Impact of Microfinance on Rural Empowerment in Anuradhapura District

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ABSTRACT

Microfinance is the provision of a broad range of financial services such as deposits, credits, and payment services in order to empower the poor and low-income households and their microenterprises. This study examines the impact of microfinance on rural empowerment in the Anuradhapura district. The study is mainly based on the field survey conducted by the researcher. Both participants and non-participants with microfinance services are taken into consideration for a better understanding of the impact of microfinance. A structured questionnaire based on a five-point Likert Scale was used and it was able to collect data from 300 microfinance beneficiaries and another 200 people who are not engaged with microfinance services in the Anuradhapura district according to the convenience sampling method. As the sample of the study, the researcher gathered data from rural people who are living in the Divisional Secretariats; Nuwara Gampalatha East, Kahatagasdigiliya, Thirappane, Galenbindunuwewa, Horowpothana, Mihinthale, Ipalogama, and Kebithigollewa in the same district. The study measures the impact of microfinance on rural empowerment by using five determinants: micro-enterprises, education, health condition, decision making, and common welfare. Statistical Package of Social Science (SPSS) was used to analyze and interpret the data for the research findings. The study results indicated a positive significant impact of microfinance on rural empowerment. Furthermore, the study emphasizes that there is a significant role of microfinance in the empowerment of poor people.

Keywords: *Anuradhapura District, Microfinance, Rural Empowerment, Sri Lanka*

1. INTRODUCTION

1.1 Background of the Study

Microfinance is an innovation in the field of finance to reduce the poverty and improve rural empowerment all over the world. Micro financing first started in Bangladesh in the 1970s and it rapidly evolved in other developing countries. Microfinance promotes economic development, growth, and empowerment through the support of micro-enterprises and small businesses. Microfinance institutions provide a vital role in a number of countries such as Sri Lanka, India, and Nepal. Today, microfinance institutions contribute to the alleviation of poverty, increase the education level and standard of living of poor people, provide health care, provide instruction services and conduct awareness programs. These institutions support people by providing financial services such as deposits, loans, payment services, and insurance to poor and low-income householders and their micro-enterprises. Microfinance institutions use innovative methods of providing credit for the poor to the mobilization of savings from the poor, a social mobilization process that involves awareness building.

The Microfinance Regulatory Act (MFRA) was established in the Sri Lankan parliament in 2015, allowing private sector institutions to participate in the government development process by providing microfinance services to poor people's needs with simple regulations. As a result, microfinance institutions established around the country within the last four years. This was an opportunity for Anuradhapura district poor people. Many microfinance institutions are operating in the Anuradhapura district. Those institutes provide different kinds of services to the rural people to improve their quality of living standard.

Presently microfinance is a more extensive economic and social welfare scenario in Sri Lanka with incorporates rural empowerment and development. In addition, the Government of Sri Lanka pays very much attention and performs a major role by providing infrastructures for microcredit under the Samurdhi Development Program which was introduced in 1995 (replaced the previous Janasaviya Program). There is a large number of public and public institutions that provide microfinance services to low-income families such as corporative societies, development banks, and commercial banks, local and international non-government organizations in Sri Lanka. In due course, the field of microfinance has been an utmost familiarized economic and social enlargement that affects the rural development in the nation (Central Bank of Sri Lanka, 2018).

In recent years, large numbers of studies have been involved on the only impact of microfinance on poverty alleviation and women empowerment. This study goes beyond that and includes the impact of microfinance on rural empowerment in the Anuradhapura District. Also, there are very few studies available in general on the area of microfinance in the district as well as those revealed only the importance and women empowerment in particular areas, not in all-district. Therefore, the Anuradhapura district as its location is selected (Biggest District in Sri Lanka as per the geographical existence) is selected and it has many rural areas with limited development infrastructure facilities. Furthermore, the researcher is of the view that the Anuradhapura district is an ideal area to be conducted this research as concerned. Therefore, this study attempts to fill the requirements and study findings as formulated and related to microfinance by analyzing its impact on rural empowerment in Anuradhapura District.

Rural areas mostly suffer from poverty in many developing countries. Sri Lanka is one of the developing countries; the case is the coming up issue in our country. In 1985, Muhammad Yunus offered microcredit to provide credit facilities to poor people and small businesses through Grameen Bank in Bangladesh. Microfinance institutions network showed that the Asia countries such as Bangladesh, Indonesia, India, and the Philippines are mature for microfinance. But the countries such as China, Russia, and Laos still establishing microfinance themselves.

Considering the history of microfinance institutions in Sri Lanka in 1906s, the Thrift and Credit Co-operative Societies were first established as the first co-operative in Sri Lanka. But in the 1970s, the network of Thrift and Credit Co-operative Societies was declined due to the economic crisis in time. After that 17 Regional Rural Development Banks were established under the Act of Parliament with the purpose of reaching the remote rural areas and smallholders who lacked access to financial services from commercial banks. Sri Lankan microfinance industry has several ranges of institutions such as; Regional Development Banks and other Licensed Specialized Banks, Thrift and Credit co-operative Societies, Samurdhi Bank Societies, Co-operative Rural Banks and other co-operatives, NGO Microfinance Institutions, Commercial Banks and Registered Financial Companies.

