

Impact of Microfinance on Women Empowerment: An Assessment of Socio-Economic Factors in Afghanistan

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Abstract – The microfinance initiative has improved perceptions of the impoverished in many countries and is significant for women's economic and social empowerment. Some countries have created large credit flows, primarily to communities and households with little income, whom traditional financial institutions typically excluded. Prior researchers from different countries found that involvement in MFIs increased women's empowerment regarding increased knowledge, self-confidence, economic, social, and political awareness, mobility, and organizational skills development. It is widely acknowledged that women's Empowerment is the most important and contentious global issue. Afghanistan cannot be an exception in this area and is actively participating in women's Empowerment. Since the people required income-generating livelihoods, the government of Afghanistan and the donor communities agreed to establish a microfinance project to operate micro-enterprises with the Ministry of Rural Rehabilitation and Development. Nonparametric tests such as Wilcoxon Signed Rank Test and Correlation Test were employed to answer the research question and objectives. The impact assessment result revealed significant improvement in the empowerment of women's social and economic status after obtaining a loan from MFIs.

Keywords – Afghanistan, Economic Empowerment, Social Empowerment, Microfinance.

I. INTRODUCTION

Microfinance is a banking service that provides financial and non-financial services to low-income or unemployed people. The development of the microfinance concept is not a new phenomenon. And its popularity can be linked to the founding of the Grameen Bank by Nobel Laureate Dr. Muhammad Yunus. Prof. Yunus popularized it by testing whether empowered women in Bangladesh could repay their borrowed loans [1]. The MFIs initiative has undoubtedly improved the perceptions of poor people in many countries. Some countries have created large credit flows, particularly to the low-income group, who are excluded from traditional financing [2]. Microfinance has existed globally in its traditional form to finance small borrowers. However, modern microfinance came after the 1900s. Microfinance has emerged as a tool to eradicate and empower the poor and socially weaker sections of society. Microfinance plays a vital role in economic and social empowerment.

According to [3], women's empowerment is gaining the capability to make purposeful life decisions that are generally restricted by poverty and societal or religious standards. Prior studies have found that microfinance positively influences the empowerment of women. Further, many studies proved that involvement in MFIs increased women's empowerment with increased knowledge, self-confidence, economic, social, and political awareness, mobility, and organizational skills development [4]; [5]; [6]. Moreover, the banking sector in Afghanistan was just operational when the war ended, and official economic activity was limited. Without

functional commercial banks, the country relied on the traditional (Hawala) money transfer system, the only effective functional payment system, and the informal credit market to meet liquidity demands. The drop of the Taliban rule in late 2001 and the founding of a representatively elected government significantly changed the financial sectors in Afghanistan. In 2002, the government passed new financial sector legislation to strengthen Da Afghanistan Bank's (DAB) monetary's control and banking supervision functions and to build a commercial banking sector [7]. Microfinance entails providing small-scale loans, savings, and other financial products and services to the rural and urban poor to promote socio-economic empowerment and allow them to generate income and develop their living conditions. This study explores the effect of microfinance on the social and economic empowerment of Afghanistan's women.

II. LITERATURE REVIEW

Microfinance has improved customers' income, and many business entrepreneurs have benefited from microfinance. Apart from recognizing the benefits of microfinance for women, Empowerment can be implemented effectively in other economically deprived areas, enhancing women's status and contributing to the country's economic progress. It would greatly help the implementing agencies bring essential beneficial changes for women's empowerment. Although, these features help to persuade more women to participate in microfinance programs. Microfinance is a basic form of financing for poor and low-income people in developing countries [8]. Afghanistan is a developing country where microfinance has rapidly grown since 2003. Prior studies extensively examined the impact of microfinance on the social, economic, and political empowerment of weaker sections of society.

Investigated women's participation in microfinance programs and stated that these programs enhance their empowerment [9]. Further, the authors discovered that it helps women to make better family decisions, access financial and economic resources, and build strong social networks. Another research concludes that microfinance services assist women's empowerment by impacting their family's decision-making capacity and socio-economic condition [10]. Investigated the socio-economic change in women's empowerment through microfinance [11]. Their comparative analysis of microfinance borrowers (experimental group) and non-microfinance borrowers (control group) found that microfinance has resulted in favorable socio-economic improvement, superior to the control group. Further, it has expanded access to productive assets and family property and improved income, expenditure, and savings. Their result also revealed a positive social change in identifying school/college decision-making, improved health, family planning decisions, respect, and acceptance.

