

## Economic Empowerment of Women through Micro-enterprises: A Case Study of Parbat District of Nepal

Sarita Dhaubhadel<sup>1</sup>

<sup>1</sup>Ph.D. Scholar, Management Faculty, Dr. K.N. Modi University, Newai, Jaipur, Rajasthan, India

\*Corresponding Author: saritadhaubhadel9@gmail.com

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### Abstract

*Micro-enterprises are small-scale business which is supported by governmental or non-governmental micro-credit program. Such enterprises are mostly run by the low-income group. It is supportive to manage the daily need of people. The study was conducted with the main objective to identify the economic empowerment of women through micro-enterprises. The study was conducted in the Parbat district of Nepal among the 384 women who were involved in the micro-enterprises. The study found that in total 96% of women agreed that they were able to support their family's basic needs through the income of micro-enterprise. Similarly, 95% of women participants accepted that their economic access was increased through micro-enterprise.*

**Keywords:** Economic, Empowerment, Micro-enterprises, Women

### 1. Introduction

Economic empowerment helps to access economic resources such as income, assets, savings, and control over these resources. It also helps in social, political, and psychological empowerment. On indicators such as income, asset generation, consumption expenditure, savings, and loan utilization, are considered for measuring economic empowerment (Sinha, Parida, & Baurah, 2012). Microenterprise plays an important role to improve the economic status of their beneficiaries. World Bank has defined micro and small enterprises as those having fixed capital or a number of workers under a certain critical level. Small businesses such as shops, industries, and transport services come under micro-enterprise. In addition, production, trading, and service providing is mainly focused on micro-enterprise (World Bank, 1978). Women empowerment is giving power to women; it is making women better off. Women empowerment enables a greater degree of self-confidence and a sense of independence among women. Empowerment is an active process of enabling women to realize their identity, potentiality, and power in all spheres of their lives (Peerzade & Parande, 2005).

In the Nepalese context, Micro-Enterprise Development Programme (MEDEP) is a joint initiative of the Government of Nepal Ministry of Industry and UNDP and financially supported by USAID started in 1998 with the aim of poverty reduction in Nepal. The goal of the program is to develop micro-enterprises for sustainable livelihood and income generation activities. It was implemented in all districts of Nepal from 1998 to 2018 as a successful program. Some research papers are published on the contribution of microfinance, cooperatives, and microenterprise which shows the significant contribution to the economic

empowerment of women. A study conducted among the 385 beneficiaries of Microfinance in the Syangja district found that all respondents agreed on the role of microfinance in helping beneficiaries to improve their financial situation (Dhakal & Nepal, 2016). Similarly, another study was conducted among the women beneficiaries of small farmers cooperative limited (SFCL) in the Ilam district. The study discovered a significant difference in women's socio-cultural and political empowerment after participating in the SFCL program. Women's access to economic resources, according to this study, alters their social status in the family and community. The study showed the need for expanding of SFCL program in hard-to-reach areas also to empower the socially disadvantaged groups (Poudel & Pokharel, 2017). The impact of micro-enterprise was seen in Indian society also. It is also believed that Self-Help-Group (SHG) model helps in women's empowerment more effectively. In India, there was an increase in women's awareness of rights, independent savings, and active involvement of women in political areas due to the SHGs approach. Moreover, there was also a decrease in physical, verbal, and emotional abuse of women. Thus, women are empowered more as compared to men (Swain & Wallentin, 2009). A study in Kerala showed that the annual personal income of women after joining a Microenterprise was very high compared to before joining a Microenterprise. The annual income of women was 9500.00 whereas the income reached 108060.00 after joining micro-enterprise. The average income of the member increased a lot after joining Microenterprise (Sujisha & Biju, 2019).

