



Microfinance Services and Women Empowerment in Biratnagar Metropolitan, Nepal

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ABSTRACT

This article examines how far microfinancing services positively affect the empowerment of Nepali women living in the eastern part of Nepal. A purposive sampling method was used and responses of 97 women were collected through structured questionnaires. The women were using microfinance services on their own and at least from the last three years. Results indicate that the use of microfinance services (credit and saving) helps women to empower. Easy access to financial services and satisfaction with the loan payment period causes no difference in the improvement of women's empowerment. Saving service is significantly associated with women's household decision-making, major decision-making in the domestic context, and availability of basic household needs. Microfinance services contribute to women's socio-economic empowerment and their children's education.

Keywords: microfinance service, microfinance institution, women empowerment,

INTRODUCTION

The World Bank's report claims that the 32 percent population of Nepal is below the poverty line (World Bank Report [WB], 2019). Gender equality is one of the predominant conditions for poverty alleviation (Organization for Economic Cooperation and Development [OECD], 1998). Nepal ranked 101st out of 153 countries in economic participation and opportunities on the Global Gender Gap Index Report 2020 (World Economic Forum [WOFUM], 2020). The prevailing disparity of income and resources, lack of good governance and economic opportunity, and stagnant industrialization impede the aim of the poverty abolishment of the country (Acharya, 2020). Therefore, economic involvement and engagement of the people come to staple for the Nepali government to realize the poverty alleviation goal. However, there are myriad options like big government projects or foreign direct investment to generate huge employment opportunities to sterilize poverty. But Nepal fails to avail of these choices due to the aforementioned reasons.

Microfinance can be a viable instrument that generates employment and self-employment to deal with the persistent predicament of poverty. Notably, microfinance services are not able to augment the economy (Saqfalhait, 2019). Yet, microfinance is a broad strategy uplifting social, economic, and political involvement and empowerment (Kessey, 2005). The world's all endeavours are towards the realization of sustainable and protracted development in case women issues cannot be overlooked by the countries' policies, national and international agencies, and researchers too (Ali & Hatta, 2012). Women's empowerment, is power with, power within, power in, and power over (Kabeer, 2001), can be a robust yardstick to beat the severe challenge of the 21st century that is the unequal distribution of income and resources which results in poverty, degraded well-being, illiteracy, and poor health and sanitation (Acharya, 2020). Women are deprived in all sectors and communities, consequently, women are victims of poverty more than men (Khan & Noreen, 2012). Ironically, women empowerment is a global need but most of the countries as well Nepal are still chasing the goal.

Gender disparity is one of the most challenging setbacks for the development of a country (World Economic Forum, 2007). Therefore, mainstreaming and involvement of women in gainful economic activities come to be indispensable. Muhammad Yunus and Grameen Bank model (1976) have been trying to address the fierce problem of poverty in the form of microfinance. Microfinance can be an effective vehicle to empower women (Leach & Sitaram, 2010), although Mayoux (2005) claimed that poverty

alleviation is not an automatic result of MF, in some cases, the returns are comparatively nominal. Kabeer (2005) also warns that only financial intervention is not a panacea to empower women rather other interventions such as education, political quotas, and assurance are simultaneously imperative for apparent radical structural change.

Empowerment of women, as discussed by Mayoux (2005), is possible when women can control their resources and decide on themselves about their resources and life. Therefore, it is crucial to examine the contribution of microfinance services to uplift the socio-economic status of women. It becomes important in the Nepalese scenario where the youth female literacy rate is 87 percent whereas adults are 60 percent (The World Bank, 2018).

Objective of the study

The study aims to examine the effects of microfinance credit and saving on women's socio-economic development.

