

WOMEN EMPOWERMENT THROUGH MICROFINANCE IN NEPAL

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By

Abina Aryal

Campus Roll No: 3611/075

Exam Roll No:13045/19

Registration No: 7-2-284-410-2012

Shanker Dev Campus

Group: Finance

Kathmandu, Nepal

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CERTIFICATION OF AUTHORSHIP

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

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

.....

Abina Aryal

Date:

REPORT OF RESEARCH COMMITTEE

Ms. Abina Aryal has defended research proposal entitled “**Women Empowerment through Microfinance 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 Dr.Binita Manandhar Submit the thesis for evaluation and viva-voce examination.

.....

Dr.Binita Manandhar
Dissertation Supervisor

Dissertation Proposal Defended Date:

.....

Dissertation Submitted Date:

.....

.....

Asso. Prof. Dr. Sajeeb Kumar Shrestha
Head, Research Department

Dissertation Viva-voce Date:

.....

APPROVAL SHEET

We, the undersigned, have examined the thesis entitled “**Women Empowerment through Microfinance in Nepal**” Presented by Abina Aryal 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.

.....

Dr.Binita Manandhar
Dissertation Supervisor

.....

Internal Examiner

.....

Internal Expert

.....

External Expert

.....

Asso. Prof. Dr. Sajeeb Kumar Shrestha
Chairperson, Research Committee

.....

Joginder Goet
Acting Campus Chief

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ABBREVIATIONS

ADB-N	:	Agriculture Development Bank, Nepal
CB	:	Commercial Bank
CMF	:	Center for Microfinance
DHS	:	Demographic and Health Surveys
DSL	:	Development and Social Lending
FINGO	:	Financial Intermediary Non-Government Organization
GB	:	Grameen Bank
GoN	:	Government of Nepal
IBP	:	Intensive Banking Program
ICIMOD	:	International Centre for Integrated Mountain Development
ILO	:	International Labor Organization
INGO	:	International Non-Governmental Organization
MFDB	:	Microfinance Development Bank
MFI	:	Micro Finance Institution
MFL	:	Microfinance Fund Limited
MLD	:	Ministry of Local Development
NCB	:	National Cooperative Bank
NGO	:	Non-Governmental Organization
NLSS	:	Nepal Living Standard Survey
NRB	:	Nepal Rastra Bank
PCRW	:	Production Credit for Rural Women
RMDCL	:	Rural Microcredit Development Center Limited
RSRF	:	Rural Self-Reliance Fund
SACCOs	:	Saving and Credit Cooperatives
SFCL	:	Small Farmer Cooperative Limited
SFDP	:	Small Farmer Development Project
SKBBL	:	Sana Kisan Bikas Bank Limited
SPSS	:	Statistical Package for Social Sciences
UNCDF	:	United Nation Capital Development Fund
US	:	United States
USAID	:	United States Agency for International Development

UNICEF : United Nation Children's Emergency Fund
VDC : Village Development Committee

ABSTRACT

This research examines the relationship between microfinance and women's empowerment in Nepal, focusing on five socio-economic factors: income, education, decision-making power, family support, and asset ownership. Using quantitative methods, the study finds that microfinance positively impacts empowerment, with variations across these dimensions. Correlation analysis shows significant relationships between empowerment and all five factors, with asset ownership having the strongest correlation. ANOVA confirms that these factors collectively influence empowerment. However, regression analysis reveals that while income, education, decision-making power, and family support significantly affect empowerment, asset ownership contributes indirectly. The study highlights microfinance's crucial role in empowering women in rural Nepal.

(Keywords: *Women's Empowerment, Microfinance, Nepal, Income, Education, Decision-Making Power, Family Support, Asset Ownership, Quantitative Analysis.*)

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The process of empowering women involves bolstering them as individuals and as communities in spheres such as gender, education, politics, social work, spirituality, and the economics. Women's empowerment is greatly influenced by age, social status (class and caste), degree of education, place of residence (rural vs. urban), and other variables. Women's empowerment is the goal of national, state, and municipal policy in a few sectors, such as health, education, employment opportunities, gender-based violence, and political participation. However, how policies are promoted and what is really done at the community level differ greatly.

There are a lot of issues that women face today. In most parts of Nepal, women are not receiving the same level of education as males. They were not educated when they were married and are dependent on the man for their income. Women face discrimination in society. Women do not feel safe in their homes or in society. Most women experience domestic abuse. The ladies in rural areas are not receiving sufficient treatment because of a lack of financial resources. Gender relations are important in the creation of policies when considering women's empowerment in the context of microfinance. The discrimination faced by women is a result of societal standards and cultural ideals. Numerous studies have demonstrated that the social, cultural, and economic factors are mostly responsible for the advancement of women. The power for women to direct their own destinies is what constitutes empowerment. An empowered woman needs to be equally capable in terms of her health, education, and access to resources and decision-making possibilities. Empowerment of women simply means to make individual think, act and do work independently. The independent woman can control one's destiny.

The process of improving the economic, social, and political standing of traditionally underprivileged women in society is known as "empowerment of women." It involves protecting children from all types of aggression. Women's empowerment means creating a political and social climate in which they can live freely from the

oppression, exploitation, discrimination, and overall sense of persecution that comes with being a woman in a society that has historically been dominated by men.

Empowering women is the process of giving them more power. There are various ways to define empowerment, however when discussing women's empowerment, recognizing and including those (women) who are not involved in decision-making is key.

It is only via the process of redefining gender roles that women are allowed to choose among recognized possibilities; otherwise, they would not have the ability to do so. The phrases "micro" and "finance," which translate to "small loan" are the roots of the word microfinance. Small business owners and entrepreneurs can obtain capital through microfinance, often known as microcredit. Microfinance is a subset of financial services aimed at providing small enterprises and individuals without access to traditional banking and associated services. Microfinance services are meant to assist excluded clients, typically lower socioeconomic groups, in becoming self-sufficient. These clients may also be stigmatized or live in more remote areas. In the new economy, microfinance is becoming a potent tool for reducing poverty. A group of banking procedures known as "microfinance" are centered on making small loans usually without collateral and taking small deposits. Providing a full range of financial services, microfinance aims to improve the standard of living for low-income, marginalized, oppressed, and disadvantaged individuals. This method of economic development gives low-income and jobless clients access to credit in groups. Providing financial services to underprivileged individuals living in isolated locations without access to contemporary physical infrastructure is the aim of microfinance. In people's financial lives, microfinance can come from two sources: formal and informal. In 1994, a Nepal Rastra Bank survey found that just 20% of rural households had access to formal credit, with the remainder households having to rely on informal credit. More rural development banks and INGOs that offer credit are desperately needed to meet the demand for microfinance. It naturally contributes significantly to the eradication of poverty and strengthens the empowerment of the impoverished. Microfinance enables people to improve their capacity and hone their knowledge and abilities. Expanding the scope of economic endeavors and raising

income levels is made possible by microfinance. Consequently, microfinance has become a viable means of delivering social benefit to both consumers and society at large.

Microfinance is concerned with providing loans, savings accounts, and other essential financial services to low-income individuals. The underprivileged require working capital loans, consumer credit, insurance, savings, pensions, and formal financial transfer services, among other financial services. Unofficial credit, which is provided by unofficial commercial and non-commercial money lenders and typically comes at a very high cost to borrowers, is the primary means by which the impoverished satisfy their need for financial services. Savings services are also accessible through a range of unofficial connections such as mutual insurance societies, rotating savings and credit associations, and saving clubs which frequently serve the impoverished with unstable and unpredictable financial services. The needs of the impoverished cannot be met by these programs alone. This covers services provided by commercial and state banks, wire services post offices, insurance and credit card firms, non-profit, donor-supported Non-Government Organizations (NGOs), and others. However, lessons learned in the 1980s and 1990s have demonstrated that the impoverished are creditworthy, sincere, and able to repay loans, as well as willing and able to pay interest rates that cover the expenses of making such loans.

Tarakeshwor Municipality

Area of the study: An area of the study refers to the area in which the research was conducted. The reason for choosing to study is because majorities are women.

Tarakeshwor Municipality is a local government of Nepal which has been named after one of the famous religious heritages ‘Tarakeshwor Mahadev’ Temple of Nepal. Tarakeshwor Municipality in Kathmandu District of the Bagmati Province of Nepal was established on 2 December 2014 by merging the former village development committees Dharmasthali, Futung, Goldhunga, Jitpurphedi, Kavresthali, Manamaiju and Sangla. It covers the total area of 34.9 square kilometers with the total population of 151,479 according to the census of 2021 of Nepal. The major ethnic groups who

reside here are Newar, Bahun, Chhetri, Tamang and Magar. The municipality is popular due to its natural beauty and religious and spiritual places.

1.2 Problem Statement

Women in Nepal, particularly in rural and marginalized communities, face numerous socio-economic challenges, including limited access to education, employment, and financial resources. These barriers hinder their ability to achieve self-reliance and contribute fully to the economy. Microfinance has emerged as a powerful tool globally to promote financial inclusion and empower women by providing them access to credit, savings, and entrepreneurial opportunities.

Despite the proliferation of microfinance institutions in Nepal, the effectiveness of microfinance programs in achieving genuine empowerment for women remains underexplored. Key challenges include cultural constraints, lack of financial literacy, and the sustainability of women-led businesses. Furthermore, while there are anecdotal success stories, there is limited empirical evidence on the long-term impact of microfinance on women's income level, education level, decision-making power, and overall quality of life.

This study seeks to investigate whether microfinance initiatives in Nepal have been successful in empowering women economically. By identifying the strengths and weaknesses of current programs, this research aims to provide insights into how microfinance can be optimized to achieve sustainable and transformative empowerment for women.

To understand the nature and extent of women empowerment, the research intends answering the following question:

- How can woman be empowered through microfinance?
- What is the relationship of education level, income level, family support, decision-making power and owner of assets with woman empowerment?
- How does microfinance impact on women empowerment?

1.3 Objectives of the Study

The major objectives of the study are as follows:

- To assess women's empowerment through microfinance in Nepal.
- To examine the relationship between income level, education level, family support, owner of assets and decision-making power with woman empowerment.
- To analyze the impacts of microfinance on women empowerment.

1.4. Hypothesis

This study has used five indicators for measuring women empowerment. The selected indicators for measuring women empowerment are income level, education level, family support, owner of the assets and decision-making power. The following hypothesis is proposed for the study:

H1 = Income level has a significant relationship with economic empowerment among female respondents.

H2 = Education level has significant relationship on economic empowerment among female respondents.

H3 = Family support has significant relationship on economic empowerment among female respondents.

H4 = Decision-making power has a significant relationship with economic empowerment among female respondents.

H5 = Owner of assets has a significant relationship with economic empowerment among female respondents.

1.5 Rationale of the Study

Nepali society is characterized by a huge ethnic, linguistic and religious diversity that makes the identity of women particularly complex. Gender-based discrimination and violence are still widespread despite improvements in recent years, especially in primary education. Most of the people of this country suffered from poverty. Specially, rural women are more victim of this problem. So, women are searching to escape from the problems and microfinance is the only one way to solve the women's problem.

So, the present study focuses up on the role of microfinance in women empowerment. The study is based upon Tarakeshwor Municipality of Kathmandu district of Bagmati Province.

Teachers and students used this study as a source of reference. Since microfinance is an intervention pertaining to women's empowerment status, this study focuses on the influence that it has on member beneficiaries' lives. Microfinance organizations consciously view microfinance as a weapon in the struggle for women's independence and rights. Thus, to maintain their financial viability, a growing number of microfinance organizations give preference to their female members since they think they are better and more trustworthy borrowers.

The findings of this study will assist policy makers, the government, and financial intermediaries in understanding how microfinance contributes to the empowerment of women. In addition, proponents of women's empowerment could use the results to support their argument for expanded lending options for women to expand their enterprises. To increase efficiency and provide value-added financial services, various stakeholders may find the study useful in assessing their lending practices about women.

Researchers, the government and its agencies, academics, and the management of microfinance can all benefit from this research to conduct more studies. It has the potential to enhance women's living standards and encourage their involvement in revenue-generating economic endeavors. The study's data will also serve as the foundation for writing for other researchers who wish to do investigations in the same area.

1.6. Limitations of the Study

The study has following limitations:

- The study is focused on woman empowerment through microfinance in Nepal.
- This study is based on primary data.
- Tarakeshwor Municipality of Kathmandu Valley is taken for the study.

CHAPTER – II

LITERATURE REVIEW

The majority of the second chapter is devoted to a review of the literature, which includes a discussion of the concept of microfinance in Nepal and its relationship to studies on poverty reduction. The concept of microfinance, its goal, microfinance in Nepal, microfinance policy, models of microfinance, woman empowerment and a review of related studies, articles, thesis, and research gaps are the main topics of this chapter. It also includes the theoretical background, in addition.

2.1. Theoretical Review

2.1.1. Concept of Microfinance

Microfinance refers to the provision of financial services, including small loans (microcredit), savings accounts, insurance, and other financial products, to low-income individuals or groups who lack access to traditional banking services. The primary objective of microfinance is to alleviate poverty, promote financial inclusion, and empower marginalized populations, particularly women, by enabling them to engage in income-generating activities and improve their socio-economic status.