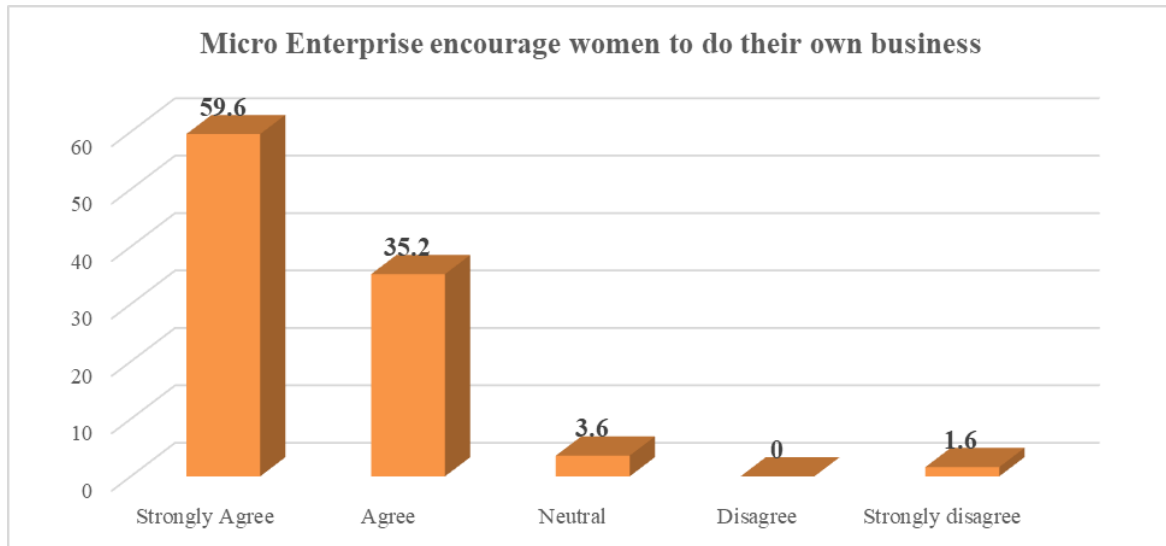
There is still a gap in the study of microenterprises run by women and their contribution to the socio-economic life of women, as well as their impact on society. Very few articles on Nepal are published so considering this gap, the study was conducted to explore the economic contribution of microenterprises.

## **2. Materials & Methods**

The study was based on a quantitative design. It was a descriptive study which had analyzed the economic status of women involved in microenterprise. The study was conducted among 384 women in Prabat district. The sample size is calculated by considering the 95% confidence level, 5% margin of error, and 50% prevalence. The sample was selected by using the systematic random sampling technique. The structured survey questionnaire was used to collect the data. The statistical analysis was done to present the data.

## **3. Result and Discussion**

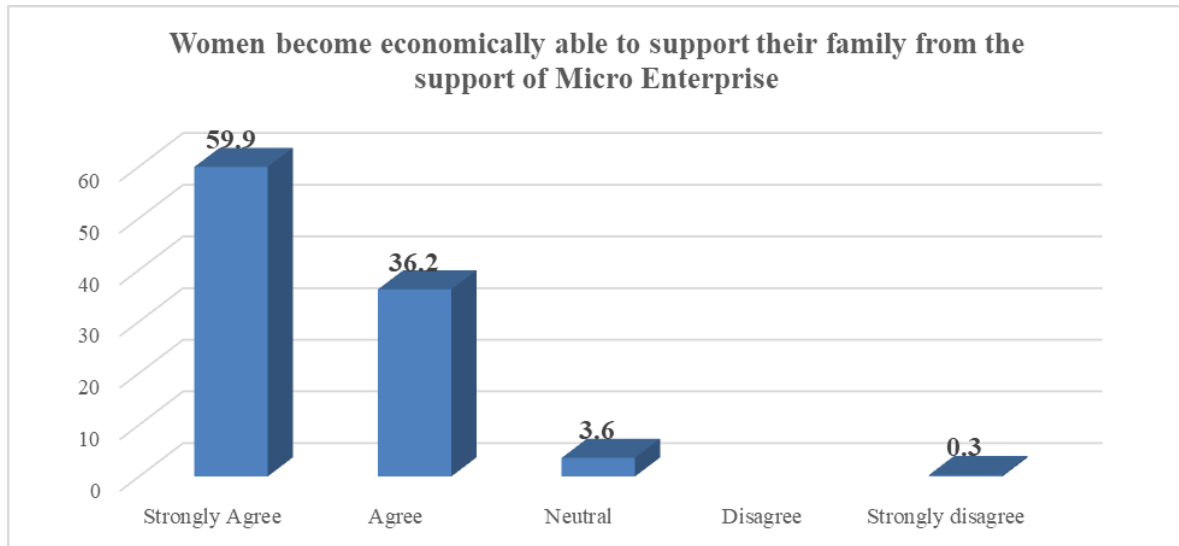
The study discussed the economic empowerment of women through micro-enterprise. Economic empowerment is one of the major objectives of micro-enterprise. Here, the data presented in Figure 1 shows that around 95 percent of women accepted that they were supported by micro-enterprise to start their own business.