Opined that microfinance could significantly influence women's empowerment in India [12]. They noted that microfinance is not always empowering as an outcome. Explored whether the bank also affects a social and economic measure of poverty, including poor women empowerment or income-generating operating by the family, and used primary data from over 2,000 urban and rural families across Pakistan [13]. Further, he found that participation in this program significantly impacted the economic and social factors of well-being and income-generating activities, particularly for the impoverished segment.

Stated that through direct involvement with the poor, microfinance stimulates economic prosperity in developing countries [14]. Further, she opined that microfinance is poorly understood and uncertain whether it fulfills its expectations. She argued that the purpose of microcredit is to carry Financial Power to the poor, who

are in need.

Examine the activity of SHGs in three dimensions of women empowerment, such as economic, social, and psychological [15]. They found a slow enhancement in the empowerment dimensions among rural females.

Examined whether microfinance is truly empowering or, instead of “empowerment,” disempowering [16]. They stated that the actual effect is not sufficiently prioritized for the beneficiaries. They found that long-term borrowers have slightly improved their social mobility opportunities and self-esteem. However, there has been no significant improvement in their economic empowerment, and, at the same time, the problems of gender inequality and powerlessness have remained unchanged. Based on considerable evidence, they also said that microfinance had fallen short of empowering poor women. Optimistically they suggested there must be a definite basis for empowering poor women at all rates. Finally, they argued that microfinance does not automatically establish capacity building. If programs want to empower women, they should be focused on a simple conception of empowerment rather than pretending that programs are empowering.

Microfinance is vital in enhancing women’s decision-making by engaging in business activities [17]. They found that women’s Empowerment is greatly influenced by age, spouse employment, father, inherited properties, family status, number of living daughters, and microfinance level. They concluded that women who use credits on their own have a similar impact of microfinance on empowering women compared to loans used by other family members. Stated that training and community support for microfinance would increase women’s empowerment in South Asia and other developing countries [18]. They found that women’s economic SHGs positively affect women’s economic and political empowerment, mobility, and control over family planning.

An empirical study by [19] assessed the role of microfinance in Afghanistan’s borrower’s income and employment prospects in Bamyan. They found that microfinance significantly impacts income generation and employment opportunities. Furthermore, their outcome revealed that the individual increased their income and job options. Researched the impact of microfinance on women’s income after using microfinance services [20]. According to the findings, microfinance results significantly increase Afghan women entrepreneurs’ income and job possibilities.

Objectives of the Study

Considering the significance of microfinance in eradicating poverty and empowering weaker sections of society, this research aims to evaluate women's empowerment through microfinance in Afghanistan.

To study the impact of microfinance on women's Empowerment in terms of Economic and Social Empowerment.

Research Hypothesis

This study examined the effect of microfinance on women's empowerment in Afghanistan and tested the following hypotheses.

H01: There is no significant difference in women's economic and social empowerment after using MFIs services.

H02: There is no significant correlation between economic and social Empowerment.

III. RESEARCH METHODOLOGY

In the present research, the researcher prepared a structured questionnaire containing quantitative and qualitative questions to collect primary data for the descriptive and inferential analysis. The primary data was collected from MFIs/Banks women borrowers during 2019-2021, and the secondary data was collected from the Afghanistan Microfinance Association website, MISFA reports, and MFIs reports.

Structured questionnaires consisting of five sections with dichotomous close-ended, multiple-choice closed-ended, and Likert scale questions. for women borrowers were prepared based on the variable reviewed in the literature. The questionnaire was written in English and then translated into Persian (Dari).

Pilot Testing

Before collecting the final data, the researcher conducted pilot testing in structured questionnaires. There are two sections in the structured questionnaire for women borrowers. There were 10 questions in the first section on Economic Empowerment through Microfinance. The second section had 15 questions about microfinance for Social Empowerment. Most frequently, Cronbach alpha is used to assess an instrument’s dependability [21]; [22]. Thus, Cronbach’s alpha values were used to determine the reliability of the questionnaire used in this study. According to the findings, the Cronbach alpha value for the 10 economic empowerment items was (0.844). The Cronbach alpha for 15 questions on Social empowerment through microfinance was (0.796).

