
Women's Empowerment Through Microfinance: A Case Study of Mero Laghubitta Bittiya Sanstha Limited, Bedkot Municipality, Kanchanpur

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Abstract

This research study explores the role of microfinance in empowering women and evaluating their participation in microfinance initiatives. Using a mixed-methods approach, it examines women's engagement through the Mero Microfinance Program (MFP) in Bedkot Municipality-7, Kanchanpur, Nepal. Employing a descriptive and exploratory research design, the study analyzes primary and secondary data from 305 groups under MFP, consisting of 1,400 members, including 170 women-led groups with 545 members. A simple random sampling method was used to select 119 women group leaders with a 5 percent margin of error, 50 percent population proportion, and 95 percent confidence level. Microfinance programs targeting rural and marginalized populations address critical issues such as poverty, illiteracy, unemployment, and limited decision-making power. By fostering self-employment and providing credit access without collateral, microfinance serves as an effective tool for poverty alleviation and women's empowerment. Women involved in microfinance institutions (MFIs) contribute to savings, income generation, and decision-making, with their influence often extending beyond the household level. The findings reveal that microfinance significantly enhances women's economic and social empowerment through small-scale entrepreneurial projects, leading to improved income, decision-making authority, knowledge, and self-esteem. This positive correlation highlights microfinance as a catalyst for social transformation, poverty reduction, and sustainable development. The study underscores its pivotal role in promoting gender equality and uplifting marginalized communities, reinforcing the potential of microfinance in achieving inclusive growth.

Keywords: microfinance, empowerment, women, poverty, alleviation

Introduction

Microfinance typically refers to providing small-scale financial services such as loans, savings, and credit to individuals involved in activities like farming, fishing, small businesses, or renting assets like land or vehicles. These services are made available to people in both rural and urban areas, particularly in developing countries. The Asian Development Bank (ADB) defines microfinance as offering a range of financial services, including loans, deposits, money transfers, and insurance to small enterprises and households (ADB, 2011; Robinson, 2001).

Microfinance is seen as an effective tool to meet the needs of poor and marginalized communities by creating opportunities for income generation, employment, and skill development. It primarily focuses on economically disadvantaged groups, such as women, *dalits*, and disabled individuals, empowering them both socially and economically through mobilization efforts (Gnawali, 2018). Beyond reducing poverty, microfinance fosters economic empowerment, improving social and political standing, particularly for women, and advancing gender equality and empowerment (Kulkarni, 2011).

As a form of development finance, microfinance targets low-income individuals, offering services like savings, loans, money transfers, and insurance (ADB, 2011). It is an essential tool for poverty alleviation by providing financial services to low-income households and small businesses (Singh & Yadav, 2012). Nepal's microfinance history dates back to 1956 when cooperatives began offering savings and microcredit services. By the 1990s, various microfinance institutions (MFIs), savings and credit cooperatives (SCCs), and other organizations emerged to serve the poor, particularly women (Dhakal, 2008).

Research shows that microfinance has had a positive impact on socio-economic development. A study in Syangja found that it was a key driver of social change, reducing poverty and promoting saving and credit habits (Dhakal & Nepal, 2016). Studies in districts like Nawalparasi and Kaski show that microfinance has empowered Nepalese women economically, improved their decision-making roles within families, and elevated their social status. It has also created employment opportunities and improved access to healthcare and education for rural households (Acharya, 2019; Dhungana & Raanabhat, 2020). In Mana Maiju VDC, Kathmandu, microfinance was found to significantly

improve household income, enabling better nutrition, healthcare, and education (Adhikari & Shrestha, 2013).

Microfinance services like savings, credit, remittances, and insurance are designed to help the poor and underserved develop self-employment opportunities, significantly improving their socio-economic conditions. Many MFIs also offer vocational training and social services like health camps and skills development programs (MoF, 2005/2006). Women's access to microfinance services allows them to invest in small businesses, increasing their income and financial independence. Studies indicate that women involved in microfinance programs are more likely to contribute to household income and meet basic needs such as food, healthcare, and education (Kabeer, 2020). Through microloans, women can diversify their income sources, reducing their financial dependence on male family members and achieving greater economic autonomy (Singh, 2021).

Microfinance also enhances women's social standing within communities. Financial independence often leads to increased respect and recognition, boosting their role in social networks. Research shows that microfinance helps women build self-confidence and leadership skills, encouraging active participation in community leadership and local governance (Sundaram, 2022). Another significant outcome of women's involvement in microfinance is their strengthened role in household decision-making. As their financial contributions grow, women gain more say in decisions related to household spending, children's education, and healthcare (Panda & Sahu, 2023). Access to financial resources gives women greater control over household assets, reducing gender inequality in resource allocation.

Many MFIs prioritize women due to their potential to drive social change. By offering financial resources, MFIs aim to reduce gender disparities in education, employment, and political participation. Research suggests that microfinance programs targeting women not only improve their economic position but also challenge patriarchal norms and promote gender equality (Mahmud & Osmani, 2022). However, some scholars argue that microfinance alone cannot eliminate deep-rooted gender inequalities, as cultural norms and male-dominated financial systems can limit its impact. Critics point out that in some cases, microfinance has led to over-indebtedness and exploitation of women (Bateman & Chang, 2020). They advocate for a more comprehensive approach, combining education, legal reforms, and social support with financial services.

