

# **IMPACT OF MICROFINANCE FOR AMPLIFIED WOMEN'S ENTREPRENEURSHIP AND SOCIAL 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 dissertation entitled “**Impact of Microfinance for Amplified Women’s Entrepreneurship and Social 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

Mr. Ranna Acharya has defended research proposal entitled “**Impact of Microfinance for Amplified Women’s Entrepreneurship and Social Empowerment**”, successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dr. Pitri Raj Adhikari and submit the thesis for evaluation and viva voce examination.

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## **APPROVAL SHEET**

We, the undersigned, have examined the thesis entitled “**Impact of Microfinance for Amplified Women’s Entrepreneurship and Social Empowerment**” presented by Ranna Acharya a candidate for the degree of master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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Ranna Acharya

August, 2025

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## **Abbreviations**

BOD	:	Board of Director
CBS	:	Central Bureau of Statistics
FINGO	:	Formal Inclusive Non-Government Organization
GDP	:	Gross Domestic Product
MIFs	:	Micro finance Institutions
MFDB	:	Micro finance Development Bank
MCPW	:	Micro Credit Project for Women
MOLD	:	Ministry of Local Development
MDG	:	Millennium Development Goals
NLSS	:	Nepal Living Standard Survey
NGO	:	Non-Government Organization
PCRW	:	Production Credit for Rural Women
RMDC	:	Rural Microfinance Development Centre
SFCL	:	Small Farmer Cooperative Limited
SACCO	:	Saving and Credit Cooperatives
UNDCF	:	United Nation Capital Development Fund
UNDP	:	United Nation Development Program
UNO	:	United Nations Organization
VDC	:	Village Development Committee

## Abstract

Empowering women is one of the key challenges for developing nations. Although they represent a large portion of the population, women often have limited influence in social, political, and economic decisions. Microfinance plays a crucial role in enhancing women's decision-making by involving them in income-generating activities. It serves as a powerful instrument for uplifting the poor, particularly women, with its primary aim being their empowerment. Factors such as employment, income, savings, property ownership, education, and the ability to make choices regarding household expenses, children's education, agriculture, and savings all reflect the level of women's empowerment.

This study primarily relied on a self-designed questionnaire distributed to women in the Kathmandu District. The collected data was analyzed using statistical tools such as regression analysis, correlation analysis, mean, and standard deviation. A descriptive research method was employed to gather participants' perspectives and assess their behavior. The study explored household well-being, as well as women's economic, social, and political empowerment, and their decision-making abilities after participating in microfinance programs. Findings indicate that all examined variables have a positive impact. Moreover, the study revealed that women engaged with microfinance institutions experience greater access, control, and overall well-being. Efforts to eradicate illiteracy, encourage participation in financial and household decisions, and the role of microfinance institutions have collectively enhanced women's self-confidence.

Keywords: *microfinance programs, social empowerment, household wellbeing, socioeconomic status, political participation*

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Microfinance refers to the delivery of financial services to low-income and disadvantaged individuals. Recognized as one of the most impactful financial services, it offers savings, microcredit, insurance, cash transfers, and other financial products to the ultra-poor and those with limited income (Singh & Malik, 2025). Microfinance can be defined as the provision of diverse, flexible, and high-quality financial services designed to meet the varying needs of the poor.

Empowerment refers to enhancing an individual's or a community's social, spiritual, financial, or political influence. In today's world, women's active involvement in political, social, and economic spheres is essential for progress (Roberts & Kulkarni, 2011). Women's empowerment, as assessed in this study, includes their participation in decision-making, social and political engagement, self-confidence, income control, awareness of social issues, family relationships, and experiences with domestic violence, both before and after participating in microfinance institution (MFI) programs (Khursheed, 2022).

Over the last decade and a half, microfinance institutions (MFIs) have experienced rapid growth. According to the Microcredit Summit Campaign (2012), the number of extremely poor households receiving microloans rose dramatically from 7.6 million in 1997 to 137.5 million in 2010 an increase of more than 18 times. Microcredit has generated significant optimism and expectations for rapid poverty reduction, a momentum highlighted in 2006 when Muhammad Yunus and the Grameen Bank were awarded the Nobel Peace Prize for their role in combating global poverty (Subedi, 2006).

The concept of microfinance emerged in the 18th century through Lysander Spooner's writings on the benefits of small loans. In rural Germany, Friedrich Raiffeisen pioneered the first cooperative lending institutions to support farmers. The modern notion of "micro-financing" took shape in Bangladesh during the 1970s when Dr. Muhammad Yunus established the Grameen Bank (Acharya, 2022).

Before the 1990s, credit programs specifically for rural women were virtually nonexistent. Research focusing on women highlighted the discrimination and challenges they faced in accessing credit, leading to the concept of women's credit. However, there remains a significant gap in meeting the real credit needs of the poor, especially rural women (Adhikari & Shrestha, 2021).

In Kathmandu, most women are engaged in agriculture and domestic work. Because their activities are confined to household duties, they remain entirely dependent on their husbands or other male family members. Factors such as patriarchy, early marriage, inheritance and land ownership practices, family traditions, and limited access to healthcare and education contribute to their discrimination. Therefore, this study aims to examine the key factors influencing microfinance in promoting women's empowerment. In Nepal, microfinance has steadily expanded and developed over time, making it essential to extend financial services to underserved and unbanked populations, particularly in rural areas (Dhungana & Chapagain, 2020).

In Nepal, microfinance services are primarily offered by non-governmental organizations, banks, and cooperatives, enabling the sector to reach more underserved and remote communities. These institutions provide various products such as loans, savings accounts, and insurance to meet the diverse needs of their clients. Microfinance programs have focused on advancing financial inclusion and empowering women (Amzad, 2024). Despite challenges like inadequate infrastructure and regulatory limitations, the sector continues to grow. Government policies have further supported its expansion, while social impact assessments demonstrate microfinance's role in enhancing livelihoods and reducing poverty (Wijeseri & Franque, 2022).

Advancements in technology have improved the efficiency and reach of microfinance operations. Nonetheless, worries about over-indebtedness and consumer protection have prompted initiatives to enhance legal regulations and safeguard clients. Overall, microfinance has become an essential instrument for Nepal's economic growth and poverty reduction (Thapa, 2020).

Currently, there are 53 microfinance institutions operating in Nepal (NRB, 2024). This study surveyed 400 women from the Kathmandu Valley who are actively engaged in

microfinance activities. Convenience sampling was used to collect data through a well-structured questionnaire distributed to these women. The study considered household well-being, economic empowerment, and social and political empowerment as independent variables, with social empowerment serving as the dependent variable.

## **1.2 Problem Statement**

Women's employment, education, and decision-making power within the household are key indicators used to measure their status. Historically, women have held lower status compared to men. Empowering women is a crucial element for strengthening communities. Women often face daily challenges such as delayed loan disbursements, discrimination, lack of confidence, and insufficient funds when needed. There remains a significant disparity between the status of men and women (Ali et al., 2025). In response to these challenges and to promote women's empowerment, many microfinance institutions (MFIs) provide microcredit services specifically to women. They argue that women tend to benefit their entire families and represent a low credit risk. The main aim of microfinance is to empower rural women involved in micro-lending. This empowerment leads to improved living standards, reduced poverty, increased awareness, and more (Mary & Gnanaraj, 2025).

Although microfinance has been shown to enhance different aspects of empowerment, the connections between household well-being, economic empowerment, political empowerment, and social empowerment are still not well understood (Singh & Malik, 2025). Current studies often assess these factors separately or use overlapping definitions—for instance, considering decision-making as both a social and economic factor. It is important to clarify these variables and investigate their individual and combined effects on women's social empowerment (Abebe & Kegne, 2023).

Despite significant efforts to use microfinance as a means to promote women's entrepreneurship and empowerment, important gaps still exist in understanding how particular aspects such as household well-being, economic empowerment, and political empowerment impact social empowerment outcomes (Farooq et al., 2024).

Women in rural Nepal face numerous barriers to upliftment, including low literacy rates, traditional obstacles, limited resources, lack of awareness, and prevailing sociocultural

attitudes. Less than half of adult women in Nepal are literate, largely because rural parents often do not prioritize their daughters' education (Subedi, 2006). Consequently, adult women remain economically vulnerable, earning very low wages from unskilled labor. This economic weakness excludes them from participating in decision-making processes (Shrestha, 2007). Although there is extensive research available, there is little evidence demonstrating that microcredit services have a positive impact on the empowerment of impoverished women's groups.

The following are the research statements:

- i. What is the status of Microfinance factors i.e. household wellbeing, economic wellbeing, social wellbeing and social empowerment in Kathmandu?
- ii. Is there any relationship between Microfinance factors (Household wellbeing, economic wellbeing and social wellbeing) with social empowerment?
- iii. Do Microfinance factors i.e. household wellbeing, economic wellbeing and social wellbeing effect the social empowerment of people in Kathmandu?

### **1.3 Objective of the Study**

The primary aim of this study is to assess how microfinance contributes to social empowerment. The specific objectives of the study are outlined below:

- i. To assess the status of Microfinance services i.e. household wellbeing, economic wellbeing, social wellbeing and social empowerment in Kathmandu.
- ii. To analyze the relationship between Microfinance factors (Household wellbeing, economic wellbeing and social wellbeing) with social empowerment.
- iii. To examine the effect of Microfinance factors household wellbeing, economic wellbeing and social wellbeing on social empowerment.

### **1.4 Research Hypotheses**

The proposed hypotheses for this research study are listed below:

H<sub>1</sub>: There is significant relationship between household wellbeing and social empowerment.

H<sub>2</sub>: There is significant relationship between economic wellbeing and social empowerment.

H<sub>3</sub>: There is significant relationship between social wellbeing and social empowerment

### **1.5 Rationale of the Study**

This study centers on how microfinance programs contribute to the empowerment of women. It primarily explores the factors behind women's low social status and the role microfinance plays in enabling them to make positive changes in their lives. Focusing on women, the research investigates how their circumstances and the social and economic impacts of microfinance motivate and encourage greater participation and influence within society. The study's recommendations are intended to assist participants in overcoming their challenges. Its findings provide valuable insights for decision-makers, planners, experts, scholars, development agencies, and organizations focused on empowerment. While the study holds relevance for many, it is especially directed toward the following groups:

#### **Importance to shareholders**

For instance, if investors believe the offer price is too low, they can effectively block takeover bids. Consequently, shareholders play a significant role in a company's overall performance and profitability since they oversee most of its operations.

#### **Importance to management team of the company**

Manufacturing company relationship management provides processes and technology that help a business track and manage all its relationships by delivering a consolidated view of all accounts and activities across the entire organization globally.

#### **Importance to financial institution and stock exchange**

While financial markets can be complex, their primary function is to connect individuals and direct money to where it is most needed. They provide businesses with capital to grow, hire employees, and invest. They also supply the government with funds to support hospitals, schools, and public services.

**Importance to government bodies and policy makers**

Government policies explain the reasons behind doing things in specific ways and justify those methods. Public issues can arise in numerous forms, each requiring a unique policy response. Governments create many policies to guide business practices.

**Importance to the institutes**

Institutions play a crucial role in the economy by ensuring fair redistribution of resources and protecting the poor and financially disadvantaged. They also foster trust by providing justice and law enforcement systems that operate under consistent legal frameworks.

**Importance to the researchers**

Research has three main objectives: guiding actions, gathering evidence to support theories, and expanding knowledge within a field. It enhances understanding and aids in decision-making. As a valuable tool, research helps unravel complex issues, dispel misinformation, uphold truth, and build upon existing knowledge to create accurate and reliable information. Exploring subjects through research deepens knowledge and improves decision-making abilities.

