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Abstract

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Empowerment of Women through Entrepreneurship in Gorkha District, Nepal

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Promoting women's empowerment through entrepreneurship and income-generating activities is a crucial factor in advancing the development of both families and society. This study investigates the impact of women's entrepreneurship (independent variable) on their empowerment (dependent variable), focusing on decision-making roles, reduced dependency, increased income levels, shifts in social perception, and employment generation in Gorkha District, Nepal. A sample of 150 women entrepreneurs was purposively selected for primary data collection, employing research-administered questionnaires. In this study, partial least squares structural equation modeling (PLS-SEM) was used to assess relationships between independent and dependent variables. The findings reveal that decision-making role, employment generation, and change in income levels significantly and positively influence women's empowerment, indicating that improvements in these areas are associated with increased women's empowerment. This research provides valuable insights for policymakers and practitioners and supports women's entrepreneurship to promote women empowerment.

EMPOWERMENT OF WOMEN is an important issue for the development of the family and society. The sustainable devel-

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opment of the nation remains incomplete, keeping aside women in economic activities as they make up half of the total population. In the past, Nepalese women were confined to household activities including cooking, washing, cleaning, and caring the children. Gradually, they are stepping up to establish and run the enterprise which leads to their economic empowerment (Khan et al., 2017).

Third-world feminist and women's organizations raised the issue of women's empower in 1970s. The main goal of the movement was the equality of women through structural change in the social and political systems (United Nations, 2001). Different scholars defined women's empowerment differently. However, the common notation of empowerment was established as competency development for making strategic choices and achieving the goal, whatever they attempt to succeed (Reddy, 2002).

Empowering women economically is essential for their overall development. Entrepreneurship is the best way to achieve economic independence. Encouraging entrepreneurship and income-generating activities presents practical solutions for women's empowerment. Women gain the advantages of awareness-raising, education, knowledge, self-confidence, and technology-friendly by engaging in income-generating activities through entrepreneurship (Sharma & Varma, 2008). Women's entrepreneurship was viewed as a key vehicle for granting decision-making power, self-dependency, and leadership opportunities (UNIFEM, 2000).

Economic empowerment indicates equal participation in the existing market, access to decent work, controlling the productive resource, deciding the economic issues at all levels, from household to international forum, putting voice confidently, managing the time properly, and maintaining control over the bodies and meaningful participation in the economic decisions. Women's economic empowerment and the reduction of the gender gap are crucial factors for the 2030 agenda, and sustainable development (UN, 2020).

In most societies, there exists a significant power disparity between men and women, with women having less control over resources and often receiving lower wages for their work. As a result, women's contributions to society often go unnoticed and undervalued, rendering them an "invisible" workforce. Unfortunately, these circumstances inevitably hinder women's ability to fully explore their potential, pursue growth and development, and achieve exceptional accomplishments (Sharma & Varma, 2008).

Gorkha is one of the developing districts situated in rural areas of Nepal, mostly with male dominance, which has systematically excluded women from equal participation in social activities. They were often marginalized and disadvantaged due to cultural norms, discriminatory practices, dependency on males, and lack of access to education, resources, and decision-making authority. Despite these challenges, there is a growing interest in entrepreneurship among women. Post-earthquake, over 30 organizations have been working to support women's entrepreneurship and empower them to overcome gender-based discrimination and gain economic independence. Through these efforts, rural women are moving towards greater empowerment and breaking down barriers to success (Womens, 2016). In this context, the primary aim of the study is to examine the

effect of women's entrepreneurship on their empowerment in terms of decision-making authority, reduced dependency on males, increased income level, change in social perception, and employment generation in the Gorkha District, Nepal.

Literature Review

Research has highlighted the importance of women's empowerment as the driving element for economic growth. It is also argued that increasing women's participation in entrepreneurship activities is crucial for developing countries to transform into developed countries. Such participation would help to utilize the human resources properly and generate income leading to improved quality of life as well (Singh & Gupta, 2013). Women's entrepreneurship journey is viewed as a technique for getting rid of poverty and marching to equality. To bring Nepalese women into the main stream of the business sector, women's empowerment is essential by providing leadership opportunities and participating in entrepreneurial networking systems (Bushell, 2008).

