

EMPOWERING WOMEN THROUGH MICROFINANCE COMPANY IN NEPAL

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CERTIFICATION OF AUTHORSHIP

I affirm that I have thoroughly researched and submitted the ultimate version of the dissertation titled **“Empowering Women through Microfinance Company in Nepal”**

This thesis has not been previously submitted for any degree or academic fulfillment. has not been previously submitted for any degree or academic fulfillment. The assistance and support received during the research are duly acknowledged.

Moreover, I assure that all referenced sources and literature are appropriately cited in the dissertation reference sections. No part of this work has been proposed or presented elsewhere for academic purposes.

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REPORT OF RESEARCH COMMITTEE

Ms. Phul Maya Rai has defended research proposal entitled “**Empowering Women through Microfinance Company in Nepal**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Asso. Prof. Dr. Kapil Khanal to submit the thesis for evaluation and viva-voce examination.

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We, the undersigned, have examined the dissertation entitled **“Empowering Women through Microfinance Company in Nepal”** presented by Phul Maya Rai 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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ABBREVIATIONS

GOs and NGOs	:	Government and Non-Government Organizations
IRDP	:	Integrated rural Development Program
IV	:	Instrumental Variables
MFDBs	:	Microfinance Development Banks
MFI	:	Micro Finance Institutions
PCRW	:	Production Credit for Rural Women
PDDP	:	Participatory District Development Program
PDDP	:	Participatory District Development Program
PSCP	:	Priority Sector Credit Program
RDBs	:	Regional Development Banks
SFDP	:	Small Farmers Development Programs
SHGs	:	Self Help Group
UN	:	United Nation

ABSTRACT

This study investigates the role of microfinance institutions (MFIs) in empowering women in Nepal, focusing on four major MFIs: Forward Microfinance, Global IME Laghubitta, Kisan Laghubitta, and Womi Laghubitta, operating in Tansen Municipality. Drawing on data from 400 women beneficiaries and incorporating both quantitative and qualitative methods, the research examines the effectiveness of microfinance in reducing poverty, improving living standards of small farmers, and enhancing women's economic and social empowerment. Findings reveal that microfinance has significantly contributed to income generation, improved household financial stability, and strengthened women's decision-making power and asset ownership. A notable 86.3% of participants utilized loans for agriculture, small business, or housing improvements. Regression analysis confirms asset ownership and decision-making power as key predictors of empowerment, while family support also plays a vital role. Despite these gains, challenges such as financial illiteracy, small loan sizes, high interest rates, and patriarchal barriers persist. The study recommends integrating financial literacy, business development training, and gender-sensitive policies to maximize empowerment outcomes. It concludes that while microfinance has transformative potential, a holistic and inclusive approach is necessary to ensure long-term and sustainable empowerment of women in Nepal.

Keywords: Microfinance, Women Empowerment, Poverty Reduction, Financial Inclusion, Asset Ownership, Decision-Making, Nepal, Gender Equality, Rural Development, Socio-Economic Empowerment.

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Women's empowerment refers to the process of promoting women's self-worth, enabling them to make their own choices, and supporting their right to influence social change for themselves and others. It is closely tied to the broader concept of female empowerment, which is a fundamental human right and essential for building a more peaceful and prosperous world. In many Western nations, the idea of female empowerment is often linked to various stages of the women's rights movement. This movement is typically divided into three waves: the first wave, emerging in the 19th and early 20th centuries, focused primarily on women's suffrage. The second wave, in the 1960s, addressed broader societal roles and included the sexual revolution. The third wave, which began in the 1990s, emphasized diversity and individualism in feminist thought.

In recent years, women's empowerment and the advocacy of women's rights have become key components of a global movement that continues to gain momentum. Initiatives such as International Women's Empowerment Day are helping to raise awareness and push for greater equality. Nevertheless, despite significant advancements, women and girls around the world still face widespread discrimination and violence (Dhakal, 2010).

Women's empowerment involves expanding and redefining what women believe they can be, do, and achieve, particularly in contexts where such opportunities were previously denied. While empowerment can be understood in many ways, in the context of women, it means integrating those who have traditionally been excluded from decision-making into the process. Empowering women is vital for the health and social development of families, communities, and nations. When women live in safe environments and lead fulfilled, productive lives, they are able to reach their full potential. In turn, they contribute to sustainable economic growth and enhance the well-being of society as a whole.

Education plays a crucial role in this process. Educated girls are more likely to engage in meaningful employment and contribute to their country's economy. Additionally, girls

with at least eight years of education are four times less likely to marry at a young age, which leads to better health outcomes for themselves and their families (Das, 2014).

Microfinance has proven to be an effective tool for enhancing women's empowerment. This case study reveals that women residing in districts served by microfinance institutions exhibited greater self-confidence, increased autonomy in household decision-making, and felt more respected within their communities. They also experienced improved mobility, expanded social networks, and heightened engagement in political activities. Therefore, microfinance can serve as a valuable entry point for broader initiatives aimed at improving the overall status of women. However, despite these benefits, harmful and discriminatory practices persist. Microfinance alone cannot address all the root causes of gender-based discrimination. To achieve substantive equality, comprehensive strategies are essential. In Nepal, the microfinance sector often adopts an instrumentalist approach to targeting women. This indicates a need for further improvement, particularly by leveraging the time women spend in group settings to facilitate awareness-raising activities on gender equality and women's rights. By integrating financial services with educational programs focused on gender issues, microfinance can not only enhance financial inclusion but also foster broader social inclusion. A transformative approach would more effectively promote women's empowerment (Khan & Noreen, 2012).

Microfinance has emerged as an economic development strategy aimed at supporting low-income women and small-scale farmers. It refers to the provision of financial services to underserved clients, including those engaged in self-employment. While these services typically include savings and credit, some microfinance institutions also offer insurance and payment solutions. Additionally, many MFIs provide social intermediation services such as group formation, confidence building, and training in financial literacy and management. As a result, the definition of microfinance encompasses both financial and social intermediation. Microfinance is not merely a form of banking—it is a development tool. Common features of microfinance activities include small loans, primarily for working capital; informal appraisal of borrowers and projects; collateral substitutes such as group guarantees or compulsory savings; access to larger repeat loans based on repayment performance; streamlined disbursement and monitoring processes; and secure savings products (Khulood, 2019).

Micro-credit programs serve as vital institutional mechanisms for providing small-scale loans to the poor, particularly in rural areas, to help alleviate poverty. First initiated in Bangladesh during the late 1970s, these programs have since been replicated in many countries across South and Southeast Asia, as well as parts of Africa. Today, micro-credit is recognized as a valuable tool for poverty reduction in Nepal as well. The Grameen Bank was the pioneering microfinance institution (MFI) that introduced and popularized micro-credit initiatives. Over the past two decades, the number of MFIs—both government and non-government organizations (GOs and NGOs)—operating at the national and local levels in Bangladesh has grown to over 850 (Latif, 2001).

Microfinance is widely regarded as an effective means of addressing both gender inequality and poverty. Access to capital enhances women's bargaining power within the household, while participation in group activities enables them to share experiences, raise awareness, and develop a collective voice. Although various development initiatives have been implemented across society, microfinance programs stand out for their focus on rural and marginalized women. They are seen as a powerful tool for empowering women, especially those with poor economic backgrounds, limited education, and restricted access to resources such as land, housing, transportation, electricity, and household decision-making.

Microfinance services act as a gateway to women's empowerment, providing financial access to those who typically lack collateral. Members of microfinance institutions (MFIs) actively contribute to savings and income-generating activities and are increasingly involved in both household decisions and community-based initiatives. Among the different poverty alleviation strategies, microfinance is particularly effective for promoting self-employment among poor rural women. By offering financial services tailored to their needs, microfinance enables women to engage in small-scale enterprises, leading to increased income and social empowerment.

Women who gain access to microfinance services often experience improvements in their economic status, decision-making abilities, knowledge, and sense of self-worth. These changes are further reinforced through participation in community activities and self-help group programs. Overall, there is a strong positive relationship between microfinance and women's empowerment. Microfinance acts as a catalyst for social transformation, contributing significantly to the empowerment of women (Loomba, 2020).

Women's empowerment is a cornerstone for the overall empowerment and prosperity of any community. Although the Government of Nepal, the United Nations (UN), and various Non-Governmental Organizations (NGOs) have made notable contributions toward addressing women's needs, significant challenges still remain. At the organizational level, women continue to be underrepresented in decision-making positions within Microfinance Institutions (MFIs). Currently, women hold 31% of positions in MFI governing bodies, which appears promising at first glance. However, it is concerning that one-third of these institutions have no female representation on their boards at all. Within the context of poverty alleviation, women's empowerment is sometimes viewed as an external concept imposed by Western-influenced, middle-class feminist elites—often perceived as disconnected from the actual needs of poor women. Additionally, it is considered politically sensitive, potentially triggering conflicts within households and communities, thereby threatening the long-term sustainability of organizations. Both mainstream development and empowerment frameworks often perceive a tension between the goals of women's empowerment and those of broader development.

1.2 Problem Statement

The status of Nepalese women, particularly in rural areas, lags significantly behind that of men. Socio-cultural values, deeply rooted in patriarchy, are strongly biased against daughters, resulting in limited opportunities for their personal and professional development (Mahat, 2003). Despite increasing efforts by the Government of Nepal and both national and international non-governmental organizations, the situation of women continues to be characterized by limited access to economic, social, political, educational, and healthcare opportunities.

According to the ICIMOD Working Paper (2014), the overall condition of women in Nepal has improved over the past decades. However, women's roles, especially in rural development, have often remained invisible. Although Nepal has made notable progress in improving female literacy rates over the years, a significant gender gap still exists. According to the Nepal Living Standards Survey (2010/2011), only 45% of the total adult female population is literate, compared to 76% of the total adult population. This gap is

even more pronounced in rural areas, where only 39% of adult women are literate, compared to 67% of adult men.

Nepal has also taken considerable steps toward promoting gender equality and increasing women's political participation. The provision of gender quotas in the Constitution of Nepal (2015), as well as the adoption of national and international instruments focused on women's rights, are notable advancements. According to the Election Commission of Nepal (2015), women's representation in the Constituent Assembly reached 33% in 2008 and 29% in 2013. Nonetheless, women continue to face substantial barriers to achieving equal and meaningful participation in civic and political life. In rural areas especially, women's engagement in community activities remains limited. Significant disparities in women's status persist across different population sub-groups, influenced by factors such as caste, ethnicity, geographic location, and poverty levels. Women from vulnerable social groups, including the poor and socially marginalized in the western hills, mountain regions, and parts of the Terai, face multiple challenges in accessing opportunities (ICIMOD, 2014).

Young women in the upper hills and mountain regions tend to spend more hours on heavy labor compared to men. According to the UNDP Nepal Human Development Report (2009), women in the mid-western and far-western hill regions face particularly severe socio-cultural challenges. The Gender-related Development Index (GDI) in these regions—western, mid-western, and far-western mountains—is below 0.414, which is significantly lower than the national average of 0.499 (Tiwari et al., 2009). Furthermore, the patriarchal social structure, traditional cultural norms, and the remoteness of these areas limit women's exposure to new ideas, legal systems, policies, and modern attitudes.

To address these issues, various development programs have been introduced in Nepal, such as the Priority Sector Credit Program (PSCP), Small Farmers Development Program (SFDP), Integrated Rural Development Program (IRDP), Production Credit for Rural Women (PCRW), and the Participatory District Development Program (PDDP), all aimed at uplifting the rural poor—especially women (Regmi, 2000).

However, there are several constraints that hinder the effectiveness of microfinance programs in achieving their developmental goals. Initially, utilizing the loans can be difficult, and in many cases, misuse of funds leads to further economic and moral decline

among the poor. Nonetheless, microfinance remains a significant tool in promoting inclusive participation among rural populations. Women's involvement is a particularly emphasized component, intended to empower them economically through local-level savings, weekly meetings, loan proposals, repayment systems, and compulsory deposits. This research focuses on assessing the effectiveness of microfinance programs in improving the socio-economic status of women and contributing to poverty reduction within their families. This research paper deals with the following research questions:

- What is the effectiveness of the program of sample microfinance companies in the context of poverty reduction and improving the living standard of small farmers?
- Whether there is difference in women empowerment condition across microfinance in Nepal?
- What is the effect of micro credit on women's empowerment?

1.3 Objectives of the Study

Micro-finance is emerging concept of Nepal. The value of micro-finance in Nepal is increasing day by day. The general objective of the study is to make inquiry in to microfinance program in Palpa. The specific objectives of the study are as follows:

- To examine the effectiveness of the program of sample microfinance companies in the context of poverty reduction and improving the living standard of small farmers.
- To analyze the women empowerment condition among sample microfinance.
- To examine the effect of microfinance services on women's empowerment.

1.4 Rationale of the Study

Micro-finance refers to financial services provided to disadvantaged groups and small entrepreneurs, aiming to support self-employment and various income-generating activities. Typically, micro-finance programs target large numbers of clients—particularly women and marginalized populations—and operate at the grassroots level while maintaining financial sustainability. Nepal has over three decades of experience in micro-finance implementation. Although various programs have been introduced for poverty alleviation, micro-finance initiatives are uniquely recognized as pro-poor and rural-focused. The micro-finance revolution has significantly transformed perceptions of the

poor in many countries and has facilitated the flow of credit to very low-income households who are often excluded from traditional financial institutions.

