

ROLE OF MICROFINANCE IN WOMEN EMPOWERMENT

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the Master's Degree

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of my dissertation entitled “Role of Microfinance in Women Empowerment”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Report of Research Committee

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ABBREVIATIONS

ADBN	Agricultural Development Bank Nepal
CBs	Commercial Banks
DBs	Development Banks
ES	Economic Security
FDM	Family Decision Making
FINCA	Foundation for International Community
GOs	Government Organizations
HEDM	Household Economic Decision Making
INGOs	International Non-Governmental Organizations
LA	Legal Awareness
Mo	Mobility
MDGs	Millennium Development Goals
MFI	Microfinance Institutions
MFPs	Microfinance Program
MHDC	Mehboob ul Haq Development Center
NGOs	Non-Government Organization
NMDC	Nerude Microfinance Development Bank
RDB	Regional Development Bank
RMDC	Rural Microfinance Development Center
SHG	Self Help Group
SEE	Secondary Education Examination
SLC	School Leaving Certificate
VDC	Village Development Committee

ABSTRACT

The empowerment of women is a crucial concern in developing countries, given that women form an integral part of society. Unfortunately, their status and participation in decision-making and economic activities remain significantly low. Microfinance emerges as a key player in enhancing women's decision-making abilities through its contribution to economic activities. At a global level, microfinance serves as a powerful tool for self-empowerment, particularly for women. Its primary objective is to promote the empowerment of women.

The measurement of women's empowerment encompasses various factors, including economic security, household and economic decision-making, legal awareness, mobility, and family decision-making. This study focuses on collecting primary data through administered questionnaires from women participating in a microfinance program in Ward No. 17 of Butwal sub Metropolitan, Rupandehi. The research design employed is both descriptive and analytical, aiming to gather opinions and understand the behavior of the respondents. The collected data are analyzed using statistical tools such as percentages, Frequency, means, correlation and regression analysis.

This study aims to examine the impact of microfinance programs on the social-economic progress and decision-making abilities of women. The findings reveal positive transformations in areas such as economic security, household economic decision-making, legal awareness, mobility, and family decision-making following their involvement in microfinance programs

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Microfinance offers banking services tailored for unemployed or low-income individuals or groups who otherwise lack access to traditional financial services. It supports entrepreneurs and small businesses that cannot secure loans from conventional banks, which typically cater to high-income clients and demand collateral. Since low-income individuals often do not have significant assets for collateral, they struggle to obtain loans from these banks. Microfinance addresses this gap by providing financial services to underserved populations, including consumers and self-employed individuals. This financial assistance is crucial for low-income people, particularly women, who are often excluded from economic activities. By offering credit, savings, and other essential services, microfinance empowers millions who are too poor to be served by regular banks due to their lack of collateral. Ultimately, the goal of microfinance is to give low-income people an opportunity to become self-sufficient by providing them with means to save money, borrow money, and obtain insurance.

Empowering women is a key objective of microfinance, as they make up a significant proportion of microfinance beneficiaries. Historically, women, especially those in underdeveloped countries, have faced barriers to participating in economic activities. Microfinance provides women with the financial backing they need to start business ventures and actively engage in the economy. It boosts their confidence, improves their status, and encourages their active involvement in decision-making, thereby promoting gender equality.

Many microcredit institutions and agencies worldwide focus on women in developing countries. Observations and experiences show that women are a lower credit risk, with higher loan repayment rates, and they often benefit the entire family. Additionally, microfinance is viewed as a means to improve women's socioeconomic status and challenge conservative gender-class relationships when women contribute to household

income. There are numerous reasons why women have become the primary target of microfinance services.

A recent report from the World Bank highlights that gender discrimination in societies leads to heightened poverty, slower economic growth, weaker governance, and reduced living standards for everyone. Worldwide, women make up 70 percent of the poor. They also face higher unemployment rates compared to men in nearly all countries and dominate the informal sector in most economies. Women are the primary beneficiaries of microfinance services. Offering microcredit loans to women creates a multiplier effect, significantly amplifying the positive impact of microfinance institutions across generations.

Nepal, being one of the world's 50 least developed countries, has sluggish economic growth, underdeveloped production with limited export commodities, rapid population growth, and a high concentration of the labor force in agriculture. Microfinance is an appropriate mechanism to identify and address poverty among the poor, disabled, dalits, marginalized groups, destitute individuals, and women in Nepal. It provides income, employment, and capacity-building opportunities, contributing to their socio-economic empowerment through social mobilization.

Many developing countries face challenges such as unemployment, poverty, and low economic growth, preventing people from improving their economic conditions. The lack of access to proper financial services further exacerbates their situation. Therefore, microfinance programs are widely used in developing countries as a means to eradicate poverty, improve women's economic status, and stimulate overall economic growth.

Microfinance for the poor and women has gained significant recognition as a strategy for poverty reduction and economic empowerment. However, in the past five years, there has been increasing questioning of whether microcredit is the most effective approach to empower the poorest, particularly women. Development practitioners in India and other developing countries argue that the excessive focus on microfinance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and other critical aspects of poverty reduction.

1.2 Problem Statement

In the past, women were restricted from participating in social activities and were not given roles in decision-making within families. This situation was even worse in rural and remote areas. However, the situation has now changed, and women have been given the freedom to pursue their aspirations. In today's scenario, more women are engaged in income-generating activities. This positive change can be attributed to NGOs and other financial institutions that have come forward to provide microfinance to poor women. They believe that women are a lower credit risk and often benefit the entire family. Empowering women is the main goal of microfinance, which has led researchers to focus more on the empowerment of rural women participating in microfinance programs.

Nepal is a poor country where women are the poorest among the poor due to lack of education and economic resources. There is a significant gender disparity, and to address poverty and promote economic development among the poor, microfinance has become a new hope. Microfinance has the ability to mobilize resources within the land of poor people. It helps increase their earning capacity and improve their living standards, making it an effective and powerful tool to alleviate poverty and raise living standards.

In Butwal Sub Metropolitan City, women are primarily involved in agriculture activities and serve as homemakers. They have greater household responsibilities than men, but their income source relies on their husbands' earnings.

Therefore, this study aims to explore specific findings regarding the impact of microfinance programs in the study area, considering the circumstances and roles of women in Butwal Sub Metropolitan City.

1.2.1 Research Questions

1. What are the socio-demographic traits of individuals who use microcredit services?
2. How does microfinance impact various aspects of women's empowerment, including their economic security, legal awareness and mobility?
3. How does participation in microfinance programs affect women's ability to make decisions within their households and communities?

1.3 Objectives Of the Study

Micro-finance is an emerging concept of Nepal. The value of micro-finance in Nepal is increasing day by day. The main objective of the study is to investigate the microfinance program of Butwal Sub Metropolitan City - 17.

The specific objectives of the study are as follows:

1. To examine the socio-demographic traits of individuals using microcredit services.
2. To explain the relationship between economic security, legal awareness, decision making and mobility with women's empowerment.
3. To analyze the relationship between economic security, legal awareness, decision making and mobility with women's empowerment.

1.4 Rationale of the study

Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. It has received extensive recognition as a strategy for reducing poverty and promoting economic empowerment, particularly for the poor and women. However, in the past five years, there has been increasing questioning of whether microcredit is the most effective approach to empower the poorest, especially women. Some development practitioners in developing countries argue that the excessive focus on microfinance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs.

Microfinance plays a crucial role in enhancing financial literacy through various training and programs. This study holds importance in Nepal because the government has initiated microcredit programs through government agencies and organized groups of women who provide commercial credit. Microfinance has now become a proven strategy for the economic empowerment of women and small farmers.

The significance of this study lies in the fact that, for the first time, the government is promoting development banks, NGOs, and apex organizations like RMDC and cooperative institutions to support microfinance programs. This research aims to highlight the importance of microfinance in Nepal and how it contributes to poverty reduction in the

country. The case study of the microfinance program in Butwal Sub Metropolitan City will help shed light on these aspects. The study aims to justify its significance based on the following points.

- How are women collecting and mobilizing rural savings through micro financing activity?
- How do women improve their social and economic condition after microfinance programs?

1.5 Limitation of the Study

This study is focused on microfinance programs operating in Butwal Sub Metropolitan City only. The study is based on primary data. The study will mostly concern the microfinance program run by Microfinance at Butwal Sub-Metropolitan City -17.

CHAPTER II

LITERATURE REVIEW

Scientific research is typically built upon existing knowledge, acknowledging the significance of previous studies as they form the foundation for the present investigation. This chapter relies on a variety of sources, including journals, articles, study reports, manuals, previous theses, and relevant websites. The literature review delves into the background of microfinance, highlighting its significance in uplifting economic conditions and exploring the interconnectedness between women's empowerment and microfinance. By drawing upon these diverse sources, this study aims to contribute to the existing body of knowledge in the field of microfinance and its impact on women's empowerment.

2.1 Conceptual Review

2.1.1 microfinance

Jayasinghe argues that microfinance plays a vital role in providing women with the necessary financial support to initiate business ventures and actively participate in the economy. It not only gives them confidence but also improves their social status and encourages their involvement in decision-making processes, thereby promoting gender equality (Jayasinghe & Anura, 2019).

Microfinance plays a crucial role in fostering financial development, especially within the credit sector. It primarily serves marginalized groups who do not have access to conventional credit facilities, with a strong emphasis on women. The main goal of microfinance is to reduce poverty and empower borrowers by providing them with essential financial services. Microcredit or microfinance aims to address the banking needs of the unbanked population, offering credit, savings, and other essential financial services to millions of people who are excluded from mainstream banking. In many cases, these individuals are unable to participate actively in economic activities due to their limited resources and inability to access conventional banking services (Al-shami et al.,2016).