**1.6 Limitations of the Study**

The study has the following limitations:

- Women in the Kathmandu Valley are the exclusive focus of this study, which primarily focuses on their social and economic empowerment.
- The primary data used in this investigation came from a standardized questionnaire.
- Only factors associated with microfinance and empowerment initiatives are taken into account.
- A total of 410 surveys were sent out. Only 400 of them responded, making the 400 respondents a sample for the study.
- The analysis only makes use of a few statistical methods.

## **CHAPTER II**

### **LITERATURE REVIEW**

The literature review for this study was conducted using various sources such as journal articles, papers, manuals, workshop proceedings, internet websites, previous research on the Microfinance Program, and other available materials. This section covers prior studies and research efforts that need to be examined to develop a well-informed perspective and draw conclusions related to the current investigation. It also serves as a foundation for deeper research and helps enhance knowledge and skills by thoroughly addressing each relevant issue. A wide array of books, journals, previous studies on the topic, and related subjects have been reviewed.

#### **2.1 Theoretical Review**

By adopting the UN Women's Empowerment Principles (WEPs), companies can advance gender equality and empower women while improving both the economic and household well-being of their workforce. These seven principles include prioritizing employee health and safety, investing in education and training for women, supporting women-owned businesses and gender-diverse supply chains, engaging in community initiatives, promoting gender equality, ensuring fair treatment and preventing workplace discrimination, committing leadership to gender equality, and tracking and reporting progress on these efforts (Paricio et al., 2022). Following these guidelines enables businesses to foster inclusive workplaces, enhance women's economic status, and boost overall household welfare (Chakraborty & Jayamani, 2013).

##### **2.1.1 Concept of Micro-Finance**

Since the establishment of Grameen Bank in Bangladesh, microfinance has been recognized as a key source of capital for women entrepreneurs. A 2007 World Bank report describes microfinance as "small loans that help poor individuals who want to start or grow their small businesses but cannot secure funding from traditional banks." The Asian Development Bank (2008) defines microfinance as the delivery of a wide range of financial services such as deposits, loans, payment services, money transfers, and insurance to low-income individuals and their microenterprises (Subburaj, 2013).

Yusuff (1995) emphasized that the availability of financial resources is a critical factor influencing a company's success. This challenge is especially significant for female entrepreneurs when launching their businesses (BMS, 2013). Both internal and external financial resources play a vital role in business performance (Wanyama et al., 2006; Valeri & Katsoni, 2011; Torfi et al., 2011; Kumah & Boachie, 2022). Women often struggle to secure the funds necessary for business growth because they are commonly perceived as "risky" borrowers and less creditworthy compared to men (Brush, 1992).

In areas where men control asset ownership, women entrepreneurs face more significant challenges than men in accessing capital, land, and business development opportunities (Raimi, 2023). Small loan requests are often not cost-effective, and since women entrepreneurs and the poor typically have weak credit histories and limited business management experience, financial institutions are reluctant to approve their applications (Bastida et al., 2021).

Microfinance provides entrepreneurs with access to capital and opportunities to generate income (Chomen, 2023). The majority of previous research agrees that offering loans to business owners, particularly women entrepreneurs, enhances their business performance and leads to higher income, production, investment, employment, and overall well-being.

In this user-owned and user-controlled business model, benefits are allocated based on usage. A cooperative is a private enterprise established and joined by members to fulfill their shared financial needs, with ownership, control, and income distribution determined according to patronage. These decisions involve member voting, financial contributions by patrons as equity, and distributing net income proportional to each member's use of the cooperative. The terminology used for cooperatives differs notably from that of other businesses. Microfinance organizations are sometimes called patron-owned or nonprofit corporations. What sets cooperatives apart is that, unlike other business types, they return net profits to their investors or users (Cobia, 1989).

Shrestha (2016) defines a "company" as either a mode of operation or a legal entity equally owned and democratically governed by its members. Microfinance institutions are unique because their members are closely connected to the company as employees, producers, or consumers of its goods or services. In some countries, cooperatives can be

legally incorporated in specific forms. Microfinance can also be provided through partnerships, unincorporated associations, companies limited by shares or guarantees, and other structures (Sharma, 2017). The cooperative movement began in 18th-century Europe with the goal of protecting the economically disadvantaged from exploitation by the powerful (Subburaj, 2003).

Companies are democratically owned and managed organizations that emphasize self-help, responsibility, equality, solidarity, and democracy. They focus on people by involving members in decision-making processes (Kogut & Mejri, 2022). Members of microfinance organizations gain significant socioeconomic benefits. Economically, microfinance increases members' income and bargaining power. Beyond financial goals, cooperatives pursue broader social objectives by offering members access to education and training, and encouraging participation in leadership roles, committees, and meetings (Shrestha, 2016).

The study found that although the organization had sufficient cash, too much of its funds were tied up in current assets. Poor debtor management and losses have led to inefficient use of assets. A high number of debtors and weak financial management have prevented the organization from maintaining adequate leverage. The association experienced operating losses throughout the study period, averaging a 0.92 percent loss annually. Overall, the financial performance of the association was found to be very poor. It has been recommended that microfinance maintain political neutrality. When managed effectively, microfinance could serve as a foundation for the country's economic development. The nation could progress toward a prosperous future by utilizing microfinance as an effective means to mobilize the scattered savings of farmers and laborers. Cooperatives help reduce poverty by providing members with better access to resources such as capital and knowledge, enabling them to increase productivity (for example, by purchasing seeds, fertilizer, transportation, and storage) and generate higher incomes (Subburaj, 2013).

Overall, the financial and agricultural sectors are widely viewed as effective organizational models that empower scattered individuals to unite and pursue independent economic growth. Both credit-focused and multipurpose microfinance play similarly beneficial roles by offering members access to small loans that would otherwise be

difficult or impossible for the poor to obtain. This support helps individuals sustain self-employment activities such as running retail shops, farming, or raising livestock (Torfi et al., 2011).

A microfinance organization is managed, funded, and governed by its members. Its purpose is to safeguard the interests of low- and moderate-income individuals by offering goods and services at fair prices when needed. Likewise, it ensures farmers and others receive fair compensation for their products. Small-scale farmers can participate in microfinance initiatives for cooperative farming and similar activities. According to the International Labor Organization, microfinance consists of groups of people, often with limited means, who voluntarily unite to form a democratically controlled business. These members share fairly in the risks and rewards of the venture and contribute equitably to the capital required to achieve common objectives (Wanyama et al., 2008).

According to the International Labor Organization (ILO), microfinance broadly involves the collective effort and coordination of individuals' resources to achieve common goals. A microfinance cooperative society consists of people facing similar financial challenges who voluntarily unite based on equal rights and responsibilities to address these issues. They primarily apply their knowledge within a cooperative microfinance business for their shared material and ethical benefit, participating in the enterprise at their own risk while assigning some or all of their economic roles according to mutually agreed-upon rules (ILO Microfinance, 1956).

### **2.1.2 Theories of Microfinance**

The primary aim of microfinance concepts is to provide small loans and financial services to individuals who lack access to conventional banking. The key theories in microfinance include:

**Poverty Alleviation Theory:** This idea suggests that microfinance can reduce poverty by providing low-income individuals especially women with access to financial resources, enabling them to start or expand small businesses and improve their living standards and economic stability.

**Empowerment Theory:** This perspective holds that microfinance empowers marginalized groups, particularly women, by providing financial independence that boosts their social status and enhances their decision-making power within their communities.

**Financial Sustainability Theory:** This approach focuses on achieving the sustainability of microfinance institutions (MFIs). It argues that MFIs should set interest rates high enough to cover their operating costs, enabling them to serve clients continuously without relying on external funding.

**Social Capital Theory:** This theory explores how microfinance builds community trust and social networks. Through the formation of lending groups, members support each other's success, reducing the risk of default and fostering a sense of solidarity.

**Institutional Theory:** This theory examines how microfinance institutions (MFIs) operate within larger social and economic systems, analyzing the economic, cultural, and legal factors that influence both the organizations and their clients.

**Impact Theory:** This theory assesses the impact of microfinance on communities from a wide social and economic perspective, considering changes in social inclusion, health, education, and income.

These theories provide various perspectives on how microfinance can best support disadvantaged groups and outline the most effective approaches for achieving sustainability and meaningful impact.

### **2.1.3 Theories of Household Wellbeing**

Theories of household well-being explore the factors and frameworks that affect a family's overall prosperity, happiness, and quality of life. These theories typically consider both economic and non-economic elements, such as income, health, education, social support, and emotional satisfaction. Below are some prominent examples:

**Economic Welfare Theory:** This theory highlights the crucial role of financial resources in achieving well-being, asserting that income, wealth, and material assets are the primary

factors determining a household's ability to fulfill basic needs and improve living standards.

**Human Capital Theory:** This approach highlights the importance of health, education, and skills within the household. Better health can boost productivity and reduce costs, enhancing overall well-being, while higher education and skill levels open up improved employment opportunities.

**Capability Approach:** Proposed by economist Sen (2004), this hypothesis argues that well-being should be measured by individuals' "capabilities" to lead fulfilling lives. Rather than focusing solely on wealth or income, it emphasizes the ability of household members to achieve goals and participate in activities they value.

**Social Support and Network Theory:** This concept highlights the importance of community support, family ties, and social relationships in enhancing well-being. Strong social networks provide resources, practical help, and emotional support that boost resilience and overall life satisfaction.

**Ecological Systems Theory:** Developed by psychologist Urie Bronfenbrenner, this theory explores how different environmental systems such as family, community, and society interact and impact household well-being. It considers how external factors like laws, local resources, and cultural norms influence the development, happiness, and overall well-being of families.

**Subjective Well-being Theory:** This approach focuses primarily on the emotional and psychological aspects of well-being. It examines how households perceive their happiness, satisfaction, and quality of life, recognizing that positive emotional experiences and personal fulfillment are key components of overall well-being.

Each theory integrates elements from public policy, psychology, sociology, and economics to provide a unique lens for evaluating and understanding household well-being. These frameworks are commonly used by researchers, policymakers, and social scientists to assess and improve household well-being across different contexts and regions.

### 2.1.4 Theories of Economic Wellbeing

Theories of economic well-being examine how individuals, groups, and societies achieve and sustain economic security, a good standard of living, and equitable opportunities for success. Key theories include:

**Classical and Neoclassical Economics:** These theories focus on maximizing profits for businesses and utility for individuals, asserting that competition and free markets lead to optimal resource allocation, thereby enhancing economic well-being.

**Keynesian Economics:** This theory stresses the importance of government intervention particularly during economic recessions to stabilize the economy and promote full employment. Keynesians argue that fiscal policies and public investments are essential to mitigate the adverse effects of economic fluctuations and improve well-being.

**Welfare Economics:** This approach analyzes the distribution of wealth and resource allocation with the goal of maximizing societal welfare. It is grounded in concepts such as social choice theory and Pareto efficiency, which states that improving one person's situation cannot occur without disadvantaging another.

**Capability Approach:** Proposed by Sen (2004), this theory suggests that economic well-being should be assessed based on individuals' abilities to pursue and realize the lives they value, rather than solely on income or wealth. It encompasses access to education, healthcare, and other vital resources that support both personal and societal development.

**Behavioral Economics:** Behavioral economics studies how psychological and social factors affect economic decision-making, proposing that well-being can be enhanced by recognizing and addressing cognitive biases and irrational behaviors. This discipline advocates for policies that gently guide, or "nudge," people toward healthier financial and lifestyle choices.

**Sustainable Development Economics:** This perspective stresses the importance of balancing economic growth with environmental sustainability and social equity, asserting that genuine economic well-being requires accounting for the long-term effects on the planet and future generations.