Sampling Technique

The researcher used probability sampling techniques to select women borrowers, particularly the stratified probability technique. The chosen technique considers the three provinces of Afghanistan (Kabul, Baghlan, and Bamyan) and different districts as strata to certify demonstration for all the women in these three provinces.

Population and Sample Size

The study selected the women borrowers of MFIs in three provinces (Kabul, Baghlan, and Bamyan) of Afghanistan living in rural and urban areas to collect relevant information. The total number of borrowers, including men and women of the three provinces, was 61,334 as of 31-12-2019. According to an AMA report, 37% of total borrowers were women [23]. The total population of women was 22,694, and determined the sample size using Slovin’s formula, with a 5% significance level. The sample size of the three provinces is 393, consisting of 320, 44, and 29 respondents in the Kabul, Baghlan, and Bayan provinces, respectively.

IV. IMPACT OF MICROFINANCE ON ECONOMIC AND SOCIAL EMPOWERMENT

Economic empowerment of women is measured using ten statements that are rated on a five-point scale: very low (VL), low (L), neither low nor high (N), high (H), and very high (VH), which shows their empowerment before and after using microfinance services.

Table 1. Economic Empowerment.

Item Number	VL		L		N		H		VH		Mean	SD
	Freq- -uency	Perce- -ntage	Frequ- -ency	Perce- -ntage	Frequ- -ency	Perce- -ntage	Frequ- -ency	Perce- -ntage	Frequ- -ency	Perce- -ntage		
1	127	32.3	158	40.2	74	18.8	25	6.4	9	2.3	2.06	0.99

Item Number	VL		L		N		H		VH		Mean	SD
	Freq- -uency	Perce- -ntage	Frequ- -ency	Perce- -ntage	Frequ- -ency	Perce- -ntage	Frequ- -ency	Perce- -ntage	Frequ- -ency	Perce- -ntage		
	4	1	12	3.1	73	18.6	221	56.2	83	21.1	3.93	0.78
2	103	26.2	171	43.5	84	21.4	26	6.6	9	2.00	2.15	0.96
	1	0.3	15	3.8	80	20.4	194	49.4	103	26.2	3.97	0.8
3	94	23.9	111	28.2	90	22.9	71	18.1	27	6.9	2.56	1.23
	4	1	4	1	40	10.2	203	51.7	142	36.1	4.21	0.74
4	102	26	141	35.9	100	25.4	31	7.9	19	4.8	2.3	1.09
	3	0.8	9	2.3	93	23.7	185	47.1	103	26.2	3.96	0.81
5	87	22.1	118	30	130	33.1	32	8.1	26	6.6	2.47	1.12
	4	1	11	2.8	105	26.7	162	41.2	111	28.2	3.93	0.87
6	92	23.4	153	38.9	111	28.2	26	6.6	11	2.8	2.26	0.98
	8	2	13	3.3	71	18.1	191	48.6	110	28	3.97	0.88
7	109	27.7	151	38.4	101	25.7	23	5.9	9	2.3	2.17	0.97
	7	1.8	14	3.6	102	26	188	47.8	82	20.9	3.82	0.86
8	148	37.7	127	32.3	89	22.6	14	3.6	15	3.8	2.04	1.04
	9	2.3	16	4.1	62	15.8	216	55	90	22.9	3.92	0.87
9	136	34.6	134	34.1	90	22.9	10	2.5	23	5.9	2.11	1.09
	6	1.5	28	7.1	86	21.9	189	48.2	83	21.2	3.8	0.9
10	117	29.8	148	37.7	61	15.5	39	9.9	28	7.1	2.27	1.19
	7	1.8	12	3.1	81	20.6	181	46.1	112	28.5	3.96	0.88
11											2.24	0.69
											3.95	0.47

Source: Survey data

Table 2. Wilcoxon signed-rank test for Economic Empowerment before and after.

