, we used the definition of the Asian Development Bank (ADB) in which the daily income per capita is 2 \$ in developing countries with upper income like Malaysia (Bauer, Hasan, Magsombol, & Wan, 2008). We asked the respondents to estimate their monthly household income and we then divided the total household income by the number of the household members who live together in one house. We then divided the monthly income per household by days to find out the daily income per single member in the household. The individual whose daily income is 6.6 Ringgit Malaysia (which equals 2\$ according to dollar exchange on January 31, 2014) and above was considered better-off and given the score one, while that individuals whose daily income was less than 6.6. Ringgit (2\$) were considered poor and given a score of zero.

The access to micro-credit may improve the well-being of the households. For instance, the profit from the business can be used for the education of the children and decision making process within the household. In addition, it is argued that profit from the sales can also be used for health care and proper feeding of the family. In a nutshell, the savings and accessibility to loans by woman reduce their vulnerability.

(ii) Economic empowerment of Women

Economic empowerment of women is one of the most important parameters of the overall empowerment which includes social, psychological and political aspects of empowerment. Economic empowerment in terms of increased income, self-employment and thrift creation may result in women's ability to influence or make decision, increased self-confidence, better status and role in household etc. It emphasises on breaking of vicious circle of poverty, reduction in vulnerability,

enhancement in resources available for utilization and diversification towards higher income activities. It is expected that microfinance provided to women SHGs for promoting of productive activities or entrepreneurship will bring out positive impact on asset base owned by women, monthly income, savings, decision making ability related to enterprises, reduction in the vulnerability in case of emergencies and improvement in the monthly consumption level and family welfare (Basargekar, 2009). In this context, Kabeer, (2005), apparently stated that while access to financial services can and does make important contributions to the economic productivity but improvement in income generating activity may not naturally and directly lead to overall economic empowerment of poor women. So, it is equally important that the women have full control over the resources such as income, loan and savings and have decision making ability and power to use them for pursuing their own interests. Thus, it is also equally important that increase in income generating ability should get translated in important goals such as control over income and profits and using them for their own and household's welfare. The present study deals with the link between the microfinance and women's economic empowerment through SHGs in the rural areas with respect to development of livelihood.

Mayoux (1999), Taha (2012) and Awojobi (2013) are proponents of the school of thought that believe that micro-credits empower women economically. The scenario is that when women started saving in micro-finance institutions, after six months they have access to loans. They use the loans to support their business which increases their profits. However, not all who use their loans for their business can 'break even' (profit maximization). The savings and profits from their business act as income to the women which empowered them economically. In some cases, they use the profit and savings to expand their business.

Economic empowerment can serve as a way of lessening the discriminatory gap between men and women or between poor and rich. Women's access to savings and credit gives them a greater decision-making role. A woman optimizes her and her household's welfare when she makes decisions pertaining to credit and savings. Investment in a woman's economic activity will improve her employment opportunities and thus have a 'trickle down and out' effect.

The status of the women is connected with their economic position, or status which depends on their participation in economic activities such as ability to access credit, role in decision making in financial matters. • Increase in Income; • Increase in Savings; • Increase in Income generating activities; • Reduction of dependency on money lenders; • Reduction of poverty in the family; • Role in decision making related to Savings, Expenses and Children's Education; • Ability to meet the financial crisis in the family

(iii) Social and Political Empowerment:

Social empowerment is a gradual process, a cumulative effort of economic and political empowerment but without social empowerment it is very difficult to achieve economic and political empowerment. Social interaction with outsiders and assertiveness to fight against injustice and problems are the indicators of social empowerment.

Women economic empowerment and decision-making process can lead to their social and political empowerment in the community. For example, women take cognizance of their significant contribution to their household well-being which give them greater poise and self-assurance (IFAD 2009). As a result of this, women's self-assurance and skills, along with their knowledge and the formation of group networks through market access can improve their status in society. Furthermore, the individual leadership role of these women who lead these groups such as cooperative societies and market women associations can attract the attention of local politicians who approach the hierarchy of these groups to solicit for votes from their group members during elections.

Political empowerment is a fairly rare outcome of most microfinance programs. Although microfinance programs offer services and products that can enhance individual women's abilities to participate effectively in politics, few microfinance organizations explicitly seek political mobilization or structure their programs in such a way as to deliberately nurture collective action. Nevertheless, many examples testify that women's participation in lending centers and groups increases their knowledge of political parties, processes, and channels of influence.

There have been positive changes in household and community perceptions of women's productive role, as well as changes at the individual level. In societies like Sudan and Bangladesh where women's role has been very circumscribed and women previously had little opportunity to meet women outside their immediate family there have sometimes been significant changes. It is likely that changes at the individual, household and community levels are interlinked and that individual women who gain respect in their households then act as role models for others leading to a wider process of change in community perceptions and male willingness to accept change (Lakshman, 1996).

In most programmes there is little attempt to link microfinance with wider social and political activity. In the absence of specific measures to encourage this there is little evidence of any significant contribution of microfinance. Micro-finance groups may put severe strains on women's existing networks if repayment becomes a problem (Nojonen 1990; Rahman 1999). There is evidence to the contrary that micro-finance and income-earning may take women away from other social and political activities

Social and Political empowerment is a process that enables women to increase their mobility and break their isolation, to develop their self-confidence and self-image and to establish their public presence whereby they participate in decision making in an expanding frame work of awareness and critical analysis to control and influence the direction of development. Political equality includes not only equal right to franchise but also more importantly, the right to access to the institutionalized centers of power.

Social empowerment is a gradual process, a cumulative effort of economic and political empowerment but without social empowerment it is very difficult to achieve economic and political empowerment. Social interaction with outsiders and assertiveness to fight against injustice and problems are the indicators of social empowerment Participation of women in political process at the grass root level enhances their social status and it helps to solve the local problems, particularly drinking water, health, education, child development, social security for aged, disabled and in grass root level planning. Based on the above facts, the following variables were used to assess the empowerment of women.

2.2 Theoretical Review

Batliwala (1994) identified three approaches to women's empowerment: the integrated development approach which focused on women's survival and livelihood needs; the economic development approach which aimed to strengthen women's economic position and the consciousness approach which organized women into collectives that address the source of oppression.

Malhotra (2002) constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including: economic, socio-cultural, familial/interpersonal, legal, political, and psychological. It has been well-documented that an increase in women's resources results in the well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's rights and independence.

Ranjula Bali Swain (2007) *Can Microfinance Empower Women? Self-Help Groups in India* concluded many strides have been made in the right direction and women are in the process of empowering themselves and NGOs that provide support in financial services and specialized training, have a greater ability to make a positive impact on women empowerment. Susy Cheston, Lisa Kuhn in their article titled 'Empowering Women through Microfinance' concluded Microfinance has the potential to have a powerful impact on women's empowerment.

Swaina and Wallentin (September 2009) in their article 'Does microfinance empower women? Evidence from self-help groups in India' concluded that their study strongly indicate that SHG members are empowered by participating in microfinance program in the sense that they have a greater propensity to resist existing gender norms and culture that restrict their ability to develop and make choices.

