A Mini Research Report

On

Empowering Women through Microfinance: A Case Study of Self-Help Groups in Butwal Sub-Metropolitan City, Nepal

BY

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SUBMITTED

to

Research and Development Department

Lumbini Banijya Campus, Butwal-11, Devinagar

....2077

Certification of Authorship

We hereby corroborate that we have researched and submitted the final draft of Mini Research Project Report entitled "**Empowering Women through Microfinance: A Case Study of Self-Help Groups in Butwal Sub-Metropolitan City, Nepal**". The work of Mini Research Report has not been submitted previously nor has been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that we have received during this research work has been acknowledged. In addition, we declare that all information sources and literature used are cited in the reference section of the Mini Research Report.

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Report of Research Committee

Asst. Prof. Naba Raj Bhandari, Asst. Prof. Pitambar Sapkota and Ms. Kajal Malla have effectively defended the Mini Research proposal entitled "Empowering Women through Microfinance: A Case Study of Self-Help Groups in Butwal Sub-Metropolitan City, Nepal". The research committee has officially approved the title for the Mini Research Report to proceed further. It is advised to adhere to the prescribed format and guidelines for the mini-research and submit the Mini Research Report for evaluation and viva voce examination.

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Approval Sheet

We have assessed the Mini Research Project titled "Empowering Women through Microfinance: A Case Study of Self-Help Groups in Butwal Sub-Metropolitan City, Nepal" presented by Asst. Prof. Naba Raj Bhandari, Asst. Prof. Pitambar Sapkota and Ms. Kajal Malla. We confirm that the Mini Research Report meets the required standards and is deemed acceptable.

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Abbreviations

CBS	:	Central Bureau of Statistics
HE	:	Higher Education
ILO	:	International Labour Organization
NRB	:	Nepal Rastra Bank
OECD	:	The Organization for Economic Cooperation and Development
SHG	:	Self Help Group
UN	:	United Nations
USAID	:	United States Agency for International Development

Abstract

The study examines the impact of self-help group created by microfinance of Butwal Sub-Metropolitan City in the empowerment of women. The primary objective of the study is to assess how the involvement in microfinance enhances the women in different aspect of empowerment. Study used descriptive and causal comparative research design and considering the women customers of microfinance in Butwal Sub-Metropolitan City as a population study selected 297 of respondents. Five point structured questionnaire has been distributed to the customers of microfinance involved in self help group. Study employed mean, standard deviation, correlation and multiple regression analysis for the purpose of analyzing the data. The findings of the study revealed that participating in SHG experience significant improvements in social mobility, income and saving independency, ownership of assets and family financial and household decision making independency. In conclusion, the study confirms that participation in self help group facilitated as a potent tools for poverty reduction, women empowerment, economic wellbeing and social standings.

Keywords: Women Empowerment, Self Help Group, Economic Empowerment, Microfinance

Chapter I

Introduction

Background of the study

Microfinance is a small scale financial services that aim to support the marginalized, disadvantaged and deprived communities with the noble objective of enhancing their quality of life and mainstreaming them. It is a financial service for small entrepreneurs to help them in developing self-employment opportunities and various income-generating activities. Usually, micro finance is a program that serves larger number of clients with reference to women/ deprived people and works at grassroots level with financial services. The main objective of micro finance program is to provide quality financial services to the larger number of deprived population of the country and to ensure the availability of such services to their households.

The contributions of working women to national economies and the sustainable livelihoods of families and communities worldwide are well-documented. However, they face numerous socio-cultural attitudes, legal barriers, lack of education, and personal difficulties. The World Bank's "Women, Business and the Law 2016: Getting to Equal" discusses these challenges and their economic impact (World Bank, 2015). Similarly, UN Women's "Progress of the World's Women 2015-2016: Transforming Economies, Realizing Rights" highlights these issues (United Nations Women, 2015). The International Labour Organization's "Global Employment Trends for Women 2012" and the World Economic Forum's "Global Gender Gap Report 2016" further address the barriers women face in the labor market and their economic contributions (International Labour Organization, 2012; World Economic Forum, 2016). Additionally, the OECD's "Closing the Gender Gap: Act Now" provides a comprehensive analysis of women's economic empowerment and socio-economic challenges (OECD, 2012). Traditionally marginalized, women are rarely financially independent and often the more vulnerable members of society.

Nepal, being one of the developing countries, the empowerment of women is a burning issue in the country. Women mostly suffer from poverty in many developing countries.

The status of Nepalese women, particularly in rural areas lags far behind of men. The socio cultural values are derived from patriarchy which is strong biased against daughter means that daughters do not have equal opportunities to achieve development (Mahat, 2003). Despite increasing efforts from the government of Nepal, national and international non-governmental organizations, situation of women is characterized by low level of access to economic, social and political, education and healthcare opportunities.
Working women contribute to national income of the country and maintain a sustainable livelihood of the families and communities, throughout the world. Women face many socio-cultural attitudes, legal barriers, lack of education, and personal difficulties. Traditionally, women have been marginalized, rarely financially independent, and often more vulnerable members of society. About 70% of the world's poor are women (CBS Nepal, 2017). Yet, they have limited access to credit and other financial services. Therefore, microfinance often targets women as a critical tool to empower them from poor households. Many microfinance institutions focus on women to empower them (CBS Nepal, 2017). Unemployment is considerably high forcing a significant number of active age populations to migrate to gulf and other countries for work; however, the workforce lacks skills to break out the poverty trap.
The father of microfinance and the founder of Grameen Bank in Bangladesh Yunus (2003) defined microfinance as the provision of financial services to low-income individuals or those who do not have access to typical banking services. Yunus (2003) further emphasized that microfinance is not just about providing small loans, but it also includes a range of financial services like savings, insurance, and fund transfers aimed at helping the poor to become self-sufficient. The term micro finance is of recent origin and is commonly used in addressing issues related to poverty alleviation, financial support to micro entrepreneurs, gender development etc. Women can be successful and better entrepreneurs if given the much needed conducive environment and provided with enough resources most importantly the required amount of capital. The studies of rural women have proved their business excellence. They have been found to be better in credit utilization than men but because of lack of access to assets they are often more vulnerable to poverty than males. Women's empowerment in the context of microfinance