**Figure 1:** *Micro Enterprise encourage women to do their own business*

It was highly remarkable in the study are that there was impressive contribution of micro-enterprise in the economic empowerment of women. As discussed with the respondents, there was a separate program launched by Micro-Enterprise Development Programme (MEDEP) to empower the women through micro-enterprise activities. They had provided training and orientation to encourage the women to own businesses.

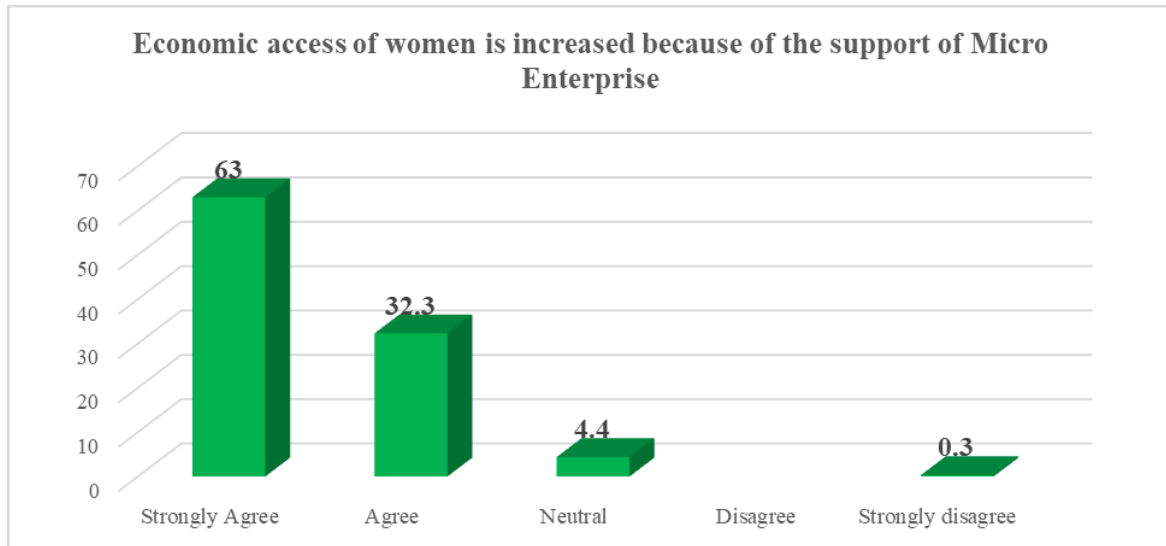
Similarly, the study also discussed the economic capacity enhancement of women to support their family needs. The fulfillment of basic needs is more important than other luxurious things. The data presented in Figure 2 shows that in total 96% of respondents agreed that they were able to support their family’s basic needs through the income of micro-enterprise. This finding was supported by one previous study of Azad Kashmir. The impact of microenterprises on three dimensions of socioeconomic empowerment, including freedom of movement, economic empowerment, and social uplift, was investigated by a study of Azad Kashmir. The findings revealed that the influence of microenterprises on social uplift was low, but it was better for freedom of mobility, and it contributed most favorably through economic freedom. The study concluded that microenterprises had contributed to women's socio-economic empowerment in Azad Kashmir (Akram, Shaheen, & Kiyyani, 2015).