The literature on women empowerment (Rai & Ravi, 2011'.Al-Shami, 2016) suggests that microcredit programs empower women in various aspects: (i) increases women

involvement in household decisions-making and resource controlling; (ii) enables women to acquire new skills that improve their business development (iii) strengthen women in their community through social capital networks; and (iv) enable women to contribute to their household welfare. A study in rural areas of 185 women borrowers and 209 non-borrowers was conducted by Fofana, Antonides, Niehof, and Ophem (2015) to examine the role of microcredit on women life, particularly in household decisions and resources control. In addition, the study assesses the tendency of women borrowers to have access to income and wealth after receiving microcredit. A survey and focus group discussion was performed in each women groups. An exploratory factor analysis and propensity score matching were employed respectively. The empowerment was measured based on women decision-making, income, and the value of accumulated assets. The author's find that access to microcredit increased women participation in decision-making on subjects relating to both their practical and strategic gender needs. In addition, women income, as well as household assets, were shown to be higher among the borrowers compared to non-borrowers.

Microfinance provides access to low-income financial and non-financial services access to money to start or develop their income generating activities. Individual loans and savings for the poor Small customers. Microfinance has been noted with satisfaction that some micro-entrepreneurs and poor people it can be "repaid", that is, how can you pay the loan and interest on time, and also make savings; Services are designed to meet your needs. Microfinance has created financial products and services, with low-income people to be customers of the bank (Khan & Rahaman, 2007).

2.3 Review of Research Journal Articles

Mayoux (1997) argues that the impact of microfinance programmers on women is not always positive. Women that have set up enterprises benefit not only from small increases in income at the cost of heavier workloads and repayment pressures. Sometimes their loans are used by men in the family to set up enterprises, or sometimes women end up being employed as unpaid family workers with little benefit. She further points that in some cases women's increased autonomy has been temporary and has led to the withdrawal of male support.

Gharana (2001), conducted a research entitled "microcredit for women Poverty Reduction: A case study of the Ghaukhel VDC, Bhaktapur". The main objective of the study was to identify the role of women in microcredit program. He concluded the study on microcredit program for women on beneficiaries earning, living standard, social impacts in terms of child education, family planning, sanitation and other social reforms are positive in Ghaukhel VDC. The program empowers women as self-confidence, as well as increase in literacy and increase their skill to do their own interested income generating activities.

Sarumath and Mohan (2011) explained that the main aim of microfinance is to empower women. Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation. Microfinance in women's empowerment are considered into three dimensions namely psychological, social and economic. Microfinance brought courage and self-confidence and improved their skill and self-worthiness. Microfinance improved the literacy level of rural women improved awareness in children education to high level of respondents. Sarumathi and Mohan (2011) found that microfinance has built confidence, courage, skill development and empowerment among women who are participating in Self-Help Groups, involving them in various social welfare activities implying good cooperation. They found that there is a positive improvement in psychological and social empowerment among rural women due to their participation in microfinance programs.

Adhikari and Shrestha (2013) the concept of micro-credit was developed to mobilize small savings of poor people to create deposit, which may be accessible to unreachable and un-bankable poor, especially women. The study has highlighted that microfinance is an effective tool for bringing positive impact on the economic status of the respondents along with their family members. It has helped to generate extra income for their family and their own use. The extra income allows the respondents family to buy nutritious food, access to modern health care services and they can afford to send their children to the school.

Agarwal (2016) has concluded that micro finance can contribute to solving the problems of inadequate housing and urban services as an integral part of poverty alleviation programs. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrower without imposing unbearably high cost of monitoring its end use upon the lenders. A promising solution is to provide multipurpose lone or composite credit for income generation, housing improvement and consumption support. Consumption loan is found to be especially important during the gestation period between commencing a new economic activity and deriving positive income. Careful research on demand for financing and savings behavior of the potential borrowers and their participation in determine the mix of multi-purpose loans are essential in making the concept work.

Gnawali (2018) research on the topic “Impact of Microfinance Institutions in Women Economic Empowerment” Microfinance plays important role in improving women decision making by contributing in economic activities. The main purpose of microfinance is empowerment of women. Women empowerment is measured by economic participation, saving mobilization, training development and other factors. This study investigates the economic empowerment of women through functions of MFIs. This study is based on primary data through self-administered questionnaire to the women of Butwal Sub- Municipality. Microfinance is one of the appropriate mechanisms to identify the poor and disadvantaged community and to address poverty by providing income, employment and capacity building opportunity to the poor, disabled, delist, marginalized group and destitute including women and their socioeconomic empowerment with the support of social mobilization.

2.4 Review of Previous Theses

Thapa (2006) in his thesis Micro-finance Programs and Economic upliftment of women. He has concluded that microfinance has offered opportunities for poor women to come out of their household confinement, to organize themselves in group and to work in productive and social activities. He has further examined the socio-economic activities of MFPs and has concluded that training for improving farming techniques and micro-enterprises have helped members to shift from the traditional agriculture to cash crop production, which yield higher returns. Moreover, MFPs have

increase women mobility and awareness on health of family planning. Besides, he has also recommended that MFP widen their area by appointing staffs to hear and understand their problem and to find out alternative as well as solution. So, that they should not be victimized by excess burden of dept.

Bhandari (2010) conducted thesis on socio-economic impact of microfinance for women and has summarized the positive correlation between investment and changes in income level of the participants shows that the capability of the entrepreneurs for the repayment of the loan in due time is good. Saving on the basis of the investment is found to be highly effective aspect of the program upon which training and income generating activities is based.

Shakya (2016) conducted thesis of International Business on Microfinance and Women Empowerment and has summarized the positive impact of microfinance in empowering women. He has concluded that with microcredit programs, women living in village have become self-confident and are encouraged to take up leadership positions in their families. These programs have helped women in creating decision making opportunities inside their household matters. Moreover, women are economically and socially empowered after joining the microfinance program. Shakya has further observed that women start business by taking micro loan from MFPs with the loan, they are not only able to increase their income but also enhance their financial and social life.

2.5 Conceptual Framework

Empowerment is the process of enabling or authorizing individual to think, take action and control work in an autonomous way. It is the process by which one can gain control over one's destiny and the circumstances of one's lives. Empowerment includes control over resources (physical, human, intellectual and financial) and over ideology (beliefs, values and attitudes) (Baltiwala, 1994).

Empowerment can be viewed as means of creating a social environment in which one can make decisions and make choices either individually or collectively for social transformation. It strengthens the innate ability by way of acquiring knowledge, power and experience (Hashemi Schuler and Riley, 1996).

Limbu (2014) explained about the microfinance and its socio-economic impact on rural women. He studied about the self-help banking program in Dhading district. He had concluded that involvement in the micro-finance programs have empowered women in varying degree. It has offered opportunities for poor women to come out of their household confines, to organize themselves in group and to work in productive and social activities. There is increase in healthcare, in case of women and children, sanitation, reduction in smoking, alcohol consumption due to awareness programmes. Members have become more aware of gender equality, human rights and women rights. The study reveals that intervention of the MFI is significant in increasing the consumption pattern, health situation, sanitation.

Microfinance institutes are putting their efforts to minimize the poverty level through various financial as well as non-financial services (Al-Shami et al., 2016). Financial services include credit, saving and insurance opportunities, non-financial services include training plans or skill development programs and social capital development. This study is focused on non-financial services namely; training/skill development programs and social capital. However, this study is only focused on the Southern Punjab, Pakistan. As the Southern Punjab is one of the less developed area in Pakistan. That is the reason it has high poverty level among other regions of Pakistan (Afzal et al., 2015).