Item	Statements	Z	p
1	Personal Income - before and after	-16.3	0
2	Access to the credit facility - before and after	-16.21	0
3	Saving encouraged- before and after	-15.42	0
4	support the family financially- before and after	-15.72	0
5	Household asset -before and after	-14.92	0
6	New Business/ business growth -before and after	-15.88	0
7	Personal assets- before and after	-15.51	0

Item	Statements	Z	p
8	Women's control of the assets -before and after	-15.93	0
9	Employment opportunity - before and after	-15.25	0
10	Economic decision making-before and after	-15.54	0
11	Economic Empowerment - before and after	-17.1	0

Source: Survey data.

The mean score for “Personal Income” before using MFIs services was 2.06 ± 0.99 ; after using MFIs services, it was 3.93 ± 0.78 with a significant increase ($p = 0.000$). The result shows that 72.5 % of women borrowers’ income was less before joining MFIs. However, the result also reveals that 77.3 % of the women borrowers highly accessed in MFIs services after joining the MFIs.

The mean score for “Access to credit facility” before joining the MFIs was 2.15 ± 0.96 , and after joining MFIs, it increased significantly to 3.97 ± 0.80 ($p = 0.000$). The result indicates that 69.7% of the women borrowers had low access to the credit facility. However, the result also reveals that 75.6 % of the women borrowers accessed highly credit facilities after joining the MFIs.

The mean score for the statement “saving encourage” before joining the MFIs was 2.56 ± 1.23 ; after entering the MFIs, it was 4.21 ± 0.74 , which significantly increased ($p = 0.000$) change in saving encouragement. The result shows that 52.1% of the women borrowers had low saving encouragement before joining MFIs. However, the result also indicates that 87.8% of the women borrowers had a high level of saving encouragement after joining the MFIs.

The mean score for the statement “Ability to financially support the family” was 2.30 ± 1.09 before joining MFIs. There is a significant improvement in the mean score after joining MFIs, with a mean of 3.96 ± 0.81 ($p = 0.000$). The result shows that 61.9% of the women borrowers stated they had a low ability to support their family financially before joining MFIs. However, the result indicates that 73.3 % of the women borrowers had a high financial ability to support their families after entering the MFIs.

The mean score for the statement “Household asset structure toward acquiring financial asset” before entering the MFIs was $2.47, \pm 1.12$. At the same time, it increased significantly after joining MFIs by 3.93 ± 0.87 ($p = 0.000$). The result shows that 52.1% of the women respondents had poor access to household and financial assets before joining MFIs. However, the result revealed that 69.4 % of the women accessed the high household asset after joining the MFIs.

The mean score for the statement of “new business/business growth” before entering the MFIs, was 2.26 ± 0.98 , and after joining MFIs was 3.97 ± 0.88 , which revealed a significant improvement ($p = 0.000$). The outcome shows that 62.3 % of the women who started their businesses had low progress before joining MFIs. However, the result reveals that 76.6 % of the women confirmed they had high access to grow their business after entering the MFIs.

The mean score for the “Obtained personal asset” statement before entering the MFIs was 2.17 and ± 0.97 and after entering the MFIs was 3.82 and ± 0.86 , with significant growth ($p = 0.000$). Around 66.1 % of the

respondents stated they had a low chance of obtaining personal assets. However, the result shows that after joining MFIs, around 68.7 % of the women borrowers have high access to personal assets.

The mean score for the statement “women control over resources” before joining the MFIs was 2.04 ± 1.04 , and after entering the MFIs was 3.92 ± 0.87 , which significantly improved ($p = 0.000$). The survey explored that 70 % of the women could not control their resources before joining MFIs. However, the result also shows that 77.9 % of the respondents highly accessed managing the resources after joining the MFIs.

The mean score for the “employment opportunity” statement before entering the MFIs was 2.11 ± 1.09 , and after joining the MFIs was 3.80 ± 0.90 , which is significantly improved ($p = 0.000$). This result reveals that 68.7 % of respondents felt minimal job possibilities before joining the MFIs. However, the result also shows that 69.4 % of the respondents indicated they had high job opportunities after joining the MFIs.

The mean score for the statement “household economic decision making” before entering the MFIs was 2.27 and ± 1.19 , and after joining the MFIs was 3.96 and ± 0.88 , which is significantly increased ($p = 0.000$). The result shows that 67.5 % of the women borrowers stated they had a low impact on household economic decision-making before joining MFIs. However, the assessment after joining the MFIs. 74.6 % of the women borrowers said they significantly impacted the family's economic decision after joining the MFIs.