Each theory provides distinct perspectives on the factors that influence economic well-being and the most effective policies to promote it, integrating elements such as income, employment, health, environmental sustainability, and fairness.

### **2.1.5 Theories of Social Wellbeing**

Theories of social well-being explore the factors that shape an individual's sense of satisfaction, happiness, and fulfillment within society. Important theories and frameworks include:

**Maslow's Hierarchy of Needs:** Maslow's theory highlights social needs such as love and belonging as essential, even though it is often used to understand individual motivation. From this viewpoint, social well-being occurs when individuals feel valued and connected to their communities.

**Social Capital Theory:** This concept, popularized by Robert Putnam, suggests that social well-being depends on both the quantity and quality of social networks and interactions. Greater social capital meaning the networks, norms, and trust within a community is associated with improved well-being.

**Self-Determination Theory (SDT):** Self-Determination Theory (SDT) posits that social well-being is grounded in fulfilling three psychological needs: relatedness, competence, and autonomy. Well-being improves when these needs are satisfied within a supportive social environment.

**Social Identity Theory:** This hypothesis suggests that an individual's sense of well-being is influenced by their identification with social groups. Strong social identities can boost self-esteem, belonging, and overall well-being because group memberships offer a sense of pride and value.

**Community Well-Being Frameworks:** Community well-being approaches center on the collective, examining how factors like economic stability, environmental quality, and public health affect the overall welfare of individuals within a community.

**Positive Psychology:** Concepts such as PERMA (Positive Emotions, Engagement, Relationships, Meaning, and Accomplishment), developed by scholars like Martin Seligman, are central to this approach. It highlights that well-being improves when individuals feel valued, supported, and actively connected in their social relationships.

Together, these theories offer insights into how relationships, social frameworks, and group identities shape the well-being of individuals and communities.

### **Microfinance and Social empowerment**

Murray (2002) emphasized that microfinance offers low-income individuals access to both financial and non-financial services to support their income-generating activities. Initially aimed at both men and women, the focus gradually shifted more toward women because poor women tend to work harder and prioritize their family's well-being more than men. Through microfinance programs, women have been able to improve their social status, gain greater respect, and actively engage in community decision-making. Okunlola et al. (2020) argue that providing women with employment and public service opportunities helps create an environment conducive to microfinance and women's empowerment. Social inclusion and access to opportunities are crucial for low-income women. With proper support and resources such as microfinance, along with access to healthcare, education, and childcare, women can become empowered.

Cheston (2002) states that microfinance programs designed to empower women not only provide financial resources but also have the potential to enhance women's well-being and transform poverty-stricken lives. Microfinance directly contributes to poverty reduction and women's empowerment. Women are primarily targeted because they have a strong track record of repaying loans and tend to be more cooperative than men. Since women prioritize their families, empowering them positively impacts the entire household's lifestyle. Additionally, microfinance influences women's rights and political empowerment.

According to Das (2014), microfinance is an affordable and effective means to combat poverty. It involves providing small loans, savings accounts, and other financial services to impoverished populations in rural, semi-urban, and urban areas to improve their quality of life. Empowering women entails offering them choices and enabling them to turn those

choices into desired results (Neupane, 2001). The main objective of microfinance is to alleviate poverty and foster economic development by delivering a range of financial services. These include loans, savings, micro insurance, remittances, and other products specifically designed for the poor.

### **2.1.6 Williams Model of Social Empowerment**

William developed a theoretical framework for women's empowerment based on adaptations of Kabeer's 2001 observations. This model identifies three key components of empowerment: achievements, agency, and resources. It suggests that systemic gender norms both shape and are shaped by women's economic resources, with these two aspects interacting to influence how women exercise their agency or power. The exercise of power, in turn, impacts economic resources as well as demographic outcomes like fertility, mortality, and health. Economic resources also independently affect these achievements. The model operates in a unidirectional manner.

Resources are the enabling factors that help women achieve liberation. Women's capacity to act is classified as agency, while their success in reaching life goals is termed ultimate achievement. Women's empowerment is the final result, representing the combination of all three components.

This concept has been effectively applied to promote women's empowerment and human development in Pakistan (Hina et al., 2015). It served as a framework for examining the impact of microfinance on women's empowerment and the expansion of their businesses (Khursheed, 2019). Senanayake (2022) used this approach to demonstrate the connection between microfinance elements and women's empowerment in Chittagong.

### **2.1.7 Feminist Empowerment Theory**

Mayoux (2005) introduced a feminist empowerment theory that connects microfinance to women's economic involvement. According to this theory, microfinance services such as credit, savings, and insurance can enhance women's economic activities. The hypothesis suggests that these services help women achieve self-sufficiency. By providing easier access to credit and facilities, women gain greater decision-making power, allowing them to determine how and when to repay loans. Additionally, investments in microenterprises generate income and improve social wellbeing (Mayoux, 2005). Microfinance also helps

women build independent social networks, which expand their political, social, and legal opportunities, ultimately increasing women's employment rates. This approach effectively links microfinance services with women's empowerment and self-reliance (Adnan et al., 2019).

### **2.1.8 Status Withdrawal Theory**

This hypothesis suggests that certain groups of people, feeling undervalued by society, pursue entrepreneurship as a way to elevate their social status. Consequently, entrepreneurship often involves detaching from traditional social roles. We use this framework to explore how female borrowers develop their business ventures. By improving women's economic status, microfinance can play a key role in empowering women. Economic well-being, as facilitated by microfinance, has become a central component of women's empowerment.

This concept is effectively applied through entrepreneurship by utilizing small-scale loans from RCDP to improve borrowers' financial and socioeconomic status (Khursheed, 2023).

### **2.1.9 Synergistic Elemental theory of social empowerment**

The framework for women's empowerment is made up of three interconnected components: (i) a process aimed at changing the dynamics between men and women in various social groups, linking empowerment to a broader vision of equity and equality; (ii) elements of empowerment that address the different roles and interests women hold, encompassing economic, social, political, and legal dimensions; and (iii) interventions at multiple levels individual, household, and community that aim to tackle structural issues like caste, religion, and class, as these factors collectively influence women's status and involve institutional discrimination.

## **2.2 Empirical Review**

### **2.2.1 Review of International Articles and Journals**

Singh and Malik (2025) examined on microfinance and women's entrepreneurship in Uttar Pradesh: a study on empowerment. This chapter explores the role of microfinance in empowering women entrepreneurs in Uttar Pradesh, India, focusing on microcredit, micro-savings, and microfinance training. Through a mixed-methods approach, the study examines how these financial services contribute to women's socio-economic

empowerment. The results reveal that microfinance training has the most significant impact on empowerment, followed by microcredit, while micro-savings have a lesser effect. The chapter underscores the importance of capacity building and customized financial services to address the unique challenges faced by women entrepreneurs, especially in rural and semi-urban areas. The study concludes with suggestions to enhance the effectiveness of microfinance programs and foster inclusive development.

Alom et al. (2025) researched on digital finance leads women entrepreneurship and poverty mitigation for sustainable development in Bangladesh. This study examines the positive impact of digital finance on the advancement of women's entrepreneurship, empowerment, and poverty reduction in Bangladesh, covering the period from 2011 to 2023. By analyzing annual data, it highlights the transformative effects of digital finance on these areas. Using fully modified OLS and canonical co-integration regression models, the study explores the dynamic relationships between the variables. The findings indicate that mobile banking and agent banking significantly influence women's entrepreneurship at the 1 percent level. Additionally, women's employment, empowerment, and poverty reduction are found to have a substantial impact on the development of digital finance at the 5 percent level. Based on these results, the study encourages policymakers to develop strategies that leverage the potential of women through digital finance. Introducing nationwide digital entrepreneurship initiatives is suggested as an effective strategy to maximize the benefits of digital finance.

Ali et al. (2025) researched on bibliometric analysis of global research trends on microfinance institutions and microfinance: Suggesting new research agendas. This article examines historical trends, publication output, prominent authors and journals, and provides a Google mapping of world-renowned academic institutions. It also highlights the limitations of the Scopus database, utilizing software for the first time. Using VOSviewer for co-authorship analysis, the study reveals the significant contribution of the United States in this field, while co-citation analysis identifies emerging hotspots such as financial technology (fintech), crowdfunding, and financial literacy. The findings suggest that scholars have given limited attention to topics like natural resource revenues, financial development via fintech, and crowdfunding in the context of poverty alleviation. Additionally, for development researchers and practitioners, the article proposes a conceptual framework that links financial development, natural resource abundance, and

economic growth through fintech, crowdfunding, and financial literacy, offering new directions for future research.

Mary and Gnanaraj (2025) explored the role of micro credit in shaping women's entrepreneurial aspirations in India: a sem analysis. This research examines the relationship between microcredit and women's entrepreneurial aspirations in Karnataka, India, focusing on the mediating role of opportunities. Using PLS-SEM, the study analyzes data from 370 individual female entrepreneurs and finds that microcredit positively influences entrepreneurial aspirations. The partial mediating effect of opportunities suggests that financial access alone is not enough to drive sustainable entrepreneurship. Instead, the study highlights that access to market opportunities, skill development programs, and business networks, when combined with microcredit, significantly enhance growth objectives in women's entrepreneurship. The findings contribute to the literature by emphasizing the interactive role of finance and opportunities in shaping women's entrepreneurial success.

Uddin and Riviezzo (2024) researched on Unveiling the path to sustainable poverty alleviation in Pakistan: Investigating the role of microfinance interventions in empowering women entrepreneurs. The study aimed to assess the impact of microfinance interventions on women entrepreneurs in Pakistan and their potential to foster entrepreneurial ambition as a strategy for poverty alleviation. A quantitative research design was employed, collecting data through a questionnaire from 400 women entrepreneurs. The findings offer important insights for policymakers, microfinance institutions, and women entrepreneurs in Pakistan, stressing the need for programs that specifically target women, offering them both microfinance resources and training to empower them in managing their businesses. The study's limitations include limited generalizability and reliance on self-reported data.

Amjad (2024) examined on exploring the Role of Micro financing, Opportunities, and Risk in Women Entrepreneurship development: A study of Balochistan, Pakistan. The study explores the role of micro-financing, opportunities, and risks in the development of women entrepreneurship. Using a snowball sampling method for cross-sectional data collection, the analysis was carried out using correlation and regression techniques. The findings highlight the importance of microfinance institutions (MFIs) developing

enhanced strategies that promote women's business development, which in turn contributes to poverty reduction and increases economic independence among women entrepreneurs in Balochistan.

Palash et al. (2024) researched on Economic well-being induced Women's empowerment: Evidence from coastal fishing communities of Bangladesh. The study aims to examine whether community savings groups (CSGs) can effectively improve the economic conditions of women, leading to their empowerment. Quantitative data was collected from 615 women, including 306 CSG participants (treatment group) and 309 non-participants (control group). The findings showed that CSG women outperformed non-CSG women in various leadership capacity dimensions. Econometric analysis confirmed the positive impact of CSG interventions on savings, household income, earnings from fishing, alternative income-generating activities (AIGAs), expenditures, and overall women's empowerment.

Ogbari et al. (2024) examined the social empowerment and its effect on poverty alleviation for sustainable development among women entrepreneurs in the Nigerian. This study investigates the impact of social empowerment on poverty reduction in Nigeria's agricultural sector, focusing on the Nigerian Youth and Women Farmers Association. Out of 353 surveys distributed, 335 were returned and used for the research. The collected data was analyzed using the structural equation model with partial least squares (SEM-PLS). The findings revealed a significant link between social empowerment and reduced poverty levels among women in agriculture. This highlights the importance of collaboration, resource provision, and support to empower women socially, fostering an environment conducive to their economic and social growth. To encourage sustainable farming practices among female entrepreneurs, the study recommends that policymakers, organizations, and government bodies actively support women's empowerment in the agricultural sector.