Women's entrepreneurship is now recognized as an essential driver of economic growth, innovation, and job creation. In addition, society has come to appreciate the unique perspective and innovative solutions that women entrepreneurs bring to the table were overlooked in the past and systematically denied the recognition they deserve (Sharma & Varma, 2008). Women entrepreneurs are those women who are innovative, risk-takers, enjoy independence, seeking opportunities for economic gain, and do not hesitate to take organizational and management responsibilities (Timmons & Spinelli, 2009). Entrepreneurs can transform their ventures into new technologies, products, and markets. Independence and risk-taking qualities are essential for sustaining their enterprise from start-up to growth and expansion internationally (Chong & Teoh, 2007).

Awareness is also increased about the significant barriers and challenges that women face in entrepreneurship, such as access to funding, mentorship, and networks. As a result, there is now more support and resources available for women entrepreneurs, including business incubators, accelerators, and grants. Previously, entrepreneurship was viewed as a male-dominated field, and women who entered the field faced numerous challenges and biases. However, with the increment of women entrepreneurs' numbers and their success rate in business, social perception has shifted to a more positive and inclusive one (Ilie et al., 2021).

The Landscape Study on Women Entrepreneurship found that women have achieved an improved status in their family after becoming financially independent. The study also revealed that most women tend to reinvest about 90% of their income into their families, i.e., into providing adequate nourishment for their families and educating their children, thereby contributing to better outcomes for their children and for future generations (EdelGive Foundation, 2020).

After engaging in entrepreneurial ventures, it gives women both increased decision-making authority and power. Women entrepreneurs can exercise more power in household decisions (Haugh & Talwar, 2016). Women-owned small enterprises have provided better distribution of resources and economic stability. They are playing an important role in creating employment opportunities and introducing innovation. They are also sources of inspiration for others. Small

entrepreneurs are assumed as the means of entrepreneurship, economic development, and job creation (Taiwo et al., 2016)

Women's entrepreneurship contributes significantly to the social and economic well-being of the country. Banks and cooperatives provide financial support to women entrepreneurs, and their families encourage them in their business activities. Nepal has implemented policies to develop entrepreneurial skills among women, and vocational education and training programs have been launched to empower them (Khatri, 2022). Women's status in Nepalese society has changed from time to time. Women have been regarded as a symbol of strength, knowledge, and wealth. Women's economic empowerment and inclusive economic growth are fueled by girls' and women's educational attainment (Rijal, 2018).

The Nepal government has taken some steps to encourage women's entrepreneurship, such as providing an easier procedure with a lower fee for registration. The Women's Entrepreneurship Development Fund has been serving with financial assistance and technical support to them. In addition to government services, several other organizations also provide support and resources to women entrepreneurs, such as training and networking opportunities, business development services, mentorship, and other services for their aspirations. By promoting women's entrepreneurship in Gorkha, women empowered economically and became contributing members of the society to more inclusive economic growth in the region (Sapkota, 2020).

Over time and because of the changes going on in the Gorkha district, young women are beginning increasingly involved in entrepreneurial activities and have started to be self-dependent. Women entrepreneurs' contribution has increased to their immediate family budget and to the prosperity of the community. Women entrepreneurs are regarded as the most significant representatives of the financial growth of the country (Tambunan, 2009). Their role has been changed to the producers, owners, decision-makers, risk-takers, sellers, and innovators from households serving women. They also create employment opportunities and contribute to advancing the living standards of families. Nowadays, women use their potential and skills to supplement their family income. Women in Nepal, therefore, no longer need to wait for employment outside the home. They are capable starting their own venture and earning and improving their livelihood successfully (Thapa Karki & Xheneti, 2018).

The awareness of policymakers and planners has increased significantly towards women's contribution to income generation and the effective performance of women's activities. Nepali women are increasingly taking up entrepreneurial ventures, particularly in sectors such as agriculture, tourism, and handicrafts (Rijal, 2018).