brings to light the significance of gender relations in policy development circles more prominently than ever before. Role of women in the development of today's growing

Research on women entrepreneurs today is one of the important issues in the world, based on data from the global entrepreneurship monitoring (GEM), activities of women entrepreneurs increase from year to year and become drivers of economic growth. The concept of entrepreneurship has a wide range of meanings. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for him or herself is considered to be an entrepreneur. Entrepreneurship is a critical driver of innovation and economic growth. Women capital is very important for increase socio economic and political environment in emerging countries as same as they are involving to entrepreneurial activities to promote regional development and economic growth (Arora, 2011), because women play a crucial role in the economic development of their families and communities but certain obstacles such as poverty, unemployment, low household income and societal discriminations mostly in developing countries have hindered their effective performance of that role (Pitt et al., 2006).

The status of Nepalese women, particularly in rural areas lags far behind of men. The socio cultural values are derived from patriarchy which is strong biased against daughter means that daughters do not have equal opportunities to achieve development (Arora, 2011). Despite increasing efforts from the government of Nepal, national and international non-governmental organizations, situation of women is characterized by low level of access to economic, social and political, education and healthcare opportunities. Intention is an early predictor of a behavior, so that more research is needed on the factors that influence an individual's intention to behave entrepreneurial.

The term micro finance is of recent origin and is commonly used in addressing issues related to poverty alleviation, financial support to micro entrepreneurs, gender development etc. There is, however, no statutory definition of micro finance. The taskforce on sup portative policy and Regulatory Framework for Microfinance has defined microfinance as "Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards". The term "Micro" literally means "small". But the task force has not defined any amount (Kuhn, 2002). Women can be successful and better entrepreneurs if given the much needed conducive environment and provided with enough resources most importantly the required amount of capital. The studies of rural women have proved their business excellence. They have been found to be better in credit utilization than men but because of lack of access to assets they are often more vulnerable to poverty than males. Women's empowerment in the context of microfinance brings to light the significance of gender relations in policy development circles more prominently than ever before. Role of women in the development of today's growing word can never be forgotten. For this her empowerment is very important, so that she can participate in the today's competitive atmosphere (Pandey, 2014). Microfinance is a type of banking service which provides access to financial and non-financial services to low income or unemployed people. Microfinance is a powerful tool to self-empower the poor people especially women at world level and especially in developing countries. Microfinance activities can give them a means to climb out of poverty. Microfinance services lead to women empowerment by positively influencing women's decision making power at household level and their overall socioeconomic status (Kuhn, 2002).

The concept of entrepreneurship has a wide range of meanings. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for him or herself is considered to be an entrepreneur. The word entrepreneur originates from the French word, *entreprendre*, which means "to undertake." The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organizes, manages, and assumes the risks of a business or enterprise. Entrepreneurship is a critical driver of innovation and economic growth. Therefore, fostering entrepreneurship is an important for the economic growth strategies for local and national governments. To this end, governments commonly assist in the development of entrepreneurial ecosystems, which may include entrepreneurs, venture capitalists, and government-sponsored programs to assist entrepreneurs. So, the entrepreneurship is becoming great issue and imperative role in developing and underdeveloped country like ours to push up the economy upwards and help the government to march towards development goal.

Considering the above, the present research deals with the role of micro credit and empowerment of women in selected areas of Butwal Sub Metropolitan City.

Statement of the Problem

Promoting gender equality and empowering women is one of the targets of millennium development goals. Women's empowerment is a broad concept which can be defined as the multidimensional social process that occurs at different levels and come with the relation to others (Hur, 2006). This is a relative process of enhancing the capabilities of an individual, group and community as a whole that assist people to realize and understand their own inner capabilities and exercise it for the welfare of themselves and others (Pandey, 2014).

Micro-finance is coined as the financial service rendered to the deprived group of the people and small entrepreneurs to help them in developing self-employment opportunities and various income generating activities. Usually, micro-finance is a program that serves a large number of clients with reference to women/deprived people and works at a grassroots level with financial sustainability. The main objective of a micro-finance program is to provide quality service to the largest number of the deprived population (Kuhn, 2002). Microfinance empowers women through various mechanisms, significantly impacting their economic, social, and psychological well-being. Kabeer (2005) outlined that microfinance provides women with access to financial resources that they might otherwise be unable to obtain. This access allows them to start or expand small businesses, leading to increased income and financial independence. The economic independence is a critical factor in women's empowerment, as it enhances their ability to make decisions and take control of their lives. Likewise, by participating in microfinance programs, women often experience an improvement in their social status. As they contribute economically to their households and communities, they gain respect and recognition. This change in perception helps break down traditional gender roles and promotes gender equality (Pitt & Khandker, 1998). Empowered women are more likely to invest in their children's future, contributing to long-term social and economic development (Hashemi, Schuler, & Riley, 1996). Microfinance programs often include training and support services that help women develop business and financial management skills. This training boosts their self-confidence and equips them with the knowledge necessary to run successful enterprises. Increased self-confidence is a crucial aspect of empowerment, enabling women to take on leadership roles and participate more actively in their communities (Cheston & Kuhn, 2002).