Abebe and Kegne (2023) conducted on role of micro finance on women entrepreneurship development. This study focuses on examining the saving behaviors, income sources, loan-taking patterns, and the impact of microfinance on improving the economic status of women members, as well as gathering suggestions for enhancing the financial conditions of the poorest women. The study employed regression analysis and a survey method for

data collection. The findings indicate that women believe in the value of loans and are willing to invest them in profitable industries, with most participants working in the agricultural sector. The study shows that the investment of loans and income levels are appropriate, and participants are steadily increasing their earnings with the support of the program. While the outstanding debt remains below the required threshold, the study highlights that microfinance and financing organizations are gradually meeting the necessary criteria for loan repayment, with a positive trend in recovery.

Khursheed (2022) researched on exploring the role of microfinance in women's empowerment and entrepreneurial development: a qualitative study. The primary goal of this study was to examine how microfinance institutions (MFIs) support women's empowerment in Pakistan. Using a qualitative approach, the study gathered core data from focus groups and in-depth interviews with six female borrowers from the Rural Community Development Program (RCDP). The findings indicate that the RCDP's programs are effective in empowering women and encouraging their entrepreneurial activities, which in turn help combat poverty. The study concludes by highlighting not only the empowerment women gain through microfinance but also underscores the importance of microfinance in promoting broader economic development, offering valuable insights for MFIs on their role in fostering economic growth.

Muthie (2022) investigated on impact of women empowerment on household wellbeing in Kenya. This study aimed to explore the impact of women's empowerment on household wellbeing in Kenya. The research was guided by three specific objectives: examining the accessibility of empowerment programs to the target population, determining the level of women's participation in empowerment initiatives, and assessing the effects of women's empowerment on household wellbeing. The study employed a longitudinal research design and quantitative methodology, using published data from the Kenya National Bureau of Statistics and organizations focused on women's empowerment, such as USAID and UNDP. The data was analyzed through various statistical methods, including descriptive statistics, correlation analysis, and regression analysis. The findings revealed that a unit increase in average income among women resulted in a 3.5% increase in household consumption. Additionally, a unit increase in women's enrollment in tertiary education led to a 22.1% rise in household expenditure.

Finally, a unit increase in investment towards women's empowerment activities contributed to a 3.32% increase in household expenditure.

Chomen (2021) examined the role of microfinance institutions on poverty reduction in Ethiopia: the case of Oromia Credit and Saving Share Company at Welmera district. The aim of this study was to assess how Oromia Credit and Saving Share Company, a microfinance institution, has contributed to poverty reduction in the Oromia region of Ethiopia, particularly in the Welmera area of the Oromia Special Zone Surrounding Finfine. Data was collected using purposive and random sampling techniques, with 357 respondents selected from twelve localities. The study employed binary logistic regression to identify the key factors influencing the respondents' income growth. The findings revealed that factors such as voluntary saving, education level, and the use of loans for their intended purposes positively affected income improvement in the region, with all effects being statistically significant. Overall, the study demonstrated that the majority of respondents experienced an increase in income after joining the program, which had a positive impact on their ability to improve their standard of living.

Venugopalan et al. (2021) examined on the role of multi-actor engagement for women's Empowerment and entrepreneurship in Kerala, India. This paper examines the role and impact of multi-actor engagement on the successful empowerment of women, using the Kudumbashree program in Kerala, South India, as a case study. The objective is to analyze the outcomes of women's empowerment initiatives within a multi-actor framework that supports women's development through capacity building and social inclusion programs. The case study highlights how multi-level engagement contributes to women's development and fosters sustainable social change, considering the unique socio-political and cultural contexts that shape women's agency. The findings show that the Kudumbashree program successfully balances social change through top-down policy and regulatory reforms with bottom-up efforts to mobilize the community. From a policy perspective, the study suggests that the successful outcomes of the Kudumbashree initiative offer valuable insights for designing community development programs that focus on multidimensional empowerment, as well as the social and economic inclusion of women and other marginalized groups.

Vijay et al. (2021) assessed on multidimensional impact of finance on microenterprises. This paper offers an overview of recent academic and grey literature on the impact of access to formal finance for microenterprises in developing countries. It dissects the evidence across different sectors and examines how the size of credit injections influences outcomes. Additionally, the paper highlights the positive spillover effects on household wellbeing, particularly through asset acquisition and human capital development. A key argument of the paper is the importance of supporting "gazelles" microenterprises with a young age and high growth potential, which benefit significantly from credit access. These gazelles are linked to job creation and innovation. The paper further discusses that the effective uptake of credit is influenced by both intrinsic and extrinsic factors. Intrinsic factors include the entrepreneur's education, psychological profile, and business stage, while extrinsic factors involve the broader institutional environment, such as governance quality, taxation, registration costs, and market monopolies. These factors determine the type and extent of credit uptake, explaining why informal financial mechanisms continue to coexist alongside formal finance systems in many developing economies.

Bastida et al. (2021) conducted on motivational drivers to choose worker microfinances as an entrepreneurial alternative: evidence from Spain. This study explores the role of microfinance as a gendered organization, shedding light on its connection to social entrepreneurship an emerging academic topic. Two approaches were used to examine the factors influencing the choice of microfinance models: a theoretical approach and a confirmatory one. The findings highlighted the importance of strong public policies that support the microfinance model, as they contribute to more responsive and sustainable economic growth. The study, focusing on female participants in microfinance, provided further evidence that these factors act as key motivators. It found that Spanish women, in particular, utilize microfinance as an entrepreneurial tool to help bridge the gender gap, as they share the values, principles, and working conditions that align with the microfinance model. The study concluded that microfinance creates an environment that fosters women's economic development, and is viewed by female participants as an effective tool for achieving gender equality, one of the most important Global Sustainable Goals (GSGs).

Okunlola et al. (2020) analyzed on empowering women through micro finance: empirical evidence from Ibadan, Oyo state, Nigeria. In the Nigerian state of Oyo, the study sought

to examine women's social empowerment, economic well-being, and access to microfinance. The Pearson (r) correlation analysis was used to assess the strength of the association at a significance level of 0.05. The report suggests that the previous study indicated women experience both economic and social empowerment when they have access to microfinance through MFB loans. Based on the study's findings, it can be confirmed that women's empowerment is indeed enhanced when they have access to microfinance.

Kapiga et al. (2019) researched on a social empowerment intervention to prevent intimate partner violence against women in a microfinance scheme in Tanzania: findings from the MAISHA cluster randomized controlled trial. The study aimed to evaluate the impact of a violence prevention intervention for women participating in a group-based microfinance scheme in Tanzania. Microfinance groups were only enrolled if at least 70% of the members consented to participate. The groups were randomly assigned in blocks of six to either receive the intervention (intervention arm) or be wait-listed for it after the trial (control arm). Women in both groups met weekly for loan repayments, but only those in the intervention arm took part in the ten-session MAISHA intervention, designed to empower women and prevent intimate partner violence. Due to the nature of the intervention, neither the participants nor the research team could be blinded. Of the 544 women in the intervention arm, 485 (89%) completed the outcome assessment, while 434 (86%) of 505 women in the control arm did the same. Among the intervention group, 112 (23%) reported experiencing past-year physical or sexual intimate partner violence, or both, compared to 119 (27%) in the control group.

Vachya and Kamaiah (2015) examined a study on Microfinance Impact on Socio-Economic wellbeing: A special Reference to Andhra Pradesh. One of the primary objectives of the study was to examine the role of microfinance and its impact on women's economic and social empowerment. The study employed a multi-stage stratified proportionate random selection technique to choose representative villages, households, mandals/talukas, and districts. Using a regression model, the study analyzed the effects of various socioeconomic factors on women's empowerment. The findings revealed a significant improvement in the socioeconomic indicators, highlighting the positive impact of microfinance on women's empowerment.

The study also highlighted that women are increasingly participating in household decision-making. Based on its findings, the study recommends that the government introduce appropriate laws and programs to further promote women's social welfare. It concluded that policies such as increasing the frequency of Self-Help Group (SHG) meetings, providing training for SHGs, raising loan amounts, and ensuring the efficient use of loans could significantly contribute to enhancing women's empowerment, economic independence, and employment opportunities.

Bakar et al. (2015) investigated on Energy efficiency index as an indicator for measuring building energy performance: A review. Accurate forecasting of energy consumption in buildings is crucial for reducing energy demand and improving energy efficiency. To achieve this, various methods and indicators have been developed to monitor and measure energy performance in buildings. However, the challenge lies in the many factors that influence energy consumption, such as the types of activities conducted within the building, weather conditions, building materials, HVAC systems, and occupancy. These variables make it difficult to precisely measure and predict the energy use of a building's system.

This paper offers a review of the Energy Efficiency Index (EEI) as a key indicator for tracking energy consumption performance in buildings. It also discusses previous research related to the EEI and relevant mathematical models used to assess energy efficiency. Additionally, other methods and indicators for measuring the energy performance of buildings will be presented.

Table 1

*Summary of Empirical Review*

S.N	Author (Year)	Methodology	Variables	Major Findings
1	Singh and Malik (2025)	Using a mixed- methods approach	Microfinance services (training, microcredit, micro saving),	The findings reveal that microfinance training has the most significant impact on empowerment, followed by microcredit, while micro savings have a relatively minimal effect.

		Women Empowerment		
2	Alom et al. (2025)	co-integrating regression models	Digital finance, agent banking and women's entrepreneurship	The findings indicate that mobile banking and agent banking have a significant impact on women's entrepreneurship, with a statistical significance at the 1 percent level.
3	Ali et al. (2025)	Mixed-methods approach, integrating quantitative surveys (structured questionnaires) and qualitative interviews	Microfinance services, working capital, fixed assets and business revenue	The results showed that microfinance significantly increases working capital, improves fixed assets, and boosts business revenue.
4	Gnanaraj (2025)	PLS-SEM technique	Opportunities, Microcredit, women's entrepreneurial	This finding clearly demonstrates that when combined with microcredit, access to market opportunities, skill development programs, and business networks significantly enhance growth objectives in women's entrepreneurship.
5	Uddin and Riviezz (2024)	A quantitative research design	Economic empowerment, social empowerment, women empowerment, microfinance	The findings have important implications for policymakers, microfinance institutions, and women entrepreneurs in Pakistan, stressing the need for targeted programs that offer microfinance resources and training to empower women to manage their businesses effectively. However, the study acknowledges limitations, including limited

				generalizability and reliance on self-reported data.
6	Amjad (2024)	Snowball sampling method with correlation and regression	Economic independence, poverty reduction, business development	The findings emphasize the need for microfinance institutions (MFIs) to develop more effective strategies that promote women's business development, ultimately contributing to poverty reduction and enhancing economic independence among women entrepreneurs in Balochistan.
7	Palash et al. (2024)	Quantitative data	CSG interventions, savings, gross household income, earning	The findings revealed that women in Community Savings Groups (CSG) performed better in various leadership capacities compared to non-CSG women. Econometric analysis confirmed the positive impact of CSG interventions on savings, household income, earnings from fishing, alternative income-generating activities (AIGAs), expenditure, and women's empowerment.
8	Ogbari et al. (2024)	The structural equation model with partial least squares (SEM-PLS)	Social empowerment and poverty alleviation	The results highlighted a significant correlation between social empowerment and reductions in poverty among women in the agricultural sector. This underscores the importance of collaboration, resource provision, and support to empower women socially and create an environment conducive to their social and economic advancement.
9	Abebe	Descriptive and	Saving practice,	The correlation results indicated a

	and Kegne (2023)	explanatory designs and a quantitative research approach with simple random sampling technique	access to credit, a skill development training, and the development of women entrepreneurs	positive and significant relationship between saving practices, access to credit, skill development training, and the growth of women entrepreneurs. Additionally, the regression analysis revealed that savings and the credit or loan services provided by microfinance institutions have the most significant impact on the development of women's entrepreneurship.
10	Khursh eed (2022)	Qualitative methodology, using primary data	Socioeconomic, entrepreneurshi p and financial position	The findings suggest that even small- scale loans from RCDP have significantly helped women improve their socioeconomic and financial standing through entrepreneurship, supporting the theoretical framework of the status withdrawal theory.
11	Muthie (2022)	descriptive statistics, correlation analysis, and regression analysis.	Average income, household consumption, enrolment of women, tertiary education, household expenditure	The study found that a unit increase in average income among women leads to a 3.5 percent rise in household consumption. Additionally, a unit increase in the enrollment of women in tertiary education results in a 22.1 percent increase in household expenditure.
12	Achary a (2023)	correlation analysis	Microfinance, socioeconomic	The results demonstrate a significantly positive impact of microfinance on improving the socioeconomic status of its members.
13	Chome n	binary logistic regression	Education level, voluntary	The findings confirmed that education level, voluntary saving, and