**Figure 2:** *Women become economically able to support their family from the support of Micro Enterprise*

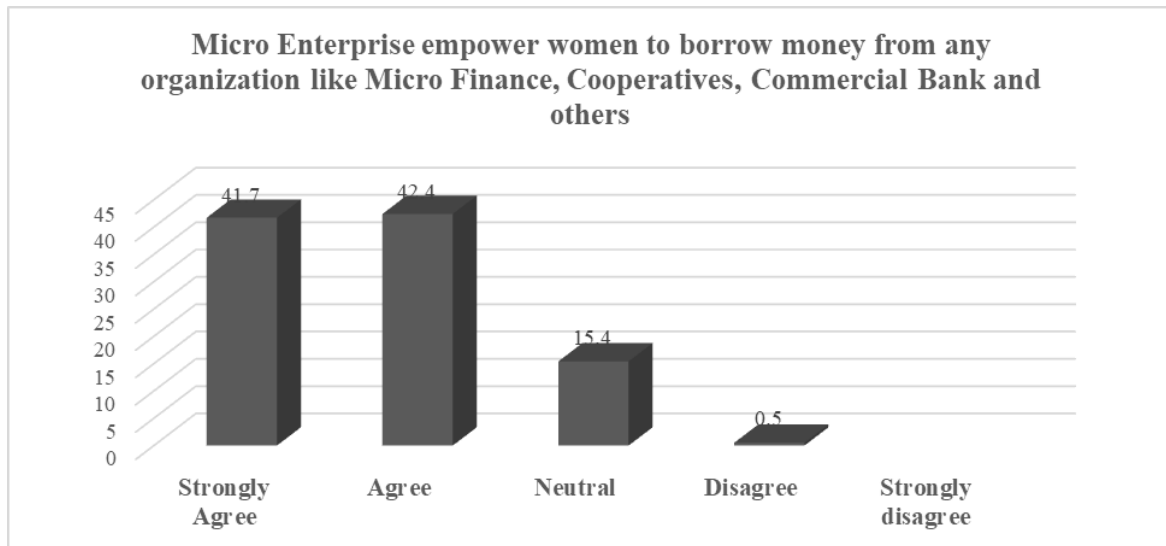
It is a significant achievement of respondents that their economic capacity was empowered from the micro-enterprise. They were running different types of enterprises like agricultural farming, livestock, poultry farming, tailoring, and shopping.

The women were able to access the economic assessments like household property, house, land, saving and credit, and banking because they had earned money from the microenterprise. It is general practice that when one is economically sound then they will have the opportunity to access the physical property. In this concern, the women in the study area reported that their economic access was increased after involving in microenterprise. As the data presented in Figure 3 shows that 95% of women participants accepted that their economic access was increased through micro-enterprise. This finding was supported by the one previous study also. A study conducted by DR. VASANTHA KUMARI was conducted among the women of micro-enterprises located in Kerala, India. The study found that the average income per month of the family before joining the enterprise was Rs. 3038 and it was increased to 4453 after joining the enterprise, i.e., an increase of 46.6%. It had concluded that Poor women are better able to build their confidence and talents by organizing themselves into groups, which not only expands their options for development but also allows them to improve their position and influence society's attitude toward women (KUMARI, 2012).