2.1.2 Modes of microfinance in Nepal

Different microfinance institutions worldwide have implemented diverse credit lending models to cater to the needs of their target populations. Some of them are described below.

2.1.2.1 Grameen model

Under the Grameen model, bank managers and staff engage in outreach activities, visiting villages to educate local communities about the objectives and functioning of the microfinance institution. Initially, two individuals out of a group of five are selected to receive loans. The group's adherence to the institution's rules and regulations is closely monitored during an initial assessment period. Only after the first two borrowers successfully repay their loans with interest within a specified period are the remaining group members permitted to borrow money. This approach encourages the group to maintain transparent and accountable financial records while promoting responsible borrowing and timely repayment practices (Lamichhane & Basu, 2020)..

2.1.2.2 Group model

Within this framework, when a participant encounters challenges in repaying their loan, fellow members apply pressure to encourage timely repayment. If these efforts prove ineffective, the collective responsibility of the group may lead to the repayment of the loan on behalf of the struggling member (Johnson & Rogaly, 1997).

2.1.2.3 Individual model

In this particular system, there is no requirement for a collective group to be established as microloans are directly disbursed to individual borrowers. Consequently, the absence of a group dynamic negates the presence of peer pressure for repayment (Lamichhane & Basu, 2020).

2.1.2.4 Community banking

NGOs and various organizations primarily administer this banking model to foster community development through the implementation of community development initiatives. These initiatives involve the establishment of semi-formal or formal institutions within the community, aimed at providing microloans and offering training to

community members in diverse financial activities such as income generation and savings (Lamichhane & Basu, 2020).

2.1.2.5 Bank guarantees

Within this framework, a commercial bank acts as the lending entity, sourcing funds from external donors, government agencies, or internal sources such as members' savings. These loans are then disbursed directly to either individuals or self-formed groups. Notably, various international organizations and the UN have established international guarantee funds that both banks and NGOs can contribute to, facilitating the initiation of micro-funding programs (Lamichhane & Basu, 2020).

2.1.2.6 Rotating saving and credit associations

This approach is structured around a collective effort, where individuals contribute a fixed amount each month. Subsequently, this pooled sum is then loaned out to other members through methods like lotteries or agreed-upon procedures, with repayment occurring through regular or additional monthly contributions (Lamichhane & Basu, 2020). As mentioned by Harper (2006), this model represents a prevalent form of savings and credit. Harper notes that group members typically consist of neighbors and friends, highlighting how these groups foster social interaction and are particularly favored by women.

2.1.2.7 Village banking model

The Village Bank model originated in the mid-1980s under the auspices of the Foundation for International Community (FINCA). These banks are community-driven entities focused on offering financial services in rural areas, fostering self-help initiatives within the community, and facilitating savings accumulation among members (Otero & Rhyne, 1994). Typically consisting of 30 to 50 members, with a majority being women, membership in a Village Bank is voluntary. Funding for the bank is sourced internally through member contributions and supplemented by loans from Microfinance Institutions (MFIs).

2.1.3 Concept of Empowerment

Empowerment refers to the implementation of measures aimed at increasing autonomy and self-determination in individuals and communities. The objective is to enable them to represent their interests responsibly and independently, acting with their own authority. It is a process through which individuals become stronger and more confident, particularly in terms of controlling their lives and asserting their rights. Empowerment, both as a self-empowerment process and as professional support, assists individuals in overcoming feelings of powerlessness and lack of influence, allowing them to recognize and utilize their resources effectively. It involves working with power (Rappaport ,1981).

In the context of women's empowerment, researchers have identified several commonly used dimensions, drawing from frameworks developed by authors across various social science fields. These dimensions include economic, socio-cultural, familial/interpersonal, legal, political, and psychological aspects. Women's empowerment necessitates progress across multiple dimensions, with actions aimed at enhancing economic opportunities, challenging socio-cultural norms and gender roles, promoting supportive family and interpersonal relationships, ensuring legal rights and protections, facilitating political participation, and fostering psychological well-being (Rappaport ,1981).

Empowerment is a process that strengthens the capacity of individuals or groups to make choices and translate those choices into desired actions and outcomes. It revolves around building personal and collective assets while improving the efficiency and fairness of the organizational and institutional context governing the utilization of these assets. By enabling individuals and communities to exercise agency and take control of their lives, empowerment facilitates positive change and the achievement of desired goals (Malhotra & Schuler & Boender ,2002).

2.1.4 Women Empowerment

Microfinance is widely utilized in present-day developing countries in various ways (Jonah,1996). One prominent application is in the context of the United Nations' Millennium Development Goals (MDGs), specifically in the form of the third goal, "Gender equality and women's empowerment." Addressing the empowerment of poor women is an essential component of the broader agenda of empowering the poor as a

whole. It is crucial to recognize that women in poverty are often subordinate to men in poverty, and efforts to reduce poverty must consider gender inequalities and power imbalances (Kabeer, 2003).

Empowerment involves challenging domination and inequality, aiming to confront the inequities and denial of human rights that exist in the lives of millions of people. Women's empowerment is a process through which women gain a greater share of control over material, human, and intellectual resources. This includes resources such as knowledge, information, ideas, financial assets, and decision-making power within the home, community, society, and nation. Empowerment emerges from individuals themselves, and development workers play a role in providing tools and support, including information, awareness, leadership, and training, to facilitate empowerment (Jonah,1996).

According to Jonah (1996), empowerment entails confronting domination and inequality, addressing the societal structures that perpetuate inequity and deny human rights. It allows women to make strategic life choices that may have previously been denied to them, promoting self-reliance, the independent right to make decisions, and control over available resources. The concept of empowerment finds significant application in the context of the Millennium Development Goals, particularly in relation to gender equality and women's empowerment . Recognizing that poor women are often subordinated to poor men, poverty reduction efforts must account for gender inequalities and power dynamics among the poor (Kimanjara & Titus.,2013).

Empowerment for women involves gaining greater control over resources such as income, knowledge, information, technology, skills, and training. It also includes challenging the patriarchal ideology, participating in leadership roles and decision-making processes, enhancing self-image, actively engaging in the process of societal change, and developing assertiveness skills. Empowerment is crucial because without it, individuals, groups, or societies operating with subsistence-level income struggle to achieve substantial income growth that can be transformed into meaningful investments. Overcoming the constraints that hinder income growth is a central concern of empowerment (Akpan., 2015).

2.1.5 Microfinance on women empowerments

Malhotra and Schuler conducted research to identify common indicators used for measuring women's empowerment. The two most universally employed indicators are decision-making power and access to resources. Decision-making power is often assessed by examining women's involvement in financial matters, resource allocation, spending, social and domestic issues, and decisions related to children. Women's access to resources is another important indicator of empowerment, which is typically measured by considering their control over cash, household income, assets, unearned income, welfare receipts, household budget, and participation in paid employment. Additionally, women's mobility and freedom of movement are frequently used indicators of empowerment (Malhotra A & Schuler SR & Boender C ,2002).

In Bangladesh, the economic empowerment of women plays a crucial role in the country's development. Both non-governmental organizations (NGOs) and government organizations (GOs) have implemented various entrepreneurial programs to uplift rural women living in poverty. Around 70% of the world's poor are women, yet they often lack access to credit and other financial services. This is why microfinance programs often target women . Targeting women is considered a prudent approach as they have higher repayment rates, demonstrate greater cooperation, possess awareness of their needs and abilities, and their empowerment can lead to sustainability. Microfinance institutions (MFIs) believe that women are more reliable borrowers and more likely to share the benefits of financial support with their households, particularly in terms of their children's education. In societies dominated by men, women face discrimination in family, social, economic, and political aspects of life. Furthermore, traditional household responsibilities hinder their social and economic empowerment. Consequently, numerous government and non-governmental organizations have made efforts to promote women's empowerment, particularly in rural areas, through microfinance interventions (Arora & Meenu., 2011).

The efficacy of microfinance in women's empowerment is observed through various changes, including increased participation in household decision-making, improved access to financial and economic resources, expanded social networks, and greater freedom of mobility. While the direct impact of microcredit programs on women's access to resource-enhancing choices may be limited, its ability to empower women within

household dynamics is substantial. This, in turn, improves women's well-being and helps reduce gender biases, particularly in impoverished households. Women in rural areas face challenges such as limited employment opportunities, restricted decision-making power, limited ownership of wealth, inadequate access to healthcare, and insufficient nutrition (Ekpe et al. ,(2011).

Microfinance programs, including microcredit, are unique techniques aimed at enhancing income-generating activities. These programs provide small loans to impoverished borrowers who lack collateral and a verifiable credit history. The goal is not only to support entrepreneurship and alleviate poverty but also to empower women and uplift the entire community. The rise of microcredit institutions on a global scale is considered a significant phenomenon with implications for the development prospects of the poor (Addae, 2015)

In Nepal, approximately 21% of the total population lives below the poverty line, with a higher proportion in rural areas. Women comprise almost half of the population and face lower socioeconomic and political status compared to men. They encounter various socio-cultural, religious, and gender-based barriers to engaging in income-generating activities. Discrimination and domestic violence against women are widespread. Microfinance plays a remarkable role in addressing gender and development issues by directly contributing to poverty alleviation and women's empowerment. This situation is particularly acute in rural areas. The primary objective of microcredit programs is to alleviate poverty and improve the living conditions of the poor. Most microcredit clients are women who, through these programs, engage in various sectors, leading to improvements in their economic conditions. Many women become self-employed and contribute additional income to their families through various income-generating activities. This study aims to examine the role of microcredit in the economic empowerment of women in the southwest region of Nepal.