	(2021)		saving, utilization of loan, income improvement	the proper utilization of loans significantly and positively contributed to the income improvement of the respondents in the study area.
14	Venugo palan et al. (2021)	descriptive, correlation and regression analysis	Economic empowerment, financial empowerment, social inclusion, gender mainstreaming	The findings revealed that Kudumbashree programs, through their multi-actor engagement, aim to strike a balance between driving social change through top-down policy and regulatory reforms, and fostering bottom-up social change by mobilizing the community.
15	Vijay et al. (2021)	structured questionnaire with Mean and t-test	Microfinance, women entrepreneur, women empowerment	The results of this study confirm that microfinance has enhanced the economic conditions of participants by offering entrepreneurial opportunities that support the growth of small and medium-sized businesses.
16	Bastida et al. (2021)	a qualitative and semi-exploratory research using a sector-specific case	Microfinance model and sustainable economic growth	The results indicate a significantly positive impact of the microfinance model on sustainable economic growth, highlighting its effectiveness in fostering public policies that support social empowerment.
17	Okunlo la et al. (2020)	Pearson correlation analysis technique	(r) Women access to microfinance and social-economic wellbeing.	The results show a significant positive relationship between women's access to microfinance and their socio-economic well-being.
18	Kapiga et al.	Regression analysis	Intervention arm, control	Overall, the findings show that 485 (89%) of 544 women in the

	(2019)		arm and outcomes assessment	intervention arm and 434 (86%) of 505 in the control arm completed the outcome assessment. Among those in the intervention arm, 112 (23%) of 485 women reported experiencing past-year physical or sexual intimate partner violence, or both, compared to 119 (27%) of 434 in the control arm (adjusted odds ratio).
19	Vachya and Kamaiah (2015)	logistic regression model	Household matters, education, married, income, loan	The microfinance program had a significant impact on the social empowerment of the sample group.
20	Bakar et al. (2015)	literature approach method	Social participation, public safety and health indexes, national economic growth, Ethical and moral knowledge	Social participation, public safety, and health indexes showed a weak positive correlation with national economic growth. Two key components of sustainability are awareness and participation. Ethical and moral knowledge, along with environmental responsibilities, are obligations that extend not only to those around us but also to distant strangers and future generations.

### 2.2.2 Review in Nepalese Context

Manjunatha and Gupta (2024) investigated the role of microfinance in poverty alleviation. Microfinance has proven to be effective in reducing poverty and promoting social education. The study employs a quantitative research approach, utilizing secondary data. Microfinance serves as a powerful tool for providing capital to the poor, especially those in remote, impoverished, or rural areas, who often earn just enough to survive and are unlikely to qualify for traditional financial assistance. While access to credit remains

limited, it is noted that credit needs are being addressed in India. However, these individuals are still viewed by banks as unproductive, lacking collateral, and unable to repay loans. Despite improvements in the operations of commercial banks, money lenders continue to dominate the loan disbursement sector. The findings indicate that microfinance plays a significant role in transforming the lives of those living in poverty, proving to be an effective strategy for reducing poverty and advancing social education.

Acharya (2022) conducted on impact of microfinance and finance company on social empowerment as an A case study of Sunal - 4, Nawalparashi District. This study examined how Microfinance and Finance Companies have empowered Nepalese women economically, elevated their status, and increased their participation in social and family decision-making after joining these programs. Data was gathered through in-person interviews using a standardized questionnaire. The findings revealed that Micro Finance Ltd. is financially sustainable and viable, and that Sunal Microfinance and Finance Company Ltd. contributes to improving the socioeconomic status of its members. The results closely aligned with those of previous studies, confirming their consistency. However, the study found that the microcredit program for women in the area had little to no noticeable impact on the finance company's customers. Despite low educational literacy, parents continue to send their children to school, hoping for a better future.

Adhikari and Shrestha (2021) evaluated the economic impact of microfinance in Nepal with special reference to Manamaiju VDC. The study used several determinant variables, such as loaners' income, household income, household consumption, savings, household assets, improvements in living standards, credit accessibility, and the initiation of revenue-generating activities, to assess the economic impact on the respondents. Both primary and secondary data were utilized, and a combination of qualitative and quantitative methods was employed for data analysis. The study compared and contrasted the economic status of loan recipients (loaners) with non-recipients (non-loaners). Primary data was collected using a standardized questionnaire. The findings revealed that loan recipients experienced financial improvements after using the loan to start small businesses, and they also had a higher socioeconomic status compared to non-recipients. From these results, it can be concluded that microcredit is an effective tool for enhancing the socioeconomic status of the poor, particularly women.

Thapa (2020) conducted on role of micro finance on women entrepreneurship development. The study aimed to examine the saving behaviors of women members, the income sources of thirty-three women respondents, their loan-taking behaviors, the impact of microfinance on the economic improvement of these women, and recommendations for enhancing the financial situation of the poorest women. The research used regression analysis and the survey method. The findings show that participants believe in loans and are willing to invest them in profitable ventures. Most respondents are employed in agriculture. The study suggests that individuals' loan investments and income levels are appropriate, and they are steadily increasing their earnings with the support of the program. Although the total outstanding debt is still below the required threshold, the study found that microfinance and financing institutions are gradually meeting the loan repayment criteria, thanks to the improving trend in loan recovery.

Tiwari (2020) studied on small farmer co-operative limited (SFCL) and its effect - a case study of SFCL Begnas, Kaski. The study aimed to examine the impact of SFCL on the socioeconomic development of people in Begnas, Kaski, evaluate its role in poverty reduction, identify the opportunities, risks, and success factors of the SFCL launched by ADB/N, and pinpoint the primary challenges faced by SFCL in Begnas. The study's regression analysis suggests that microfinance and finance companies can benefit from adopting the SFCL model. The findings indicate that SFCL's programs focus on empowering individuals, transforming them from vulnerable groups to recognized business owners and independent members of society, thereby improving their socioeconomic status. After thoroughly analyzing the data, the study draws the following conclusions.

Ojha (2018) examined on women entrepreneurship development through micro finance. The study aimed to assess the role of microfinance in women's financial empowerment and examine its impact on the development of women entrepreneurs. Regression analysis and survey questions were used for the investigation. Although microfinance still needs to improve accessibility to its services and processes for women, the study highlighted the significant role of WSC in improving women's social well-being. In addition to deposit holding and loan lending, women from WSC strongly advocate for business advice and training as essential services for entrepreneurial growth. The survey revealed no issues

with loan repayment at the institutions examined, as all women were making their monthly payments on time. The increasing participation of women in businesses, especially in grocery stores, followed by tailoring, pharmacies, and other sectors, reflects how entrepreneurship has evolved over time. The study concluded that alternative microfinance models could further enhance women's economic and social development, entrepreneurship, and foster a more competitive environment.

### **2.3 Research Gap**

Jing and Zhang (2017) explored the fields of microfinance, social empowerment, and women entrepreneurship. Despite significant progress in women's empowerment, female entrepreneurs still face numerous challenges. Parvin et al. (2012) identified these challenges as including financial difficulties, lack of market knowledge, insufficient infrastructure and utility services, outdated technology, a shortage of skilled labor, complex bureaucratic procedures, and a lack of support from SME centers. In the areas of microfinance and social empowerment, various researchers and scholars have reached different conclusions due to differences in factors, methodologies, data analysis tools, samples, and settings. However, relatively few studies have incorporated household, economic, and social well-being variables into their analysis.

This research examines household wellbeing, economic wellbeing, and social wellbeing through microfinance, with a primary focus on social empowerment and its scope. This study is particularly novel in the context of Kathmandu. It aligns with existing microfinance research, which has shown that women are more likely than men to engage in business for income generation and to repay loans and interest. Additionally, the study highlights the positive impact of microfinance in encouraging women's participation in social issues and enhancing their decision-making authority.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

This chapter outlines the research methods used to achieve the study's objectives. To examine the impact of microfinance on women and social empowerment, the methodology includes details on the research design, sampling strategy, sample size, research tools, data collection, and data analysis procedures. It also covers the development of the questionnaire used to gather responses from the public. Furthermore, this chapter explains the data collection techniques and procedures used to analyze the collected data. Primary data collection methods were the basis of the study. The focus of this chapter is on analyzing the experiences of women who participated in microfinance programs, both in the early stages and those who joined more recently.

#### **3.1 Research Design**

This study utilizes both descriptive and causal-comparative research designs. The causal-comparative approach was chosen for its cost-effectiveness in terms of both time and resources, enabling the comparison and analysis of microfinance programs and women's empowerment. The research employs a quantitative methodology, which is particularly well-suited for investigating factors that are difficult to isolate or when experimental studies are not feasible due to the nature of the circumstances.

#### **3.2 Population and Sample and Sampling Design**

The study's population consists of women from Nepal's Kathmandu Valley, with a sample of 400 women who actively participate in microfinance programs. According to Eldred (1987), a sample size larger than 400 is considered substantial enough to yield meaningful results. Convenience sampling was used to select participants, and data was collected by distributing a well-structured questionnaire to the women involved in microfinance. This sampling method was chosen to simplify the data collection process.

#### **3.3 Nature and Sources of data**

Primary data formed the basis of this investigation. To collect this data, a combination of observation, questionnaires, and household surveys was utilized. The questionnaire was specifically designed to align with the study's objectives, and the researcher personally

conducted interviews with the participants. Several techniques were employed in gathering primary data and information, including:

**Primary Sources:** Primary data was collected through questionnaires from a diverse range of demographics, including participants of different ages, genders, occupations, educational backgrounds, and varying attitudes and beliefs.

The questionnaire used in this study was selected based on its structure, purpose, and content. It is a structured questionnaire with pre-established, standardized questions and predetermined response options, such as multiple-choice or Likert scales. The questionnaire also serves an analytical function, designed to test theories or examine correlations between variables. In terms of content, it is a factual questionnaire aimed at collecting objective, factual data, such as employment details and demographic information.

### **3.4 Instrumentation of Data**

Data was collected by sending digital copies of the questionnaire to 400 respondents via email. After gathering the data, it was analyzed using various tools in the SPSS application. To achieve the study's objectives, several statistical and mathematical methods were employed, including regression analysis, correlation analysis, and descriptive statistics.

### **3.5 Tools and Techniques of Analysis**

Data analysis was conducted based on the existing data pattern, utilizing a variety of financial, accounting, and statistical methods to achieve the study's objectives.