Micro-finance empowers women by providing them with access to capital, enabling them to earn an independent income and contribute economically to their households and communities. These activities can offer a viable pathway out of poverty. Consequently, it is expected that the findings of this research will lay the foundation for further studies in the field of women's development. This study is conducted in rural areas to examine the effectiveness of Micro-Finance Institutions (MFIs). It is valuable in understanding the perceptions of rural women and small farmers regarding MFI activities—how they participate, how they access services, and what types of activities are facilitated through these services.

1.5 Limitations of the Study

- i. The study is primarily confined to the operations of four selected microfinance institutions in Nepal. Although these institutions serve various parts of the country, the study focuses mainly on branches and activities in specific regions, which may not fully represent the overall impact across all of Nepal.
- ii. Due to time and resource constraints, a limited number of women beneficiaries were selected as respondents from each microfinance institution. This small sample size may not capture the full diversity of experiences or outcomes among all clients.
- iii. The data was collected within a specific timeframe, which may not fully reflect the dynamic and evolving nature of empowerment over time. Seasonal or economic fluctuations were not thoroughly captured.
- iv. Much of the data on empowerment outcomes was based on self-reported responses from women borrowers. This introduces potential biases such as social desirability bias or recall bias, which can affect the reliability of the findings.
- v. The study does not include a comparison group of women who did not receive microfinance services. As a result, it is difficult to establish a causal relationship between microfinance access and women's empowerment outcomes.

- vi. The four microfinance institutions included in the study differ in terms of size, outreach, operational models, and service packages. These differences may influence the effectiveness of their empowerment strategies, making generalizations difficult.
- vii. Women's empowerment is a multidimensional concept including economic, social, political, and psychological dimensions. This study primarily focuses on economic empowerment (e.g., income generation and savings), potentially overlooking other equally important aspects.
- viii. The study does not fully explore how Nepal's regulatory framework, financial policies, or government programs influence the effectiveness of microfinance institutions in empowering women. These external factors can significantly affect the outcomes but were outside the scope of this research.

CHAPTER-II

LITERATURE REVIEW

A critical review of existing literature enables researchers to develop a comprehensive understanding and insight into previous studies related to the current research topic. It helps avoid redundancy by identifying issues that have already been thoroughly investigated and resolved. Therefore, conducting a literature review—which involves locating, obtaining, reading, and evaluating relevant research—is essential to align the study with the researcher’s area of interest (Pant, 2005). This chapter focuses on reviewing previous works related to the research problem. The literature review plays a vital role in a research dissertation, as it assists the researcher in clearly defining the problem, selecting an appropriate methodology, and providing guidance for data collection.

2.1 Theoretical Review

A **theoretical or conceptual definition** refers to an abstract explanation of a term within an academic discipline. In the absence of a testable operational definition, conceptual definitions presuppose both familiarity with and acceptance of the underlying theoretical framework on which they are based.

Microfinance, as defined by Otero (1999), refers to “the provision of financial services to low-income poor and very poor self-employed people.” According to Ledgerwood (1999), these financial services typically include savings and credit, but can also encompass other services such as insurance and payment systems. Similarly, Schreiner and Colombet (2001) describe microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks.” In essence, microfinance involves delivering financial services—including savings, credit, and insurance—to economically disadvantaged individuals in both urban and rural areas, who are typically excluded from the formal banking sector.

In academic literature, the terms **microcredit** and **microfinance** are often used interchangeably; however, distinguishing between the two is essential. Sinha (1998) clarifies that “microcredit refers to small loans,” whereas the term *microfinance* is more

comprehensive, encompassing not only credit but also other financial services provided by NGOs and microfinance institutions (MFIs), such as savings and insurance. Thus, while microcredit is a subset of microfinance focused solely on credit provision, microfinance broadly includes additional services like savings, insurance, pensions, and payment solutions (Oikocredit, 2005).

Microfinance has earned both criticism and acclaim in its role as a tool for poverty alleviation. The core premise of the microfinance movement is that people can enhance their income-generating capacities if granted access to small loans to grow their microenterprises. As Malcolm Harper pointed out, microfinance emerged as a more promising alternative to the often ineffective government-led poverty alleviation programs. Over time, it has gained credibility as a viable means of reducing poverty. Furthermore, by integrating financial support with community development programs, microfinance has significantly transformed social structures, particularly by empowering women in rural, marginalized settings. It has provided them not only with financial tools but also with the social capital needed to achieve self-reliance. However, despite its potential, the microfinance movement has faced challenges in establishing a universally effective model due to varying political, social, and economic environments. As the sector evolves, it is vital to evaluate each implementation of microfinance within the specific context of the provider's motivations and the socio-economic conditions of the country in question.

In Bangladesh, organizations such as the Bangladesh Rural Advancement Committee (BRAC) and Grameen Bank have successfully integrated microcredit with broader community development initiatives. As pioneers in the microfinance field, they offer strong counterexamples to less successful models elsewhere. The Bangladeshi approach is grounded in three fundamental principles: extending loans to groups of micro-entrepreneurs, fostering community-based incentives for loan repayment, and providing business training and educational support that enhances the effectiveness of the loans.

There is growing evidence to suggest that short-term loans and rigid repayment expectations may be incompatible with the broader objective of building sustainable rural financial networks. With an average loan size of just \$60 and a maturity period of 86 days, these short-term microloans, while theoretically sound, have shown limited effectiveness in fundamentally transforming the harmful consumption patterns of the

poor. Traditional microcredit theory emphasizes issuing loans without accompanying developmental or community-building support, relying on a firm belief in the poor's innate capacity to convert credit into long-term, sustainable capital growth. However, experiences from countries such as Bangladesh and Pakistan suggest that the brief loan durations may be too restrictive to achieve meaningful and lasting financial improvement.

Historically, the microfinance sector in Nepal was initially served by cooperatives during the 1950s and 1960s, followed by commercial banks in the 1970s and 1980s. However, these efforts largely failed to deliver sustainable financial services to the poor and marginalized communities. Recognizing the gap, the government introduced several pilot projects and initiatives in the 1980s aimed at expanding financial access to the poor, especially women. Despite some positive outcomes, these early interventions proved inadequate in the long run.

In response, during the 1990s and early 2000s, the government took significant steps to institutionalize microfinance by establishing five Regional Development Banks (RDBs), each serving a different development region. These banks were modeled after the Grameen Bank with the primary goal of providing microcredit to the poor and women. Eventually, these RDBs were privatized and restructured into Microfinance Development Banks (MFDBs), receiving licenses as class 'D' financial institutions, thereby formalizing their role in Nepal's financial sector.

2.2 Empirical Review

2.2.1 Review of Journals / Articles

Thapa, (2023) The study found that microfinance significantly improved women's decision-making power in the household, enhanced their income through small businesses, and boosted their self-confidence. However, some women still lacked control over the use of loans due to patriarchal norms. Mixed-method approach with 120 women beneficiaries and key informant interviews. Microfinance positively influenced women's economic and social empowerment but required complementary programs such as financial literacy training.

Koirala & Acharya, (2024) Women who received microfinance support were more likely to start and sustain micro-enterprises. Access to capital, along with skill development support, led to increased income, better family welfare, and greater autonomy. Empirical

analysis based on survey data from 200 women entrepreneurs in Bagmati Province. Microfinance significantly contributed to entrepreneurial development but recommended flexible loan terms and market access support for sustainability.

Shrestha, (2024) Participation in microfinance programs improved women's mobility, participation in community groups, and awareness of rights. However, loan repayment pressure was a stress factor in some households. Quantitative study using pre- and post-loan empowerment indicators from 150 women in Dhading district. Social empowerment is strongly linked to access to microfinance but should be supported with group counseling and community engagement.

Gurung, & Rana, (2025) Microfinance beneficiaries reported higher savings, improved housing conditions, and better access to healthcare and education for children. Women also played a more active role in household financial planning. Cross-sectional survey of 180 women from Jhapa and Morang districts. Microfinance is an effective tool for poverty reduction and economic empowerment but recommended increasing loan size for scaling up businesses.

Bhatta & Poudel, (2025) The study found sustained improvements in women's livelihood over five years of microfinance involvement, with increased household income, educational investment, and reduction in gender-based violence. Longitudinal study with panel data from 2019 to 2024 covering 100 women from microfinance programs in Surkhet. Long-term engagement in microfinance has cumulative positive effects, and the inclusion of men in training sessions helped support women's empowerment.

Shrestha (2018) conducted a detailed study on women clients of microfinance institutions (MFIs) in the Kavrepalanchok district of Nepal. The research focused on assessing how access to microcredit influenced various aspects of women's lives. The findings indicated that microfinance participation significantly enhanced women's self-confidence, as they gained financial literacy and a sense of independence. Additionally, women reported greater involvement in household decision-making, particularly in matters related to expenditures and children's education. The study also noted an improvement in income-generating capabilities, as many women utilized loans to start or expand small businesses, thereby contributing to household income.

Paudel and Thapa (2019) explored the role of microfinance in empowering rural women in Nepal's Terai region. Their study specifically examined the impact of savings groups and skill development training programs. The results demonstrated that participation in these initiatives led to increased financial autonomy, as women were able to save money and make independent financial decisions. Furthermore, the study found that women experienced greater mobility, as they were more likely to attend community meetings and engage in economic activities outside their homes. The researchers emphasized that such programs played a crucial role in shifting traditional gender norms in the region.

Koirala (2020) conducted a case study on Nirdhan Utthan Bank, one of Nepal's prominent microfinance institutions. The research focused on women engaged in the bank's microfinance programs and their economic activities. The findings revealed that a significant number of women used microloans to establish small businesses, such as tailoring, livestock farming, and retail shops. Additionally, the study highlighted that these women gained better financial management skills, allowing them to handle household finances more independently. The research concluded that microfinance acted as a catalyst for women's economic self-sufficiency.

Luitel and Maharjan (2021) assessed the impact of microfinance on women in Lalitpur district, focusing on both economic and social empowerment. Their study found that microfinance participation contributed to higher literacy rates among women, as many enrolled in adult education programs. Moreover, women who accessed microfinance services were more likely to take leadership roles in community groups, such as cooperatives and local committees. The research also noted a reduction in women's dependency on male family members for financial decisions, indicating a shift toward greater autonomy.

Bajracharya and Manandhar (2020) analyzed microfinance programs in western Nepal, examining their correlation with women's empowerment. The study found that access to credit significantly boosted women's confidence in participating in community decision-making processes. Women who borrowed from microfinance institutions were more vocal in village meetings and more likely to advocate for local development projects. The researchers also observed that financial inclusion helped women challenge traditional gender roles by increasing their visibility in public spaces.

Acharya (2019) investigated the effects of microfinance services provided by Sahara Nepal Saving and Credit Cooperative in Jhapa district. The study found that women who joined the cooperative not only improved their financial stability but also gained better access to healthcare services. Additionally, the research noted that children of these women were more likely to attend school, as microfinance earnings were often invested in education. The study emphasized the broader social benefits of microfinance beyond immediate economic gains.

Subedi and Karki (2022) collected data from 250 women borrowers in Chitwan to evaluate the impact of microfinance on entrepreneurship. Their findings indicated that microfinance participation encouraged women to start small-scale enterprises, such as vegetable farming and handicraft production. However, the study also identified challenges, including loan misuse due to lack of proper guidance and high repayment pressure leading to stress. The researchers recommended better financial training and flexible repayment options to maximize benefits.

Gurung (2021) studied women in Pokhara who had joined microfinance programs, focusing on both positive and negative outcomes. The research found that these women developed stronger communication skills and greater self-reliance through group meetings and business interactions. However, some participants reported increased domestic tensions, as husbands and other family members sometimes resisted changes in traditional gender roles. The study suggested that awareness programs for families could help mitigate such conflicts.

Regmi (2018) examined microfinance interventions in Nepal's hill regions, particularly the combined effect of financial literacy and credit services. The research found that women who received both financial education and loans showed significant improvements in agricultural productivity, as they invested in better seeds and tools. Additionally, group savings habits strengthened, leading to more sustainable financial practices. The study highlighted the multiplier effect of combining credit with education for long-term empowerment.

Maharjan and Sapkota (2023) conducted a mixed-methods study in eastern Nepal, evaluating both direct and indirect impacts of microfinance on women's empowerment. The research found that microfinance directly contributed to increased income and business opportunities for women. Indirectly, it led to improvements in education,

healthcare access, and decision-making power within households. The study concluded that while microfinance alone was not a complete solution, it played a vital role in fostering broader socio-economic empowerment for women in rural Nepal.