2.1.6 Economic Dimensions of Women Empowerment through Microfinance

Female economic empowerment encompasses various aspects, including increased access to financial resources, income-generating assets or activities, savings, enhanced financial decision-making power, and greater economic independence . Access to credit plays a significant role in facilitating sustainable income growth through increased investments in

income-generating activities and the potential diversification of income sources. Moreover, it can contribute to asset accumulation . An important finding is that women's ownership of assets tends to increase as a result of their involvement in microfinance, leading to enhanced economic independence. The microfinance sector has proven to be an effective intervention for supporting women in initiating sustainable projects that improve their livelihoods, thereby contributing to poverty reduction and enabling greater economic autonomy (Kimanjara & Titus. ,2013).

Additionally, microfinance serves as a pathway to self-empowerment. By increasing income, enabling individuals to become business owners, and reducing vulnerability, microfinance empowers the poor to make positive changes in their lives (Adhikari et al., 2013)

The microfinance sector has emerged as an effective intervention for supporting women in initiating sustainable projects that enhance their livelihoods and contribute to poverty reduction, thereby strengthening their economic independence (Kimanjara & Titus ,2013) . Mayoux (2006) emphasizes that microfinance programs predominantly target women with the explicit aim of empowering them. The motivation behind this focus stems from the recognition that women are among the most impoverished and vulnerable segments of society, making their upliftment a priority. It is widely acknowledged that increasing women's access to resources positively impacts the well-being of their families, particularly children, aligning with the goals of financial viability. Consequently, numerous microfinance institutions prefer women borrowers, viewing them as more reliable and creditworthy.

In societies dominated by men, women encounter discrimination across various spheres of life—family, social, economic, and political. Additionally, the traditional responsibilities of managing households pose obstacles to their social and economic empowerment. In response, both governmental and non-governmental organizations have made substantial efforts to promote women's empowerment, particularly in rural areas, with microfinance interventions being one such approach . The fundamental principle of microfinance is that by providing financial services to women, they can become self-employed and access income through micro- and small-scale businesses. Access to microfinance also grants women greater bargaining power within their households, enabling them to make decisions regarding family planning .

Microfinance, particularly for the poor and women, has gained widespread recognition as a poverty reduction strategy and a means of fostering economic empowerment. However, in recent years, there has been increasing scrutiny over whether microcredit is the most effective approach for empowering the poorest, especially women. Development practitioners in India and other developing countries argue that the excessive focus on microfinance as a solution for poverty has resulted in neglect by the state and public institutions in addressing the employment and livelihood needs of the poor.

2.1.7 Social Dimensions of Women Empowerment through Microfinance

Enabling women's access to financial services can serve as a catalyst for empowerment, fostering increased confidence, assertiveness, active participation in family and community decision-making, and the ability to address systemic gender inequalities. Empowerment through microfinance is determined by three key factors: decision-making abilities, freedom of mobility, and support from the family. When women have greater autonomy in their lives and in shaping the lives of their children, living conditions tend to improve. This is attributed to women's inclination to utilize household income to enhance nutrition, health, and educational opportunities for their families (Cheston S. & Kuhn L. , 2002).

The provision of credit and business training has been instrumental in empowering women to expand and enhance their businesses. This, in turn, results in heightened decision-making power, while also earning them respect within their households and communities. Beyond financial intermediation, many microfinance institutions (MFIs) offer social intermediation services, including group formation, fostering self-confidence, and providing training in financial literacy and management skills to their members. As such, the definition of microfinance often encompasses both financial and social intermediation elements.

According to Sharma (2007), significant gender disparities existed in both youth and adult literacy rates, with women facing educational disadvantages due to gender inequality, limited access to healthcare, unequal opportunities in education, and restricted rights. In response to these challenges, an "index of empowerment" was developed, encompassing various factors such as mobility, economic stability, decision-making power in household matters, autonomy from familial dominance, awareness of political

and legal rights, and participation in public demonstrations and political campaigns. While women's economic mobility improved through income-generating activities, societal prejudices regarding women's mobility persisted (Pokhreyal.,2014)

Social empowerment focuses on enhancing women's freedom of movement, self-assurance, self-reliance, obtaining higher levels of education for themselves and their families, and active participation in local issues. The social impact of microfinance is evaluated based on various factors, including self-confidence, self-esteem, interpersonal skills, and the ability of entrepreneurs to establish connections. Many women entrepreneurs have reported that their involvement in business through microfinance has improved their living standards, boosted self-confidence, and garnered support from their husbands, who are satisfied with their business performance (Sultana, 2012).

However, Banerjee's et al (2015) study indicated that microfinance clients did not experience significant improvements in health, education, or women's empowerment. Similarly, Rehman et al (2015) argued that the relationship between microfinance activities and the empowerment of rural women is weakly positive.

2.2 Empirical Review

2.2.1 Review of Journals Articles

Alshebami and Khandare (2015) highlighted that about 60 percent of clients of microfinance institutions globally are women. Three primary reasons justify prioritizing women's access to these services: poverty alleviation, increased efficiency and sustainability, and promoting equality through empowerment. Empowerment is a transformative process where individuals or groups acquire the power and capability to control their lives. This involves improved well-being, better access to resources, enhanced self-confidence and self-esteem, increased participation in decision-making, and greater control over personal benefits and life choices. Microfinance programs often aim to foster individual-level changes, yet the extent of empowerment for women is frequently constrained by existing inequalities and discrimination. The authors concluded

that while microcredit schemes support the empowerment of poor women and help alleviate poverty, the impact is mixed. Women experienced increased influence in family matters, better decision-making abilities, heightened self-confidence, improved social status, better gender relations at home, and reduced domestic violence.

Similarly, a study by RMDC (2008) examined the impact of microfinance programs on the socioeconomic status of beneficiaries in the Kathmandu district using both primary and secondary data. The findings indicated that microfinance services positively affected the household income of participating women. This increased income contributed to an improved socioeconomic status for these women and enhanced their credibility in other sectors. This positive change was attributed to their involvement in microfinance programs.

The microfinance program has significantly empowered women in various aspects. The study indicates that microfinance facilitates income diversification and leads to positive changes in investment, income, and savings across different income sources. By fostering self-employment, microfinance enables poor women and their families to meet their daily needs. Additionally, microfinance programs enhance the educational status of children of participating women by providing necessary information through program implementers. These programs also bolster women's decision-making power, allowing them to make choices independently of their male counterparts.

Akanji (2001) assessed the impact of microfinance on the socio-economic upliftment of women, specifically focusing on the empowerment of women in Kirtipur through the Swavlamban program. The study evaluated women's per capita experience with microfinance programs and found improvements in basic amenities like drinking water and sanitation facilities, indicating increased awareness among women since their involvement in microfinance programs. Furthermore, women began participating more in social discussions, and their involvement in microfinance programs was positively received by society. This participation led to greater self-reliance and increased involvement in economic, household, and social decision-making processes, illustrating a positive impact on women's socio-economic upliftment.

In his article "Does microfinance empower women? Evidence from self-help groups in India," Akanji (2001) concluded that participation in microfinance programs significantly empowers women. The study reveals that members of self-help groups (SHGs) are better equipped to challenge restrictive gender norms and cultural limitations, enhancing their ability to make choices and pursue personal development. By improving women's income-generating activities, microfinance programs positively influence economic growth. The author used regression analysis to examine the determinants of women's empowerment and its impact on decision-making, collecting data from Bahawalpur City. The findings indicated that factors such as age, husband's education, marital status, number of sons, father's assets, and loan amount are significant socioeconomic determinants of women's empowerment.

Age was found to have a positive and significant effect, though the variation is slight. Older women tend to be more mobile, have greater access to resources, and possess more decision-making power both within and outside the household. A husband's education also enhances a woman's role in domestic decision-making. Additionally, the loan amount, as an economic determinant, significantly contributes to empowerment at the household level. Many women independently make financial and business decisions and manage their loans. Overall, microfinance loans positively influence women's decision-making within the home.

Sauramathi (2011) emphasized that the primary goal of microfinance is to empower women. Internationally recognized as a modern tool for combating poverty and promoting rural development, microfinance, particularly through Self Help Groups (SHGs), effectively reduces poverty, empowers women, and raises awareness, ultimately leading to sustainable national development. Women's empowerment through microfinance can be viewed in three dimensions: psychological, social, and economic.

Microfinance has instilled courage, self-confidence, and improved skills and self-worth among women. It has also raised literacy levels among rural women and heightened their awareness of the importance of children's education. After joining SHG programs and receiving microfinance, 92 percent of women reported a reduction in poverty. Many respondents noted increased environmental awareness and acknowledged that microfinance directly and indirectly brought economic development, happiness, and peace to their families.

There has been significant improvement in group coordination, leadership, and decision-making among participants. The income of women improved markedly after joining SHGs, leading to enhanced psychological well-being and social empowerment. The broader impact of microfinance extends to communities and societies, generating stronger social networks and a greater sense of community. This accumulation of information fosters increased political participation, higher education rates, and better healthcare.

While these social qualitative measures are challenging to quantify, they are crucial evidence of microfinance's ability to reduce poverty. The study concluded that microfinance has significantly contributed to global development. It highlighted the importance of savings, suggesting that the poorest may benefit more from direct subsidies than loans. Although microfinance is not a cure-all for poverty, it remains a valuable tool in the fight against it.

Limbu (2014) concluded that microfinance significantly contributes to the social, psychological, and economic empowerment of women in India. The availability and effective utilization of microfinance loans have a notable impact on empowering women. The study's empirical findings indicate that microfinance greatly enhances the economic status, decision-making power, knowledge, and self-esteem of women participating in self-help group linkage programs in Ghaziabad. Microfinance is recognized as a crucial strategy for achieving and sustaining long-term economic growth globally. Providing financial services to poor people on a large scale with widely accepted products requires re-evaluating fundamental assumptions and implementing necessary changes. Currently, microfinance aims to combine the convenience and adaptability of the informal sector with enhanced flexibility and sustainability.