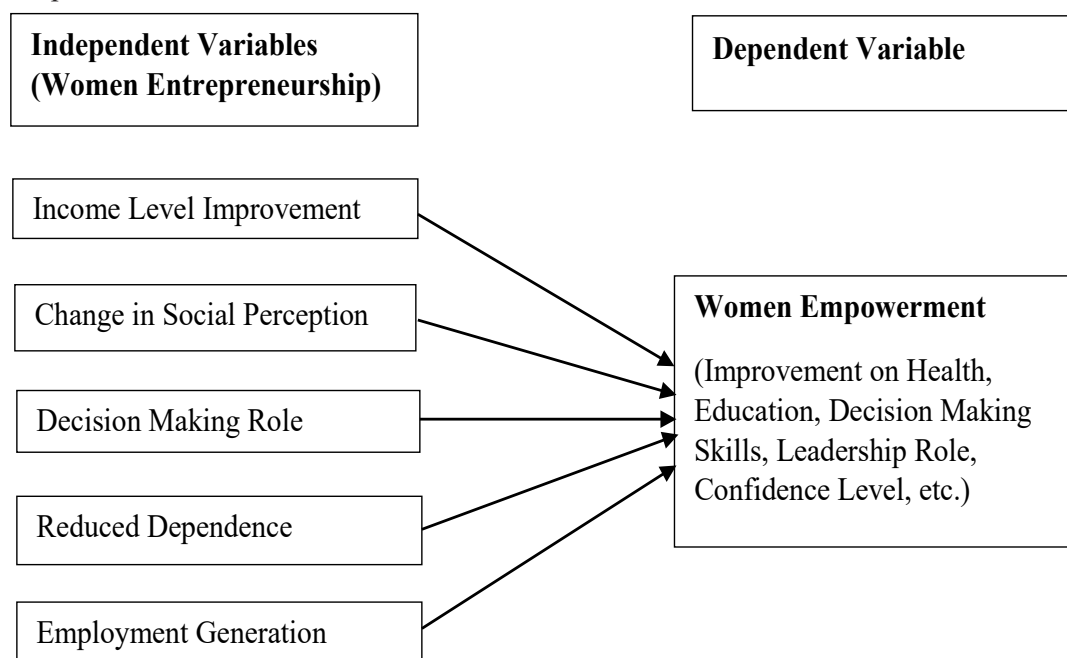
The past evidence from the different countries shows that women's entrepreneurship is the means of women's empowerment in terms of social status improvement, wider networking, better education, and a better future (Khatri, 2022; Ilie et al., 2021; EdelGive Foundation, 2020; Rijal, 2018; Sharma & Varma, 2008), and the emergence of women in self-employment and income generation through the establishment of their own enterprises is increasing (Womens, 2016). However, there is a lack of sufficient studies to verify the situation in the rural communities of

Nepal. Therefore, the study on women's empowerment through entrepreneurship in Gorkha District is essential.

The study variables are based on the literature review. The dependent variable is women's empowerment (accessibility of better health service, education opportunity, getting chance of leadership role and improvement on the confidence level). The independent variable is women empowerment that comprises the increase in income level of women, a change in social perception, reduction independency on male, employment generation, decision-making authority. The following framework shows the how independent variables affect the successful utilization of entrepreneurship development.

Figure 1

Conceptual framework



Based on the objectives of the study, theoretical and empirical literature review of the study following hypothesis are developed.

H₀₁: There is significant relationship between increase in income level of women and women empowerment.

H₀₂: There is significant relationship between change in social perception and women empowerment.

H₀₃: There is significant relationship between reduced women dependency and women empowerment.

H₀₄: There is significant relationship between self-employment and women empowerment.

H₀₅: There is significant relationship between increase in decision making role and women empowerment.

Methods

The research was descriptive and explanatory in nature. It was conducted in Gorkha district, Nepal, mainly in Gorkha Bazaar, Dandidana, 12 Kilo, Chatturkhola, Palungtaar, Chepetar, Vachhek Bazaar, and Aarughaat. The study was based on the women empowerment through entrepreneurship in Gorkha. So, 150 women entrepreneurs were purposively selected as a sample respondent. This research was based on the primary survey. The data was collected by formulating a set of research-administered questionnaires that were distributed to women entrepreneurs in the study area. The questionnaire includes Section A with demographic information about the respondents like age, marital status, income level, education, etc. and section B with a five-point Likert scale (Strongly Disagree-1, Disagree-2, Neutral-3, Agree-4, Strongly Agree-5) with statements related to independent and dependent variables. The researchers used both descriptive as well as inferential statistics for data analysis. Descriptive statistics such as frequency percentage distribution were used to measure the characteristics of the respondents; exploratory factor analysis (EFA) was used to extract specific items from the dataset that are associated with each construct and partial least squares structural equation modeling (PLS-SEM) was used to measure the relationship between independent variables and dependent variables.

Results and Discussion

1 Demographic Status of Women Entrepreneurship

Age, education, marital status, family structure and income level of respondents is analyzed as shown in table 1.