In ancient days women were restricted to take part in any social activities and not given roles in decision making in her family. The situation was even more worsening in rural and remote areas. Now the situation has been changed. Women are freedom to some extent. In today's scenario more women are engaged in income generating activities. (Mayoux, 2012). As of Chaitra, 2075 BS, D class microfinance institutions licensed by Nepal Rastra Bank has been reached 89. Among them 41 microfinance were national level and remaining 48 microfinance were district level. There were 62 microfinance operating in Nepal up to 2074 BS. Total number of branches of microfinance in Nepal is reaches to 3412 in 2075 BS. Total members participated in microfinance as a group members of self help group in Nepal are 4116000 till 2075BS (NRB, 2018). This evidence shows that more microfinance institutions are being established and more women are participating in them. However, it is unclear if these programs truly empower women. Are women just adding to their family's finances, or are they gaining economic independence, social mobility, and the ability to make financial decisions for them? This study addresses these questions.

- Is there is any relationship between independent income and saving decision, ownership of asset, self family decision making, social mobility and women empowerment?
- Does independent income and saving decision, ownership of asset, self family decision making and social mobility affect women empowerment?

Objectives of the Study

Microfinance supports the poor and backward group of women to generate income. It provides micro saving, small credit, insurance and transfer services including various capabilities building programs such as skill development training. How microfinance contributes on women empowerment is the main objective of this study. However there are some specific objectives. Following are the specific objectives this research.

- To measure the relationship between independent income and saving decision, ownership of asset, self family decision making, social mobility and women empowerment.
- To examine the effect of independent income and saving decision, ownership of asset, self family decision making and social mobility on women empowerment.

Research Hypothesis

Based on various theories and empirical review this study developed the following hypotheses.

- H_1: There is significant relationship between Mobility and Women empowerment.
- H_2: There is significant relationship between Income &saving and Women empowerment.
- H_3: There is significant relationship between ownership of asset and Women empowerment.
- H_4: There is significant relationship between Decision making and Women empowerment.
- H_5: There is significant effect of Mobility on Women empowerment.
- H_6: There is significant effect of Income &saving on Women empowerment.
- H_7: There is significant effect of ownership of asset on Women empowerment.
- H_8: There is significant effect of Decision making on Women empowerment.

Rationale of the Study

Present research aim is to examine the effect of women involvement in microfinance in the empowerment of women. The analysis of this research observes the practice of entrepreneurships development program by microfinance and focus on empowerment of women in various aspects. It also helps to analyze the participation of women in business sectors, leadership, and entrepreneurship, economic decision making, improved health outcomes, increased economic productivity, and enhanced community resilience.

The study may be helpful to identify the determinants of successful microfinance companies in order to provide practical guidance for improved women empowerment. Findings in the study may be tapped by policy makers and institutions especially those in microfinance services to develop policy framework. Furthermore, investors, business organization, potential researchers, teachers and students may be benefitted from this study.

Limitations of the Study

Every research study is bound by the constraints such as time, value coverage and economic resources. This study has been following limitations:

- The study is concerned only on women members of microfinance in Butwal Sub Metropolitan City. Customers of Micro finance of Butwal Sub Metropolitan City ward No 11 were taken as a sample.
- Among various descriptive statistical tools mean and standard deviation were taken for data interpretation likewise, correlation and multiple regression is used as inferential statistical tools.
- The study result is based on the response obtained from the customers of microfinance involved in different microfinance of Butwal Sub-Metropolitan city Ward No.11.
- Structured questionnaire has been used to collect response of respondents and the accuracy of result is based upon the respondent's level of accuracy of response.

Chapter II

Review of Literature

This section presents theoretical and empirical review of literature related to the concept empowering women through self help group. Various theories and empirical studies related to self help group and women empowerment has been reviewed and summary of the review is presented in this section.

Theoretical Review

Various theories related to self help and women empowerment were reviewed and the linkage between the theories and women empowerment is presented in this section.

Social Capital Theory

Social capital theory is concerned with social network and collaboration in generating economic benefit. Putnam (2000) emphasizes the value of social networks and relationships in facilitating collective action and economic benefits. Putnam (2000) highlighted the role of social network in social capital theory and suggests that social capital-defined as the networks, norms, and trust that facilitate coordination and cooperation-plays a crucial role in the success of members. The working model of microfinance is similar to social network as microfinance group members are participated in group and build network in order to set up their financial well being, leadership skill and other social skills. Yunus (2003) stated that in SHGs, social capital is built through the formation of strong relationships among members, which fosters trust and mutual support. This network enables members to access resources, share information, and collaborate effectively.