Microfinance operates on the principle of providing "credit for the unbankable," allowing people with no collateral or formal credit history to access funds. It often employs group-lending mechanisms, where borrowers form small groups that collectively guarantee loan repayment, reducing the risk for lenders, Yunus (2007). This group-based approach fosters peer accountability and community solidarity.

The roots of microfinance can be traced back to the 1970s when Dr. Muhammad Yunus founded the Grameen Bank in Bangladesh. The Grameen Bank model emphasized providing small, collateral-free loans to women, recognizing their potential to drive household welfare and community development. This approach challenged the conventional belief that poor individuals are high-risk borrowers, Yunus (2007) and Morduch (1999).

Microfinance institutions (MFIs) vary in structure and scale, ranging from non-governmental organizations (NGOs) to regulated financial entities. They not only provide credit but also offer capacity-building programs, such as financial literacy and business training, to enhance the effectiveness of loans and ensure the sustainability of enterprises, Ledgerwood (1999).

While microfinance has been widely celebrated as a tool for poverty alleviation and empowerment, its effectiveness remains debated. Critics argue that high-interest rates, over-indebtedness, and the lack of long-term sustainability for borrowers' businesses can undermine its impact (Bateman, 2010; Banerjee, 2015).

2.1.2. Operating Principles of Microfinance

There are 9 key operating principles of microfinance according to United Nations Capital Development Fund (UNCDF) as follows.

- a) Understanding the market. Successful microfinance understands its market and designs products that best serve its clients. This requires listening to the customers and recognizing limitations on the supply side.
- b) Streamlined the operation the cost of lending is keeping in line with small size loans. It helps with the efficient use of staff and other resources to keep costs low. Streamlined operation also contributes to working with external financial players in the market.
- c) Informal practices such as collateral substitute, simple and rapid lending procedure, offering friendly and professional services and operating from convenient location helps manage risk, motivate repayment and lower administrative cost.
- d) Repayment incentive the ability to get another loan when it is needed is a powerful incentive for clients to repay current loans. In addition, other incentive packages can be introduced. But care should be taken that the incentive package should not affect the financial discipline at any cost.
- e) Savings services quality savings services are secure convenient, offer competitive returns and not be limited to borrowers. Savings should be integral part of the microfinance program. For the ultra-poor savings are more important than credit.
- f) Viability and growth the successful MFIs create business environment where all staff members are focused on productivity, efficiency and financial viability. These

qualities should prevail in the entire system governance, management and staff. The operating cost of the program should be covered by operating income. This is necessary for sustainable operation. In addition, profit is necessary for growth.

g) No delinquency tolerated successful MFIs don't tolerate delinquency. Delinquent clients add cost, erode capital and stress operation. By implementing and enforcing a strict no tolerance policy regarding delinquency, MFIs operates can create a position for success.

h) Sustainable interest rate experience shows that the poor are willing to pay for convenient and access to quality services. To be sustainable MFIs must set interest rate enough to cover operating cost including staff cost, office operating cost, fund cost, loan loss provision and cost of adjustment due to inflation.

i) Linkage to financial market to support and maintain significant activities MFIs leverage resources from commercial markets. Using equity or donor grants, MFIs can borrow large sums to serve a large client base. There should be linkage to the financial market for resource management which includes both borrowings when needed and investment when fund is surplus in the organization. This will ensure resources when needed and mobilize the fund effectively (UNCDF, Annual report 2016).

2.1.3. Microfinance Policy 2008

Government of Nepal announced National Microfinance Policy 2064 on May 4, 2008, and prior to that there was no formal policy as such. But informally government and Nepal Rastra Bank used to have various policies that govern microfinance operation such as DSL promoting MF by government itself by way of establishing Grameen Bank or emphasis on co-operative development etc.

2.1.3.1. Microfinance in Nepal

Microfinance is a financial service aimed at low-income individuals or at those who do not have direct access to typical banking services. Microfinance encompasses the number of financial services like micro-credit, micro-lending, micro-insurance, savings and money transfer among others. A microfinance institution (MFI) provides financial services to the communities who cannot offer collateral against the loans they take but have skills and desire to undertake economic activities for generating

income and self-employment. MFIs range from small non-profit organizations to commercial banks. Based on the concept that access to financial services can help elevate low-income individuals out of poverty, microfinance programs are implemented in Nepal with a strong rural alignment, especially aiming at the poor. Microfinance has emerged as a powerful tool for fostering financial inclusion and poverty alleviation in Nepal. Despite facing challenges, MFIs continue to play a vital role in empowering communities, especially women and marginalized groups. With strategic interventions and collaborative efforts, microfinance can contribute significantly to Nepal's journey towards economic prosperity and social equity.

Various microfinance models operate in the country, broadly categorized as formal and semi-formal. Formal models include institutions like Grameen Banks, Private Microfinance Development Banks (MFDBs), and Wholesale Lending Banks (such as Rural Microfinance Development Centre, Small Farmer Development Bank, Rural Self Reliance Fund). Semi-formal models comprise entities like Inclusive Microfinance NGOs (FINGOs), Savings and Credit Cooperatives (SACCOs), Small Farmers Cooperative Limited (SFCLs), and National Cooperative Bank (NCB).

For instance, the Grameen Model, adapted from Bangladesh, has been replicated in Nepal by several institutions like Nirdhan Bikas Bank, Swabalamban Bikas Bank, Deprosc Bikas Bank, Chimmek Bikas Bank, Nerude Bikas Bank, and Mahila Cooperative, among others. This model involves selecting districts based on poverty levels, conducting feasibility studies for VDCs selection, organizing orientation programs, forming informal groups, providing compulsory group training, and holding regular center meetings for financial services delivery.

Another model is the Small Farmers Co-operative Ltd. Model (SFCLs), which originated from the Small Farmers Development Project (SFDP) implemented by the Agriculture Development Bank, Nepal (ADB/N). SFDP evolved into SFCLs managed by its clients, with the establishment of the Small Farmers Development Bank (SFDB) providing wholesale loans. SFCLs operate through community-level solidarity groups, ward-level inter-groups, and VDC-level main committees. Loans

are usually secured with physical collateral, although group guarantees may suffice in some cases.

Overall, these models vary in their operational procedures, target clientele, interest rates, and collateral requirements, contributing to the diversity within the microfinance sector in Nepal.

2.1.4. Models of Microfinance

Various microfinance institutions in the world have adopted different credit lending models. In Nepal, microfinance plays a crucial role in providing financial services to low-income individuals and communities, empowering them economically and socially. Various models of microfinance have been implemented to address the diverse needs of the population across different regions and demographics. Some of the various models of microfinance are given below:

2.1.4.1. The Grameen Model

The Grameen Model, pioneered by Professor Muhammad Yunus in Bangladesh, focuses on providing loans to women from low-income backgrounds. Under this model, bank managers and staff visit villages to educate locals about the bank's objectives and operations. Initially, two out of five group members receive loans, and their adherence to the bank's rules is closely monitored for a month. The remaining group members can access loans only after the first two borrowers repay their loans with interest within fifty weeks, encouraging accountability and maintaining clear individual records. Collateral on the loan is served by the collective responsibility of the group.

2.1.4.2. Small Farmer Cooperative Limited Model

Agriculture Development Bank of Nepal had launched Small Farmer Development Program for two decades with the support of the Government of Nepal and Asian Development Bank for the upliftment of the small farmers. In this model a group of small farmers is chosen as an institutional framework of the small farmer development program for making self-help cooperatives for the small farmers. SFCL has significant contribution to motivate the poor farmers, woman and underprivileged

people in community development and socio-economic activities through the group level financial activities. It has an open-door membership policy for farmers.

2.1.4.3. FINGO Model

FINGO model is the latest form of development in microfinance in terms of financial intermediary process. In this model, the NGOs disburse loans for microfinance on a group basis. The interest rate ranges between 18 to 25 percent per annum and the repayment system of NGOs in microfinance is on a very short-term periodic basis i.e. weekly, fortnightly and monthly.

2.1.4.4. Priority Sector and Deprived Sector Credit Model

This model was introduced in early 1974 mandatory credit requirements as put forward by the NRB in agriculture, cottage industry and service sector. There are two types of provision in this program, direct and indirect financing. Under the direct one, commercial bank provides loans directly to the beneficiary as retail lending while under indirect, commercial bank acts as a wholesaler micro-financer and the loan funds are channeled through MFL.

2.1.4.5. Saving and Credit Co-operatives (SACCOs) Model

This model originated in the early 1950s. It is a member-based organization registered with the goal of fostering self-help development among its members. Nepal has many SACCOs, which operate under the Co-operative Act of 1998. However, due to the lack of a proper regulatory framework and clear supervision, financial cooperatives struggle to build trust.

2.1.4.6. Donor (Project) Based Micro Financing Model

There were six donor-funded programs under this model, but all have been phased out. Some of these projects included Production Credit for Rural Women and the Micro-credit Project for Women. These initiatives aimed to reduce poverty and provide microcredit to targeted groups.

2.1.4.7. Wholesale Micro-Financing Model

Wholesale micro-financing in Nepal was introduced in the 1990s with the establishment of the Rural Self-Reliance Fund in 1991. Later, the Rural Micro Credit Development Centre (RMDC) was created in 2000 to address the wholesale credit needs of microfinance institutions (MFIs) and support capacity building for the clients of partner organizations. In 2002, another wholesaling microfinance institution, Sana Kisan Bikas Bank (SKBB), was established, followed by the National Cooperative Development Bank in 2003, both set up by Nepal Rastra Bank.

2.1.5. Women Empowerment

Empowerment involves measures aimed at enhancing the autonomy and self-determination of individuals and communities, enabling them to advocate for their interests. (Gita Sen and Caren Grown,1987) describe women's empowerment as the transformation of subordinate structures, which includes changes in laws, civil order, property and inheritance rights, control over women's bodies and labor, and social and legal institutions that perpetuate male dominance. They emphasize the need for resources (such as finance, knowledge, and technology), skill training, leadership, democratic processes, dialogue, policy participation, decision-making involvement, and conflict resolution techniques for true empowerment. Empowerment should foster capacity building, personal enrichment, leadership development, entrepreneurship, and global exposure.

However, as Gowrinathan (2019) notes, many efforts to empower women fail to address the underlying political grievances that contribute to their unequal status. She argues that the term “empowerment” has, in many ways, lost its original vigor and allure, becoming a broad term for development strategies that often do not provide concrete solutions for women. Gowrinathan calls for a reevaluation of current empowerment programs to allow women to address their own inequalities.

According to the American Express (2017) State of Women-Owned Businesses Report, women owned 39% of all privately held US firms, yet these businesses accounted for only 4.2% of revenues. These statistics highlight the need to reevaluate support for female entrepreneurs. Giriappa (1997) examined women's empowerment

in relation to discrimination levels and decision-making effectiveness in various rural enterprises. He found that female-headed households were effective in making decisions about work mobility, schooling, healthcare, asset creation, employment generation, and social participation, particularly in low social status households. However, while informal empowerment was widespread among women earners, their decisions often faced varying degrees of male discrimination. Empowerment is the ability of women to make strategic life choices that were previously denied to them Sevefjord & Olsson (2000).

In the study "Microfinance and the Empowerment of Women: A Review of the Key Issues," Mayoux (2000) describes empowerment in terms of power as "a multidimensional and interlinked process of change in power relations." The study identifies four types of power:

'Power within', which enables women to articulate their own aspirations and strategies for change.

'Power to', which equips women with the necessary skills and resources to achieve their goals.

'Power with', which allows women to identify and pursue their collective interests, organize themselves, and collaborate with other women's and men's organizations for change.

'Power over', which addresses the fundamental inequalities in power and resources that limit women's aspirations and their ability to achieve them.

The study concludes that these power dynamics operate across various spheres of life—economic, social, and political—at different levels, including individual, household, community, market, and institutional levels.

Nepal is the least development country. Most of the population of Nepal lives in rural area. But on the contrary all sorts of facilities are focused on urban areas. Banking facilities are focused on those urban areas. In this context microfinance services are important tools for the development of rural areas. Because banking facilities are limited to urban areas, people from rural areas do not have access to those facilities. Many small entrepreneurs are suffering from insufficient capital. They have not

enough credit facilities. There is not any institution for saving their small amount which they can save from their monthly expenditure. Microfinance is the solution to fulfil those lacking. Many microfinance companies are providing their services to rural people. They are conducting different activities like saving collection, providing short term loan and others conducting social activities which help to change their lifestyle. Microfinance programs encourage regular saving that helps to create capital.

This study concerns microfinance companies that how far those microfinance companies are important to improve the living standard of municipal people. What is the role of Microfinance Company to empower women of municipality? Is there any significant change to the people of urban area? This study analyzed the impact of microfinance companies on urban people. This study is helpful to ascertain the effectiveness of Microfinance Company in developing country like Nepal.

Women too have a right to freedom from want, freedom from fear and freedom to live in dignity as their male counterparts do. Yet the position has always been a subordinate one. Gender discrimination continues even in present times. Though the number of working women is increasing, there are certain fields in which the entry of women is still barred. In every walk of life women were and still marginalized and of lower than status than men. Hence this problem of subordination and marginalization of women needs a solution. The empowerment of women is one of the solutions to the problems of inequality, subordination and marginalization that women face in the society.

