

**SOCIAL EMPOWERMENT OF WOMEN THROUGH MICROFINANCE
SERVICES IN PHALEBAS MUNICIPALITY, PARBAT NEPAL**

Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfilment
of the requirements for the

Masters of Business Studies

by

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July, 2024

CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “SOCIAL EMPOWERMENT OF WOMEN THROUGH MICROFINANCE SERVICES IN PHALEBAS MUNICIPALITY, PARBAT NEPAL”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Mr. Subas Regmi defended research proposal entitled “**SOCIAL EMPOWERMENT OF WOMEN THROUGH MICROFINANCE SERVICES IN PHALEBAS MUNICIPALITY, PARBAT NEPAL**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Keshar Singh Khati and submit the thesis for evaluation and viva voce examination.

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We have examined the dissertation entitled “**SOCIAL EMPOWERMENT OF WOMEN THROUGH MICROFINANCE SERVICES IN PHALEBAS MUNICIPALITY, PARBAT NEPAL**” presented by Mr. Subas Regmi for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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ACKNOWLEDGEMENTS

This Research Project entitled “Social Empowerment of Women Through Microfinance Services in Phalebas Municipality, Parbat Nepal” has been carried out to meet the partial requirement of the fulfillment for the degree of the Master of Business Studies of Tribhuvan University, which has been prepared under the supervision of lecturer Keshar Singh Khati, Shanker Dev Campus.

I would like to extend my immense gratitude to my supervisor, lecturer Keshar Singh Khati, for his valuable supervision and guidance in completing this study. I am highly indebted to my supervisor and very thankful for his continuous support and constructive suggestions that have enabled this research project to achieve its present form.

I am very grateful to the staff member of Library of Shanker Dev Campus for their manifold helps and providing good environment for the study. Similarly, I must acknowledge the various authors of different studies that I have referred during this study.

Finally, I want to remember my entire family especially my parents for their care and love that has inspired me to achieve every success including this study. I have tried my best to keep away this research project and this report from some possible errors. However, there might be some errors in this report for which I apologize to all. Further, I would like to ensure that such mistakes won't be committed in the future.

Subas Regmi

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ABBREVIATIONS

ADB	Asian Development Bank
ANOVA	Analysis of Variance
FINGO	Financial Intermediary Non-Government Organization
GRP	Graduate Research Project
MFC	Master of Finance and Control
MFI	Microfinance Institutions
NGOs	Non- Governing Organization
S. D	Standard Deviation
SHGs	Self Help Groups
SPSS	Statistical Package for Social Science
Std. Error	Standard Error
UNDP	United Nation Developmental Programs

ABSTRACT

The study was conducted in Phalebas Municipality and aimed to analyze the influence of microfinance services on the enhancement of women's social empowerment. In the study, the dependent variable are freedom in mobility, freedom in decision making & political and social awareness along with independent variable is microfinance services: micro-credit, micro-saving and training. Descriptive and causal comparative research designs with quantitative data were used. The sample size of 181 women respondents were selected by simple random sampling technique. Structured 5-point Likert scale close end questionnaires were used in order to collect primary data whereas secondary data were collected by reviewing different literatures regarding the research subject. The collected data were analyzed by descriptive statistics, correlation analysis and regression analysis and qualitative analysis were done to support the result of research. Frequency distribution and percentages are used for the presentation of study findings. The study reveals that microfinance services such as micro-saving and training services except micro-credit, significantly and positive impact on social empowerment of women. The finding of the study indicate the empirical evidence that micro saving and training have a greater impact on social empowerment of women whereas microcredit services has a negative impact on social empowerment of women. The study provides policy recommendations & guidelines to policy makers and other stakeholders of MFIs

CHAPTER- I

INTRODUCTION

1.1 Background of The Study

Microfinance has been established with an objective of women empowerment and poverty alleviation. Microfinance has been taken into consideration as one of the most convenient poverty reduction strategies. Microfinance has advanced as an economic as well social development tool supposed to edges low-income women and men who are excluded from the formal financial institutions. The term refers to the provision of financial services to low-income people, as well as the freelance. (Ledgerwood, 1999). Microfinance seen as most important means in reducing poverty by generating the income of the poor in developing countries through executing duplex activities which is collection of domestic saving and investment of micro-loan (Sharma, 2004) Data from the micro banking bulleting reports that 63% of the world's prime MFIs had a mean rate of return, when adjusting for inflation and talking out sponsored program of regarding 2.5% of the total assets (Kapoor, Mugwara and Chidacaenizi, 1997). This suggests that microfinance could prove to be appealing enough for both investors and individuals in the retail banking industry. The loan that generates financial returns can be allocated towards various income-generating activities for their families.

According to Al-Shamis (2016), microfinance will enable women to create small and microbusinesses and participate in the economy. As a result, they will be able to benefit from unbiased incomes, match home expenses, and take an active part in household decision-making. Microfinances is understood as financial services provided to the disadvantaged populations and small business in saving, loan, remittance, micro insurance etc. to help assist various self-employment opportunities and income generating activates. Poor by giving banking and financial services and thus providing to the uplifting their economic and social standards (Nepal Rastra Bank, 2013). Microfinance has emerged as a prominent tool for women empowerment in Nepal. Microfinance was officially started after 1953 by the Cooperation Division of the Ministry of agriculture. Legalization of cooperative society establishment occurred in 1956, marking the founding of the first credit cooperative society. Saving and credit-based microfinance have been incorporated into this cooperative movement. Small Farmers Development Program, run by the Asian Development Bank of Nepal, was the first government microfinance initiative to be

launched for the benefit of the underprivileged in 1975. Following the return of democracy in 1991, the region saw further growth in MFIs, including Microfinance Development Banks, Saving and Credit Cooperatives, Society, Financial Intermediary Non-Government Organization (FINGO) in the formal and semi-formal regions, and the establishment of Rural Development Banks (Grammeen Bikash Bank) in each of the five development regions (Duwal, 2013).

Bangladeshi economist, Muhammad Yunus, is the man behind the microfinance movement, who started to provide credit to the poor women in Bangladesh. He establishes the Grameen Bank in 1983s. Kay (2003) states that women in the Bangladesh realize they are more empowered after using of credit as they can now comfortably meet their needs. Akudugu (2011) observes that microfinance institutions have actively contributed to the empowerment of women by improving their incomes, educating their children, accessing health and improving their standard of living. Similarly, research by Limbu (2014) demonstrates the socioeconomic effects of microfinance on rural women. He came to the conclusion that women had been empowered by microfinance programs to varied degrees. Research shows that interventions of microfinance institutions have vital role in improving the consumption behaviors, health condition, and sanitation.

With an emphasis on social and economic advancement, microfinance companies in underdeveloped nations have taken up the problem of women's empowerment. Microfinance is a tool used to increase the economic and social divide among women. The goal of microfinance is to raise the social standing of women by promoting their social mobility, decision-making independence, and self-assurance. Reducing poverty and empowering its clients specially women with the help of financial and social services which is micro-credit, micro-saving, training, independent in decision making, social mobility and respect from the society are the main aim of the microfinance (Alshami, 2016). As an effective way to combat poverty, microfinances are funded by government as well as development agencies which ultimately helped to run the small business and make them financially sound. Most of the women are still not able to come out from their home and face social problems due to the patriarchal society. Hence, microfinance is widely known as a tool to empower disadvantages groups especially women in society. Also, microfinance would lead to mitigate women's problem within the household activities as an intrinsic part of social empowerment framework (Agarwal, 2016).

In Nepal, majority of population, especially women, are actively engaged in agricultural activities who were still marginalized and suppressed from the socio-economic development. Microfinance programs helped women to improve their socio-economic status which are backed by national and international organizations. Thus, women's empowerment is becoming global agenda in today's world. While social empowerment contributes to women's empowerment in the current context, economic empowerment of women is not sustainable on its own. Women's empowerment is a crucial development issue for developing nations like Nepal. Numerous academic studies demonstrate that MFIs are essential to women's empowerment worldwide. However, we point out that there hasn't been much research done in this area in Nepal. Therefore, this study was conducted to analysis the impact of microfinance services on the social empowerment of women.

1.2 Statement of The Problem

Nepal is developing country and poverty is the one of the serious problems. Microfinance is widely used term to refer to the provision of the financial services to low-income households and self-employed. MFIs must take care of their financial capabilities as this a prerequisite for accessing a large number of micro-entrepreneurs with MFIs over a long period of time. There is very little empirical evidence that MFIs provides support for poor to create their own jobs and its contribution in organizing poor people, especially women, to access essential financial services. But, Although women's access to financial services has grown dramatically in recent years, their ability to take advantage of this access is frequently still limited by the fact that women from underprivileged backgrounds may use the resources they receive to address other domestic issues as well as their strict needs rather than using them to finance their own needs (Limbu, 2014). A small number of financial intermediaries create obstructive situations prior to the approval of credit applications. Providing several types of collateral, such as a land title agreement and maintaining an account with financial intermediaries for six months prior to receiving loan services, was one of the circumstances (Katwalo, 2007).

Several research have been carried out to investigate the impact of microfinance services on women's social empowerment and, consequently, their credit-accessibility status in Nepal, notwithstanding these reservations. The purpose of this study is to investigate and assess whether

women participating in microfinance programs have gained empowerment as a result of the institutions' support. Furthermore, it has been shown that the majority of studies conducted in Nepal have just used microcredit services as an independent variable to investigate women's empowerment. But other research indicates that training and saving have a big impact on women's empowerment in Nepal as well. There is lack of research in this field, so this study proposes to understand the impact of microfinance services on social empowerment of women in Phalebas Municipality.

1.3 Research Questions

Given the problem statement, the following research questions will be addressed in this study:

- Does micro saving influence the social empowerment of women in Phalebas Municipality?
- How does training impact the social empowerment of women in Phalebas Municipality?
- What is the overall impact of microfinance services on social empowerment of women in Phalebas Municipality?

1.4 Objectives of The study

The analysis relating to the effect of microfinance on women's social empowerment in Phalebas Municipality is the primary goal of this study. But the study's particular goals are as follows:

1. To describe the current scenario on social empowerment of women.
2. To analyze the relationship between micro-saving and social empowerment of women.
3. To examine the impact of training on social empowerment of women.

1.5 Hypotheses of The Study

The following hypotheses were developed on the basis of literature review to carried out the objectives in this study;

- **H1:** There is significant relationship between microcredit and social empowerment of women.
- **H2:** There is significant relationship between micro saving and social empowerment of women.
- **H3:** There is significant relationship between training and social empowerment of women.

1.6 Rationale of The study

The purpose of this research is to determine how women can effectively empower themselves and gain a competitive edge over their rivals. In a similar vein, exposing the state of society can be beneficial. Analysis of the study's considerable influence on women's social empowerment may be aided. Future researchers can use the study's findings to better understand women's social empowerment and the elements that influence it. Policy makers and organizations, particularly those in the microfinance sector, can use the study's findings to create a framework for policies that addresses gender concerns in microfinance in Nepal. Lastly, this study adds to the body of knowledge and offers useful implications for the social empowerment of women in Nepal.

1.7 Limitations of The Study

The limitations of this study are presented as follows;

- This study is prepared for the fulfillment of the requirement of Masters of Business Studies at Tribhuvan University.
- This study is only concentrated to small area of Phalebas Municipality in Parbat district. So, it does not cover the overall scenario of Nepal.
- This study only focuses on women's social empowerment as a dependent variable and only three independent variables, thus the implication of the result in the other field is not feasible.
- Respondents who speak on Nepali language created the problem while conducting research in specific community.
- The data gathered from primary sources forms the basis of this study. Accordingly, it is inevitably limited by the intrinsic limits of primary data, and respondent biases may go unreported during fieldwork to gather data..