Empowerment Theory

This theory focuses on the process of gaining control over one's life and resources, often through increased self-efficacy and social participation. It emphasizes the importance of providing individuals with the tools, knowledge, and confidence to take charge of their own development (Rappaport, 1987). SHGs aim to empower members by providing financial resources, training, and support. By participating in the group, members gain confidence, skills, and a sense of agency, which can lead to improved economic and social outcomes.

Participatory Development Theory

Participatory development theory advocates for the involvement of local communities in the development process, ensuring that development initiatives are designed and implemented in a way that reflects the needs and desires of the community members themselves (Chambers, 1997; Freire, 2000 & Uphoff, 1996). SHGs are based on the principles of participatory development, as they involve members in decision-making processes and allow them to shape the group's activities and goals. This participatory approach helps ensure that the solutions and resources provided are relevant and effective for the members' specific context.

These theories provide a framework for understanding how SHGs function and the benefits they can provide to their members and communities.

Empirical Review

Akanji (2006) in their article, Does microfinance empower women? Evidence from self-help groups in India, strongly indicates that SHG members are empowered by participating in microfinance program in the sense that they have a greater propensity to resist existing gender norms and culture that restrict their ability to develop and make choices. Microfinance program for women have positive impact on economic growth by improving women income generating activities. The author attempts to explore the determinants of women empowerment and its effect on decision making by using regression analysis. The data were collected from Bahawalpur City. The author found that age, education of husband, marital status, no. of sons, father assets and loan amount are influential factors rather than many other factors are the socioeconomic determinants of women empowerment. Age effects positively and significantly but its variation is not much. Older women are much mobile, have a greater access to resource and to make decision both inside and outside the home. Education of husband also gives the females more say in domestic decision- making. The economic determinant loan amount also contributes to the women empowerment at household level. Likewise, the findings of Suja (2012) demonstrated that membership in self-help groups has given women more power over tangible possessions as well as intellectual resources like knowledge, information, and ideas, as well as decision-making in the family, community, state, and country. The SHGs in several states have focused on enhancing skills, encouraging innovation, obtaining financing from financial institutions for small businesses or projects, encouraging thrift, and supervising credit for women who are economically disadvantaged. If a woman's financial situation improves and her cultural and social standing rises, she can become powerful. Women's empowerment is the term used to describe this kind of general increase in power. Similarly, the Mettupalayam district of Tamilnadu is the focus of Thangamani and Muthuselvi's (2013) study on women's empowerment through self-help organizations. The main and secondary sources have yielded the necessary data for the research. The technique of random sampling has been applied. Analysis of the average and percentage was done in order to derive a meaningful interpretation of the findings. To determine whether two qualities are related or unrelated, apply the Chi-Square test. To determine the motivations behind joining the self-help group, the Garret ranking technique was employed. The study's findings showed that the SHGs had a bigger influence on the recipients' social and economic lives. Most of the women make financial and business decision by themselves and use their loans by themselves. Microfinance loans have positive effect on women domestic decision making. Limbu (2014) concluded that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in India. Microfinance loan available and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self-worthiness of women participants of self-help group linkage program in Ghaziabad. Microfinance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Reaching poor people on massive scale with popular products on a continuous basis involves rethinking the basic assumptions and making the changes. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity.

Susan (2016) has found that Micro Finance Institutions have received extensive recognition as a strategy for economic empowerment to women. Women's access to savings and credit gives them a greater economic role in decision making through their decisions about savings and credit. When women control decisions regarding credit and savings, they optimize their own and the households welfare. The investment in women's economic activities will improve employment opportunities for women and thus have a' trickle down and out' effect. The financial sustainability and empowerment paradigm emphasize women's own income-generating activities. MFIs also train the women thus eradicating illiteracy on how to manage the funds they advance from it. This enables or guides women on how to make economic decisions as well as those of their households. Women receive advice from the MFI on how to use or manage the funds they acquire. The MFIs provide adequate investment knowledge that gives the women an opportunity to make appropriate choices of investment helping them to rise economically. Agarwal (2016) has concluded that micro finance can contribute to solving the problems of inadequate housing and urban services as an integral part of poverty alleviation programs.

Rahman, Khanam, and Nghiem (2017) conducted a household survey in the 4 districts of Bangladesh to examine whether microcredit is really empowering. Results from the logistic regression indicate that microfinance has actually increased women's empowerment in Bangladesh. Study found positive impact of most of the selected indicators on women's empowerment. However, for achieving full benefit of microfinance in empowering women it must be supplemented by a significant amount of skills training and educational opportunities for these poor women and intensive awareness campaigns with an integrated approach.

Previous study mainly focuses on the relating to factors influencing the women empowerment in micro finance like factors such as policy, system, leadership and income level. But this study focuses on the contribution the women empowerment in micro finance like factors such as social mobility, income and saving, self decision making and intensive ownership of asset effect on women empowerment.

Chapter III

Research Methodology

This chapter mainly deals with the research methodology used to ascertain the study objectives. Under this chapter, research design, population and sample, sample selection method, data collection and analysis techniques and tools for data analysis has been described.

Research Design

The research study follows descriptive research design and casual comparative research design to conduct the research. The findings of the research have been carried out by quantitative analysis which is based on the distribution of the structured questionnaire. The purpose of descriptive research is to study the subject matter by describing the facts and characteristics related to the research problem and, inferential research is implemented to see the impact between an independent variable (social mobility, income and saving decision, ownership of asset, decision making) and dependent variable (women empowerment).