#### **Descriptive Statistics**

Descriptive statistics are concise coefficients that summarize a particular data set, whether it is a sample of the population or represents the entire population. These statistics are divided into two categories: measures of central tendency and measures of variability (spread). Central tendency indicators include the mean, median, and mode, which describe the center of the data. Variability measures, on the other hand, include the standard deviation, variance, minimum and maximum values, kurtosis, and skewness, which provide insights into the spread and distribution of the data.

### Mean

The arithmetic mean is the most widely used measure for summarizing data with a single value. It is calculated by dividing the total sum of all items by the number of items. The mean represents the average value for the various variables over the study period.

$$\text{Mean } (\bar{X}) = \frac{\sum x}{n}$$

Where,

$$\bar{X} = \text{Sum of the variables 'X'}$$

$$n = \text{No. of Observation}$$

### Standard deviation

Dispersion refers to the extent to which individual values differ from a central value. The standard deviation is used to measure absolute dispersion. A higher standard deviation indicates greater variation, while a lower standard deviation suggests greater uniformity or homogeneity in the data. In this study, the standard deviation was calculated for several financial metrics, including earnings per share, dividends per share, dividend payout ratio, retained earnings, market value per share, dividend yield ratio, and price-earnings ratio.

$$\text{Standard Deviation (SD)} = \sqrt{\frac{\sum (X - \bar{X})^2}{n}}$$

### Correlation analysis

Correlation analysis is a statistical method used to describe the strength and direction of the relationship between two variables. In this study, simple correlation was employed to assess the relationship between various financial variables. The correlation coefficients for these variables were calculated and presented in a matrix form, allowing for a detailed understanding of their interrelationships.

$$\text{Correlation Coefficient (r)} = \frac{n\sum XY - \sum X \sum Y}{\sqrt{n\sum X^2 - (\sum X)^2} \sqrt{n\sum Y^2 - (\sum Y)^2}}$$

Where,

r = coefficient of correlation

$\sum XY$  = Sum of product of two series.

$\sum X^2$  = Sum of squared in X series

$\sum Y^2$  = Sum of squared in Y series

n = number of years

The correlation coefficient ranges from +1 to -1, with these values representing the limits. A value of +1 indicates a perfect positive correlation between the variables, meaning they move in the same direction. Conversely, a value of -1 indicates a perfect negative correlation, meaning the variables move in opposite directions. A value of 0 signifies no correlation between the variables, meaning there is no linear relationship.

### **Coefficient of determination ( $r^2$ )**

The coefficient of determination measures the degree of linear relationship or correlation between two variables, with one being independent and the other dependent. In other words, it quantifies the proportion of variation in the dependent variable that can be explained by the independent variable. The value of the coefficient of determination ranges from 0 to 1. A value of 1 indicates that all the data points lie exactly on the regression line, meaning there is no unexplained variation, while a value of 0 suggests that the independent variable does not explain any variation in the dependent variable.

### **Regression analysis**

Regression analysis indicates the direction of the relationship between variables, but it does not provide information about the magnitude of their relative movements. To assess the relative movement of the variables, regression analysis is applied. In this study, social empowerment is the dependent variable, while household, economic, and social well-being are the independent variables. For multiple regression analysis, key metrics such as the standard error of estimate, multiple coefficients of determination, and the least squares method are typically computed to evaluate the relationship between the variables and their explanatory power.

The multiple regression equation model is:

#### **Model I**

This model examines the impact of elements on motivation factors.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Y = Women's Social Empowerment

$X_1, X_2, X_3$  = Household wellbeing, Economic wellbeing, Social wellbeing

$\beta_0$  = Regression Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \dots$  = Regression Coefficient of Household wellbeing, Economic wellbeing, Social wellbeing respectively

e = Error

### 3.6 Research Framework and Definitions of Variables

#### Independent Variables

#### Dependent Variables

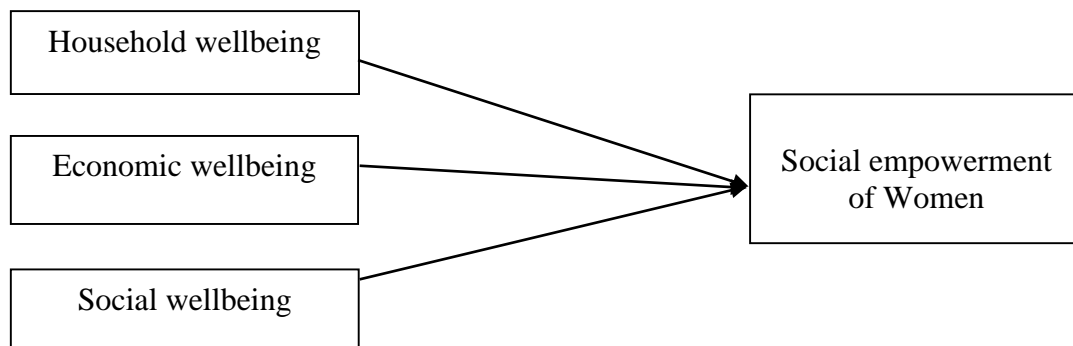


Figure 1 *Research Framework*

Sources: Modified from Khursheed (2022)

#### Definition of Variables

##### Social empowerment

Social empowerment refers to the degree to which social relationships enhance individuals' ability to act and their personal capabilities. It is a key element in the broader concept of social quality. According to Herrmann (2005), empowerment forms the foundation of any social quality initiative. The social quality approach, as a dialectical theory of action, aligns with this perspective, offering a framework for understanding empowerment in social contexts (Cheston & Kuhn, 2002).

##### Household wellbeing

Women's empowerment plays a crucial role in improving the overall well-being of a household, as their social and economic contributions significantly impact family health (Das, 2014). Empowered women are more likely to take on leadership roles within the family, fostering inclusive decision-making. By enhancing their economic power and ensuring financial security through work and education, women can elevate living standards. Moreover, empowered women tend to prioritize their family's health, creating a

nurturing environment that contributes to the emotional well-being of all members (Kutty, 2003). In summary, promoting women's empowerment leads to better overall household well-being.

### **Economic wellbeing**

For nations to achieve economic progress, empowering women is crucial. When women have increased access to professional and educational opportunities, they contribute more significantly to the workforce, which in turn fuels economic growth. Independent and empowered women often play a pivotal role in improving their families' health and education, creating positive ripple effects throughout society (Sooriyakumaran, 2016). Additionally, women's empowerment introduces diverse perspectives into decision-making, fostering innovative and inclusive solutions in both businesses and governments. Financially independent women are better positioned to challenge gender norms and advocate for a more equitable distribution of opportunities and resources. Ultimately, empowering women is key to achieving social justice and ensuring sustainable, long-term economic growth (Yasha, 2019).

### **Social wellbeing**

Empowering women is crucial for enhancing social well-being as it strengthens the fabric of society. When women are empowered, they can actively participate in decision-making and contribute diverse perspectives and ideas. This inclusivity not only ensures a more equitable distribution of resources and opportunities but also strengthens social cohesion (Neupane, 2011). Moreover, empowered women often drive positive social change by advocating for causes such as economic development, healthcare, and education. As Neupane (2011) suggests, giving women autonomy and independence enhances community dynamics and paves the way for a more prosperous and peaceful society.

## CHAPTER IV

### RESULTS AND DISCUSSION

This chapter presents the data in a clear and organized manner, followed by a detailed discussion and analysis. The aim of this analysis is to provide answers to the research questions. The findings derived from the analysis are then discussed and explained in this section. The primary objective of the study is to explore how microfinance can empower urban communities. The focus of this research is to assess the role and effectiveness of microfinance in Nepal.

#### 4.1 Results

##### 4.1.1 Demographic Variables

Table 2

*Demographics Characteristics of Respondents*

Respondent Character	No. of Responses	Percentage (%)
Age		
Under 20	8	2
20-30	336	84
31-40	40	10
41-50	12	3
Over 50	4	1
Total	400	100
Marital Status		
Widow	12	3
Unmarried	64	16
Married	280	70
Divorced	44	11
Total	400	100
Educational Status		
Under SLC	176	44
+2	192	48
Bachelor	32	8
Total	400	100

*(Source: Field Survey 2025)*

The respondents are categorized into five age groups, with the largest group, comprising 336 individuals (84% of the total), being between the ages of 20 and 30. Only 6% of the participants were either under 20 or over 41. In terms of marital status, 64% (16 respondents) were unmarried, while 70% (280 respondents) were married. Regarding educational background, the most common qualification was a +2 degree, held by 192

respondents (48%). Meanwhile, 44% of participants had completed their schooling under SLC, and 8% had attained a bachelor's degree.

#### 4.1.2 Descriptive Statistics

This section covers the analysis of the data collected through the questionnaires during the study process. The data features were examined based on the mean, standard deviation, and the minimum and maximum values for each of the following variables: women's empowerment, household wellbeing, economic wellbeing, and social wellbeing. To assess these variables, the respondents were asked questions using a "five-point Likert scale," with responses ranging from "strongly disagree = 1" to "strongly agree = 5." A total of 400 individuals answered each of these questions.

#### Descriptive Analysis of Household Wellbeing

This section presents the descriptive analysis of the household wellbeing outcomes facilitated by the microfinance program.

Table 3

##### *Analysis of Household Wellbeing*

Code	Particular	Mean	Std. Dev.
HW1	My nutrition has improved as a result of participating in MFIs.	3.153	1.363
HW2	The money received from MFIs aids in the purchase of household assets.	3.347	1.323
HW3	My physical health has improved as a result of participating in MFIs.	3.281	1.336
HW4	MFIs contribute to an improved standard of education for kids.	3.152	1.279
HW5	I am able to buy household products with freedom.	3.355	1.326

*(Source: Field Survey 2025)*

Table 3 presents the descriptive statistics for each item related to household wellbeing. It reflects the respondents' views on how the microfinance program influences household wellbeing. The statement "household wellbeing helps to develop revenue-generating activities, which in turn helps acquire nutrition" received a mean score of 3.153 with a standard deviation of 1.363, indicating below-average scores from respondents. On the other hand, the statement "the money obtained from MFIs helps in purchasing household assets" had a mean score of 3.347 and a standard deviation of 1.323, with respondents showing agreement on the positive impact of microfinance in acquiring assets.

The mean score for the MFI-related health improvement was 3.281, with a standard deviation of 1.336, suggesting a positive impact on health. Regarding education, the mean score was 3.152 with a standard deviation of 1.279, while the statement on household freedom to purchase had a higher score of 3.355 with a standard deviation of 1.326, indicating that MFIs contribute to improving living standards. Furthermore, the clients of the microfinance institutions rated the services for household wellbeing as having a more than average impact on the overall effect of women's empowerment.

### **Descriptive Analysis of Economic wellbeing**

Table 3 presents the descriptive analysis of respondents' perceptions regarding the improvement of the economic lifestyle of women.

Table 4

#### *Analysis of Economic Wellbeing*

Code	Particular	Mean	Std. Dev.
EW1	My income has increased under my direct control.	3.090	1.351
EW2	Enhancing the economy is facilitated by savings in microfinance institutions.	3.322	1.326
EW3	I can now participate in decision-making on a more advanced level.	3.282	1.355
EW4	I feel more economically powerful now that I'm part of MFIs.	3.157	1.287
EW5	MFIs enable me to start a business.	3.285	1.367

*(Source: Field Survey 2025)*

Table 4 presents the descriptive data for individual items related to women's economic empowerment. It showcases the perceptions of female clients involved in the study concerning their economic well-being. The study reveals above-average values for key indicators such as the increase in income under women's control, improvements in economic conditions, decision-making power, women's economic empowerment, and the establishment of entrepreneurial ventures. The respective mean scores for these variables are 3.090, 3.322, 3.282, 3.157, and 3.285, with standard deviations of 1.351, 1.326, 1.355, 1.287, and 1.367. These results suggest minimal fluctuation in responses, with the mean values reflecting a consistent agreement among respondents.