North central province is one of the provinces of Sri Lanka which is necessary to improve rural areas by providing different kinds of financial services. This province includes two districts Anuradhapura and Polonnaruwa. But, this study considers only in Anuradhapura District. Anuradhapura District is popular for agriculture products in Sri Lanka. They grow paddy, maize, ragi, etc. The majority of people don't have any stable income for their households. Therefore the loan facilities are required to uplift their livelihood activities. Micro-enterprises in rural areas can help to reduce their poverty. Micro-enterprises not only enhance national productivity, and generate employment but also help to develop economic independence, social, and personal capabilities among rural people. Microfinance institutions help poor people in lots of ways and microcredit are one of the major instruments in empowering the rural people. On the other hand, they provide health care, social services, educational support services, instruction services, etc. However, most of the research has been done regarding women's empowerment worldwide. Actually, rural entrepreneurs are an essential part of the society and they contribute to the national income of the country and maintain the sustainable livelihood of the family and communities. But they face lots of barriers when they run their day-to-day life. Then they want some kind of empowerment.

In this case, except for a few public banks and credit-providing institutions, there are many private institutions operating in microfinance institutions in the district and this study is to reveal how such microfinance operating by the institutions affects the empowerment of rural people in the particular district. In view of this background, this study is supposed to emphasize the role of microfinance in creating employment and income opportunities as well as provide good knowledge and self-confidence to rural people and subsequently empowering them to play an active role in the economic, socio-cultural, and political sphere in the Anuradhapura area.

1.2 Significance of the Study

In the light of the emphasis of having microfinance in the economic development of the country, real rural community expectations are to be achieved and their empowerment is to be sustained in an idealistic nature. The study findings would especially be to support the achievement of Millennium Development Goals (MDGs) in Sri Lanka such as eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, improving mental health, etc. Microfinance institutions contribute to these goals by providing loans with low-interest rates, providing scholarships to the A/L and O/L students, seminar programs and additional classes conducted for the grade 5 students, repairs Montessori, etc. As well as they provide a financial management training program and soft skill enhancement program for women. On the other hand, they provide water filters, spectacles, and provide adult allowances for 60+ people in rural areas. This study actually describes the importance of having poor people acquirable these kinds of benefits through the microfinance institution in the Anuradhapura district. And also most microfinance institutions face huge competition in the current business environment in Sri Lanka. So this study helps them to face their competition with a clear understanding and they help to understand what are the changes expected by clients of their financial services.

As well as rural people can get an idea about what are the benefit can get by microfinance institutions and what institutions provide more beneficial services to them. The outcome of the study is to prescribe new relating to microfinance which is influenced to increase rural empowerment in the Anuradhapura district. According to that, this study provides the framework and guideline for new entrants to the microfinance industry. Therefore, this study will emphasize the impact of microfinance on rural empowerment as it would be an aid for further reviewing the economic stance of the rural people. As well as finds of this study would be realistic in-depth on how the government can assess the level of the economic development in the Anuradhapura district in addition, through the findings of the study the government may consider in their policy formulation on economic development of the country and determine how proportionally support the microfinance to achieve the millennium development goals in Sri Lanka. Further, the future researchers will use this study report and findings for their research purposes and other data collection and analysis purposes, etc.

1.3 Problem Statement

The aim of microfinance institutions is to assist and encourage poor people to empower their lives by obtaining benefits through the offering of different kinds of microfinance services. Then the people can survive their lives in parallel to maintain the existence of those institutions. In addition, people would receive the benefits according to their economic requirements in the society and it would be a benefit to maintain a balanced economic and social stance necessary to the society.

Rural empowerment considers as improving poor people's income, health, education level, and ability to get logical decisions about their household. Rural empowerment cannot be measured in a simple way. It is complex and methodically challenging to analyze. Because the goals of empowerment differ according to regional, cultural, social, and political contexts. Anuradhapura district has Sinhalese, Tamils, and Muslims. They have different economic, cultural, and social preferences and expectations. Hence rural empowerment concept must be looked at according to their point of view. National and international experts have kept their much attention to microcredit as a strategy capable of reaching rural people and involving them in the development process in the country.

There are many more previous researchers attempting to find out the impacts of microcredit on women's empowerment in Sri Lanka. However, this research does not much to concentrate much on the overall impact of microfinance in the area in district-wide. Because those researchers only consider women and microcredit. Microcredit is the only part of microfinance services. Other than microcredit, there are large numbers of services wanted to improve rural empowerment in society. Presently there is a few research available to show the contribution of microfinance to rural empowerment in some areas in Sri Lanka. And also previous researchers consider the present situation of microfinance in Sri Lanka. Even though, except for a few studies, there is no extensive research available on the rural empowerment through microfinance the rural people are highly empowered or not through the microfinance in Anuradhapura District. As well as according to this study consider the People have benefited from microfinance for over a decade in the Anuradhapura district and microfinance is further needed or not to empower rural people in the Anuradhapura district.