Mero Microfinance Limited, based in Bedkot Municipality-7, Kanchanpur, is a

key institution in the region, focusing on providing accessible microfinance services to marginalized communities. Its mission is to alleviate poverty by specifically targeting underprivileged groups, particularly women, to ensure effective poverty reduction (Tiwari, 2023). The research problem in this study focuses on assessing women's participation and the role of Mero Microfinance in empowering women in Bedkot Municipality, Ward No. 7. The study's core objectives are to examine women's participation and evaluate how Mero Microfinance contributes to women's empowerment.

This research holds significant value for shaping policies and practices by providing insights into how microfinance can empower women, enhance their financial access, and promote economic independence. The findings could inform gender-sensitive financial policies and improve microfinance programs to address women's unique challenges. Additionally, the study emphasizes the socio-economic benefits of women's financial inclusion, such as improved family welfare and greater community involvement, contributing to broader discussions on poverty reduction and gender equality (Lamichhane, 2020).

Methodology

This research study adopted a mixed-method approach, integrating both quantitative and qualitative research methodologies to examine women's participation and empowerment within the Mero Microfinance Program (MMFP) in Bedkot Municipality-7, Kanchanpur. A concurrent embedded design was adopted, prioritizing qualitative insights while complementing them with quantitative data to enhance the depth and validity of the findings.

The research followed a descriptive and exploratory design to systematically analyze key aspects of the microfinance program, including loan investments, repayment processes, and developmental outcomes. Data collection involved both primary and secondary sources. Primary data were gathered through semi-structured interviews and surveys targeting marginalized women actively participating in the program. Secondary data were derived from institutional records and relevant documentation to provide contextual and supporting evidence.

The study encompassed 305 MMFP groups, comprising a total of 1,400 members from both small and large groups, including 170 women-led groups with a

combined membership of 545 women. Qualitative data were utilized to capture participants' lived experiences and empowerment trajectories, while quantitative data helped identify trends and patterns related to participation, loan utilization, and socio-economic outcomes.

A simple random sampling technique was used to determine the sample size for the quantitative strand of the research. Based on a 5 percent margin of error, a 50 percent population proportion, and a 95 percent confidence level, the sample size was calculated using an online sample size calculator (calculator.net). This process yielded a sample of 119 women group leaders from the 170 women-led groups under MMFP. The selected sample ensured representativeness and reliability for quantitative analysis and also served as the basis for identifying participants for qualitative in-depth interviews. These interviews provided richer insights into the empowerment experiences of women within the program.

Results and Discussion

Cast Distribution of Respondents

The caste distribution of participants in the Mero Microfinance Program offers valuable insights into the initiative's social dynamics and inclusivity within Mero Laghubitta Bittiya Sanstha Limited. The diverse representation of different caste groups, particularly the significant involvement of marginalized communities such as Dalits, Brahmins, Tharus, and Magars, emphasizes the program's dedication to serving women from various social backgrounds. This inclusivity is essential for advancing women's empowerment, as it ensures access to financial resources and opportunities for those who typically encounter obstacles to economic participation. The engagement of women from different castes strengthens collective agency and enhances community ties, ultimately contributing to a fairer social structure. Therefore, the caste distribution of respondents illustrates the program's role in facilitating empowerment and social transformation across diverse demographics, positioning it as a crucial element of the wider movement for women's rights and economic autonomy in the region.

Table 1*Cast Distribution of Respondents in the Study Area*

Cast	Respondents	Percentage
Brahmin	10	8
Tharu	48	40
Magar	5	4
Chhetri	35	30
Dalit	21	18
Total	119	100

Source: Field Survey, 2024

In Table 1, the Tharu and Chhetri groups collectively account for 70 percent of the total respondents, suggesting that the microfinance program has a stronger presence or greater acceptance within these communities. Although Dalits make up a smaller percentage at 18 percent, their participation is still notable, indicating that the program is reaching marginalized groups, although there is room for improvement in their representation. The lower participation rates of the Brahmin and Magar groups point to potential disparities in access to or interest in the program, which merits further investigation. Overall, the data shows that the microfinance program is fairly inclusive across various caste groups, with a particularly significant impact on the Tharu and Chhetri communities. While the inclusion of Dalit respondents reflects progress toward social inclusion, there is a need for enhanced efforts to engage smaller groups, such as Brahmins and Magars.

Age Group Distribution of the Respondents

The distribution of age groups among respondents is a crucial aspect of this research, as it illustrates the dynamics of women's empowerment through microfinance. The strong representation of younger and middle-aged women emphasizes the potential for economic progress while also indicating the necessity for strategies to incorporate older women into future programs. Recognizing these age-related factors is important for customizing microfinance initiatives to successfully empower women of all ages.

Table 2*Age Group Distribution of the Respondents*

Age group	Respondents	Percentage
20-29	40	34

30-39	45	38
40-49	29	24
50-60	5	04
Total	119	100

Source: Field Survey, 2024

Table 2 displays the age distribution of 119 respondents from a 2024 field survey. The largest demographic is women aged 30-39, totaling 45 respondents (38 percent), followed closely by the 20-29 age group with 40 respondents (34 percent). The 40-49 age group comprises 29 respondents (24 percent), while the smallest group, aged 50-60, includes only 5 respondents (4 percent). This distribution shows that the microfinance program primarily attracts younger and middle-aged women, with a noticeable decline in participation among those over 50. The data indicates strong engagement from women in their 20s and 30s but also points to an opportunity to enhance participation among older women.