Population and Sample

Evidence suggests that women participating in microfinance programs often exhibit homogeneous characteristics in terms of savings, wealth, and other social status-related factors. Research indicates that microfinance programs tend to target women from similar socio-economic backgrounds, typically those from low-income households who seek to improve their economic standing through small-scale business ventures and savings accumulation. Therefore, women members of microfinance from Butwal Sub Metropolitan City, Ward No 11 is taken as sample. The sample respondent will be approached with the help of convenience sampling method. As per survey performed in the microfinance branches of Butwal Sub Metropolitan city altogether there are 1151 women customer involved in the micro finance.

Sample Size:-

The sample of the study can be calculated with the help of solvin's formula is.

$$n= N/(1+Ne^2)$$

= 297

So the sample of the study is 297.

Samplling method:- The sample respondent has been approached with the help of convenience sampling methods.

Sources of Data

The study has been mainly based on primary sources of data. Primary data has been collected through structured questionnaire.

Data Collection Procedure

Total 297 set of questionnaires were distributed to the respondents in order to get actual and accurate information. Distribution work has been done through personal visit rather than sending by any means to get accurate and actual information. Questionnaire has been used as a research instrument with five point likert scale where 5= Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree.

Tools for Data Analysis

Descriptive and inferential statistic has applied to achieve the objective of the study. Tables, percentage, mean and standard deviation is used as a descriptive statistical tools. Correlation and regression analysis have been used as a inferential statistical tools. The p-value was compared to the significance level on the basis of which the null hypothesis has either rejected or not. The significance level of 5 percent (i.e. 0.05) is taken for hypothesis testing relating to the significance of correlation coefficient, regression model fit and significance of the beta coefficient of regression model

The Model

In order to examine the effect of various independent variables on dependent women empowerment following regression model has been developed and analyzed.

The Model

$$Y = a + b1x1 + b2x2 + b3x3 + b4x4 + \epsilon$$

Where,

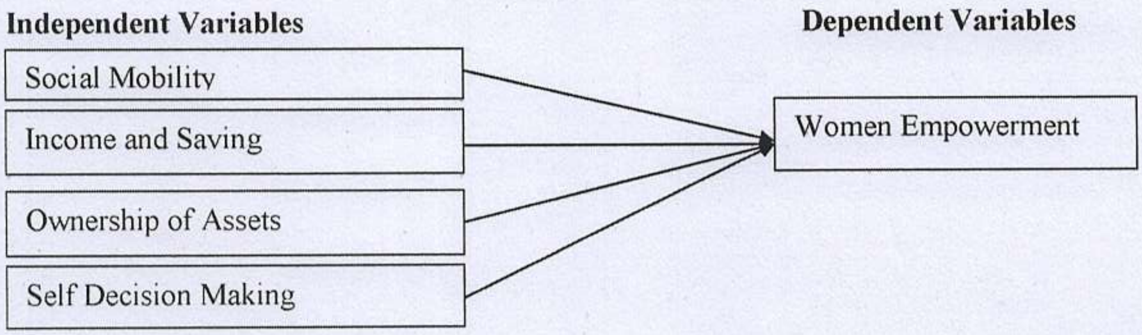
Y indicates women empowerment, X1 indicates social mobility, X_2 indicates income and saving, X3 indicates ownership of asset, X4 indicates decision making independency and ϵ is the error term of the model.

Research Framework

In order to achieve the objectives designed for this study; based on theoretical review and empirical review the following variables is formulated that is presented in the figure 2.1.

Figure 2.1

Research framework



Source: (Kabeer, 2001)

Chapter IV

Results, Discussion, Conclusion and Recommendations

Presentation and analysis of data is the major part of this research study. So, we analyze the data to achieve the objective of this study, using the various statistical tools discussed in research methodology section. This chapter deals with data background to have an overview of the surveyed data which includes analysis of respondents' profile, women empowerment in self help group through microfinance using mean score basis analysis finance.

Demographic Profile of the Respondents

Sample descriptions are conducted to generalize the characteristics of the respondents. In this section, the respondents profile has been analyzed in terms of their gender, age, qualification and profession.

Distribution of Respondents Based on Age

The table no 4.1 reveals that, the highest numbers of respondents are 30-40 years age group (45.5 percent) followed by 18-30 years age group (34.9 percent) followed by 40-50 years age group (17.4 percent) and 50 above years age group (1.9 percent). Since the research study is based on contribution the women empowerment in micro finance in Butwal sub-metropolitan city, so the Women's are the respondent and they belong to the 30-40 years Group.

Table 4.1

Age Profile of Respondents

Age Group	*Percent*
18-30	*34.9*
30-40	*45.8*
40-50	*17.4*
50 Above	*1.9*
Total	*100.0*

(Source: Field Survey, 2024)

Distribution of Respondents Based on Qualification

Table 4.3 depicts educational qualification of the respondents. It shows that 76.4 percent of the respondents were in SLC level, 12.73 percent of the respondents were in the intermediate level, 10.87 percent of the respondents Bachelor level .Therefore, this result shows that active education group is SLC, where women engage in microfinance sectors.

Table 4.2

Qualification

Educational Qualification	Percent
SLC	76.4
+2	12.73
Bachelor	10.87
Total	100

(Source: Field Survey, 2017)

Distribution of Respondents Based on Marital Status

The table no 4.3 reveals that, the highest numbers of respondents are married (58.5 percent) followed by unmarried (41.5 percent). Highest number of respondents is married group.