According to Susan (2016), Micro Finance Institutions (MFIs) are widely acknowledged as a means of promoting economic empowerment among women. Granting women access to savings and credit plays a crucial role in enhancing their economic influence in decision-making processes, especially concerning savings and credit choices. When women have control over credit and savings decisions, they can optimize their own welfare as well as that of their households. Investing in women's economic activities not only improves employment opportunities for women but also has a ripple effect on society at large.

The empowerment model emphasized by MFIs highlights the importance of women engaging in income-generating activities. Additionally, MFIs provide training to women, helping them eradicate illiteracy regarding financial management and empowering them to make sound economic decisions for themselves and their families. Women receive guidance from MFIs on how to effectively manage the funds they receive, ensuring that they are used wisely. By imparting investment knowledge, MFIs enable women to make informed choices regarding investments, thereby contributing to their economic advancement.

Agarwal (2016) concluded that microfinance has the potential to address issues related to inadequate housing and urban services within poverty alleviation programs. The key challenge lies in determining the right level of flexibility in credit instruments to meet the diverse credit needs of low-income borrowers without imposing overly burdensome monitoring costs on lenders. A viable solution involves offering multipurpose loans or composite credit that can be used for income generation, housing improvement, and consumption support. Consumption loans are particularly crucial during the initial phase of starting a new economic activity when positive income is not yet realized.

Conducting thorough research on the financing demand, savings behavior of potential borrowers, and involving them in decision-making regarding the mix of multipurpose loans is critical for the success of this approach. This approach allows microfinance to cater to a wider range of needs, promoting both economic development and improved living standards for low-income individuals.

2.2.2 Review of previous theses

Poudyal (2005) conducted research on the impact of microfinance on the economic empowerment of women, concluding that microfinance programs are highly effective in empowering women both economically and socially. These programs reach out directly to rural communities, encouraging savings and fostering economic activities, particularly among women.

Thapa (2006), in a Master's level dissertation on microfinance programs and the economic upliftment of women, highlighted the positive impact of microfinance on improving the economic status of women. The program empowers women by providing

opportunities to step out of traditional household roles, form groups, engage in productive and social activities, and receive training in modern farming techniques and micro-enterprises. This shift towards cash crop production has resulted in higher returns for participants. Additionally, awareness on healthcare, family planning, sanitation, and reduction in harmful habits like smoking and alcohol consumption has increased among women participating in microfinance programs.

Shakya (2016) explored the relationship between microfinance and women empowerment in an International Business thesis, emphasizing that women in rural areas, often considered less risk-takers, benefit significantly from microfinance initiatives. These programs, focusing on lending to women, lead to higher repayment rates and contribute to women's empowerment and economic development by building their self-confidence. Women are empowered to make wise investments and access capital, leading to positive impacts on their financial and social lives. They also gain decision-making opportunities within their households and communities, ultimately achieving economic and social empowerment through microfinance programs.

2.3 Research Gap

The review of literature underscores the role of microfinance as a catalyst for development. By providing financial services to individuals from low-income backgrounds, particularly women, microfinance aims to enhance their economic well-being. The program supports income-generating activities among the economically disadvantaged, ultimately leading to social and economic empowerment and paving the way for a self-sustaining livelihood. These studies highlight the positive impact of engaging in business activities to generate income and improve overall economic conditions.

The repayment rates of loans, along with their interest, have been notably favorable for women compared to men within microfinance programs. Additionally, these programs contribute to enhancing women's decision-making capabilities and their active participation in addressing social issues. This research is primarily focused on women's empowerment, particularly within the context of economic improvement and socio-economic status. It is noteworthy that this study is pioneering in the municipality, as no

previous research on microfinance has been conducted here. The current research aims to fill this gap and shed light on the significance of microfinance in this locality.

The literature review extensively covered various aspects of microfinance services and their impact on women's empowerment. It elaborated on the evolution and historical development of microfinance, distinguishing between microfinance and microcredit as interconnected yet distinct concepts. Microfinance encompasses microcredit, micro savings, micro training, and other related components, making it a comprehensive approach to financial inclusion.

Despite its importance, the microfinance sector still struggles with limited coverage, reaching only a fraction of the total population in need. The literature review also highlighted persistent access-related challenges faced by low-income earners in accessing microfinance products. Existing studies have yet to pinpoint specific mechanisms that could significantly expand access to microfinance products for these groups.

CHAPTER III

RESEARCH METHODOLOGY

The aim of this research was to evaluate how a microfinance program had impacted women's empowerment. This was achieved by examining the various indicators of women's empowerment before and after their participation in the program. To achieve this objective, a suitable and intentional methodology was adopted. This chapter detailed the study's location, research design, target population and sample, data sources, and measurement techniques for the variables that were used in the analysis.

3.1 Research Design

Survey design was followed for this study, and analytical as well as descriptive methods were used to analyze and interpret the data. The study relied on the collection and tabulation of statistical data using a spreadsheet, and subsequently, various statistical tools were applied for analysis. The variables selected for impact analysis of the microfinance program on women's empowerment included Economic Security, Household Decision Making, Economic Decision, Legal Awareness, Mobility, and Family Decision Making. These variables were identified as key indicators of women's empowerment, and the analysis allowed us to determine the extent to which the microfinance program had influenced women's empowerment in these areas.

3.2 Population and Sample

For this study the sample data is collected from Butwal sub metropolitan Ward no.17 Motipur , Rupandehi. The total population of this ward is 7984 where the population of male is 3903 and the population of females is 4081 .Out of these 4081 females we select the 430 women which includes permanent residents of this area and migrants from other districts who are involved in microfinance programs.

3.3 Sampling Design

Purposive sampling technique was followed for the sampling technique. This method involved selecting participants based on specific criteria relevant to the research topic. In

this case, the target population was women who had participated in the microfinance program, and the selection of participants was based on eligibility criteria, such as duration of participation, loan size, and repayment behavior.

Purposive sampling was suitable for studies with a specific target population and research questions, as it allowed for the selection of participants who could provide the most relevant and insightful data. To ensure the validity and reliability of the data collected, the sample size was determined based on statistical power analysis, and efforts were made to reduce bias and ensure the representativeness of the sample.

3.4 Nature and source of Data

This study is mainly based on primary data. These primary data was the combination of both quantitative and qualitative data.

3.4.1 Primary data

For this study primary data were collected from the actual field using structured survey questionnaires, Interview ,focus group and observation.

3.4.2 Secondary data

For this study secondary data were collected from previous research papers, previous thesis, Governments reports ,published book, unpublished book and other related articles,newspaper,municipality report etc.

3.5 Instrument of data collection

For this study ,different types of tool and instruments are used, the main instrument used in data collection are:

3.5.1 Survey questionnaires

Survey questionnaires were designed to gather quantitative data on the different variables of women's empowerment before and after their involvement in the microfinance program. The surveys were administered to women who had participated in the program, and the responses were tabulated using a spreadsheet for further analysis.

3.5.2 Interviews

Interviews were conducted with microfinance program staff , community leaders , and women who had benefited from the program. These interviews provided valuable qualitative data on their experiences with the program, including the challenges and opportunities they faced.

3.5.3 Focus group discussions

Focus group discussions were conducted to gather qualitative data on the experiences of women who had benefited from the microfinance program. The discussions explored the different dimensions of women's empowerment and how the program had impacted their lives.

3.5.4 Observations

Observations were carried out on program activities and interactions between microfinance staff and beneficiaries to gain additional insights into the program's impact on women's empowerment.

3.6 Methods of analysis

In the survey we asked 15 different questions for every participant that assesses women empowerment . The factor we consider as the parameter for women empowerments are:

1. Economics security
2. Household Economic Decision Making
3. Mobility
4. Legal awareness
5. Family decision making

All the responses of asked questions are expressed in a five point Likert scale chart ranging from strongly agree to strongly disagree. Analysis of the responses of participants is done by applying the percentage, mean ,descriptive analysis and regression analysis.

3.6.1 Percentage analysis

Percentage analysis is a method used to analyse data by expressing it in terms of percentage and denoted by % sign. When performing percentage analysis, we first determine the total number of observations in the data set. Then, we calculate the number of observations that fall into each category or response option. Finally, we calculate the percentage of observations that fall into each category by dividing the number of observations in each category by the total number of observations and multiplying by 100% .

In this study, the basic parameters of each participant are analysed using percentage analysis such as age group, marriage status , education status.

3.6.2 Descriptive analysis

Descriptive analysis is a statistical approach that summarizes data, providing a clear and concise understanding of its main features. It involves calculating measures of central tendency, variability, and distribution, as well as using graphical representations to visualize patterns and relationships within the data. Descriptive analysis helps researchers and analysts gain insights into the dataset's characteristics, enabling data-driven decision making and further exploration.