Marital Status

The marital status of respondents is a crucial aspect as it affects women's access to resources, decision-making power, and participation in economic activities. Married women may encounter unique challenges and opportunities due to shared financial responsibilities, influencing their engagement with microfinance programs. In contrast, unmarried women often seek greater independence and may be more motivated to use microfinance for personal and professional growth. Understanding the distribution of marital status among respondents helps identify barriers faced by different groups and tailor microfinance offerings accordingly. Additionally, recognizing the impact of marital status on women's empowerment can guide strategies that enhance financial literacy, promote self-sufficiency, and create supportive communities, ultimately leading to more effective microfinance initiatives.

Table 3

Marital Status of Respondents

Marital Status	Respondents	Percentage
Single	12	10
Married	104	87
Widow	2	2

Divorce	1	1
Total	119	100

Source: Field Survey, 2024

Table 3 illustrates the distribution of marital status among 119 respondents from a 2024 field survey. The data is categorized into four groups: single, married, widowed, and divorced. The married group represents the largest segment, with 104 respondents (87%), indicating that most women participating in the microfinance program are married. This suggests that their family responsibilities likely motivate their engagement in financial activities aimed at enhancing household income, supporting their children's education, or improving living conditions.

Only 12 respondents (10 percent) are single, suggesting lower involvement of unmarried women in the program. This may reflect societal norms that prioritize family-based financial support or highlight barriers that single women face in accessing microfinance services. The presence of widowed (2 percent, or 2 respondents) and divorced (1 percent, or 1 respondent) women is minimal, indicating potential challenges such as social stigma, financial constraints, or lack of support networks that may restrict their participation in microfinance initiatives.

Overall, the data indicates that while the microfinance program primarily serves married women, there is room to enhance outreach to single, widowed, and divorced women. Understanding the unique needs and obstacles faced by these groups can help tailor financial products and support services to empower all women, regardless of their marital status.

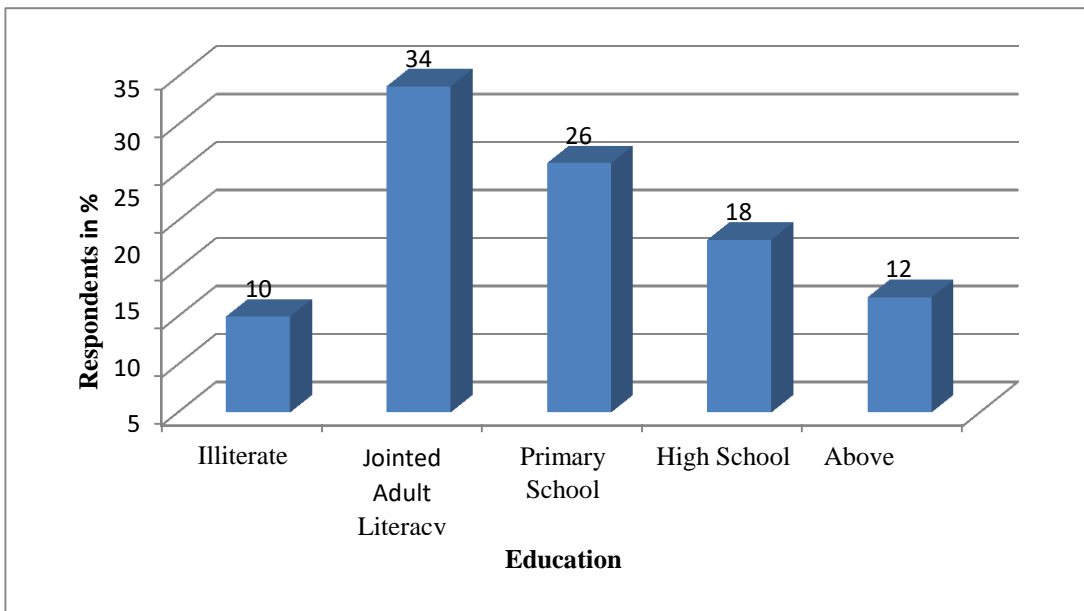
Education Attainment of Respondents

The educational attainment of respondents is a vital factor, as it directly impacts women's engagement with microfinance services and their overall empowerment. Higher education levels are often linked to improved financial literacy, which enables women to make informed choices regarding loans, savings, and investments. Women with education are more likely to recognize the advantages of microfinance, access available resources, and manage their businesses or income-generating activities effectively. Additionally, education can boost women's self-confidence and negotiation skills, empowering them to advocate for their needs and rights within their families and communities. By examining the educational backgrounds of respondents, this research can reveal gaps in educational access and emphasize the necessity of incorporating

financial literacy programs into microfinance initiatives. Customizing support to meet the specific educational needs of women can greatly enhance their ability to utilize microfinance for economic empowerment and contribute to the development of their communities.

Figure 1

Education Attainment of Respondents



Source: Field Survey, 2024

Figure 1 illustrates the concerning educational status of respondents in Bedkot-7 municipality. The survey indicates that approximately 26 percent of women have only received a primary education, while about 10 percent are illiterate. However, 34 percent of respondents can read and write, thanks to adult literacy classes. A smaller percentage, 18%, have attended high school, and only 12 percent have completed education beyond the School Leaving Certificate (SLC). This situation is not unexpected, as society tends to undervalue girls' education.

The table highlights the urgent need for targeted interventions to promote gender equality in education, shedding light on the societal norms and beliefs that perpetuate these educational disparities. To tackle this issue, initiatives are necessary to raise awareness about the significance of women's education and to establish supportive frameworks that enhance their opportunities for pursuing higher education.