LITERATURE REVIEW

Microfinance Institutions (MFIs) and Women

Economically poor women were relatively more victims of all kinds of disparity prevailing in any society. They were treated as property and dignity of a household hence always being the subject to be controlled mostly by a male guardian (Khan & Noreen, 2012). Microfinance is an important approach for poverty alleviation and toward sustainable development. MFIs have worked for financial inclusion for the overlooked sections of the society such as vegetable vendors, artisans, rikshaw pullers, farmers (KPMG, 2019). Literature sufficiently depicted that underprivileged groups are deprived of formal education hence they lack the necessary skills and competency for the formal employment sector. They failed to access financial services and were bound to rely on informal employment for their livelihood (United Nations Children's Fund [UNICEF], 1997). Microcredit summit (2000) claimed that only two percent of 500 million micro and small entrepreneurs of the world access other sources (government funding, banks, financial institutions, cooperative society) of financial services except for family and friends as money lenders. Substantial financial funding was 30% more likely to be tough for women entrepreneurs in comparison to their counterparts (Wyman, 2019). Access to financial services for women was still more challenging (Osa Ouma & Rambo, 2013).

On the other side, Haque and Yamao (2008) pointed out that microfinance services were not for the poor rather it facilitated wealthier

women with a certain level of income and some assets. MFIs provided various financial and non-financial services especially to women from rural and urban areas. In the case of financial services credit, savings, leasing, transfer, and insurance were availed by MFIs, and credit and saving microfinance services were mostly exercised by beneficiaries of MFIs.

The women mobilizing microfinance's services, irrespective of their ethnicity and wealth segment, had myriad positive effects on income, children education, family health, daughters' education, social networks, decision-making, participation, mobility, self-confidence, self-efficacy, activities outside the home, legal awareness, living standard, control of resource they earned (International Labour Organization [ILO], 1998). Concurrently, ILO (1999) claimed the affirmatory impact of microfinance on poverty alleviation, financial self-sustainability, and women empowerment.

Unexceptionally, the negative results of microfinance's services were also discussed by the scholars. Kato and Kratzer (2013) claimed that a higher interest rate of microfinance exploited women which led to social pressure and sometimes resulted in domestic violence. Ali and Hatta (2012) contested for deflation of the poverty rate, augmented living standard, and livings of women through microfinance. Similarly, Ejaz, Khan, and Noreen (2012) pointed out microfinance as a prominent instrument for empowering women but accompanied by education, family protection, and loan provided to them must be utilized by them.

Women Empowerment: A Broad Phenomena

Different scholars and bodies conceptualized empowerment differently depending on several factors such as geography, level of education, social construction, and ongoing culture, and so on. As women empowerment had no explicit definition to date, there was open space to describe and work on the particular phenomena (Batliwala, 1993). Some claimed empowerment as the process (Mayoux, 1995; Rowland, 1997), and some contested it as an outcome. Empowerment was a shift from a state of powerlessness towards strategic social, economic, and political participation at individual and social levels (Kabeer, 1994; Nelson & Wright, 1995; Friedmann, 1992). Akpan (2015) stated empowerment as a means to contribute optimum to wealth creation and economic growth and to pull disadvantaged women out of impoverishment and marginalization. Enhancing poor people's freedom of choice and action to shape their own lives was empowerment (Narayan, 2005).

Hashemi and Schuler (1993) identified six dimensions of empowerment based on activities identified by women as important for their

day-to-day functioning; a sense of self and vision of the future, mobility and visibility, economic security, decision-making power in the household, participation in non-family groups, and interact effectively in the public sphere. Tuladhar, Khanal, KC, Ghimire, and Onta (2013) figured out a woman empowerment index in the Nepalese context included women's involvement in household decision-making, membership in community groups, cash earnings, ownership of house/land, and education. There were very diverse opinions toward defining empowerment and its dimensions.

It is important to clarify what is implied by 'empowerment' in this article. Empowerment is the socio-economic development of women. More explicitly, empowerment is measured in terms of household decision-making, importance in the family purchases, involvement in the major economic decisions, fulfilling family needs, able to purchase fixed assets, and availing the basic needs of the household.