3.6.3 Correlation analysis

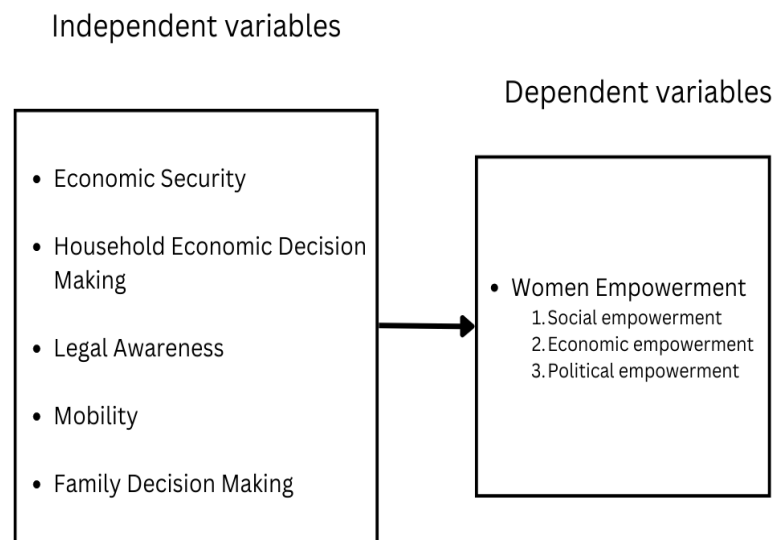
Correlation analysis is a statistical method used to measure the strength and direction of the relationship between two or more variables. It helps in determining whether there is a linear association between variables and the extent to which they change together. Correlation coefficients, such as the Pearson correlation coefficient, provide a numerical value that ranges from -1 to +1, indicating the strength and direction of the correlation. A positive correlation suggests that variables move in the same direction, while a negative correlation indicates they move in opposite directions. Correlation analysis is valuable in identifying patterns and dependencies in the data, aiding in decision making and understanding the relationships between variables.

3.6.4 Regression analysis

Regression analysis is a statistical technique used to examine the relationship between a dependent variable and one or more independent variables. It helps to understand how changes in the independent variables affect the dependent variable and to make predictions based on the observed data. By fitting a regression model to the data, it allows for quantifying and evaluating the strength and significance of the relationships. Regression analysis is widely used in various fields to gain insights, make forecasts, and uncover important patterns and trends in the data.

3.7 Research Framework and variables

The main purpose of a research framework is to culmination of the research process, which includes data collection, analysis, and interpretation. It typically results in research findings and conclusions that shed light on the relationship between the dependent and independent variables.



3.7.1 Dependent variable

The dependent variable is the outcome or phenomenon that researchers seek to explain or understand and influenced by the independent variable. In this study the dependent

variables are women empowerment outcomes like economic empowerment, social empowerment and political empowerment .

3.7.2 Independent variable

The independent variables are the factors or variables that are hypothesized to have an impact on the dependent variables .In this study the independent variables are:

1. Economic Security:

Economic security refers to the condition of individuals or households having a stable and reliable income and access to resources that allow them to meet their basic needs and maintain a reasonable standard of living. It encompasses various aspects, such as job security, income stability, access to financial services, social protection, and the ability to save and invest.

2. Household Economic Decision Making.

"Household economic decision making" refers to the process by which economic choices and actions are made within a household or family unit. It involves determining how resources, such as income and assets, are allocated among different household members and for various purposes.

3. Legal Awareness.

Legal awareness, refers to the understanding and knowledge that women have about their legal rights and the laws that protect them. It involves empowering women with information about their legal entitlements, including their rights to property, inheritance, access to credit, protection against domestic violence, and other relevant laws and regulations.

4. Mobility.

Mobility generally refers to the ability of women to move out of poverty and improve their socioeconomic status through access to financial services. Specifically, it refers to the increased economic and social opportunities that women gain as a result of their involvement in microfinance programs.

5. Family Decision Making.

Family decision-making refers to the process through which families or households make choices and determine actions that affect various aspects of their lives. When discussing women empowerment, family decision-making plays a crucial role.

CHAPTER IV

RESULTS

This section focuses on the gathered data pertaining to the primary goal of the research. Within this section, we undertake an analysis of the accumulated data under different headings and subheadings to accomplish the main objective of the study. This chapter presents the examination of several aspects, including alterations in economic security perception, shifts in women's perceptions regarding household decision-making, transformations in women's awareness of legal matters, variations in women's perspectives on mobility, and changes in women's outlook on family decision-making prior to and following their participation in a microfinance program, in a sequential manner.

This section contains the main three parts. The first part explains the demographic profile of the respondents ,second part is the descriptive statistics of participants' responses and the final part contains the major findings of the study.

4.1 Demographic profile of responds

Demogra profile of respondents reveals the different personal characteristics of the respondents such as age group,education level,marital status and occupation. Demographic profile of responds helps us to understand the behavior and helps identify differences and trends across demographic segments.

4.1.1 Distribution of respondents based on Occupations.

Occupation is an important variable which defines the type of work every respondent is involved in. It is an important variable because different occupations involve specific skill sets, knowledge, and experiences. By capturing respondents' occupations, we can gain insights into how professional backgrounds influence opinions, preferences, and behaviors .

Table 1

Distribution of Respondents Based on Occupation.

Occupation	Frequency	Percent	Cumulative percent
Agriculture	116	27.0%	27.0%
Animal Husbandry	76	17.7%	44.7%
General store and Fancy	112	26.0%	70.7%
Services	59	13.7%	84.4%
Other	67	15.6%	100%
	430	100%	

Table 1 shows the majority of the respondents i.e 116 are doing agriculture as their main occupation which is 27.0% of the total participants, similarly 76 participants work with animal husbandry as their main occupation which is 17.7% of total participants, similarly total 112 participants has their general store and fancy shop which is 26.0% of total participants, 59 participants work in services which comprise 13.7% and 67 participants are in other business which comprise 15.6%.

4.1.2 Distribution of respondents based on Age group.

Age group is an important variable which defines the age group each respondent falls into. It is an important variable because different age groups may have distinct experiences, perspectives, and behaviors shaped by the social, economic, and technological context in which they grew up. By capturing respondents' age, we can analyze how opinions, preferences, and behaviors vary across generations.

Table 2

Distribution of Respondents Based on Age Group.

Age	Frequency	Percent	Cumulative percent
20-30	66	15.3%	15.3%
31-40	218	50.7%	66.0%
41-50	130	30.3%	96.3%
50 above	16	3.7%	100%
	430	100%	

Table 2 shows the 66 participants out of 430 lies in 20-30 age group which is 15.3%, majority of respondents with 218 numbers lies in age group of 31-40 which comprise 50.7%, similarly 130 participants are of age between 41-50 which is 30.3% and there are total 16 participants whose age is 50 and above which is 3.7% of total participants.

4.1.3 Distribution of respondents based on Marital status.

Marital status of respondents is another important because it provides insights into respondents relationship status, such as whether they are single, married, divorced, widowed. Understanding marital status allows us to explore relationship dynamics, family structures, and the influence of partnerships on various attitudes, behaviors, and preferences.

Table 3

Distribution of Respondents Based on Marital Status.

Marital status	Frequency	Percent	Cumulative percent
Married	395	91.9%	91.9%
Divorced	4	0.9%	92.8%
Widow	31	7.2%	100%
	430	100%	

Table 3 shows the marital status of the respondents, the majority of participants are married which is 395 comprise 91.9% there are 4 participants who divorced with their husband comprise 0.9% and 31 participants with 7.2% are widow.

4.1.4 Distribution of respondents based on education.

It is another important variable which is an indicator of respondents knowledge, skills, and expertise acquired through formal education. It provides insights into the level of academic achievement, subject-specific knowledge, and qualifications. Understanding respondents education levels allows us to assess the influence of education on opinions, attitudes, and behaviors

Table 4

Distribution of Respondents Based on Education.

Education	Frequency	Percent	Cumulative percent
Literate	83	19.3%	19.3%
Below SLC/SEE	128	29.8%	49.1%
Above SLC/SEE	128	29.8%	78.9%
Above +2	91	21.1%	100%
	430	100%	

Table 4 explains the education level of participants 83 respondents which is 19.3% of total participants are capable of basic read and write, 128 respondents constituting 29.8% have education level below SLC/SEE, another 128 respondents constituting 29.8% have education level above SLC/SEE and 91 respondents constituting 21.1% have education level of above +2 level.

4.1.5 Distribution of respondents based on monthly income.

Monthly income is an important variable which provides insights into respondents' financial well-being and economic status. Understanding income levels allows us to explore economic disparities, wealth distribution, and social inequality. It can shed light on the financial challenges, constraints, and opportunities individuals face, and how they impact attitudes, behaviors, and preferences.

Table 5

Distribution of Respondents Based on Monthly Income.

Income	Frequency	Percent	Cumulative percent
Below 15000	57	13.3%	13.3%
15000-30000	171	39.8%	53.1%
30000-50000	140	32.6%	85.7%
50000 Above	62	14.3%	100%
	430	100%	

Table 5 shows the Monthly income of participants out of 430 respondents 57 respondents have monthly income of below 15000 which is 13.3% of total participants , 171 respondents constituting 39.8% have monthly income between 15000-30000 ,140 respondents constituting 32.6% have monthly income between 30000-50000 and number of participants whose income is above 50000 is 62 which is 14.3% of total respondents.

4.2 Reliability Test

Cronbach's alpha is a widely used statistical measure of internal consistency or reliability of a set of items or questions within a questionnaire or measurement scale. It assesses the extent to which the items in a scale are measuring the same underlying construct consistently. Pilot testing was conducted with a sample of 20 participants to assess the internal consistency of the measurement scale. This preliminary phase of the study aimed to ensure that the items within the scale were reliable and coherent. By applying Cronbach's alpha analysis to the collected data, we evaluated the extent to which the items consistently measured the targeted construct. The results of the pilot testing provided valuable insights into the reliability of the scale and guided necessary refinements before the full-scale data collection commenced.

Table 6

Cronbach's alpha

Variables	No. of Questions	Cronbach's Alpha
Economic Security	3	0.826
Household Economic Decision Making	3	0.801
Legal Awareness	3	0.816
Mobility	3	0.772
Family Decision Making	3	0.832
Overall	15	0.809

Table 6 shows the cronbach's alpha, the calculated Cronbach's alpha coefficients for the distinct factors are as follows: Economic Security ($\alpha = 0.826$), Household Economic Decision Making ($\alpha = 0.801$), Legal Awareness ($\alpha = 0.816$), Mobility ($\alpha = 0.772$), and Family Decision Making ($\alpha = 0.832$). These values indicate robust internal consistency within each factor, reinforcing the reliability of the measurement scale employed in the study.

