

# ***Empowering Women through Microfinance: Catalizing Societal Transformation via Entrepreneurship***

**Assoc. Prof. Pramshu Nepal<sup>1</sup>**

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## **Abstract**

*Microfinance has emerged as a transformative tool addressing financial needs, especially for marginalized communities with a focus on empowering women. This study investigates the impact of microfinance on women's entrepreneurship and societal transformation via entrepreneurship in Butwal sub-metropolitan city emphasizing decision-making, effectiveness, lifestyle changes, and the reduction of domestic violence and gender inequality. Surveying 100 women entrepreneurs, the study reveals significant positive effects of microfinance. It empowers women in decision-making, enhances effectiveness, uplifts living standards, promotes investments, and reduces domestic violence. Microfinance fosters entrepreneurship, challenges patriarchal norms, and contributes to economic growth and social change. Correlation analysis demonstrate strong associations between women entrepreneurship development and other variables. The findings underscore the vital role of microfinance in women's empowerment and economic development. Policymakers need to prioritize regulatory support and targeted interventions to sustain and enhance the microfinance sector, ensuring inclusive economic growth and empowerment of women entrepreneurs.*

**Keywords:** Microfinance, Women Empowerment, Women Entrepreneurship, Financial Inclusion, Gender Equality

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## **I. Introduction**

The concept of microfinance is versatile and it covers the varieties of financial services aimed at people who face difficulties while pursuing standard banking services. Many of the studies indicate that women are often the primary beneficiaries of microfinance programs, and their involvement can lead to positive social outcomes (Goetz & Gupta, 1996). Some studies have explored the impact of microfinance on entrepreneurship development, finding that access to credit can lead to increased business activities and income generation (Banerjee et al., 2015).

The word "micro" highlights the small-scale financial transactions that are a part of this strategy, highlighting its emphasis on meeting the specific needs of deprived or economically disabled communities (Armendariz & Morduch, 2005). This inclusive financial system was developed to address the gaps in the financial services that low-income people, especially small business owners, and entrepreneurs, frequently encounter because they lack the collateral or credit to be accepted by conservative banks (Ledgerwood, 1999). The dynamics of microfinance often emphasize empowerment, particularly concerning women. Women, who constitute a significant proportion of microfinance clients, are recognized as key agents of change in their communities. By providing them with financial resources, training, and support, microfinance endeavors to enhance women's decision-making power, entrepreneurship, and overall agency (Duflo, 2012).

The microfinance sector has witnessed innovation, including the use of technology for financial

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<sup>1</sup>*Dr. Nepal is currently working in Central Department of Economics, TU, Nepal and he can be reached by < pramshunepal@gmail.com >*

service delivery (Duncombe & Boateng, 2009).

Microfinance has been recognized for its potential to empower women by giving them access to financial resources and fostering entrepreneurship (Duflo, 2012).

Microfinance is often seen as a tool for poverty alleviation by providing financial services to the unbanked or under banked populations (Morduch, 1999).

Under microfinance, there is the term of social collateral; social collateral means that when a group borrows money together, each person feels a responsibility to pay it back. This is because repaying the loan is seen as important for their reputation in the community. If they don't repay, it could affect how others see them socially, potentially leading to exclusion or distrust within their community (Woolcock, 2001).

Despite its potential benefits, microfinance has faced criticism for high interest rates, over-indebtedness, and questions about its long-term impact on poverty reduction (Bateman, 2010; Mader, 2015).

In conclusion, microfinance represents a transformative approach to financial services, addressing the unique needs of those who are excluded from traditional banking systems. As a catalyst for inclusive economic development, microfinance not only facilitates access to financial resources but also fosters empowerment and positive social change within marginalized communities. The evolution of microfinance reflects a concerted effort to bridge the financial divide and build a more equitable and sustainable global financial landscape.

The objective of this article is to investigate the transformative impacts of microfinance on women's entrepreneurship and societal dynamics in Butwal sub-metropolitan city. The study specifically focuses on decision-making power, the effectiveness of microfinance, changes in lifestyle, and the reduction of domestic violence and gender inequality among women entrepreneurs. The goal is to contribute to the growing body of literature on the multifaceted impacts of microfinance on marginalized communities, emphasizing its role in empowering women and fostering inclusive economic development.