**Figure 3:** *Economic access of women is increased because of the support of Micro Enterprise*

Leadership and decision-making capacity of women is also increased because they were capable to borrow money from financial institutions. The study asked the respondents about their practice to borrow money from any financial institution. In this connection, 84% of women accepted that they had learned many things about the process of borrowing money from banks and cooperatives. They had taken orientation from different organizations about the financial management to operate the micro-enterprise.

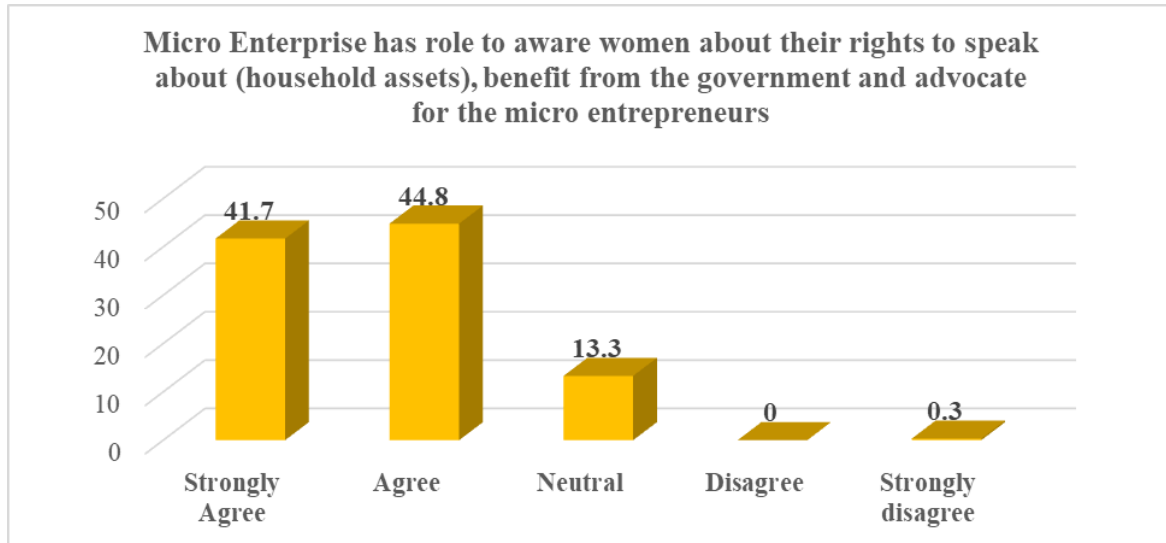


**Figure 4:** *Micro Enterprise empower women to borrow money from any organization like Micro Finance, Cooperatives, Commercial Bank and others*

Micro finance and cooperative have increased the access of rural people on financial institutions. Available facilities also encourage the people to access these facilities for the easiness of life. As discussed with the women participants, they shared that they were using the loan from banks and cooperatives to operate their microenterprise.

The microenterprise has empowered the women to speak about their rights in family, society and nation. Nepal Government has given 33% reservation to women in all types of

political position and government job. But these positions cannot be provided if women will have no proper qualifications and capacity. Women have to increase their capacity and fight for the desired positions. Microenterprise has supported enhancing the communication and advocate capacity so that they can speak for their rights and opportunity.