4.3 Descriptive Statistics

Descriptive statistics focuses on summarizing and describing the main features of a dataset. It involves analyzing, organizing, and presenting data in a meaningful way, allowing us to gain insights and draw conclusions from the collected information. The main goals of descriptive statistics are to provide a clear and concise summary of the data and to describe its key characteristics. For descriptive statistics we asked 5 scale likert question ranging from 1 to 5 where 1 indicate "strongly disagree" and 5 indicate "strongly agree".

4.3.1 Descriptive Statistics of Economic security

The primary objective of the Microfinance program is to enhance the economic security of women, with a strong emphasis on empowering them. This study has examined several

economic impact factors within this context. These variables include the analysis of access to financial services, ability to save money for future needs and ability to invest in family future (such as education or business opportunities) before and after their involvement in the microfinance program.

Table 7

Descriptive Statistics of Economic Security

S.N	Statements	Mean	Standard Deviation
1	I have access to financial services such as loans, savings, and insurance.	3.89	0.80
2	I am able to save money for future needs and emergencies.	3.83	0.83
3	I am able to invest in my family's future, such as education or business opportunities.	3.87	0.81
Overall		3.86	0.81

Table 7 provides a comprehensive overview of the descriptive statistics pertaining to Economic security. Within this table, three statements are presented, each accompanied by its corresponding mean value. The means for these statements are calculated to be 3.89, 3.83, and 3.87, respectively. Additionally, the standard deviations for the same statements are 0.80, 0.83, and 0.81, respectively. These statistics collectively reveal a prevailing inclination towards agreement among the responses.

4.3.2 Descriptive Statistics of Household economic decision making

"Household economic decision making" is an important factor to consider in surveys for women empowerment because it directly influences women's access to resources, opportunities, and control over their own lives. In many societies, women often face limited decision-making power within the household, especially when it comes to financial matters. This variable includes the analysis of how they feel and contribute in household economic decision making before and after the involvement in the microfinance program.

Table 8

Descriptive Statistics for Household Economic Decision Making

S.N	Statements	Mean	Standard Deviation
1	I feel that I have equal say in financial decision-making with other members of my household.	3.90	0.82
2	I feel that my contributions to household finances are recognized and appreciated.	3.88	0.82
3	I feel that my contributions to household finances are recognized and appreciated.	3.87	0.80
Overall		3.88	0.81

Table 8 shows the descriptive statistics of household economic decision-making. The table encompasses three statements, each accompanied by its respective mean and standard deviation. The mean values for the statements are 3.90, 3.88, and 3.87, indicating a tendency towards agreement among the responses. Furthermore, the standard deviations for the statements are 0.82, 0.82, and 0.80 respectively.

4.3.3 Descriptive Statistics of Legal awareness

"Legal awareness" is another important factor for women empowerment because it plays a crucial role in promoting women's rights, ensuring gender equality, and addressing issues of discrimination and injustice. Legal awareness refers to the knowledge and understanding individuals have about their rights, laws, and legal remedies available to them before and after the involvement in a microfinance program.

Table 9

Descriptive Statistics for Legal Awareness

S.N	Statements	Mean	Standard Deviation
1	I have a good understanding of my legal rights as a woman.	3.88	0.79
2	I feel confident in my ability to assert my legal rights if necessary.	3.84	0.86
3	I am aware of the legal protections available to women in my community.	3.90	0.80
Overall		3.87	0.82

Table 9 shows the descriptive statistics for Legal awareness. The table comprises three statements, each accompanied by its respective mean and standard deviation values. The mean values for the statements are 3.88, 3.84, and 3.90, indicating an overall inclination towards agreement among the responses. The standard deviation values associated with the statements are 0.79, 0.86, and 0.80, suggesting a relatively small degree of variability within the dataset.

From Table 83, it can be concluded that the respondents' perceptions of legal awareness tend to demonstrate agreement. The average mean of 3.87 signifies a general inclination towards agreement, and the average standard deviation of 0.82 suggests a relatively low level of variability within the dataset.

4.3.4 Descriptive Statistics of Mobility

Mobility refers to the ability of women to move freely and safely within their communities and beyond. It is an important factor in women empowerment because it directly impacts women's access to education, employment opportunities, healthcare, social participation, and overall autonomy. This study examines the different mobility factors such as how they feel while traveling, freedom to travel and access to public spaces.

Table 10

Descriptive Statistics for Mobility

S.N	Statements	Mean	Standard Deviation
1	I feel safe and secure when I am traveling alone.	3.89	0.79
2	I have the freedom to travel to and from work or college as needed.	3.95	0.80
3	I am able to access public spaces and participate in community activities.	3.85	0.81
Overall		3.90	0.80

Table 10 presents the descriptive statistics pertaining to Mobility. The table encompasses three statements, each accompanied by its respective mean value and standard deviation. The mean values for the statements are 3.89, 3.95, and 3.85, indicating an overall tendency towards agreement among the responses. Furthermore, the standard deviations of 0.79, 0.80, and 0.81 signify a relatively small degree of variability within the dataset. The mean values indicate a collective agreement among the respondents, suggesting a positive inclination towards this domain. Additionally, the relatively low standard deviations highlight the stability and uniformity of perceptions within the dataset, reinforcing the notion of consistency among the responses.

4.3.5 Descriptive Statistics of Family Decision Making

"Family decision making" is an important factor related to women empowerment because it reflects the power dynamics within a family and the extent to which women have agency and influence in making decisions that affect their own lives. In many societies, traditional gender roles and cultural norms have historically assigned decision-making authority to men, limiting the autonomy and empowerment of women. It helps to identify the level of women's participation and influence in various aspects of family life. This includes decisions related to healthcare, children education, finances.

Table 11

Descriptive Statistics for Family Decision Making

S.N	Statements	Mean	Standard Deviation
1	I am involved in making decisions about my children's education.	3.83	0.82
2	I am involved in making decisions about my family's healthcare.	3.90	0.80
3	I feel that my opinion is valued in family decision making.	3.84	0.78
	Overall	3.86	0.80

Table 11 presents the descriptive statistics pertaining to Family decision making. Within this table, three statements are analyzed, each associated with its corresponding mean value. The mean values for these statements are 3.83, 3.90, and 3.84, respectively. These mean values indicate a prevailing inclination towards agreement among the responses. Additionally, the standard deviations for these statements are 0.82, 0.80, and 0.78, respectively, showcasing a relatively small degree of variability within the dataset.

4.3.6 Descriptive Statistics of Women empowerment

The concept of women empowerment encompasses the process of enabling women to have control over their lives, make choices freely, and participate fully in society. Including questions about women empowerment helps measure the progress and effectiveness of interventions and initiatives aimed at promoting gender equality and empowering women.

Table 12

Descriptive Statistics for Women Empowerment

S.N	Statements	Mean	Standard Deviation
1	I believe that I have the ability to influence positive changes in my community through my involvement in the microfinance program.	4.02	0.84
2	The microfinance program has provided me with opportunities to develop leadership skills.	4.01	0.82
3	I have gained a greater sense of independence and autonomy through my involvement in the microfinance program.	4.06	0.86
Overall		4.03	0.84

Table 12 provides a comprehensive overview of the descriptive statistics pertaining to women empowerment. This table encompasses three statements, each accompanied by its respective mean and standard deviation. The mean values for the statements are 4.01, 4.02, and 4.06, indicating a notable tendency towards agreement among the responses. Additionally, the standard deviations associated with these means are 0.84, 0.82, and 0.86, respectively, demonstrating a relatively small degree of variability within the dataset.

4.4 Correlation Analysis

Correlation analysis is a statistical technique used to examine the relationship between two or more variables. It measures the strength and direction of the association between variables, providing insights into how changes in one variable relate to changes in another. By calculating the correlation coefficient, which ranges from -1 to +1, correlation analysis determines the degree of linear relationship between variables. A positive correlation coefficient indicates a direct relationship, meaning that as one

variable increases, the other also tends to increase. Conversely, a negative correlation coefficient suggests an inverse relationship, where as one variable increases, the other tends to decrease.

Correlation Analysis

Variables		ES	HEDM	LA	Mo	FDM	WE
		Total	Total	Total	Total	Total	Total
Economic Security(ES)	Pearson Correlation	1					
	Sig.(2-tailed)						
Household Economic Decision Making(HEDM)	Pearson Correlation	0.396	1				
	Sig.(2-tailed)	0.000					
Legal Awareness (LA)	Pearson Correlation	0.449	0.377	1			
	Sig.(2-tailed)	0.000	0.000				
Mobility(Mo.)	Pearson Correlation	0.463	0.337	0.357	1		
	Sig.(2-tailed)	0.000	0.000	0.000			
Family Decision Making(FDM)	Pearson Correlation	0.366	0.372	0.400	0.384	1	
	Sig.(2-tailed)	0.000	0.000	0.000	0.000		
Women Empowerment (WE)	Pearson Correlation	0.652	0.610	0.594	0.558	0.612	1
	Sig.(2-tailed)	0.000	0.000	0.000	0.000	0.000	

Table 13 presents the correlation coefficients between the dependent variable, women empowerment, and the independent variables used in the study. The correlation values are

based on a sample of 430 observations. The independent variables under consideration are economic security, household economic decision making, legal awareness, mobility, and family decision making.

Upon examining the correlation table in Table 13, it becomes evident that there exists a strong positive correlation between the various determinants of women empowerment and the dependent variable itself. Specifically, economic security exhibits a correlation coefficient of 0.652, household economic decision making shows a coefficient of 0.610, legal awareness is correlated with a coefficient of 0.594, mobility demonstrates a coefficient of 0.558, and family decision making displays a coefficient of 0.633. These values indicate that all five independent variables have a strong positive relationship with women empowerment.