As the main research question, the researcher identified,

What is the impact of microfinance on rural empowerment in the Anuradhapura district?

1.4 Research Questions

According to the above research question, the researcher intends to find the solution for the following specific questions.

1. How does microfinance affect micro-enterprises of the rural poor people in Anuradhapura district, Sri Lanka?
2. How does microfinance affect the education of the rural poor people in Anuradhapura district, Sri Lanka?
3. How does microfinance affect the decision-making of the rural poor people in Anuradhapura district, Sri Lanka?
4. How does microfinance affect the education of poor people in Anuradhapura district, Sri Lanka?
5. How does microfinance affect the common welfare of the rural poor people in Anuradhapura district, Sri Lanka?

1.5 Research Objectives

The main objective of this study is to assess the impact of microfinance on empowering rural people in Anuradhapura district, Sri Lanka.

The specific objectives include:

- To assess the impact of microfinance on empowering micro-enterprises of the rural poor people in Anuradhapura district, Sri Lanka.
- To assess the impact of microfinance on empowering education of the rural poor people in Anuradhapura district, Sri Lanka.
- To assess the impact of microfinance on the health condition of the rural poor people in Anuradhapura district, Sri Lanka.
- To assess the impact of microfinance on the decision-making of the rural poor people in Anuradhapura district, Sri Lanka.

- To assess the impact of microfinance on the common welfare of the rural poor people in Anuradhapura district, Sri Lanka.

2. LITERATURE REVIEW

The microfinance concept was introduced by Muhammad Yunus through Grameen Bank in Bangladesh in the 1970s. After introducing it, the non-government institution started to provide different kinds of services to poor people in the rural areas. Microfinance is an important source of financing for poor, lower-income people in developing countries (Nawaz, 2010; Thilakarathne, Wickramasinghe & Kumara, 2005). There are lots of effective fundamental aspects of microfinance services. These are objectives of alleviation of poverty, simple methods, immediately providing services, protection of clients, improvement of clients, and sustainability (finance, social, and environmental). Nowadays most poor people are not satisfied with banking financial services because they take more time to issue loans, provide small loan amounts, have high transaction costs, and want more than one guarantor. Therefore most poor people move to microfinance institutions. Because under the term of microfinance various lending methods introduce to poor people to satisfy their lending requirements. The terms microfinance and microcredit are very similar concepts. But both microfinance and microcredit concepts have a conceptual difference. Microfinance is a broader concept than microcredit. Microcredit is only one part of microfinance as a credit methodology that employs effective collateral substitutes to deliver and recover short-term working capital loans to micro-enterprises. Thus microfinance plays a very important role in the poverty alleviation and it had a great impact in the following ways; financial self-sustainability, fostering credit culture, promoting income-generating activities, empowerment of women, promoting entrepreneurial skills, increased well-being, lessening of social evils, and improves health facilities as well.

Empowerment is the management style that helps managers to share the decision-making process which influences the organizational members concerning the collaboration in the decision-making process is not limited to those options with formal power, certain characteristics as information systems, training, power-sharing, leadership style, and organizational culture (Val & Lloyd, 2003). The outcomes of empowerment depend on the choice of the individual. According to Webster's New World Dictionary (1982), the world "empower" means to make or cause power. Empowerment is an active, multi-dimensional process that enables women to realize their potential and powers in all spheres of life. Power is not needed to be exercised, sustained, or preserved. (Pillai, 1995).

Due to the promulgated motion in the rural context of microfinance, rural empowerment means improving rural people's income, health and nutrition, education and employment, saving and investment, and ability to participate in the decision-making process in households and within the community. Two different mechanisms can result in various effects of credit program participation by genders such as empowerment effects and standard income and substitution effects. Household decision-making produces one way of understanding empowerment. Women empowerment is also included in this concept. Women's empowerment means improving women's income, health & nutrition, education and employment, savings and investment, and ability to participate in decision-making processes at household and community levels. (Hassan, 2011). Women's absolute well-being and women's relative well-being is the dimension of women's empowerment. For absolute well-being, women's empowerment is defined as the process of improving the welfare of women which is indicated by outcomes that measure current status regarding literacy, health, and nutrition, labor force participation, and mobility.

Idowu, Ablola, and Salami (2011) declared microfinance institutions are always expected to help small entrepreneurs whose income is not enough for the minimum stage, not stable employment and between 18-60 years. Leikem (2012) defined microfinance as an inspiring story that started by the poorest region person to poor people who always try to alleviate poverty by themselves. Ifelunini and Wosowei (2012) examined the role of microfinance services on poverty alleviation among women entrepreneurs in South Nigeria. This study carried out Bayelsa and Delta states which were randomly selected. As a data collection method, this study used a multiple random sampling technique and included 200 beneficiaries and 200 non-beneficiaries of microfinance services. The data used for the study were formed through primary sources. For gathering information from respondents were used structured questionnaires. Regression analysis techniques have been used for the data analysis of this study. The study found a positive impact on the per capita expenditure of women entrepreneurs. Also, places of residence, as well as the size of households, have negative impacts on per capita expenditure while education level has a positive impact on per capita expenditure.