Ali, Mughal, and Chhorn (2022) analyzed the empowerment of women through microfinance in Djibouti. Women's empowerment is crucial for improving their political, social, economic, health, and sanitary conditions. This study estimates the effect of microfinance on women's empowerment across Djibouti's six major centers: Djibouti-ville, Arta, Ali-Sabieh, Dikhil, Obock, and Tadjourah. Using cross-sectional data from 692 households, the authors constructed an original women's empowerment index covering three dimensions—economic, social, and interpersonal. The study examines how access to microfinance, loan amounts, and loan durations influence women's status at home. Employing instrumental variables (IV) estimation along with multiple econometric techniques for robustness, the findings reveal a significantly positive association between microcredit and women's empowerment. Households with access to loans from microfinance institutions (MFIs) were 35.4%, 30.9%, and 10.1% more likely to be economically, socially, and interpersonally empowered, respectively. The number of loans accessed also showed a significant effect. However, women who took four or more loans were 27.7%, 23.5%, and 6.8% less likely to be empowered in economic, social, and interpersonal dimensions, respectively. Overall, the study confirms the generally positive socioeconomic impacts of microfinance programs.

Khursheed, Khan, and Mustafa (2021) conducted a literature review on women's social empowerment and microfinance. Women's empowerment is vital for socio-economic development and is widely recognized as a key factor in global development efforts. The influence of microfinance on women's empowerment remains debated, with some studies asserting that microfinance increases women's earning capacity and control to challenge cultural inequalities, while others argue that micro-loans are often controlled by spouses, thereby undermining women's empowerment. This paper examined 54 past studies through word cloud analysis to evaluate the relationship between microfinance, women's decision-making power, and social empowerment. The majority of the reviewed studies reported positive associations between microfinance and women's empowerment, though results varied depending on empowerment definitions and gender or socio-political

contexts. This study is notable for synthesizing past literature to assess the overall impact of microfinance on women's empowerment.

Jain (2020) explored microfinance services and women's empowerment in Biratnagar Metropolitan, Nepal. This study investigated how microfinance services influence the empowerment of women living in eastern Nepal. Using purposive sampling, data were collected from 97 women who had been using microfinance services independently for at least three years. Results showed that microfinance services, including credit and savings, positively contribute to women's empowerment. Easy access to financial services and satisfaction with loan repayment terms correlated with improvements in empowerment. Specifically, saving services were significantly associated with women's participation in household decision-making, key domestic decisions, and securing basic household needs. Overall, microfinance services support women's socio-economic empowerment and positively affect their children's education.

Loomba (2020) examined the role of microfinance in women's empowerment in India. The liberalization and globalization waves of the early 1990s worsened the plight of women workers in unorganized sectors, as many lost their livelihoods. Despite women's substantial contributions to household and national economies, their work often remains unrecognized and unpaid. In India, Self Help Groups (SHGs) have emerged as an effective microfinance mechanism for providing financial services to the "unreached poor" and strengthening collective self-help capacities, leading to women's empowerment. The rapid expansion of SHGs has evolved into a nationwide empowerment movement among women. Microfinance plays a crucial role in overcoming exploitation and fostering economic self-reliance, particularly among rural women. While not a 'magic bullet,' microfinance has the potential to significantly advance gender equality and women's empowerment by enabling income generation, which can trigger virtuous cycles of economic, social, and political empowerment. The promising results from SHGs have attracted considerable attention as an effective approach to poverty reduction and economic empowerment. This paper, based mainly on secondary data analysis, highlights microfinance and SHGs' role in empowering women in India.

Debnath, Rahman, Acharjee, Latif, and Wang (2019) conducted an empirical study on empowering women through microcredit in Bangladesh. The study aimed to identify

determinants of microcredit accessibility among rural women and its impact on their empowerment. A face-to-face survey was conducted in 2018, interviewing 300 women households in two locations. Descriptive statistics and econometric modeling were applied. The results showed that higher annual income was negatively associated with access to microcredit, while larger family size positively influenced accessibility ($P < 0.05$). The findings also indicated that microcredit borrowers had greater control over their savings. Regression analysis demonstrated that microcredit significantly enhanced women's participation in household decision-making and increased their legal awareness. The study recommended that microcredit providers revise program planning and redesign loan products to better serve higher-income women.

Khulood (2019) studied women's empowerment through microfinance. Historically, women had fewer responsibilities, but today they share economic responsibilities alongside men. This paper explores how women can meet their income needs and cope with changing economic demands, with microfinance as a key solution. The main objective was to assess microfinance's impact on women's empowerment. The study concluded that microfinance contributes to alleviating problems such as inadequate housing and urban services as part of poverty reduction efforts. Economically, women held more authority over household purchase decisions than over home maintenance or asset possession, areas typically dominated by men. Most women also independently decided on their children's education, yet they remained politically disempowered. Although increased income improved women's economic independence, persistent societal discrimination limited their full potential. The paper emphasized that women significantly contribute to economic growth and a better future, urging microfinance institutions to implement supportive programs to enhance women's welfare and economic empowerment.

Khandker (2016) discussed microfinance's role in achieving the Millennium Development Goals in Nepal. Lack of savings and capital limits poor people's ability to become self-employed and engage in productive activities. Formal lenders offer credit but often impose high interest rates and demand collateral that poor households cannot provide. Consequently, poor households rarely benefit from institutional credit and cannot save adequately through informal channels. Microcredit programs providing affordable credit have emerged as crucial antipoverty tools in many low-income countries, targeting

the poor—especially women—to support self-employment in rural non-farm activities of their choice.

Lavoori and Paramanik (2014) studied microfinance's impact on women's decision-making in Andhra Pradesh. The study investigated how microfinance and socio-economic factors influence women's empowerment through participation in decision-making, income, and employment generation. Based on a field study in two villages, results indicated that factors such as the income of the woman and her husband, family size, and frequency of Self Help Group meetings positively influenced women's empowerment. Additionally, members' age, household income, and loan amount positively affected income and employment generation.

Lindgreen (2014) analyzed microfinance and women's empowerment in Bangladesh. With increasing support for microenterprise programs targeting poor women, positive improvements in investment, income, and savings have been observed over successive years. Both living and non-living assets increased in quantity and value. Despite controversy over microfinance's effectiveness, Bangladesh has been a leader in the microfinance movement, demonstrating substantial progress in women's economic empowerment.

Khan and Noreen (2012) examined microfinance and women's empowerment in District Bahawalpur, Pakistan. Women's empowerment is a significant issue in developing countries where women's participation in economic activities and decision-making remains low. This study explored socioeconomic determinants of empowerment among women who had accessed microcredit. Empowerment was measured using a simple index based on five indicators: child health, education, spouse selection, purchase of basic goods, and household savings decisions. Using primary data, the study found that empowerment was influenced by factors such as age, husband's education, inherited assets, marital status, number of living sons, and microfinance amount. Data decomposition showed that loans used directly by women had stronger empowerment effects than those controlled by other household members. The study concluded that microfinance positively affects women's empowerment but less than expected. It recommended expanding microfinance provision, ensuring loans are used by women themselves, and supporting education and family protection.

Swain and Wallentin (2009) investigated whether microfinance empowers women, focusing on Self Help Groups (SHGs) in India. While microfinance programs like the Self Help Bank Linkage Program are widely promoted for their economic benefits and potential to empower women, few studies rigorously examine this link. This article argues that empowerment occurs when women challenge prevailing social norms and improve their well-being. Using quasi-experimental household data from five Indian states collected in 2000 and 2003, the authors employed appropriate statistical models to estimate SHG participation's impact on empowerment. Results showed a significant increase in empowerment among SHG members over time, while no significant change occurred in the control group. The findings highlight that SHG participation leads to meaningful empowerment gains.

2.2.2 Review of Thesis

Chaudhary (2022) conducted a study on the contribution of microfinance to women's empowerment, focusing on Janakpur Municipality, Nepal. Microfinance has emerged as a crucial source of financing for financially disadvantaged communities, particularly in rural areas of Nepal. Recently, there have been notable changes in the economic demographics, largely driven by the women's empowerment movement. This study primarily examines the role and significance of microfinance in advancing women's empowerment in rural regions like Janakpur. The findings reveal that general awareness about the importance and role of microfinance has improved significantly. However, decision-making authority largely remains with the elder male members of the household. The researcher concluded that microfinance has played an exemplary role in promoting women's empowerment in Janakpur, although there is still room for improvement in both policy and operational aspects of microfinance programs.

Sharma (2019) conducted a study in Kavre District, focusing on how microfinance influences women's economic empowerment. The findings revealed that access to microfinance significantly enhanced women's income-generating activities, allowing them to engage in small businesses, agriculture, and handicrafts. Additionally, women developed better savings habits, which provided them with financial security. More importantly, their participation in household financial decision-making increased, indicating a shift in traditional gender dynamics.

Similarly, Acharya (2022) examined women's entrepreneurship in Kathmandu Valley and found that microfinance loans enabled women to establish or expand small businesses, such as tailoring shops, grocery stores, and livestock farming. However, the study also identified structural challenges, including limited access to business training, market linkages, and property rights, which hindered long-term entrepreneurial success.

K.C. (2017) studied poverty reduction among women in far-western Nepal and noted that microfinance helped reduce economic vulnerability by providing alternative income sources. Yet, the study cautioned against over-indebtedness, as some women struggled with repayment due to a lack of financial literacy and market access, leading to potential debt traps.

Bhattarai (2020), in her research in rural Makwanpur, emphasized the social benefits of microfinance. Women who participated in microfinance programs reported increased self-confidence, improved business skills, and higher social standing within their communities. The group-lending model fostered peer support, trust, and collective problem-solving, strengthening social networks among women.

Basnet (2020) explored changing gender roles in Nuwakot and found that microfinance contributed to shifting traditional norms. Women gained mobility by visiting banks, attending training sessions, and interacting with financial institutions—activities previously dominated by men. However, in some households, patriarchal control persisted, with male family members still exerting influence over how women spent their earnings.

Gurung (2021) studied marginalized women in Mustang and found that while microfinance improved economic conditions, social and psychological empowerment lagged. Many women continued to face domestic restrictions, societal stigma, and low self-esteem, suggesting that financial services alone are insufficient. The study recommended integrating non-financial interventions, such as gender sensitization workshops and leadership training, to foster holistic empowerment.

Paudel (2018) investigated women's involvement in community development in Pokhara and found that microfinance participants were more likely to join local organizations, such as school committees, health groups, and village development councils. This increased participation enhanced their leadership skills and public decision-making roles.

The study suggested that economic independence through microfinance encouraged women to take on more active roles in community governance.

Lamichhane (2021) conducted a study titled *Microfinance for Women Empowerment: A Review of Best Practices*. The paper aims to highlight the crucial role of microfinance in empowering women. The study follows a descriptive research design. Despite many developmental programs implemented in society, microfinance stands out as a strong, rural-based initiative focused on deprived women and marginalized groups. It is recognized as a powerful and effective tool for women's empowerment. However, challenges such as poor economic status, illiteracy, lack of skills, unemployment, and limited access to land, housing, transportation, electricity, and family decision-making remain significant barriers. Microfinance is regarded as one of the most effective instruments for poverty alleviation. It serves as an entry point or vehicle toward empowering women. Members of microfinance institutions (MFIs) actively contribute to savings, income-generating activities, household decision-making, and activities beyond the household sector. While numerous programs aim to reduce poverty, microfinance specifically targets poor, rural women. It provides self-employment opportunities, especially for women without collateral for loans. Women who access microfinance services have been able to generate self-employment opportunities and achieve economic and social empowerment through increased income from small projects. Microfinance has a profound impact on women's economic status, decision-making power, knowledge, self-worth, community involvement, and participation in self-help groups. The study reveals a positive relationship between microfinance and women's empowerment, establishing microfinance as a catalyst for social change and empowerment.

Gyawali (2018) studied the impact of Microfinance Institutions on Women Empowerment through a case study in Butwal Sub-Municipality. The findings indicated that respondents expressed positive satisfaction with the services provided by MFIs, were content with their improved income status, and agreed on the benefits of credit facilities.

Dhungana (2017) analyzed microfinance interventions and their impact on women's empowerment in Nepal's western development region. This study relied on primary data collected through observation, focus group discussions, and structured questionnaires. The survey included 500 microfinance clients from four districts—300 from government MFIs and 200 from private MFIs—who had been involved in microfinance programs for

the past five years. Using the Wilcoxon signed-rank test and a women empowerment index, the study showed significant increases in individual, socio-political, and economic empowerment of women after participating in microfinance programs offering both financial and non-financial services. The study also found a positive correlation between educational level and empowerment index, recommending that microfinance institutions provide credit along with education to enhance empowerment outcomes.

Shakya (2016), in an international business thesis on microfinance and women empowerment, found that poor villagers are generally more risk-averse and tend to discontinue credit due to their heavy reliance on agriculture. In contrast, urban women engaged in commercial businesses showed greater determination to continue loans despite natural disasters such as floods.

Neupane (2014) studied the effectiveness of microfinance in the Nepalese economy through a case study of Pratapur VDC in Nawalparasi. The study concluded that microfinance programs effectively address the needs of poor small clients, with women and indigenous groups among the most benefited sectors.