Empowerment helps to reduce domestic violence and is essential for the achievement of sustainable development. Women's abilities, knowledge and coping mechanism are recognized through empowerment. Hence women empowerment has become vital in the society, especially in Nepal. The main reasons for women empowerment are:

- a) Decision making power
- b) Freedom of movement
- c) Access to education
- d) Access to employment
- e) Exposure to media

- f) Elimination of domestic violence
- g) Secure dignity
- h) Ways to empower women:
- i) Changes in women's mobility and social interaction
- j) Changes in women's labor pattern
- k) Changes in women's control over decision making
- l) Providing education
- m) Self-employment and self-help group
- n) Providing minimum needs like nutrition, health and sanitation
- o) Other than this, society should change the mentality towards the word women
- p) Encouraging women to develop in their fields they are good at and make a career.

According to the census of 2011, 33% of people are under the poverty line and 73.3% depend on the agriculture sector. In that situation, the banks and financial organizations cannot reach the rural area, lack of the accessibility of the banks, financial agencies, rural people cannot utilize their self-skills, capacity, labor in productive and better way. Social norms and family structure in developing countries like Nepal manifests and perpetuate the subordinate status of women. One of the norms is the continuing preference for a son over the birth of a girl child which is present in almost all societies and communities. The societies are more biased in favor of male child in respect of education, nutrition and other opportunities. Poverty is the reality of life for the vast majority women in Nepal. There are several challenges that are plaguing the issues of women's right in Nepal. Targeting these issues will directly benefit the empowerment of women in Nepal.

- a) Education: It is said that if a woman is educated and empowered, the entire family and society will be developed. Female education has been neglected in our country since earliest days. According to recent reports, the Nepal living standards survey 2010-11(NLSS-III) the literacy rate of male is 71.6 % and women literacy rate is 44.5%. This shows that there is still a belief among Nepalese people that girls are limited to go to school.
- b) Poverty: poverty is considered the greatest threat to peace in the world. Due to poverty women are exploited as domestic helps.

- c) Health and Safety: The health and Safety concern of women are paramount for the well-being of a country and is important factor in gauging the empowerment of women in a country.
- d) Professional inequality: This inequality is practice in employment and promotions. Women face countless handicaps in male customized and dominated environment in government offices and private enterprises.
- e) Household inequality: burden of housework childcare and menial works are done by female in Nepal.
- f) Cultural barriers: One of the major issues of women empowerment in Nepal are cultural barriers. Cultural barriers include discrimination among women and girls.
- g) Traditional mindset: Still in this 21st century majority of people living in rural areas of Nepal think that educating a girl is a waste of money and time as they are meant to get married and carry the responsibility of taking care of a household work for her entire life. It is précised that the son is the main responsible to do the funeral activities of their parents and they would go to heaven. And the birth of baby girl is supposed as the result doing sinful activities in previous life. So, this traditional mindset still exists in society.
- h) Patriarchy: Patriarchy is another challenge to women empowerment in Nepal. Apart from the lack of participation of men in empowerment of women, Nepal is suffering from another disease called “Misogyny”. It means women having a feeling of hatred or biasness towards other women. Misogyny is also a reason that has supported patriarchy and its never-ending effects in women’s life. It is the unwillingness of women to accept that they are being discriminated and need to free themselves from unreasonable suffering they are going through that leads them to support and continue the culture of being oppressed by men forever and to pull other women into the trap. In a situation where women themselves have accepted this level of oppression as their reality, the only way to save them is to lift them let them know that they too have the right to exist in society as equals to men, get good education and be what they want.
- i) The legal status of women: Women are also not given equal citizenship rights. The new constitution which was brought on the way in 2015 and widely

celebrated as progressive fails to give women the right to pass on nationality to their children by birth right. Men, on the other hand, do have this privilege. This leads to the fact that, already now, 4.8 million people in Nepal are stateless and are denied many basic rights. They are unable to get accepted in society, find employment and secure their children's future, which certainly is a major cause of suffering.

- j) **Mobility and Visibility:** Women should be able to move freely outside their homes to engage in economic activities, without the feeling of any risk, intimidation, threats, or violence from their family members or from outsiders at any time.

Visibility of women in women's empowerment is of great importance. Visibility of women in the constitution, laws, plans, policies, and programs are also crucial. Women are generally invisible in the constitution and all national to local plans, policies and programs.

2.1.6. Microfinance and Women Empowerment

Microfinance is the provision of financial services to traditionally excluded people with low income and lack of access to banking and other related services. Serving impoverished population suffering from multiplicity of exclusion, poverty, lack of opportunities is motto of microfinance services, Muhammad (2005). Microfinance is regarded as a powerful tool to fight against poverty and underdevelopment. Its "fundamental essence is to provide financial services to the poor population at the time of their need, at their own place and convenient condition, Kabeer (2008). Until the 1970s the state was a unanimous institutional player to design and implement development programs. The rural credit programs funded by donor agencies and the government institutions were the major provision of financial services. In the field of development microfinance began in the 1970s.

In 1976, the well-known Grameen Bank model developed by Nobel Peace Prize Laureate Muhammad Yunus is the basis for microfinance development. Successful mobilization of small loans and savings services by Grameen Bank (Village Bank) in 1980s took the turning point in the history of Microfinance, Robinson (2001). From

early 1990s the failure of centrally planned development intervention led to a shift in international development ideology with the understanding that the poverty could not respond by growth oriented trickle down approach of development, Baruah (2010).

980). The bottom-up approach alternative to state led development intervention took place envisioning the viable representatives to expand the role of civil societies and NGOs to reduce the poverty among the poorest, Thomas and Sinha (2009). This is because they are less bureaucratic, closer to their targeted people and less conservative. The face-to-face interaction between NGOs and grass root people assists to promote innovative participation of the people suffering from poverty and lack of access to banks and other financial institutions, Baruah (2010). Scholars viewing microfinance as effective tools to poverty reduction and women empowerment present several reasons why microfinance programs focus to the women. Firstly, women are the poorest of the poor. According to the Human Development report (2014) more than 1.3 billion people in the world live on less than \$1 per day, 70% are women.

Women in developing countries, particularly in rural areas lack access to banks and other financial institutions. Both men and women are poor, but women are poorer than men due to the patriarchal social structure, Mayoux (2007). In patriarchal social structural women are denied of basic human rights, social, economic, educational opportunities that force them to live in subordination. Serving people suffering from social exclusion, poverty and lack of opportunities is the motto of microfinance programs, Muhammad (2010). Therefore, microfinance programs prioritize women's access to economic activities. Similarly, women's spending pattern is also another reason why micro credit programs target to women. Cheston and Kuhn (2012) argue that women spend a large portion of their income on their households. The increased access to income generating activities results in more spending for family welfare. Specifically, they tend to invest additional earning for tend to invest additional earning for food, family health and nutrition, and in education of their children. Unlike other financial institutions microfinance institutions offer collateral free loans which encourage them to participate. Because, due to traditional patriarchal social norms and value, women in developing countries, particularly in rural area are

restricted to ownership of property. Efficiency and sustainability are another reason microfinance targeting to the women. Women are often proved to be good savers, cooperative and better repayment, Mayox (2007). Moreover, women are more willing to work in group. They form groups for the purpose of a credit program that decreases the delivery cost of making their group more sustainable. Similarly, women subordination in household is due to their financial dependency on male members of the family. Women's financial contribution to their families boosts their agency that ultimately decreases household abuses that make them feel sense of power within themselves, Kabeer (1998).

Small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from microfinance because it gives them an independent means of generating wealth and becoming self-reliant in a society that does not offer them much scope for entrepreneurship. And since it is women who run household, a higher standard of living for women ensures better governance and a healthier and more prosperous future for the children and a better future for the nation. The success of micro credit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. Various case studies show that there is a positive correlation between credit availability and women's empowerment. It is observed that majority of rural women who are associated with the self-help group activity positively succeeded to gain themselves empowered.

Women in rural Nepal lived in virtual isolation, unable to access even basic of services. But, with the formation of women's self-help groups, these women are now achieving social and physical mobility. Microfinance programs are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment.

Microfinance programs not only give women and men access to savings and credit but reach millions of people worldwide bringing them together regularly in organized groups. Majority of microfinance programs focus women with a view to empower them. There are varying underlying motivations for pursuing women empowerment.

Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. A more feminist point of view stresses that an increased access to financial services represent an opening opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women`s right and independence. Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

2.1.7. Psychological Empowerment, Economic Empowerment and Social Empowerment

Women empowerment has been a major thrust of the development initiatives of the time. A great deal of time and effort has been spent on economic empowerment ignoring women as persons and the necessity for their psychological empowerment. Psychological empowerment is considered in recent studies sometimes as personal empowerment built on control over oneself and the situations one lives in. Women empowerment programs, especially self-help groups, have been designed in developing countries as a means for women empowerment. This article attempts to conceptualize the idea of psychological empowerment of women, through women empowerment programs. Though psychological empowerment of women depends on power within, power with, power over and power to resources in living situations, it is more of a personal one in nature. The authors attempt to sketch psychological empowerment as a construct that integrates self-esteem, self-efficacy, and self-determination that is expressed in psychological well-being and happiness, which is pivotal to psychological empowerment of women. It is manifested in a proactive approach to life and a critical understanding of the socio-political environment of women.

Economic empowerment is thought to allow poor people to think beyond immediate daily survival and to exercise greater control over both their resources and life choices. There is also some evidence that economic empowerment can strengthen vulnerable groups` participation in the decision- making. The literature on economic empowerment is vast, and a large part of this focuses on the economic empowerment

of women – a key strategy in addressing gender inequality. More generally, the discourse on economic empowerment centers around four broad areas: a) the promotion of the assets of poor people; b) transformative forms of social protection; c) microfinance; and d) skills training Eyben, R., Kabeer, N. and Cornwall, A. (2008), whereas social empowerment is understood as the process of developing a sense of autonomy and self-confidence, and acting individually and collectively to change social relationships.

2.1.8. Microfinance and Socio-Economic Empowerment: The woman dimension

A considerable number of studies have been conducted, highlighting the role of microfinance on Socio-Economic Empowerment in the India context. Research conducted by Juliet Hunt and Nalini Kasynathan (2002), suggests that equity and efficiency arguments for targeting credit to women remain powerful: the whole family is more likely to benefit from credit targeted to women, where they control income, than when it is targeted to men. The study findings indicate that only a minority of women receiving credit from poverty-oriented microfinance programs are controlling their loans. Individual or personal factors which appear to increase the likelihood of a woman controlling her loan and the income generated from it are: absence of a husband (due to death, abandonment or long-term migration); and use of the loan for a ‘traditional’ female activity, particularly where the woman is able to market her goods from home (such as paddy husking, sewing, selling milk or chicks). One of the key factors which constrain women in Bangladesh and India from taking control of loan use and profit is lack of access to the market for the purchase of inputs and for the sale of goods, particularly for non-traditional income-generating enterprises.

A similar study by Nathalie Holvoet (2005) observed that decision making patterns have not been uniform for different areas of decision making. Data from her South Indian survey suggest that the way in which direct bank–borrower minimal credit enters the household, it is not very relevant for decision-making patterns. Women gain a higher stake in matters directly related to the loan use, but they are not able to translate this into a more substantial involvement in other domains of household decision-making. Kamal Gupta and P Princy Yesudian (2006) used four indices

developed by the data set based on DHS survey98-99 on women empowerment to analyze the spatial and socio economic and cultural disparities that exist within India. The study highlights significant divergence in these indices of women empowerment across the different states and socio economic and cultural settings within India

Women's education level has emerged as the important predictor for all dimensions of women empowerment whereas media and age have emerged as the important predictors for some dimensions of women empowerment.

Jyotish Prakash Basu (2016) examined how a women's tendency to invest in safer investment projects can be linked to her desire to raise her bargaining position, through her study in the Hooghly district of West Bengal. The empowerment dimensions used in the study were economic decision making, purchasing capacity, control over loans, control over income and savings and family planning. The findings revealed that the empowerment of women was established in weak form using the above indicators. It also states that empowerment depends on the choice of investment project and choice of safe project leads to more empowerment of women.

2.1.8. Status of Women empowerment in Nepal

The status of Nepalese women, particularly in rural areas lags far behind of men. The socio-cultural values are derived from patriarchy which is strongly biased against daughter means that daughters do not have equal opportunities to achieve development,

Mahat (2003), Despite increasing efforts from the government of Nepal, national and international non-governmental organizations, situation of women is characterized by low level of access to economic, social and political, education and healthcare opportunities.