## **II. Theoretical Framework**

Microfinance institutions (MFIs), the principal actors in this sector, play a crucial role in fostering financial inclusion. These institutions deploy a range of financial instruments, such as small loans, savings accounts, and insurance products, to empower individuals economically and improve their overall financial well-being (Robinson, 2001). The essence of microfinance lies in its ability to create pathways for marginalized individuals to access financial resources that might otherwise be elusive. The philosophy of microfinance extends beyond merely offering financial services. It embodies a commitment to social change, recognizing that poverty alleviation and economic development are intricately linked. Through targeted interventions, microfinance seeks to elevate the socio-economic status of its clients, contributing not only to improved income levels but also to advancements in education, health, and community development (Cull et al., 2009).

Looking back at history, the development of microfinance is a big arrangement. It has changed the way we think about people who don't have much money as customers for financial services. It proved that they could use banking services, introduced different ways of lending to make financial services more reachable for them, and gathered a lot of money through

social investments to help those in need (Mutua et al., 1996).

There is a comprehensive review by Esther Duflo that explores there is a positive relationship between women's empowerment and economic development. Duflo examines various dimensions of empowerment, including access to financial resources, education, and decision-making power, providing insights into how microfinance can contribute to women's empowerment (Duflo, 2012).

Microfinance institutions (MFIs) and regular banks provide similar things to their customers. They both offer basic services like savings, loans, and insurance. The main difference is in how much they offer and how they provide these services. But, when it comes to making small businesses grow, which is called enterprise lending, most efforts to make microfinance more formal have been focused on that. These kinds of loans are still the most common service offered by MFIs (Norell, 2001; Woller, 2002).

When giving out small loans, traditional assets like property aren't usually needed. Many people using microfinance services are very poor, and they wouldn't be able to get a loan if they had to provide something valuable. Instead, microfinance institutions use a system called group lending, where people borrow together. Even though there are different ways to do this, they all rely on the idea of shared responsibility. The microfinance organization takes care of checking, overseeing, and making sure everyone follows the loan rules (Wenner, 1995).

Kabeer (2005) provides an analysis of the relationship between gender equality, women's empowerment, and poverty reduction. The paper discusses the potential and limitations of microfinance in achieving these goals and emphasizes the need for broader social and economic changes. In that paper, he pointed out that microfinance has played a significant role in achieving these issues.

### **III. Research Methodology**

The research design is descriptive aiming to evaluate the opinions and characteristics of beneficiaries through a field survey conducted in Butwal sub-metropolitan city. Currently, there are 16 microfinance institutions providing their services in Butwal sub-metropolitan city with an estimated 3300 women entrepreneur. Out of this total population, a sample of 100 was selected. The study used a structured questionnaire with Likert scale responses to capture quantitative data. Simple random sampling was applied to select the 100 women as the study sample. The collected data were analyzed using simple arithmetic mean, Likert scale, and correlation coefficients to establish relationships between women entrepreneurship development and other variables. The study is based on the data collected in Butwal sub-metropolitan City, Rupandehi, Lumbini Nepal.

### **IV. Results and Conclusion**

Transformative impacts of microfinance on women's entrepreneurship and societal dynamics in Butwal sub-metropolitan city has been analyzed with the help of following tables.

**Table 1***Decision Making Power of Women Entrepreneur*

| S.N. | Women  | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total Value | Mean |
|------|--|----------------|-------|---------|----------|-------------------|-------------|------|
| 1    | Microfinance helped the women to make decisions about household activities | 39             | 46    | 5       | 8        | 2                 | 412         | 4.12 |
| 2    | Microfinance helped women decide to use the loans independently            | 17             | 49    | 10      | 18       | 6                 | 353         | 3.53 |
| 3    | Microfinance helped women to become an entrepreneur                        | 48             | 37    | 5       | 7        | 3                 | 420         | 4.3  |
| 4    | Microfinance helped women to bear the risk in business decision making     | 24             | 41    | 25      | 6        | 4                 | 375         | 3.75 |
| 5    | Microfinance helped women to keep saving in the name of women              | 26             | 47    | 12      | 8        | 7                 | 377         | 3.77 |
|      | Average Mean   |                |       |         |          |                   |             | 3.89 |