Furthermore, Table 13 provides insights into the statistical significance of these correlations. It is observed that all the independent variables, namely economic security, household economic decision making, legal awareness, mobility, and family decision making, hold significant importance as their respective p-values are less than the predefined significance level (α) of 0.05. In fact, the p-values are even lower, indicating high significance. Therefore, it can be inferred that there is a positive relationship between these independent variables and women empowerment.

Moreover, the correlations observed are statistically significant at the 0.05 level (two-tailed), further reinforcing the strength of the relationships between the independent variables and women empowerment. This suggests that regular application of these independent variables can greatly contribute to the effectiveness and promotion of women's empowerment.

4.5 Regression Analysis

Regression analysis is a statistical method used to examine the relationship between a dependent variable and one or more independent variables. It seeks to understand how changes in the independent variables affect the dependent variable and to quantify this relationship. By fitting a regression model to the data, regression analysis estimates the coefficients that represent the impact of each independent variable on the dependent

variable. The model provides insights into the direction and magnitude of these effects, allowing for predictions and understanding of the relationship between variables.

Linear regression is used for this because it is simple and easy to understand, relying on a straightforward linear relationship between variables. The coefficients estimated in linear regression have clear interpretations, allowing for a meaningful understanding of the relationship between variables.

Table 14

Regression Model Summary

R	R Square	Adjusted R Square	Std. Error Of Estimate
0.85	0.72	0.72	0.25

a. Predictors: (Constant), Economic security, Household economic decision making,

Legal awareness, Mobility, Family decision making

b. Dependent Variable: Women Empowerment.

By examining Table 14, it becomes evident that the independent variables, namely economic security, household economic decision making, legal awareness, mobility, and family decision making, collectively account for 72.0% of the variation in the dependent variable, which is women empowerment.

Table 15

Regression ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	66.48	5	13.30	219.49	0.000
Residual	24.68	424	0.06		
Total	92.16	429			

a. Predictors: (Constant), Economic security, Household economic decision making,

Legal awareness, Mobility, Family decision making

b. Dependent Variable: Women Empowerment.

Based on the information presented in the Regression ANOVA Table 15, it can be concluded that the independent variables namely economic security, household economic decision making, mobility, legal awareness, and family decision making serve as reliable predictors in the relationship with the dependent variable, women empowerment. This conclusion is supported by the significance value of 0.000, which is lower than the predefined significance level of 0.05.

The Regression ANOVA Table provides valuable insights into the statistical significance of the independent variables' predictive capabilities in relation to women empowerment. With a significance value of 0.000, it becomes evident that these independent variables hold substantial importance in accurately predicting and understanding the outcomes of women empowerment. The fact that the significance value is less than the predetermined threshold of 0.05 further strengthens the notion that these independent variables are strong and meaningful predictors in the relationship with women empowerment.

Regression Coefficient

	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error			
(constant)	-0.26	0.13		-1.99	0.048
Economic Security(ES)	0.28	0.03	0.28	8.95	0.000
Household Economic Decision Making(HEDM)	0.27	0.03	0.27	9.08	0.000
Legal Awareness(LA)	0.21	0.03	0.20	6.57	0.000
Mobility(Mo)	0.19	0.03	0.16	5.38	0.000
Family Decision Making(FDM)	0.26	0.03	0.26	8.84	0.000

The Regression equation from coefficient of above table can be write as:

$$WE = - 0.26 + 0.28 ES + 0.27 HEDM + 0.21 LA + 0.19 Mo + 0.26 FDM$$

Where,

WE = women Empowerment .

ES = Economic Security.

HEDM = Household Economic Decision Making.

LA = Legal Awareness.

Mo = Mobility.

FDM = Family Decision Making

4.6 Major findings

1. After becoming involved in microfinance the women improve their economic security which gives them access to microfinance services (loans,savings and Insurance),make them able to save money for future needs and emergencies and able to invest in family future such as education or business opportunities.
2. Involving microfinance programs also improves the participation of women in household economic decision making .Their contributions in household economic decisions were recognized and appreciated and have their equal say in these decisions.
3. Another aspect that involvement in microfinance increases is the mobility of women, microfinance involvement increases their confidence to access public spaces and participate in community activities , they feel more secure and have more freedom to travel.
4. Legal awareness of women is another aspect that increases after involvement of microfinance. After involvement of microfinance women knowledge about legal matters significantly increases and they feel confident to assert it when it is needed.
5. After being involved in microfinance women are also involved in their family decision making , the women are involved in decisions about their children's education, family healthcare and their opinion is valued and appreciated.

4.7 Discussion

This study aimed to explore the role of microfinance in women's empowerment within the Butwal sub-metropolitan area of Nepal. Utilizing multiple regression analysis, the research aimed to identify key factors contributing to women's empowerment, focusing on five significant aspects: economic security, household economic decision-making, legal awareness, mobility, and family decision-making. The findings revealed that these factors notably influence women's empowerment. In the context of Nepal as a least developed country, microfinance institutions have gained recognition for their poverty

alleviation efforts (Abdelkader & Salem, 2013), making them a noteworthy investment opportunity. This study holds potential to benefit academics, researchers, managers, and policymakers by enhancing their understanding of critical factors driving women's empowerment in Nepal. Economic security, household economic decision-making, legal awareness, mobility, and family decision-making were taken as independent variables and empowerment of women was taken as a dependent variable. The results of this study were based on the descriptive and inferential statistics analysis of the primary data that were collected with the help of a survey questionnaire.

The primary aim of this research is to ascertain the socio-demographic traits of microcredit users within the Butwal sub-metropolitan area. The findings indicate that a majority of the participating women are married, with a significant age distribution falling between 31 to 40 years. The examination of 430 microcredit users revealed diverse perceptions of issues based on varying socio-demographic factors such as age, education level, duration with AIM, and frequency of financing. This highlights the influential role of clients' demographic characteristics in the effectiveness of microfinance interventions (Salleh, 2019). The study also underscores that most women are married and fall within the age range of 35 to 45 years in terms of socio-demographic characteristics.

The specific objective of the study is exploring the relationship between economic security, household economic decision-making, legal awareness, mobility, and family decision-making for the empowerment of women .

The study found that economic security has a positive correlation between economic security, and empowerment of women . Economic security influences the empowerment of women. This study found that easy loans support women's bargaining power in household decisions, whereas contracted loans have a positive impact on empowerment of women in Nepal. Women rely heavily on easy loans because of their flexibility. These loans, however, are usurious and lenders are known to use coercion to elicit compliance (Agier, 2013). From the results of this research, it can be concluded that the impact of WPC membership on women's upliftment level is positive, generating high outcomes under different aspects including financial, entrepreneurial, family upliftment and education. In addition, there is no evidence that the program leads, as a drawback, to phenomena of violence (Landoni, 2016).

The overall average mean value of Household economic decision making shows that respondents agree that Household economic decision making is an important factor in the empowerment of women. So that there is a positive correlation between Household economic decision making and empowerment of women. A study by Duflo (2012) highlights the significant impact of household economic decision-making on women's empowerment. The research demonstrates that when women are given control over income and resources, they tend to prioritize investments in education, health, and nutrition for themselves and their families. This active involvement in economic decisions not only improves their own well-being but also challenges traditional gender norms, leading to more equitable relationships within the household. Furthermore, the study underscores how women's participation in economic activities fosters increased confidence, autonomy, and leadership roles, thereby contributing to their broader empowerment and social engagement within the community (Duflo, 2012).

The overall average mean value of legal awareness shows that respondents agree that Legal awareness is an important factor in the empowerment of women. So that there is a positive correlation between legal awareness and empowerment of women. Legal awareness significantly contributes to the empowerment of women by equipping them with knowledge of their rights and enabling them to challenge gender-based injustices. A recent study by Khan et al (2019) underscores that legal awareness programs enhance women's understanding of their entitlements, leading to increased agency in matters such as property rights, domestic violence, and workplace discrimination. This heightened awareness not only facilitates women's access to legal remedies but also empowers them to advocate for gender equality within both familial and societal contexts. By challenging systemic disparities, legal awareness fosters self-confidence, facilitates economic independence, and promotes active engagement in legal and social advocacy, ultimately strengthening women's overall empowerment (Khan et al,2019).

The overall average mean value of mobility shows that respondents agree that Family decision making is an important factor in the empowerment of women. So that there is a positive correlation between Mobility and empowerment of women. Mobility, encompassing physical and social movement, significantly contributes to women's empowerment. Recent research has highlighted the pivotal role of mobility in expanding women's access to education, healthcare, and economic opportunities. A study by Menon et al. (2020) emphasizes that improved mobility challenges traditional gender constraints,

enabling women to engage more actively in public spaces and decision-making processes. By breaking spatial barriers, mobility fosters self-confidence, widens social networks, and promotes participation in community affairs, ultimately leading to enhanced empowerment both within households and in broader societal contexts (Menon et al., 2020).

The overall average mean value of Family decision making shows that respondents agree that Family decision making is an important factor in the empowerment of women. So that there is a positive correlation between Family decision making and empowerment of women. Family decision-making significantly shapes the empowerment of women by influencing their roles, autonomy, and opportunities within the household. A recent study by Demissie et al. (2022) emphasizes that when women actively participate in family decisions, they experience increased agency and decision-making power, which positively affects their access to education, healthcare, and income-generating activities. This involvement challenges traditional gender norms and contributes to more equitable relationships, fostering greater self-confidence and leadership roles for women. The study underscores that family decision-making is a critical pathway to women's empowerment, enabling them to contribute meaningfully to household choices and community dynamics (Demissie et al., 2022).