Overall, the mean score for economic Empowerment was $2.24, \pm 0.69$ before joining MFIs and $3.95, \pm 0.47$ after MFIs, which is significantly improved with ($p = 0.000$), implying that the economic Empowerment of women borrowers was low before joining the MFIs and this trend changed positively after joining the MFIs. This result indicates a significant difference in women's economic Empowerment after using MFI services. Hence, we reject the null hypothesis.

Factors of Social Empowerment

Social empowerment of women is measured using ten statements that are rated on a five-point scale: very low (VL), low (L), neither low nor high (N), high (H), and very high (VH), which shows their empowerment before and after using microfinance services.

Table 3. Social Empowerment.

Item Numbers	VL		L		N		H		VH		Total Mean	SD
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage		
1	98	24.9	106	27	133	33.8	29	7.4	27	6.9	2.4	1.1
	14	3.6	12	3.1	138	35.1	154	39.2	75	19.1	3.7	0.9
2	68	17.3	137	34.9	107	27.2	58	14.8	23	5.9	2.6	1.1
	4	1	20	5.1	102	26	177	45	90	22.9	3.8	0.9
3	80	20.4	140	35.6	113	28.8	48	12.2	12	3.1	2.4	1
	8	2	24	6.1	79	20.1	202	51.4	80	20.4	3.8	0.9
4	61	15.5	98	24.9	107	27.2	90	22.9	37	9.4	2.9	1.2

Item Numbers	VL		L		N		H		VH		Total	SD
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage	Mean	
	0	0	6	1.5	79	20.1	184	46.8	124	31.6	4.1	0.8
5	48	12.2	114	29	120	30.5	76	19.3	35	8.9	2.8	1.1
	1	0.3	4	0.01	93	23.7	183	46.6	112	28.5	4	0.8
6	110	28	148	37.7	79	20.1	35	8.9	21	5.3	2.3	1.1
	2	0.5	9	2.3	76	19.3	174	44.3	132	33.6	4.1	0.8
7	70	17.8	172	43.8	111	28.2	26	6.6	14	3.6	2.3	1
	11	2.8	31	7.9	122	31	161	41	68	17.3	3.6	1
8	102	26	167	42.5	97	24.7	11	2.8	16	4.1	2.2	1
	28	7.1	93	23.7	114	29	84	21.4	74	18.8	3.2	1.2
9	61	15.5	130	33.1	142	36.1	36	9.2	24	6.1	2.6	1.1
	13	3.3	24	6.1	131	33.3	166	42.2	59	15	3.6	0.9
10	59	15	107	27.2	119	30.3	69	17.6	39	9.9	2.8	1.2
	12	3.1	13	3.3	135	34.4	129	32.8	104	26.5	3.8	1
11	81	20.6	125	31.8	97	24.7	54	13.7	36	9.2	2.6	1.2
	12	3.1	27	6.9	135	34.4	134	34.1	85	21.6	3.6	1
12	128	32.6	134	34.1	87	22.1	25	6.4	19	4.8	2.2	1.1
	8	2	15	3.8	83	21.1	191	48.6	96	24.4	3.9	0.9
13	115	29.3	106	27	117	29.8	40	10.2	15	3.8	2.3	1.1
	5	1.3	8	2	102	26	177	45	101	25.7	3.9	0.8
14	143	36.4	173	44	62	15.8	10	2.5	5	1.3	1.9	0.9
	41	10.4	141	35.9	110	28	53	13.5	48	12.2	2.8	1.2
15	108	27.5	152	38.7	114	29	17	4.3	2	0.5	2.1	0.9
	14	3.6	28	7.2	101	25.9	179	45.9	68	17.4	3.7	1
16											2.24	0.69
											3.95	0.47

Source: Survey data

Table 4. Wilcoxon signed-rank test for Social Empowerment before and after.