Ayuub (2013) indicated microfinance services related to poor people who are neglected by a commercial bank and it helps to smooth their business work and make their own assets. And also Abel, Grace, and Willie (2014) investigated factors influencing poverty reduction among microfinance adopting households in Zambia. The study findings indicated that the majority of respondents could improve their social development through microfinance initiatives. Oqueiofor and Uzoamaka (2014) performed a study and identified the small size of loans, interest rate, short loan payment cycles, and very frequent group meetings as the enabling and disabling factors that affect the successful graduation of microfinance clients from microfinance programs in the Philippines.

Haneef, Amin, and Muhammad (2015) examined the impact of Islamic microfinance on poverty alleviation in Bangladesh. This study mentioned that Islam have been engage a huge number of small businesses or self-employments. This study has used a survey questionnaire for data collection and the survey included 381 respondents while the sample has been selected according to the non-probability sampling techniques. Islamic microfinance activities have been considered independent variables and gender, age, marital status, family size, and education level consider depending on variables of the study.

Thilakaratna, Wickramasinghe, and Kumara (2005) examined that participation in microfinance programs can help households to better integrate with the larger community and increase their social recognition. Another result of that study was that the way in which microfinance affects different income groups differs substantially. From the Sri Lankan perspective, Semasinghe (2015) examined the impacts of microcredit facilities on women's empowerment in the context of the great importance given to entrepreneurs. The study has been the primary objective to identify the impact of microcredit on empowerment and the sub to assess the relationship between them. The study has adopted a causal survey research design through which 337 members of microfinance institutions in the Northern Province. The researcher has used stratified random sampling and structured questionnaires for data collection. Correlation and regression analysis has been used to find the impact of microcredit facilities on the empowerment of women in rural areas. The study concludes that microcredit facilities alone do not support the entrepreneurs to enhance them. Herath (2015) investigated the impact of microfinance on income poverty, at two leading microfinance institutions in the Kandy district. Kaluarachchi and Jahfer (2016) examined microfinance and poverty reduction in the Polonnaruwa district by using structured questionnaires. The sample was considered 300 microfinance beneficiaries while data analysis was carried out through correlation analysis and descriptive statistics. The finding of this study mentioned that there was a significant relationship between microfinance and poverty alleviation at large. Kumari (2016), investigated that the Samurdhi credit scheme seems to assist people mainly in sustaining their current survives, majority of clients have graduated to higher loans for the development of their projects, saving habits developed by the bank, improved the living conditions as well. Rathnayake (2017) investigated the impact of microcredit facilities on the empowerment of women entrepreneurs in rural areas. In this study, 37 women were selected randomly from the Teldeniya area for the sample. In this study, both primary and secondary data are used. The study found that the amount of loans, level of education, and rate of interest are the important actors which determine women's entrepreneurship development. Thilakaratna, Wickramasinghe, and Kumara (2005) examined that participation in microfinance programs can help households to better integrate with the larger community and increase their social recognition. Another result of that study was that the way in which microfinance affects different income groups differs substantially.

There are many more previous researchers attempting to find out the impacts of microcredit on women's empowerment in Sri Lanka. However, this research does not much to concentrate much on the overall impact of microfinance in the areas in district-wide. Because those researchers only consider women and microcredit. Microcredit is the only part of microfinance institutions. Other than microcredit, there are large numbers of services wanted to improve rural empowerment in society. Presently there is little research available to show the contribution of microfinance to rural empowerment in some areas in Sri Lanka. And also previous researchers consider the present situation of microfinance in Sri Lanka. Even though, except for a few studies, there is no extensive research available on the rural empowerment through microfinance the rural people are highly empowered or not through the microfinance in Anuradhapura District. As well as according to this study consider the People have benefited from microfinance for over a decade in the Anuradhapura district and microfinance is further needed or not to empower rural people in the Anuradhapura district. On the other hand, no previous researcher performed their studies by collecting data from the main three ethical groups of people in Sri Lanka. This study mainly considered that reason.

Therefore, this study would fulfill this gap and validate to present evidence of the important contribution made by microfinance to the rural empowerment in the Anuradhapura district.

3. METHODOLOGY

The main objective of this study was to examine the impact of microfinance on rural empowerment in the Anuradhapura district. This kind of study is done in order to describe the characteristics of a certain phenomenon. Therefore this study is considered a descriptive study. The survey was carried out among a sample of 500 rural people from 9,630,000 of the total population. These 500 samples are divided into two groups one group who are really involved with microfinance Non-Government Organizations and another 200 people who are not engaged with microfinance NGOs in the Anuradhapura district. The microfinance NGOs were selected to do this study because a previous researcher (Lakmali, 2019) gave an idea to the future researchers to get microfinance NGOs, and another reason to select that, there are much more microfinance NGOs established in the particular area.