CHAPTER II

LITERATURE REVIEW

The review of earlier research on microfinance and women's social empowerment is presented in this chapter. The conceptual framework outlining the relationship between the study's independent and dependent variables is also included in this section. It also includes a synopsis of the research gap.

2.1 Theoretical Review

2.1.1 The Concept of Microfinance and Social Empowerment of Women

As a means of enabling self-employment and generating income for marginalized people in society, microfinance has evolved to provide microcredit and other financial services. The majority of MFIs are non-governmental organizations, government banks, commercial banks, saving and credit cooperatives, or non-bank financial institutions. The majority of MFIs offer social intermediation services, such as group formation, building self-confidence, financial literacy instruction, and developing group members' management skills (Ledgerwood, 1999).

Reducing poverty has received a lot of attention, and social capital is suggested as an essential component (Woolcock & Narayan, 2000; Mustafa, Khursheed, & Fatima, 2018). Scholars have recently come to the conclusion that women's autonomy and self-assurance are largely dependent on their financial status and ability to make their own socioeconomic decisions (Maclean, 2019).

Microfinance has developed in the last 45 years, especially after its success as a vital policy lever for helping women to participate the workforce and thus to lower poverty in Bangladesh in 1972. Muhammad Yunus lunched the very first microfinance institution which provided credit and other subsidiary services to needy and marginalized people who could not access banking system (Pratley, 2016; Klasen & Schuler, 2011). For the last three decades, microfinance has been a most useful tool for alleviation of poverty and financial inclusion to the poor people who are far behind the banking facilities (Khamar, 2016). It has been demonstrated that analyzing women as loan beneficiaries is a very profitable strategy. A woman can increase her standard of living and make money by investing the credit in productive ventures like microbusinesses (Gram, Morrison, & Skordis-Worrall, 2019). Women can increase their standard of living and make money by investing credit in productive ventures like microbusinesses, making it a highly profitable method to analyze them as credit beneficiaries (Gram, Morrison, & Skordis-Worrall, 2019).

The majority of academics, researchers, and decision-makers concur that there is a link between poverty and financial help accessibility. In order to reduce poverty in underdeveloped nations, microfinance institutions are set up (Hulme, D., & Arun, T. (2011); Gennaioli et al., 2013). While 1.3 billion women worldwide lack access to MIF services (Demirguc-Kunt & Klapper 2012), more women must be included in this process because microcredits have the potential to greatly increase women's empowerment among marginalized populations in underdeveloped areas (Khan & Noreen, 2012; Malik & Courtney, 2011). When examining how microfinance affects women's empowerment, previous research has shown contradictory results. By examining the impact of microfinance institutions (MFIs) in nine Sub-Saharan African nations, Aterido, Beck, and Lacovone (2011) found that gender disparity in the provision of financing is among the biggest obstacles to women's empowerment. They also found that South East Asia has not entirely addressed this discrepancy. Pakistani women suffer further since most financial institutions need men to serve as guarantors when granting credit to single women and to obtain consent from their husbands when granting credit to married women.

The goal of microfinance is to establish societies where all borrowers are women who provide social and financial capital to one another (Khavul, 2010). However, by forcing economically disadvantaged women to repay each other's debts, these cultures show greater compassion for these women. Furthermore, microfinance is the aspect of neoliberal ideology that encourages inhabitants' economic individuality and commercial reason. However, when there is a personal need or vulnerability, women's access to credit and communal resources—which are founded on solidarity—is disrupted. Consequently, in periods of economic instability, commercial endeavors fostered by such activities may provide obstacles for female borrowers (Isserles 2003; Narayan 2002).

The empowerment of women is not always ensured by capital access. But the process of looking for capital and taking into account all of its aspects can support women in gaining critical awareness, self-assurance, and a foundation for collaborative action (Rankin, 2001). The most significant step in this process is the use of feminist geography to dissect the various facets of society and solidarity in the microfinance sector. Despite being the most widely used and

recognized kind of financing, microfinance is not always beneficial and can even worsen the situation (Calas, Smircich & Bourne, 2009). According to Islam et al. (2018), certain MFIs are able to recoup credits. Thus, it would appear that the traditional motivator of microfinance—women's empowerment—has lost its significance (Sriram, 2010). With the aid of social entrepreneurship, women are given consideration in their efforts to escape poverty and become independent adults (Roomi, & Parrott, 2008). Since men dominate most major businesses, there is a gendered divide in the allocation of power and money. This implies that the majority of women feel left out of the game and that economic and power manipulation is incredibly unequal throughout the world (Rai, 2016).

Gender norms are deeply ingrained in the patriarchal structure of capitalist dominance. Previous studies have shown that MFIs are the source of the ongoing subjugation of women and girls. Reiterating this gender inequity is the focus on females as a means of reducing poverty. The feminist perspective emphasizes how women suffer greatly from financial hardship and poverty, yet liberal feminism's methods only serve to further oppress women and are inefficient for increasing production (Byatt, 2008). There aren't many remedial measures for transformational evaluation because capitalism has already included "gender mainstreaming" into its structure, cultural borders, and establishments (Calkin, 2017). Similar to how MFIs are made to last and capitalism's drive to expand to include new markets, capitalist globalization must be introduced to rural areas. Most MIFs made the decision to operate within the confines of neoliberalism, which includes imposing high interest rates on loans and changing their organizational structure from one that truly alleviates poverty to one that is focused on profit (Moodie, 2013).

According to Jones, Snelgrove, and Muskosy (2006), women who engage in economic activity rise in the family hierarchy, have more autonomy over decisions, and are more mobile, which gives them more power in the home and in society. Thus, women's empowerment and having access to microfinance services are related. The typical services provided by microfinance in Bangladesh must be modified. Microfinance plays a vital role in helping individuals in need by offering loans. According to Humle and Moore (2006), it should also offer other services including loan consolidation, health insurance and savings requirements, skill and training development, and organizational support. Globally microfinance is developing as a most powerful means for poverty

alleviation. It defines as a collection of banking practices and at giving micro-credit and accepting micro-saving (Cheston and Kuhn, 2002). Microfinance includes impacting of financial services for people barred from the time commemorated system due to the fact they cannot provide financial institution guarantees (Eufin, 2009).

Because microfinance allows the poor to access financial services like credit, savings accounts, and microinsurance that were previously only available to the wealthy, it is proving to be a useful tool in bridging the gap that traditional banks were leaving in reaching the vulnerable poor and non-poor and providing banking services (Chirkos, 2014). This helps the poor improve their standard of living. Microfinance is a crucial instrument for evaluating the quality of life in nations such as Nepal. A significant portion of women are illiterate. Within Nepal's financial industry, microfinance is not a recent development.

Amidst heightened competition, the majority of microfinance firms are attempting to broaden their clientele by employing various tactics. Because of this, those who are most marginalized and disadvantaged have partnered with businesses to give them access to crucial non-financial and financial resources that will help them break free from the cycle of poverty. Microfinance institutions successfully meet the needs of marginalized groups—such as female entrepreneurs—that the regular financial sector does not acknowledge through this method (Agarwal, 2016). By placing a strong emphasis on social and economic development, microfinance companies in underdeveloped nations have successfully navigated the issue of empowerment. Through financial and social services including microcredit, saving, insurance, training, social mobility, independence in decision-making, and respect for society, microfinance aims to reduce poverty and empower its users, particularly women (Alshmai, 2016).

The best way to promote wealth creation and economic advancement is through empowerment. In a same vein, it also assists marginalized women in overcoming poverty and exclusion by integrating them into society and fostering a sense of social pride (Akpan, 2015). According to Narayan (2005), empowerment is the process of increasing one's financial independence in exchange for one's ability to choose and take action to better one's own life. According to Ejaz, Khan, and Noreen (2012), microfinance is an essential tool for empowering women, but it can

only be accomplished with the help of education, and the microloans and family protection that are provided to them should be used wisely by women. Empowerment is the improvement of previously denied people's capacity to make wise decisions in life. The nation with the highest level of gender equality experiences both increased poverty and economic growth (Kabeer, 2001). In 2001, Mason and King created the theory of women's empowerment. Numerous academics have examined this notion, and the results indicate that the development of microfinance in developing and underdeveloped nations incorporates services that boost borrowers' income and provide them more power. The ability of women to make better decisions for themselves, their children, and the entire family is known as women's empowerment. Economic, sociocultural, interpersonal, legal, political, and psychological aspects of women's empowerment are all necessary (Basu, 2006).

The ability to deny certain women in society the ability to make decisions about household activities, parenting, household finances, maternity, and family planning is known as women's empowerment. Many rural women are uneducated, unaware of their rights, and constantly subjugated by men in the household and community. For this reason, governments, NGOs, INGOs, and other organizations are presented with a plethora of programs related to women's empowerment. Many essential rights for women are included in the Nepalese Constitution (Nepal, 2015) to promote women's empowerment. The Women Commission was also established by the Nepali government to support the empowerment of the nation's underprivileged women. The Nepalese government also provides a range of subsidies for women-owned businesses, including land registration in their names and tax and registration fees. Over 50% of Nepal's population is engaged in agricultural activities, with women making up the majority of participants. The economic resources, which include land, earnings, education, and other services, also lag behind them.

In addition, Nepalese women are marginalized and excluded from the development process due to their socioeconomic level, despite the fact that their participation is becoming more and more necessary in many nations. Numerous national and international organizations have contributed to the development of the majority of the programs, which aim to help participants become more aware of their circumstances and attain socio-economic freedom. One of the most important

strategies to improve their economic standing is thought to be the availability of loans. The majority of nations came to the realization that a country cannot grow without the empowerment of its women, and as a result, women's empowerment is now a global priority. While social empowerment of women contributes to sustainable empowerment of women, economic empowerment of women is not sustainable (Pandey, 2020).

Social Empowerment of Women

Two essential pathways have been identified by UNDP as essential for employment. The first is collective agency and social mobilization since impoverished women frequently lack the fundamental skills and self-assurance necessary to confront and overcome prejudices and obstacles that now stand in their way. Second, there must be financial stability to go hand in hand with the social mobilization process. Participatory institution development in self-help groups is one approach that has shown promise; it is frequently combined with microcredit loans and saving. (ESCAP, 2002). According to the World Bank, a major component of social development initiatives should be the empowerment of women (World Bank, 2017).

According to Hoque and Itohara (2009), women are socially empowered when they have access to a safe and equitable environment, a variety of affirmative initiatives and policies for women's empowerment, and the fundamental needs of life. Within the development domain, empowerment has gained popularity, with a specific emphasis on reducing poverty and facilitating the political assimilation of marginalized women's organizations (Mayouz, 2001). According to the perspective of social work, empowerment involves assisting people and groups in improving or regaining their capacity to interact socially, resolve conflicts, and foster the social conditions necessary to achieve these goals (Rocca et al., 2008). Research has demonstrated that microfinance has positive social effects on women (Kabeer, 2001; Khan, Mustafa, & Khusheed, 2018). According to Mahmud (2003), MIFs have a major influence on the social empowerment of women. The researchers also observed that microcredit greatly enhances overspending control. The ability to make decisions inside the household promotes their wellbeing. According to Sinha, Parida, and Baurah (2012), women's engagement in MFIs increased their spending power, mobility, and authority over household decision-making. Furthermore, Montgomery and Weiss (2011) discovered that family land ownership, media exposure, and institutional access were important predictors of women's

empowerment and that women's engagement in MFIs improves family decision making (Hoque & Itohara, 2009). Similarly, it has been discovered that women place a higher value on saving than do men since it increases their ability to make decisions about their lifestyle, family vacation, family planning, and leisure. (Ashraf, Karlan, & Yin, 2010).