According to ICIMOD working Paper (2009), the overall situation of women in Nepal has improved over the past decades. Though, women's role as primary actor have always been invisible in the development particularly of rural areas, Nepal has made considerable improvement in the overall literacy rate for women in the last decades, however there is still huge differences between male and female literacy

rate. According to the Nepal Living Standard Survey 2010/2011, out of total adult female population only 45% is literate, compared to 76% of the national adult population. This figure is even worse in rural areas with only 39% of adult rural female population is literate, compared to 67% of male. Similarly, Nepal has made considerable in promoting gender equality and women's political participation. Provision of quota in Constitution of Nepal, 2015 as well as adaptation of women's right focused national and international instruments are some of the efforts indicating the positive steps³. According to Election Commission of Nepal (2015) women's representation of in legislative body, the constitution assembly elected in 2008 and 2013 was at 33% and 29% respectively. However, despite various steps, women are continuously facing barriers to equal and meaningful civic and political participation. Specifically in rural areas, women's meaningful participation in community activities is still limited. There is significant disparity on women's status across different population sub-groups based on the factors such as caste and ethnicity, geographical location, and the poverty level. Women from vulnerable social groups including poor and socially marginalized, those in western hills and mountain and some parts of Terai have been facing multiple constrains on accessing opportunities (ICIMOD, 2014:12). Young women in upper hills and mountain regions spend more hours in heavy works than males. According to UNDP Nepal Human Development Report (2015) women in the mid-western and far western hill regions compare to other regions in particular face various sociocultural challenges. The gender related development index in western, mid-western and far-western mountains is below 0.414 which is lowest than the national average 0.499, Tiwari (2015). In addition, patriarchal social structure, traditional cultural values and the remoteness of high hill mountains and hilly regions restrict the exposure of women to new system, ideas, laws and policies and attitudes. Since 1990, women participation in labor market is gradually increasing. A long effort of government, national and international non-government organizations has contributed to making women aware, organized and skilled. Asian-Pacific Human Development Report (2012) shows that 63.3% Nepalese women are participating in labor market which was 52.4% and 59.9% in 1990 and 2000 respectively. Now rural women are more mobile, and they can own enterprises, earning income and holding leadership positions within cooperatives and other community interest groups than ever before, ICIMOD (2014).

Therefore, such improvements to some extent have brought positive changes in the status of women particularly in the rural areas and these changes have been observed in areas such as income generation, enterprises, health, education, land ownership, as well as representation in community groups. However, agriculture is main source of livelihood for women in Nepal; about 70 per cent are employed in agriculture.

Particularly in rural areas where most of the economically active age male migrate in search of employment opportunities, women have become the backbone of rural economy providing most of the labor inputs, but they get less wages compare to men (Ibid). Though, women have crucial role in agriculture, they often lack control over decisions. Land is the main source of economic livelihood of rural women in Nepal, it also shows the status and power in the community. However, according to Nepal Living Standard Survey 2010/2011 only 10 per cent women have land ownership certificate, and this average less than 0.1 hector per holding.

Gendered inclusion is well-established in the social, political and economic framework of Nepal and has been defining feature of its historical development. But gender-based violence is widespread, particularly a serious issue in rural Nepal. Research carried out in 2008 in rural Nepal reveals that 81% women are victim of domestic violence (The Asia Foundation, 2015). Nepali women are vulnerable to both domestic violence and public violence. Women, particularly widow and women from backward and marginalized communities are subjected to severe physical, psychological and social discrimination. In this context, the government of Nepal, and other national and international voluntary organizations have been taking different initiatives such as Domestic Violence Act, Action plan against gendered based violence, advocacy, capacity building and awareness campaigns etc. to address women's suffering and improve their livelihood. But the cases of violence against women particularly in rural areas are reported frequently. Different studies show that women's poverty, as 70 per cent of world poor are women and their economic dependency on men is one of the major reasons of violence against them.

There are three different measurements to calculate the status of women- education, employment status, decision making power in the household activities. History

indicates that the status of women a century before was lower than that of men. But the present days, the social and economic position of women in Nepal are very much improved by various plans and programs working for their betterment. They have got major priority in various legal and social measures. Many women in the city have gained higher position in various fields, Cooper (2018).

But these opportunities are limited for those who live in rural areas. The reasons behind this are Nepalese socio-culture beliefs, rural poverty, and traditional barrier, lack of resources and realization. Moreover, literacy rate is a main factor among all the above reasons. In childhood, girls are considered as others property and the parents do not bother to invest money in their daughters. This is the reason the World Bank states that less than 50 % of adult women are literate in Nepal. Due to this reason, when grown up women are economically weak and are paid very low money when comes to unskilled job. They have the least participation in decision making as well. After marriage, most of the women only play a role of housewife and are expected to support their men by performing in-house activities properly so that men can perform outside of the house enthusiastically. Their ability to make communication with their husbands and family members indicates the freedom they have in decision making power.

The culture of Nepal is male oriented. The birth of a son brings happiness, prestige, identity and dignity to a mother where the birth of a daughter is considered a burden to the family. Even when they are expecting a child, they cannot visit the doctor without the permission of her husband, mother-in-law or the head of the family. This is one of the reasons that Nepal has one of the highest maternal mortality rates in South Asia estimating 40% of pregnancies are highly risky for both mother and unborn child, Matsumura & Bina (2017). Women in Nepal play significant role in the development of nation. They are multi-talented people with so many roles in society. They do contribute to the economy of the country no matter whether it is agriculture or small enterprise or labor, but their contribution is less accounted for to the GDP. Despite continuous effort, they do not play a major role in income generation. They are backward in terms of human rights. On the other hand, a woman in Nepal faces many challenges in their daily life. They face various forms of discriminations due to

family practices, patriarchy, inheritance and property ownership, early marriage, less access to health, education and violence against women, Sahayogee (2018).

2.1.9. History of Microfinance in Nepal

The history of formal microfinance in Nepal began during 1950s when the government established 13 credit cooperative societies to provide financial services to the flood affected people in Chitwan district. Microfinance has encouraged income generating activities among the rural entrepreneurs by providing small loan and saving facilities. It was acknowledged as an official poverty alleviation mechanism only in the country's Sixth Plan (1980/81-1984/85). To date, there are a total of 41 MFIs licensed by the central bank, 1.4 billion households are the beneficiaries with Rs. 60 billion and the recovery rate is over 95%.

The MIFs in Nepal begins at 1956 AD when the first 13 credit cooperatives were established The Rapti Valley of Chitwan district under the management of government and with the support of USAID (United States Agency for International Development) Nepal to provide credit to the flood-stricken people. Later in 1963, GON (the Government of Nepal) established the first cooperative banks which by the time converted into ADBN (the Agricultural Development Bank, Nepal). In 1974, NRB (Nepal Rastra Bank) -the central bank of Nepal made it compulsory to two commercial banks to invest of 5% of their total 24 deposits into the 'small sector'. These contributions were utilized in 1976 to the agriculture, cottage industries, and the service sectors known as 'priority sectors.' However, these contributions of least investment to the commercial banks are now increased to 12%, Sharma (2003). In 1975, ADBN conducted a program known as SFDP (Small Farmers' Development Program) to assist small farmers financially. This project avoided physical collateral for the very first time and brought an idea of group formation and group –based lending. This was a huge success for the government and expanded its roots to other parts of the nation. After 6 years of this project, in 1981, NRB lunched the IBP (Intensive banking Program) under which CBs were required to lend a certain percentage to the people of their priority sector and who are below poverty line as group-based lending without asking any physical collateral. In 1982, the GON initiated the first women-focused socio-economic program called PCRW (Production

Credit for Rural Women) collaborating with UNICEF (United Nations Children's Emergency Fund), NRB, CBs (Commercial Banks), and ADBN. This program was implemented in 55 districts and conducted to generate skills to the poor women by MLD (Ministry of Local Development) staff by involving them into small credit groups.

Another breakthrough performance by the GON and NRB in 1992 was to bring two institutions that follows GB (Grameen Bank) model that established in the east and the west. In ten years of the time, the sector developed into private GB-style banks, semi-formal institutions such as FINGOs (Financial Intermediary Non-Government Organizations), SACCOSs (Savings and Credit Cooperative Societies) and SFCLs (Small Farmer Cooperative Limited), as well as the proliferation of informal community-based organizations, self-help groups, and others (Nepal, 2013). In 1994, MLD commenced another project entitled 'Micro project for Women' under ADB financial assistance in 12 districts and five municipalities. It was under NGOs financial support. In 1990, GON also established RSRF (Rural Self-Reliance Fund)-a wholesale lending institution and funded Rs.10 million through fiscal year budget for two consecutive years. Another wholesale lending institution RMDC (Rural Microfinance Development Centre Limited) is established in 1998. Similarly, in 2000, CMF (Centre for Micro-finance) and SKBBL (Sana Kisan Bikas Bank Limited) started in 2001 started wholesale financing to SFCLs (Small Farmers Credit Cooperatives). In 2006, there were more formal financial service providers that came into existence. Nirdhan Utthan Bank Ltd., Chhimek Bikas Bank Ltd., and Swabalamban Bikas Bank are the top three Microfinance Institutions in the country.

2.1.10. Role of microfinance in women empowerment

According to UN Report (2000), Microfinance is a type of banking service which provides access to financial and non-financial services to low income or unemployed people. Microfinance is a powerful tool to self-empower the poor people especially women at world level and especially in developing countries. Microfinance activities can give them a means to climb out of poverty. From early 1970's women movement in number of countries has been increasing to alleviate poverty through microfinance programs.

Microfinance services led to women empowerment by positively influencing women's decision-making power at household level and their overall socioeconomic status. By the end of 2000, microfinance services had reached over 79318 million of the poorest of the world (women and men). As such microfinance has the potential to make a significant contribution to gender equality and promote sustainable livelihood and better working condition for women. (ILO Geneva report 2007).

Microfinance is further thought to promote women's empowerment as it is suggested that it will spark a chain of events leading to social change. Mayoux discusses the assumption that access to credit in various program styles leads to a "virtuous spiral" of "economic" empowerment, improved wellbeing and social/political/legal empowerment." It is assumed that once women have access to credit, they will themselves work towards empowerment in a knock-on effect, like that conceptualized by "feminist gender lobbies". Many MIFS claim that their work leads to social change potentially empowering women in their domestic and social spheres. There are many approaches used by microfinance programs, differing in detail, which can affect women's empowerment in different ways. According to Johnson, microfinance can take approaches that tackle gender inequality in its programs or can step back, providing minimal support, and putting responsibility on women to access credit. However, MIFs that provide support to women and focus on the restrictions they face have a higher chance of effecting positive change.

Nepal being the developing country has various problems regarding socio-economic aspect one of this very regard microfinance can become a beam of light. Microfinance has indeed help women entrepreneurs in education, which is a basis of empowering women, Poudel (2013). The various areas of Nepal are still underdeveloped so microcredit can help these sectors to raise their bound of opportunities, Kharel (2017). Women empowerment in Nepal is possible only if the income generations of women are raised, Khatiwada (2018). Microfinance in rural economy is source for raising the standard of living, KC and Anita (2018). Thus, microfinance can overcome the problem regarding gender inequality prevailing in Nepalese society, Karn (2018). The women empowerment is possible only if they are provided with the opportunities to run their business houses and industries. Female engagement in the corporate sector

provides the social and economic growth of women, Glass and Cook (2020). The growth of women is directly related with the enhancement of development of finance, Adhikari and Shrestha (2015). Women can be provided with the opportunities of start up through the microcredit in the beginning and slowly through training it can be enriched, Gnawali (2018). Nepal being the country where still start up are not achieving the expected place small enterprises run by women are doing well, Roy (2016). The women can be grown on socio-economic sector if provided with skill and training which is proven in case study done at Manamaiju VDC of Kathmandu Valley, Adhikari and Shrestha (2013). Literacy is main key for raising the empowerment of women and is more credible through microfinance, Ferdousi and Mahmud (2019).

In general terms, to facilitate the empowerment of women, MIFs should:

- a) Encourage microenterprise programs to develop specific strategies for recruiting women as clients from within their existing target groups.
- b) Encourage microenterprise programs to expand their target groups to include the sizes and types of enterprise activities in which women engage and /or experiment with assistance strategies, business and technical assistance needs of these types of enterprises.
- c) Consider expanding support to a broader range of organizations, especially poverty-focused organizations active in rural areas. Support for these organizations should include technical assistance and training in program planning, management and in developing teams of female staff to assist clients in business planning and management.

To increase women's access to credit, the MIFs should:

- a) Increase the availability of working capital
- b) Experiment with lending programs that do not require conventional forms of collateral
- c) Replicate and expand existing successful methodologies for delivering small working –capital loans
- d) Introduce saving mobilization components in the context of credit or other enterprise assistance programs

- e) Promote credit policies that are open to both small –scale enterprise activities and enterprises operating in trade, commerce and other small enterprise sectors where women have higher participation rates.

Rathirane (2017) aimed at finding the effect of microfinance on empowerment of women entrepreneurs in Sri Lanka. It is concluded that there is need to go together credit –delivery with social awareness raising, building self –confidence and skill training among women. Women need advice about how to utilize public, private, natural and other resources and services and how to choose the business activity and how to market them effectively. Microfinance thus is not sufficient in empowering the women, but it is very essential component with the non-credit aspects in that process.

Kapur (2020) examined Women empowerment in India: More needs to be done. The research concluded that a more concerted effort is needed to close the urban –rural divide and ensure that women in rural areas enjoy the same access to education, employment, healthcare and decision making as their urban counterparts. The hardest challenge will be to change attitudes, given that many barriers to women empowerment are attributed to patriarchal and patrilineal traditions that are deeply entrenched in many South Asian societies.