Table 1

Socio-Demographic Profile

Variables	Categories	Frequency	Percent
Age group	Below 20	3	2
	21-30	58	38.7
	31-40	60	40
	41-above	29	19.3
Education	High school or below	59	39.3
	10+2	70	46.7
	Graduate	19	12.7
	Others	2	1.3
Marital status	Married	119	79.3
	Unmarried	25	16.7
	Divorced	2	1.3
	Widow	4	2.7
Family Structure	Nuclear	110	73.3
	Joint	40	26.7
Monthly family income	Below 10000	2	1.3
	10000-20000	10	6.7
	20000-30000	44	29.3
	30000-40000	23	15.3
	40000-50000	31	20.7
	50000-above	40	26.7
Total		150	100

Table 1 gives the insights into the demographic characteristics of the study population. The age group category illustrates a diverse age distribution, with the majority falling within the 21-30 and 31-40 age ranges, representing 38.7% and 40% of the sample, respectively. In terms of education, the data reveals a relatively high level of education, with 46.7% having completed their 10+2 and 12.7% being graduates. However, a notable portion (39.3%) has a high school education or lower. Marital status shows that a substantial majority (79.3%) are married, while family structure highlights a prevalence of nuclear families (73.3%). Monthly family income demonstrates a wide range, with the largest group earning between 20000-30000 (29.3%) and a significant proportion (26.7%) earning above 50000.

2 Exploratory Factor Analysis (EFA)

In this study, total 28 items were used to measure the independent and dependent variables. Income level includes four items – IL1, IL2, IL3, and IL4, social perception includes five items – SP1, SP2, SP3, SP4, and SP5, reduced dependency includes four items – RD1, RD2, RD3, and RD4, employment generation includes four items – EG1, EG2, EG3, and EG4, decision making includes five items – DM1, DM2, DM3, DM4, and DM5 and women empowerment includes six items – WE1, WE2, WE3, WE4, WE5, and WE6. EFA was run independently for each construct. The results of EFA is given in Table 2.

Table 2.

Summary of Results of EFA

Constructs	KMO	Bartlett's Test		Items	% of variance explained
		Chi-Square	Sig.		
Income Level	.713	87.879	.000	IL1, IL2, IL3, IL4	51.04
Change in Social Perception	.566	55.068	.000	SP1, SP2, SP3	56.00
Reduced Dependency	.626	54.845	.000	RD1, RD2, RD3	57.33
Employment Generation	.613	71.809	.000	EG1, EG3, EG4	60.15
Decision Making	.686	99.400	.000	DM1, DM2, DM3, DM4	51.79
Women Empowerment	.601	93.631	.000	WE3, WE5, WE6	62.23

Table 2 shows the summary of result of EFA for all six constructs used in this study. The KMO value assesses the suitability of data for factor analysis. In your analysis, all KMO values are above 0.5, which suggests that your data is suitable for EFA. Similarly, Bartlett's Test assesses whether the correlations among the variables are significantly different from an identity matrix. As per the analysis result, all p-values are very close to 0, which indicates that the data is appropriate for EFA. Furthermore, the items column indicates which specific items from the dataset are associated with each construct after EFA and % of variance explained shows the variance in the data explained by the underlying factor. Income Level includes four items (IL1, IL2, IL3, and IL4) and it explains 51.03 % of variance. Likewise, change in social perception includes three items (SP1, SP2, and SP3) and explains 56 % of variance, reduced dependency includes three items (RD1, RD2, and RD3) and explains 57.33 % of variance, employment generation includes three

items (EG1, EG2, and EG4) and explains 60.15 % of variance, decision making includes four items (DM1, DM2, DM3, and DM4) and explains 51.79 % of variance, and women empowerment includes three items (WE3, WE5, and WE6) and explains 62.23 % of variance.

4.3 Structural Equation Modeling

After EFA, the researchers used partial least square – structural equation modeling (PLS-SEM) to see the relationship between independent variables and dependent variable. This includes two model – Measurement Model and Structural Model. In measurement model, it was checked the reliability and the validity of the construct. After assessing the reliability and validity of the construct, structural model was run.

3.1 Assessment of Constructs’ Reliability and Validity

Reliability was checked using Cronbach’s alpha and composite reliability, convergent validity was assessed using Average Variance Extracted (AVE) and discriminant validity was assessed using Fornell and Lacker’s criteria, and HTMT ratio.