Loan Taken and Used

Mero Micro Finance is one institution that supports those people who don’t have any connection to taking a loan. After launching the Mero MF program in Bedkot Municipality-7, many people especially women have benefited. As the above table exhibits, 90 percent of the total respondents have taken loans from MFI and during the participating time, all respondents who were continuously granted money, or who borrowed, repaid timely. Ten percent just settled their loans and are now being processed to take loans for livelihood-supportive activities such as poultry form, vegetable farming, shopkeeping, small-scale enterprises, and so on.

Monthly Income Before and After Joining the Mero Microfinance Institution (MFI)

The analysis of monthly income changes before and after joining the Mero Microfinance Program highlights its significant impact on women's empowerment at Mero Laghubitta Bittiya Sanstha Limited. Prior to the program, many women had limited income opportunities and relied on traditional household roles. However, after participating, they experienced a notable increase in monthly income due to better access to credit, skills training, and entrepreneurial support. This improvement not only boosted their financial security but also enhanced their sense of agency and self-esteem. As they became more financially independent, the program empowered them to challenge societal norms and pursue personal and professional growth. Thus, the rise in monthly income serves as a crucial indicator of microfinance's role in promoting women's empowerment and driving social change.

Table 4

Monthly Income Before and After Joining the Mero Microfinance Program

Annual Income	Before		After	
	No. of Respondent	Percent	No. of Respondent	Percent
10,000-20,000	67	56	12	10
20,000-30,000	35	30	19	16
30,000-40,000	10	8	46	38
40,000-50,000	5	4	28	24
50,000-1,00,000	2	2	14	12
Total	119	100	119	100

Source: Field Survey, 2024

Table 4 illustrates the annual income of respondents both before and after their involvement in the Mero Microfinance Program (MFP). Before joining the program, the majority of respondents - 28 individuals - reported an income ranging from Rs. 10,000 to 20,000, while only one respondent earned between Rs. 50,000 and 1,00,000. However, after participating in the program, there was a notable rise in income levels, with nearly six respondents earning between Rs. 50,000 and 1,00,000 annually. This indicates that the training and financial support provided by MFP have empowered women to generate higher income through business ventures and commercial farming activities.

The data underscores the substantial impact of the Mero Microfinance Program on women's income, highlighting the crucial role of microfinance in driving economic empowerment and fostering entrepreneurship. Further refinement in the presentation of findings and clarity in language could enhance the effectiveness of the dispute.

Decision of Loan Utilizing

Decisions about loan utilization in the Mero Microfinance Program are crucial for advancing women's empowerment within Mero Laghubitta Bittiya Sanstha Limited. Participants often strategically allocate their loans to income-generating activities such as small businesses, agriculture, or skills development. This approach maximizes the loans' economic benefits, enhancing their financial independence and decision-making power. By investing in areas that align with their skills and community needs, these women improve their financial situations while contributing to local economic development. Moreover, effective loan management fosters a sense of agency and confidence, enabling them to challenge traditional gender roles and pursue their aspirations. Thus, these decisions highlight the transformative potential of microfinance in promoting women's empowerment and driving sustainable economic growth.

Table 5

Decision of Loan Utilizing

Decision Making Person	Respondents	Percentage
Self	7	14
Family Head	19	38
Common Decision	24	48
Total	119	100

Source: Field Survey, 2024

Table 5 illustrates the decision-making process regarding the utilization of loans among respondents. It is evident that collective decision-making significantly influences how loans obtained from the microfinance institution (MFI) are used, with nearly 48 percent of respondents making decisions collectively. In contrast, only 14 percent of women are able to make decisions independently. Additionally, 38 percent of the respondents indicated that the family head makes decisions regarding the use of the loan. Overall, these findings suggest a gradual change in societal dynamics.

Purpose of Loan Taking

The purpose of loan-taking in the Mero Microfinance Program is crucial for enhancing women's empowerment at Mero Laghubitta Bittiya Sanstha Limited. Women seek loans to fund income-generating activities like small businesses, agricultural investments, or vocational training, which help them achieve economic independence and self-sufficiency. By aligning their loan purposes with personal goals and community needs, they create sustainable income sources that improve their quality of life and that of their families. Accessing these loans allows women to challenge societal norms and become active contributors to their households and communities, fostering a sense of empowerment and enabling informed decision-making about their futures. Thus, the purpose of loan-taking is a key mechanism for promoting women's empowerment and driving social and economic change.

Table 6

Purpose of Loan Taking by Respondents

Purpose of Loan	No of Respondents	Percentage
Shopkeeping	10	8
Poultry/livestock Farming	74	62
Vegetable farming	28	24
Small scale enterprise	5	4
Running hotel	2	2
Total	119	100

Source: Field Survey, 2024

Table 6 provides details about the loans taken for various purposes from microfinance institutions. The largest portion of loans, 62 percent was utilized for poultry farming, followed by 24 percent for vegetable farming. Additionally, 8 percent of respondents took loans for shopkeeping. The lowest percentages were for small-scale

enterprises at 4 percent and for running hotels at 2 percent. Overall, these figures indicate that women are increasingly interested in entrepreneurship after receiving support from the microfinance program.

Repaying System of Loan

The given data about the loan repaying system of respondents. Mero MFI had provided its clients with a payment plan in an installment system with 15 percent interest which is convenient for people that is why, all of the respondents preferred topay loans in an installment system no one used another way to repay.