Microfinance Uplifting Women's Living Standard

Ali and Hatta (2012) expressed microfinance as an entry point for women's socio-economic development. Many countries had proven intervention of microfinance as a strong strategy against poverty alleviation (Leach & Sitaram, 2010). If entire poor women could be approached with MF services, such economic transformation would shape the world positively different by uplifting women economically and socially (Khandker, 2005; Muhammad et al., 2012; Paudel, 2013; Swain & Wallentin, 2014; Zohir & Matin, 2004). The economic strengthening of women augmented their internal and external power to deal with myriad situations. Women in economic activities resulted in a say on personal and household decisions, control over resources, greater self-confidence, and most importantly self-respect (Batliwala, 1994). Besides, Harriet and Sen (2003) had claimed political involvement, right of the heir, absence of domestic and sexual violence, abolition of exploitation, and any kind of gender-based discrimination were the fruits of microfinance services harnessed by women.

Interestingly, Kabeer (1999) posited that women were more reliable in case of loan repayment performance than men. Moreover, women's earnings were invested back to the well-being of their household, dependents, and children (Mayoux, 1995; Kabeer, 2001). Remarkably, women's handful of earnings had a positive reaction in their daughter's education too (Kireti & Sakwa, 2014).

However, the services provided to women were used by their male family members (Goetz & Gupta, 1996; Rahman, 1999) and it added the burden of loan repayment to women which enlarged their workloads

(Vengroff & Creevey, 1994). Remarkably, microfinance did not automatically contribute to drastic changes in women's socio-economic status but still with other interventions like education and governmental policies and quotas can transform the whole picture of women (Kabeer, 2005).

In the mirror of empirical studies, Mahmud (2003) had sampled poor and non-poor groups of Bangladeshi women and some were members of microfinance and some were not, to analyse their empowerment on household expenditure decision, time spent on domestic work, and health treatment. Mahmud (2003) resulted in women's significant effects on exercising agency while limited effects on choices of resources. Ch and Malyadri (2015) revealed that household decision-making, legal awareness, mobility, economic security, and family decision-making were effectively empowered women in (Andhra Pradesh) India. Economic status, decision-making power, knowledge, and self-worthiness of women were linked with participating microfinance (Aruna & Jyothirmayi, 2011). Patient, Mbabazize, and Charles (2016) had analysed socio-economic development in terms of own assets, income generation, and saving in Rwanda. On the other hand, Kireti and Sakwa (2014) revealed the socio-economic status of Kenyan women relied on access to microfinance services and the provision of non-financial services. Rahman et al. (2017) claimed that microfinance affected the participation of women's empowerment regarding children's education and marriage, household decision, freedom, secure and strong.

Microfinance in Nepalese Context

The agriculture development bank in Nepal initiated a systematic and formal microfinance program from 1973 to the small farmer development program. Other commercial banks also commenced different services like priority area loan, poverty-stricken loan, and loan without collateral but discernible achievements were not recorded. In 1992, specialized microfinance, in the form of the 'Grameen Bank model of Bangladesh', a rural development bank established. This bank contributed to economic mobilization by spreading financial access to rural people (Acharya, 2020).

Because of the mushroom growth of microfinance in 2003/04 by the private sector, the rural development bank failed to compete. Therefore, some portion of the share of the government-owned bank was sold to private. Currently, around 90 microfinances with 3750 branches are serving 4.3 million members and 2.7 million borrowers to the different parts of the country (Nepal Rastra Bank [NRB], 2019).

Justification for the Sampled Area and MFIs

Nepal is divided into seven states and Biratnagar metropolitan is the capital city of state 1. According to the 2011 census, the city ranked fourth in population and ranked second in population density after Kathmandu (Central Bureau of Statistics [CBS], 2011). It lies 6 km north to Indian Border, Jogbani, Bihar. It is an industrial and commercial market hub for the eastern region of Nepal. The city has direct linkage with Calcutta (India) port and Indian railways for many parts of India. The open border fascinates the natives of the city towards involvement in economic activities.