Malagave and Patil (2010) discovered that there is a considerable rise in the decision-making power and influence over family lifestyle when women contribute more to household income. But for women who work in microfinance for a long time—usually more than two years—the gain in decision-making authority was more apparent (Weber & Ahmad, 2014). Similarly, research indicates that self-help groups have a good impact on women's personalities and lifestyles, particularly in terms of self-motivation, social empowerment, and confidence (Leach & Sitaram, 2002). Women who have access to financial services will be more empowered, self-assured, and inclined to take part in family and community decision-making. They will also be more equipped to confront systemic gender disparities (Hashemi, 1996). Three things influence women's empowerment through microfinance: family support, freedom of movement, and decision-making autonomy. Living standards start to shift as women gain greater influence over their own lives and the lives of their children. According to these studies, women are in the best position to use household resources to improve the nutrition, welfare, and educational chances for their families as well as their children (Cheston & Kuhn, 2002). According to Biswas (2008), social empowerment is the outcome of combining women's improved skills, mobility, and access to information and support networks with their increased economic activity and income management as a result of having access to microfinance. One's standing in the community is also improved.

The group formation strengthens these transformations, resulting in broader movements for social and political change. Several metrics are used to further quantify women's social empowerment. These include the ability to travel freely, the prohibition against discriminating against daughters, participation in schooling, the ability to participate in family decision-making, and the absence of violence (Marinova, 2010). Historically, women have received less attention. Women are more vulnerable and are less likely to live in households and communities that are financially secure. Women make up around 70% of the world's impoverished, and they don't use credit or other financial services. Thus, women are also the goal of microfinance (Arora, 2011). Women's

freedom of movement, self-assurance, independence, securing a higher quality of education for themselves and their children, and participation in community concerns are all key components of social empowerment (Alshebami, 2015). The readiness to form business connections, interpersonal skills, and levels of self-confidence and self-esteem are the metrics used to quantify the impact of microfinance (Naeem, 2015). The majority of entrepreneurs start their firms with the help of microfinance; they also raise their level of living, boost their confidence, and win their husbands' support since they are happy with their economic success (Sultana, 2012). According to Banerjee's (2015) research, microfinance clients do not exhibit improvements in their women's empowerment, health, or education. Rehman (2015) said that there is a tenuous positive correlation between the empowerment of rural women and microfinance initiatives. Research indicates that women can gain agency by assuming decision-making responsibilities that reduce the negative effects of microfinance. An integrated microfinance program that combines education and skills is therefore required. Among these uses is training to support the development of women's capacity. Thus, these initiatives will draw attention to the connection between microfinance and women's social empowerment (Alia & Hatta, 2012).

Grameen Bank Model

The Grameen Model originated from the Grameen Bank, a grassroots organization that focused on the impoverished and was established in Bangladesh in 1976 by Nobel Laureate Prof. Mohammed Yunus. In Nepal, the Grameen Bank Model was initially implemented in the early 1990s. In this concept, the locals are given an explanation of the bank's mission and operational model by a bank manager and staff member who visits the town. In the initial phase, the loan is given to two of every five members of the group. The loan is given to the group. After then, the group is observed for a month to make sure they are abiding by the bank's regulations. Only when the first two borrowers have repaid the money with interest during the fifty-week landing time may the remaining members of that group borrow money. This puts pressure on the group to maintain a clear record for each member.

2.1.2 Micro-Credit and Women Empowerment

According to Cheston and Kuhn (2002), women who had access to microcredit had more control over household finances, decision-making, child nutrition, access to healthcare, and education than

did men. Microcredit initiatives benefit women's decision-making, mobility, control over finances, and stability in marriage. According to the survey, women's earning contribution to the home has a significant role in their socioeconomic empowerment. There is little doubt about the positive effects of microfinance on women's empowerment. Given how essential financial services are to reducing poverty, it follows that providing access to them is likewise essential.

Because they have less control over socioeconomic possibilities, money creation, decision-making, and mobility than males do (Repoa, 2005), women have historically been perceived as inferior to men. By giving them access to microcredit that cannot be obtained through other official channels, microfinance is viewed as a way to empower women (Lakwo, 2007).

According to Mushtaq (2008), short-term loans, modest loan amounts, stringent oversight, and direct or indirect consumer screening to lower default risks are characteristics of microcredit. Through active economic engagement and the formation of autonomous communities, microcredit aims to empower women as decision-makers in the home and in society. The majority of microfinance is directed exclusively at women with the goal of enhancing their economic independence, and microcredit availability for women provides them with a means of generating income and starting their own socioeconomic empowerment (Tedeschi, 2008).

This is predicated on the idea that women are more likely to have credit limitations, to have restricted access to the paid job market, and to have less authority to negotiate and make decisions within the home. According to Makombe, Temba, and Kihombo (1999), there are improvements in gender relations, a decline in poverty, and more freedom for women to manage household resources, take part in decision-making, and manage their time. According to Hoque and Itohara (2009), microcredit schemes significantly influence Bangladeshi rural women's empowerment. Furthermore, women's empowerment is contingent upon the socioeconomic aspects of family ownership, media exposure, and institutional engagement by women. Yogendrarajah (2012) used a four-stage simple random sample of 105 households in an effort to investigate the effect of microcredit on women's empowerment in Sri Lanka. Microcredit is the independent variable under consideration, and socio-economic empowerment is the dependent variable under examination. According to the study's findings, microcredit and economic empowerment are positively correlated with one another more so than sociocultural empowerment of women. Ngofa (2014)

investigated how microfinance affected a number of different independent factors for socio-economic empowerment, including income generation, living standard increases, and women's self-esteem. The data were analyzed using ANOVA, MANOVA, and Chi-square, and 86 female microfinance clients in Southern Nigeria were selected at random. According to the survey, women who took part in microfinance programs raised the standard of life for both themselves and their families. According to Rashid, Consolatta, and Stephen (2015), women's enterprises have been able to grow and thrive thanks to loan availability and business training, which has enhanced their ability to make decisions and gained them more respect in their families and communities. Numerous microfinance organizations provide social intermediation services in addition to financial intermediation, such as community formation, confidence building, and financial literacy and management skill training for group members. As a result, the definition of microfinance also includes social and financial intermediation. Reviews of the research on the effect of microfinance on women's empowerment have therefore produced contradictory findings.

2.1.3 Micro-Saving and Women Empowerment

Microsavings, which teach the impoverished how to save money to reduce future financial difficulty, have gained recognition as a crucial component in the microfinance system. According to Khan and Rahaman (2007), microenterprise is essential in helping the impoverished save money because it benefits both the programs and the savings themselves. Because of the microfinance industry's rapid expansion, policymakers now think that microfinance can play a bigger role in improving access to social services, health, water, and education by offering well-designed loan and saving options. According to Tucker (2001), a consistent rise in the number of microfinance institutions in several nations is boosting regional rivalry. Research from numerous microfinance initiatives carried out in poor nations indicates that microfinance enhances the availability and effectiveness of loans, saving and

insurance services and that creating asset-based microenterprises boosts their ability to generate revenue and, in the end, improves their quality of life (Robinson, 2006). This is especially supported in Kenya by the application of table banking to microfinance. As a result, saving money consistently becomes ingrained in your wealth basis (Women Enterprise Fund, 2009).

The capacity and prospects for safeguarding against sickness and intermittent joblessness (Rhyne & Otero, 1992). Two significant obstacles that face a firm led by women are insufficient funds and difficulty obtaining loans. Similarly, although rural women lack management saving abilities, they are inherently skilled at managing small businesses. Their ability to estimate the profitability of

these endeavors is the only thing standing in their way. It is inadmissible to hold women back in the accounting and business management fields. For low-income microentrepreneurs, one of the well-known and significant advantages of saving is that it helps borrowers become more responsible, independent, and accustomed to making their payments on schedule (Gulli, 1998). Microsavings and planning must be prioritized by microfinance companies. The low success of various microinitiatives can be attributed to the fact that the majority of microfinance programs were credit-led, meaning they provided microcredit and mentorship for practical assistance, with little emphasis on concerns of social empowerment. Given that women make up 51.03 percent of the population in Nepal, they seek social empowerment and intervention for this underprivileged group, especially women (CBS, 2021). Additionally, increasing the market success of microfinance businesses requires the social empowerment system.

2.1.4 Training and Women Empowerment

Women who work in areas where the majority of people are impoverished have significant challenges. These include sociocultural constraints, insufficient technical and managerial skills, and the incapacity to evaluate firm success as a result of a lack of fundamental accounting knowledge (UNIDO, 2003). High-quality, demand-driven, non-financial services are now more widely developed and implemented for microfinance clients thanks to a variety of collaboration agreements involving several stakeholders. Microfinance has required its borrowers to participate in mandatory education and training programs during the initial phase. Nonetheless, during the 1990s, there was a decline in the total number of microfinance projects due to growing demand from sponsors like USAID to concentrate on financial sustainability and microfinance-related activities. Numerous people have been dropped from these comprehensive microlending initiatives (Goldmark, 2006). Since then, there has been a greater emphasis on improving the impact of microfinance and combining it with other services in an economical way. Non-financial services have changed significantly as a result (Sievers & Vandenberg, 2007). Yunus (1999) discovered that worldwide and local non-governmental organizations and governmental social agencies were reorganizing the notion and benefiting the outreach economy of MFIs following a period of unpopularity with non-financial services among major industry players.

For the impoverished, particularly those who relish becoming business owners, microfinance plays a crucial role in their life. About 45% of the clients in the poll indicated they were happy with the

business development services their company offered, while the majority remained silent. The fact that the training facilities had them was the primary cause of the satisfaction (Tilakaratna, Galapattige, & Perera, 2005). Given that it imparts the knowledge and expertise required to manage a business, training is a crucial component of microfinance for female entrepreneurs (Akanji, 2006, Cheston et al., 2002; Kuzilwaa, 2005).

Lack of working capital, inadequate technical and managerial skills, inadequate marketing strategies, a lack of jobs and basic infrastructure, an unfriendly business environment, inadequate project planning, and a lack of knowledge about available utilities are among the issues that successful women entrepreneurs are more likely to face (Alila, 1996). According to several academics, higher education, training, and skills all improve a company's success (Akanji, 2006; Kuzilawa, 2005). Women who received business training were able to expand and strengthen their enterprises, sharpen their decision-making abilities, and gain respect from their families and communities. Many MFIs provide social intermediation services, such as community building, confidence building, and financial literacy and management skills training to all group members, in addition to financial intermediation. Thus, the notion of microfinance encompasses both financial and social intermediation (Rashid, Vonsolatta & Stephen, 2015)..

2.2 Empirical Review

A variety of academics have studied how microfinance affects women's social empowerment in their own nations. And these experts have come to the conclusion that there is a connection between women's social empowerment and microfinance services.

2.2.1 Empirical Evidence on The Impact of Microfinance on Social Empowerment of Women.

The goal of Mayoux's (2001) study was to investigate how the financial self-sustainability paradigm currently dominates microfinance initiatives. This paradigm promotes women's group engagement as the main way to increase economic sustainability while presuming that it inevitably empowers them. The experience with seven microfinance projects in Cameroon is examined in this article. Based on available data, microfinance initiatives that foster social capital have the potential to make a substantial impact on women's empowerment.