Women's empowerment is very essential for the development of society. Empowerment means individuals acquiring the power to think and act freely, exercises choice and fulfil their potential as full and equal members of society. As per the United National Development Fund for women, the term women's empowerment means:

- i. Acquiring knowledge and understanding of gender relations and the ways in which these relations may be changed.
- ii. Developing a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life.
- iii. Gaining the ability to generate choices exercise bargaining power.
- iv. Developing the ability to organize and influence the direction of social change, to create a more just social and economic order, nationally and internationally. Thus, empowerment means a psychological sense of personal control or influence and a

concern with actual social influence, political power and legal rights. It is a multilevel construct referring to individuals, organizations and community. It is an international, ongoing process centered in the local community, involving mutual respect, critical reflection, caring and group participation, through which people lacking an equal share of valued resources gain greater access to the control over these resources.

Independent variable

Dependent variable

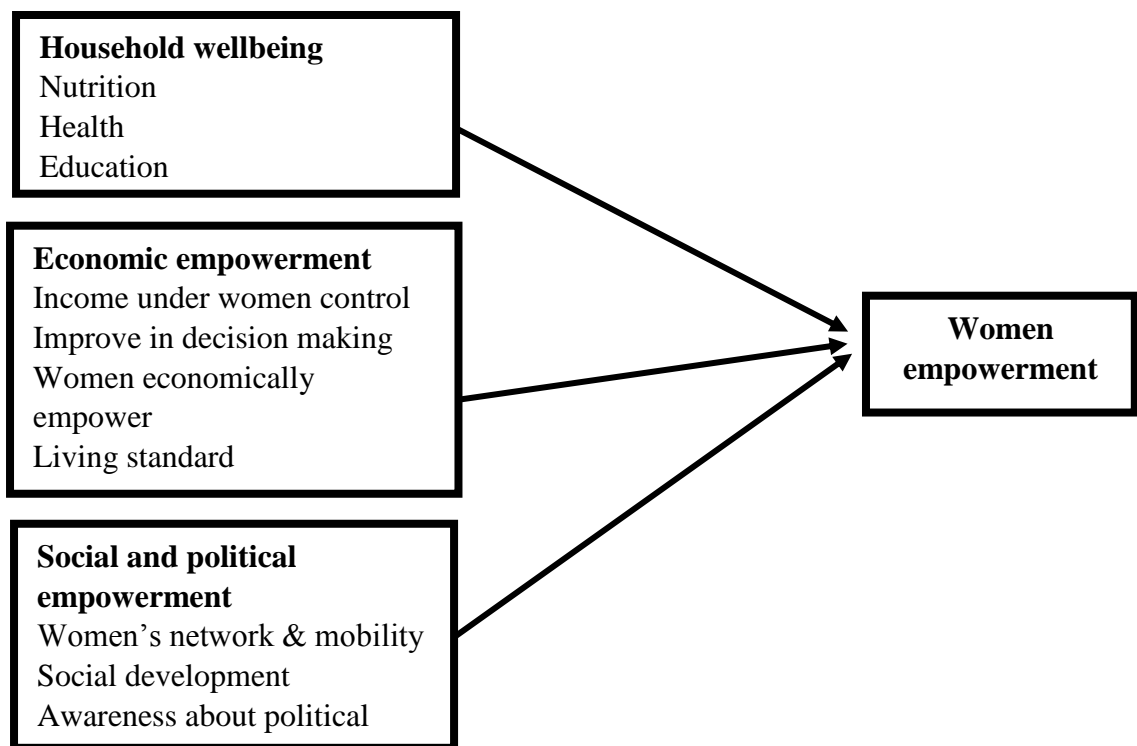


Figure 2.5: Conceptual Framework

2.6 Research Gap

After reviewing related literatures of the concerned field it is concluded that the result of the findings is not similar over the period of time. Different scholars and researchers have different finding and conclusion in the field of microfinance and women empowerment where variables, methodology, data analysis tools, sample and context were also different. A very few research have included household wellbeing, economic empowerment, social and political empowerment variables.

The literature review signified that the microfinance is a developmental tool; it gives financial services to poor, low-income people and women to improve their economic condition. The microfinance program helps income generating activities to poor and women, which helps to empower them socially and economically towards self-sustain life. This studies showed that the involvement in business for earning and repayment rate of loan and its interest is also good of women members as compared to male. Besides this, it helps to increase the decision making power of women and participation in social issues.

The study mainly focus on microfinance development bank, categorized under D class by NRB and NGO model of microfinance and collected data from 2019 October to 2020 February in pyuthan municipality. This research selected women as a matter of study, which is majority in population but ignored from the stream of sustainable development of country and dominated by rich. Mainly, this research is focused on women empowerment and which the boundary of empowerment; this research has taken household wellbeing, economic empowerment and social and political empowerment through microfinance. However, this study is entirely new in Pyuthan municipality, Pyuthan. This research justifies the present work about MF.

CHAPTER III

METHODOLOGY

Introduction

Research methodology has been following to achieve the objective of this research paper. The research methodology includes research design, population and sample, sources of data, data collection, and processing procedure and data analysis tools and techniques.

This study based on the descriptive and correlational study in order to achieve the objective of the study. The relevant and needed data has collected through journals, newspaper, periodicals, bulletins, magazine's, published and unpublished reports from various sectors. Similarly, the primary data can be collected through sample survey, questionnaire, observation, direct interview as well.

3.1 Research Design

To conduct the research and realize the above mentioned objectives this research adopted descriptive and causal research design. In this study, the approach can employed to established how variables such as household wellbeing, economic empowerment, social and political empowerment. The main aim of descriptive research is to provide an accurate and valid representation of the factors or variables that pertain to the research questions. As this research topic is based on the women empowerment through the microfinance: exploratory research helps to gather preliminary information that defines the problem to obtain deep insights into the empowerment measurement process of microfinance institution and relate it with research questions related to the empowerment of women. Similarly, descriptive research describes individual's perception and demographics to the empowerment on the women clients involved in microfinance institutions at Pyuthan municipality, Pyuthan district.

3.2 Population and Sample

This study has been carried out the study of women empowerment through micro finance in Nepal with reference of Pyuthan Municipality which the MFIs are Chimeki laghubitta, Mahila samudayek laghubitta, Suryadaye laghubitta, Chautari laghubitta, Mirmire laghubitta, Diprox laghubitta, Nepal agro, Mero microfinance, Bijay laghu

bitta. The people who are member of different micro finance in Pyuthan Municipality of Pyuthan district is a total population of the study, where the member of microfinance are nearly 1500 Out of the population 10% member such as 120 members has been selected conveniently all together from the different microfinance.

The study has been based on primary data. Primary data is used as a convenience sample survey through questionnaires of 120 members of microfinance in Pyuthan Municipality, Pyuthan district.

3.3 Sources of Data

The questionnaires has been structured in two sections. It also try to find out the level of financial knowledge of respondents. The questionnaires include both Likert scale questions and multiple choices question and option based questions.

3.4 Data Collection Procedure

The response categories, tabulated, processed, and analyzed, using different methods. Frequency distribution means and standard deviation calculated. To test the hypothesis, multiple regression analysis has been use.

The method use stepwise regression in order to find out checking the causal association between dependent and independent variables. SPSS software application will use for interpreting data.

3.5 Data Processing Procedure

The collected data has been edited, coded classified and tabulated in accepted from Microsoft excel. The processed data exhibit an appropriate situation of the performance related activities under microfinance program.

3.6 Data Analysis Tools and Technique

This study is based on both descriptive and causal approach. Statistical analysis tools also are used. The following techniques have also been followed in analyzing the data:

- i. Collection of relevant information
- ii. Classification and tabulation of data
- iii. Analyze and interpret the date various statistical tools can be used;
- iv. Identification of data suited to fulfill purpose of the study;
- v. Derived conclusion based on analyzed data.