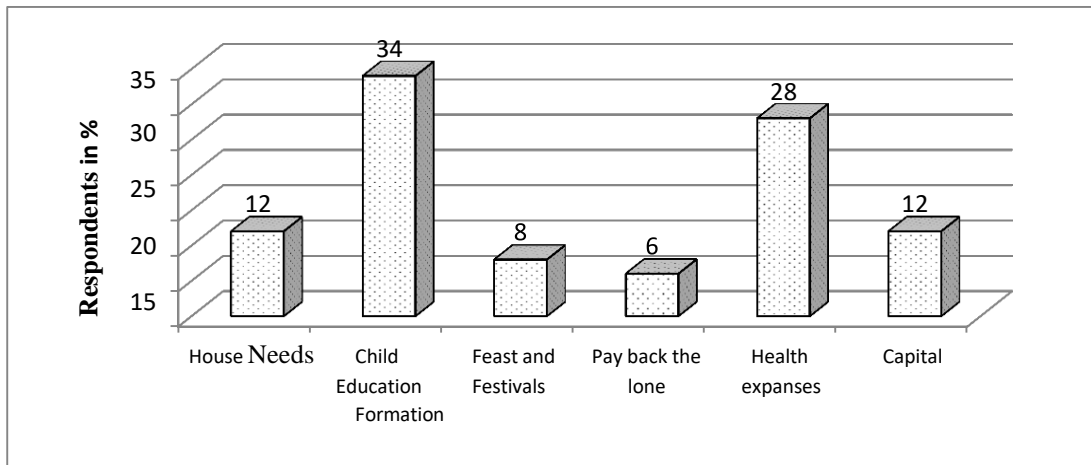
The analysis reveals that the installment loan repayment system provided by Mero MFI is well-received among borrowers, facilitating their ability to repay loans while maintaining financial stability. This model not only supports borrowers in managing their debts but may also contribute to the overall success of the microfinance institution by ensuring high repayment rates. The effectiveness of this system highlights the importance of tailoring financial products to meet the needs of clients, ultimately fostering trust and satisfaction within the microfinance framework (Sources: Observation, 2024)

Use of Saving for Different Purposes

Utilizing savings for various purposes among participants in the Mero Microfinance Program is essential for women's empowerment at Mero Laghubitta Bittiya Sanstha Limited. By encouraging savings, the program enables women to develop financial resilience and independence, allowing them to meet crucial needs such as healthcare, education, and household expenses, which improve their families' quality of life. Furthermore, savings can be directed towards income-generating activities, like starting or expanding businesses, thereby enhancing their financial skills. This intentional use of savings promotes agency and control over their financial futures, facilitating informed decision-making. Additionally, fostering a savings culture motivates women to challenge traditional gender roles and take on active roles in financial management within their households. Thus, the ability to allocate savings for a variety of purposes is essential for advancing women's empowerment and supporting sustainable economic development in the community.

Figure 2

Use of Saving for Different Purposes by Respondents



Source: Field Survey, 2024

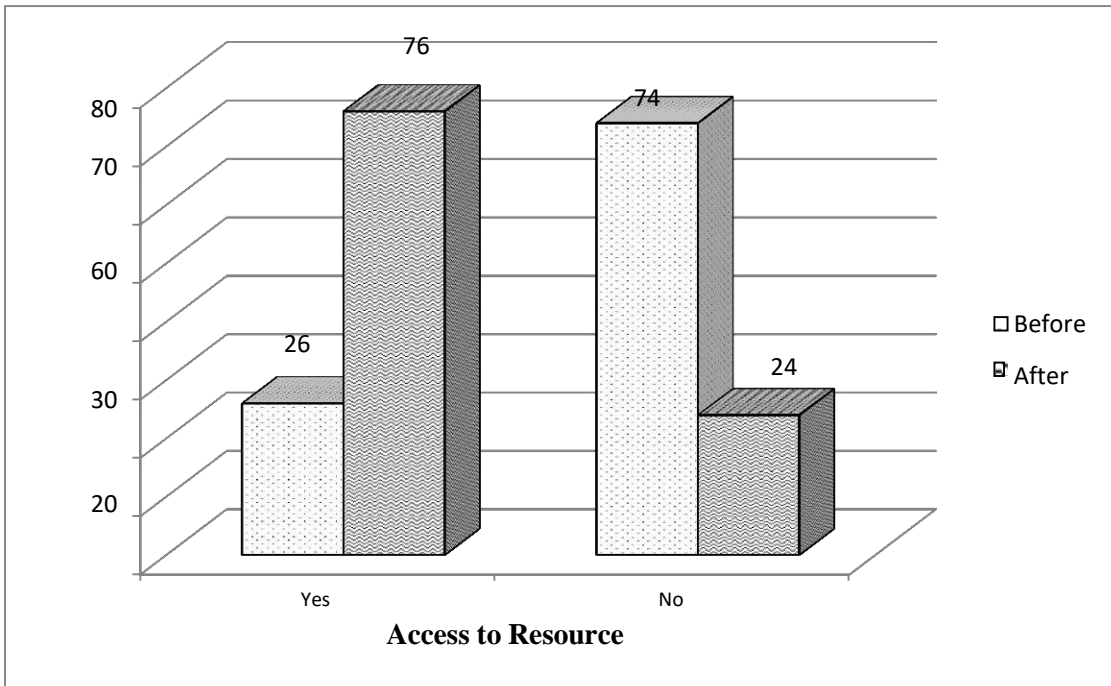
Figure 2 illustrates how respondents allocate their savings for various purposes. The largest portion, 34 percent, is dedicated to children's education, followed by health expenses at 28 percent. Additionally, 12 percent of their savings is used for household needs, while another 12 percent goes toward capital formation. Savings for feasts and festivals account for 8 percent, and only a small percentage, 6 percent, is used to repay loans. Overall, this data suggests that women are increasingly aware of the importance of saving and are managing their finances effectively.