According to Holvoet (2005), "The Impact of Microfinance on Decision-Making Agency: Evidence from South India" looks at how various program functionality improvements affect one particular facet of empowerment: decision making agency. A multinomial logit model was employed in the study to ascertain and contrast the effects of various loan programs on the probability of utilizing a specific decision-making mechanism. Using a random sampling technique, a sample of fifty houses with female respondents were chosen, and data were analyzed using the Kruskal Wallis, one-way ANOVA, and Chi-square test of correlation. The importance of the borrower's gender and the loan method in household decision-making is investigated by the researcher.. It turns out that regardless of who receives the loan, direct lending to bank borrowers does not alter current patterns of decision-making. According to the study, credit was used in conjunction with social and financial group intermediation. The general pattern of decision-making is substantially shifted away from normal behavior and male decision-making when women join groups. The study also reveals that these patterns of social and political empowerment are strengthened by prolonged group membership, more thorough training, and regular group gatherings. A variety of factors are used to identify and quantify the impact of microfinance on women's empowerment, including their ability to make decisions, their sense of self-worth, their standing at home, the relationships within their families, the prevalence of domestic violence, their involvement in the community, and their influence over political power and rights (Cheston & Kuhn, 2007). The precise effects of microcredit availability on the many dimensions, including decision-making and self-assurance, are hard to quantify. Empirical data suggests that microfinance institutions (MFIs) have a favorable effect on various facets of women's empowerment.

Sharma (2007) conducted a study titled "Microfinance and Women Empowerment" and discovered that women's involvement in group-based microcredit programs had an effect on a wide range of qualitative answers to questions pertaining to women's domestic autonomy and gender relations. The information is from a unique survey that was carried out in Nepal's hill and terai regions between 2004 and 2006. The findings suggest that women's engagement in microcredit programs contributes to the advancement of women's empowerment. Enrolling in credit programs results in improved financial and economic resources, increased involvement of women in home decision-making, improved access to social networks, more mobility, and improved

communication between spouses on family planning and parenting issues overall. In terms of ecology, terai showed a greater influence on the empowerment of women. The cause could be that terai women's social and economic standing was lower than that of hills women at the program's start. Therefore, even a slight alteration in their status would be clearly represented. Zaman (2009) aimed to investigate the ways in which microcredit mitigates vulnerability to diverse causes and alleviates poverty in distinct Bangladeshi areas. Through increased income-generating activities, a voice in decision-making and the management of wealth and financial resources, and an improvement in women's quality of life, microcredit has amply demonstrated how it has benefited the impoverished in Bangladesh. The study's conclusion was that there is a substantial correlation between life satisfaction and personal empowerment.

The paper "Measuring Effectiveness of Social Capital in Microfinance: A Case Study of Urban Microfinance Program in India" by Basargekar (2010) examines the function and significance of social capital with particular reference to microfinance programs and with the aid of empirical findings. This study's primary data came from 217 female participants of self-help groups, chosen at random using a straightforward technique. SHG members' perceptions are obtained using a Likert scale, and results are tallied based on 15 characteristics. Raising awareness, developing capacity, and actively and collectively participating in social and political life are the outcomes that lead to the desired improvements. This study came to the conclusion that the organization's microfinance program demonstrates how social capital empowers members of SHGs. Khan (2010) examined the sociocultural elements that affect women's empowerment, particularly in Punjab, Pakistan, and the empowerment of women. 550 married women between the ages of 15 and 49 who were randomly chosen from Punjab's two districts made up the study's sample. conducted multiple regression analysis, analyzed data correlations, and gathered data through organized interviews. The socio-cultural factors that were taken into account included age, education, access to local resources, spouse collaboration, political activity, media exposure, respondents' paid employment, women's knowledge and practices, and social networking. Decision-making, mobility, resource control, and family conversations were examples of dependent variables. The study's findings demonstrate that having more options for household spending on food, education, and apparel increased household incomes. The quality of life is also enhanced by it.

Torri & Martinez (2011) highlighted a feminist analysis of Gram Mooligai corporation Limited (GMCL), a unique women's community corporation in Tamil Nadu, India, funded by local NGOs. GMCL, a women's cooperative business in Tamil Nadu, is one example that receives help from a regional NGO. The survey was conducted in Tamil Nadu from June to August 2008. Two dozen farmers and salesmen were selected based on criteria such as age, marital status, and the average household budget. The respondents' ages span from 21 to 44 years old. The interviews included both organized and semi-structured sections. The outcome demonstrates the need for a far more comprehensive perspective on community venture initiatives than was previously thought. Giving poor women a voice and visibility, recognizing women's preferences, and decision-making that has a significant influence on reducing poverty and promoting social empowerment are some of the research's key results.

According to a 2012 study by Khan and Noreen on the effect of microfinance on Pakistani women's empowerment, women's social empowerment is positively impacted by having access to credit through microfinance institutions, and it is crucial that women use their loans. They arrive to the conclusion that having access to microfinance can enable women to take part in parenting, grow in self-assurance and assertiveness, and improve their capacity to cope with gender inequity.

Bhatia and Mahandiratta (2014) did a study in which they examined how women in various age groups and professions perceived various aspects of socio-cultural empowerment. 204 respondents made up the sample, and the SPSS program was used to do a one-way ANOVA on the collected data. fair access to participation, care, family-quality education, work, health and safety, political and economic life, and fair remuneration were among the sociocultural elements that were maintained. These social elements improve women's quality of life, according to research. Research on the impact of outreach microfinance programs on women's empowerment around the globe, with an emphasis on Indian states, was carried out in India by Laha and Kuri (2014). The women's empowerment index was developed by taking into account three different dimensions of empowerment: social, financial, and economic. According to the study, nations with more microfinance program penetration also exhibited comparatively better levels of women's empowerment. According to the study, nations with larger microfinance program penetration also had comparatively greater rates of women's socioeconomic empowerment. They also discovered that members' monthly income increased, leading them to draw the conclusion that an all-inclusive

microfinance system would accelerate India's financial inclusion process and foster socioeconomic empowerment. Banerjee (2014) investigated how using randomized controlled trials is a contemporary method of resolving selection issues. Researchers who used this method on slum residents in Hyderabad, India, came to the conclusion that microfinance access had no appreciable impact on any development outcomes, such as women's empowerment, health, or education. By focusing on 215 women in the state of Andhra Pradesh who were involved in Self Help Groups, Gangadhar & Malyadri (2015) conduct an analytical analysis on the effect of microfinance on women empowerment: empirical evidence from Andhra Pradesh. Utilizing exploratory factor analysis, the indicators of women's empowerment were examined. The paired sample t-test was used to assess the data. The study's findings indicate that microfinance has a significant impact on women's empowerment across a range of indicators, including family decision-making, legal awareness, mobility, household economic decision-making, and economic security.

Research by Rehman, Moazzam, and Ansari (2015) titled "Role of Microfinance Institutions in Women Empowerment: A Case Study of Akhuwat, Pakistan" looked at how microfinance helps women become more independent while also acknowledging its importance in reducing poverty. The phenomena was thoroughly examined by the researcher using a qualitative approach and a case study methodology inside the framework of Akhuwat, an interest-free microfinance company. The goal of the current study was to investigate the impact of four background variables on women's ability to make decisions in both their social and personal lives. Women's empowerment is influenced by a number of significant contributing elements, including age, education, marital status, and family structure. The study's findings demonstrate how microfinance affects women's social standing, family well-being, and home conditions. The study "Current Issue of Microfinance in Nepal" was carried out by Kayastha (2016), who explained the regulations, institutions' workings, and development process of microfinance to provide an analytical picture of the sector in Nepal. This study also examines the current challenges that microfinance is facing in Nepal and makes the case that institutional governance is the most practical way to get past the majority of these barriers. It's likely that institutional governance is a novel idea for Nepali microfinance. It only indicates that the process of handling political societal, economic, and interpersonal issues. In order to address the current problem that this research has discovered, institutional governance can help to put values on the formal and informal regulations and facilitate interactions between

various institutions, both public and private. From the perspective of institutional governance, Nepal's microfinance sectors require a clear vision and policies that are in line with the various microfinance institutions and modalities. Additionally, there needs to be coordination between the Government of Nepal and microfinance institutions in order to establish a positive microfinance environment that will help reduce poverty in the country.

According to research by Ramajeyam, Sooriyakumaran, and Vannarajah (2016), microfinance organizations provide their members with social and financial intermediation services to assist them grow their businesses. Out of the 44 GS division members, 10% were aware of this technique, and these individuals were randomly chosen to provide the primary data to the researchers. Utilizing multiple linear regression analysis, the impact of microfinance interventions on women's empowerment was ascertained. The findings indicate that microcredit has a noteworthy and favorable impact on the empowerment of female entrepreneurs. According to Addai (2017), "Women Empowerment through Microfinance: Empirical Evidence from Ghana" examines how microfinance services affect women's social and economic empowerment in Ghana. 500 female microfinance clients from Ashanti, Greater Accra, Central, Eastern, and Western Regions of Ghana (100 from each region) were chosen for the purposive non-probability sampling technique. The ordered probit model was utilized as the estimation model for this investigation, and data analysis was conducted using SPSS and STATA statistical tools. The study's findings indicate a statistically significant positive association between women's empowerment and microfinance, both in the economic and social spheres. However, this relationship depends on the women's marital status and educational attainment, with age having no controlling influence.

The study "Effect of Microfinance in Punjab on Social Empowerment of Women" by Kaur (2018) examines the relationship between microfinance and women's social empowerment in Punjab. Researchers looked at how microfinance affected a number of factors, including flexibility, mobility, network growth, and additional training and orientation efforts for microfinance participants. The multistage sampling technique served as the foundation for the study's sample. In order to examine this, data were analyzed using both basic and sophisticated statistical techniques, including the chi-square test, ANOVA, t-test, regression analysis, and Z-test. The study found that where microlending has occurred, there is typically a paradigm shift and women

grow more confidence, voice concerns, and even participate in decision-making. According to Jindal & Shukla (2019), microfinance has a beneficial effect on women's empowerment. On the socioeconomic empowerment variable, it is more pronounced. Economic indicators like income, savings, work days, household consumables, assets, and household expenses have all shown a positive correlation. The social variables of decision making, knowledge, self-confidence, self-worthiness, and self-esteem all demonstrated beneficial effects. To gather the primary data for the study, a multi-stage random sampling procedure was employed. There are 200 samples in total as a result. In the study, chi-square and t-test were used.

The results of a study on "Microfinance and Women Empowerment" by Khanal (2019) showed that women who participated in microfinance programs had greater social-economic advancement and decision-making authority. The primary data used in this study were gathered through a survey of 210 women who were part of the microfinance program sample. The data has been analyzed using both descriptive and analytical research designs. Following participation in microfinance programs, the results shown improvements in economic security, household economic decision-making, legal awareness, mobility, and family decision-making. The study "Impact of Microfinance Services on Economic, Social, Political and Psychological Empowerment: Evidence from Women's Self-Help Groups in Kashmir Valley, India" by Khan, Bhat, and Sangmi (2020) looked at how microfinance affected the economic, social, political, and psychological aspects of women's empowerment. A quasi-experimental approach with 180 control and 190 treatment participants was utilized to evaluate the influence of microfinance on women's empowerment. The findings indicate that microfinance has a little overall influence on social empowerment but a considerable but moderate level of impact on the economic, social, political, and psychological aspects of women's empowerment. Furthermore, case studies demonstrated that microfinance programs have significantly improved women's economic, political, social, and psychological well-being. They also resolved any doubts regarding women's social empowerment.

The study "Empowering Women through Microfinance Empirical Evidence from Ibadan, Oyo state, Nigeria" by Okunlola, Babajide, and Isibor (2020) investigated whether women's access to microfinance improves their need for empowerment. There are three key aspects of empowerment: productivity, investment, asset ownership, and access to microfinance, which all reflect economic

empowerment. Social empowerment of women in Oyo State, Nigeria's capital city of Ibadan. The study discussed how discrimination, authority, self-confidence, and decision-making in women were all represented in social empowerment. Conversely, loans serve as stand-ins for microfinance banks. Purposive non-probability sampling was used to generate a study sample of 250 people. The Pearson correlation (r) analytical method was used to analyze this, and SPSS was used as an estimating tool. The findings corroborate earlier study that found women's economic and social empowerment stems from their access to microfinance through MFI loans.