Samanta (2020) examined Women’s empowerment as self – compassion Empirical observations from India. The main objective of the research was to examine empowerment through the lens of self-compassion. The survey followed face-to-face interviews with the household members. The survey found that there is a positive association between a self – compassionate and women empowerment.

Fecht S (2021) Women bring creativity and critical services to all levels of society, from the home to office, laboratory, and boardroom. Yet their achievements and contributions often go overlooked, unacknowledged, or even minimized. One in three women will experience gender-based violence in their lifetimes. Women are still paid less for the same work, and they do 2.6 times more unpaid care and domestic work. In many countries women do not have equal access to land, credit or economic and

educational opportunities, so when disaster strikes, it's usually women who suffer the most.

2.2. Empirical Review

Addai (2016) conducted a study on Women empowerment through microfinance from Ghana. The main objectives of the study were to examine the empowerment of women in Ghana through microfinance and to analyze the impact of microfinance services on the economic and social empowerment of women in Ghana. The study used descriptive statistics, T-test, ANOVA test and a chi-square test to analyze data. This study revealed that although women face several problems in accessing microfinance services, the paramount among those problems is the high rate of interest on loans. The study concluded that enhanced microfinance accessibility improves both economic and social empowerment of women with significant reference to marital status and education of women.

NJ Jinia (2016) conducted research about Does microcredit promote the borrowers to participate in the household decision -making process in Bangladesh. The main objectives of the research were to investigate the relationship between microcredit and women`s empowerment, to observe how microcredit programs empower women borrowers and to observe how microcredit promotes rural women`s abilities to participate in their household`s decision- making process and educational system. The study used multiple regression to analyze the data. The study found that microcredit has a positive impact on women`s empowerment and promotes microcredit borrowers to participate in the household decisions making process. The study concluded that microcredit promotes the borrowers to participate in the household decision- making process and meaningfully adds to the process of women`s empowerment in Bangladesh.

Maharjan (2017) conducted research on Women's empowerment focused on married women in Lalitpur metropolitan city. The main objective of this study was to identify the women`s empowerment for social changes in the selected urban community of Lalitpur metropolitan city in Kathmandu valley, Nepal. The study used descriptive statistics, multiple regression, correlation, chi-square test and T-tests to analyze the

data. The finding revealed that more than half of the married women with children and living with husband reported high empowerment. The conclusion was that most respondents had decision making power on health care dimension. Family type and educational status of women and husband were associated factors.

Poudel and Pokharel (2017) conducted research on Women`s empowerment through small farmers` cooperatives: A case study from Eastern Nepal. The main objective of this research was to identify the contribution of SFCL on socio cultural and political empowerment of Nepalese woman. The study used descriptive statistics, multiple regression and chi-square test to analyze data. The study measured the change of women in relation to socio-cultural and political aspect through contribution of SFCL. To conclude, women are socially and politically empowered along with economic empowerment, so economic empowerment is found the main base for other types of empowerments.

Bhatia and Singh (2019) conducted a study on Empowering women through financial inclusion: A study of urban slum. The main objectives of the study were to confirm the convergence of dimensions of empowerment for women in urban slums and to show the linkage between financial inclusion and dimension of women empowerment. The study used descriptive statistics and multiple regression to analyze the data. The study also used income assessment and loan utilization methods to analyze the data. The study revealed that women in urban slums did not lack access to financial institutions but suffered from (a) economic risks such as unsteady earnings, non-contractual informal jobs, (b) financial risks such as reliance on cash economy, informal credit, and (c) social risk such as social fragmentations. The study concluded that there was a need to create new points for information collection, so that more inclusive financial system for women in slums may be created.

Duwal (2019) conducted research on Impact of microfinance programs on information and political empowerment of women in Nepal. The primary objective was to examine how microfinance programs (such as microcredit and savings schemes) influence women's empowerment, particularly in the areas of information and political empowerment. The study used T-test, multiple regression and one-way

ANOVA test to analyze the data. The study found that microfinance services and women information empowerment have significant relationship but there is no significant relationship between microfinance services and women political empowerment. So, it is concluded that there is impact of microfinance programs on information empowerment of women in Dhulikhel municipality

Khadka (2019) conducted research on A study on the reflection of women and men on women`s project: A case study of Sindhuli, Nepal. The main objectives of this study were to understand the lived experiences of rural women empowerment project beneficiaries by studying women`s perception of being empowered within the household and social context that address gender inequality and promote efforts to empower rural women`s economic abilities. The study used descriptive statistics and multiple regression to analyze the data. The finding of this study showed that empowerment of rural women also includes the ability to have a personal voice (both in domestic and community setting and in farming and household), ownership of resources such as income, participation in community life and contribution to family well- being. To conclude, most women find themselves in a situation that even though they earn and claim that their contribution to intra household decision making is essential but, in most cases, not solely an important factor.

Sinha (2019) conducted research on Impact of microfinance access on three dimensions of women's empowerment. The main objective was to identify the impact of microfinance access on three dimensions of women empowerment, which make influence upon decision making on the issue credit, expenditure, and children. The study used multiple regression and paired sample t-tests to analyze the data. Financial tools included assessments of income changes, asset ownership, and business profitability among participants, which helped demonstrate the economic impact of microfinance. The study found that both the availability and usage of microfinance significantly influenced these dimensions, with the strongest impact observed in psychological empowerment. The study concluded that the greater access to microfinance credit negatively impacts economic empowerment i.e. decisions on credit and expenditure-related issues.

Acharya (2020) conducted research on Gender discrimination and women empowerment in Nepal. The main objectives of the research were to explain the historical development of women empowerment and why it is important for economic development of the country. The study used descriptive statistics, cross-tabulation, and multiple regression to analyze the data. The study found that increasing microfinance accessibility and usage could significantly enhance women's empowerment, especially in terms of mental and emotional autonomy. To conclude, the employment opportunity for women should be enlarged in formal sectors and discrimination in payment should be strictly prohibited.

Akhter and Cheng (2020) conducted research on Sustainable empowerment initiatives among rural women through microcredit borrowings in Bangladesh. The objectives of this study were to bridge the gap between the accessibility to microcredit for poor rural women and sustainable socio-economic development and to analyze the empowerment performance of microcredit borrowers compared to non-borrowers in similar socio-economic environments relative to microcredit in rural Bangladesh. The study used descriptive statistics, chi-square test and ANOVA test to analyze the data. This study revealed that with the involvement of a microcredit program, poor rural women are coming outside of their houses and participating in the different activities related to income-generation. The research concluded that the income of female microcredit borrowers has improved significantly, which has increased women's participation in household decision-making processes.

Md. Mahtab Alam (2020) had conducted research on Empowerment of women through microfinance: A critical study. Its objective was to evaluate how microfinance supports women's empowerment and contributes to poverty alleviation in India. To analyze the data, calculations, graphs and tables were used for the study. In terms of financial tools, the study discussed key aspects of microfinance activities like microcredit, micro-savings, micro-enterprises, micro-insurance, and remittances. The study showed that women showed increased financial independence and better domestic well-being. The conclusion was microfinance is a powerful tool for promoting gender equality and improving women's living standards.

Hansen, Huis and Lensink (2021) made a research project on Microfinance services and women's empowerment. Its objective was to investigate the dimensions of empowerment facilitated by microfinance institutions. To analyze the data, descriptive statistics such as percentages, means and standard deviations were used for the study. The study also used multiple regression to analyze the data. On the financial side, the research assessed microfinance programs in terms of access to credit, savings, and loan repayment performance, evaluating their effectiveness in improving women's economic and social status. The finding was access to microcredit, coupled with continuous support from microfinance institutions, empowers women to achieve better economic stability and societal roles. The conclusion was financial services alone are insufficient; empowerment requires comprehensive support systems and awareness initiatives.

Amutha (2022) had done research on the topic Women empowerment through microfinance: Evidence from self-help groups in India. The objective was to study the impact of Self-Help Groups (SHGs) on women's socio-economic empowerment. The study used descriptive statistics (such as frequencies, percentages, and averages), regression and hypothesis testing to analyze the data. Financial metrics like loan disbursement amounts, repayment rates, and the impact of loans on business performance were commonly used. The finding was women in SHGs experienced increased savings, better access to financial resources, and improved participation in decision-making. In conclusion, SHGs supported by microfinance are instrumental in enhancing women's economic independence and social standing.

Solomon (2022) conducted research on Impact of microfinance on women's economic empowerment. Its objective was to examine the role of microfinance in improving women's economic conditions, such as income generation, asset ownership, and decision-making power. The study used multiple linear regression and paired sample t-tests to analyze the data. It is found that microfinance enhanced women's participation in income-generating activities, leading to increased independent incomes, savings, and decision-making capabilities. In conclusion, access to credit and training provided by microfinance significantly contributes to women's economic empowerment and poverty alleviation.

Thapa & Chowdhary (2022) conducted research on the topic Impact of microfinance on the empowerment of women entrepreneurs in Rupandehi district. Its objective was to evaluate the effects of microfinance on women's economic and social empowerment. To analyze the data, the study used t-tests and Wilcoxon test. The findings were improved business turnover, savings, social relationships, and decision-making freedom. The conclusion was that microfinance is a key tool for fostering women's economic and social growth.

2.3. Research Gap

A research gap signifies the divergence between existing studies and present research. From the literature review, it becomes evident that there is no agreement on the role of microfinance in fostering economic empowerment. Opinions differ significantly regarding the extent and way microfinance contributes to empowerment. Most prior studies have relied heavily on theoretical frameworks and case studies. While the determinants of microfinance-driven empowerment have been analyzed in various countries, there is a notable lack of empirical research on this subject in Nepal. Specifically, the dynamics of microfinance and its influence on empowerment of Nepali women remain a key area warranting further investigation. This study seeks to address this gap to some extent.

Previous research on microfinance has predominantly focused on its role in poverty alleviation and women's empowerment. Microfinance institutions (MFIs) often prioritize providing loans to women, operating under the assumption that women, particularly those with lower social and economic status, are more reliable loan recipients than men. However, these studies frequently neglect the challenges women face in managing household and external responsibilities simultaneously. Increased access to information and technology has empowered women to articulate their concerns and build self-confidence. Among them, unmarried women significantly contribute their earnings to support their parental households. This research concentrates on urban areas, where violence against women is generally less prevalent compared to rural regions.

The study's data analysis was performed using SPSS 25, but it does not assess enhancements in the overall living standards of the women involved. Instead, it exclusively focuses on economic empowerment while overlooking social and political dimensions. The methodology employed includes a sample survey and descriptive analysis. Despite some advancements, women still face threats to their health, safety, and overall well-being. Additionally, they tend to receive less formal education than men, and their knowledge, skills, and coping mechanisms often remain unacknowledged.

Thus, the research aims to address a critical gap by exploring the behavior of microfinance and its implications for woman empowerment in Nepal. However, it narrows its focus to urban settings, leaving several broader aspects unexamined.

CHAPTER - III

RESEARCH METHODOLOGY

This chapter outlines the research methodology used in this study, including the research design, data sources, sampling methods, data collection instruments, and the analytical tools employed. The methodology was crafted to systematically address the research problem, focusing on the role of microfinance institutions in fostering the empowerment of women in Tarakeshwor Municipality, located in Kathmandu district. By aligning the methodology with the study's primary objectives, the research aims to provide meaningful insights into the subject. Below are the key components of the methodology used in this research.

3.1. Research Design

The study employs descriptive and causal research design, supported by quantitative data wherever applicable. It draws on past experiences and supplements them with insights from the analysis. To deepen the understanding, qualitative data was also collected from the experiences of entrepreneurs involved in microfinance initiatives in the study area. Information was gathered from the participants of these programs, focusing on their behaviors, opinions, and characteristics. Primary data from the beneficiaries and secondary data sources were integral in forming a comprehensive perspective.

3.2. Population and Sampling Design

The research population consists of women who have directly benefited from microfinance services within Tarakeshwor Municipality. The area hosts 12 microfinance institutions (MFIs); however, the study centers on Hamro Sagarmatha Multipurpose Cooperative Limited. This institution has served 1,003 women since its establishment. Given population size, purposive and convenience sampling methods were used to determine the sample.

Sample size determination: A sample representing a manageable subset of the population, is critical for practical research execution. In this study, 10% of the total population, focusing on women actively involved for at least five years, was selected.

Using purposive and convenience sampling method, the final sample size comprised 100 participants.

3.3. Nature and Sources of data: Primary data was the primary source for this research, collected through structured questionnaires and interviews. The questionnaire was divided into two sections: the first gathered demographic and background information about the respondents, while the second explored five indicators of women's empowerment. The study was conducted in Tarakeshwor Municipality, leveraging this structured approach to gather relevant insights.

3.4. Research Instruments

This study exclusively relies on primary data to draw conclusions. Data was collected using a structured questionnaire based on a five-point Likert scale. The questionnaire is divided into two sections. The first section seeks general information about the respondents, such as their name, age, education, marital status, occupation, employment, and membership. The second section focuses on variables related to women's empowerment, including income level, education level, family support, decision-making power, and asset ownership.