Poverty Reduction After and Before Participating in Mero MFP

The reduction in poverty before and after participation in the Mero Microfinance Program underscores its significance in economically empowering women. Prior to enrollment, women in Bedkot Municipality, ward number 7, experience restricted access to credit, unstable earnings, and elevated poverty levels. Mero Microfinance equips them with essential resources, including small loans, savings opportunities, and training, vital for improving their livelihoods. By examining poverty levels before and after, the study measures the program’s effectiveness in lowering poverty and promoting sustainable incomes, highlighting the crucial role microfinance plays in advancing women's financial independence and economic involvement.

Figure 3

Poverty Reduction After and Before Participating in Mero MFI



Source: Field Survey, 2024

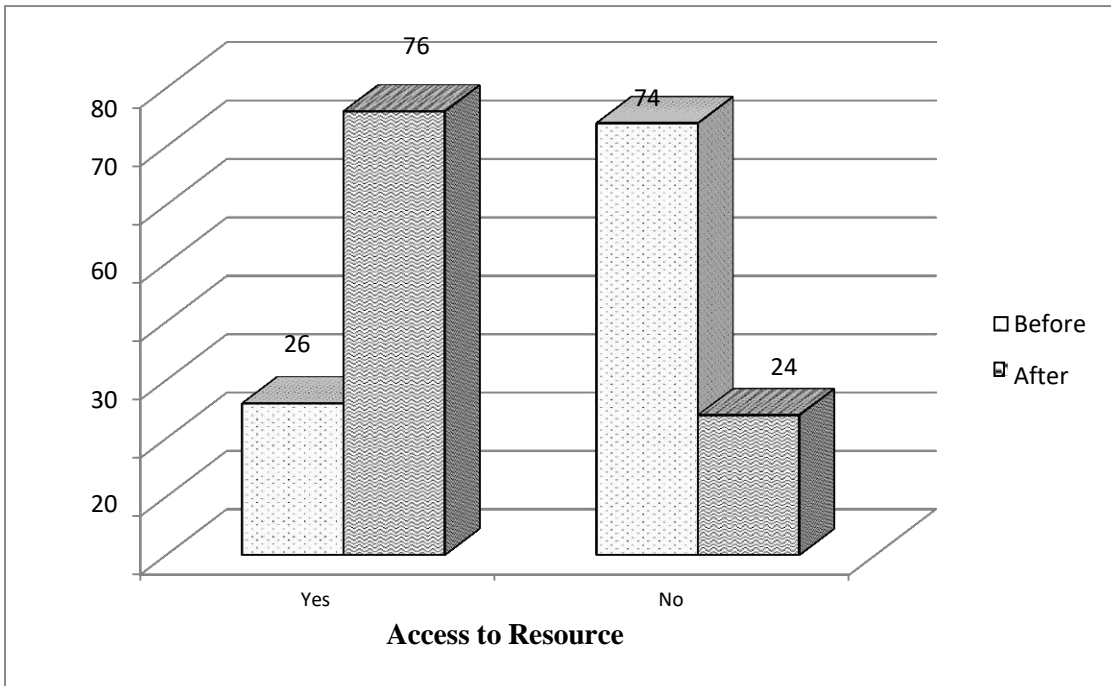
Figure 3 displays respondents' perceptions regarding poverty reduction. Before joining the Mero Microfinance Program (MFP), only 14 percent of women believed they had escaped poverty. However, after their involvement, 70 percent felt that the program was effective in reducing poverty. This suggests that the living standards of participants improved after engaging with the MFP, as they began to earn more income through microfinance, leading to a decrease in poverty levels.

Access to Resources

Access to resources in the Mero Microfinance Program is vital for women's empowerment, as financial tools like loans, savings, and training enable women to make independent decisions, start businesses, and improve household well-being. In Bedkot Municipality, ward number 7, many women lacked these resources due to socio-economic barriers. The program provides the tools needed to break the cycle of poverty and dependence. By assessing access to these resources, the study evaluates how effectively the program fosters financial security, autonomy, and transformative changes in women’s economic and social status.

Figure 4

Access to Resources of Respondents



Source: Field Survey, 2024

In Figure 4, the data presented emphasizes the significant impact of microfinance programs on improving women's access to resources, a key aspect of empowerment. Figure 4 highlights a substantial enhancement in resource availability for participants of the Mero Microfinance Program (Mero MF), showcasing the program's effectiveness in addressing the financial and social challenges women faced before joining.

Before participating, 74 percent of respondents reported minimal or no access to resources, reflecting systemic issues such as economic dependency and restrictive sociocultural norms limiting women's autonomy. However, after joining the program, 76 percent of respondents experienced improved access to resources. This positive shift illustrates the potential of microfinance to drive meaningful change by providing women with financial resources, encouraging entrepreneurial endeavors, and strengthening decision-making abilities.