3.7 Statistical tools

In this research the following statistical tools are used to find the objective of the research. The statistical tools are mean, standard deviation, correlation coefficient and regression analysis is used to analyze of research whereas table and graphs are also used to representation of analysis.

SPSS software application has been used for interpreting data.

I. Mean

The average measures condense a huge unwieldy data into a single value which represents the entire data. Since an average represents the entire data, its value lies between the two extreme observations, i.e. the largest and the smallest items in case of this paper i.e income specifically represents. Hence Average represents the central value among large data. Average represents whole data in equal distribution although it is not actual value. Thus mean is calculated by the given formula.

$$\bar{X} = \frac{\sum fx}{f}$$

Where \bar{X} = mean, f = frequency, $\sum fx$ = sum of the multiplication of frequency and no. of observation.

II. Standard Deviation

The standard Deviation is powerful and useful measuring tools in dispersion in order to measure the size of deviation from the average. Standard deviation is the positive square root of the average mean of the squares of the deviations of the given observations from their mean. It is denoted by sigma (σ). Thus, if X_1, X_2, \dots, X_n is a set of n observations then the standard deviation is given by:

$$\sigma = \sqrt{\frac{1}{n} \sum (X - \bar{X})^2}$$

Where n= Total number of observations

III. Correlation Analysis

This statistical tool has been used to analyze, identify and interpret the relationship between two or more variables. It interprets whether two or more variables are correlated positively or negatively. Statistical tool analyses the relationship between independent variables and dependent variables.

For the purpose of decision- making, interpretation is based on following term:

Assumptions

If $r = 1$, there is a positively perfect correlation between the two variables.

If $r = -1$, there is a negatively perfect correlation between the two variables.

If $r = 0$, the variables are uncorrelated.

The nearer the value of r to $+1$, the closer will be the relationship between the following variables and the value of r , the lesser will be the relation (Bajracharya, 2057).

Karl Pearson's correlation coefficient has been used to find out the relationship between the following variables.

Coefficient Correlation of women empowerment.

Correlation coefficient between Household Wellbeing, Economic Empowerment, Social and Political Empowerment (X) and Women Empowerment (Y). The main purpose of calculating correlation coefficient is to justify whether the microfinance services are significant role with Women Empowerment.

Karl Pearson's correlation coefficient (r) can be obtained as:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where, \bar{X} , \bar{Y} are the sample mean.

IV. Regression analysis

The general purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. A correlation analysis can only tell whether or not a strong relationship exists between two variables. But even if a correlation coefficient indicates that a strong relationship exists between two variables, the exact shape of the relationship between the two variables cannot be determined. In this case, regression analysis provides more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. Multiple regressions were used to explore the

impact of independent variables Household Wellbeing, Economic Empowerment, Social and Political Empowerment on dependent variable: Women Empowerment.

Statistically regression equation can be written as:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_j$$

Where,

\hat{Y}	=	Women Empowerment (dependent variable)
X_1	=	Household Wellbeing
X_2	=	Economic Empowerment
X_3	=	Social and Political Empowerment
α	=	Constant
$\beta_1, \beta_2, \beta_3$	=	Regression coefficients of Factor 1 to Factor 5 respectively
e_i	=	Error term

3.8 Variables and Measurement

Basically in this research the variables are classified into three categories they are:

- i. Household Wellbeing
- ii. Economic Empowerment
- iii. Social and Political Empowerment

Measurement

This research is pure based on primary data so the research follows the analytical and co relational research design. The questionnaire will include both Likert scale questions and multiples choice question and option based question.

3.9 Reliability and validity Test

The purpose of the validity and reliability analysis is to determine whether data are trustworthy or not. The designed questionnaire is finalized before requesting the respondents to participate. For the reliability test, Cronbach's Alpha was calculated for this questionnaire. It is generally used as a measure of internal consistency or reliability. If the calculated Cronbach's alpha is above 0.7, then the collected data are considered to be reliable. It is typically associated with internal consistency with values ranging from 0 to 1. Cronbach's Alpha coefficient less than 0.6 is considered as 'poor'; greater than 0.6 but less than 0.8 is considered 'acceptable' and greater than 0.8 is considered 'good' Sekaran (2000). Here, Cronbach's Alpha of Corporate

Governance are considered as good, since they are greater than 0.8. Therefore, the instruments used in this research are considered to be reliable.

Topics	Cronbach's Alpha
Household wellbeing	.814
Economic Empowerment	.703
Social and political Empowerment	.741
Women empowerment	.763

Source: SPSS Output

Thus, the calculated reliability test is above the 0.6 hence the data are considered as acceptable.

CHAPTER IV

RESULT

This chapter four present the results and discussion section of the study. For the purpose the data were collected and appropriate statistical tools have been applied to obtain the results to deal with how microfinance is playing the vital role in shaping the women's empowerment based on the study of the one hundred twenty observation of the women involved at microfinance located at Pyuthan municipality, Pyuthan Nepal.

The result section explains the output of the primary data obtained from the questionnaire with the respondents that focuses the respondents profile, measure in terms of age, marital status, educational, occupation and income level and relationship between the dependent variable measured by women empowerment and independent variables, household wellbeing, economic empowerment and social and political empowerment as proxy variables.

4.1 Data Presentation and Analysis

4.1.2 Analysis of Respondent's Profile

The respondent's profile has been measured in terms of age, marital status, education, occupation and income level status of the women under study are discussed separately as follows.

4.1.3 Information of respondents (n=120) based on age of respondents

The respondent's profile regarding the age group of the clients which has been categorized in five different age groups: age group belonging to below 20, 20 to 30 years of age, 31 to 40 years of age, 41 to 50 years of age and above 50 years of age.

Table 4.1: Age Group of Respondents

Particular	Frequency	Percent
below 20	9	7.5
20-30	23	19.2
31-40	38	31.7
41-50	33	27.5
above 50	17	14.2
Total	120	100.0

Source: Field Survey 2020

Table 4.1 clearly showed that out of the total 120 women clients from Pyuthan municipality, depicts the age of the women clients taken under study. Observing the age structure of sampled respondents, it was found that most of the respondents were in the age group of 31-40 years of women are participation. It shows frequency table of age group of members of microfinance where the highest age group is 31-40 years. Thus it is noted that, the majority of women (31.7%) who are engaged in microfinance activities and following with 41-50 age group of women. It is know that the potential group of age is 20 to 50. This study covers the opinion of the women from the age of 30 and above. Thus, findings of the study can be generalized in the same age group only.

4.1.4 Personal information of respondents (n=120) based on marital status of respondents

The Table 4.2 present the marital status of women taken the study. The marital status of the sampled has been segmented into four groups as married, unmarried, widow and divorced.

Table 4. 2: Marital Status of Respondents

Particular	Frequency	Percent
Married	72	60.0
Unmarried	30	25.0
Widow	6	5.0
Divorced	12	10.0
Total	120	100.0

Source: Field Survey 2020

Table 4.2 Showed that out of the total women clients married women had married 60% participation in microfinance services. It meant that married women were more likely to take loan from microfinance to be micro entrepreneurs to generate empower to their life. This study covers the opinion of the women from the married women status. Thus, findings of the study can be generalized in the same status women group only.

4.1.5 Personal information of respondents (n=120) based on education status of respondent

Education plays key role for the empowerment of every people in society and helpful for the improvement of economic status. Educating and providing awareness among women is itself on of the most importance program.

The Table 4.3 presents the educational status of women taken under the study. The educational level of the sampled people has been segmented into four groups as under SLC, plus two, bachelor and master and above education.