Item	Statements	Z	p
1	General Equality- before and after	-13.65	0
2	Household decisions- before and after	-14.38	0

Item	Statements	Z	p
3	Social responsibilities- before and after	-15.32	0
4	Self Confidence-before and after	-13.72	0
5	Family financial Decisions-before and after	-13.89	0
6	Awareness of banking programs- before and after	-15.7	0
7	Awareness about children's education-before and after	-14	0
8	Cultural activities/festivals -before and after	-12.32	0
9	Decision-making for child marriage- before and after	-13.2	0
10	Mobility to visit parents and relatives- before and after	-12.68	0
11	Mobility to go to the hospital- before and after	-12.9	0
12	Awareness regarding the legal rights of women before and after	-15.19	0
13	Family relationships- before and after	-14.79	0
14	Political participation level- before and after	-11.75	0
15	Social security- before and after	-15.2	0
16	Social Empowerment - before and after	-17.15	0

Source: Survey data.

The mean score for the statement “General Equality” was 2.4 ± 1.1 before joining the MFIs, and 3.7 ± 0.9 after joining the MFIs, which significantly improved ($p = 0.000$). The result shows that 51.9% of the women borrowers stated that gender equality was low before joining the MFIs. However, the result also indicates that 58.3 % of the women shared their opinion that gender equality changed to being in a good position after joining the MFIs.

The mean score for the statement “considering your opinions for basic household decisions” before joining the MFIs was 2.6 ± 1.1 , and after joining MFIs, the mean score was 3.8 ± 0.9 , which significantly increased ($p = 0.000$). The result shows that 52.2 % of the women borrowers stated low consideration views for basic household decisions before joining the MFIs. However, the result also reveals that 67.9 % of the respondents shared a high level of consideration for household decision-making after joining the MFIs.

The mean score for the statement "Knowledge about social duties" before joining the MFIs was 2.4 ± 1.0 , And after entering the MFIs was 3.8 ± 0.9 , which indicates significantly improved ($p = 0.000$). The result reveals that around 56 % of the women borrowers indicated they knew little about social responsibility before joining MFIs before joining MFIs. However, the result also shows that 71.8% of the women borrowers stated that their knowledge of social responsibilities increased after joining MFIs.

Before entering MFIs, the mean score for the statement “Self-confidence” was 2.9 ± 1.2 , and after joining MFIs, it was 4.1 ± 0.8 , indicating a significant increase ($p = 0.000$). The result shows that 40.4 % said they had poor self-confidence before joining MFIs. However, the result also reveals that 78.4 % of the women borrowers’

self-confidence enhance after joining the MFIs.

The mean score for the statement "Participation in family financial decisions" was 2.8 ± 1.1 before entering MFIs, while after joining MFIs was 4.0 ± 0.8 , which indicates a significantly improved ($p = 0.000$). This result reveals that 41.2 % of women borrowers claimed they had low authority for participating in family finance decisions before joining MFIs. However, the result also indicates that 75.1% of the participation in family finance decisions improved after joining the MFIs.

The mean score for the statement "Awareness of banking program" before joining the MFIs was 2.3 ± 1.1 , while after joining MFIs was 4.1 ± 0.8 , indicating a significant increase ($p = 0.000$). The result shows that 65.7 % of women have low information about the banking program before joining MFIs. However, the mean evaluation was revealed after the women borrowers joined the MFIs that 77.9% of the women borrowers said their knowledge of banking programs increased to high or very high levels.

The mean score for "Awareness of children's education" was 2.3 ± 1.0 before joining MFIs, and after entering the MFIs, it was 3.6 ± 1.0 , which is a significant improvement ($p = 0.000$). The result shows that 61.6 % of the women have low knowledge about children's education. However, the result also indicates that 58.3 of the borrowers have high knowledge about children's education after joining the MFIs.

The mean score for the statement "Participation in cultural activities/festival" was 2.2 ± 1.0 before entering MFIs. After joining MFIs, it was 3.2 ± 1.2 , which is a significant increase ($p = 0.000$). The result shows that 68.5 % of the women cannot participate in cultural and festival events before joining MFIs. However, after joining the MFIs, the result reveals that 40.2 % of women borrowers said they had a high and very high ability to participate in cultural and festival activities.

The mean score for the statement "Participation in decision-making for child marriage" was 2.6 ± 1.1 before entering MFIs. And after joining MFIs, it was 3.6 ± 0.9 , which is a significant improvement ($p = 0.000$). The result indicated that 48.6 % of the women had low authority in this regard before joining the MFIs. However, the result after entering the MFIs reveals that 57.2 % have high power over their child marriage decisions

The mean score for the statement "Mobility to visit parents and relatives" was 2.8 ± 1.2 before entering MFIs, and after joining MFIs, it was 3.8 ± 1.0 , which is a significant increase ($p = 0.000$). The result shows that 42.2 % of the women borrowers have a low ability to visit their parent's and relatives' homes before joining the MFIs. However, after joining the MFIs, the result indicates that 59.3 % of the respondents have high authority to visit their parent's and relatives' homes.