The 24 percent of respondents who still struggle with resource accessibility highlight the ongoing influence of patriarchal norms, requiring women to negotiate or convince male family members to exercise financial independence. This suggests that

while programs like Mero MF significantly empower women, additional measures such as gender-awareness initiatives and community-level advocacy are necessary to address entrenched gender inequalities.

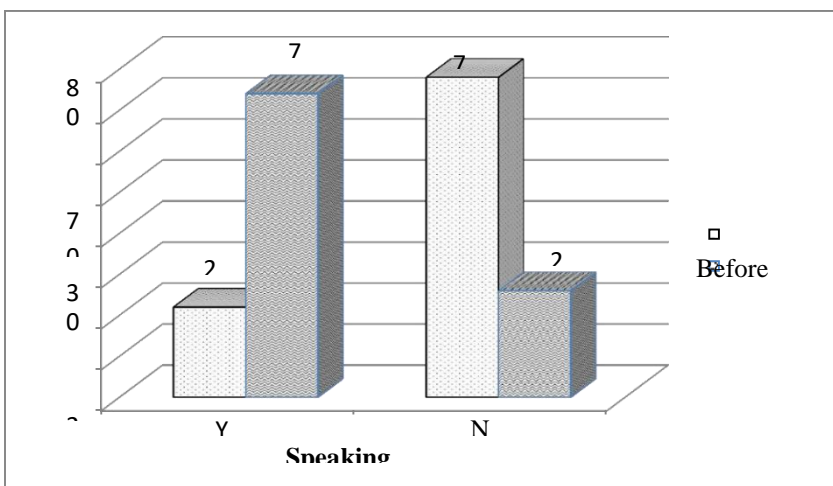
In summary, microfinance not only promotes financial inclusion but also plays a crucial role in fostering socio-economic empowerment by enabling women to access and manage essential resources. These findings align with existing studies, which recognize the role of microfinance in enhancing women's agency and narrowing gender gaps in resource control. Nonetheless, complementary strategies remain essential to overcome the lingering barriers to full empowerment.

Improvement of Women’s Identity

Improving women’s identity before and after participation in the Mero Microfinance Program is a key indicator of women’s identity. Initially, many women in Bedkot Municipality, Ward No. 7, faced social, cultural, and economic barriers that limited their confidence and communication skills, hindering their ability to express opinions and engage in decision-making. The program provides financial support and encourages participation in discussions, training, and entrepreneurship, fostering self-expression and communication. By analyzing changes in speaking abilities, the study evaluates how the program enhances women's confidence, leadership, and community involvement, which are vital for their overall empowerment and social change.

Figure 5

Improvement of Women’s Identity Before and After in Mero Microfinance



Source: Field Survey, 2024

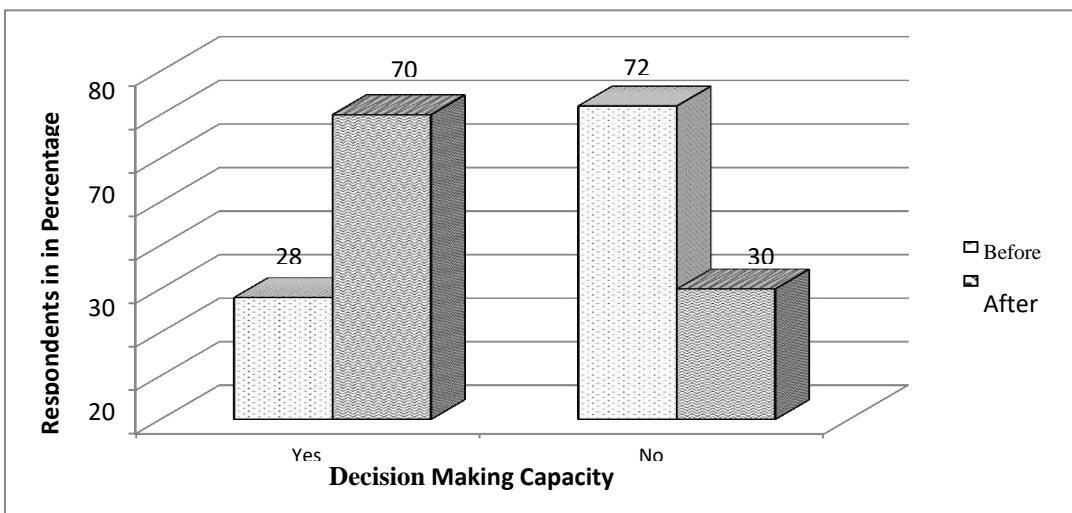
Figure 5 shows that 74 percent of respondents have enhanced their speaking skills after joining the Mero Microfinance program. Before their participation, 78 percent of the respondents lacked the ability to speak in front of others, while only 22 percent felt confident enough to address groups or audiences. This improvement can be attributed to mandatory group meetings and activities organized by the MFI or their peers, which encouraged participation. The Mero Microfinance program has significantly empowered them to communicate effectively.

Decision-Making Capacity at Home

The analysis of decision-making at home before and after participation in the Mero Microfinance Program underscores its essential role in women’s empowerment. Many women in Bedkot Municipality, Ward No. 7, initially had limited involvement in household decisions due to traditional gender roles and socio-economic barriers, which restricted their influence over financial, educational, and health-related matters. The program provides not only financial resources but also the confidence and skills necessary for women to express their opinions and engage in decision-making. Evaluating changes in their involvement will reveal how the program empowers women to assert their rights within their families, highlighting the impact of enhanced decision-making on their overall empowerment and family dynamics.