A total of 63 MFIs is operating in Nepal (NRB, 2019) and dozens of MFIs serve the sampled city. The study has selected only three microfinances namely Nerude MFI, Chhimek MFI, and Forward MFI, working in the sampled city. Nerude is the only MFI that has a central office in Biratnagar while rest two (Chhimek and Forward) MFIs cover a very large number (more than two hundred thousand) of members across the country.

RESEARCH METHODS

The study examines the services of microfinance rendered by women and the effects of using these services on their socio-economic empowerment. Thus, the research design of this paper was descriptive and explanatory. The scope of this paper was confined to women who a) were connected with any of the selected three MFIs (Chhimek MFI, Forward MFI, and Nerude MFI) from Biratnagar Metropolitan, and b) were using microfinance services for at least the last three years. Further, the paper tried to collect primary data for only those women who were managing microfinance services on their own because measuring women empowerment was supposed to be meaningful when the women used microfinance services on self. It was very challenging to identify such women hence the purposive sampling method used for the selection of sample women, the five moderators (who were current and ex-students of the researcher) working in these MFIs helped to identify the genuine users of the microfinance services. A total of 105 women were identified for the research purpose including all delimitations. They were interviewed after they consented to participate. Respondents were informed about the objectives of the study, the promise of confidentiality of their information, and their right to withdraw from the survey at any time.

The research was based on primary data and data was collected with structured questionnaires. The questionnaire extracted from the work of Patient, Mbabazize, and Charles (2016) and further four experts from Nepal contextualized the instrument. There were three portions in the questionnaire: the first section was about the 'personal information', the second set of

questions related to ‘microcredit’ and its effects on their empowerment, and the last section had queries about ‘micro saving’ and the effects of saving on their empowerment. Closed-ended questions with multiple options were formulated to acquire personal information, second and third sections of the questionnaire followed closed-ended questions with dichotomous options ‘yes’ and ‘no’.

It was very difficult to identify the exact population of women using microfinance services, as around 10 percent of the total loan disbursed from MFIs were utilized by women on own, stated by an officer of MFI. The restricted random sampling method was applied to get the respondents to meet all the assumptions made for a reliable result. The researcher administered the questionnaire, to 105 women who were using microfinance services three years back and on their own, from 2nd July 2019 to 17th September 2019. Out of total administered questionnaires, 97 were useful for further processing because of missing and inappropriate information.

Methods of data analysis were percentage, multiple response analysis, binomial test, and Fisher’s exact test. The binomial test was used because items were nominal and dichotomous (‘yes’ and ‘no’), and the sample size was independent and significantly small, yet representative of the population. Fisher’s exact test was exercised as the nature of the table is 2 by 2 of the nominal variables and the expected number of frequencies in the Chi-square test is fewer than five (Miller, 2014, p.88). SPSS-20 was used for data tabulation and analysis.

EMPIRICAL RESULTS AND DISCUSSION

Socio-Demographic Profile of Sampled Microfinance Services User Women

Table 1 depicts that middle-aged (31 to 40) women are using more services. Similar results were drawn by Kato and Kratzer (2013) in Tanzania. According to the Demographic and Health Survey (2016), Nepali women were less than the age of 20 years at first birth, and the number of living children was 2. Hence, generally, middle-aged (31-40) women in Nepal accomplish their major domestic responsibilities (upbringing children) by this age and have free time to invest in the self. As the age increased (after 40) the tendency to use microfinance services gradually fell. The majority of microfinance service users are married women similar to the results found in studies by Kato and Kratzer (2013), Limbu (2014), and Modi, Patel, and Patel (2014).