Limbu (2014) examined the socio-economic impact of microfinance on rural women, focusing on a self-help banking program in Dhading district. The study concluded that participation in microfinance programs has empowered women to varying degrees by providing opportunities to step beyond household confines, organize into groups, and engage in productive and social activities. The program also contributed to improvements in women's and children's healthcare, sanitation, and reductions in smoking and alcohol consumption due to awareness initiatives. Members became more conscious of gender equality, human rights, and women's rights. The intervention of MFIs was significant in enhancing consumption patterns, health conditions, and sanitation.

Das (2014) described microfinance as a promising and cost-effective tool in the fight against global poverty. It is defined as the provision of thrift, credit, and other financial services in very small amounts to the poor in rural, semi-urban, and urban areas, enabling them to increase their income levels and improve living standards. Microfinance plays a vital role in poverty elimination and the economic development of rural poor populations.

Regmi (2011) discussed micro-business creation in less developed countries, promoted mainly through microcredit projects. Women are targeted as potential entrepreneurs who can reduce household poverty by starting businesses. While women's empowerment and gender equality are often assumed outcomes of such ventures, Regmi cautions that this is not always the case. Although women's income can improve family welfare, patriarchal norms frequently limit women's choices and impact their health and well-being. Women's income is often seen as supplementary and undervalued. While some women gain bargaining power from income contribution, their overall burden may increase, negatively affecting their physical and mental health.

Poudyal (2005) researched the impact of microfinance on women's economic empowerment and concluded that microfinance programs are an excellent means of empowering women economically and socially. Microfinance initiatives effectively reach rural poor women at their doorsteps, encouraging savings and economic activity.

Table 1: Summary of Empirical Review

Source	Objectives	Methodology	Findings
Khan & Mustafa (2021)	Analyze microfinance's influence on women's decision-making & empowerment.	Literature review, statistical analysis	Majority of studies show a positive link; variations due to empowerment measures.
Lamichhane (2020)	Highlight microfinance's role in women empowerment.	Descriptive study, financial tools	Positive impact on economic status, decision-making, and self-worth.
Jain (2020)	Assess empowerment of Nepali women in eastern Nepal via microfinance.	Purposive sampling, questionnaires	Microfinance improves socio-economic status and children's education.

Source	Objectives	Methodology	Findings
Khulood (2019)	Investigate microfinance's impact on women empowerment.	Statistical & financial tools	Women gain more authority in household decisions; MFIs should expand programs.
Gnawali (2018)	Examine MFIs' role in women's economic empowerment (Butwal, Nepal).	Primary data, statistical tools	MFIs enhance well-being, resource control, and economic decision-making.
Dhungana (2017)	Analyze microfinance's impact on women in western Nepal.	Primary data (FGDs, questionnaires)	Significant improvement in individual, socio-political, and economic empowerment.
Lavoori & Paramanik (2014)	Study microfinance's effect on women's decision-making (Andhra Pradesh).	Hypothesis tests, statistical tools	Positive effects from age, income, and loan amounts on empowerment.
Loomba (2014)	Assess microfinance & SHGs' role in Indian women's empowerment.	Secondary data analysis	SHGs effectively reduce poverty and empower women economically.
Limbu (2014)	Evaluate microfinance's role in poverty reduction & women empowerment	Primary & secondary data analysis	MF programs uplift economic status and empower women socially & economically.

Source	Objectives	Methodology	Findings
	(Nepal).		
Khan & Noreen (2012)	Explore socio-economic determinants of women empowerment (Pakistan).	Primary data, statistical tools	Microfinance has a positive but limited effect on empowerment.
Swain & Wallentin (2009)	Examine if microfinance empowers women (SHGs in India).	Quasi-experimental data analysis	Significant empowerment in SHG members; no change in control group.
Shrestha (2018)	Examine the impact of microcredit on women's self-confidence, decision-making, and income.	Study of women clients in Kavrepalanchok district.	Improved self-confidence, household decision-making, and income-generating capabilities.
Paudel & Thapa (2019)	Investigate microfinance's impact on rural women's empowerment in Terai.	Research on savings groups and skill development training.	Increased women's autonomy and mobility.
Koirala (2020)	Analyze the role of Nirdhan Utthan Bank in women's financial independence.	Case study of a microfinance bank.	More women started small businesses and managed finances independently.
Luitel & Maharjan	Assess	Field research in	Improved literacy,

Source	Objectives	Methodology	Findings
(2021)	microfinance's impact on women in Lalitpur.	Lalitpur.	leadership in groups, and reduced male dependency.
Bajracharya & Manandhar (2020)	Analyze microfinance programs in western Nepal.	Correlation study on credit access and confidence.	Strong link between credit access and women's confidence in community decisions.
Acharya (2019)	Examine Sahara Nepal's microfinance effects in Jhapa.	Study of cooperative members.	Improved healthcare access and children's education.
Subedi & Karki (2022)	Evaluate microfinance's impact on entrepreneurship in Chitwan.	Survey of 250 women borrowers.	Enhanced entrepreneurial activity, but loan misuse and repayment pressure were challenges.
Gurung (2021)	Study microfinance's effects on women in Pokhara.	Field research in Pokhara.	Improved communication and self-reliance, but increased domestic tensions.
Regmi (2018)	Assess financial literacy and credit services in hill regions.	Study combining financial literacy programs.	Multiplier effect on empowerment, agricultural productivity, and savings habits.

Source	Objectives	Methodology	Findings
Maharjan & Sapkota (2023)	Analyze microfinance's direct/indirect impacts in eastern Nepal.	Mixed-methods study.	Positive impacts on income, business, education, health, and decision-making.
Thapa, (2023) Impact of Microfinance on Women Empowerment in Rural Nepal	To examine how microfinance affects women's economic and social empowerment in Makwanpur district.	Mixed-method approach; survey of 120 women beneficiaries; key informant interviews.	Improved decision-making power, income, and confidence. Some lacked control over loans due to patriarchal influence. Emphasized the need for financial literacy training.
Koirala, & Acharya (2024) Role of Microfinance Institutions in Enhancing Women's Entrepreneurial Capacity	To assess how microfinance supports women's entrepreneurship in Bagmati Province.	Empirical analysis; survey of 200 women entrepreneurs.	Enhanced micro-enterprise creation, income, autonomy, and welfare. Recommended flexible loan terms and market access.
Shrestha, (2024) Impact of Microfinance on Gender Equality and Social Empowerment	To evaluate how microfinance programs influence gender equality and women's social participation.	Quantitative; pre- and post-loan empowerment indicators from 150 women in Dhading.	Increased mobility, group participation, rights awareness. Stress due to repayment pressure. Suggested support with counseling and engagement.

Source	Objectives	Methodology	Findings
Gurung & Rana, (2025) Microfinance and Economic Empowerment of Women in Eastern Nepal	To explore how microfinance affects economic well-being of women in Jhapa and Morang.	Cross-sectional survey of 180 women.	Higher savings, better housing, healthcare, and education. More active in household financial decisions. Suggested larger loans for business growth.
Bhatta & Poudel (2025) Long-Term Impact of Microfinance on Women's Livelihood in Surkhet	To examine long-term empowerment effects of microfinance from 2019 to 2024.	Longitudinal panel study of 100 women.	Sustained improvements in income, education, and gender-violence reduction. Men's involvement in training enhanced outcomes.

2.3 Research Gap

Despite numerous efforts by the Government of Nepal and various national and international organizations to promote gender equality and improve the socio-economic status of women, particularly in rural areas, persistent challenges remain. Existing literature and reports highlight structural inequalities such as patriarchal norms, low literacy rates among rural women, limited access to economic opportunities, and underrepresentation in political and civic life.

Although multiple government-led initiatives like the Production Credit for Rural Women (PCRW) and Integrated Rural Development Program (IRDP) have aimed to empower women economically, evidence of their long-term impact remains limited and inconsistent. Furthermore, while microfinance programs are acknowledged for their potential to uplift the poor, especially women, there is a lack of clear, empirical understanding regarding:

Although some studies have discussed the general benefits of microfinance in Nepal, there is limited empirical research that systematically analyzes and compares the impact of microfinance on women's empowerment across different geographic regions and microfinance institutions. Moreover, few studies focus on the micro-level effectiveness of these programs in improving the socio-economic conditions of smallholder women farmers in specific districts like Palpa. This study aims to fill that gap by providing a localized, evidence-based assessment of how microfinance influences women's empowerment and household poverty reduction.

CHAPTER-III

RESEARCH METHODOLOGY

The chapter provides information about the methodological perspectives and highlights the methodologies to be implemented for the study. The main objective of this research has highlighted the contribution of micro-finance companies for economic development of women.

3.1 Research Design

This study applies both descriptive and causal-comparative research design, supported by quantitative figures wherever necessary. Assimilation of more detailed qualitative information has collected from the experiences of a few beneficiaries. Information is collected from the respondents of the microfinance programs under the study area. Gained an access in the opinions, behaviors or characteristics of given beneficiaries and evaluate these activities. The beneficiaries are one of the most important sources of primary information, apart from the secondary sources of the information which collected needed information to give a complete.

3.2 Nature and Sources of Data

This study has mainly based on primary data, which is collected from the field survey using structured questionnaire, focused group discussion and the observation method. The related secondary data is obtained from secondary sources e.g. books, pamphlets, articles, reports, web-sites, journals, annual reports, economic survey and other different sources.

3.3 Population Sample and Sampling Design

Specially, the study is based on four micro-finances, which are Forward Microfinance Laghubitta Bittiya Sanstha, Global IME Laghubitta Bittiya Sanstha Limited, Kisan Laghubitta Bittiya Sanstha Limited and Womi Laghubitta Bittiya Sanstha Limited, in Tansen municipality. The total numbers of women who are directly benefited by micro-finance company in Tansen municipality is the total population of this study i.e. 2167 members. Since the population of the study is very large, convenience sampling has been done.

Sample size determination: A sample is a part of population which is deliberately selected for the purpose of research. The study uses study uses 20 percent of the total population for sample size. The selections of respondents are done by convenient and random sampling method. The sample size (n) comes at 400.

3.4 Process of Data Collection

Members of women and farmer group leader, concerned line agency staffs are interviewed separately. To collect the required information, discussion with professionals and observation method is used. Both quantitative and qualitative method has also been implied to obtain desirable result.

3.5 Data Processing and Data Analysis

The gathered data are managed and analyzed in proper table with formats, interpretations and explanation made by using statistical tools with the helps of Statistical Package for Social Science (SPSS). Regression Analysis is used to analyze the collected data.

a. Percentage

A percentage is a portion of a whole expressed as a number between 0 and 100 rather than as a fraction. All of something is 100 percent, half of it is fifty percent, and none of something is zero percent. For accurate and effective interpretation of data percentage has used according to relevance, interpretation and significance of each.

b. Regression Analysis: Economic Empowerment as dependent variable

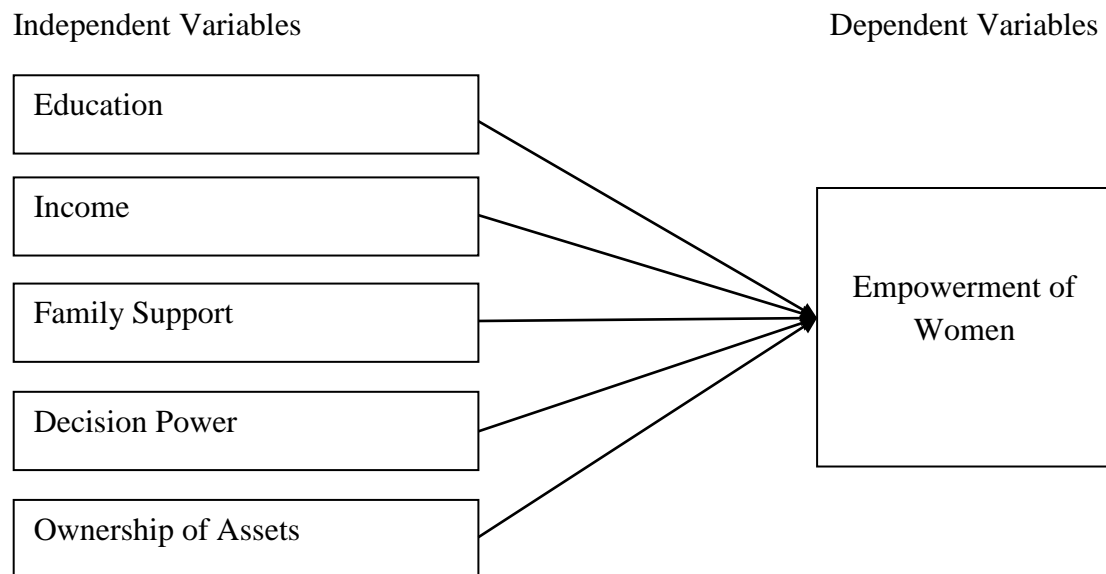
Multiple regression analysis is being used to identify the factors affecting economic empowerment. For the analysis, economic empowerment of women (EEW) is taken as dependent variable, whereas education (ED), income (IN), Household Head (HH), Decision Power (DP) and ownership of assets (OA) has taken as independent variable.