The mean score for the statement "Mobility to go to the hospital" was 2.6 ± 1.2 before entering MFIs, and after joining MFIs, it was 3.6 ± 1.0 , which is a significant increase ($p = 0.000$). The result shows that 52.4 % of the women borrowers have the authority to visit the hospital alone. However, the result after joining the MFIs reveals that 55.7 % of the women borrowers have high control over visiting the hospital alone.

The mean score for the statement "Awareness regarding the legal rights of women" was 2.2 ± 1.1 before entering MFIs, while after joining MFIs, it was 3.9 ± 0.9 , which is a significant improvement ($p = 0.000$). The result indicated that 66.7 % of the women had low knowledge about awareness about legal women's rights before joining the MFIs. However, after joining the MFIs, the result indicates that 73 % of the women have a high level of knowledge about women's legal rights in society.

The mean score for “Improvement in a family relationship” is 2.3 ± 1.1 before joining MFIs, and after joining MFIs, it is 3.9 ± 0.8 , which is a significant improvement ($p = 0.000$). The result shows that 56.3 % of the women borrowers have less relationship with their families before joining the MFIs. However, after joining the MFIs, the result reveals 70.7 % of the women borrowers have high relationships with their family after joining the MFIs.

The mean score for the statement “Political participation” is 1.9 ± 0.9 before joining the MFIs. After joining MFIs, the mean score is 2.8 ± 1.2 , indicating a significant increase ($p = 0.000$). The result shows that 80.4 % of female borrowers have low political participation in society before joining the MFIs. However, after joining the MFIs, the result indicates that 25.7 % of the women have a high level of political participation.

The mean score for the statement “Social security is” 2.1 ± 0.9 before entering MFIs, and after joining MFIs, it is 3.7 ± 1.0 , which is a significant improvement ($p = 0.000$). The result shows that 66.2 % have a low level of social security before joining the MFIs. However, the result indicates that after entering the MFIs, 63.3 % of the respondents have a high level of social security.

Overall, the mean social empowerment score was $2.42, \pm 0.63$ before joining MFIs, and $3.71, \pm 0.46$ after joining MFIs, which is statistically improved ($p = 0.000$). The result shows that the social Empowerment of women borrowers is low before joining the MFIs and statistically improves after joining the MFIs. Hence, we reject the null hypothesis.

V. CORRELATION

Table 5. Correlation between economic and social empowerment.

Correlations		Pearson Correlation		
Economic Empowerment - After	Social Empowerment - After	.491	.000	sig

Source: Survey data.

The above analysis shows a significant correlation between economic and social Empowerment with $r=0.491$ and ($p = 0.000$). Thus, the null hypothesis is rejected, and we can conclude that there is a correlation between economic and social Empowerment. This result reveals that improvement in economic empowerment will lead to social Empowerment of women and vice versa.

VI. CONCLUSION

The present study examined the impact of microfinance on women's empowerment in Afghanistan. The results showed that after obtaining a loan from MFIs, the economic status of women had significantly improved. The women borrowers gained personal income, access to credit, saving encouragement, the ability to support family, business growth, women’s control over resources, and improved employment opportunities. Furthermore, the findings indicated a significant improvement in the social position of women borrowers after borrowing loans from MFIs. The results also show improvement in general equality in society, home decisions, social responsibility, self-confidence, family decision-making, awareness of women’s legal rights in Afghanistan, and family relationships.

Further, the results reveal that improvement in economic empowerment leads to improvement in social empo-

-werment. This study assists MFIs in paying greater attention to their customers and expanding their operations into rural areas. Additionally, the study results aid MISFA and AMA in recognizing the weaknesses and strengths of MFIs in Afghanistan. Also, the study results would provide significant input for planners, policymakers, and non-governmental organizations to empower women. The findings are also valuable for MFIs/Banks because they can use the recommendations to solve internal issues.

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