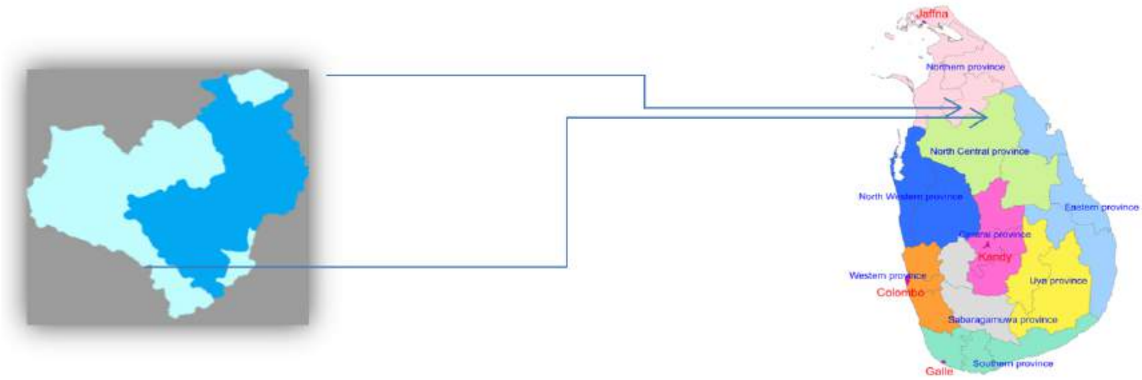
The type of this study was a quantitative study that generates statistics through the use of large-scale survey research. This study has three distinctive features such as no time dimension, reliance on existing rather than change following the intervention, and groups selected based on existing differences than random allocation. Therefore, this study considers a cross-sectional type of study. A deductive approach was used here as the research approach.

3.1 Population and sample

3.1.1. Geographical location

Anuradhapura district is located in the North Central Province of Sri Lanka. It is divided in to 23 divisions and has 860,575 people and urban sector has 50,595 and rural sector has 809,980 (Census of Population and Holding of Sri Lanka, 2012). Anuradhapura district has semi-arid vegetation and low and erratic rainfall. The main livelihood of the people is agriculture, of which 47% is rain fed and about 53% with irrigation. Elder population do most of the agriculture activities. Youngers are largely involved in other income generating activities out of the area. The researcher mentioned the research area from royal blue colour as follows,

Figure 1: Map of the study area



3.1.1. Population

The population refers to the entire group of people, events or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2010). According to this study the researcher considered all rural people under the two groups. As one group selected people who are really engaged with microfinance NGOs in Anuradhapura district and as another group the researcher selected the people who are not engaged with any microfinance NGOs in particular area as the population. Many previous researchers do their studies only considering microfinance institution which are include under Non-Government Organizations. As well as majority of Anuradhapura district people actively participate with microfinance NGO's institution. Then this research also selected only microfinance NGO's which are situated in that particular area. According to the Department of Census and Statistic data there are thirteen microfinance NGO's actively perform their operations in Anuradhapura district. Nearly there are 36000 Clients actively participate with the microfinance services.

Table 1: Population

No	Name of the Organizations
1	Berendina Micro Investment Company
2	South Asia Partnership Sri Lanka (SAPSRI)
3	SAFE Foundation
4	Jana Sahana Development Foundation
5	Rajarata Participatory Development Foundation
6	Rajarata Gami Pahana
7	Sri Lanka Gramashakthi Foundation
8	Rajarata Gamishakthi Nirmana Kawya (RGNK)
9	Sivumaga Community Organization
10	Abimani Community Development Center
11	Kebitigollewa Intergrated Rural Development Organization (KIDO)
12	Pragathi Sewa Foundation
13	Vision Fund Lanka

Source: Based on MF NGOs data

3.1.2. Sample

North Central Province selected to do the study by the researcher. There was a main reason to select that particular province, because this province has higher percentage of indebted households (Department of Census and Statistics, 2019). This study is limited to Anuradhapura district because Anuradhapura district has higher number of households which lending money from finance companies or leasing companies than Polonnaruwa district. The researcher selected 500 people from eight divisional secretarial divisions as the sample size of the study. Those areas are Nuwara Gampalatha East, Kahatagasdigiliya, Horowpothana, Galenbindunuwewa, Mihinthale, Ipalogama, Thirappane and Kebithigollewa. Berendina Micro Investments Company selected for data collection purpose for the study. There was a special reason for select this company among 13 microfinance NGO's which are situated in Anuradhapura district. Because, in 2019 Berendina Micro Investments Company Ltd became the first microfinance institution to receive the license from the Central Bank of Sri Lanka. As well as particular company has higher amount of loan portfolio than other companies. Among people who are engaged with microfinance NGOs the researcher selected 300 households to research purpose another 200 respondents are selected based on non-participant with any microfinance services.