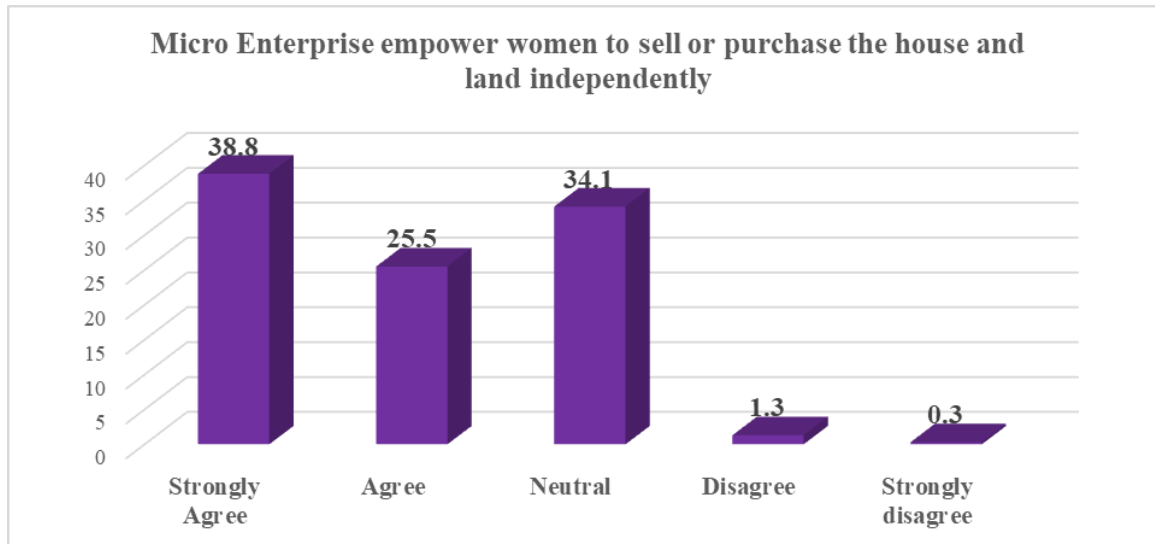


**Figure 5:** *Micro Enterprise has role to aware women about their rights to speak about (household assets) and about the benefit form the government and advocate for the micro entrepreneurs*

In Nepalese context, still rural women are deprived from the proper opportunity and accessibility. Women are still treated as a household property so they were not allowed to go alone outside of the home for any work. Economic crisis, illiteracy, and traditional culture are the major barrier to the women’s movement. Micro-enterprise has contributed to reducing such social hindrances to empowering women in society.

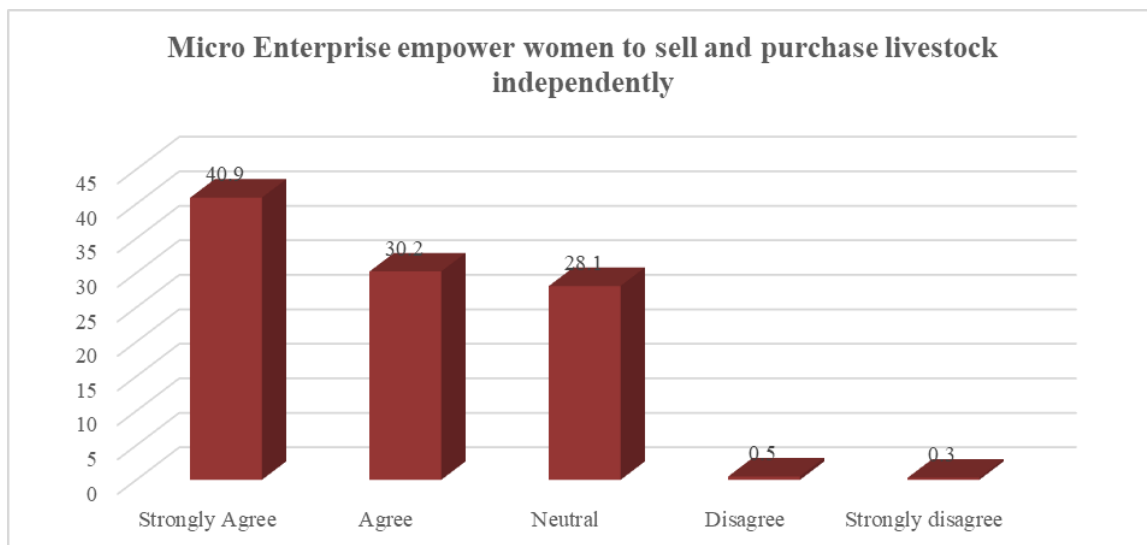
In a patriarchal society, males are the household head and took each decision whereas women are stood as a supporter of male-only. In such practice, women are deprived of development activities and other opportunities. But society is changing day by day because of the effect of modernization, globalization, technology, and education. Gender-based discrimination is decreasing in society and daughters are also equally treated to empower through education and opportunity.