A study on the "Impact of Microfinance Services on Social Empowerment of Women" was carried out by Pandey (2020) to investigate how microfinance services affect the social empowerment of women. The primary services offered by Nepalese microfinance companies—credit, savings, and training—were classified as microfinance services in this study, while the freedom to choose and to move around were classified as variables of social empowerment. Women who were already engaged in microfinance activities participated in the survey. To gather data, a structured 5-point Likert scale survey was created and distributed. Regression analysis and correlation were employed to investigate the connection between women's social empowerment and microfinance services. The study's findings demonstrate how much all microfinance services enhance Nepali women's social empowerment.

In 2020, Ramajeyam, Sooriyakumaran, and Vannarajah attempted to investigate women's empowerment via the support and participation of Sanasa Development Bank PLC (SDB PLC)'s microfinance institution in Kilinchchi. The information came from a questionnaire survey that was given to 85 widowed women who lived in the Kilinochchi district's Karaichchi and Kandawalai areas and were asked to utilize the SDB PLC. Out of the 85 data points gathered, 80 had to do with microcredit, saving, and training. Using SPSS, the data were analyzed using correlation and ANOVA to identify significant differences and relationships. The study discovered a strong correlation between training and saving, with the exception of microcredit and women's empowerment.

According to Haque, Siwar, Rospidah, Said, and Bhuiyan (2021), Malaysian women borrowers' economic, social, and household empowerment was impacted by Amanah Ikhtiar Malaysia (AIM)

microfinance. Women did, however, have greater flexibility to make decisions in the social and household spheres than in the economic one when comparing the three categories. This study used a quantitative methodology based on primary data. Purposive stratified random sampling and the Krejcie and Morgan technique of sample size were used to produce a survey sample of 384 respondents. The Women Empowerment Index (WEI) and descriptive statistics were employed in the analysis.

The research conducted by Thapa and Chowdhary (2022) on the subject of "Impact of Microfinance on Empowerment of Women Entrepreneurs in Rupendehi district, Nepal" focuses on the ways in which microfinance programs benefit women entrepreneurs' performance in terms of their social and economic empowerment. A structured questionnaire survey of 124 randomly chosen women entrepreneurs served as the basis for the study's sample. Important statistical tools for data analysis include the Wilcoxon test, McNemar test, Paired sample t-test, and one sample t-test. The study discovered improvements in women's family and social relationships, as well as their freedom to make decisions and move around freely, following their participation in microfinance. Regarding microfinance services, the papers examined in this analysis largely share comparable findings. Nonetheless, it is possible to draw the conclusion that microfinance is a useful instrument that has reached even the most impoverished families with the aid of the analyzed studies. In addition, the female consumers who participated in the microfinance program now have better decision-making and mobility legal awareness. Table 2.1 provides a summary of the major articles that have been reviewed.

2.3 Research Gap

From the literature review, while microcredit has been the main emphasis of MFI services, the topic of whether these services also aim to empower women socially is not addressed in a comprehensive manner. On the other hand, certain research indicates that the social empowerment of women in Nepal is also greatly influenced by elements such as training services and microsaving. This research aims to examine several MFI services and their overall efforts towards the social empowerment of women because there is a deficiency of services in this area.

It is also found that no prior study of this kind has been carried out in the Phalebas Municipality, Parbat. The literature study reveals that previous research has primarily focused on the economic empowerment of women. In order to assess the effect of microfinance services on women's social empowerment in Phalebas Municipality, this study employed social empowerment as an indicator of women's empowerment.

CHAPTER III

RESEARCH METHODOLOGY

This chapter mostly discussed the research methodology that was employed to achieve the goals of the study, which were outlined in the first chapter. The primary goal of this research is to determine how microfinance services affect women's social empowerment in the Phalebas Municipality. This chapter primarily contains information organized under the following subheadings: research design, population and sample, instrumentation, data administration and analysis, sources and techniques of data collecting, validity and dependability of data, and ethical considerations..

3.1 Research Design

Based on the quantitative research methods this study adopts a descriptive and causal comparative research design. It is a type of research design that aims to obtain information to systematically describe a phenomenon, situation, or population. More specifically, it helps answer the what, when, where, and how questions regarding the research problem, rather than the why. For doing this, researchers will formulate a set of hypotheses at the state of research and after that relevant research methods will choose and finally applied for testing the hypothesis that will be formulated.

3.2 Population and Sampling Procedure

Any empirical study where drawing conclusions about the population from a sample is the aim must consider the sample size. In actuality, the population for the study consists of the female clientele of the microfinance institutions that are presently in operation in the Phalebas Municipality, Parbat, and the sample size is determined using the purposive sampling technique. Here, the sample size for the study is determined using simple random sampling approaches because the population is known and the total number of women clients from the two microfinances is 1641. The formula is used by to get the known population and sample size (Umar, & Wachiko, 2021). The following is the formula that was employed in this study:

$$\text{Sample size (S)} = \frac{N}{1 + N(e)^2}$$

Were,

N= Population size

e= Margin of error (7%)

Therefore, sample size for the primary data collected from the microfinance that are located in Phalebas Municipality are five: Kalika Laghubitta, Chimek Laghubitta, Asha Laghubitta, Nesdo Sambriddha Laghubitta and Swabalamban Laghubitta. For this study, microfinance institutions providing microfinance services were selected, which has large number of clients and had been operating more than 2 years in the field. The summary of selected sample is shown in the following table:

Table 1 Summary of Population and Sample Size

Microfinance Located in Phalebas Municipality	Total Women Clients	Sample Size
Kalika Laghubitta		
Chimek Laghubitta		
Asha Laghubitta	1,641	181
Nesdo Sambriddha Laghubitta		
Swabalamban Laghubitta		

3.3 Nature and Sources of Data Collection

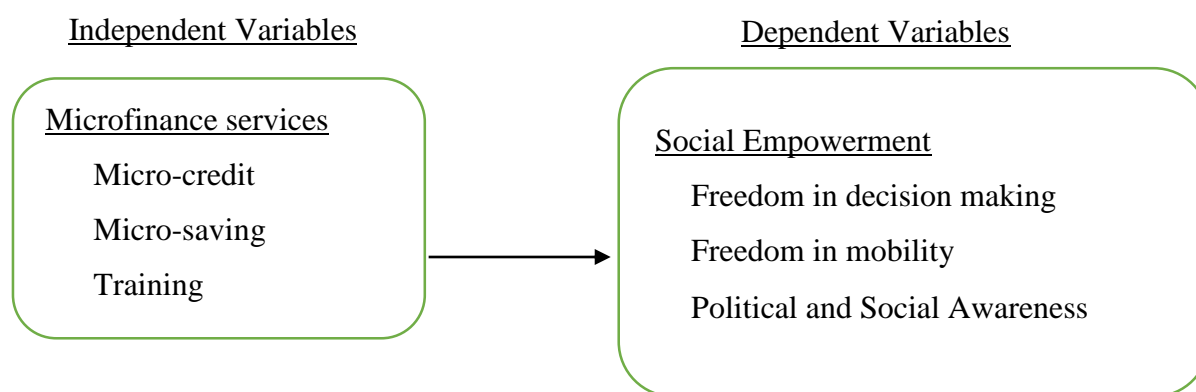
This study employed primary data. The microfinance institutions that are currently active in the Phalebas Municipality will be visited in order to gather data. When gathering data for the study, a series of structured questionnaires will be created and the questions will be asked while the researcher is physically present. The information gathered via the structured questionnaire will be coded and modified in accordance with the study's variables. SPSS and Microsoft Excel will be used for the coding and analysis.

3.4 Method of Analysis

The database through the collection of will be prepared using Ms- Excel and data processing will be made using SPSS software. By utilizing mean and standard deviation to examine the data, the researcher was able to condense a vast amount of information into more easily comprehended concepts, hence facilitating the comprehension of the data by an observer. In addition to these statistical measures, inferential statistics, regression analysis, and correlation will be employed for hypothesis testing.

3.5 Research Framework and Definition of Variables

In congruence with the literature review and research gap identified for the present study, theoretical framework of the current research has been created. Different research had been conducted by different scholars about the impact of microfinance services on social empowerment of women in Phalebas Municipality. The theoretical framework here shows the relationship between independent variables: micro-credit, saving and training, dependent variable: social empowerment of women. Therefore, theoretical framework for this study is based on the related article that are reviewed which are the findings of the previous researchers which is shown below in figure 1:



Source: Sooriyakumaran (2016)

Figure 1: Theoretical framework

Microfinance services under the study is influenced by the three variables, namely micro-credit, micro-saving, and training. Similarly, Social empowerment is measured by freedom in decision making, freedom in mobility, and political and social awareness. The variables can be described with the help of literatures as below:

- i. **Micro-Credit:** One of the main sources of income for low-income women is microcredit. Small credits are available from registered institutions for self-employed borrowers with little or no collateral. Microfinance has developed into a crucial instrument for supplying financial resources in recent years. More than 65 million people who are moderately poor utilize microcredit facilities; women make up three quarters of this population (Ncander and Lotta, 2004).

- ii. Micro-Saving:** For those with low incomes who aspire to become wealthy, a micro-savings scheme is one possibility. Over time, this enables individuals to attain a certain degree of financial stability. By saving less over time, it also enables low-income people to establish their assets. (Investopedia, Kagan, 2020).
- iii. Training:** Training is very vital micro-finance factor for every business as it would help to enhance skills and training facilities which is needed for business (Cheston & Kuhn., 2002).
- iv. Social Empowerment:** Social empowerment combines women's increased economic activity and income management with the assistance of microfinance, which improves women's skills, mobility, and access to knowledge as well as a network-building support structure (Biswas, 2008). Marinova (2010) defines social empowerment as the ability of women to participate equally in family decision-making, move freely, be free from violence, and earn the same as men in the workplace and as sons and daughters.

CHAPTER IV

RESULTS AND DISCUSSION

This chapter presents the analysis and finding of the study. The analysis is based on the objective of the study, namely microcredit, saving and training and the way they influence the social empowerment of women. The result was analyzed, tabulated, and presented as shown in the following sections.

4.1 Demographic Profile of Respondents

The demographic profile of the respondents is presented in table 2:

Table 2: Demographic profile of Respondents

Factors	Demographic Variables	Frequency	Percentage (%)
Age Group	Below 25 years	19	10.5
	26-35 years	38	20.99
	36- 45 years	39	21.55
	46 years and above	85	46.96
Marital Status	Married	137	75.69
	Unmarried	21	11.6
	Widow	23	12.71
Education	No formal education	41	22.65
	Under SLC/SEE	61	33.7
	+2	52	28.73
	Bachelor and above	27	14.92
Occupation	Agriculture	93	51.38
	Business	30	16.57
	Job	40	22.2
	Labor	18	9.94

Source: Survey Data (2024)

Given that women are the primary recipients of microloans in Nepal, Table 2's demographic profile of responders exclusively includes females. Additionally, the study's exclusive emphasis is on female Phalebas Municipality microfinance customers, and it has 181 respondents in total. The profile of the respondents, categorized by age group, marital status, education level, and occupation, is shown in this table. 10.5% of the respondents are in the age category of less than 25. Twenty.99% of respondents are between the ages of 26 and 35, 21.55% are between the ages of 36 and 45, and 46.96% are between the ages of 46 and beyond. Summarizing this, most of the respondents from selected microfinance for the study belongs to age group of 46 and above years (46.96%).