Table 2: Sample Size

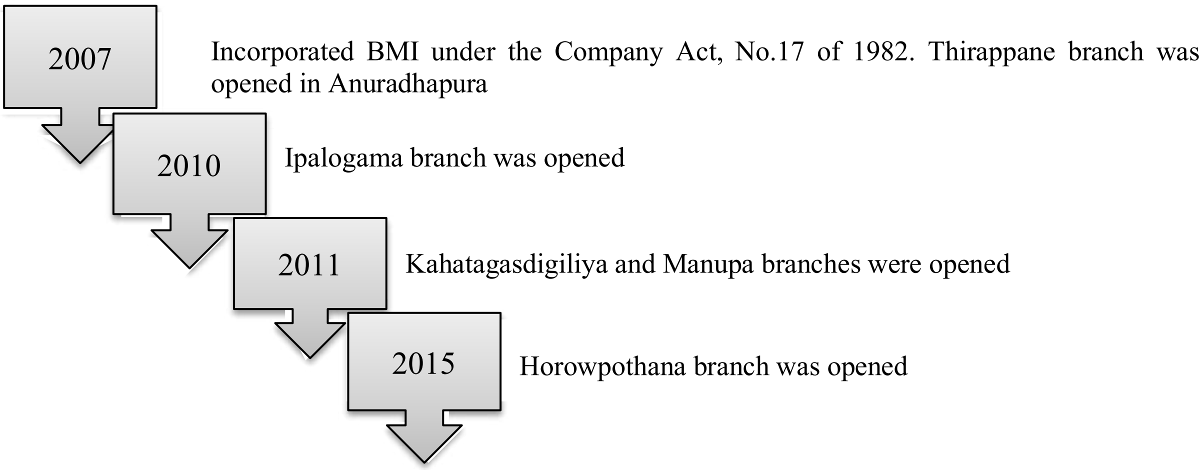
Group	Number of Respondents
Participant with Microfinance	300
Non-Participant with Microfinance	200

Source: Survey Data, 2020

Berendina Micro Investments Company Ltd

Berendina Micro Investments Company Ltd started in 1992 at Yatiyanthota with the vision of "create and empowered, equitable society where poverty does not exist" and it is a licenced microfinance company established under the Microfinance Act No.6 of 2016 to provide Microfinance services to poor people in Sri Lanka.Berendina Micro Investment Company Ltd started with the name of Berendina Micro Institution and then it transferred completely to Berendina Micro Investment Company Ltd in 2017 in preparation of BMIC for the application of microfinance license from the Central Bank of Sri Lanka. Currently there are 30 branches concerned in 11 districts. Further, microfinance operations are also carried out through 55 plantation estates in 3 districts. The following figure showed that the evolution of Berendina Micro Investment Company Ltd in Anuradhapura district.

Figure 2: Evolution of BMIC in Anuradhapura district



Source: BMIC Annual Report, 2018

3.2. Data collection

There are two sources of data; primary data and secondary data.

Primary data

Primary sources of data mean individuals collect information when interviewed, administered questionnaires or observed. In this study primary data collected through distributing questionnaires to rural people who really engaged with Berendina Micro Investment Company Ltd and another 200 people not engaged with any microfinance NGOs in Anuradhapura district. As well as collected data from branches, managers and field officers by conducting direct interviews in this particular company.

Secondary data

The secondary sources of data means purpose of this researcher publish data findings. The secondary data to the study obtained by text books, web sites. In addition to that annual report of the Berendina Micro Investment Company Ltd also used to collected some data for the research purpose.

Questionnaires development

Survey method was used to collect data from larger number of client base. The questionnaires consist of three parts .Part one, part two and part three as well. The questionnaires are prepared by using Sinhala and English languages.

- **Part one- Demographic Information**

Within part one was collected personal details of the rural people'sby using close ended questions. In this part the researcher aims to find out the rural people's personal details and family background. In here researcher used nominal scale. The reason is used nominal scale is personal data should be gathered with due regard to the sensitivity of the respondent's feelings and with respect for privacy. In this part included ten questions.

- **Part two- Independent Variables**

Part two was included the independent variable of the study. Microfinance identifies as the independent variable of the study and it include three dimensions on the study such as microcredit, personal assets and personal skills. Questions are presented in a Likert Scale with strongly disagree forming the one end of the continuum and strongly agree the other end. Respondents are required to put tick for variety of alternatives presented in the dimensions such as strongly disagree, disagree, neutral, agree and strongly agree respectively.