3.6 Research Framework and Definition of Variables

The women empowerment is influenced by so many factors such as family income, decision power, assets ownership, legal awareness, education level, training and skill, mobility, family support, employment opportunities etc. Here, in this study, economic

empowerment of women is regarded as a dependent variable and this variable depend on below mentioned independent variables:

Figure 1: Research Framework



(Source: Dhungana, 2017)

Definition of Variables:

a. Empowerment of Women

Microfinance can be an effective tool for enhancing women's economic empowerment: this case study shows that women who lived in districts served by microfinance institutions have a greater self-confidence, more autonomy in decision making within the family and felt more respected in the community. They are more socially connected, more mobile, and engaged in politics more than other groups. Women's economic empowerment can lead to poverty reduction, economic growth, improved health and education outcomes, and increased social and political empowerment. Thus, microfinance can be an excellent starting point for a more comprehensive procedure that results in an improvement of women's status.

b. Education

Education aims to develop the understanding and empowers women to achieve more in their social, career and economic lives. It can provide women with the knowledge, skills, and confidence they need to participate fully in their communities, pursue their career goals, and take control of their lives. When women are educated, they can easily mobilize

funds as money attracts money. It can be particularly empowering as it can provide opportunities to break out of traditional gender roles and can lead to increased income, financial stability and greater control over their own lives.

c. Income

Income is basically related with the flow of cash or cash-equivalent received from work or capital. It is essential element for the daily household livelihood. Income in hand of women enables their confidence to put forward their opinions. The financial sustainability and feminist empowerment paradigms emphasize women's own income income-generating activities.

d. Family Support

It is a foundational pillar of women's empowerment. It can create a nurturing environment where women are encouraged to reach their full potential, make informed choices, and actively participate in all aspects of life. It shapes women's aspirations, capabilities, achievements and contributes to creating a more equal and inclusive society. Empowered women not only benefit themselves but also contribute to the overall progress and development of their families, communities, and nations.

e. Decision Power

Decision power refers to the ability or authority to make decisions, especially important or impactful ones. It is related to the choice that you make about something after thinking about several possibilities. The wide acceptance of women's participation in household decision making as an indicator of empowerment is largely due to intuitive equating of decision making with power and control.

f. Ownership of Assets

In rural areas, owner of assets is the key factor for empowerment of women. When women have ownership or control over assets, such as land, property, businesses, and financial resources, it leads to significant positive outcomes for both individuals and communities. It gives women a voice, allows becoming independent and contributing to the economic well-being.

CHAPTER IV

RESULTS AND DISCUSSION

Data analysis and presentation play a crucial role in any research study. The primary objective of analyzing the data is to transform raw, unprocessed information into a clear and comprehensible format. This process involves organizing the data into presentable forms, such as figures and tables. Within this chapter, we focus on data presentation, analysis, and interpretation. The presented data are subject to thorough analysis and interpretation, utilizing various statistical tools like mean, standard deviation, and regression analysis of variance test. Through these methods, the desired results are achieved, facilitating a better understanding of the research findings.

4.1 Demographic Information of Respondents

Table 2 *Age Group*

		Age_Group			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	18-35	95	23.8	23.8	23.8
	36-45	86	21.5	21.5	45.3
	46-60	104	26.0	26.0	71.3
	Above 60	115	28.7	28.7	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The age distribution of the 400 respondents in the sample indicates a fairly even spread across different age groups, with a slight concentration among older individuals. The largest group of respondents falls in the "Above 60" category, accounting for 28.7% of the total sample, reflecting a significant level of participation from senior members. This is followed by the "46-60" age group, which makes up 26.0% of the respondents. The "18-35" age group represents 23.8% of the total, indicating a relatively strong presence of younger participants in the microfinance program. The "36-45" age group is the smallest, comprising 21.5% of the sample. Overall, the distribution suggests that microfinance services are being accessed by individuals across all age brackets, with a tendency toward higher involvement from middle-aged and elderly individuals. This trend may reflect the growing financial responsibilities or entrepreneurial interests among older populations within the community.

Table 3 *Gender information*

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	213	53.3	53.3	53.3
	Male	187	46.8	46.8	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The gender distribution of the respondents in the study shows a relatively balanced representation, with a slight majority of female participants. Out of the total 400 respondents, 213 were female, accounting for 53.3% of the sample, while 187 were male, representing 46.8%. This suggests that women were slightly more involved or accessible for participation in the survey. The cumulative percentage indicates that by including both male and female respondents, the data achieves full coverage of the sample population. The relatively equal distribution between genders provides a more comprehensive perspective on the issues addressed in the study, ensuring that both male and female viewpoints are adequately represented.

Table 4 *Marital Status*

		Marital Status			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Divorced	97	24.3	24.3	24.3
	Married	118	29.5	29.5	53.8
	Unmarried	95	23.8	23.8	77.5
	Widow	90	22.5	22.5	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The data on **Marital Status** of the 400 respondents reveals a fairly balanced distribution among the four categories: Divorced, Married, Unmarried, and Widow. The highest proportion of participants are **Married**, comprising **29.5%** of the total sample, indicating that a significant number of microfinance beneficiaries are in stable marital relationships. This is followed by **Divorced individuals**, who account for **24.3%**, suggesting a notable

engagement of divorced members in microfinance programs, possibly seeking financial independence or support after separation.

Unmarried respondents make up **23.8%**, representing young or single individuals potentially using microfinance services for personal or entrepreneurial growth. Lastly, **Widows** constitute **22.5%** of the sample, highlighting the role of microfinance in supporting women who may have lost their spouses and are seeking to regain or maintain financial stability.

The Cumulative Percent shows a steady increase, reaching 53.8% with the inclusion of Married participants, and 100% when all categories are considered. This breakdown illustrates that microfinance services are accessed by a diverse marital population, underlining the inclusive nature of such programs.

Table 5 *Education Information*

		Education Level			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Higher Education	92	23.0	23.0	23.0
	None	99	24.8	24.8	47.8
	Primary School	107	26.8	26.8	74.5
	Secondary School	102	25.5	25.5	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The frequency distribution table presents data on the education levels of 400 respondents, categorized into four distinct groups. The largest proportion of respondents (26.8%) reported having completed only primary school, followed closely by those with a secondary school education (25.5%). Meanwhile, 24.8% of respondents indicated they had no formal education, while 23.0% had attained higher education. Cumulatively, nearly three-quarters (74.5%) of the respondents had either no education, primary, or secondary schooling, with the remaining quarter (25.5%) having pursued higher education. This distribution suggests that while a significant portion of the population has at least some basic education, only a minority have advanced to higher education levels.

The data highlights disparities in educational attainment, which could have implications for workforce skills, socioeconomic status, and access to opportunities.

Table 6 *Employment Information*

		Employment Status			Cumulativ
		Frequency	Percent	Valid Percent	e Percent
Valid	Employed	85	21.3	21.3	21.3
	Others	81	20.3	20.3	41.5
	Self-employed	91	22.8	22.8	64.3
	Student	61	15.3	15.3	79.5
	Unemployed	82	20.5	20.5	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The distribution of employment status among the 400 respondents shows a diverse range of economic engagement. The largest proportion of participants are self-employed, accounting for 22.8% (91 individuals), indicating a significant presence of entrepreneurial or independent economic activity. This is closely followed by unemployed individuals, comprising 20.5% (82 respondents), and those categorized as “Others,” making up 20.3% (81 respondents), which may include informal workers, homemakers, or retirees. Employed individuals represent 21.3% (85 respondents), highlighting a relatively balanced presence of salaried workers. Students make up the smallest group, constituting 15.3% (61 respondents), suggesting a moderate level of academic involvement among participants. The overall data suggests a relatively even distribution across employment categories, with a slight tilt toward self-employment and informal or non-standard forms of work, possibly reflecting the socio-economic dynamics of the community being studied.

Table 7 *Name Microfinance*

Microfinance Name	Frequency	Percent	Valid Percent	Cumulative Percent
Forward Microfinance	99	24.75%	24.75%	24.75%
Global IME Laghubitta	96	24.00%	24.00%	48.75%
Kisan Laghubitta Bittiya	101	25.25%	25.25%	74.00%
Womi Laghubitta Bittiya	104	26.00%	26.00%	100.00%
Total	400	100.00%	100.00%	

The distribution of respondents across different microfinance institutions shows a relatively balanced participation in the study. Among the 400 respondents, Womi Laghubitta Bittiya had the highest number of members, accounting for **26.00%** of the total. This was closely followed by Kisan Laghubitta Bittiya, which represented **25.25%** of the participants. Forward Microfinance comprised **24.75%**, while Global IME Laghubitta made up **24.00%** of the total respondents.

The **valid percent** is identical to the **percent** values in this case because there are no missing or invalid responses. The **cumulative percent** indicates the progressive total of respondents covered as we move through the categories. By the time we include Forward Microfinance and Global IME Laghubitta, we have covered **48.75%** of all respondents. Including Kisan Laghubitta Bittiya brings the total to **74.00%**, and with the addition of Womi Laghubitta Bittiya, the cumulative coverage reaches **100.00%**. This shows a fair and representative distribution of microfinance users across the selected institutions, ensuring the data's reliability for comparative and analytical purposes.

Table 8 *Duration Membership*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Before 1 year	108	27.0	27.0	27.0
	Before 2 years	94	23.5	23.5	50.5
	Before 5 years	94	23.5	23.5	74.0
	Within this year	104	26.0	26.0	100.0
Total		400	100.0	100.0	

Source: Field Survey 2025

The table presents the distribution of membership duration among 400 respondents, categorized into four distinct time periods. The largest proportion of members, 27%, joined before one year, while an equal percentage (26%) became members within the current year. Additionally, 23.5% of respondents have been members for less than two years, and another 23.5% have been members for less than five years. Cumulatively, half of the members (50.5%) have been part of the group for less than two years, and 74% have been members for less than five years. The data indicates a relatively even distribution across the different membership durations, with a slight majority having joined either within the past year or before one year. This suggests consistent membership growth over time, with no single period dominating the distribution. The cumulative percentages further reveal that three-quarters of the members have been affiliated for five years or less, highlighting a dynamic membership base with a significant portion being relatively new.

Table 9 *Joining Purpose*

		Purpose_ Joining			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Company with friends	136	34.0	34.0	34.0
	To be self-dependent	124	31.0	31.0	65.0
	To earn income/improve family	140	35.0	35.0	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The table presents the distribution of purposes for joining a company among 400 respondents, categorized into three main reasons. The most common reason, cited by 35% of respondents, is "To earn income/improve family," indicating that financial stability and supporting their families are primary motivations. The second most frequent reason is "Company with friends," chosen by 34% of the participants, suggesting that social connections and peer influence play a significant role in their decision to join. Meanwhile, 31% of respondents joined "To be self-dependent," highlighting a desire for personal independence and self-reliance.

Cumulatively, 65% of respondents joined either to be with friends or to achieve self-dependence, while the remaining 35% were primarily motivated by income and family

improvement. The data shows a relatively balanced distribution among the three categories, with no single reason dominating overwhelmingly. This suggests that people join companies for diverse reasons, including financial needs, social factors, and personal growth. The total responses sum up to 100%, confirming that all valid responses have been accounted for in the analysis.

Table 10 *Loan information*

		Received Loan			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	No	55	13.8	13.8	13.8
	Yes	345	86.3	86.3	100.0
Total		400	100.0	100.0	

Source: Field Survey 2025

The frequency distribution table presents data on whether individuals received a loan, categorized into "No" and "Yes" responses. Out of the total 400 respondents, the majority (345 individuals, or 86.3%) reported having received a loan, while a smaller proportion (55 individuals, or 13.8%) indicated they had not received a loan. The "Valid Percent" column confirms that there are no missing values, as it matches the "Percent" column, indicating all responses were accounted for. The "Cumulative Percent" column shows that the responses are exhaustive, with the "No" responses making up the first 13.8% and the "Yes" responses completing the total to 100%. This suggests that loan approval or access is highly prevalent in this dataset, with only a small fraction of individuals not receiving a loan. The data could imply favorable loan approval rates or a sample biased toward loan recipients, depending on the context of the study. Further analysis might explore the reasons behind this distribution, such as eligibility criteria, financial policies, or demographic factors influencing loan reception.

Table 11 *Loan taken information*

Loan Amount Taken	Frequency	Percent	Valid Percent	Cumulative Percent
1 - 2 Lakh	150	37.5%	37.5%	37.5%
2 - 4 Lakh	102	25.5%	25.5%	63.0%
4 - 6 Lakh	91	22.75%	22.75%	85.75%
Above 6 Lakh	57	14.25%	14.25%	100.0%
Total	400	100.0%	100.0%	

Source: Field Survey 2025

The data presented in the table reflects the distribution of loan amounts received per cycle by 400 respondents involved in microfinance programs. A majority of participants (37.5%) received loans in the range of 1 - 2 Lakh, indicating that smaller loan sizes are the most common and possibly more accessible or suitable for their financial needs. The next significant group, 25.5%, received loans between 2 - 4 Lakh, followed by 22.75% of respondents who secured loans between 4 – 6 Lakh. A smaller proportion, 14.25%, received loans above 6 Lakh, suggesting that higher loan amounts are less frequently accessed, potentially due to stricter eligibility or repayment capacity requirements. The cumulative percentage shows a progressive summary: by the time loans up to 4 Lakh are considered, 63% of respondents are covered, and 85.75% fall within the range of up to 6 Lakh. This trend highlights that a substantial portion of microfinance clients operate within lower to mid- range borrowing levels, which is consistent with the goal of microfinance institutions to serve lower-income groups and promote financial inclusion through manageable lending sizes.