Similarly, the study has been conducted to indicate the marital status of the respondents since this information would assist in the analysis of the findings. The table shows that majority of the respondents were married women which is 75.69% of the respondents. Likewise, 11.6% and 12.71% of the respondents were unmarried and widow respectively. The study requested the respondents to indicate the education of the respondents so that this information would assist in the further analysis of findings. The above table exhibits the most of the respondents have no formal education (22.65%). Similarly, majority of the respondents were under SLC/SEE (33.7%) and +2 level (28.73%) respectively. Only few of the respondents have higher level of education (14.92) which is bachelor and above. The table also highlighted the respondents to exhibit the occupation. 51.38%, 16.57%, 22.2% and 9.94% of the respondents were engaged in agriculture, business, job and labor respectively. Thus, the result shows that majority of the respondents were involved in agriculture sector.

4.2 Descriptive Analysis for Study Variables

The descriptive analysis is conducted to describe the basis feature of the data in the study. It gives simple summary about the different variables that were studied to measure the social empowerment of women.

4.2.1 Micro-credit

Microcredit was taken as first independent variable to identify the impact on social empowerment of women and it was measured by collecting six statements from the responses which is shown in table 3.

Table 3: Micro-credit

Statements	Mean	S. D
MFIs provides easily loan to the members.	3.326	0.977
MFIs provides loan at lower rate than other.	2.541	0.951
MFIs reduce cost structure of small enterprise.	2.558	0.865
MFIs provide loan as well as training about how to use achieve loan.	2.680	0.982
The interest rate charged by MFIs is appropriate.	2.503	0.964
The design of loan product is appropriate as per our need.	3.254	0.902

Source: Survey Data (2024)

The variable's mean and standard deviation are displayed in Table 3. The Likert-Type scale, which has five points and goes from 1 for "strongly disagree" to 5 for "strongly agree," was used to score the questions. There were recorded means of 2.503-3.326 and standard deviations of 0.902-0.982. According to the study's findings, the majority of respondents felt that MFIs made loans to their members widely accessible (3.326). The variance in the respondent's response, which is 97.7%, is represented by the standard deviation. The results also showed that the loan product's design matched the needs of the respondents (3.254). The 90.2% variation in respondents' answers is represented by the standard deviation. Nonetheless, as seen in, the MFIs' acceptable interest rate was rated the lowest at 2.503. Finally, the table also shows that majority of the respondent were neutral with the statement that the interest rate charged by MFIs were appropriate (2.503).

4.2.2 Micro-saving

The second independent variable used here is micro saving and to evaluate this, collecting six statements from the response which is shown in table 4.

Table 4: Micro-saving

Statements	Mean	S. D
MFIs provide easy saving facilities to the members.	4.006	0.742
MFIs provide easy procedure of withdrawing the saving facilities.	3.083	0.948
Saving in MFIs is beneficiary to the members than other financial institution	3.155	0.994
Saving is beneficial during necessity	3.773	0.682
MFIs provide support to save small capital	4.006	0.750
MFIs maintain confidentiality.	3.580	0.760

Source: Survey Data (2024)

Respondents were asked to rate their agreement with the different MFIs' microsaving programs on women's social empowerment. A five-point Likert-type scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree," was used to score the surveys. The preceding table shows that the standard deviations range from 0.994 to 0.682, and the averages fall between 3.083 and 4.066. According to the study's findings, the majority of respondents (4.066) agreed that MFIs helped small capital conserve to a larger extent. The 75% difference in respondents' answers is represented by the standard deviation. The results also showed that the MFIs offered their members simple ways to save money (4.006). The somewhat varied response from respondents, which is 74.2%, is represented by the standard deviation. The data indicates that the majority of respondents had a

moderate opinion of MFIs' easy method for withdrawing saving privileges (3.083). Since all of the mean values in this case are higher than the middle of the 5-point Likert scale, it is evident that the respondents had favorable opinions on these qualities.

4.2.3 Training

Training was taken as another variable and to analyze this, collecting seven statements from the response which is shown in table 5.

Table 5: Training

Statements	Mean	S.D
MFIs increase entrepreneurial skill of member.	2.873	0.983
MFIs encourage to start up business.	2.967	1.079
MFIs develop to creative ideas.	2.972	0.957
MFIs reduce interpersonal risk.	2.923	0.922
MFIs helps to utilize the local resource.	2.807	0.978
Training provided by MFIs are relevant to my business.	2.912	0.968
The venue of training is convenient to my location.	3.503	0.828

Source: Survey data (2024)

Table 5 exhibits the variable's mean and standard deviation. The items were scored using a five-point Likert-types scale, where 1 represented "Strongly Disagree" and 5 represented "Strongly Agree." A range of 2.807 to 3.503 was recorded as the mean, while 0.828 to 1.079 were the standard deviations. As a result, the study's findings showed that most respondents were above average when they said that the training location was handy for them (3.503). The standard deviation indicates that there was an 82.8% variation in the respondents' answers. The research study also demonstrated that MFIs evolved to generate innovative ideas (2.972). The variance in respondents' answers, which is 95.7%, is represented by the standard deviation. Finally, the table also shows that majority of the respondent were neutral with the statement that the MFIs helped to utilized the local resources (2.807).

4.2.4 Freedom in Decision Making

Freedom in decision making was taken as one of the dependent variables of social empowerment of women and measured using four statements. The response rate of the respondent is shown in table 6.

Table 6: Freedom in Decision Making

Statements	Mean	S.D
I can take decision on children's education.	3.569	0.889
I independently take decision on the purchase of household expenditure.	3.442	0.945
I got opportunity to involve in household decision making.	3.796	0.728
My family members take suggestion before taking financial decision.	3.956	0.808

Source: Survey data (2024)

The variable's mean and standard deviation are displayed in Table 6. A five-point Likert-type scale was used to rate each item, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." There were recorded standard deviations of 0.889-0.945 and a mean of between 3.442-3.956. According to the study's findings, the majority of respondents (3.956) believed that family members should seek advice before making financial decisions. The 80.8% difference in respondents' answers is represented by the standard deviation. Also, the results showed that the respondent had opportunity to participate in household decision-making (3.796). The 72.8% variation in respondents' answers is represented by the standard deviation. In a similar vein, the data indicates that respondents independently decide what household expenses to buy (3.442).

4.2.5 Freedom in Mobility

Freedom in mobility was used as one of the dependent variables of social empowerment of women and measured using five statements. The response rate of the respondent is shown in table 7.

Table 7: Freedom in Mobility

Statements	Mean	S.D
I have freedom to visiting place.	3.431	0.877
I have freedom visiting hospital/health post.	4.249	0.691
I have freedom in visiting market for household.	3.823	0.769
I have freedom in attending MFIs program.	3.740	0.694
I have freedom to move another place to participate in program.	3.331	0.919

Source: Survey data (2024)

The variable's mean and standard deviation are shown in Table 7. A five-point Likert-Types scale was used to rate the items, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." There were recorded means of 3.331–4.249 and standard deviations of 0.691–0.919. According to the study's findings, the majority of respondents agreed that they had the freedom to visit a hospital or health post (4.249). The variation in respondents' answers, which is 69.1%, is represented by

the standard deviation. Additionally, the study found that respondents are free to access markets for household needs (3.823). The 76.9% variation in respondents' answers is represented by the standard deviation. Comparably, a few respondents expressed neutrality regarding their flexibility to relocate in order to take part in the program (3.331). Here, all the mean value are above the mid-point Likert scale and therefore it shows that positive perception of respondents about these attributes.

4.2.6. Political and Social Awareness

Political and social awareness was taken as one of the dependent variables of social empowerment of women and measured using seven statements. The response rate of the respondent is shown in table 8.

Table 8: Political and Social Awareness

Statements	Mean	S.D
I can cast my vote according to my own decision.	3.768	1.023
I can participate in any social participation (such as social function, helping neighbors, social meetings etc.)	4.083	0.802
I can share my own view about registration marriage.	3.818	0.833
I support stopping dowry.	4.144	0.754
I am supporting for stopping child labor.	4.331	0.708
I can support equal nutrition for girl and boy child.	4.343	0.662
I support to make nuclear family.	3.061	1.151

Source: Survey data (2024)

The variable's mean and standard deviation are displayed in Table 8. A five-point Likert-type scale was used to rate each item, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." The table displays the standard deviation, which ranges from 0.662-1.151, and the means, which fall between 3.061-4.343. According to the study's findings, the majority of respondents strongly agreed that they could support providing equal nutrition for boys and girls (4.343). The standard deviation indicates that there was a 66.2% difference in the respondents' answers. Additionally, the survey indicated that the participants supported the elimination of child labor (4.331). The variance in respondents' answers, which is 70.8%, is represented by the standard deviation. In a similar vein, some respondents said neutrally that they were in favor of a nuclear family (3.061). Here, all the mean value are above the mid-point Likert scale and therefore it shows that positive perception of respondents about this attribute.

4.2.7 Descriptive Summary of Variables

The responses of the respondents with micro-credit, micro-saving, training, freedom in decision making, freedom in mobility and political and social awareness is shown in table 9.

Table 9: Descriptive value of Dependent and Independent Variables 37

Statements	Mean	S.D
Micro-credit	2.810	0.570
Micro-saving	3.610	0.493
Training	2.994	0.642
Freedom in Decision Making	3.691	0.636
Freedom in Mobility	3.715	0.567
Political and Social Awareness	3.935	0.550

Source: Survey (2024)

All of the statements that were used to measure the variables are shown in Table 9 and are categorized into six components. Table 9 provides a summary of the mean value and standard deviation for six variables. According to the descriptive summary of the variables, clients of microfinances have the highest level of agreement with political and social awareness, followed by freedom of movement, freedom of choice, and micro saving; clients' opinions on training and microcredit, on the other hand, are neutral. The average training score is 2.994, indicating that microfinance clients are nearly at the disagree level, that microfinances do not offer their beneficiaries further training opportunities, and that there is still room for improvement to at least meet the agreement. Similarly, microcredit has an average value of 2.810, which states that clients of microfinance is just above the disagree level and that microfinance don't provide frequent micro-credit to its beneficiaries and there is also much to improve to reach at least on the agreement.

4.3 Correlation Analysis

The correlation analysis between dependent variables which includes social empowerment and independent variable microfinance services shown in the table 10.

Table 10: Correlation Analysis

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

Variables	Micro-Credit	Micro-Saving	Training	Freedom in decision making	Freedom in mobility	Political and Social Awareness
Micro-credit	1					
Micro-saving	0.398** (0.001)	1				
Training	0.602** (0.001)	0.243** (0.001)	1			
Freedom in decision making	0.167* (0.025)	0.367** (0.001)	0.228** (0.001)	1		
Freedom in mobility	0.095 (0.128)	0.314** (0.001)	0.187* (0.038)	0.555** (0.001)	1	
Political and Social Awareness	0.085 (0.237)	0.403** (0.001)	0.128* (0.048)	0.571** (0.001)	0.510** (0.001)	1

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

Note: Figures in parentheses are p-values

Source: Survey data (2024)

Table 10 exhibits that there is a significant positive relationship between micro-credit, micro-saving and training ($r=0.167$, $r=0.367$ and $r=0.228$) with freedom in decision making. Micro-credit is significantly correlated at the 5% significant level whereas micro-saving and training are significantly correlated at the 1% significant level. It results that women's increased micro-credit, micro-saving and training contribute to enhance freedom in women's decision making.

Similarly, analyzing the above table 10, it shows that there is significant positive relationship between micro saving and training ($r=0.314$ and $r=0.187$) with freedom in mobility. Micro-saving is significantly correlated at the 1% significant level whereas training is significantly correlated at the 5% significant level respectively. This means that micro-saving and training contribute to increase freedom in mobility of women. Although, micro-credit has insignificant relationship with freedom in mobility of women.