Table 4.3: Education of Respondents

Particular	Frequency	Percent
under SLC	40	33.3
+2	29	24.2
Bachelor	38	31.7
masters and above	13	10.8
Total	120	100.0

Source: Field Survey 2020

Table 4.3 shows that majority of women were implicitly seen to be under SLC (33.3%). Almost all the client of the microfinance were under SLC, it meant that women who were less educated were more likely to take loan from microfinance to improve lifestyle. The women clients with bachelor were 31.7% and women with intermediate level of education were 24.2% graduate master and above were 10.8%. From this it can be analyzed that educated women seems to be self-sustained, they seem to be independent and can run their family in a good way in any situation in comparison to the less educated women. Educated women are capable and qualified educationally to get engaged in any fields and areas of their expertise. Less educated women are not capable and qualified enough so they are dependent upon the microfinance service for uplifting their livelihood. This study covers the opinion of the women from the under SLC educational status women. Thus, findings of the study can be generalized in the same educational status group only.

4.1.6 Personal information of respondents (n=120) based on occupation status of respondents

The Table 4.2 present the occupation status of women taken the study. The occupation status of the sampled has been segmented into four groups as agriculture, business, labor and job.

Table 4.4: Occupation of Respondents

Particular	Frequency	Percent
Agriculture	45	38.4
Business	25	28.8
Labor	15	12.5
Job	34	20.3
Total	120	100.0

Source: Field Survey 2020

Table 4.4 shows that it was found that majority of the respondents (38.4%) had taken loan from microfinance in order to start improved agriculture, poultry farming, vegetable production, buying seeds and fertilizers. While among total number of respondents, 28.8% of women were found to take loan from microfinance for the purpose of starting business. Likewise only 20% of women had been doing job in different organization in the lower post like sweeper, gardener had taken loan and 12.5% were labor in local area. Women having profession agriculture had most involvement in microfinance because microfinance supports them for improved farming by providing interests at lower rates. Business start-up requires huge investment so only few women take loan for business set up. This study covers the opinion of the women from the business and occupational. Thus, findings of the study can be generalized in the same age group only.

4.1.7 Personal information of respondents (n=150) based on income status of respondents.

Table 4.5: Income Level of Respondents

Particular	Frequency	Percent
Less than 10000	15	12.5
10001-20000	28	23.3
20001-30000	33	27.5
30001-40000	23	19.2
above 40001	21	17.5
Total	120	100.0

Source: Field Survey 2020

From the table 4.5 it has been seen that most of the women's income level were 20001-30000. Women having lower income level were (33%) which means that women having income level is more preferable to be a part of microfinance services. 28% women's monthly income level were in the range of Rs.20001 to 20000. The level of income of the women doing business were higher 30001 to 40000 and above 40001 were 23% and 21% which means that those women who had been doing job as well as business by taking loan through microfinance were having high income than those of the women who were involved in agriculture 15% women who had been taking microfinance services. Looking into the overall responses regarding income level most of the client were from the lower income group. The women having income more than 20000 has most involvement in the microfinance because the income is enough to handle the family well-being and thus has to be dependent on the microfinance for increasing their life status.

4.2 Position of Respondents

This section deals with the analysis of the data collection through the questionnaires during the research process. The data characteristics have been analyzed in terms of minimum and maximum value, mean value and standard deviation of each of the variables: household wellbeing, economic empowerment, social and political empowerment and women empowerment. These values helps researcher to analyze the data with respect to frequencies and aggregation relating to research questions and variables. For this purpose, 'Five point likert scale' questions were asked to the respondents which scaled from "strongly disagree = 1" to strongly agree =5" Number

of respondents in each question item was 120. Questions related to each determinants and their descriptive statistic are shown following.

4.2.1 Descriptive Analysis of Household Wellbeing

This section the descript analysis of the household wellbeing provided by the microfinance program.

Table 4.6: Analysis of Household Wellbeing

Particular	N	Mean	Std. Deviation
I am able to improve level of my nutrition after involving in MFIs.	120	3.1500	1.25457
Income generated through MFIs helps in the acquisition of the assets for household.	120	3.2417	1.09234
I am able to improve my health (physical) after beings involved in MFIs.	120	3.3750	1.07736
MFIs helps to increase children's education.	120	3.5417	1.15879
I have got freedom to purchase household goods.	120	3.6333	1.07636
Valid N (listwise)	120		

Source: Field Survey 2020

Table 4.6 exhibits the descriptive statistics of an individual item related to the household wellbeing. This table shows the respondents perception regarding the use of household wellbeing.

The statement household wellbeing helps to generate income generating activities which in turn helps in the acquisition of nutrition have a mean score of 3.15 and standard deviation 1.25457 which explains the respondents were more than the average with the statement. Income generated through MFIs helps in the acquisition of the assets for household mean score of 3.2417 and standard deviation 1.09234 where the opinion suggested that they agreed with it. The improve of health after involved MFIs score of mean 3.3750 and standard deviation 1.07736. MFIs helps to improve education the score of mean 3.5417 and standard deviation 1.15879 and freedom to purchase household good score of mean 3.6333 and standard deviation 1.07636. The client of the microfinance institution were more than the average as to

whether household wellbeing being provided helps in the overall impact of women empowerment.

The mean value of all questions related to household wellbeing range from 3.1400 to 3.6333 which indicate that there is consistency in responses of the respondents on the specified likert scale item.

4.2.2 Descriptive Analysis of Economic Empowerment

The descriptive analysis of respondent's perception regarding the improvement of economic on the women life style is presented in the table 4.7

Table 4.7: Analysis of Economic Empowerment

Particular	N	Mean	Std. Deviation
I have increase my income under my control.	120	3.3250	1.10128
Saving in the microfinance institutions helps in economic improvement.	120	3.3833	1.12409
I have now developed my ability to involve in decision making.	120	3.4417	1.02732
I am economically empowered after being involved in MFIs.	120	3.4750	.96111
I am able to improve my living standard.	120	3.5833	1.08142
MFIs encourage to start up business.	120	3.5250	1.08436
Valid N (listwise)	120		

Source: Field Survey 2020

Table 4.7 exhibits the descriptive statistics of an individual item related to the economic empower of women. This table shows the perception of the women clients taken under study regarding the use of economic empowerment.

However the MF program helps to increase the income level of MF members. The growth of income under women control, improved decision power, women economically empower, living standard and start up business, these research question have also above the mean value i.e. 3.325, 3.3833, 3.4417, 3.475, 3.5833, 3.525 Thus the mean value is in agree response and the standard deviation are 1.10128, 1.12409, 1.02732, 0.96111, 1.08142, 1.08436 Respectively which is less variability.

4.2.3 Descriptive Analysis of Social and Political Empowerment

The descriptive analysis of respondents' views regarding the empowerment term of social and political empowerment is presented in the following table.

Table 4.8: Analysis of Social and Political Empowerment

Particular	N	Mean	Std. Deviation
I have got freedom in attending MFIs and political program.	120	2.8417	1.27679
I participated in social development activities.	120	3.1750	1.14981
I got freedom to move to other places to participate in social program.	120	3.2917	1.34349
I got freedom to visit market for household.	120	3.4333	1.12820
I got opportunity to involve in decision making in social activities.	120	3.4833	1.08452
Valid N (listwise)	120		

Source: Field Survey 2020

Table 4.8 exhibits the descriptive statistics of an individual item related to the social and political empowerment of women. This table shows the respondent's perception regarding the use of MF.