Table 1*Socio-demographic profile of the sampled women*

Variables	Categories	Frequency	Percent
Age	Up to 30	24	25
	31 to 40	34	35
	41 to 50	25	26
	50 & above	14	14
Marital status	Unmarried	05	05
	Married	86	89
	Widow	06	06
Education	Illiterate	50	51
	Below 10 th (SLC)	30	31
	10 th (SLC) and above	17	18
Monthly Income (in Nepalese Currency)	15000 & below	23	24
	15001- 25000	28	28
	25001- 35000	19	20
	35001 & above	27	28
Source of income	Business	59	61
	Employment	37	38
	Farming	16	17
Services rendered	Microcredit	95	98
	Saving	94	97
Name of microfinance	Chhimek	45	46
	Forward	25	26
	Nerude	27	28

In every two respondents, one is illiterate (without any formal education). Notably, women expending the MF services are more likely to be less educated. More than one-third of the respondents were illiterate in the study of Modi et al (2014). In Tanzania less than five percent were illiterate and three out of four microfinance services user women were lashed with primary education (Kato & Kratzer, 2013). In other words, women with an increased level of educational attainment have a lower attraction towards microfinance services due to the knowledge of different sources of financial services.

Two third of the sampled women's family monthly income was more than rupees 15 thousand that is more than the per capita income (US Dollar 1047 nearly Rupees 10000 per month) of Nepal (National Planning Commission, 2020, p.5). Almost all the respondents are using microcredit services and similarly saving services of MFIs. Rahman et al. (2017) got 93

percent of women who borrowed loans from MFI. Limbu (2014) and Modi et al. (2014) found no women without saving after joining MFIs.

Microcredit Services and Its Effects on Women’s Empowerment

The hypothesis for all items on the second portion of the questionnaire was set accordingly as

H_{01} : $p=0.5$, no difference between the number of women who have access to microcredit and who do not have access to microcredit (Table-2).

H_{02} : $p=0.5$, no difference between the satisfaction on varied loan-period of women who have credit (Table-2).

H_{03} : There is no significant impact of microcredit on women’s empowerment (Table-3).

Table 2

Distribution of microcredit women user and its effects on their socio-economic development with Binomial test (n=97)

S. No.	Statements	Frequency	Percent	Sig.
Credit services	Women easily access microcredit.	89	91	0.000
	The loan payment period is satisfactory.	85	88	0.000
Effects of credit on women’s empowerment	Microcredit has increased your involvement in household decision making.	91	94	0.000
	Your decisions regarding family purchases get importance.	88	91	0.000
	Your role has been enhanced in major economic decisions.	91	94	0.000
	Microcredit has supported fulfilling your family needs.	76	78	0.000
	You have purchased any fixed assets.	60	62	0.025

[Note. sig. stands for significance level]

Table-2 depicts that women can easily access credit from microfinance. This paper shows that four out of five respondents have access

to microcredit alike in Patient, et al. (2016) whereas Ablrh (2011) found access to half of the sampled women. In this study, only one-tenth of service users are not satisfied with the loan period. Credit mobilization enhances involvement in household decision-making, major economic decision, and importance for their say in the family decision of a huge mass of credit user women and the same as the results of Patient et al. (2016). Ablrh (2011) marked 100 percent results for augmented household decision-making whereas around half of respondents agreed on the family purchase decisions.

In this study, three out of four women state that because of microcredit they can support their family needs. Whereas, cent percent of women involved in MFI support their family needs were the result of Ablrh (2011) and the result was 70 percent on Kireti and Sakwa (2014). Aruna and Jyothirmayi (2011) showed a significant change in assets, income, loan availability, loan repayment, bank accounts. This study delineates that 40 percent of women have not the potential to add fixed assets with their involvement in microfinance programs while Patient et al. (2016) had 64 percent for the same. All the items of women empowerment and microcredit are statistically significant at 50 percent by using the binomial test.