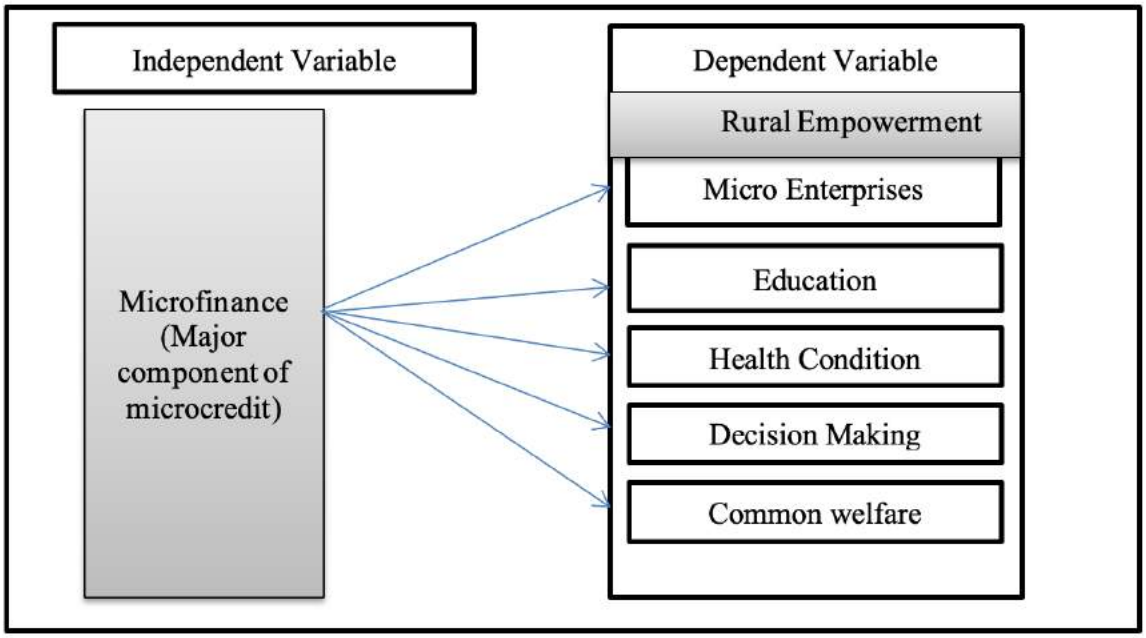
- **Part three- Dependent Variable**

Part three was consisted key sections which are empowered by microfinance. The study presented five variables such as micro enterprises and income, education, health condition, decision making and common welfare. Those questions also presented in Likert Scale with strongly disagree forming the one end of the continuum and strongly agree the other end. Respondents are required to put tick 01, 02, 03, 04 and 05 for strongly disagree, disagree, neutral, agree and strongly agree respectively for the variety of alternatives presented in the determinants. And finally, it endowed to open ended questions about rural empowerment with microfinance.

3.3.Conceptual model

The researcher developed the conceptual framework as follows. According to the framework microfinance considered as the independent variable and micro enterprises, education, health condition, decision making process and common welfare worked as the dependent variables of this study.

Figure 3: Conceptual Framework



Source: Developed by the researchers, 2020

3.4. Description of variables

Microfinance

Microfinance is an important source of financing for poor, lower-income people in developing countries. (Nawaz, 2010). Microfinance is more generally defined as the provision of financial services to those excluded from the formal financial system (UNCDE, 2002).According to the ADB (2002) microfinance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfer and insurance to poor and low-income households and their micro-enterprises. According to this study the researcher show that how microfinance affected on rural empowerment on poor people in Anuradhapura district.

Microcredit

Microcredit means small loans for people who need money for self-employment projects to generate income or for family needs; face many problems, education and health like wise. It helps to forward people's quality of life by lending them a small amount of money for a short period of time. As well as it is the main component of microfinance.(Zoynul & Fahmida, 2013). Microfinance is a wider concept than microcredit. The researcher considered microcredit under microfinance.

Rural Empowerment

Rural empowerment is improve the ability of individuals, organizations, businesses and government in their community to come together, learn and decisions making about the community's present and future, and to work together to carry out those decisions (Ferguson & Green, 2000). The researcher considered the rural empowerment as the dependent variable of the study.

Micro-Enterprises

Microfinance was also associated with the development of small businesses, which in turn, increase income and consumption of the beneficiaries (Chowdhury & Mukhopadhaya 2012). Micro-enterprises refer to a small business that employs a small number of people. A micro-enterprise usually operates with fewer than 10 people and is started with a small amount of capital. Most micro-enterprises start with supporting of microcredit facilities.

Education

The concept education can be illustrated as collection of three elements such as knowledge, skills, and attitudes. Those three elements helped to make our position higher level among others. It is the process by participation of the individuals in the social consciousness of the race. The process being at birth and is continually shaping the individual's powers, saturating consciousness, forming habit, training ideas and arousing feelings and emotions. Through the education the individual gradually comes to share in the moral resources which humanity has succeeded in getting together. The two forms of education such as formal and technical education can-not safely depart from the general process of education.(Dewey,1897).

Health Condition

Health can be simply defined as healthiness of body, healthiness of mind and healthiness of social. Therefore, to be a health person there should be important to keep those three elements together. As well as world health organization defined health as the theme of the body's ability function and health was seen as a state of normal function that could be disrupted from time by disease.

Decision Making

The household decision making can be understood as who decides the issue of borrowing and spending money, repair of house, sale or purchase of livestock, sale or purchase household equipment (Pitt, Khandker & Cartwright, 2003).

Common welfare

Common welfare has a boarder meaning and encompasses social work, public welfare and other related programs and activities. This concept is described as the organized system of social services and institutions, designated to aid individuals and group to attain satisfying standards of life and health, (Friedlander, 1980).