The statement relating to the social and political empowerment received from the microfinance institutions has been helpful in social activities. Respondents who have got freedom to attend political programs have a mean score of 2.8417 and a standard deviation of 1.27579, indicating a tendency to agree with the statement. Respondents who participated in social development activities have a mean score of 3.1750 with a standard deviation of 1.14981. Clients of MF who have freedom to visit the market for household needs have a mean score of 3.4333 and a standard deviation of 1.1282. The statement of involvement in decision making in social activities has a mean score of 3.4833 with a standard deviation of 1.08452.

4.2.4 Descriptive Analysis of Women Empowerment

The descriptive analysis of respondents' views regarding the empowerment term of women empowerment is presented in the following table.

Table 4.9: Analysis of Women Empowerment

Particular	N	Mean	Std. Deviation
I am able to improve in basic facilities and amenities after being involved in MFIs.	120	3.3667	1.06063
I can purchase essential assets after being involving in MFIs.	120	3.2917	1.04033
Family member take my suggestion before taking financial decision.	120	3.4167	1.20631
I can individually spend money.	120	3.1500	1.24786
Training provided by MFIs helps in process regarding the use of different materials and technology in the business.	120	3.3000	1.10461
Valid N (listwise)	120		

Source: Field Survey 2020

Table 4.9 exhibits the descriptive statistics of an individual item related to the women empowerment through microfinance. This table shows the respondent's perception regarding the use of MF.

The statement relating to the women empowerment on their personal status received from the microfinance institutions has been helpful to improve in basic facilities and amenities have mean score of 3.3667 and standard deviation 1.06063 which states the tendency of agreeing with the statement. Respondents participated to purchases of essential assets have a mean score of 3.2917 with standard deviation 1.04033. Family member of women take financial suggestion before taking financial have mean score of 3.4167 and standard deviation 1.20631. Women can individually spend money have mean of score of 3.15 and standard deviation 1.24786. The statement of training provided by MFIs helps in process regarding the use of different materials and technology in the business have mean score of 3.3 with standard deviation 1.10461.

4.3 Correlation Analysis

Pearson's correlation analysis has been carried out to analyze the degree of relationship between two or more variables and to know to what extent variables

under study are correlated to each other. A positive correlation reveals that the direction of the relationship is positive with one increasing in reaction to the other's increase. Meanwhile a negative correlation reveals that an inverse which is increase in one variable when there is decrease in other. This also addresses other technical issues that might occur in calculating a multiple regression model.

The correlation analysis of the dependent and independent variables have been carried out separately.

4.3.1 Pearson Correlation Coefficient for Women Empowerment

The correlation analysis of women empowerment with regards to the independent variables household wellbeing, economic empowerment and social and political empowerment has been carried out in this part. The result of correlation analysis in table 4.10 indicates that the data shows a positive relation between dependent and independent variables.

The table present the pearson correlation coefficient of women empowerment and independent as well as among independent variables taken under study. It compares the sign with prior expectation which also helps in regression analysis. The proxies of independent variable taken under study are household wellbeing, economic empowerment and social and political empowerment being provided by the microfinance institutions.

Table 4.10 Correlation Analysis of women empowerment and independent variables

	Women Empowerment	Household Wellbeing	Economic Empowerment	Social and Political Empowerment
Women Empowerment	1			
Household Wellbeing	.643**	1		
Economic Empowerment	.627**	.739**	1	
Social and Political Empowerment	.477**	.501**	.526**	1

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

** Correlation is significant at the 0.05 level (2-tailed).

Sources: SPSS data.

Table 4.10 shows the results of the Pearson's correlation coefficient between women empowerment one of the indicators of women empowerment and independent variables taken under study. The result demonstrates all the independent variables have positive and significant relationships with the dependent variable at a 1 percent level of significance.

From table 4.10 it can be seen that there is a significant correlation between women empowerment with household wellbeing i.e. ($r=0.643$). This implies that an increase in household wellbeing leads to an increase in women empowerment of microfinance members. Thus, there is a significant relationship significant at a 1 percent level of significance.

The correlation coefficient between economic empowerment and women empowerment is ($r=0.627$). This shows that there is a significant relationship which suggests that an increase in economic empowerment also leads to an increase in entrepreneurship development. The correlation is significant at a 1 percent level of significance.

Furthermore, there is a highly positive relationship between social and political empowerment and women empowerment ($r=0.477$). Thus, it can be said that social and political empowerment leads to women empowerment of microfinance members. The correlation is significant at a 1 percent level of significance.

4.4 Regression Analysis

Regression analysis determines which independent variables explain variability in the outcome, how much variability in dependent variables is explained by independent variables, and which variables are significant (over other variables) in explaining the variability of the dependent variable. Linear regression was used to explore the impact of independent variables. Univariate, bivariate, and multivariate regression models were applied to determine the form of relationship between the variables.

Regression analysis was done to find out the effect of predictors on the dependent variable. Linear regression was calculated and presented with F and t-values.

Multiple Linear Regression Model

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_j$$

Where,

\hat{Y}	=	Women empowerment (dependent variable)
X_1	=	Household Wellbeing
X_2	=	Economic Empowerment
X_3	=	Social and Political Empowerment
α	=	Constant
$\beta_1, \beta_2, \beta_3$	=	Regression coefficients of Factor 1 to Factor 3 respectively
e_i	=	Error term

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692*	.479	.466	.59420

Sources: SPSS Data

- a. Predictors Household wellbeing, Economic Empowerment, Social and political Empowerment

Model summary indicates that the R- square also known as coefficient of determination which can help in explaining variance. The R^2 value of 0.479 in table 4.11 indicates that the model explains that 47.9% of independent variables are responsible for Women empowerment. However, the remaining 52.1 % is still unexplained in this research. Model summary also indicates the standard error of the estimate of 0.59420 which shows the variability of the observed value of women empowerment from regression line is 0.59420.

Table 4. 12: ANOVA Analysis

Model	Sum of Square	Df	Mean Square	F	Sig
Regression	37.680	3	12.560	35.574	.000
Residual	40.957	116	.353		
Total	78.637	119			

Sources: SPSS Data

- a Dependent variable: Women Empowerment

- b Predictors Household wellbeing, Economic Empowerment, Social and political Empowerment.

The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Household wellbeing, Economic Empowerment and Social and Political Empowerment) are significant in explaining the variance in Women Empowerment.

Coefficients Analysis

Table 4.13 Coefficients Analysis of Women Empowerment

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig
	Beta	Std. Error	Beta		
(Constant)	.511	.294		1.740	.085
Household wellbeing	.341	.096	.360	3.556	.001
Economic Empowerment	.341	.124	.283	2.743	.007
Social and Political Empowerment	.142	.078	.147	1.833	.069

Sources: SPSS Data

a. Dependent Variable: Women Empowerment

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 0.511 + 0.360X_1 + 0.283X_2$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.13, shows that household wellbeing ($\beta_1= 0.341$, $p=0.001$) carries the heaviest weight for women empowerment, followed by economic empowerment ($\beta_2= 0.341$, $p=0.007$), Social and political empowerment ($\beta_5= 0.142$, $p= 0.069$) which is insignificant. The increase in Household Wellbeing, Economic Empowerment, Social and political Empowerment enhance the Women Empowerment of MF member's client. Thus the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.5 Major Findings

In this section the general result obtained from the study conducted is present by supporting the result with previous studies made in this area. This is undertaken with reference of result obtained from the analysis made in the previous section to examine the women empowerment through microfinance with previous studies made in this area.