*Note.* Field survey, 2023

Table 1 shows the impact of microfinance on the decision-making power of women entrepreneurs. The survey gathered insights on various aspects related to women's empowerment, particularly in the context of financial independence and entrepreneurship. Firstly, in terms of household decision-making, a significant majority of women strongly agree (39%) or agree (46%) that microfinance has played a pivotal role in enabling them to make decisions related to household activities. This suggests that access to microfinance has empowered women not only in the economic area but also in influencing domestic affairs. Secondly, the data indicates that a substantial number of women (66% combined from strongly agree and agree categories) feel that microfinance has allowed them to independently decide the utilization of loans. This finding suggests that women are gaining autonomy in financial matters, demonstrating their ability to manage and allocate resources effectively. Furthermore, the survey highlights a remarkable impact on women's entrepreneurial aspirations. Nearly 85% of respondents either strongly agree or agree that microfinance has contributed to their journey as entrepreneurs. This reflects a positive correlation between microfinance initiatives and the emergence of women as successful entrepreneurs, emphasizing the instrumental role of financial support in fostering entrepreneurial spirit. Moreover, the data suggests that microfinance has played a role in encouraging women to take calculated risks in business decision-making with 65% expressing agreement in varying degrees. This implies that access to financial resources has not only facilitated entrepreneurship but has also instilled confidence in women to navigate and manage the risks associated with business ventures. Lastly, when it comes to financial management, the majority of respondents (73% combined from strongly agree and agree categories) believe that microfinance has facilitated them in keeping savings in their name. This outcome signifies an important shift towards financial independence as women are actively managing their savings potentially for future investments or contingencies.

In conclusion, the survey results highlight the positive influence of microfinance on the decision-making power of women entrepreneurs. From household activities to entrepreneurial pursuits, the data indicates a consistent pattern of empowerment, with an overall average mean of 3.89, reflecting a strong affirmative sentiment among the surveyed women regarding the transformative impact of microfinance.

**Table 2***Effectiveness of Microfinance*

| S.N.         | Women  | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total Value | Mean |
|--------------|--|----------------|-------|---------|----------|-------------------|-------------|------|
| 1            | Microfinance empowered women to solve family and social problem                          | 41             | 34    | 10      | 11       | 4                 | 397         | 3.97 |
| 2            | Microfinance helped women to involve and takes interest in group decision                | 24             | 38    | 8       | 23       | 7                 | 349         | 3.49 |
| 3            | Microfinance helped to reduce poverty by creating employment opportunities for the women | 41             | 29    | 13      | 9        | 8                 | 386         | 3.86 |
| 4            | Microfinance helped women to increase self respect                                       | 35             | 25    | 22      | 6        | 12                | 365         | 3.65 |
| 5            | Microfinance helped women to availability of loan facility                               | 34             | 34    | 8       | 9        | 15                | 363         | 3.63 |
| Average Mean |  |                |       |         |          |                   |             | 3.72 |

*Note.* Field survey, 2023

Table 2 displays the effectiveness of microfinance in empowering women across various dimensions. The survey aimed to understand the impact of microfinance on women's ability to address family and social issues, engage in group decision-making, alleviate poverty, enhance self-respect, and access loan facilities. The findings reveal noteworthy insights into the perceived effectiveness of microfinance initiatives among the surveyed women. Firstly, a significant majority of women (75% combined from strongly agree and agree categories) believe that microfinance has empowered them to address family and social problems. This indicates that access to financial resources has not only improved economic conditions but has also translated into a positive influence on women's roles within their families and communities. Secondly, the survey suggests that microfinance has played a role in fostering collaborative decision-making, with 62% of respondents expressing agreement to varying degrees. This underscores the social aspect of microfinance, indicating that it not only provides financial support but also encourages women to participate actively in group dynamics and decision-making processes within their communities. Furthermore, the data reflects the perception that microfinance has been effective in reducing poverty by creating employment opportunities for women. The majority of respondents (70% combined from strongly agree and agree categories) acknowledge the role of microfinance in contributing to economic empowerment and poverty alleviation. Moreover, the survey indicates that microfinance has positively impacted women's self-respect, with 60% of respondents expressing agreement. This suggests that financial independence, facilitated by microfinance, has contributed to an increased sense of self-worth and dignity among women. Finally, in terms of loan facility accessibility, the majority of women (68% combined from strongly agree and agree categories) believe that microfinance has made loans more readily available to them. This outcome underscores the crucial role of microfinance in providing financial inclusivity and addressing the specific needs of women in accessing credit.

In conclusion, the survey results suggest an overall positive perception of the effectiveness of microfinance in empowering women. With an average mean of 3.72, the data reflects a generally favorable sentiment among the surveyed women regarding the multifaceted impact of microfinance on their lives, encompassing economic, social, and personal dimensions.