Table 4.3

Marital Status of Respondents

Marital Status	Percent
Married	58.5
Unmarried	41.5
Total	100.0

(Source: Field Survey, 2017)

Distribution of Respondents Based on Profession

Table 4.4 depicts the distribution of respondents based on profession such as Self employee, Agriculture, Private-employee. It shows that majority of the respondents i.e. 56.60 percent belong to self employees other than which are mentioned.

Table 4.4

Profession of Respondents

Profession	Percent
Agriculture	15.10
Self employee	56.60
Private employee	28.30
Total	100

(Source: Field Survey, 2017)

Reliability of Constructs

Validity and reliability are two fundamental elements in the evaluation of a measurement instrument. Validity is concerned with the extent to which an instrument measures what it is intended to measure. Reliability is concerned with the ability of an instrument to measure consistency. Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1 (Tavakol & Dennick, 2011). A low alpha appears if these assumptions are not meet. A high value of alpha (>0.90) may suggest redundancies and show that the test length should be shortened. The higher the score, the more reliable the generated scale is. Nunally (1978) has indicated 0.7 to be an acceptable reliability coefficient but lower limits are sometimes used in the literature.

Table No. 4.5

Reliability of Construct

S.N	Construct	Cronbach Alpha	Internal consistency
1	Mobility	0.994	Excellent (High-stakes testing)
2	Income & saving	0.860	Excellent (High-stakes testing)
3	Ownership of asset	0.955	Excellent (High-stakes testing)
4	Decision making	0.908	Excellent (High-stakes testing)
6	Women Empowerment	0.894	Excellent (High-stakes testing)

Descriptive Results

Opinion of respondents have been refined and processed by SPSS 16.0 software. As per the views collected from questionnaire they were asked to rate in 5 Likert Scale (5= Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree).Collected openings are analyzed and using SPSS.

Table No. 4.6

Descriptive Statistics

Statement	**N**	**Mean**	**Std. Deviation**
Microfinance has enhanced my confidence to travel outside alone.	297	3.3066	1.01428
Microfinance has enhanced my confidence to go for personal and family shopping.	297	3.3160	1.01137
Microfinance has enhanced me to participate in social, political and others events.	297	3.3760	1.01137
Microfinance has made me able to visit for medical facilities alone after getting microfinance services.	297	3.3113	1.01983
Mobility		**3.31**	**1.01**

Participation in Microfinance has increased my income level.	297	3.3208	1.01689
Participation in Microfinance has increased my saving.	297	3.3019	1.00868
Participation in Microfinance has reduced dependency on private money lenders.	297	3.4906	1.09497
Participation in microfinance has helped me to tackle my urgent financial needs.	297	3.5472	1.11544
Income & Saving		**3.42**	**1.06**
Microfinance helps to have ownerships of Appliances and electronics.	297	3.8019	1.05237
Microfinance helps to have ownerships of livestock.	297	3.7123	1.04733
Microfinance helps to have ownership of transportation-related assets.	297	3.7547	1.03778
Microfinance helps to have ownership of land.	297	3.6557	1.04374
Ownership of Asset		**3.73**	**1.05**
Microfinance has encouraged me to have the sole right to decide about daily expenses.	297	3.7451	1.05134
Microfinance improved my status as a family member involved in borrowing and investing decisions.	297	3.5251	1.05134
Microfinance has encouraged me to participate in making decisions about their children's education, marriage, and careers.	297	3.6351	1.05134
Microfinance enabled me in overcoming my fear of making the right decisions for my family.	297	3.8951	1.05134
Decision Making		**3.67**	**1.05**
I have established venture after taking training provided by microfinance.	297	3.4057	1.30581
I have got freedom in taking financial decision after involving MFIs.	297	3.4057	1.50581

I got opportunity to involve in decision making and leadership.	297	3.3538	1.01560
Self help group provide opportunity to women for social participation.	297	3.3962	1.25375
Self help group maximize social reputation.	297	3.4057	1.16581
Participating in micro credit program has increased income and leading capacity.	297	3.4217	1.11681
Women empowerment		**4.39**	**0.73**

Table No. 4.6 depicts that the mean value of Mobility is 3.31 which shows that Women response is inclined towards neutral with respect to Mobility. The highest mean value 3.3760 indicates that it is empowering statements, stating microfinance has enhanced their confidence to go for personal and family shopping. When women are involved in microfinance it can be felt that they are moving forward independently for their work and empowerment.

The mean value of income and saving is 3.42 which show that women response is inclined towards agrees with respect to income and saving pattern. Table 4.6 further shows that the items have mean value from minimum of 3.3019 to maximum 3.5472. The highest mean value 3.5472 indicates that it is the most empowering statements, stating that participation in microfinance has helped them to tackle their urgent financial needs. Due to microfinance involvement it can be felt that there has been a significant improvement in the development of habit of cutting down spending and saving among women.

The mean value of ownership of asset is 3.73 which show that women response is inclined towards agrees with respect to ownership of assets it implies that participation in microfinance has added their control over family property.