The major findings of the study can be presented below in point wise:

- i. From the study, it can be concluded that respondents have positive response and satisfaction towards the services provided by MFIs.
- ii. Age of the respondents is one of the important factors in analyzing social study.it can have a big impact on the respondent's views and reactions regarding on the group of the social reality. So, it is within the context that the age distribution is presented here. It is found that the age group of 31-40 (31.7%) have maximum participation in the microfinance program as they are active working group and have a potential to repay the loan.
- iii. The marital status influence respondent's perception of social events. . So, it is within the context that the age distribution is presented here. It is found that the marriage women (60%) have maximum participation in the microfinance program.
- iv. The level of education is among the factors which influence respondent's level of thinking and judgment, so educational level is considered while conducting the study. It is found that the maximum number or percent of the women clients have under SLC level of education i.e, (33.3%). It effect level of judgment of the respondents regarding analysis of effect of microfinance program. Comparatively few educated participations are involve in microfinance program.
- v. Especially microfinance program are conducted at remote area and those society who has not access of financial activities. Occupation of the respondents is one of the important factors in analyzing social study. The maximum (37.5%) of women are their occupation is agriculture. It is know that microfinance program are play the important role to make the high level of life or maintenance their life style.
- vi. There are different category of income level of respondents among of them 20001-30000 has the maximum level of income i.e, (27.5%). It is know that 20001 to 30000 microfinance women clients are involvement.

- vii. Microfinance program helps to uplift of nutrition, health and education whose mean value is (3.15, 3.375, and 3.5417). Thus, ultimately household wellbeing enhance the women empowerment of women.
- viii. Micro finance helps uplift of income under women control, improved decision power, women economically empower and living standard has mean value i.e, (3.325, 3.4417, 3.3833, 3.5833). Thus ultimately economic empowerment enhance the women empowerment of women.
- ix. Microfinance helps to uplift of women's network and mobility and awareness about political has mean value i.e, (3.1750, 2.8417). Thus ultimately social and political empowerment enhance the women empowerment of women.
- x. The relationship between women empowerment, household wellbeing, economic empowerment and social and political empowerment (0.337, 0.395, and 0.331) has a positive correlation which indicates that the increase in micro credits leads to social empowerment of women.
- xi. The regression analysis shows the positive relationship between independent variable and dependent variable, thus each variables increment leads to women empowerment of member of microfinance.
- xii. The relationship between household wellbeing, Economic empowerment and Social and political empowerment (0.341, 0.341, 0.142) which indicate that can individual variable are reasonable to women empowerment.

CHAPTER V

CONCLUSIONS

This final chapter involves Discussion, conclusions and implications of the research work. The facts and findings from primary data analysis are presented in this chapter.

5.1 Discussion

MF is a powerful instrument for poverty alleviation. It enables the poor to take advantage of existing opportunities, buildup their assets generate self-employment develops micro enterprises raise income level buildup self-confidence, and self-esteem improves purchasing power, empowers women and enhances overall economic growth, enhances domestic saving and provides escape route from poverty (Shrestha, 2001). In Nepalese context, even MF has been proven as effective and efficient mechanism in poverty reduction, endeavor most of MFIs have become unable to reach the ultra-poor due to inability to identify and measure them on the other hand improving access to financial services has been commonly viewed as strong tool to fight against poverty, however the outreach of Formal Sector Credit Institutions (FSCI) has been concentrated due to high cost of their services delivery (Upadhayaya, 2001). Nevertheless MFI pursue the activities to promote the interest of the poor by providing basic services and contribute to increase in outreach sustainability and effectiveness.

The total 120 women clients from Pyuthan municipality, depicts the age of the women clients taken under study. Observing the age structure of sampled respondents, it was found that most of the respondents were in the age group of 31-40 years of women are participation. It shows frequency table of age group of members of microfinance where the highest age group is 31-40 years Thus it is noted that, the majority of women (31.7%) who are engaged in microfinance activities. The types of business that most of women was involved in were groceries and other kinds of shop and only few of them were involved in agriculture, animal husbandry. It seemed women of working age group were involved in microfinance because they had other options of income generation despite involving in microfinance. The average of potential group of age is 20 to 50 years. It has working group of age.

Out of the total women clients married women had occupied 60% participant in microfinance activities for becoming micro entrepreneurs. It means that married women were more likely to take loan from microfinance to be micro entrepreneurs. Only few unmarried, divorced, and widow women had taken loan and became clients of microfinance. From this it can be seen that married women has responsibility towards the family so they would like to engage in income generating programs to uplift the focus in their self-indulge and they are not matured enough in comparison.

The level of education is among the factors which influence respondent's level of thinking and judgment, so education level is considered while conducting the study. it is found that the maximum number of or percent of the women clients have under SLC level of education 33.3%. . Educated women are capable and qualified educationally to get engaged in any fields and areas of their expertise. Less educated women are not capable and qualified enough so they are dependent upon the microfinance service for uplifting their livelihood. This study covers the opinion of the women from the under SLC educational status women. Thus, findings of the study can be generalized in the same educational status group only.

The majority of the respondents (38.4%) had taken loan from microfinance in order to start improved agriculture, poultry farming, vegetable production, buying seeds and fertilizers. While among total number of respondents women were found to take loan from microfinance for the purpose of starting business. Likewise women had been doing job in different organization in the lower post like sweeper, gardener had taken loan and labor in local area. Women having profession agriculture had most involvement in microfinance because microfinance supports them for improved farming by providing interests at lower rates. Business start-up requires huge investment so only few women take loan for business set up. This study covers the opinion of the women from the business and occupational. Thus, findings of the study can be generalized in the same age group only.

Most of the women's income level were 20001 to 30000 had 27.5%. Women having middle income level were more preferable to be a part of microfinance service. Because the main focus of MFIs is to vacillate those people who have low income generation source. To be a part of MFIs no need more literate to follow the legal procedure, costumer can take directly credit facility without collateral. Women who is

not involving any organization their income source is not fix and permanent so the women's income level were 20001 to 30000 were high. A few of women's monthly income level were in the range of 10001 to 20000. The level of income of the women doing business were higher than those of the women who were involve in agriculture. Least of the women who had been taking loan through microfinance were having high income. Looking into the overall response regarding income level most of the clients were from the lower income group. The women having income 20000 has most involvement in the microfinance because the income is not enough to handle the family wellbeing and thus has to be dependent on the microfinance for increasing their life status.

The results of the study suggest that microfinance programs have created a positive impact on its beneficiaries. Majority of the respondents are engaged in various income generating activities because of the credit facilities provided by microfinance institutions. This has helped them to earn income for their family and also enable them to play an important role in their family and in society as well. There has been a significant improvement in their income and savings after participation in microfinance programs. Microfinance has also reduced women's dependence on informal financial sources. Before joining microfinance programs, majority of women were depending upon informal financial sources for availing loans or to meet their financial requirements. On the other hand, after joining microfinance programs, they became more aware about the benefits that they receive from formal financial sources, and also the illegal practices followed by informal sources. This made them shift from informal sources to formal financial ones. This was the same for the case of savings. Before joining microfinance programs majority of women were putting their savings into informal financial instruments. On the other hand, after joining microfinance programs, they shifted towards formal financial instruments. It was also found that microfinance programs have empowered women socially, economically, and politically. Most of the respondents have indicated that there was a significant improvement in their social, economic and political empowerment after joining microfinance programs. To conclude, microfinance schemes have helped women to become "more creative, intelligent, innovative, proactive, inclined toward planning, and better organized." They gain self-confidence and, with that, an increased ability to make decisions and mold their own lives. Microfinance builds mutual trust and

confidence among women, which will encourage them to approach formal financial institutions to meet their various financial requirements. Thus, microfinance programs are an important strategy for women's empowerment.