Likewise, the above table 10 illustrates that there is significant positive relationship between micro-saving, and training ($r=0.403$, $r=0.128$) with political and social awareness. Micro-saving is significantly correlated at the 1% significant level whereas training is significantly correlated at the 5% significant level. But micro-credit has insignificant relationship with political and social

awareness of women. From the correlation matrix as presented in Table 10 it can infer that there is no-issue of multicollinearity and data can be further proceeded with regression analysis.

4.4 Regression Analysis

The regression analysis has been conducted to examine whether there is relationship between independent variables (micro-finance services) and dependent variable (social empowerment of women).

4.4.1 Micro-finance Services and Freedom in Decision Making.

The impact of micro-finance services on freedom in decision making has been analyze.

Table 11: Model Summary

R	R²	Adjusted R²	Std. Error
0.400 ^a	0.160	0.146	0.576

a. Predictors: (Constant), Training, Micro-saving, Micro-credit

Source: Survey data (2024)

Table 11 exhibits that there is very strong positive relationship ($R=0.400$) between the variables. The study reveals a 0.160 for R-square which indicates that 16.00 % variance in dependent variable is explained by independent variables (micro-credit, micro-saving, training).

Table 12: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	17.684	3	3.561	26.338	0.001 ^b
Residual	27.747	177	0.198		
Total	45.421	180			

a. Dependent Variable: Freedom in decision making

b. Predictors: (Constant), Training, Micro-saving, Micro-credit

Likewise, Table 12 exhibits that overall regression model is significant with a obtained F-statistics of 26.338 with p-value <0.005 .

Table 13: Regression Coefficients Table

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	1.727	0.343	5.033	0.000
Micro-credit	-0.104	0.100	-1.039	0.300
Micro-saving	0.450	0.095	4.739	0.001
Training	0.193	0.084	2.307	0.022

a. Dependent Variable: Freedom in decision making

Source: Survey data (2024)

The resulting value of regression from the table 13 exhibits that micro-saving and training are curial with freedom in decision making ($p=0.001$ and 0.022 respectively which is, $p=0.001<0.05$). It means that micro-saving and training have significant impact on freedom in decision of women. But there is no significant impact in freedom in decision making of women due to the micro-credit ($p=0.300$ which is, $p=0.001>0.05$).

4.4.2 Micro-finance Services and Freedom of Mobility

The impact of micro-finance services on freedom of mobility has been analyzed.

Table 14: Model Summary

R	R²	Adjusted R²	Std. Error
0.355 ^a	0.126	0.111	0.421

a. Predictors: (Constant), Training, Micro-saving, Micro-credit
Source: Survey data (2024)

Table 14 exhibits that there is positive relationship ($R=0.355$) between the variables. The study reveals a 0.126 for R-square which indicates that 12.6 % variance of freedom in mobility is explained by independent variables (micro-credit, micro-saving, training).

Table 15: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	7.248	3	3.561	19.329	0.001 ^b
Residual	9.876	177	0.198		
Total	17.174	180			

a. Dependent Variable: Freedom in mobility

b. Predictors: (Constant), Training, Micro-saving, Micro-credit

Likewise, Table 15 exhibits that overall regression model is significant with a obtained F-statistics of 19.329 with p-value <0.005 .

Table 16: Regression Coefficient Table

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	2.636	0.250	10.527	0.001
Micro-credit	-0.122	0.073	-1.679	0.095
Micro-saving	0.296	0.069	4.278	0.001

Training	0.140	0.061	2.283	0.024
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a. Dependent Variable: Freedom in mobility
Source: Survey data (2024)

The resulting value of regression from the table 16 shows that micro-saving and training are an important with freedom in mobility ($p= 0.001$ and 0.024 respectively which is, $p=0.001<0.05$). It means that micro-saving and training have significant impact on freedom in mobility of women. But there is no significant change in freedom in mobility of women due to the micro-credit ($p=0.095$ which is, $p=0.001>0.05$).

4.4.3 Micro-finance Services and Political and Social Awareness

The impact of micro-finance services on political and social awareness has been analyzed.

Table 17: Model Summary

R	R ²	Adjusted R ²	Std. Error
0.422 ^a	0.178	0.164	0.474

a. Predictors: (Constant), Training, Micro-saving, Micro-credit
Source: Survey data (2024)

Table 17 exhibits that there is positive relationship ($R=0.422$) between the variables. The study reveals a 0.178 for R-square which indicates that 17.8 % variance of political and social awareness can be explained by independent variables (micro-credit, micro-saving, training). Likewise, Table 18 exhibits that overall regression model is significant with a obtained F-statistics of 14.338 with p-value <0.005 .

Table 18: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.246	3	2.561	14.338	0.001 ^b
Residual	4.448	177	0.178		
Total	12.694	180			

a. Dependent Variable: Political and Social Awareness
b. Predictors: (Constant), Training, Micro-saving, Micro-credit
Table 19: Regression Coefficient Table

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	2.423	0.282	8.584	0.001
Micro-credit	-0.146	0.082	-1.775	0.078
Micro-saving	0.461	0.078	5.901	0.001
Training	0.096	0.069	1.386	0.168

a. Dependent Variable: Political and Social Awareness
 Source: Survey data (2024)

The resulting value of regression from the table 19 shows that micro-saving is an important with political and social awareness ($p= 0.001$ which is, $p=0.001<0.05$). It means that micro-saving has significant impact on political and social awareness of women. But there is no significant change in political and social awareness of women due to the micro-credit and training ($p=0.078$ and 0.168 which are, $p=0.001>0.05$).

4.4.4 Microfinance Services and Social Empowerment

The overall impact of micro-finance services on social empowerment of women has been analyzed.

Table 20: Model Summary

R	R²	Adjusted R²	Std. Error
0.466 ^a	0.217	0.204	0.396

a. Predictors: (Constant), Training, Micro-saving, Micro-credit
 Source: Survey data (2024)

Analyzing the table 20 illustrates R square is 0.217. It means that 21.7% variance of the social empowerment of women can be explained by independent variables (micro-credit, micro-saving and training).

Table 21: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	7.684	3	2.561	16.338	0.001 ^b
Residual	27.747	177	0.157		
Total	35.431	180			

a. Dependent Variable: Social Empowerment

b. Predictors: (Constant), Training, Micro-saving, Micro-credit

Table 21 exhibits the result of ANOVA test which shows that the combined independent variables have significant effect on social empowerment of women. This can be elucidated by f-value (16.338) and p-value (0.001). Thus, the above tables describes that the overall model fit of the regression equation. At 1% level of significant, the given regression equation is significant.

Table 22: Regression Coefficient Table

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	2.262	0.236	9.597	0.000
Micro-credit	-0.124	0.069	-1.808	0.072
Micro-saving	0.402	0.065	6.170	0.001
Training	0.143	0.058	2.481	0.014

a. Dependent Variable: Social Empowerment

Source: Survey data (2024)

The resulting value of regression from the table 22 exhibits that micro-saving and training are an important with social empowerment of women ($p= 0.001$ and 0.014 respectively which is, $p=0.001<0.05$). It means that micro-saving and training have significant impact on social empowerment of women. But micro-credit has no significant impact on social empowerment of women ($p=0.072$) which are, $p=0.001>0.05$).

From the above table, now overall regression model would be:

$$Y = 2.262 - 0.124X_1 + 0.402X_2 + 0.143X_3$$

Where,

Y= Social empowerment of women

X₁= Micro-credit

X₂= Micro-saving

X₃= Training

From the result of regression equation, taking all the factors constant at zero, social empowerment of women would be 2.262, which means that for a unit point increase in the microfinance services, social empowerment of women is predicted to increase by 2.262, keeping other factors constant. Moreover, keeping other factors constant, a unit increase in micro-credit will lead to 0.124 decrease in social empowerment of women. In contrast, a unit increase in micro-saving will lead to 0.402 increase in social empowerment of women. Likewise, a unit increase in training will lead to 0.143 increase in social empowerment of women. Analyzing this result, we can see that micro-saving contributes more to the social empowerment whereas micro-credit contributes least to the social empowerment of women.

4.5 Hypothesis Testing Summary

Table 23: Hypothesis Testing Results

S.N	Null Hypothesis	P-value	Results
H1	There is significant relationship between micro-credit and social empowerment of women	0.072	Not Supported
H2	There is significant relationship between micro-saving and social empowerment of women	0.001	Supported
H3	There is significant relationship between training and social empowerment of women.	0.014	Supported

Source: Survey data (2024)

This investigation discovered that, although the p-value for the first hypothesis is more than 0.05, the data shown in the table did not support the p-values for the other two null hypotheses. Table 23 also shows that the P-value for the first hypothesis (H1) is 0.072, over the cutoff. Thus, the information is consistent with the null hypothesis, which states that there is no meaningful connection between women's social empowerment and microcredit in Phalebas Rural Municipality. P-values for the second and third null hypotheses (H2 and H3) are below the cutoff at 0.001 and 0.014, respectively. As a result, the statistics are consistent with the theories put forth, which state that microsaving and women's social empowerment in Phalebas Rural Rural Municipality.

4.6 Major Findings

The researcher has come up with conclusions from the aforementioned analysis, which have further aided in the research's conclusion. The primary conclusions of the present investigation are highlighted in this area of the study and are enumerated below:

- i. Out of total respondents for the study, 10.5% belongs to below 25 years of age group, 20.99% of total respondents belongs to 26-35 years of age group, 21.55% of the respondents belongs to 36-45 years of age group and 46.96% of the respondents belongs to 46 and above years of age group.
- ii. Out of total respondents, 75.69% of the respondents were married women, 11.6% of the respondents were unmarried. Likewise, 12.71% of the respondents were widow women.

- iii. The above study exhibits 22.65% of the respondents have no formal education, 33.7% of the respondents were under SLC/SEE, 28.73% of the respondents were +2 level and only 14.92% of the respondents have bachelor and above level higher education.
- iv. The above study highlighted that 51.38% of the respondents were engaged in agricultural activities, 16.57% of the respondents were engaged in businesses, 22.2% of the respondents were engaged in some kind of job, and only 9.94% of the respondents were involved in labor activities. The results exhibit that majority of the respondents were involved in agricultural activities.
- v. The mean value of micro-credit is 2.810 which exhibits that MFIs provided easily loan to the members, the design of loan products were appropriate as per respondents' need and interest rates charged by MFIs were appropriate.
- vi. The mean value of micro-saving is 3.610 which shows that MFIs provided support to save small capital, MFIs provided easy facilities to the members and MFIs provided easy procedure of withdrawing the saving facilities.
- vii. The mean value of training is 2.994 which reveals that the venue of training is convenient to my location, MFIs developed to creative ideas and MFIs helped to utilize the local resources.
- viii. The mean value of freedom in decision making by women is 3.691 which shows that their family members take suggestion before taking any financial decision, they got opportunities to involve in household decision making and they independently take decision on the purchase of household expenditures.
- ix. The mean value of freedom in mobility by women is 3.715 which reveals that respondents had freedom in visiting hospital/health post, visiting market place for household and freedom to move other place to participate the programs.
- x. The mean value of political and social awareness is 3.935 which exhibits that respondents can supported equal nutrition for girl and boy child, they support for stopping child labor and they support to make nuclear family.
- xi. The result from the correlation analysis shows that there is significant relationship between micro-credit, micro-saving and training with freedom in decision making. Similarly, there is significant relationship between micro-saving and training with freedom in mobility and

political & social awareness whereas micro-credit has insignificant relationship with freedom in mobility & political and social awareness.

- xii. The study revealed that the results of regression analysis shows that micro-saving and training have significant impact on social empowerment of women. However, micro-credit has no significant impact on social empowerment of women.
- xiii. The study also exhibits that among the three factors affecting social empowerment of women, micro-saving contributes more to the social empowerment of women whereas micro-credit does not significantly contribute to the social empowerment of women.