Figure 6

Decision-Making Capacity at Home of Respondents Before and After Participation in Mero Microfinance Institution



Source: Field Survey, 2024

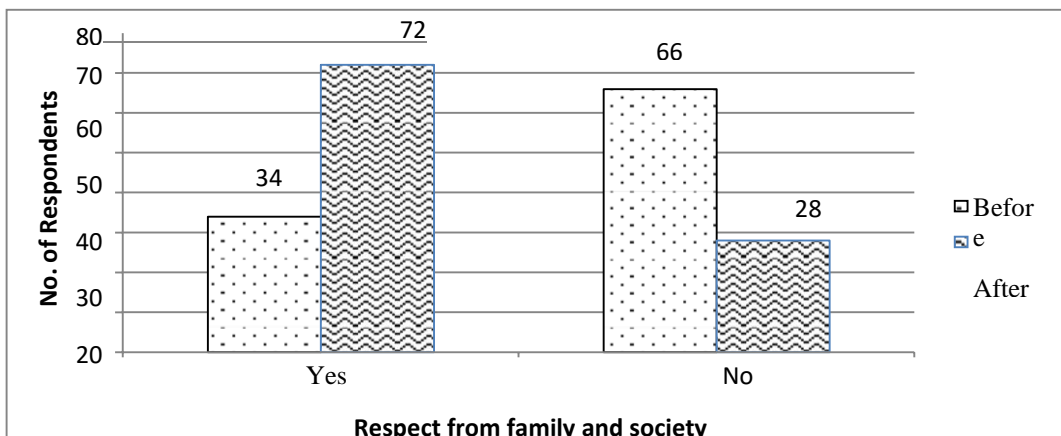
Figure 6 illustrates that prior to participation in the Mero Microfinance program, only 28 percent of respondents made decisions regarding household matters independently, while the remaining 72 percent relied on the male head of the household for decisions. After joining the program, 70 percent of participants gained a more significant role in household decision-making, either directly or indirectly involving the household head. As members of the Mero Microfinance program, these women were able to access loans from the MFI, leading their family members to include them in decision-making processes at home. However, 30 percent of women still do not exercise their right to make household decisions and continue to await decisions from their husbands or the household head.

Respect from Family and Society

The change in respect from family and society after participating in the Mero Microfinance Program is a key marker of women's empowerment at Mero Laghubitta Bittiya Sanstha Limited. Previously, many women lacked recognition due to traditional gender roles and financial dependence. Through access to credit, entrepreneurial opportunities, and skill development, they began contributing to household income, earning greater respect. This financial independence boosted their confidence, decision-making power, and ability to challenge societal norms, underscoring the transformative role of microfinance in fostering respect, dignity, and more equitable roles within their communities.

Figure 7

Respect from Family and Society of Respondents Before and After Participation in Mero Microfinance



Source: Field Survey, 2024

Figure 7 illustrates that women who have participated in the microfinance program for seven years or more report receiving increased respect from both their family members and neighbors compared to before they joined the Mero Microfinance program. They attribute this shift to their economic improvement and their enhanced involvement in community activities. The figure indicates a significant positive change: prior to joining the program, only 34 percent of respondents felt they were respected by their family and neighbors, whereas now, 72 percent express that they are honored by those around them. However, 28 percent of respondents still may not fully understand how to both give and receive respect. This positive impact empowers women to assume greater responsibilities, contributing to their prosperity and that of their communities.

Conclusion and Implications

This study explored women's involvement in decision-making, income and savings practices, education, health, and loan utilization through the Mero Microfinance Program (MFP). Mero Microfinance offers financial support to individuals lacking capital for economic activities. The respondents, predominantly from Tharu and Chhetri communities (40 percent), followed by Dalit, Brahmin, and Magar groups (30 percent), reflect a diverse ethnic composition.

After joining the program, most women (85 percent) engaged in loan transactions and experienced positive occupational changes, leading to increased income diversification, investments, and savings. Women saved more in MFIs, banks, and at home, using loans to enhance income-generating activities and promote self-employment. In addition, Mero Microfinance provided health education and supported children's schooling. Notably, 78 percent of respondents reported improved communication skills, while 70 percent saw increased autonomy in household decision-making, highlighting the program's positive impact on empowering women.

The institution plays a vital role by offering collateral-free loans and life-enhancing training, helping women generate income. The study shows that many women who once struggled to meet basic needs benefitted from these services. After joining the program, they received training and awareness, which improved their quality of life. Women who had previously neglected their children's education due to financial or

awareness barriers began prioritizing schooling, with some re-enrolling children who had dropped out.

The program led to significant income growth, with women starting businesses like retail shops, farming, and small-scale industries. Mero Microfinance has gained popularity among women, enabling them to step beyond domestic roles and participate actively in meetings, social activities, and community events. While some still face challenges in decision-making and public speaking, most have gained the confidence to speak in large groups and save for the future. Despite early obstacles, rural women are now expressing themselves more confidently in groups and society, thanks to the opportunities provided by Mero Microfinance.

The study highlights how microfinance strengthens women's participation and empowerment in Bedkot Municipality, Ward No. 7. By examining women's engagement in the program, it reveals that access to financial services like loans and savings boosts their economic independence and influence in household and community decision-making. The findings suggest that Mero Microfinance not only fosters economic growth for women but also enhances their social status, self-confidence, and ability to challenge traditional gender norms. These insights can inform future policy and program improvements, maximizing microfinance's potential to empower women, reduce poverty, and support sustainable community development.

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