In this study the concern of empowerment of women on economically, socially strong and power on decision-making and their involvement in the society. In this study women empowerment through MF consist various sub heading like as nutrition, health, education, income under women control, improved in decision making, women economically empower, women's network and mobility, awareness about political. Another aspect of improvement consist their life style. Similarly, the perception of women about MF includes women perception, social response to women and dependency level. The main focus of the study is to make improvement of women on their personal status.. By taking required samples from study area, and the number of sample are 120 samples, the data have been collected by structure questionnaire, observation and interview; collected data are analyzed, tested, interpreted by using descriptive.

The result of the MF empowerment such as household wellbeing, economic empowerment and social and political empowerment is found to be positive relationship with economic aspect such as income, assets, and employment of the respondent. Improvement in the improve in fooding, expenditure in education has increases, the MF program helped to acquire assets like TV, mobile, proper bed etc. and MFIs helps to start up own business, shows the significant improvement in the living standard of the people. Similarly, the study reveals that most of the women have repaid loan and interest in due time and majority of the participant has utilized their investment property. Women's greater access to financial resources and services could provide greater decision-making power in terms of money and their households. Thus overall impact of the program is found to be positive; women empowerment aspect of MF members has been improved satisfactorily. Empowerment through microfinance is defined as women become economically, socially and politically strong; and able to make proper decision about social activities. So, in this study the concern of empowerment on economically, socially strong and power on decision-making and their involvement in the society.

5.2 Conclusions

This study has raised issues about women empowerment and taken women supporting program. The services of MF program aim to raise empowerment of women and uplift them from vulnerable status to the prestigious entrepreneur and self-sufficient member of the society. From the discussions of all reported data and information, a sharp conclusion appears as following. Some of the conclusions can be derived about the program as implemented the study area of Pyuthan municipality.

Women empowerment involving in household decision, financial decision, and positive perceptive of other people's towards them. The raise in health sectors of women and their family too, like consciousness about health, diet and meal consumed has been increased.

The education sectors of their family has also been positive changed such as children are sent to better school, expenditure in education has increased. The level of income has also increased by their business and personal income growth and increased expenditure has also met by their income. Women are willing to purchase material for physical facilities but they don't have their own land.

The MF programs helps to start up their own business which creates the employment generation of member but the members are not able to give the other employment too.

This study has raised issues about women empowerment and taken women supporting program. Therefore, the whole study is based on women and the impact of MFP; the needed data are taken from respondents. Under this study women empowerment, include household wellbeing economic empowerment and social and political empowerment. In this study to find out the impact of MFPs on its clients before and after its implementation the various variables have been developed and the data are collected from primary sources and tested by using various tools.

Economic status of all the respondents have found better after the MFPs implementation. As a whole, the result of this heading is positive; which is found from various tests. Therefore, it is concluded that MFPs run by women empower have create positive economic, health, education impact on women. On the decision-making aspect of empowerment also gives positive result; so, rural women are

becoming conscious and they are taking part in family decisional aspects. From the study, we find the positive result on social responses, perception and women experiences. Therefore, it can be concluded that MFP is a desirable and effective tool to improve empower the women in study area.

Socio-economic empowerment has been considered significant for overall development. Women's empowerment is evidently necessary for escalating socio-economic condition of the women in the society. The SHGs enabled women to aware about their rights, entitlements, taking part in various development programmes and economic activities for their substantial development. Thus, SHGs made noteworthy impact on women empowerment.

All the results show that positive effect of MFPs on empowering women beneficiaries in the study area. The empowerment status of women in Pyuthan Municipality can be significantly, increasing their income generating activities by providing financial support. The overall conclusion of this study is that the level of women empowerment is satisfactory at the household as well as social level.

5.3 Implication

This research may be useful to the microfinance organization to shape their future plans in the empowerment of women. The implication of this study are as follows:

5.3.1 General Implications

This study has identified the prominent factors of women empowerment in Nepal. Government of Nepal can formulate policies for women empowerment considering those factors. The study has great implications for women entrepreneurs who are involved in microfinance institutions. Local government bodies may guideline to shape their plans and policies field of women empowerment and poverty alleviation through this study. This study may be useful to the NGOS that are working in the field of women to get an overview of the economic strength of women and to shape their plan and policies. This study may help for the banks and other financial institutions this research might be guideline to know about the current status of the investment and income ratio.

This study will be helpful for the microfinance development bank categorized by NRB, under D class for their expansion and development.

5.3.2 Future Research Implication

The study could be further development by including more variable as mediating, moderating and other intervening in the regression model with a large sample size, the study has only considered economic and social dimensions of women empowerment but there are other many aspects of women empowerment such as health, political and psychological which could be measured and that could be followed by future researcher, this study can be carried out as baseline study to establish the level at which the MFIs have been able to empower women in other districts of the country the result of which should be compared with those of this study so as to establish the relationship between micro finance intervention and empowerment of women entrepreneurs using different micro finance intervention variable.

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Dear respondent,

This is a questionnaire that intended to assess the effect of women empowerment through micro finance. The information you provide is used only for academic purposes and shall be kept strictly confidential. Therefore, you are kindly requested to give accurate information.

Thank You for your cooperation

Name of member (Optional):

Name of Microfinance.....

Time period involve in Microfinance.....

Section A

Personal information.

1. Age group
 - a. Below 20
 - b. 20-30
 - c. 31-40
 - d. 41-50
 - e. Above 50
2. Marital status
 - a. Married
 - b. Unmarried
 - c. widow
 - d. Divorced
3. Educational Status
 - a. Under SLC
 - b. +2
 - c. Bachelor
 - d. Masters and above
4. Occupation
 - a. Agriculture
 - b. Business
 - c. Labor
 - d. Job
5. Income level
 - (a) Less than Rs.10,000
 - (b) Rs.10,001 - 20,000
 - (c) 20,001 - 30,000
 - (d) 30,001- 40000
 - (e) Above Rs.40,001

Section B

Please complete the following questionnaires on a scale of 1 to 5. (1-strongly disagree, 2-disagree, 3neutral, 4-agree, 5 strongly agree)

Variable	Research Questions	1	2	3	4	5
Household wellbeing	<ul style="list-style-type: none"> - I am able to improve level of my nutrition after involving in MFIs. - Income generated through MFIs helps in the acquisition of the assets for household. - I am able to improve my health (physical) after beings involved in MFIs - MFIS helps to increase children’s education. - I have got freedom to purchase household goods. 					
Economic empowerment	<ul style="list-style-type: none"> - I have increase my income under my control - Saving in the microfinance institutions helps in economic improvement. - I have now developed my ability to involve in decision making - I am economically empowered after being involved in MFIs - I am able to improve my living standard. - MFIs encourage to start up business. 					
Social and political Empowerment	<ul style="list-style-type: none"> - I have got freedom in attending MFIs and political program. - I Participated in social development activities. - I got freedom to move to other places to participate in social program. - I got freedom to visit market for household. - I got opportunity to involve in decision making in social activities. 					

<p>Women empowerment</p>	<ul style="list-style-type: none"> -I am able to Improve in basic facilities and amenities after being involved in MFIs. - I can purchase essential assets after being involved in MFIs. -Family members take my suggestions before taking financial decision. -I can individually spend money. - Training provided by MFIs helps in process regarding the use of different materials and technology in the business. 					
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Thank you for thoughtful response.