Participation in household-level discussions and decisions is one very basic step in the empowerment of women. Economic empowerment is one basic tool to empower women. Income generated from microenterprise has contributed to empowering women to take the household level decision like selling or purchase of houses, land, and other assets. The data presented in Figure 6 shows that 64% of women accepted that they were empowered to sell and purchase the house and land independently due to knowledge and skill received from the microenterprise.



**Figure 6:** *Micro Enterprise empower women to sell or purchase the house and land independently*

In agricultural society, people exchange the household level property as a source of income. Household head used to take decision of selling or purchasing of house, land and livestock because it needs a lot of money to purchase land or house whereas if one sells their property then they have to make a plan to invest that money in another purpose. So, in such practice, males and females mutually take the decision in most of the family. But microenterprise has empowered women to take such decisions independently. In this concern, the study asked women about their independent decision to sell and purchase livestock from their houses. The data presented in Figure 7 shows that in total 71% of women accepted that they were empowered to sell and purchase livestock independently due to empowerment activities of microenterprise.



**Figure 7:** *Micro Enterprise empower women to sell and purchase livestock independently*

The study had discussed with the women and found that microenterprise has significantly contributed to empower the women beneficiaries.



4. Conclusion and Recommendation

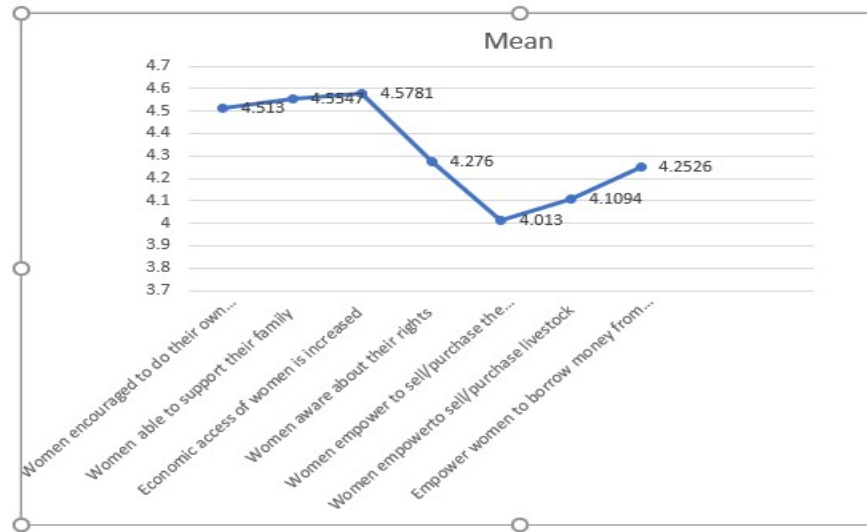


Figure 8: Mean value in seven economic aspects

The study had discussed on the seven different aspects of economic empowerment of women through microenterprise. The seven economic aspects discussed in the study were: i) contribution of micro-Enterprise to encourage women to do their own business, ii) economically empower women to support their family, iii) increase economic access of women, iv) aware women about their rights, v) empower women to sell or purchase the household property like land, house, vi) purchase or sell livestock, and vii) borrow money from financial institutions. In a comparison of these seven factors, the highest mean value (4.5781) was found in the empowerment of women in economic access whereas the lowest mean value (4.013) was found for the empowerment of women to sell and purchase land and house.

The study had explored only the economic empowerment of women through microenterprise. It has not explored the social aspect of women’s empowerment so that future researchers can study on social empowerment of women through microenterprise.

5. Acknowledgement

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Conflicts of interest: None





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