CHAPTER V

SUMMARY, CONCLUSION AND IMPLICATIONS

This chapter is concluding part of the study that represents the major discussion of the findings of the study. The evidence of the previous studies on the stated factors of various researchers are analyzed and its potential implications for enhancing social empowerment of women through microfinance services are presented.

5.1 Summary

The study empirically examined the impact of microfinance on social empowerment of women in Phalebas Municipality, Parbat. Women with access to microfinance services are better at selected aspect of empowerment, as provided by Malhotra and Schuler (2005). Microfinance services includes micro-credit, micro-saving and training. Political and social awareness, as well as freedom of movement and decision-making, are all aspects of social empowerment. The primary conclusions of this research build upon earlier conclusions and provide new information about microfinance services and women's social empowerment. This study has made a significant contribution to the breadth of the microfinance literature and the state of knowledge through the test of framework that improves women's wellbeing through access to microfinance services thereby improving women's social empowerment. The result from regression analysis shows the significant impact of microfinance services on social empowerment of women.

The findings revealed that micro-saving and training positively impact social empowerment, with micro-saving having the most substantial effect. Conversely, micro-credit was found to have a negative impact. The regression analysis highlighted the importance of microfinance services in improving women's well-being and empowerment, expanding the breadth of existing literature on the subject. The study showed similarity to most of the researchers have found there is positively significant impact of microfinance services on social empowerment likes social and political awareness, freedom in decision making, freedom in mobility (Khanal, 2019; Khan, Bhat & Sangmi, 2020; Ramajeyam, Sooriyakumaran & Vannarajah, 2020). Microfinance services includes micro-credit, micro-saving and training whereas women's social empowerment includes freedom in decision making, freedom in mobility and political and social awareness.

The three independent variables of microcredit, microsavings, and training were the subject of the study, which looked into how microfinance services affected women's social empowerment. Mobility, political and social awareness, and decision-making flexibility were all considered key components of social empowerment. The study came to the conclusion that training, microcredit, and microsavings all had a big impact on women's social empowerment. Social empowerment was positively benefited by both micro-saving and training, with micro-saving having the most impact. Microcredit, on the other hand, had the opposite effect. The study suggests that microfinance institutions (MFIs) should improve their micro-credit services by ensuring easy accessibility and appropriate interest rates. Additionally, the provision of supportive saving facilities and relevant training is crucial for maximizing women's social empowerment. These findings provide valuable insights for policymakers and MFIs aiming to enhance the social empowerment of women through targeted microfinance services.

5.2 Conclusion

The impact of microfinance services on women's social empowerment was investigated in this study. Three independent variables were created to investigate the effect of microfinance services on women's social empowerment following an analysis of earlier studies. The study employs micro-credit, micro savings, training, and social empowerment as its variables. Political and social awareness, as well as freedom of movement and decision-making, are examples of social empowerment.

From the study's findings, women's social empowerment is significantly impacted by microcredit, micro savings, and training. The results demonstrate that, among the three factors examined for the study, micro-savings and training have a positive influence on women's social empowerment, but micro-credit has the opposite effect. The study also reveals that, among the three variables influencing social empowerment, micro-savings has the most impact on it, whereas micro-credit has the least.

Ultimately, the study's three main independent elements are analyzed, and it can be determined that micro-savings explains a greater amount of the social empowerment of women. This indicates that MFIs assist members in saving small amounts of money and offer simple savings options. In

a similar vein, it is discovered that training has a big role in women's social empowerment. This indicates that the training location is close to the client's home, that the training promotes the development of original ideas, that it lowers the chance of interpersonal conflict, and that it is pertinent to the client's line of business. Nonetheless, the microcredit services that MFIs offer their clients have been shown to need improvement. The study's findings indicate that MFIs should prioritize making microcredit easily accessible. The results from the study suggests that MFIs should focus on easy accessibility of micro-credit and appropriateness of interest rate to its members for achieving the desired level of social empowerment of women.

5.3 Implications

Any MFI's primary goal must be to uphold and advance women's social empowerment. Many MFIs have social empowerment as their ultimate goal, so they concentrate on finding ways to help women achieve this goal. Women's social empowerment can be achieved through a variety of indicators. The factors used in this study to gauge women's social empowerment include their freedom of movement, their ability to make their own decisions, and their political and social knowledge. The study's main goal would be to investigate how microfinance services affect women's social empowerment. The study's findings offer factual support for the claim that women's social empowerment is more positively impacted by micro savings and training than by microcredit.

Microfinance organizations should be more advantageous to members than other financial institutions when it comes to savings, and their regulators should have policies that facilitate the process of withdrawing savings options. MFIs should provide training facilities to their clients so they can make the most of local resources and microcredit. Along with making sure that training is in line with clients' businesses, the regulator also aims to boost the number of trainings that will help its members become more skilled entrepreneurs. The results of the study indicate that microcredit services are detrimental to social empowerment. This makes it very evident that there are some gaps that need to be filled. Microfinance companies should adjust the interest rates they charge their customers, create loan products that are tailored to their needs, and provide helpful training resources to help them make the most of microcredit and become more self-sufficient. The interest rates for microcredit, which are nearly greater than those of other financial institutions,

should be lowered by microfinance organizations. This would enable the clients to make meaningful use of microcredit and gain empowerment from it.

The study identified important variables influencing women's social empowerment in Nepal. While creating policies for women's empowerment, the Nepalese government ought to consider a few things. Local government organizations may utilize this information as a reference when creating plans and regulations aimed at reducing poverty and promoting women's social empowerment. Families that support female members may benefit from this research.

5.4 Area for Further Research

The further study may be conducted by include more variables in the regression model with a bigger sample size, such as variables mediating, moderating, and/or intervening, more research can be done. which, utilizing a wealth of microfinance intervention variables, should be compared with the findings of this study to determine the relationship between microfinance services and women's social empowerment. Furthermore, while the recent study might have been conducted on a larger scale with a larger sample size in other districts, it was limited to Parbat Municipality clients. Future researchers in the field of microfinance should look into this topic.

Since women's social empowerment is the focus of the research, determining what factors contribute to women's social empowerment is essential. Since the sample used in this study was chosen with purpose, there are concerns about its generalizability. To further validate these kinds of studies, more research using random sampling can be done. For further study, additional elements including health, psychology, the environment, law, and consulting services may be taken into account.

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APPENDICES

1. Questionnaire for Individual Clients

Dear Respondents,

I'm a MBS student from the Shanker Dev Campus, Tribhuvan University and conducted my Master's thesis on "SOCIAL EMPOWERMENT OF WOMEN THROUGH MICROFINANCE SERVICES IN PHALEBAS MUNICIPALITY, PARBAT NEPAL" as a partial fulfillment of the college requirement. I kindly request you to fill the questionnaire below and help me to complete my dissertation. I assure you that the response will be kept confidential and used only for the academic purpose.

-Subas Regmi

Questionnaire

A. Demographic Information

1. Gender
 - a. Male
 - b. Female
2. Age Group
 - a. Below 25 years
 - b. 26-35 years
 - c. 36- 45 years
 - d. 46 years and above
3. Marital Status
 - a. Married
 - b. Unmarried
 - c. Widow
4. Education
 - a. No formal education
 - b. Under SLC/SEE
 - c. +2
 - d. Bachelor and above.
5. Occupation

- a. Agriculture
 - b. Business
 - c. Labor
 - d. Job
6. Income Level (Rs)
- a. Less than 10000
 - b. Less than 20000
 - c. Less than 30000
 - d. More than 30000
7. Family size
- a. 1 to 3
 - b. 4 to 7
 - c. 8 to 11

B. Following questionnaires on a scale of 1-5. (1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5- strongly agree)

Credit.

S.N	Statement	1	2	3	4	5
8	MFIs provides easily loan to the members.					
9	MFIs provides loan at lower rate than other.					
10	MFIs reduce cost structure of small enterprise.					
11	MIFs provides loan as well as training about how to use achieve loan.					
12	The interest rate charged by MFIs is appropriate.					
13	The design of loan product is appropriate as per our need.					

Saving

S.N	Statement	1	2	3	4	5
14	MFIs provide easy saving facilities to the members.					
15	MFIs provide easy procedure of withdrawing the saving facilities.					
16	Saving in MFIs is beneficiary to the members than other financial institutions.					
17	Saving is beneficiary during necessary.					
18	MFIs provide support to save small capital.					
19	MFIs maintain the confidentiality					

Training

S.N	Statement	1	2	3	4	5
20	MFIs increase entrepreneurial skill of member					
21	MFIs encourage to start up business.					
22	MFIs develop to creative ideas.					
23	MFIs reduce interpersonal risk.					
24	MFIs helps to utilize the local resource.					
25	The venue of training is convenient to my location					
26	Training provided by MFIs are relevant to my business.					

Freedom of Decision Making

S.N	Statement	1	2	3	4	5
27	I can take decision on children's education.					
28	I independently take decision on the purchase of house hold expenditure.					
29	I got opportunity to involve in household decision making.					
30	My family members take suggestion before taking financial decision.					

Freedom of Mobility

S.N	Statement	1	2	3	4	5
31	I have freedom visiting place.					
32	I have freedom visiting hospital/health post					
33	I have freedom in visiting market for household.					
34	I have freedom in attending MFIs program.					
35	I have freedom to move another place to participate in program.					

Political and Social Awareness

S.N	Statement	1	2	3	4	5
36	I can cast my vote according to my own decision					
37	I can participate in any social participation (such as social function, helping neighbors, social meetings etc.)					
38	I can share my own view about registration marriage.					
39	I support stopping dowry					
40	I am Supporting for stopping child labor					
41	I can support equal food for girl and boy child.					
42	In support to make nuclear family.					

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[Khursheed, Ambreen, Khan, Ather Azim, Mustafa, Faisal. "Women's Social Empowerment and Microfinance: A Brief Review of Literature", Virtual Commons - Bridgewater State University, 2021](#)**paper text:**

i ABSTRACT The study was conducted in Phalebas Municipality and aimed to analyze

the influence of microfinance services **on the** enhancement **of women** 's **social empowerment** . In **the**

study, the dependent variable are freedom in mobility, freedom in decision making & political and social awareness along with independent variable is microfinance services: micro-credit, micro-saving and training. Descriptive and causal comparative research designs with quantitative data were used. The sample size of 181 women respondents were selected by simple random sampling technique. Structured 5-point Likert scale close end questionnaires were used in order to collect primary data whereas secondary data were collected by reviewing different literatures regarding the research subject. The collected data were analyzed by descriptive statistics, correlation analysis and regression analysis and qualitative analysis were done to support the result of research. Frequency distribution and percentages are used for the presentation of study findings. The study reveals that microfinance services such as

micro-saving and training services except **micro-credit, significantly** and positive **impact on** social **empowerment**

of women. The finding of the study indicate the empirical evidence that micro saving and training have a greater impact on social empowerment of women whereas microcredit services has a negative impact on social empowerment of women. The study provides policy recommendations & guidelines to policy makers and other stakeholders of MFIs CHAPTER- I INTRODUCTION 1.1 Background of The Study Microfinance has been established with an objective of women empowerment and poverty alleviation. Microfinance has been taken into consideration as one of the most convenient poverty reduction strategies. Microfinance has advanced as an economic as well social development tool supposed to edges low-income women and men who are excluded from the formal financial institutions.

The term refers to the provision of financial services **to low-income**

people, as well as the freelance. (Ledgerwood, 1999). Microfinance seen as most important means in reducing poverty by generating the income of the poor in developing countries through executing duplex activities which is collection of domestic saving and