Economic security, household economic decision-making, legal awareness, mobility, and family decision-making are interconnected elements that collectively contribute to women's empowerment. Economic security provides a foundation, enabling women's participation in household decisions and access to resources. Engaging in household economic decision-making enhances their agency and challenges gender norms, while legal awareness empowers women to assert their rights and challenge injustices. Mobility expands opportunities, enabling education and economic participation, while active involvement in family decisions promotes equitable relationships and community leadership. Together, these factors create a comprehensive framework that fosters women's empowerment by enhancing their autonomy, well-being, and influence within both the domestic and broader societal spheres.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

The aim of this study was to examine the significance of various independent variables in empowerment of women in Butwal sub metropolitan-17 Motipur, Nepal. These independent variables include economic security, Household economic decision making ,legal awareness ,Mobility ,Family decision making . The study sought to determine whether these factors have a substantial impact on the empowerment and improvement of women in the region.

During the research process, structured questionnaires were utilized to gather the necessary data. The survey involved collecting responses from a sample of 430 members of microfinance institutions (MFIs) in Motipur. The research findings are entirely based on the data and factual information provided by the participants of the survey.

The analysis of the data in this study was carried out using the SPSS Statistics software. Descriptive and inferential analyses were conducted to examine the collected data. A five-point Likert scale, ranging from strongly disagree to strongly agree, was utilized to gather and analyze the respondents' responses. Frequencies, percentages, means, correlation, and regression analyses were employed to derive conclusive results. The research approach employed in this study is both descriptive and explanatory in nature. Primary data collection was the main methodology utilized throughout the research process.

The major findings from demographic profile of respondents of this study are as follows major of participants are doing agriculture as their main occupation which is 27.0% of the total participants, 17.7% of participants work with animal husbandry as their main occupation ,26.0% participants has their general store and fancy shop ,13.7% participants work in services and 15.6% participants are in other business .Majority of the respondents 50.7 percent belongs to the age group 31-40 followed by 30.3 percent belongs to the age group of 41-50 years, 15.5 percent in the age group 20-30 years and 3.7 percent belongs to the age group of 51-above. In distribution based on education 19.3% of total

participants are capable of basic reading and writing , 29.8% have education level below SLC/SEE, another 29.8% have education level above SLC/SEE and 21.1% have education level of above +2 level. In marital status of the respondents, the majority of participants are married which is 395 comprise 91.9% there are 4 participants who divorced with their husband comprise 0.9% and 31 participants with 7.2% are widow.

The major findings from the descriptive analysis of this study are; the overall average mean value of economic security is 3.86 which shows they are able to save money for future needs and emergencies and able to invest in family future such as education or business opportunities. The overall average mean value of Household economic decision making is 3.88 which shows their contributions in household economic decisions were recognized and appreciated and have their equal say in these decisions. The overall average mean value of Legal awareness is 3.87 which shows their knowledge about legal matters significantly increases and they feel confident to assert it when it is needed. The overall average mean value of Mobility is 3.90 which shows their confidence to access public spaces and participate in community activities , they feel more secure and have more freedom to travel. And The overall average mean value of Mobility is 3.86 which shows they are also involved in their family decision making , the women are involved in decisions about their children's education, family healthcare and their opinion is valued and appreciated.

Findings from correlation and regression analysis; Correlation analysis is exercised in order to show the relationship between the dependent and independent variables. This analysis helps the researchers to know whether the relationship is significant or not. These were tested at the significance level of 5% in which it was found that all independent variables are significantly correlated with the dependent variable i.e. Women empowerment.

5.2 Conclusion

The objective of this research was to explore and understand the significance of women's empowerment. The topic of empowering women has garnered significant attention, with microfinance institutions (MFIs) continuously striving to identify the key factors that contribute to women's empowerment. By identifying these core factors, MFIs aim to achieve their desired goals and thrive in competitive markets. Factors such as economic

security, household economic decision-making, legal awareness, mobility, and family decision-making have emerged as pivotal determinants of women's empowerment.

The research demonstrates the positive impact of microfinance services on women's empowerment, which is influenced by both socio-cultural and economic factors within families and societies. The support received from family members, both physically and emotionally, serves as a crucial foundation for women's occupational growth. A majority of women participants engaged in income-generating activities, which not only improved their economic status but also fostered social connections, enhanced social prestige, and facilitated asset ownership. They actively participated in community activities such as leadership roles, assisting neighbors, conflict resolution, community mobilization, cultural endeavors, and raising awareness. Some women utilized microfinance services to acquire new assets like furniture, electronics, household items, sewing machines, livestock, and properties, while others experienced the burden of increased workloads and concerns about loan repayment. Women's loans and income were often insecure due to the influence of male family members. Notably, beauty parlors, tailoring, marketing, and tea shops emerged as attractive and lucrative investment areas alongside traditional sectors like agriculture, animal husbandry, and small businesses. Single women exhibited greater resilience and economic mobilization, often surpassing cultural and social barriers. Nevertheless, gender-based power dynamics, loyalty, and societal expectations sometimes hindered women's capacity for empowerment. In well-managed microfinance programs, a mutually respectful relationship between service providers and clients inherently fosters empowerment.

The underlying principle suggests that microfinance plays a crucial role in empowering women by providing them with capital, enabling them to earn an independent income, and contribute financially to their households and communities. This economic empowerment is anticipated to foster skill development, create additional livelihood opportunities, promote self-reliance, boost self-confidence, enhance resilience in the face of financial crises, and facilitate preparedness and recovery from hazards or disasters. Involvement in successful income-generating activities is directly linked to increased control and empowerment for women. However, a closer examination reveals that this correlation may not always hold true, and complacency in these assumptions can cause microfinance institutions to overlook both deeper opportunities for women's

empowerment and instances of empowerment failures. The qualitative findings of the program demonstrated a combination of positive and negative impacts. When all loans are obtained by male family members, women are confined to a specific category and are unlikely to experience change. The available information and evidence provide a nuanced perspective, showcasing both achievements and certain limitations. In conclusion, microfinance programs have the potential to enhance women's economic autonomy, granting them the means to pursue nontraditional activities.

The data provided evidence of an upward trend in women's engagement in decision-making, resource management, self-employment, and the utilization of savings and microcredit services. However, it also highlighted a notable absence of women's involvement in decision-making, resource control, self-employment, and the utilization of savings and insurance services. The significant proportion of self-employed women and their ability to exercise control over resources indicated a positive trajectory towards economic empowerment among women entrepreneurs. To foster women's empowerment, it is imperative to prioritize and sustain the services offered. The thesis serves as a valuable resource, presenting a well-organized and coherent framework that guides readers in the right direction. Its conclusion offers insightful ideas for comprehensive learning and enhances writing skills, serving as a beneficial guide for focused education. Furthermore, the thesis addresses the research gap and makes a substantial contribution to future researchers. It holds significance for researchers, the general public, and the microfinance sector alike. The research findings can contribute to the advancement of microfinance by providing valuable insights. While this study was limited to a small area, there is a need to expand its scope to include other sectors within the state and the entire country. While demographic variables were controlled in this study, they play a crucial role in explaining women's empowerment and should be considered in future research endeavors. Thus, the identified indicators in this research carry significance and provide a solid foundation for further studies on this subject.

5.3 Implications

This study holds several implications that can contribute to the understanding and advancement of women's empowerment efforts:

Policy and Program Development: The findings of the thesis can inform policymakers and program developers about the positive impact of microfinance in empowering women. This can guide the formulation of effective policies and the design of targeted programs to enhance women's economic and social empowerment.

Microfinance Institution Strategies: Microfinance institutions (MFIs) can utilize the thesis findings to refine their strategies and approaches towards women empowerment. It highlights the importance of providing capital, financial services, and support that enable women to engage in income-generating activities, make independent decisions, and gain control over resources.

Sustainable Women Entrepreneurship: The thesis underscores the significance of self-employment and resource control for women's economic empowerment. This can encourage the development of sustainable women-led businesses, entrepreneurship training programs, and initiatives that provide women with the necessary skills and resources to establish and manage their enterprises.

Financial Inclusion: The thesis emphasizes the role of microfinance in facilitating women's access to savings and credit services. It highlights the need for expanding financial inclusion initiatives that cater specifically to women, ensuring they have equal access to financial resources and opportunities.

Social and Cultural Transformation: By examining the impact of microfinance on women's decision-making and involvement in community activities, the thesis indicates the potential for social and cultural transformation. It suggests that empowering women economically can lead to increased agency, confidence, and active participation in social and leadership roles.

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ROLE OF MICROFINANCE IN WOMEN EMPOWERMENT

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ABSTRACT The empowerment of women is a crucial concern

in developing countries , given that **women** form **an integral part of society** . Unfortunately, **their status and participation in decision-making** and **economic** activities remain significantly **low**

. Microfinance emerges as a key player in enhancing women's decision-making abilities through its contribution to economic activities. At a global level, microfinance serves as a powerful tool for self-empowerment, particularly for women. Its primary objective is to promote the empowerment of women. The measurement of women's empowerment encompasses various factors, including

economic security, household and economic decision-making, legal awareness, mobility, and family decision-making. This study focuses **on** collecting **primary data through administered** questionnaires from **women**

participating in a microfinance program in Ward No. 17 of Butwal sub Metropolitan, Rupandehi. The research design employed is both descriptive and analytical, aiming to gather opinions and understand the behavior of the respondents. The collected data are analyzed using statistical tools such as percentages, Frequency, means, correlation and regression analysis. This study aims to examine the impact of microfinance programs on the social-economic progress and decision-making abilities of women. The findings reveal positive transformations in areas such as

economic security, household economic decision-making, legal awareness, mobility, and family decision-making following their involvement **in microfinance**

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