**Table 3***Changing the Lifestyle of Women Entrepreneur*

| S.N.         | Women   | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total Value | Mean  |
|--------------|---|----------------|-------|---------|----------|-------------------|-------------|-------|
| 1            | Microfinance helped the women to uplift the living standard in the society                  | 43             | 42    | 6       | 7        | 2                 | 417         | 4.17  |
| 2            | Microfinance helped women entrepreneurs to invest in the productive sector of the economy   | 24             | 47    | 9       | 12       | 8                 | 367         | 3.67  |
| 3            | Microfinance provides skills and training to help women entrepreneurs run their businesses. | 18             | 32    | 20      | 17       | 13                | 325         | 3.25  |
| 4            | Microfinance provides tour packages for women entrepreneurs.                                | 9              | 11    | 17      | 21       | 42                | 224         | 2.24  |
| 5            | Microfinance helps to increase women's direct contribution to their family income.          | 34             | 29    | 18      | 12       | 7                 | 371         | 3.71  |
| Average Mean |   |                |       |         |          |                   |             | 3.408 |

*Note.* Field survey, 2023

Table 3 depicts that substantial majority of women (85% combined from strongly agree and agree categories) strongly believe that microfinance has played a pivotal role in uplifting their living standards within society. This suggests that the financial support provided through microfinance has translated into tangible improvements in the overall quality of life for women entrepreneurs, contributing to their socioeconomic advancement. Secondly, the data indicates that microfinance has been instrumental in encouraging investments in the productive sector of the economy, with 71% of respondents expressing agreement to varying degrees. This highlights the transformative potential of microfinance in fostering economic development and supporting women entrepreneurs in making strategic investments that contribute to the overall growth of the economy. Furthermore, the survey reveals that a significant portion of women (50% combined from strongly agree and agree categories) believes that microfinance provides skills and training to help them effectively run their businesses. This underscores the importance of not just financial assistance but also the provision of knowledge and capacity-building opportunities to empower women entrepreneurs. On the other hand, the data suggests that the provision of tour packages for women entrepreneurs through microfinance has not been perceived as impactful, with a notably lower agreement rate (24% combined from strongly agree and agree categories). This may indicate that women entrepreneurs may not consider this particular aspect of microfinance as significantly contributing to their business or lifestyle improvements. Lastly, the survey emphasizes that microfinance has played a crucial role in increasing women's direct contribution to their family income, with 63% of respondents expressing agreement. This outcome underscores the economic empowerment aspect of microfinance, as women entrepreneurs actively contribute to the financial well-being of their families.

In conclusion, the survey results suggest an overall positive perception of the impact of microfinance on changing the lifestyle of women entrepreneurs. With an average mean of 3.408, the data reflects a generally favorable sentiment among the surveyed women regarding the multifaceted benefits of microfinance, encompassing economic, educational, and lifestyle dimensions.

Table 4 shows the impact of microfinance on the reduction of domestic violence and gender inequality. The survey aimed to assess the perceived effectiveness of microfinance initiatives in addressing patriarchal attitudes, enabling women to break free from household confines, supporting women in managing enterprises, organizing women in groups, and providing eq

**Table 4***Reduction of Domestic Violence and Gender Inequality access for women.*

| S.N.         | Women   | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total Value | Mean |
|--------------|---|----------------|-------|---------|----------|-------------------|-------------|------|
| 1            | Microfinance helped to reduce patriarchal attitudes in the society. | 40             | 36    | 4       | 14       | 6                 | 390         | 3.9  |
| 2            | Microfinance helped women to come out of their household confines.  | 35             | 42    | 8       | 12       | 3                 | 394         | 3.94 |
| 3            | Microfinance helped women manage enterprises.                       | 12             | 32    | 32      | 16       | 8                 | 324         | 3.24 |
| 4            | Microfinance helped women to organize women in groups.              | 24             | 51    | 20      | 4        | 1                 | 393         | 3.93 |
| 5            | Microfinance provides the framework for equal access for women.     | 17             | 44    | 15      | 13       | 11                | 343         | 3.43 |
| Average Mean |   |                |       |         |          |                   |             | 3.69 |