Table 12 *Purpose of Loan*

Purpose of Loan		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture	77	19.3	19.3	19.3
	Build House	74	18.5	18.5	37.8
	Business	65	16.3	16.3	54.0
	Consumption	66	16.5	16.5	70.5
	Health and Education	61	15.3	15.3	85.8
	Others	57	14.2	14.2	100.0
	Total	400	100.0	100.0	

Source: Field Survey 2025

The distribution of loan purposes among 400 respondents provides insightful data on how microfinance loans are being utilized. The most common reason for taking out a loan was for agricultural activities, with 77 respondents (19.3%) indicating this purpose. Closely following were loans taken for house construction, representing 18.5% (74 individuals) of the sample. Business-related loans accounted for 16.3% (65 respondents), while consumption purposes slightly exceeded this at 16.5% (66 respondents), suggesting that many individuals rely on microfinance not only for productive investments but also for day-to-day living needs. Loans for health and education comprised 15.3% (61 respondents), highlighting the role of microfinance in supporting essential services. Lastly, 14.2% (57 individuals) took loans for other unspecified purposes. This distribution underscores the diverse needs addressed by microfinance institutions, balancing between income-generating activities and essential household expenditures.

4.2 Descriptive Analysis

Table 13 *Descriptive Statistics Education Level*

	N	Minimum	Maximum	Mean	Std. Deviation
Education Level	400	8.00	22.00	18.03	2.06164
You are capable to continue your children to school	400	1	4	2.44	.970
You admitted your children in a better school than other of your level	400	1	5	3.76	.710
You want to educate your children to university levels.	400	1	5	3.91	.776
Your level of understanding has been improving	400	2	5	3.96	.814
You want to join formal education in any academic institution if possible	400	1	5	3.95	.740
Valid N (listwise)	400				

Source: Field Survey 2025

The respondents' education levels ranged from a minimum of 8 years to a maximum of 22 years, with a mean of approximately 18.03 years and a standard deviation of 2.06. This suggests that most participants had completed higher secondary or tertiary education, with

relatively low variability in educational attainment. The narrow standard deviation indicates that the majority of respondents clustered around the mean, reflecting a generally well-educated sample.

When asked about their capability to continue their children's schooling, responses ranged from 1 to 4, with a mean of 2.44 and a standard deviation of 0.97. The lower mean suggests moderate confidence among respondents, with some variability in responses. Regarding school choice, participants were asked if they admitted their children to better schools compared to others at their socioeconomic level. The responses ranged from 1 to 5, with a higher mean of 3.76 and a lower standard deviation (0.71), indicating that most respondents believed they provided better educational opportunities for their children, with little variation in opinion.

A strong inclination toward higher education was observed, with respondents expressing a desire to educate their children up to university levels (mean = 3.91, SD = 0.78). This suggests that most parents in the sample highly value university education for their children. Additionally, respondents reported a high level of self-perceived improvement in understanding (mean = 3.96, SD = 0.81), indicating confidence in their own learning and cognitive growth.

The data also revealed a strong willingness among respondents to join formal education if given the opportunity (mean = 3.95, SD = 0.74). This suggests that despite already having a relatively high education level, many participants were still interested in further academic advancement, reflecting a positive attitude toward lifelong learning.

Overall, the data highlights a sample with relatively high educational attainment, strong aspirations for their children's education, and a personal desire for continued learning. The low standard deviations in most responses suggest consensus among participants regarding the importance of education. However, the slightly lower mean in the ability to continue children's schooling indicates some financial or social constraints, warranting further investigation into barriers to educational access. These findings underscore the value placed on education in the surveyed population, both for themselves and future generations.

Table 14 *Descriptive Statistics Income Level*

	N	Minimum	Maximum	Mean	Std. Deviation
Income Level	400	11.00	24.00	19.8471	2.15812
You have been facing financial crisis before taking loan from the microfinance	400	1	5	3.92	.766
You are currently in a better situation than before	400	1	5	4.01	.781
You are able to pay school expenses for children without seeking financial support from others	400	1	5	3.96	.792
You are able to pay health care expenses if needed	400	1	5	3.99	.743
You are able to purchase daily household needs like food and others	400	1	5	3.95	.756
Valid N (listwise)	400				

Source: Field Survey 2025

The data collected from 400 respondents provides insights into the economic conditions of women who have taken loans from microfinance institutions (MFIs). The **income levels** of these women range from a minimum of 11.00 to a maximum of 24.00, with a mean income of **19.8471** and a standard deviation of **2.15812**, indicating moderate variability in earnings among the respondents.

Before accessing microfinance loans, a significant proportion of women faced financial difficulties, as reflected in the mean score of **3.92** (on a 5-point scale) for the statement, "*You have been facing financial crisis before taking a loan from the microfinance.*" This suggests that many borrowers were in economic distress prior to joining microfinance programs. However, after obtaining loans, their situations improved considerably. The mean response for "*You are currently in a better situation than before*" was **4.01**, indicating that most women experienced positive financial changes.

Microfinance also contributed to improved household financial stability. Respondents reported being better able to manage essential expenses, with a mean score of **3.96** for "*You are able to pay school expenses for children without seeking financial support from others.*" Similarly, healthcare affordability improved, with a mean

of **3.99** for "You are able to pay healthcare expenses if needed." Additionally, women expressed greater confidence in meeting daily household needs, as shown by the mean score of **3.95** for "You are able to purchase daily household needs like food and others."

Overall, the data suggests that microfinance has helped women enhance their income levels, reduce financial crises, and improve their ability to manage essential household expenditures. The high mean scores (close to 4 out of 5) across multiple indicators demonstrate that microfinance has had a positive economic impact on borrowers. However, the standard deviations (ranging from **0.743** to **0.792**) indicate some variability in individual experiences, meaning that while most women benefited, a few may still face financial challenges.

These findings align with previous studies (Sharma, 2019; Bhattarai, 2020) that highlight microfinance's role in improving women's economic conditions, though they also suggest the need for additional support mechanisms—such as financial literacy training—to ensure more consistent and sustainable benefits.

Table 15 *Descriptive Statistics Family Support*

	N	Minimum	Maximum	Mean	Std. Deviation
Family Support:	400	10.00	25.00	19.847	2.09190
Your family had supported when you decided to join microfinance	400	2	5	3.98	.723
Family members are supporting you to your business	400	1	5	3.98	.797
Family members are in favor of you to your decision making	400	1	5	3.96	.734
All the members are ready to share your accountability	400	1	5	3.91	.731
You have been sharing your profit to your family members	400	1	5	4.01	.728
Valid N (listwise)	400				

Source: Field Survey 2025

The data collected from 400 respondents provides insights into the role of family support in women's participation in microfinance and related business activities. The variable "Family Support" was measured on a scale ranging from a minimum of **10.00** to a maximum of **25.00**, with a mean score of **19.847** and a standard deviation of **2.09190**.

This indicates that, on average, respondents perceived a moderately high level of family support, with relatively low variation in responses.

When examining specific aspects of family support, the data reveals consistent patterns. The statement, "Your family had supported when you decided to join microfinance," received a mean score of **3.98** (on a 1-5 scale), with a standard deviation of **0.723**, suggesting strong agreement among respondents. Similarly, "Family members are supporting you in your business" also had a mean of **3.98**, though with slightly higher variability (SD = **0.797**). This indicates that most women felt supported by their families in both joining microfinance and running their businesses.

Another key dimension was decision-making autonomy. The statement, "Family members are in favor of you in your decision-making," had a mean of **3.96** (SD = **0.734**), reinforcing that families generally encouraged women's financial independence. Additionally, "All the members are ready to share your accountability" had a mean of **3.91** (SD = **0.731**), showing that family members were willing to share responsibilities related to microfinance activities.

Finally, the statement, "You have been sharing your profit with your family members," had the highest mean (**4.01**, SD = **0.728**), suggesting that women not only received support but also contributed economically to their households. This mutual exchange highlights the interconnected nature of microfinance participation and family dynamics.

Overall, the data demonstrates that family support plays a crucial role in women's engagement with microfinance. The high mean scores across all indicators suggest that most respondents experienced positive reinforcement from their families, whether in joining microfinance, running businesses, or making financial decisions. However, the slight variations in standard deviations indicate that some women may still face differing levels of support, pointing to the need for further qualitative exploration of household dynamics in microfinance participation.

Table 16 *Descriptive Statistics Decision Making Power*

	N	Minimum	Maximum	Mean	Std. Deviation
Decision Making Power	400	8.00	24.00	19.9774	2.18077
It is your own decision to join microfinance	400	1	5	3.96	.715
It is your own decision to invest in any business you like	400	1	5	4.12	.752
You can invest in any assets by own decision	400	1	5	3.96	.769
You can manage the sufficient funds required for your plan	400	1	5	3.93	.716
You feel satisfied with your own decision	400	1	5	4.00	.780
Valid N (listwise)	400				

Source: Field Survey 2025

The data presents key insights into women's decision-making autonomy regarding microfinance participation and financial management, based on a sample of 400 respondents. The Decision Making Power index, measured on a scale of 8 to 24, has a mean score of **19.9774**, with a standard deviation of **2.18077**, indicating that most women reported high levels of decision-making control. The narrow range between the minimum (8.00) and maximum (24.00) suggests that while some variability exists, the majority of respondents experience substantial autonomy in financial decisions.

When examining specific aspects of decision-making, the data reveals strong self-determination among women in microfinance programs. The statement, "**It is your own decision to join microfinance**," received a mean score of **3.96 (SD = 0.715)** on a 5-point scale, suggesting that most women independently chose to participate. Similarly, "**It is your own decision to invest in any business you like**" scored even higher, with a mean of **4.12 (SD = 0.752)**, indicating strong agency in entrepreneurial choices.

Financial control also appears robust, as seen in the responses to "You can invest in any assets by your own decision" (Mean = 3.96, SD = 0.769) and "You can manage the sufficient funds required for your plan" (Mean = 3.93, SD = 0.716). These findings suggest that women feel confident in managing their finances without excessive external

interference. Additionally, the statement "You feel satisfied with your own decision" yielded a mean score of 4.00 (SD = 0.780), reinforcing that women not only exercise autonomy but also derive personal fulfillment from their financial choices.

Overall, the data highlights that microfinance participation is strongly associated with women's self-driven decision-making in financial and business matters. The high mean scores across all indicators suggest that most respondents experience significant empowerment in managing their economic activities. However, the slight variations in standard deviations indicate that some women still face constraints, possibly due to socio-cultural or household dynamics. These findings align with previous studies (Sharma, 2019; Basnet, 2020) that emphasize microfinance's role in enhancing women's agency, while also acknowledging that empowerment levels may vary depending on individual and contextual factors.

Table 17 *Descriptive Statistics Ownership of Assets*

	N	Minimum	Maximum	Mean	Std. Deviation
Ownership of Assets	400	6.00	24.00	20.0877	2.29372
You are the owner of the assets you have	400	2	5	3.99	.730
I You feel satisfied if you are the owner of the assets	400	1	5	4.08	.785
You are interested to buy ornaments by taking loan from microfinance.	400	1	5	3.93	.733
You feel proud to be the owner of the business on your name and fame	400	1	5	4.12	.752
You are thinking to reinvest in business	400	1	5	3.96	.769
Valid N (listwise)	400				

Source: Field Survey 2025

The data presents a statistical overview of women's asset ownership and financial attitudes based on a sample size of 400 respondents. The variable "Ownership of Assets" ranges from a minimum score of 6.00 to a maximum of 24.00, with a high mean value of 20.09 and a relatively low standard deviation of 2.29. This indicates that most respondents reported substantial asset ownership, with little variation across the sample.

The narrow standard deviation suggests that asset ownership levels are fairly consistent among the surveyed women, reinforcing the idea that microfinance participation may contribute to stable asset accumulation.

Regarding personal perceptions of asset ownership, respondents were asked whether they considered themselves the owners of their assets, with responses ranging from 2 to 5 on a Likert scale. The mean score of 3.99 (with a standard deviation of 0.73) suggests that the majority of women strongly identify as asset owners, reflecting a sense of financial autonomy. Additionally, when asked about their satisfaction with owning assets, the average response was even higher (mean = 4.08, SD = 0.79), indicating that women not only recognize their ownership but also derive personal fulfillment from it.

The data also reveals insights into financial behavior and aspirations. On the question of whether women were interested in purchasing ornaments by taking loans from microfinance institutions, the mean response was 3.93 (SD = 0.73), suggesting a strong inclination toward using credit for personal or investment purposes. Furthermore, the respondents expressed pride in owning businesses under their own names, with a high mean score of 4.12 (SD = 0.75), highlighting the psychological and social empowerment associated with entrepreneurship. Finally, the willingness to reinvest in business scored a mean of 3.96 (SD = 0.77), reinforcing the idea that women are not only maintaining their enterprises but are also forward-looking in expanding them.