Table 3

Association between access to credit, and satisfactory loan period and their effects on the empowerment of credit user women (n=97)

Effects of microcredit on women's empowerment	Easy access to microcredit (Freq. and sig.)	Satisfactory loan period (Freq. and sig.)
Credit has increased your involvement in household decision-making.	(83) 0.588	(81) 0.159
Your decisions regarding family purchases get importance.	(81) 0.555	(78) 0.308
Your role has been enhanced in major economic decisions.	(84) 0.412	(80) 0.557
Microcredit has supported fulfilling your family needs.	(69) 0.448	(66) 0.493
You have purchased any fixed assets.	(53) 0.117	(56) 0.033*

[Note. sig. stands for a significance level, freq. for frequency and * for 5% level of significance]

Table-3, The ‘ease access to microcredit’ or not, and ‘satisfactory loan period’ or not, respectively do not differ the ‘effects on women’s empowerment’ with Fisher’s exact test. Kato and Kratzer (2013) reported an association between credit users and non-users with decision making regarding the general domestic purchase, family, and even major decisions of the household. Likewise, Modi et al. (2014) extracted a positive correlation between women empowerment through microfinance and financial freedom.

In this study, only a single item ‘you have purchased any fixed assets’ have a significant dependence on a satisfactory loan period. Satisfaction on loan period to women borrowers affected the purchase decision of fixed assets. Rahman et al. (2017), and Kato and Kratzer (2013) also came with a difference in the purchasing capacity of fixed assets before and after borrowing loans. One-fifth of respondents (who are using microfinance services) had ownership of land on their names (Limbu, 2014). In the same way, Patient, Mbabazize, and Charles (2016) delineated that women empowerment was associated and correlated with the credit and saving services of microfinance concerning their decision-making, adding fixed assets, loan payment.

Micro Saving, Reasons to Save, and Its Effects on Women’s Empowerment

‘Reasons for saving’ of women involved in microfinance services were a multiple-choice question with six choices as given below in table-4. Hence, the multiple-response analysis had been done to get the genuine percentage for specific responses.

Table 4

Reason for saving of women rendering microfinance services (n=97)

Reasons for saving	Frequency	Percent
Entrepreneurial activities	35	16.59
Access loan	14	6.64
Household expenses	40	18.96
Children’s education	58	27.49
Future security	59	27.96
No specific reason	05	2.37
Total	211	100

Table-4 depicts that five specific reasons were prescribed to respondents following ‘if any other’ in case of their different reasons for their saving. Children’s education and future security come to be the most

prevailing reason to save by three out of five women. Household expenses stand the second important reason for saving. Generally, poor women involved in microfinance programs usually encounter the problem of running their regular household expenses therefore, they save to support themselves in such tough times. One-third of respondents are saving to execute their business activities smoothly. Access loan in the time of need was another reason to save.

Table 5

Distribution of reason for saving and its effects on women's empowerment with Binomial test (n=97)

S. No.	Statements	Frequency	Percent	Sig.
Reasons for saving	Entrepreneurial activities	35	36	0.000
	Access loan	14	14	0.000
	Household expenses	40	41	0.000
	Children's education	58	60	0.000
	Future security	59	61	0.000
	No specific reason	05	05	0.375
Effects of saving on women's empowerment	It socially empowers women.	91	94	0.000
	It economically empowers women.	92	95	0.000
	It empowers in household decision making.	79	81	0.000
	It empowers family major decision making.	81	84	0.000
	It avails the basic needs of the household.	79	81	0.000

[Note. sig. stands for significance level]

Similarly, the result of Paudel (2013) also stated that the first reason for the saving of a household was future needs, a second important reason is children's education, and next in line of reason to save was entrepreneurial activities. Unlike, being able to access loans was the first reason for saving then entrepreneurial activities, meeting household expenses and no specific reason stood respectively (Patient, Mbabazize & Charles, 2016). Almost all microfinance services users saved in the study of Limbu (2014). Kireti and

Sakwa (2014) saving enhanced health services, children's education, payment of loans, consumption needs, and income.

The hypothesis for all items; reason for saving and effects of saving on women's empowerment, on the third portion of the questionnaire was set accordingly as

[H04]: $p=0.5$, no difference between the reason for saving for entrepreneurial activity (Table-5).

[H05]: $p=0.5$, no difference between the effects of saving on women's empowerment (Table-5).