### Descriptive Analysis of Social Wellbeing

The descriptive analysis of respondents' views on the empowerment aspect of social well-being is presented in the following table.

Table 5

#### *Analysis of Social Wellbeing*

Code	Particular	Mean	Std. Dev.
SW1	I'm free to go to MFIs and political programs.	3.22	1.327
SW2	I took part in events promoting social development.	3.60	1.341
SW3	I am allowed to move wherever to participate in social programs.	3.47	1.416
SW4	I got freedom to visit social organization for my career.	3.17	1.223
SW5	I had the chance to participate in societal decision-making.	3.17	1.541

(Source: Field Survey 2025)

The descriptive statistics for a single item related to women's social welfare are shown in Table 5. This table presents the respondents' perceptions of the impact of microfinance use on social welfare. With a mean score of 3.22 and a standard deviation of 1.327, respondents indicated that microfinance has positively impacted social activities and provided greater flexibility for attending political programs, suggesting a general agreement with the statement. The mean scores for those involved in promoting social development and engaging in social activities were 3.60 and 3.47, with standard deviations of 1.341 and 1.416, respectively. Furthermore, the mean score for women clients of microfinance institutions (MFIs) who felt free to participate in social organizations for professional purposes was 3.17, with a standard deviation of 1.223. Finally, the mean score for the statement regarding participation in social decision-making was 3.17, with a standard deviation of 1.541.

### Descriptive Analysis of Social Empowerment

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

Table 6

*Analysis of Social Empowerment*

Code	Particular	Mean	Std. Dev.
SE1	After being active in MFIs, I am able to improve in terms of basic comforts and services.	3.18	1.349
SE2	I may now buy necessities after participating in MFIs.	3.35	1.321
SE3	Family members consider my advice before making a financial choice.	3.28	1.352
SE4	Money is not an obstacle for me to spend on strengthening myself.	3.17	1.286
SE5	The process of using different materials and technology in the business is made easier with the help of MFI's training programs.	3.32	1.359

(Source: Field Survey 2025)

The descriptive data for a single item related to women's empowerment through microfinance are shown in Table 6. This table reflects the respondents' perceptions of the impact of microfinance (MF) on women's empowerment. The statement regarding women's empowerment and their personal status due to microfinance, with a mean score of 3.18 and a standard deviation of 1.349, suggests that respondents generally agree that microfinance has been beneficial in improving their basic comforts and services. A mean score of 3.35, with a standard deviation of 1.321, indicates that respondents feel they are able to afford essential requirements. For family members of women seeking financial advice before making decisions, the mean score is 3.28 with a standard deviation of 1.352, suggesting a positive inclination towards financial guidance. Furthermore, with a mean score of 3.17 and a standard deviation of 1.286, respondents indicate that women have more autonomy in spending their own money. Lastly, with a mean score of 3.32 and a standard deviation of 1.359, the statement about microfinance training assisting women in utilizing various materials and technologies in business was also met with agreement.

#### 4.1.3 Correlation Analysis

To assess the strength and direction of the relationship between two or more variables, Pearson's correlation analysis has been employed. A positive correlation indicates that the variables move in the same direction, meaning that as one variable increases, the other does as well. On the other hand, a negative correlation suggests an inverse relationship, where an increase in one variable leads to a decrease in the other. Additionally, the analysis addresses potential technical challenges that may arise when developing a multiple regression model. Both the independent and dependent variables have been analyzed individually for their correlation.

### Correlation Coefficient for Social empowerment

This section analyzes the relationship between social empowerment and the independent variables of household, economic, and social wellbeing. The correlation analysis results, as shown in the table, reveal a positive relationship between the dependent variable (social empowerment) and the independent variables, indicating that improvements in household, economic, and social wellbeing are associated with higher levels of social empowerment.

The table presents the Pearson correlation coefficients between the independent variables (household, economic, and social wellbeing) and social empowerment. These coefficients help in regression analysis by comparing the actual sign with the expected outcomes. The household, economic, and social wellbeing provided by microfinance organizations are used as proxies for the independent variables being studied.

Table 7

#### *Correlation Analysis of Dependent and Independent Variables*

	Variables	SE	HW	EW	SW
Social Empowerment		1			
Household Wellbeing		.872**	1		
Economic Wellbeing		.380**	.650**	1	
Social Wellbeing		.248**	.520**	.627**	1

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

Note: SE = Social empowerment, HW= Household Wellbeing, EW = Economic Wellbeing, SW = Social Wellbeing

(Source: Output of SPSS 23)

According to Table 7, there is a significant relationship between social empowerment and social wellbeing at the 0.01 level of significance, with a moderate positive correlation of 0.248. A strong positive correlation of 0.872 is observed between social empowerment and household wellbeing. Additionally, there is a somewhat positive correlation of 0.380 between economic prosperity and social empowerment, signifying a notable connection between these two variables. Household wellbeing is also strongly positively correlated with both social wellbeing (0.650) and economic wellbeing (0.520) at the 0.01 level of

significance. Similarly, a positive and significant correlation of 0.627 is found between social wellbeing and economic wellbeing, also at the 0.01 level of significance.

#### 4.1.4 Regression Analysis

Regression analysis helps identify the independent variables that contribute to the variability of the outcome, the degree to which these variables account for the changes in the dependent variable, and which variables are significant in explaining that variability. In this study, linear regression was used to explore the impact of independent variables on the dependent variable. The regression analysis involved calculating the F-value and t-values to assess the significance and strength of the relationships between the predictors and the dependent variable.

Table 8

##### *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736a	.541	.534	.46616

a. Predictors: (Constant), Household wellbeing, Economic Wellbeing, Social wellbeing.

The model summary provides insights into the variation explained by the independent variables through the coefficient of determination, or R-squared. In this case, the R-squared value is 0.541, indicating that 54.10% of the variation in social empowerment (the dependent variable) can be explained by the independent variables: household, economic, and social wellbeing. This shows the cumulative effect of all the independent variables on the dependent variable. Additionally, the standard error of the estimate, which is 0.46616, measures the average distance between the observed values of social empowerment and the predicted values based on the regression line.

Table 9

##### *ANOVA Analysis*

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	100.723	3	16.787	77.251	.000b
	Residual	85.402	396	.217		
	Total	186.124	399			

a. Dependent Variable: Social empowerment

b. Predictors: (Constant), Household wellbeing, Economic wellbeing, Social wellbeing

The ANOVA table, presented in Table 9, shows the influence of the independent variables on the dependent variable, social empowerment. The high F-value of 77.251 and the p-value of 0.000 (which is below the 5% significance level) indicate that the independent variables—household, economic, and social wellbeing—significantly impact social empowerment. This suggests that these factors collectively contribute to explaining the variation in social empowerment, affirming the relevance of the independent variables in the model.

Table 10

*Regression Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	.335	.203		1.644	.101
Household Wellbeing	.137	.051	.103	2.666	.008
Economic Wellbeing	.485	.049	.442	9.912	.000
Social Wellbeing	.287	.038	.318	7.632	.000

a. Dependent Variable: SE= Social empowerment

(Source: Output of SPSS 23)

**Regression analysis output: coefficient**

The estimated linear equation of this model is,

$$\hat{Y} (SE) = 0.335 + 0.137 HW + 0.485 EW + 0.287SW$$

Table 10 shows that the constant term does not significantly affect social empowerment, as its p-value exceeds 0.05. However, household wellbeing, economic wellbeing, and social wellbeing have notable coefficients, with beta values of 0.137, 0.485, and 0.287, respectively.

This suggests that for each unit increase in household wellbeing, economic wellbeing, and social wellbeing, social empowerment rises by 0.137, 0.485, and 0.287 units, respectively. The p-values for household, economic, and social wellbeing are all below 0.05 at the 0.01 significance level, indicating a significant impact on social empowerment.

### 4.1.5 Hypothesis Testing

Table 11

#### *Results of Hypotheses Testing*

Hypotheses	Sig. Level	Relationship	Accepted/ Not Accepted
H <sub>1</sub> : Household Wellbeing has a significant impact on Social empowerment.	0.008<0.05	Significant/Positive	Accepted
H <sub>2</sub> : Economic wellbeing has a significant impact on Social empowerment.	0.000<0.05	Significant/Positive	Accepted
H <sub>A3</sub> : Social wellbeing has a significant impact on Social empowerment.	0.000<0.05	Significant/Positive	Accepted

#### **Hypothesis 1**

**H<sub>1</sub>**: Social empowerment is significantly impacted by household wellbeing.

Since the p-value is less than the alpha level ( $0.008 < 0.05$ ) and the null hypothesis is rejected, the alternative hypothesis (H1) is accepted at the 5% significance level. This indicates a significant correlation between social empowerment and household wellbeing.

#### **Hypothesis 2**

**H<sub>2</sub>**: Social empowerment is significantly impacted by economic well-being.

Since the p-value is less than the alpha level ( $0.000 < 0.05$ ) and the null hypothesis is rejected, the alternative hypothesis (H1) is accepted at the 5% significance level. This shows a significant correlation between social empowerment and economic wellbeing.

#### **Hypothesis 3**

**H<sub>3</sub>**: Social empowerment is significantly impacted by social welfare.

Since the p-value is less than the alpha level ( $0.000 < 0.05$ ) and the null hypothesis is rejected, the stated hypothesis (H3) is accepted at the 5% significance level. This indicates a significant correlation between social empowerment and social wellbeing.

#### 4.1.6 Major Findings

The aim of the study was to examine the relationship between social empowerment and microfinance in Nepal. It analyzed the correlation between social empowerment and key microfinance parameters. The study's sample consisted of 400 respondents, which was representative of the population size. Descriptive analysis and hypothesis testing were used as the main methodologies. The study focused on important demographic variables such as age, marital status, and educational attainment based on the participants' demographic profiles.

The majority of respondents, or 84%, are between the ages of 20 and 30. The age group of 31 to 40 years makes up 10% of the respondents, while 3% are between 41 and 50 years old. The smallest group, accounting for 1%, is those over 50 years old. Finally, only 2% of the respondents are under 20 years old.

Similarly, the majority of respondents (148, or 37%) have an educational background at the SLC level. A total of 76 respondents (19%) have completed a bachelor's degree, while 176 respondents (44%) are at the intermediate/+2 level. No respondents (0%) reported having a master's degree or higher. Regarding marital status, 16% of respondents are single, 70% are married, 11% are divorced, and the remaining 3% are widows.

The analysis reveals a strong positive correlation between household and economic wellbeing, with a coefficient of 0.650. Similarly, there is a significant positive relationship (0.627) between social and economic wellbeing, which is significant at the 0.01 level. Social empowerment and household wellbeing also show a strong positive correlation, with a coefficient of 0.872. Social wellbeing exhibits a strong positive association with a coefficient of 0.380, significant at the 0.01 level. Additionally, there is a notable positive relationship (0.248) between social empowerment and social wellbeing, which is statistically significant.

With an R-squared value of 0.541, the independent variables—household wellbeing, economic wellbeing, and social wellbeing—explain 54.10% of the variation in social empowerment. The standard error of the estimate, reported as 0.46616 in the model summary, reflects the extent to which the observed values of social empowerment deviate from the regression line.

The p-value from the ANOVA is 0.000, which is below the alpha level, indicating statistical significance. Additionally, the F-statistic of 77.251 is substantial, suggesting that the model effectively represents the relationship between the predictor variables and the dependent variable. Therefore, it can be concluded that social empowerment is significantly influenced by the independent variables—household wellbeing, economic wellbeing, and social wellbeing.

## **4.2 Discussion**

A key objective of the study was to explore the relationship between social empowerment, economic wellbeing, household wellbeing, and social wellbeing. This investigation is based on the findings from the previous analysis, which examined both earlier research in this area and the role of microfinance in empowering women.