The mean value of decision making is 3.67 which show that women response is inclined towards agree with respect to decision making. The highest mean value of 4.090 indicates that it is the most empowering statements, stating that microfinance improved their status as a family member involved in borrowing and investing decisions. Microfinance enabled them in overcoming their fear of making the right decisions for family. Hence, it is inferred and suggested that Microfinance Company should formulate best Intensive Banking Program related strategies to motivate and uplift their empowerment.

The mean value of Women Empowerment is 4.39 which show that Women response is inclined towards agree with respect to Women Empowerment. Hence, it is inferred and suggested that organization should formulate best Women Empowerment related deduction strategies to motivate and uplift their empowerment.

Inferential Results

Correlation Analysis

The correlation analysis is generally used to describe the degree to which one variable is related to another. The correlation coefficient lies between +1 and -1. The +1 coefficient indicates that the variables are perfectly positively correlated and -1 coefficient indicates that the variables are perfectly negatively correlated. And if the correlation coefficient is 0, it means that the variables are not related to each other. The number indicates the degree of correlation between the variables. The table given below shows the correlation coefficient (r) between the Women Empowerment variables under study.

Table 4.7

Result of Correlation Analysis

Variables	Mobility	Income Saving	Ownership Of Asset	Decision Making	Women empowerment
Mobility	1	$.942^{**}$	$.954^{**}$	$.663^{**}$	$.772^{**}$
Income Saving		1	$.927^{**}$	$.596^{**}$	$.691^{**}$
Ownership of Asset			1	$.676^{**}$	$.805^{**}$
Decision Making				1	$.603^{**}$
Women empowerment					1

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

The correlation coefficient lies between +1 and -1. The +1 coefficient indicates that the variables are perfectly positively correlated and -1 coefficient indicates that the variables are perfectly negatively correlated. Pearson Correlation coefficient has been computed and the results are presented in Table 4.7.

Relationship between Mobility and Women Empowerment

The correlation analysis results presented in above table 4.7 shows that Pearson Correlation coefficient between social mobility and women empowerment is 0.772, which implies that the two variables are positively correlated. Since, the P value is less than alpha i.e. $(0.00 < 0.01)$, the correlation is significant between the variables. The study shows that social mobility is significantly correlated with women empowerment ($r= 0.772, p=0.000<0.01$).

Relationship between Income Saving and Women Empowerment

The correlation analysis results presented in above table 4.7 shows that Pearson Correlation Coefficient between income and saving independency and women empowerment is 0.691, which implies that the two variables are positively correlated. Since, the P value is less than alpha i.e. $(0.00 < 0.01)$, the correlation is significant between the variables. The study shows that Income and saving independency is significantly correlated with women empowerment ($r= 0.691, p=0.000<0.01$).

Relationship between Ownership of Asset and Women Empowerment

The correlation analysis results presented in above table 4.7 shows that Pearson Correlation Coefficient between ownership of asset and women empowerment is 0.805, which implies that the two variables are positively correlated. Since, the P value is less than alpha i.e. $(0.00 < 0.01)$, the correlation is significant between the variables. The study shows that ownership of asset is significantly correlated with women empowerment ($r= 0.805, p=0.000<0.01$).

Relationship between Decision Making and Women Empowerment

The correlation analysis results presented in above table 4.7 shows that Pearson Correlation Coefficient between decision making autonomy and women empowerment is 0.603, which implies that the two variables are positively correlated. Since, the P value is less than alpha i.e. (0.00 < 0.01), the correlation is significant between the variables. The study shows that decision making is significantly correlated with women empowerment (r= 0.603, p=0.000<0.01).

Regression Analysis

Multiple regression analysis between explanatory variables and dependent variable women empowerment has been performed and the result of analysis is reported in the table

Table 4.8

Result of Regression Analysis

Model	Constant	M	IS	OA	DM	SEE	R^2
1	0.405	0.246	0.451	0.257	0.401	0.7224	0.75
	(0.028)	(0.000)	(0.002)	(0.012)	(0.013)		(0.025)

Note: Reported value indicates beta coefficient of each variable and figure in the parentheses indicates p-value.

These findings indicate the estimated coefficients of various predictors (social mobility (M), income and saving independency (IS), ownership of assets (OA), decision making autonomy (DM) along with their statistical significance (p-values), the standard error of the estimate (SEE), and the model's overall fit (R^2). the value of R^2 is 0.75 implies that the explanatory variables explains 75 percent of variation in dependent variable women empowerment. Like p value of R^2 of 0.025 implies that the effect is significant at 5 percent level of significance. Likewise, beta coefficient of social mobility is 0.246 indicates that one unit change in social mobility leads to 0.405 unit change in women empowerment. As it can be seen from the table 4.8 that other variables like, income and saving independency, ownership of assets, and decision making autonomy have also significantly effect on dependent variable women empowerment.

Major Findings of the Study

- The R^2 value, or the coefficient of determination, is 0.75. This means that 75% of the variance in the dependent variable can be explained by the independent variables (M, IS, OA, DM) included in the model.

- A coefficient of 0.246 indicates that for each one-unit increase in M, the dependent variable is expected to increase by 0.246 units, holding all other variables constant. The p-value of 0.000 suggests that this relationship is statistically significant.
- A coefficient of 0.451 means that for each one-unit increase in IS, the dependent variable is expected to increase by 0.451 units, holding all other variables constant. The p-value of 0.002 indicates that this relationship is statistically significant.
- A coefficient of 0.257 indicates that for each one-unit increase in OA, the dependent variable is expected to increase by 0.257 units, holding all other variables constant. The p-value of 0.012 shows that this relationship is statistically significant.
- A coefficient of 0.401 means that for each one-unit increase in DM, the dependent variable is expected to increase by 0.401 units, holding all other variables constant. The p-value of 0.013 suggests that this relationship is statistically significant.