Respondents were asked to indicate their level of agreement with specific statements using a five-point scale, where '1' represents strongly disagree, '2' disagree, '3' neutral, '4' agree, and '5' strongly agree. Each empowerment variable—such as income level, education, family support, decision-making power, and asset ownership—included five microfinance-related statements.

3.3. Data Analysis Tools

Descriptive analysis was used for the study. The data collected was analyzed using statistical tools within the SPSS 25 software. The study employed simple correlation coefficients to explore relationships between dependent and independent variables. Advanced techniques such as multiple regression was also applied. To ensure data reliability, ANOVA was calculated. The following statistical tools were used for the essential analysis:

- i. Percentage: Percentages are commonly used for data interpretation. There are three types of percentages: 'row', 'column', and 'total.' Percentages were applied

based on the relevance, interpretation, and significance of the data for accurate and effective analysis.

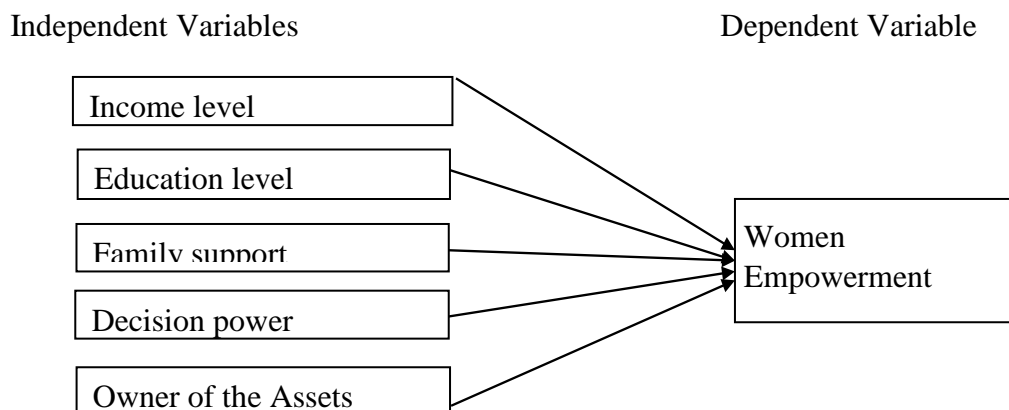
- ii. ANOVA test: ANOVA test was used to determine the significant difference between the groups being studied by using variance.
- iii. Correlation: Correlation analysis was used to evaluate the strength of the relationship between two quantitative variables. This analysis was applied in the study to understand such relationships.
- iv. Regression Analysis: Multiple regression analysis was used to identify the factors influencing economic empowerment. In this analysis, woman empowerment (WE) was the dependent variable, while income level (IL), education level (EL), family support (FS), decision-making power (DP), and ownership of assets (OA) were considered independent variables. The multiple regression model applied is as follows:

$$[Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon]$$

3.4. Research framework and Definition of Variables

Women’s empowerment depends on various factors, such as financial security, self-confidence, family income contributions, mobility, education, and legal awareness. For this study, the independent variables were income level, education level, family support, decision-making power, and asset ownership. Woman empowerment served as the dependent variable, representing living standards. The following figure shows the relationship between the dependent and independent variables.

Figure 1: Research Variables



(Source: Md. Mahtab Alam (2020))

The framework shows that as income and education levels rise, women are more likely to experience empowerment. Similarly, participation in decision-making, family support, and asset ownership positively influence empowerment. Microfinance plays a crucial role by providing women with financial resources, enabling them to mobilize funds, increase self-reliance, and make independent decisions. Empowered women are less reliant on family members, contributing to their overall economic and social well-being.

1. Income Level and Women Empowerment

Income level refers to the financial earnings of women, often from employment, self-employment, or other sources. A higher income level directly correlates with greater economic independence, which is a critical component of women's empowerment. Women with stable and sufficient incomes are better able to make decisions related to household spending, investments, and savings, which increases their autonomy and control over resources. Furthermore, income level impacts women's access to essential services such as healthcare, education, and housing, leading to improved overall well-being and empowerment, (Sen, 1999; Kabeer, 2001).

Studies have shown that microfinance programs, which aim to improve women's access to credit, can significantly increase women's income, enabling them to contribute more effectively to their households and communities, Cheston & Kuhn (2002).

2. Education Level and Women Empowerment

Education level is a key determinant of women's empowerment as it influences women's knowledge, skills, and opportunities for economic participation. Educated women are more likely to enter the workforce, access credit, make informed decisions, and challenge traditional gender roles. Furthermore, education enhances women's ability to access and manage resources, engage in political participation, and improve family health and educational outcomes for their children, (Kabeer, 2001; Duflo, 2012).

Research shows that education leads to increased confidence and independence, helping women advocate for their rights and increase their participation in public life, (Sen, 1999; Quisumbing & Maluccio, 2003). Women with higher education are also better positioned to understand financial products, making them more successful in entrepreneurial endeavors, Mayoux (2001).

3. Family Support and Women Empowerment

Family support refers to the emotional, social, and financial backing provided by family members, particularly spouses, parents, or in-laws, that enables women to pursue educational, professional, or entrepreneurial goals. Family support can significantly influence women's empowerment by fostering confidence, enabling participation in decision-making, and facilitating access to resources such as microfinance or education, (Kabeer, 2005; Agarwal, 1994).

In societies with rigid gender norms, supportive families can help challenge these norms and provide women with opportunities for growth. For example, husbands who support their wives' business ventures or education contribute significantly to their financial independence and autonomy, (Kabeer, 2001; Sen, 1999)

4. Decision Power and Women Empowerment

Decision power is the ability to make significant choices in one's own life and in the household. It encompasses decisions related to financial matters, reproductive health, education, and career. Women with decision-making power are more likely to participate in household decision-making, control resources, and make decisions regarding their children's education, family planning, and healthcare, Kabeer (2001).

Empowered women often have greater agency in personal, economic, and social decisions. The more decision power women have, the more likely they are to make choices that benefit themselves and their families, (Sen, 1999; Duflo, 2012). Decision-making power is directly linked to autonomy and gender equality in both private and public spheres, World Bank (2020).

5. Ownership of Assets and Women Empowerment

Ownership of assets refers to women's control over economic resources such as land, property, and businesses. It is a critical indicator of women's economic and social empowerment. Women who own assets have greater economic independence, access to credit, and bargaining power both within the household and the broader community, (Agarwal, 1994; Quisumbing & Maluccio, 2003).

The control over assets enables women to invest in their families' well-being, improve their financial security, and challenge traditional gender norms that limit women's role in economic decision-making. In societies with legal frameworks that restrict women's access to land or inheritance, ensuring equal rights to asset ownership can significantly enhance women's autonomy and empower them economically, (Agarwal, 1994; Kabeer, 2001).

CHAPTER – IV

RESULT AND DISCUSSION

In this chapter data are presented in appropriate format, then analyzed and discussed. The analysis has sought the answer to the research questions. The outcome of the analysis is the results. This chapter attempts and presents the results and explains the outcome of analysis. Major objective of the study is urban women empowerment by microfinance outstanding loan. The motivation of this study is to draw attention towards contribution and performance of microfinance for empowering woman in the Nepalese urban area.

4.1. Results

In this section, the researcher has analyzed the collected data to uncover its significance. The study focuses on evaluating the performance of microfinance programs in enhancing the economic empowerment and living standards of women in Tarakeshwar Municipality, Nepal. Drawing insights from existing literature and previous studies, a structured questionnaire was developed to collect primary data. A total of 100 respondents participated in interviews conducted within the study area. The response rate was considered acceptable and valid when compared to similar survey research, making it suitable for data analysis.

The questionnaire aimed to capture self-reported attitudes, where a rating of '5' indicated strong agreement, and '1' represented strong disagreement. The primary goal of this research was to assess the empowerment of urban women. Key factors such as income level, education, family support, decision-making power, and asset ownership were examined as independent variables, with woman empowerment serving as the dependent variable. This chapter presents, analyzes, and discusses survey data from urban women who are directly or indirectly associated with microfinance programs.

4.1.1. Analysis of Respondents Profile

Table 1

Summary of demographic variables

Demographic variables		Frequencies	Percentage%
Age	18-35 years	35	35
	36-45 years	40	40
	46-60 years	25	25
	60 and above	0	0
Marital Status	Single	27	27
	Married	65	65
	Widowed	8	8
Education Level	None	3	3
	Primary	20	20
	Secondary	52	52
	Higher Secondary	25	25
Employment Status	Self employed	53	53
	Employed	22	22
	Unemployed	20	20
	Student	5	5
Time duration of membership	5 years before	35	35
	2 years before	40	40
	1 year before	10	10
	Within a year	15	15
Total sample size (N)		100	100

Source: field survey 2024

In Table 1, the sample of 100 women involved in microfinance programs shows a diverse demographic profile. Most participants are in the age group of 36-45 years (40%), followed by 18-35 years (35%), with fewer women in the 46-60 years (25%) range and no participants aged 60 and above. Most of the women are married (65%), with a smaller proportion being single (27%) or widowed (8%). When it came to educational background, the majority have secondary education (52%), followed by higher secondary (25%) and primary education (20%), with only a small group

lacking formal education (3%). Employment status of the women shows that 53% are self-employed, with 22% employed in formal jobs, 20% unemployed, and 5% still students. Regarding their microfinance involvement, 40% have been members for 2 years, 35% have been involved for 5 years, and 15% joined within the last year. This indicates that the women in this sample are mostly of working age, with a significant proportion engaged in economic activities, and have had moderate to long-term participation in microfinance programs.

4.2. Descriptive statistics of the variables

4.2.1. Descriptive statistics of income level

The income level of woman determines their capability to live their life freely. If a woman has good income, then they can use their income in various woman upliftment activities which help them to empower in a society.

Table 2

Descriptive statistics of income level

Statement	Mean	Std. deviation
I have been facing a financial crisis before taking loan from the microfinance.	3.75	1.095
I am currently in a better situation than ever before.	4.120	0.590
I can pay school expenses for the children without seeking financial help from others.	4.00	0.284
I can pay health care expenses if needed.	3.87	0.680
I can purchase daily household needs like food and others.	3.72	0.69

Source: field survey 2024

In Table 2, the data suggests that respondents generally experienced financial hardship before taking a loan from microfinance, as indicated by a mean of 3.75 for the statement "You have been facing financial crisis before taking loan." However, after receiving the loan, respondents report a significantly improved financial situation, with a mean of 4.12 for "You are currently in a better situation than ever before." Most individuals feel capable of handling essential expenses, such as paying

for their children's school fees (mean of 4.00) and covering healthcare costs (mean of 3.87), although there is some variation in how confident they are in managing healthcare expenses. The ability to meet daily household needs like food is also generally positive, with a mean of 3.72, though slightly lower than for other areas. The relatively low standard deviations, especially for school expenses (0.284), indicate a high level of agreement among respondents regarding their improved financial status, while slightly higher deviations for healthcare and household needs (0.680 and 0.690, respectively) suggest some variability in the extent of improvement across individuals.

4.2.2. Descriptive statistics of education level

When woman is educated then the whole family will be educated. When woman has good education then they can stand for themselves and can get good opportunities to earn their livelihood by their own which help them to be independent in a family.

Table 3

Descriptive statistics of education level

Statement	Mean	Std. deviation
I can send your children to school.	3.440	0.946
I can admit my children to a better school than others of my level.	3.110	0.908
I want to educate my children to university level.	3.810	0.800
My level of understanding has been improving.	3.770	0.827
I want to join formal education in any academic institution if possible	3.310	0.917

Source: field survey 2024

In Table 3, the data suggests that respondents generally feel somewhat capable of sending their children to school, with a mean score of 3.44, though not universally confident about being able to afford or access better educational opportunities. The mean of 3.11 for "You are admitted to your children in a better school than others of your level" indicates that fewer respondents feel their children are attending schools

that are notably better than those of their peers, suggesting limited access to higher-quality education. However, a stronger desire for higher education is evident, with a mean of 3.81 for "You want to educate your children to university level," showing that many respondents aspire to higher education for their children. Additionally, respondents feel their own understanding is improving (mean of 3.77), reflecting personal growth, and there is moderate interest in pursuing formal education themselves (mean of 3.31), although this desire is less pronounced. Standard deviations range from 0.800 to 0.946, indicating some variation in responses, particularly around access to quality education and personal educational aspirations.

4.2.3. Descriptive statistics of family support

When a woman is independent in a family and financially independent then they get support from the family members. Most woman who generates income for their daily lives are found to be happier from the family as they support them very well.

Table 4

Descriptive statistics of family support

Statement	Mean	Std. deviation
My family supported you when you decided to join microfinance.	3.540	0.833
Family members support me in my business.	3.970	0.846
Family members are in favor of me making my decision.	3.990	0.688
All the members are ready to share my accountability.	3.980	0.635
I have been sharing my profits to my family members.	4.050	0.743

Source: field survey 2024

In Table 4, the data reveals a generally positive level of family support for respondents involved in microfinance. With a mean of 3.54, family support for the initial decision to join microfinance was moderately positive, though not overwhelming, suggesting that some respondents may have faced initial resistance. However, once involved, the level of support appears to increase, with high mean scores for ongoing family involvement: 3.97 for family support in business, 3.99 for

agreement with decision-making, and 3.98 for shared accountability. These high scores indicate strong family backing in business activities and decision-making. Furthermore, a mean of 4.05 for "You have been sharing your profit with your family members" suggests that most respondents actively share the financial benefits of their business with their families. The relatively low standard deviations (ranging from 0.635 to 0.846) reflect consistency in responses, with most respondents indicating strong family support in both business operations and financial sharing.