[H06]: Saving is not significantly associated with women's empowerment (Table-6).

Table-5, According to the fourth hypothesis (H04), all the items on reasons for saving, except 'no specific reason' of saving, are statistically significant with the probability of 50 percent in the binomial test. Similarly, items of saving effects on women's empowerment (H05) have a statistically significant result with a probability of 50 percent.

Almost all respondents realize that saving has socially and economically empowered and enabled them to arrange the fundamental needs of their household. Saving empowers four out of five women respondents to decide on household decisions and more importantly in major household decisions. Essential household needs are being availed by 80 percent of credit user respondents. In line with, Kato and Kratzer (2013) also reported an association between credit and decision-making regarding saving and income utilization.

Table 6

Association between the effects of saving on women's empowerment and women who save (n=97)

Effects of saving on women's empowerment	Who saves (Freq. and sig.)
It socially empowers women.	(77) 0.646
It economically empowers women.	(78) 0.577
It empowers in household decision making.	(72) 0.001**
It empowers family major decision making.	(73) 0.003**
It avails the basic needs of the household.	(70) 0.031*

[Note. freq. stands for frequency, sig. for significance level where ** 1% and *5% level of significance]

Table-6, Fisher's exact test states that women empowerment, in case of household decision-making, major family decision-making, and availing fundamental household needs, (H06) is statistically associated with women who save. It meant that saving has enhanced women's influence on the decisions related to household or major purchases. Identically, the saving of women ensures the basic needs of the household.

The results of this paper suggest that credit utilization is associated with women's empowerment so basic household needs, household, and major decision-making are associated with women's saving. Mahmud (2003) argued that poor and non-poor households had a significant difference to non-participants of microfinance. Women's empowerment through microfinance was correlated with socioeconomic status, autonomy, the position of women in their family and society, and financial freedom (Modi, et al., 2014). Women empowerment statistically relied on the services of microfinance (Patient, Mbabazize, & Charles, 2016).

Ch and Malyadri (2015) argued that decision-making relating to home, household expenses, and large purchases improved after using MF services. Similarly, Rahman et al. (2017) drew that there was a significant difference between before and after using MF services in case of children's education and marriage, buying personal and household items, assets, medical treatment, the decision regarding borrowing, and control over income.

The objective of the study, was to analyse the effects of microfinance services credit and saving on women's empowerment, was achieved. The study revealed that microfinance services (credit and saving) were effective to empower women economically and socially.

CONCLUSION

MFI's remain one of the robust means to combat the problem of poverty by creating employment and self-employment opportunities. Since the problem of unemployment is severe in Nepal, microfinance services have a positive and increasing trend of financial access to women. Although MFIs are working for uplifting poor and deprived women, only a nominal number of such women are enjoying the facility of utilizing their credits and savings on their own. Until and unless a significant number of women use financial services themselves, microfinance cannot change the status of bargaining power for minor and major domestic decisions as well as other outdoor decisions.

The microfinance services build the nation in two ways. Firstly, access and use of microfinance services empower women economically and socially by their involvement in productive activities. Secondly, MFIs

encourage borrowers to save and the portion of their saving forms capital for the protracted advancement of the country as mostly, women save for the education of their children and future security. Subsequently, the involvement of women in microfinance, directly and indirectly, uplift the present and future of the nation. Hence, microfinance services can be a rigorous weapon to cope with poverty, and gender inequality when associated with other substantial economic and social apparatus.

LIMITATIONS AND FURTHER RESEARCH

The study naturally suffered from the inherent limitations of the primary data as the study was based on primary sources. There were some introvert respondents which may influence the results.

This study has focused on the decision-making dimension of empowerment, other parameters of women's empowerment like autonomy, mobility, ownership of land, or house can be further studied to examine the effect of microfinance services. This study covers the socio-economic development of women by using microfinance services but whether the microfinance uplifts the education of children of beneficiaries of microfinance can be further analyzed.

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