Discussion

Study result showed that participation in microfinance self help group leads to enhance the members social mobility, income and saving independency, ownership of assets and decision making autonomy. The result is consistent to the theory of social capital. Study result showed that women participated in self help group of microfinance achieved economic benefit through saving credit and wealth accumulation. Social capital theory states that social network and collaboration enhance economic benefit to their members (Putnam, 2000). Likewise, the result is consistent to the theory of participatory development. As participatory development theory states that involvement of local communities in development process improves their financial and social well beings (Chambers, 1997; Freire, 2000 &Uphoff, 1996). The result of this study showed that participation in self help group leads to improve community development in terms of capital formation and utilization of capital. Similarly, the study outcome is consistent with the theory of empowerment. Rappaport (1987) theory stated that social participation improves peoples self efficiency and control over themselves and their self financial resources. The study result is consistent to the theory. As result of the study showed that the women participated in self help group have improved their self confidence and economic confidence. Further study result is consistent with various empirical results. This study result is in the line with the study of (Akanji, 2006). As study result showed microfinance program for women have positive impact on economic growth by improving women income generating activities. Likewise, this study found that participation in self help group leads to increase their social mobility and economic decision making power. The result is consistent with Suja (2012) as study demonstrated that membership in self-help groups has given women more power over tangible possessions as well as intellectual resources like knowledge, information, and ideas, as well as decision-making in the family, community, state, and country.

Conclusion

Self Help group microfinance has been widely implemented in Nepal, particularly targeting women to help them develop self-employment opportunities and various income-generating activities. The impact of microfinance on women's empowerment has been studied extensively, and the results indicate that microfinance is a powerful tool in enhancing women's empowerment for all indicators, including income and savings, ownership of assets, decision-making, and mobility. However, it should be noted that participation in microfinance does not solve all the problems of the poor, but it serves as a means of helping them to boost their economic activities or augment their status. Other associated services like microcredit, awareness workshops, and training programs are crucial for the empowerment of women, as they not only provide self-employment training but also facilitate good decision-making ability and boost their confidence.

Recommendations

Based on the findings of the study following recommendation has been made.

- It is recommended for government to increase funding recourse to microfinance. Because participation in microfinance helps in poverty alleviation through their empowerment.

- It is recommended to local and provincial government to develop the program that promotes in participation in self help group and the program conducted by the group.
- Recommendation for microfinance to lunch support program for women that help in decision making and control over their self and family financial resources.
- It is recommended to nongovernment organizations to provide training and support to improve the effectiveness of self help group.
- For microfinance institutions it is recommended to design and offer financial products that cater specifically to the needs of SHGs, such as low-interest loans, savings accounts, and insurance products. Ensure that financial services are accessible and affordable for SHG members.

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Appendix I

Questionnaire Administered

WOMEN EMPOWERMENT IN SELF HELP GROUP THROUGH MICROFINANCE

Respondents Profile

1 .Name: ....

2. Age:

(a) 18- 30 years (b) 30 – 40 years (c) 40 – 50 years d) 50 above

3. Gender:

☐Male ☐Female

4. Education:

☐SLC ☐+2 (Intermediate) ☐Bachelor

5. Occupation:

☐Agriculture ☐self employee ☐Private employee

Kindly Tick the appropriate box

SA – strongly agree A- Agree N – Neutral D – Disagree SD – Stronglydisagree

S.N	FACTORS	SA	A	N	D	SD
A	**Mobility**					
1	Microfinance has enhanced my confidence to travel outside alone.					
2	Microfinance has enhanced my confidence to go for personal and family shopping.					
3	Microfinance has enhanced me to participate in social, political and others events.					
4	Microfinance has made me able to visit for medical facilities alone after getting microfinance services.					
B	**Income &Saving**	SA	A	N	D	SD

1	Participation in Microfinance has increased my income level.					
2	Participation in Microfinance has increased my saving.					
3	Participation in Microfinance has reduced dependency on private money lenders.					
4	Participation in microfinance has helped me to tackle my urgent financial needs.					
C	**Ownership of Asset**	SA	A	N	D	SD
1	Microfinance helps to have ownerships of Appliances and electronics.					
2	Microfinance helps to have ownerships of livestock.					
3	Microfinance helps to have ownership of transportation-related assets.					
4	Microfinance helps to have ownership of land.					
D	**Decision Making**	SA	A	N	D	SD
1	Microfinance has encouraged me to have the sole right to decide about daily expenses.					
2	Microfinance improved my status as a family member involved in borrowing and investing decisions.					
3	Microfinance has encouraged me to participate in making decisions about their children's education, marriage, and careers.					
4	Microfinance enabled me in overcoming my fear of making the right decisions for my family.					
E	**Women empowerment**	SA	A	N	D	SD
1	-participating in micro credit program has increased income and leading capacity.					
2	-I have established venture after taking training provided by microfinance.					

3	- I have got freedom in taking financial decision after involving MFIs.					
4	-I got opportunity to involve in decision making.					
5	-self help group provide opportunity to women for social participation.					
6	-self help group maximize social reputation.					