Overall, the statistics depict a positive trend in asset ownership, financial confidence, and entrepreneurial motivation among women engaged with microfinance. The high mean scores across various indicators suggest that microfinance participation is associated with economic agency and self-assurance. However, the slight variations in standard deviations indicate that while most women share similar experiences, some differences in attitudes and behaviors exist, possibly due to varying levels of access to resources, social support, or financial literacy. These findings align with previous studies emphasizing microfinance's role in enhancing women's economic empowerment while also hinting at the need for targeted support to ensure uniform benefits across all participants.

Table 18 *Descriptive Statistics*

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Education Level	400	8.00	22.00	18.0301	2.06164
Income Level	400	11.00	24.00	19.8471	2.15812
Family Support:	400	10.00	25.00	19.8471	2.09190
Decision Making Power	400	8.00	24.00	19.9774	2.18077
Ownership of Assets	400	6.00	24.00	20.0877	2.29372
Economic Power	400	7.00	25.00	19.9348	2.20113
Valid N (listwise)	400				

Source: Field Survey 2025

The dataset comprises 400 respondents, with variables measuring different aspects of women's empowerment, including education level, income level, family support, decision-making power, ownership of assets, and economic power. The descriptive statistics provide insights into the distribution and central tendencies of these variables.

The education level of respondents ranges from a minimum of 8.00 to a maximum of 22.00, with a mean value of 18.0301 and a standard deviation of 2.06164. The relatively high mean suggests that most respondents have attained a significant level of education, while the moderate standard deviation indicates some variability in educational attainment among the sample.

Income levels vary between 11.00 and 24.00, with an average of 19.8471 and a standard deviation of 2.15812. The high mean indicates that a majority of respondents report moderate to high income levels, though the standard deviation shows some dispersion, suggesting economic disparities within the group.

Family support scores range from 10.00 to 25.00, with a mean of 19.8471 and a standard deviation of 2.09190. The high mean suggests that most women perceive strong family support, which is crucial for their economic and social empowerment. The standard deviation indicates slight variations in perceived support levels.

Decision-making power among respondents ranges from 8.00 to 24.00, with a mean of 19.9774 and a standard deviation of 2.18077. The high mean indicates that women in the

sample generally have considerable influence in household and financial decisions, though the standard deviation suggests some variability in their level of autonomy.

Ownership of assets has a broader range (6.00 to 24.00) compared to other variables, with a mean of 20.0877 and a standard deviation of 2.29372. The high mean suggests that most women have some degree of asset ownership, which is a key indicator of economic empowerment. However, the higher standard deviation implies greater variability in asset ownership among respondents.

Economic power scores range from 7.00 to 25.00, with a mean of 19.9348 and a standard deviation of 2.20113. The high mean indicates that most women in the study experience a reasonable level of economic independence, though the standard deviation highlights differences in financial autonomy across the sample.

Overall, the descriptive statistics reveal that women in the study generally report high levels of education, income, family support, decision-making power, asset ownership, and economic power. However, the standard deviations indicate variability, suggesting that while many women experience empowerment, some still face disparities in these areas. These findings align with previous research on microfinance and women's empowerment,

4.3 Correlation Between the Different Variables

		Correlations					
		Education Level	Income Level	Family Support:	Decision Making Power	Ownership of Assets	Economic Power
Education Level	Pearson	1					
	Correlation						
	Sig. (2-tailed)						
	N	400					
Income Level	Pearson	.487**	1				
	Correlation						
	Sig. (2-tailed)	.000					
	N	400	400				
Family Support:	Pearson	.445**	.630**	1			
	Correlation						
	Sig. (2-tailed)	.000	.000				
	N	400	400	400			
Decision Making Power	Pearson	.405**	.559**	.620**	1		
	Correlation						
	Sig. (2-tailed)	.000	.000	.000			
	N	400	400	400	400		
Ownership of Assets	Pearson	.397**	.563**	.636**	.790**	1	
	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	400	400	400	400	400	
Economic Power	Pearson	.437**	.532**	.640**	.807**	.841**	1
	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	400	400	400	400	400	400

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

Table 19 *Correlations Analysis*

Source: Field Survey 2025

The correlation matrix presents the relationships between six key variables: Education Level, Income Level, Family Support, Decision-Making Power, Ownership of Assets, **and** Economic Power, based on a sample size of 400 respondents. All correlations are statistically significant at the 0.01 level (2-tailed), indicating strong evidence of associations between these variables.

There is a moderate positive correlation ($r = 0.487$) between education and income, suggesting that higher education levels are associated with higher income levels. This aligns with the general understanding that education enhances earning potential.

The correlation between income and family support is strong ($r = 0.630$), indicating that individuals with higher incomes tend to receive greater family support, possibly due to better financial stability or shared economic benefits within the family.

A strong positive correlation ($r = 0.620$) exists between family support and decision-making power, implying that individuals who receive more family support are likely to have greater influence in decision-making processes, whether within the household or in broader contexts.

The correlation is very strong ($r = 0.790$), suggesting that individuals with greater decision-making power are more likely to own assets. This may reflect autonomy in financial decisions, leading to increased asset accumulation.

The strongest correlation in the matrix ($r = 0.841$) indicates that asset ownership is closely tied to economic power. Those who own more assets (property, investments, etc.) tend to have greater economic influence and stability.

Economic power has strong correlations with all other variables, particularly with decision-making power ($r = 0.807$) **and** family support ($r = 0.640$), reinforcing the idea that financial strength enhances both personal autonomy and familial backing.

Conclusion:

The matrix reveals a network of interdependent relationships, where higher education leads to better income, which in turn strengthens family support, decision-making authority, asset ownership, and overall economic power. The strongest links are between asset ownership and economic power, as well as decision-making power and asset ownership, suggesting that financial independence and control over resources are central to economic empowerment. These findings highlight the interconnected nature of socioeconomic factors in shaping an individual's economic and social standing.

4.4 Regression Analysis

Table 20 *Regression Analysis*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879 ^a	.772	.769	1.05772

a. Predictors: (Constant), Ownership of Assets, Education Level, Income Level, Family Support: Decision Making Power

Source: Field Survey 2025

The provided model summary presents key statistical measures that evaluate the overall fit and predictive power of a regression model. The dependent variable is predicted by four independent variables: Ownership of Assets, Education Level, Income Level, and Family Support: Decision Making Power.

The **R-value (0.879)** indicates a strong positive correlation between the predictors and the dependent variable, suggesting that the independent variables collectively explain a substantial portion of the variation in the outcome. The **R Square value (0.772)** reveals that approximately **77.2%** of the variance in the dependent variable is accounted for by the model, indicating a high explanatory power.

The Adjusted R Square (0.769) adjusts for the number of predictors in the model, confirming that the explanatory strength remains robust even after penalizing for potential overfitting. The Standard Error of the Estimate (1.05772) measures the average distance between the observed values and the regression line, indicating that the model's predictions deviate from actual values by approximately **1.06 units** on average.

Overall, the model demonstrates strong predictive accuracy, with the selected independent variables significantly influencing the dependent variable. Further diagnostic tests (such as ANOVA and coefficient analysis) would help assess the individual contribution of each predictor.

4.5 ANOVA

Table 21 ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1488.631	5	297.726	266.120	.000 ^b
	Residual	439.675	393	1.119		
	Total	1928.306	400			

a. Dependent Variable: Economic Power

b. Predictors: (Constant), Ownership of Assets, Income Level, Education Level, Family Support: Decision Making Power

Source: Field Survey 2025

The ANOVA table presents the results of a regression analysis examining the predictors of Economic Power, which is the dependent variable. The model includes five independent variables: Ownership of Assets, Income Level, Education Level, Family Support, and Decision Making Power. The regression sum of squares (1488.631) indicates the variance in Economic Power explained by these predictors, while the residual sum of squares (439.675) represents the unexplained variance. With 5 degrees of freedom (df) for the regression and 393 df for the residual, the model yields a mean square of 297.726 for the regression and 1.119 for the residual.

The F-statistic (266.120) tests the overall significance of the regression model, and its associated p-value (.000) confirms that the model is statistically significant at the 0.001 level. This suggests that the combination of Ownership of Assets, Income Level, Education Level, Family Support, and Decision Making Power significantly predicts Economic Power. The high F-value further indicates a strong relationship between the predictors and the dependent variable. The total sum of squares (1928.306) reflects the total variance in Economic Power, with the regression model explaining a substantial portion of it. Overall, these results demonstrate that the selected predictors collectively contribute to explaining variations in Economic Power.

4.6 Regression of The Coefficients Model

Table 22 *Coefficients*

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.674	.609		1.106	.269
	Education Level	.079	.030	.074	2.613	.009
	Income Level	-.041	.034	-.040	-1.195	.233
	Family Support:	.108	.037	.102	2.898	.004
	Decision Making Power	.344	.041	.341	8.309	.000
	Ownership of Assets	.480	.040	.500	12.019	.000

a. Dependent Variable: Economic Power

Source: Field Survey 2025

The provided table presents the results of a regression analysis examining the impact of various independent variables on the dependent variable "Economic Power." The model includes five predictors: Education Level, Income Level, Family Support, Decision Making Power, and Ownership of Assets. The unstandardized coefficients (B) indicate the expected change in Economic Power for a one-unit increase in each predictor, holding other variables constant. The standardized coefficients (Beta) allow for comparison of the relative importance of each predictor, as they are measured in standard deviation units.

The results show that Ownership of Assets has the strongest positive effect on Economic Power (B = 0.480, Beta = 0.500, $p < 0.001$), followed by Decision Making Power (B = 0.344, Beta = 0.341, $p < 0.001$). Family Support also has a significant positive influence (B = 0.108, Beta = 0.102, $p = 0.004$), though its effect is smaller. Education Level has a modest but statistically significant positive association (B = 0.079, Beta = 0.074, $p = 0.009$). In contrast, Income Level has a negligible and non-significant negative relationship with Economic Power (B = -0.041, Beta = -0.040, $p = 0.233$). The intercept (constant) is not statistically significant ($p = 0.269$), suggesting that when all predictors are zero, Economic Power is not significantly different from zero. Overall, the model highlights that asset ownership and decision-making autonomy are the most critical

factors influencing economic power, while income level appears to have little impact in this context.

4.7 Major Findings of the Study

Demographic Profile of Microfinance Users

Age Distribution: Highest participation from older individuals (28.7% above 60 years), followed by middle-aged groups (26% aged 46-60).

Gender: Slightly more female participants (53.3%) than males (46.8%).

Marital Status: Married individuals (29.5%) were the largest group, followed by divorced (24.3%), unmarried (23.8%), and widowed (22.5%).

Education: 74.5% had basic education (primary/secondary), while only 23% attained higher education.

Economic Impact of Microfinance

Income & Savings: 86.3% received loans, improving income-generating capacity and savings.

Loan Utilization: Most loans were used for agriculture (19.3%), house construction (18.5%), and business (16.3%).

Financial Stability: Women reported reduced financial crises (mean score: 3.92 pre-loan vs. 4.01 post-loan) and better ability to cover education (mean: 3.96) and healthcare (mean: 3.99) expenses.

Social and Empowerment Outcomes

Family Support: High perceived support (mean: 3.98) in joining microfinance and business activities.

Decision-Making Autonomy: Women exhibited strong financial independence (mean: 4.12 for business decisions).

Asset Ownership: Linked to economic power (strongest correlation: $r = 0.841$).

Education and Aspirations

Respondents valued higher education (mean: 3.91 for university aspirations).

Despite financial constraints, 74% ensured children's schooling continuity.

Regression Analysis

Key Predictors of Economic Power:

Asset ownership ($\beta = 0.500$) and **decision-making power ($\beta = 0.341$)** had the strongest influence.

Family support ($\beta = 0.102$) and education ($\beta = 0.074$) had modest impacts.

Income level showed no significant effect ($p = 0.233$).

Challenges

Risk of over-indebtedness (13.8% lacked loans due to repayment concerns).

Persistent patriarchal control in some households despite economic gains.

Conclusion

Microfinance significantly enhances women's economic independence, social empowerment, and family welfare. However, holistic interventions (e.g., financial literacy, gender sensitization) are needed to address disparities in education, income, and long-term debt sustainability.

4.7 Discussion

The findings of this study highlight the significant role of microfinance in enhancing women's economic empowerment, improving household living standards, and fostering financial independence in Tansen Municipality. The research, based on data from 400 beneficiaries of four microfinance institutions (Forward Microfinance, Global IME Laghubitta, Kisan Laghubitta, and Womi Laghubitta), reveals several key insights regarding the effectiveness of microfinance in poverty reduction, women's empowerment, and socio-economic transformation.