*Note.* Field survey, 2023

The findings provide insights into the potential role of microfinance in contributing to the broader goals of gender equality and reducing domestic violence. Firstly, the survey indicates that a significant majority of women (76% combined from strongly agree and agree categories) believe that microfinance has been effective in reducing patriarchal attitudes in society. It suggests that providing financial support and independence to women through microfinance may contribute to challenging traditional gender norms and fostering more equitable attitudes within communities. Secondly, the data suggests that microfinance has played a role in empowering women to break free from household confines, with 77% of respondents expressing agreement. This outcome reflects the transformative potential of microfinance in enabling women to expand their roles beyond traditional domestic confines and actively engage in economic activities and community life. Furthermore, the survey indicates that a substantial portion of women (67% combined from strongly agree and agree categories) believes that microfinance has been instrumental in helping them manage enterprises. This underscores the practical impact of financial support in enhancing women's entrepreneurial skills and capabilities, leading to effective business management. Additionally, the survey highlights that microfinance has facilitated the organization of women into groups, with 75% of respondents expressing agreement. This implies that microfinance initiatives have not only provided financial resources but have also created a supportive network for women, fostering collective action and collaboration. Lastly, the data suggests that microfinance is perceived to provide a framework for equal access for women, with 61% of respondents expressing agreement. This underscores the importance of inclusive financial systems in reducing gender disparities and promoting equal opportunities for women.

In conclusion, the survey results suggest a positive perception of the role of microfinance in contributing to the reduction of domestic violence and gender inequality. With an average mean of 3.69, the data reflects a generally favorable sentiment among the surveyed women regarding the potential of microfinance to bring about positive social change and foster gender equality within communities.

Table 5 focuses on the development of women entrepreneurship through microfinance initiatives. The survey sought to assess the perceived impact of microfinance on various aspects of women's entrepreneurship, including effectiveness, decision-making power, the overall significance as a tool, the economic impact on growth, and its role as a catalyst for social change. The findings provide insights into the perceived effectiveness of microfinance in fostering women's entrepreneurship development. Firstly, the survey indicates that there is a balanced perspective on whether microfinance has effectively promoted the overall effectiveness of women's entrepreneurship.

**Table 5***Women Entrepreneurship Development*

| S.N.         | Women   | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Total Value | Mean |
|--------------|---|----------------|-------|---------|----------|-------------------|-------------|------|
| 1            | Microfinance helped to promote the effectiveness of women's entrepreneurship.               | 23             | 28    | 30      | 14       | 5                 | 350         | 3.5  |
| 2            | Microfinance helped the decision-making power of women's entrepreneurship.                  | 28             | 41    | 14      | 10       | 7                 | 373         | 3.73 |
| 3            | Microfinance is a powerful tool for women's entrepreneurship.                               | 16             | 42    | 31      | 8        | 3                 | 360         | 3.6  |
| 4            | Microfinance programs for women entrepreneurship have a positive impact on economic growth. | 22             | 19    | 35      | 17       | 7                 | 332         | 3.32 |
| 5            | Microfinance is a catalyst for social change and women's entrepreneurship.                  | 21             | 38    | 24      | 14       | 3                 | 360         | 3.6  |
| Average Mean |   |                |       |         |          |                   |             | 3.55 |

*Note.* Field survey, 2023

The responses suggest a moderate level of agreement, with a combined 51% from strongly agree and agree categories. This indicates that while microfinance is seen as a positive force, there may be room for improvement in enhancing its impact on the effectiveness of women's entrepreneurial ventures. Secondly, the data suggests that microfinance has a positive influence on the decision-making power of women in entrepreneurship, with 69% of respondents expressing agreement. It highlights the empowering role of microfinance in enabling women to make independent decisions, reinforcing their autonomy and authority in steering their entrepreneurial pursuits. Furthermore, the survey indicates that microfinance is perceived as a powerful tool for women's entrepreneurship, with 58% of respondents expressing agreement. This implies that the financial support provided through microfinance is recognized as a crucial resource in empowering women to establish and grow their businesses. Additionally, the data suggests that microfinance programs for women entrepreneurship are viewed positively in terms of their impact on economic growth, with 57% of respondents expressing agreement. This underscores the belief that supporting women in entrepreneurship through microfinance can contribute to broader economic development and prosperity. Lastly, the survey highlights that microfinance is seen as a catalyst for social change in the context of women's entrepreneurship, with 66% of respondents expressing agreement. This suggests that microfinance is not only viewed as an economic tool but also as a mechanism for driving positive societal transformations by empowering women to become entrepreneurs.

In conclusion, the survey results suggest a generally positive perception of the role of microfinance in women entrepreneurship development. With an average mean of 3.55, the data reflects a favorable sentiment among the surveyed women regarding the effectiveness of microfinance in supporting and promoting women's entrepreneurship, encompassing economic, social, and decision-making dimensions.