4.2.4. Descriptive statistics of decision power

Decision power is the key factor for empowerment of women in rural areas. Woman who are economically strong by themselves can make their own decision regarding her children future, her investment decisions and so on.

Table 5

Statements of decision power

Statement	Mean	Std. deviation
It is my own decision to join microfinance.	3.040	1.100
It is my own decision to invest in any business I like.	2.960	1.043
I can invest in any asset by my own decision.	3.030	1.067
I can manage the sufficient funds required for my plan.	3.380	0.861
I feel satisfied with my decision.	3.550	0.936

Source: field survey 2024

In Table 5, the data reflects a nuanced perspective on asset decision power, business involvement, and women's empowerment. While respondents exhibit some level of decision making to join microfinance by their own, as shown by the mean scores of 3.04 for self-decision to join microfinance and 3.38 for managing the sufficient funds required in need, the relatively low scores on starting self-business(mean of 2.96) and invest in any asset by themselves, (mean of 3.03) suggest that the sense of empowerment may not fully align with traditional markers of financial independence. These scores indicate that while the respondents acknowledge decision-making and business involvement, they may not feel entirely satisfied or empowered by these

aspects alone. The mean of 3.55 for satisfaction with self-decisions in the business suggests a positive outlook for future growth, pointing to a desire for continued financial agency and independence. This all ties into women’s empowerment by showing that while some progress is made, deeper satisfaction and financial autonomy may still be developing, and women may view business and asset ownership as important steps toward greater empowerment, but not the destination. The variability in the standard deviations (ranging from 1.043 to 1.100) also suggests that there are differing experiences and perceptions among women, with some feeling more empowered than others.

4.2.5. Descriptive statistics of owner of assets

When a woman can own her assets then she feels more confident and can empower herself by taking participation in different microfinance training and woman upliftment programs.

Table 6

Descriptive statistics of owner of assets

Statement	Mean	Std. deviation
I am the owner of the assets I have.	2.910	1.101
I would feel satisfied if I were the owner of the assets.	3.010	0.999
I am interested in buying ornaments by taking loans from microfinance.	2.080	0.614
I feel proud to be the owner of the business with my name and fame.	3.960	0.851
I am thinking of reinvesting in business.	3.500	0.969

Source: field survey 2024

In Table 6, the data presents a mixed but generally positive view of women’s empowerment through asset ownership and business involvement. While the mean score of 2.91 for "You are the owner of the assets you have" suggests that many respondents do not fully perceive themselves as the owners of their assets, the higher score of 3.01 for "You feel satisfied if you are the owner of the assets" indicates that

ownership, when perceived, does bring a sense of satisfaction. The low mean of 2.08 for "You are interested in buying ornaments by taking a loan" suggests that women may prioritize more essential financial goals over personal or material purchases, aligning with empowerment that focuses on practical and business-related outcomes rather than consumption. A strong sense of empowerment is indicated by the mean of 3.96 for "You feel proud to be the owner of the business," reflecting pride in their achievements and the recognition of their autonomy. Furthermore, the mean of 3.50 for considering reinvestment in the business demonstrates a forward-looking attitude toward sustaining and expanding their business, a key indicator of financial independence and entrepreneurial empowerment. The standard deviations indicate some variation in responses, suggesting that while many women feel empowered, there is still a range of experiences, with some possibly facing barriers to full financial autonomy.

4.2.6. Descriptive statistics of woman empowerment

One of the primary ways in which microfinance empowers women is by offering them financial independence. By receiving small loans or access to savings accounts, women can start or expand businesses, create income-generating activities, and improve their standard of living.

A dependent variable, woman empowerment is often evaluated through key factors like income, education, family support, decision-making ability, and asset ownership, all of which collectively reflect a person's ability to achieve financial independence and improved quality of life.

Table 7*Descriptive Analysis of woman empowerment*

Statement	Mean	Std. deviation
Microfinance has improved my ability to generate income.	3.680	0.973
I feel more confident participating in social or community events.	3.800	0.752
Microfinance has provided me with new network and support system.	3.600	0.974
Microfinance has reduced my dependence on others for financial support.	3.960	0.851
I have freedom to decide how to utilize the funds or loans I receive.	3.510	0.969

Source: field survey 2024

In Table 7, the data highlights a positive impact of microfinance on women's financial independence and social empowerment. With a mean score of 3.68 for "Microfinance has improved your ability to generate income," respondents report that microfinance has enhanced their economic capacity, helping them to earn more. The mean score of 3.80 for "You feel more confident participating in social or community events" suggests that microfinance has also boosted their confidence and social engagement, reflecting empowerment beyond financial gains. The mean of 3.60 for "Microfinance has provided you with new networks and support systems" indicates that women are gaining valuable social capital, which can further support their entrepreneurial or personal goals. Additionally, with a high mean of 3.96 for "Microfinance has reduced your dependence on others for financial support," it's clear that the loans are significantly contributing to greater financial autonomy. Lastly, a score of 3.51 for "You have freedom to decide how to utilize the funds or loans you receive" indicates that microfinance offers women the agency to make their own decisions about how to manage their financial resources, further promoting their sense of control and empowerment. The moderate variability in the standard deviations suggests that while these benefits are widely felt, there are some

differences in the extent to which individual women experience these positive outcomes.

Table 8

Descriptive analysis of variable

Descriptive Statistics			
	N	Mean	Std. Deviation
Overall mean	100	3.5467	.77815
Income	100	3.8920	.57729
Education	100	3.4880	.82404
Family Support	100	3.9060	.70751
Decision Power	100	3.1920	.96648
Owner of Assets	100	3.0920	.84395
Woman Empowerment	100	3.7100	.86847
Valid N (listwise)	100		

Source: SPSS Output

In Table 8, the descriptive statistics suggest that microfinance has a notably positive impact on various aspects of women’s empowerment, though there are varying degrees of influence across different areas. The overall mean score of 3.55 indicates a generally positive perception of microfinance’s effects on the respondents, reflecting moderate empowerment. Specifically, the highest mean score of 3.91 for Family Support suggests that women feel strong backing from their families in their economic activities, which is a crucial foundation for empowerment. Similarly, the mean of 3.89 for Income indicates that microfinance has had a positive impact on income generation, boosting financial independence. However, the lower mean of 3.19 for Decision Power shows that while women feel somewhat empowered, they may still face limitations in their ability to make independent decisions, which is a key component of empowerment. The score of 3.09 for Owner of Asset suggests that women are less likely to feel fully in control of their assets, pointing to potential gaps in ownership and control. Education (mean = 3.49) and Woman Empowerment (mean = 3.71) both reflect moderate improvements, indicating that while there is empowerment, it may not yet be complete. The standard deviations range from 0.577

to 0.966, indicating moderate variability in responses, suggesting that while many women experience these benefits, individual experiences differ in terms of the intensity of empowerment across the various dimensions measured.

4.3. Correlation Analysis

Correlation analysis is a statistical tool used to assess the relationship between two or more variables. Correlation analysis evaluates the strength and direction of linear relationships among these variables. When a change in the value of one variable leads to a corresponding change in the value of another, the variables are said to be correlated.

To explore the relationship between women's empowerment (dependent variable) and factors such as decision-making power, income, education, asset ownership, and family support (independent variables), participants from studied Microfinance Institutions (MFIs) were asked 30 questions related to these areas. When examining the combined impact of multiple independent variables on a single dependent variable, multiple correlation analysis is employed to understand the joint influence of the independent variables on the dependent one. The result can be shown in Table 4.9.

Table 9*Multiple Correlation Analysis*

		Correlations					
		Income	Education	Family support	Decision power	Owner of asset	Woman empowerment
Income	Pearson Correlation	1	.909**	.946**	.870**	.900**	.933**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
Education	Pearson Correlation	.909**	1	.939**	.964**	.969**	.965**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
Family support	Pearson Correlation	.946**	.939**	1	.891**	.940**	.952**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
Decision Power	Pearson Correlation	.870**	.964**	.891**	1	.979**	.949**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
Owner of Asset	Pearson Correlation	.900**	.969**	.940**	.979**	1	.958**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
Woman Empowerment	Pearson Correlation	.933**	.965**	.952**	.949**	.958**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

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

Source: SPSS Output

In Table 9, the multiple Correlation Table reveals strong and statistically significant relationships between women empowerment and all other variables. Income has a very strong positive correlation with woman empowerment ($r = 0.933$, $p < 0.01$),

suggesting that as income increases, women's empowerment also increases. Education is also highly correlated with women's empowerment ($r = 0.965$, $p < 0.01$), indicating that higher education levels contribute significantly to empowering women. Family support shows a similarly strong positive correlation ($r = 0.952$, $p < 0.01$), highlighting the importance of family support in enhancing women's empowerment. The correlation with decision-making power is also substantial ($r = 0.949$, $p < 0.01$), pointing to the fact that greater decision-making autonomy is closely linked to women's overall empowerment. Lastly, ownership of assets is strongly correlated with women's empowerment ($r = 0.958$, $p < 0.01$), suggesting that asset ownership plays a crucial role in boosting a woman's empowerment. All correlations are significant at the 0.01 level, indicating that these relationships are statistically reliable and underscore the interconnectedness of income, education, family support, decision-making power, and asset ownership with women's empowerment.

4.4. Multiple Regression

A multiple regression equation is an equation for estimating the value of dependent variable from two or more independent variables. In other words, it is a mathematical relationship between one dependent variable and two or more independent variables. In this study regression equation will be

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \dots + E_1$$

Where α = constant term

Y = Empowerment of women

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = the coefficient/ determinants of Economic empowerment (education, income, decision power, owner of assets and family support).

X1 = Income

X2 = Education

X3 = Family Support

X4 = Decision Power

X5 = Owner of Assets

E1 = Error Term

Table 10*Model Summary*

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
1	.981 ^a	.962	.17372	.962	476.051	5	94	.000

a. Predictors: (Constant), Owner of Asset, Income, Family Support, Education, Decision Power

b. Dependent Variable: Woman Empowerment

Source: SPSS Output

In Table 10, the Model Summary indicates that the multiple regression model explains a significant proportion of the variance in women's empowerment. The R value of 0.981 suggests a very strong positive correlation between the predictors (income, education, family support, decision power, and asset ownership) and the dependent variable (women empowerment). The R Square value of 0.962 means that approximately 96.2% of the variability in women's empowerment can be explained by the combined effect of these predictors. The Adjusted R Square value of 0.960 accounts for the number of predictors in the model, suggesting that the model's explanatory power remains high even after adjusting for the number of variables. These results demonstrate that income, education, family support, decision-making power, and asset ownership collectively have a substantial and statistically significant influence on women's empowerment.

Table 11*ANOVA*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.833	5	14.367	476.051	.000 ^b
	Residual	2.837	94	.030		
	Total	74.670	99			

a. Dependent Variable: Woman Empowerment

B. Predictors: (Constant), Owner of Asset, Income, Family support, Education, Decision Power
Source: SPSS Output

In Table 11, the ANOVA table shows that the regression model significantly predicts women’s empowerment. The F-value of 476.051 is very large, and the p-value (Sig.) of 0.000 indicates that the model is statistically significant at the 0.01 level, meaning the independent variables—asset ownership, income, family support, education, and decision-making power—collectively have a strong effect on women’s empowerment. The Sum of Squares for the regression (71.833) is much larger than the residual sum of squares (2.837), further suggesting that the predictors explain a significant portion of the variance in the dependent variable. With a Total Sum of Squares of 74.670, the model accounts for most of the variation in women’s empowerment, confirming its overall effectiveness in explaining the relationship between the predictors and the outcome.

Table 12
Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.505	.154		-3.272	.001
	Composite income	.245	.097	.163	2.531	.013
	Composite education	.220	.106	.209	2.067	.041
	Composite family support	.460	.120	.375	3.835	.000
	Composite decision power	.441	.116	.490	3.801	.000
	Composite Owner of Asset	-.229	.151	-.223	-1.514	.133

Dependent Variable: Composite Woman Empowerment

Source: SPSS Output

In table 12, the regression table shows the relationship between various predictors and women's empowerment. The constant term is -0.505, indicating the baseline level of

empowerment when all predictors are zero. Among the predictors, family support ($B = 0.460$, $p = 0.000$), decision power ($B = 0.441$, $p = 0.000$), and income ($B = 0.245$, $p = 0.013$) have a statistically significant positive effect on women's empowerment, meaning that higher levels of family support, decision-making power, and income are associated with greater empowerment. Education also has a significant positive impact ($B = 0.220$, $p = 0.041$), suggesting that education increases women's empowerment. However, ownership of assets ($B = -0.229$, $p = 0.133$) does not have a statistically significant effect at the 0.05 level, implying that asset ownership may not be a strong predictor of empowerment in this model. The Beta values show the relative strength of each predictor: decision power (Beta = 0.490) has the strongest standardized effect, followed by family support (Beta = 0.375), indicating that these two factors are particularly important for enhancing women's empowerment.