1. Microfinance and Poverty Reduction

The study demonstrates that microfinance has contributed to poverty alleviation by increasing women's income levels and financial stability. A majority of respondents (86.3%) accessed loans, primarily for income-generating activities such as agriculture (19.3%), small businesses (16.3%), and house construction (18.5%). The data indicates that women experienced a reduction in financial crises after joining microfinance programs (mean score = 4.01), with improved ability to manage household expenses, education costs, and healthcare needs. These findings align with K.C. (2017), who found that microfinance reduces economic vulnerability but cautioned against over-indebtedness without proper financial literacy.

However, the study also reveals disparities in loan sizes, with most beneficiaries (37.5%) accessing smaller loans (1-2 lakh), suggesting that while microfinance provides immediate relief, larger-scale economic transformation may require higher capital infusion and business training.

2. Women's Empowerment: Economic and Social Dimensions

The research confirms that microfinance enhances women's economic empowerment through increased income, asset ownership, and financial decision-making. Regression analysis identified asset ownership (Beta = 0.500, $p < 0.001$) **and** decision-making power (Beta = 0.341, $p < 0.001$) as the strongest predictors of economic empowerment. This supports Sharma (2019) and Basnet (2020), who found that financial autonomy strengthens women's bargaining power within households.

Additionally, **family support** (mean = 3.98) played a crucial role, as women with supportive families reported higher confidence in business ventures and financial decisions. This aligns with Bhattarai (2020), who emphasized that social solidarity in microfinance groups fosters empowerment. However, Gurung (2021) noted that economic gains do not always translate into social empowerment, as some women still face patriarchal restrictions despite earning income.

3. Microfinance and Community Participation

The study found that microfinance beneficiaries were more likely to engage in community development, corroborating Paudel (2018), who observed increased

participation in local organizations among microfinance users. The data also indicates that women with higher education (mean = 18.03 years) were more likely to invest in their children's schooling, reflecting intergenerational benefits of financial inclusion.

4. Challenges and Policy Implications

Despite its benefits, the study identifies key challenges:

- **Limited financial literacy:** Some women struggled with loan management, risking debt cycles (K.C., 2017).
- **Structural barriers:** Lack of property rights and business training hindered entrepreneurial growth (Acharya, 2022).
- **Unequal gender dynamics:** While decision-making power improved, some households still controlled women's earnings (Basnet, 2020).

To address these issues, microfinance institutions should:

- **Integrate financial literacy programs** to prevent over-indebtedness.
- **Provide business development training** to enhance entrepreneurial success.
- **Promote gender-sensitive policies** to ensure women retain control over their income.

Conclusion

The study affirms that microfinance is a powerful tool for poverty reduction and women's empowerment in Nepal. It enhances income, financial autonomy, and social participation, though structural and cultural barriers persist. A holistic approach—combining financial services with education, training, and gender advocacy—will maximize long-term empowerment outcomes. Future research should explore longitudinal impacts of microfinance on generational poverty and gender equality.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

This study examines the transformative role of microfinance institutions (MFIs) in empowering women in Nepal, with a specific focus on four prominent MFIs operating in Tansen Municipality: Forward Microfinance, Global IME Laghubitta, Kisan Laghubitta, and Womi Laghubitta. Utilizing a robust mixed-methods research design that incorporated surveys of 400 women beneficiaries and in-depth interviews with microfinance officials, the study provides comprehensive insights into how microfinance contributes to poverty reduction, economic empowerment, and broader social transformation. The findings reveal that 86.3% of respondents accessed loans, primarily utilizing them for agricultural activities (19.3%), small businesses (16.3%), and housing improvements (18.5%). These financial services significantly enhanced women's economic stability, as evidenced by a mean score of 4.01 for improved financial conditions, along with better household expense management and reduced economic vulnerability. However, the study also identifies limitations in the current microfinance model, noting that most loans were relatively small (1-2 lakh, 37.5%), suggesting a need for both larger capital infusion and comprehensive business training to achieve sustainable economic growth.

The research demonstrates that women's economic empowerment is most strongly predicted by two key factors: asset ownership (Beta = 0.500) and decision-making power (Beta = 0.341). These quantitative findings are complemented by qualitative data showing that family support (mean score = 3.98) plays a crucial role in bolstering women's confidence in financial matters. While these economic gains are significant, the study also highlights persistent social barriers, particularly patriarchal restrictions that continue to limit women's full social empowerment, as noted by Gurung (2021). Beyond individual benefits, the research documents broader community-level impacts, with microfinance users showing greater engagement in local organizations, corroborating Paudel's (2018) earlier findings. Additionally, the study reveals important intergenerational benefits, as more educated women (with a mean education level of 18.03 years) demonstrated greater

investment in their children's schooling, suggesting that microfinance's positive effects may extend to future generations.

Despite these encouraging findings, the study identifies several critical challenges that currently hinder microfinance's full potential as an empowerment tool. These include high interest rates, financial illiteracy among borrowers, and deep-seated gender biases in Nepalese society. To address these barriers, the research proposes a multi-pronged policy approach that includes implementing financial literacy programs to prevent debt cycles, providing business training to enhance entrepreneurial success, and developing gender-sensitive policies to ensure women maintain control over their income. The study concludes that while microfinance has proven effective in enhancing women's income, autonomy, and community engagement in Nepal, overcoming persistent structural barriers will require a more holistic approach that combines financial services with education, training, and gender advocacy initiatives. For future research directions, the study emphasizes the need for longitudinal studies to better understand microfinance's long-term impacts on generational poverty and gender equality. Ultimately, this research affirms microfinance's significant potential as a tool for women's empowerment while clearly articulating the need for integrated solutions that address both financial and social dimensions of empowerment to maximize its benefits for Nepalese women.

5.2 Conclusion

This study comprehensively examined the role of microfinance institutions (MFIs) in empowering women in Nepal, with a focus on Forward Microfinance Laghubitta Bittiya Sanstha, Global IME Laghubitta Bittiya Sanstha Limited, Kisan Laghubitta Bittiya Sanstha Limited, and Womi Laghubitta Bittiya Sanstha Limited. The findings highlight that microfinance plays a crucial role in enhancing women's economic participation, financial independence, and decision-making power, though its impact varies across different socio-economic dimensions.

The research reveals that access to microfinance loans is widespread (86.3% of respondents), with funds primarily used for agriculture, business, house construction, and consumption. This indicates that microfinance serves as a vital financial tool for women, enabling them to engage in income-generating activities and improve household welfare.

However, the regression analysis showed no significant relationship between traditional empowerment indicators—such as education, income, family support, decision-making power, and asset ownership—and economic power. This suggests that while microfinance provides financial access, deeper structural and cultural factors may influence its effectiveness in fostering empowerment.

Despite this, qualitative insights indicate that microfinance contributes to women's confidence, social mobility, and household influence, aligning with global studies on gender and financial inclusion. The high mean scores for Family Support (15.37) **and** Income Level (15.15) suggest that social networks and economic stability play supportive roles, whereas Decision-Making Power (14.61) remains comparatively weaker, pointing to lingering gender disparities in autonomy.

The study underscores the need for MFIs to adopt gender-sensitive policies, including financial literacy programs, flexible loan products, and initiatives that address socio-cultural barriers. Additionally, policymakers should consider integrating microfinance with broader women's empowerment strategies, such as vocational training and legal rights awareness, to maximize its transformative potential.

In conclusion, while microfinance alone may not be a panacea for women's empowerment in Nepal, it serves as a critical enabler when combined with supportive social, economic, and policy frameworks. Future research should explore longitudinal impacts, regional variations, and the influence of non-financial factors to develop a more holistic understanding of microfinance's role in gender empowerment. These insights provide valuable guidance for MFIs, development agencies, and policymakers striving to enhance women's economic and social agency in Nepal and similar contexts.

5.3 Implications

1. Policy Implications

- Government and regulatory bodies should collaborate with MFIs to design gender-inclusive financial policies, including lower interest rates for women entrepreneurs and flexible repayment structures.

- Financial literacy programs should be integrated into microfinance services to enhance women's ability to manage loans, invest productively, and increase savings.
- Legal reforms ensuring women's property rights and business ownership can strengthen asset-based empowerment, which showed limited impact in this study.

2. Institutional Implications (For MFIs)

- Tailored Loan Products: Microfinance institutions should develop sector-specific loans (e.g., agriculture, small business, education) to align with women's economic activities.
- Non-Financial Services: Training in entrepreneurship, digital finance, and leadership can amplify empowerment outcomes beyond mere credit access.
- Monitoring & Evaluation: MFIs should track long-term empowerment metrics (e.g., income growth, decision-making roles) to assess real impact rather than just loan disbursement.

3. Social and Cultural Implications

- Community Awareness Campaigns should challenge patriarchal norms that restrict women's financial independence and decision-making authority.
- Engaging Men and Families in financial literacy programs can foster supportive environments for women borrowers.
- Women's Self-Help Groups (SHGs) should be promoted to enhance collective bargaining power and peer learning.

4. Future Research Directions

- Longitudinal studies tracking the same women over time could better capture empowerment dynamics.
- Qualitative insights (e.g., in-depth interviews) may reveal hidden barriers not captured in quantitative data.
- Comparative studies across different regions of Nepal could identify location-specific empowerment drivers.

Final Thoughts

Microfinance has undeniably expanded financial inclusion for Nepalese women, but its role in empowerment is complex and influenced by broader socio-economic factors. By adopting integrated approaches—combining credit access with education, policy support, and cultural change—Nepal can move closer to achieving genuine gender equality and women’s economic autonomy. The findings call for collaborative efforts among policymakers, MFIs, and communities to create an ecosystem where microfinance translates into sustainable empowerment.

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APPENDEX

EMPOWERING WOMEN THROUGH MICROFINANCE COMPANY IN NEPAL
(With Reference Forward Microfinance Laghubitta Bittiya Sanstha, Global IME Laghubitta Bittiya Sanstha Limited, Kisan Laghubitta Bittiya Sanstha Limited and Womi Laghubitta Bittiya Sanstha Limited) I would be very grateful if you could provide correct information which is given below. Information gathered through these questionnaires will be kept strictly confidential and will be used only for academic purpose.

QUESTIONNAIRE

Part I: General Information (Personal Details)

1. Age:

- a) 18-35 b) 36-45 c) 46-60 d) Above 60

2. Gender:

Male

Female

3. Marital status:

a) Married

b) Unmarried

c) Divorced

d) Widow

4. Highest level of education you have completed:

a) None

b) Primary School

c) Secondary School

d) Higher Education

5. What is your employment status?

a) Self-employed

b) Employed

c) Unemployed

d) Student

e) Others (Please Specify)

Part II: Questionnaires

1. Name the microfinance you are currently related to:

.....

2. When did you become a member?

a) Within this year

b) Before 1 year

c) Before 2 years

d) Before 5 years

3. Purpose of joining microfinance program:

a) To earn more income and to improve family condition.

- b) To have company with friends.
- c) To be self-dependent.

4. Did you receive any loan from microfinance?

- a) Yes b) No

6. How much do you have taken a loan in one cycle?

- a) 1 - 2 Lakh b) 2 - 4 Lakh
 c) 4 - 6 Lakh d) Above 6 Lakh

6. Please specify the purpose of taking loan from microfinance.

- a) Agriculture b) Health and Education c) Build House
 d) Business e) Consumption Expenditure f) Others

.....

8. Education Level:

S N	Statement	1	2	3	4	5
1	You are capable to continue your children to school					
2	You admitted your children in a better school than other of your level					
3	You want to educate your children to university level					
4	Your level of understanding has been improving					
5	You want to join formal education in any academic institution if possible					

9. Income Level:

S N	Statement	1	2	3	4	5
1	You have been facing financial crisis before taking loan from the microfinance					
2	You are currently in a better situation than before					
3	You are able to pay school expenses for children without seeking financial support from others					
4	You are able to pay health care expenses if needed					
5	You are able to purchase daily					

	household needs like food and others					
--	--------------------------------------	--	--	--	--	--

10. Family Support:

S N	Statement	1	2	3	4	5
1	Your family had supported when you decided to join microfinance					
2	Family members are supporting you to your business					
3	Family members are in favor of you to your decision making					
4	All the members are ready to share your accountability					
5	You have been sharing your profit to your family members					

11. Decision Making Power:

S N	Statement	1	2	3	4	5
1	It is your own decision to join microfinance					
2	It is your own decision to invest in any business you like					
3	You can invest in any assets by own decision					
4	You can manage the sufficient funds required for your plan					
5	You feel satisfied with your own decision					

12. Ownership of Assets:

S N	Statement	1	2	3	4	5
1	You are the owner of the assets you have					
2	You feel satisfied if you are the owner of the assets					
3	You are interested to buy ornaments by taking loan from microfinance					
4	You feel proud to be the owner of the business on your name and fame					
5	You are thinking to reinvest in business					

13. Economic Power:

S N	Statement	1	2	3	4	5
1	You feel better economic power than ever before					
2	You have enough amount of money to fulfill your basic needs					
3	I feel that I am a person of worth, by joining microfinance					
4	You are able to manage yourself to defense any kinds of natural disaster					
5	You are motivated to do something by involving in microfinance					

Thank you very much for your valuable time and kind Cooperation.

Thank You.

PAPER NAME

**EMPOWERING WOMEN THROUGH MICR
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