Relationship between women entrepreneurship development and other variables can further explained with the help of correlation matrix.

**Table 6***Relationship Between Women Entrepreneurship Development and other variables*

|      | WED    | CLS    | EMF     | DVGE   | DMP |
|------|--------|--------|---------|--------|-----|
| WED  | 1      |        |         |        |     |
| CLS  | 0.325* | 1      |         |        |     |
| EMF  | 0.125  | 0.634* | 1       |        |     |
| DVGE | -0.263 | -0.48  | -0.394* | 1      |     |
| DMP  | 0.576* | 0.465* | 0.658*  | -0.437 | 1   |

*Note.* \* Significance at 5 percent

Table 6 presents the correlation coefficients between women entrepreneurship development (WED) and other variables, including changing life style (CLS), effectiveness of microfinance (EMF), domestic violence and gender inequality (DVGE), and decision making power (DMP). Correlation coefficients measure the strength and direction of linear relationships between pairs of variables, with values ranging from -1 to 1.

A positive correlation of 0.325 suggests a moderately positive relationship between women entrepreneurship development (WED) and changing life style (CLS). As WED increases, there tends to be a positive trend in changing the lifestyle of women entrepreneurs. The correlation of 0.125 indicates a weak positive relationship between women entrepreneurship development (WED) and the effectiveness of microfinance (EMF). The impact of microfinance effectiveness on women entrepreneurship development is present but relatively weak. The negative correlation of -0.263 suggests a moderate negative relationship between women entrepreneurship development (WED) and domestic violence and gender inequality (DVGE). As WED increases, there tends to be a trend toward reduced levels of domestic violence and gender inequality. The strong positive correlation of 0.576 indicates a robust positive relationship between women entrepreneurship development (WED) and decision making power (DMP). Increased women entrepreneurship development is associated with higher levels of decision-making power. The correlation of 0.634 suggests a strong positive relationship between changing life style (CLS) and the effectiveness of microfinance (EMF). As the effectiveness of microfinance increases, there is a strong trend towards positive changes in the lifestyle of women entrepreneurs.

## Discussion

The present study, similar to Duflo's (2012) research, provides further validation of the supportive role played by microfinance in empowering women, both economically and socially. Microfinance has been perceived as instrumental in uplifting the living standards of women, promoting investments in the productive sector, providing skills and training, and increasing women's direct contribution to family income. Additionally, microfinance initiatives are seen as contributing significantly to the reduction of patriarchal attitudes, enabling women to break free from household confines, supporting them in managing enterprises, organizing women in groups, and providing equal access in the study area. Hence, this study holds significance.

## Conclusion

Microfinance has emerged as a transformative approach to addressing the financial needs of individuals excluded from traditional banking systems, particularly empowering women

in marginalized communities. Microfinance has played a pivotal role in enabling women to make decisions about household activities, use loans independently, become entrepreneurs, bear risks in business decision-making, and keep savings in their name. The survey results demonstrate a positive perception of the effectiveness of microfinance in empowering women. Microfinance has been perceived as instrumental in uplifting the living standards of women, promoting investments in the productive sector, providing skills and training, and increasing women's direct contribution to family income. Microfinance initiatives are seen as contributing significantly to the reduction of patriarchal attitudes, enabling women to break free from household confines, supporting them in managing enterprises, organizing women in groups, and providing equal access. The study reveals a generally positive perception of the role of microfinance in women's entrepreneurship development. Microfinance is viewed as a catalyst for social change, promoting the effectiveness of women's entrepreneurship, enhancing decision-making power, and contributing to economic growth.

### Implication

Given the presence of 16 microfinance institutions in Butwal sub-metropolitan city and the significant number of women entrepreneurs, there's a clear need for continued support and development of the microfinance sector. Policymakers need to focus on creating an enabling environment for these institutions to thrive, including providing regulatory support and access to capital. The fact that there are 3300 women entrepreneurs in the area highlights the importance of targeted support and resources for women in business. Initiatives such as business training programs, mentorship opportunities, and access to financial services tailored to the needs of women entrepreneurs can help further their success.

Policymakers need to consider implementing targeted policies and programs that address the specific needs and challenges identified in the research, such as access to finance, market access, and skills development. Engaging with the local community and stakeholders, including microfinance institutions, women entrepreneurs, and local government authorities, is essential for ensuring the relevance and effectiveness of any interventions or initiatives to support women's entrepreneurship development. Collaboration and partnership among these stakeholders can lead to more sustainable and impactful outcomes.

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