Household wellbeing has a significant effect on social empowerment, a finding that aligns with Khursheed's (2023) research. Similarly, Acharya (2022) observed that microfinance substantially enhances both social and household wellbeing. Respondents reported that participating in the microfinance program led to improvements in their children's education, increased purchasing power, and better health outcomes.

The present study is also supported by William's theoretical framework for social empowerment, which builds on Kabear's (1999) findings with some modifications. This framework posits that social empowerment is comprised of three key components: achievements, agency, and resources. In our study, household wellbeing, economic wellbeing, and social wellbeing serve as the three outcome categories. Our framework further considers activities and resources as inputs, agency (the use of power in the presence of resources) as the process, and achievements as the result of combining agency and resources.

Economic wellbeing plays a crucial role in women's empowerment by enhancing their independence, opportunities, and social influence. When women have access to economic resources such as employment, financial services, and business opportunities, they gain the ability to make decisions regarding their own lives—ranging from healthcare and education to their involvement in community matters. Financially secure women also tend to have greater influence within their homes and communities, leading to a more

equitable distribution of resources and decision-making power (Holvot, 2005). Moreover, financial independence allows women to challenge traditional gender norms and stereotypes, fostering gender equality and promoting social change. As women begin to engage in microfinance programs, their mobility improves, and they gain the confidence to leave their homes independently. After participating in the microfinance program, women also experience a stronger voice in family decisions, a finding supported by Holvot's (2005) research.

Women's increased mobility, confidence, and decision-making power after joining microfinance programs illustrate the concept of agency in action. The study highlights empowerment in both economic (independence, opportunities) and social spheres (community participation, challenging gender stereotypes), aligning with Holvot's (2005) findings. It also shows that participation in microfinance programs enhances women's economic security. Recent studies suggest that with improved financial standing, women gain more control over household financial decisions. Additionally, microfinance programs help women build economic strength and legal knowledge, empowering them to start their own businesses. Social Capital Theory, which emphasizes the role of social networks, trust, and norms of reciprocity in fostering collective action and development, is reflected in these findings. Women's growing participation in community decision-making and governance underscores this theory in action.

Poverty Alleviation Theory posits that providing financial resources and opportunities helps reduce poverty and improves living standards. The findings of this study strongly support this theory, as participation in microfinance programs led to improvements in household wellbeing, purchasing power, children's education, and health—all key indicators of poverty reduction. This is consistent with the findings of Acharya (2022), Khursheed (2023), Okunlola et al. (2020), and Tiwari (2020), who also noted that women involved in microfinance programs experience better financial conditions. This study specifically highlights that SFCL-style microcredit programs have enhanced skills, mobilized resources, and increased savings, contributing to human resource development and economic growth. According to Ojha (2018), microfinance not only creates a competitive environment but also provides financial support that boosts women's entrepreneurship, thereby elevating both their economic and social status.

Social wellbeing plays a crucial role in women's empowerment by enabling their full participation in social, political, and public life. When women have equal opportunities to advocate for their rights, engage in decision-making, and influence institutions and policies, societies become more democratic and inclusive (Ojha, 2018). Overcoming barriers to women's participation and addressing systemic inequalities in areas such as employment, education, and leadership representation are vital steps toward achieving socio-political empowerment. By involving women in governance, policy-making, and community development, societies can benefit from their unique perspectives and skills, helping to address pressing issues and promote sustainable development (Acharya, 2022). Our findings indicate that the respondents' economic wellbeing is positively influenced by social-political empowerment, a key aspect of microfinance programs.

This conclusion is further supported by Vachya and Kamaiah's (2015) findings, which highlight the significant impact of microfinance on social empowerment. According to their research, microcredit programs enable women to share information and insights about their legal rights, helping them better understand various legal challenges. Additionally, participation in microfinance programs enhances women's mobility, a result that aligns with Swapna's (2017) previous study, which also found improvements in women's mobility as a direct outcome of microfinance involvement.

# **CHAPTER V**

## **SUMMARY AND CONCLUSION**

The final chapter includes a summary of the study, its findings, and their implications. It presents the key facts and conclusions drawn from the analysis of the primary data collected during the research.

### **5.1 Summary**

The primary aim of the study is to assess how microfinance impacts women's social empowerment. The research focuses on examining how microfinance influences the empowerment and quality of life of its members. Specifically, it looks at how access to microcredit, savings, and financial literacy programs affects entrepreneurial activities and contributes to socio-economic development for women. The study also explores whether microfinance serves as a catalyst for promoting gender equality, enhancing decision-making power, and improving living standards. In this study, household wellbeing, economic wellbeing, and social wellbeing are treated as independent variables, while poverty is the dependent variable.

A mixed-methods approach was employed in this study, combining quantitative data from structured questionnaires and qualitative insights gathered from interviews and focus group discussions. The research focused on women entrepreneurs associated with microfinance institutions (MFIs) in the Kathmandu Valley. A purposive sampling method was used to select a sample of 400 respondents. Data analysis involved descriptive statistics, correlation, and regression models to examine the relationships between microfinance and various empowerment indicators. While the study primarily utilized a limited range of statistical methods, 400 respondents completed questionnaires, which formed the core data collection. In recent years, the importance of women's participation in development has gained increasing recognition. As such, the primary goals of this study are to foster entrepreneurship and explore the role of microfinance in promoting social empowerment among women.

The study utilizes household wellbeing, economic wellbeing, and social wellbeing as its independent variables to achieve its broader goals. Social empowerment serves as the

dependent variable. A descriptive research design is employed to examine and characterize the characteristics of the sample respondents without altering the core facts being studied. Primary data sources are used for this research, with structured questionnaires employed for quantitative data and field surveys and observations for qualitative data. Seven questions for each dependent and independent variable were developed to gather comprehensive data. Percentage analysis is applied to represent the data in tabular form.

For this study, primary data was collected through a self-administered questionnaire, which was adapted from Khan (2023) and Yogi (2020) to assess the independent variables and the dependent variable. The survey was completed by 400 respondents from various age groups, marital statuses, and educational backgrounds. Questionnaires were distributed, and responses were gathered during a field visit. The data collected from the surveys and interviews were then compiled for analysis. The study aims to provide a comprehensive understanding of the state of microfinance and social empowerment in Nepal by examining the relationship between microfinance factors (household wellbeing, economic wellbeing, and social wellbeing) and social empowerment, as well as the impact of these factors on social empowerment.

The study found a strong positive correlation between social empowerment and household, economic, and social wellbeing. Similarly, it revealed that household, economic, and social wellbeing have a positive and significant impact on social empowerment.

## **5.2 Conclusion**

The study's findings have sparked discussions on social empowerment and initiatives aimed at supporting women. The services provided by the microfinance program are designed to enhance social empowerment, helping individuals transition from a vulnerable position to that of a recognized entrepreneur and independent member of society. Based on the analysis of all the collected data and information, several key conclusions can be drawn regarding the program's implementation in the Kathmandu study area.

The primary goal of the study is to offer an overview of the microfinance and social empowerment situation in Nepal. Social empowerment, in this context, involves the ability to make financial and household decisions, as well as having a positive perception of how others view them. The study also highlights improvements in women's and their families' health, including increased awareness of nutrition, health, and the food they consume.

The study found a strong and significant positive correlation between household and economic factors. Similarly, a notable positive relationship was observed between social wellbeing and economic wellbeing. Additionally, there is a strong positive association between household wellbeing and social empowerment. Economic empowerment is also significantly and positively correlated with women's empowerment. Moreover, a strong positive link was identified between women's empowerment and social wellbeing. Social empowerment is significantly influenced by household, economic, and social wellbeing. The regression analysis further confirmed that social empowerment has a positive relationship with these factors, with household, economic, and social wellbeing all being statistically significant.

### **5.3 Implication**

The findings of this study can be valuable for microfinance organizations in shaping their future strategies for women's empowerment. The following are the key implications of the study:

#### **General Implications**

This study has identified the key factors influencing social empowerment in Nepal. The Nepali government can consider these factors when formulating policies related to social empowerment. The findings are also significant for female entrepreneurs involved in microfinance organizations. Local government bodies can use this study as a reference to shape their strategies and policies aimed at poverty reduction and social empowerment. NGOs focused on women's issues may find the study useful in gaining a comprehensive understanding of women's economic influence and in developing their initiatives. Banks and other financial institutions can use this study to better understand the current investment-to-income ratio. Additionally, the study will be valuable for the growth and

development of microfinance development banks classified under the D class by the Nepal Rastra Bank (NRB).

### **Future Research Implications**

The study could be enhanced by incorporating additional variables, such as mediating, moderating, and other intervening factors, into the regression model, along with a larger sample size. While this research focused on the economic and social dimensions of social empowerment, future studies could explore other facets of empowerment, such as health, political, and psychological aspects. This study could serve as a baseline for assessing the impact of microfinance institutions (MFIs) on women's empowerment in other districts across the country. Subsequent research could compare these findings with the current study to better understand the relationship between microfinance interventions and the empowerment of women entrepreneurs, using various microfinance-related variables.

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## Appendix (Questionnaire)

Dear respondent,

This is a questionnaire that intended to assess the “IMPACT OF MICROFINANCE FOR AMPLIFIED WOMEN’S ENTREPRENEURSHIP AND SOCIAL EMPOWERMENT”. The information you provide is used only for academic purposes and shall be kept strictly confidential. Therefore, you are kindly requested to give accurate information. Thank You for your cooperation

Name of member (Optional): .....

Name of Microfinance (Optional) .....

Ranna Acharya (Researcher)

Shankar Dev Campus

### Section A

#### Personal information.

##### Age group

- a. Below 20
- b. 20-30
- c. 31-40
- d. 41-50
- e. Above 50

##### Marital status

- a. Married
- b. Unmarried
- c. Widow
- d. Divorce

##### Educational Status

- a. Under SLC
- b. +2
- c. Bachelor

## Section B

Please complete the following questionnaires on a scale of 1 to 5.

1-Strongly Disagree

2-Disagree

3-Neutral

4-Agree

5-Strongly Agree

### Household Wellbeing

	Particular	1	2	3	4	5
HW1	My nutrition has improved as a result of participating in MFIs.					
HW2	The money received from MFIs aids in the purchase of household assets.					
HW3	My physical health has improved as a result of participating in MFIs.					
HW4	MFIs contribute to an improved standard of education for kids.					
HW5	I am able to buy household products with freedom.					

### Economic Wellbeing

	Particular	1	2	3	4	5
EW1	My income has increased under my direct control.					
EW2	Enhancing the economy is facilitated by savings in microfinance institutions.					
EW3	I can now participate in decision-making on a more advanced level.					
EW4	I feel more economically powerful now that I'm part of MFIs.					
EW5	MFIs enable me to start a business.					

### **Social Wellbeing**

	Particular	1	2	3	4	5
SW1	After being active in MFIs, I am able to improve in terms of basic comforts and services.					
SW2	I may now buy necessities after participating in MFIs.					
SW3	Family members consider my advice before making a financial choice.					
SW4	Money is not an obstacle for me to spend on strengthening myself.					
SW5	The process of using different materials and technology in the business is made easier with the help of MFI's training programs.					

### **Social Empowerment of Women**

	Particular	1	2	3	4	5
SE1	I'm free to go to MFIs and political programs.					
SE2	I took part in events promoting social development.					
SE3	I am allowed to move wherever to participate in social programs.					
SE4	I got freedom to visit social organization for my career.					
SE5	I had the chance to participate in societal decision-making.					

**I appreciate your considerate reply. Thank you so much for your thoughtful response.**



PAPER NAME

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AUTHOR

**Ranna Acharya**

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