Table 3

Construct Reliability and Validity

Constructs	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Change in Social Perception	0.601	0.791	0.560
Decision Making	0.689	0.806	0.511
Employment Generation	0.713	0.840	0.636
Income Level	0.679	0.798	0.500
Reduced Dependency	0.654	0.790	0.487
Women Empowerment	0.688	0.826	0.613

Table 3 presents the result of construct reliability and convergent validity. Here Cronbach's Alpha and Composite Reliability are used to measure the construct reliability and AVE is used to assess the convergent validity. Table reveals that all the Cronbach’s alpha values are above 0.60 and range between 0.601 and 0.713. Similarly, all composite reliability values are above 0.70 and ranging from 0.790 to 0.840. This indicates that the constructs are highly reliable. Furthermore, AVE values in the range of 0.487 to 0.636 also affirm the convergent validity.

Table 4

Discriminant Validity - Fornell and Lacker's Criteria

Variables	SP	DM	EG	IL	RD	WE
SP	0.748					
DM	0.313	0.715				
EG	0.211	0.456	0.797			
IL	0.352	0.337	0.456	0.707		
RD	0.259	0.355	0.285	0.512	0.698	
WE	0.33	0.492	0.548	0.53	0.357	0.783

Table 4 presents the result of Fornell and Larcker's criteria used to assess discriminant validity. The diagonal values represent the square root of the Average Variance Extracted (AVE) and other values represent the correlation coefficient between the constructs. Here, the square root of the AVE for SP is 0.748, DM is 0.715, EG is 0.797, IL is 0.707, RD is 0.698, and WE is 0.783, which are greater than its correlations with other constructs, it satisfies the criteria for discriminant validity.

Table 5

Discriminant Validity - HTMT Ratio

Variables	SP	DM	EG	IL	RD	WE
SP						
DM	0.515					
EG	0.388	0.615				
IL	0.546	0.438	0.593			
RD	0.427	0.486	0.383	0.774		
WE	0.506	0.665	0.754	0.724	0.513	

Table 5 presents the result of Heterotrait-Monotrait (HTMT) ratios, used to measure discriminant validity. Here all the values are less than 0.85, which suggests that these constructs (SP, DM, EG, IL, RD, WE) exhibit satisfactory discriminant validity.

3.2 Structural Model

After confirmation of reliability and validity of the constructs, path analysis was performed. Figure 2 depicts the path diagram and Table 6 exhibits the result of path analysis.

Figure 2

Path Diagram



Table 6*Result of Path Analysis*

Relationship	Beta Coefficient	T statistics	P values
Change in Social Perception -> Women Empowerment	0.093	1.396	0.163
Decision Making -> Women Empowerment	0.227	3.011	0.003
Employment Generation -> Women Empowerment	0.293	3.299	0.001
Income Level -> Women Empowerment	0.271	2.472	0.013
Reduced Dependency -> Women Empowerment	0.03	0.391	0.696

Table 6 shows the results of the path analysis that show the relationships between various independent variables (Change in Social Perception, Decision Making, Employment Generation, Income Level, Reduced Dependency) and their impact on the dependent variable Women Empowerment. In this analysis, decision making (beta = 0.227, t-stat = 3.011 and p-value = 0.003), employment generation (beta = 0.293, t-stat = 3.299 and p-value = 0.001), and income level (beta = 0.271, t-stat = 2.472 and p-value = 0.013) have statistically significant and positive effects on women empowerment. This suggests that improvements in Decision Making, Employment Generation, and Income Level are associated with increased Women Empowerment. However, change in social perception and reduced dependency is not statistically significant and does not appear to influence Women Empowerment significantly.

Conclusion

This study provides insights into which factors have a substantial impact on Women Empowerment through entrepreneurship in Gorkha district, Nepal. The study considered women's empowerment as the dependent variable, while income level, social perception, reduced dependency on male, employment creation, and decision-making authority were used as independent variables. Based on the study's results, it can be concluded that women entrepreneurship through change in income level, employment creation, and improvement in decision-making has a positive and significant impact on women's empowerment. This indicates that increased income, self-employment, and decision-making power contribute to women's empowerment in society. While change in social perception and reduced dependency on male have no significant association with women empowerment. This research not only provides valuable insights for policymakers and practitioners but also reinforces the requirement of supporting women's entrepreneurship to promote women's empowerment.

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