4.5. Hypothesis Testing

Five hypotheses were drawn for the purpose of the relationship between dependent and independent variables. Significance of all the five determinants of women empowerment is evaluated at the level of $p < 0.05$.

Table 13

Result of Hypothesis Testing

Hypothesis	Sig.	Result
H1: A significant and positive relationship exists between income level and empowerment of woman.	0.013	Accepted
H2: A significant and positive relationship exists between education level and empowerment of woman.	0.041	Accepted
H3: A significant and positive relationship exists between family support level and empowerment of woman.	0.000	Accepted
H4: A significant and positive relationship exists between decision power and empowerment of woman.	0.000	Accepted
H5: A significant and positive relationship exists between owner of assets and empowerment of woman.	-1.514	Not Accepted

Source: field survey 2024

Table 13 shows the result of hypothesis testing. The findings are as follows:

H1: Income level has a significant relationship on empowerment of women.

The P value of income level is 0.013, which is less than 0.05 and is significant at the level of 0.05. So, hypothesis 1 (H1) is accepted.

H2: Education has a significant relationship on empowerment of women.

Since the P value of education level is 0.041 which is less than 0.05. It is significant at 0.05 level. So, hypothesis 2 (H2) is accepted.

H3: Family support has a significant relationship on empowerment of women.

The P value of family support is 0.000 which is less than 0.05. It means there is a significant relationship between family support and empowerment of women. So, hypothesis 3 (H3) is accepted.

H4: Decision power has a significant relationship on empowerment of women.

The P value of decision power is 0.000 which is less than 0.05. It means there is a significant relationship between decision power and empowerment of women. So, hypothesis 4 (H4) is accepted.

H5: Owner of assets has a significant relationship on empowerment of women.

The P value of owner of assets is -1.514 which is less than 0.05. It means that there is no significant relationship between owner of assets and empowerment of women. So, hypothesis 5 (H5) is not accepted.

4.6. Findings of Woman Empowerment across Socio-Demographic Variable

Demographic profile of respondents

- i. The age distribution of the respondents was diverse where the largest group falls to the age range 36-45 years, constituting 40% of the sample.
- ii. From the marital status factor, it is found that most of the married woman are likely to be involved in microfinance constituting 65% of the sample.
- iii. It is found that most of the woman had completed higher education holding 52% of the sample and the secondly, women are found to have completed higher secondary constituting 25% that demonstrate the literacy of the women.
- iv. From the study, it is found that more than half of the women of the sample were self-employed which shows the positive impact of microfinance on their lives.
- v. A notable proportion of the respondents were found to have become a member of microfinance institutions constituting 40% who had joined in recent two years and

35% joined five years ago which shows that the microfinance has reached to woman sooner.

4.7. Discussion

Women empowerment through microfinance in Nepal has been a significant development strategy aimed at enhancing women's socio-economic status. Microfinance institutions (MFIs) in Nepal provide small loans, savings, and credit services primarily to low-income women who are often excluded from traditional banking systems. This has allowed women to start or expand small businesses, improve household income, and gain financial independence.

The rise of microfinance in Nepal began in the 1990s, with the establishment of organizations like the Grameen Bank-inspired microfinance model, which focuses on community-based lending with group guarantees. The impact has been profound, as women beneficiaries not only gain access to financial resources but also develop leadership skills, participate in decision-making processes, and increase their bargaining power within families and communities.

Microfinance has also contributed to broader goals, such as improving women's education, health, and overall well-being. However, challenges remain, such as the risk of over-indebtedness, limited access to larger loans, and societal barriers that hinder women's full participation in the economy. Nonetheless, microfinance remains a vital tool for promoting gender equality and empowering women in Nepal.

The findings of this study both align with and contrast with previous research on the role of microfinance in women's empowerment, as discussed in the literature review. Like the studies by Addai (2016) and Sinha (2019), this research highlights that education plays a significant role in economic empowerment, supporting the idea that higher levels of education enable women to better manage their microfinance loans and increase their economic independence. The positive association between income and empowerment also echoes findings in other studies, such as those by Solomon (2022) and Akhter and Cheng (2020), where improved income from microfinance programs enhanced women's decision-making power and social participation.

However, this study diverges from some previous studies in its finding that asset ownership does not significantly influence women's empowerment, which contrasts with findings by Maharjan (2017) and Bhatia and Singh (2019), where asset ownership was linked to increased empowerment. Additionally, the study's conclusion that family support and decision-making power did not significantly affect empowerment stands in contrast to other research, such as that by Thapa and Chowdhary (2022), where family support and decision-making freedom were critical to women's empowerment. This suggests that while microfinance provides essential financial support, its impact on empowerment may vary depending on local socio-economic contexts and other underlying factors.

CHAPTER - V

SUMMARY AND CONCLUSION

5.1. Summary

The primary aim of this study is to assess the impact of various factors on the empowerment of women through microfinance in Tarakeshwor Municipality, Nepal. The study found that the mean values for respondents ranged from 2.08 to 4.12, with standard deviations varying from 0.28 to 1.10. Most women who participated in microfinance loans were between the ages of 36 and 45. Most respondents were married, and 52% had completed secondary education, which was the most common educational level. During the fieldwork, most respondents were found to be self-employed. Additionally, 40% of respondents had become microfinance members two years prior, which was the largest group in terms of membership duration.

The research hypothesized that certain factors—such as income level, education level, family support, decision-making power, and asset ownership—are associated with women's empowerment. The regression analysis showed a negative coefficient for owner of assets, suggesting that owner of assets alone does not directly influence empowerment. This indicates that women are utilizing microfinance loans primarily to improve their family's income. In contrast, education level was found to have a significant positive impact on economic empowerment, meaning that higher education levels are linked to greater empowerment. Income level was also found to play a significant role. However, decision-making power and family support were not found to significantly affect economic empowerment. Nonetheless, the findings are consistent with global research, suggesting that microfinance contributes to empowering urban women. The study's results, particularly the connection between education and empowerment, also emphasize the importance of education for women's empowerment.

In Nepal, where women represent over 50% of the population, they often live in poverty, face marginalization, and experience various forms of inequality. These challenges have been widely recognized since the 1980s, with microcredit emerging as an effective tool to combat poverty and improve the status of women. Various

microcredit programs have been implemented across the country with the goal of promoting self-employment and income-generating activities for marginalized groups, especially women.

Women's development is often viewed as a long-term societal change, linked to improvements in both material welfare and social conditions. This includes progress in areas such as legal rights, education, and cultural norms. The concept of women's development is relative and should be measured by the improvements in women's material welfare and their changing roles in society, including political, legal, educational, and cultural dimensions.

With these considerations in mind, the researcher selected the topic of women's empowerment through microfinance in Tarakeshwor Municipality, Kathmandu District, as the focus of the study. The primary objective of this research was to explore the extent of woman empowerment through microfinance in the municipality.

5.2. Conclusion

A significant challenge that women are likely to face in the future is the relentless pursuit of competitive advantages. It is increasingly argued that those women who are best positioned to succeed will be those who can acquire and effectively use valuable, scarce, and hard-to-replicate resources. One of the key tasks for women will therefore be the efficient management of loans obtained through microfinance programs. This presents a challenge not only for the women and microfinance institutions but also for the nation, as it relates to competition in both local and global markets and efforts to improve the quality of life for women. Enhancing the abilities and skills of women in the municipality could create sustainable competitive advantages. There is evidence linking women's empowerment with microfinance, showing that access to microcredit can be a powerful foundation for gaining competitive advantages. Additionally, the successful use of loans depends on implementing a specific set of practices that were outlined at the time of loan approval.

This study reveals that microfinance plays a significant role in enhancing women's economic empowerment in Tarakeshwor Municipality, Nepal, with education and

income level emerging as key factors influencing empowerment. The findings suggest that women with higher education levels experience greater empowerment, likely due to their improved ability to utilize microfinance resources effectively and manage income-generating activities. Additionally, the study underscores the importance of income generation as a key driver of empowerment, with microfinance loans enabling women to support their families financially and improve their socio-economic status. These results align with global literature, confirming that financial resources, when coupled with education, contribute to women's empowerment.

However, the study also presents some contradictions to previous research. It found that asset ownership and family support did not have a significant direct impact on women's economic empowerment in the study area, suggesting that empowerment may be more dependent on financial autonomy and educational attainment than on tangible assets or familial support structures. This finding contrasts with other studies where asset ownership and family dynamics were found to be important drivers of empowerment. Overall, while microfinance can enhance women's economic independence, the study highlights the need for complementary support systems, such as education and income-focused initiatives, to maximize the potential of microfinance in empowering women in Nepal.

5.3. Implication

This study offers valuable insights for improving the microfinance facilities empowering urban women in countries like Nepal. It helps microfinance institutions better understand various aspects of woman empowerment, such as income levels, education, decision-making power, family support and asset ownership, all of which contribute to improving the living standards of rural women. The study also explores the relationship between microfinance and woman empowerment within Nepal's financial sector. The findings align with previous research, confirming that microfinance plays a significant role in empowering urban women in developing countries like Nepal. However, there is a clear need for further robust studies and quantitative data to strengthen the evidence supporting the effectiveness of microfinance. Currently, there is no consensus in the research linking microfinance

directly to woman empowerment, which calls for more studies in the Nepali context for comparison and to draw new conclusions.

The study also has several implications:

For the researcher: This research provides valuable insights into how microfinance institutions contribute to women's empowerment, based on available data. It also helps identify potential solutions for the challenges faced by women in accessing and benefiting from microfinance.

For the government and government agencies: The findings of this study can be helpful for policymakers, the government, women's councils, and even local authorities like the Tarakeshwor Municipality in Kathmandu. It can assist them in evaluating their plans and policies for empowering women and achieving their development goals.

For microfinance management: Microfinance institutions were created with the mission of offering both financial and non-financial services. This study helps management understand how women perceive the impact of these services on their lives. The findings can be used to identify areas for improvement, ensuring the institution's success and better support for women.

For academics and researchers: This study can serve as a foundation for further research and academic literature. It may be particularly useful for researchers and scholars looking to explore similar topics, particularly regarding access to financial services and their impact on women's empowerment. The information can help guide future studies and solutions in this area.

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Appendix-I

Women Empowerment through Microfinance in Nepal (A Case study of Tarakeshwor Municipality of Kathmandu)

I would be grateful if you supplied the correct information which is given below. Information gathered through these questionnaires will be kept strictly confidential and will be used only for academic purposes.

Sincerely,

Abina Aryal

Questionnaire for respondents:

General information:

1) What is your name?

2) Address:

Please! tick the appropriate answers in the box.

3) Your age is between a) 18- 35 () b) 36-45 () c) 46-60 () d) Above 60 ()

4) Marital status: a) Single () b) Married () c) Widowed ()

5) Highest level of education you have completed

a) None () b) Primary school () c) Secondary () d) Higher education () e) Others ()

Please Specify.....

6) What is your employment status?

a) Self- employed () b) Employed () c) Unemployed () d) Student ()

e) Others () Please Specify.....

Questionnaires:

1. Have you ever been a member of microfinance?

a. Yes () b. No ()

2. If yes, what is the name of microfinance?

.....

3. When did you become a member?

a. 5 years before () b. 2 years before () c. 1 year before ()

d. Within this year ()

4. Identify the various determinants of income level of respondents in Tarakeshwor Municipality.

S.N.	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	You have been facing financial crisis before taking loan from the microfinance.					
2.	You are currently in a better situation than ever before.					
3.	You can pay school expenses for the children without seeking financial help from others.					
4.	You can pay health care expenses if needed.					
5.	You can purchase daily household needs like food and others.					

5. Identify the various determinants of education level of respondents in Tarakeshwor Municipality.

S.N.	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	You can send your children to school.					
2.	You are admitted to your children in a better school than others 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					

6. Identify the various determinants of family support of respondents in Tarakeshwor Municipality.

S.N.	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	Your family supported you when you decided to join microfinance.					
2.	Family members support you in 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.						
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7. Identify the various determinants of decision power of respondents in Tarakeshwor Municipality.

S.N.	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
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 asset by your own decision.					
4.	You can manage the sufficient funds required for your plan.					
5.	You feel satisfied with your decision.					

8. Identify the various determinants of owner of assets of respondents in Tarakeshwor Municipality.

S.N.	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
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 in buying ornaments by taking a loan from microfinance.					

4.	You feel proud to be the owner of the business on your name and fame.					
5.	You are thinking of reinvesting in the business.					

9. Identify the various determinants of woman empowerment of respondents in Tarakeshwor Municipality.

S.N.	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	Microfinance has improved your ability to generate income.					
2.	You feel more confident participating in social or community events.					
3.	Microfinance has provided you with new network and support system.					
4.	Microfinance has reduced your dependence on others for financial support.					
5.	You have freedom to decide how to utilize the funds or loans you receive.					

Thank you very much for your time and cooperation.

WOMEN EMPOWERMENT THROUGH MICROFINANCE IN NEPAL

By: Abina Aryal

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