3.5. Operationalization of variables

Table 3: Operationalization of Variables

Variable	Dimension	Item	Question
Microfinance **Microfinance is more generally defined as the provision of financial services to those excluded from the formal financial system (UNCDE, 2002).**	Microcredit	• Purpose of the credit	Q11
		• Adequacy of loan amount to satisfy the relevant needs	Q12
		• Knowledge about interest rate	Q13
	Savings and develop assets	• Received loan within few days	Q14
		• Repayment period of loan	Q15
		• Concessionary methods based on fair reasons	Q16
			Q17
		• Increase saving	Q18
	Instruction services	• Settlement of issues about assets	Q19
		• Increase assets	Q20
		• Develop personal skills	
		• Increase stimulus	Q21

Micro-enterprises: **A small business which sells goods and services to a local area or a local market (Eric Lewis, 2019).**	Business opportunity Business skills Construction services to business	• Support to identify new opportunity • Improve existing business • Support to book keeping, identify new issues regarding business • Support to success business by construction services	Q22 Q23 Q24 Q25
Education: **The process of facilitating learning or the acquisition of knowledge, skills, values, beliefs, discussion, teaching, training and directed research (Hoshiarpur, 2018).**	Children's education Personal and Social education	• Scholarships • Opportunity to follow diplomas • Personality development programs • Use of new technology • Opportunity to follow professional diplomas • Opportunity to learn new things • Improve leadership skills	Q26 Q27 Q28 Q29 Q30 Q31 Q32
Health condition: **A state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity (World Health Organization, 1948).**	Healthy food Medical treatment Mental health	• Orientation for Macrobiotic food pattern • Help to disable person • Special services for mental health	Q33 Q34 Q35

Decision making: **The household decision making can be understood as who decides the issue of borrowing and spending money, repair of house, sale or purchase of livestock, sale or purchase household equipment (Pitt, Khandker & Cartwright, 2003).**	Borrowing money	• Credit amount use in suitable way • Amount of money want to get satisfy relevant needs and wants	Q36 Q37
	House repair	• Allocate money for house repair	Q38
	Spending money and Self confidence	• Children's education and additional another important things • Self-confidence about their decision	Q39 Q40
Common welfare: **The organize system of social services and institutions, designed to aid individuals and groups to attain satisfying standards of life and health (Friedlander, 1980).**	Agriculture	• Provide agricultural infrastructures	Q41
	Industrial	• Provide industrial equipment	Q42
	services	• Facilitate for pure drinking water	Q43

Source: Deduced from literature and survey Data, 2020

3.6. Hypotheses development

Relationship between microfinance on micro-enterprises of the rural people.

Micro-enterprises promote income-generating activities thus promoting repayment. Being able to repay microfinance loans by income generated from micro-enterprises enables microfinance to be sustainable. Microfinance is specifically designed to offer financial services to micro-enterprises. Microfinance enables micro-enterprises to expand and run their business. Microfinance empowers the entrepreneurial spirits that exist among small-scale enterprises worldwide (Olu, 2009). The foregoing shows that microfinance and micro enterprises are mutually beneficial to each other.

Microfinance serves as a means of empowering the poor and is considered a valuable means of enhancing the economic development process. Despite the importance of microfinance on development, it has been argued that microfinance entrepreneurship and sustainability tend not to have a great effect on the alleviation of poverty in less developed countries. Accordingly, microfinance they say can only successfully empower rural people if it is combined with entrepreneurial skills. This means that one should expect a positive link between microfinance and micro-enterprises (Rodrigo,2016). According to the above findings from previous studies, the researcher developed the first hypothesis for the study as follows;

H_1: There is a positive impact of microfinance on micro enterprises of the rural people in Anuradhapura district.

Relationship between microfinance and education of the rural people

Education and microfinance have been combined because education alone as an empowerment tool has failed in some areas to support the country's effort to the empowerment of rural people (Rulistia 2009). Education is a crucial component in the success of microfinance borrowers. Studies from Sri Lanka show that financial education can lead to positive behavior change and entrepreneurial success. Microfinance can directly support education by providing families with income stability, enabling them to afford schooling suggests the effect of microfinance on access to education, and support positive associations to Bangladesh. Research from Uganda also suggests that participation in microfinance programs correlates with increased investment in children's education. There is a strong trend to innovations that have led to a combination of microfinance with non-financial services, including business training (Dunfor, 2002; Valdivia et al.2008) which is an educational aspect. According to the above findings, the researcher developed the third hypothesis for the study as follows;

H2: There is a positive impact of microfinance on education of the rural people in Anuradhapura district.

Relationship between microfinance and health condition of the rural people

There are potential health benefits associated with microfinance initiatives, as low interest loans make healthcare services more available for the poor people. Microfinance institution conduct medical clinics provide spectacles without any charges etc. for disable person in rural areas. Lots of researchers examine the impact of microfinance activities on health care services use of the household in several countries. Health seeking behavior and health services of the households have improved significantly after joining with the microfinance program (Rasheda Khanam, 2018). According to above finding the researcher developed the fourth hypothesis for the study as follows;

H3: There is a positive impact of microfinance on health condition of the rural people in Anuradhapura district.

Relationship between microfinance and decision-making process of the rural people

Decision making behaviour of the actively participant of the microfinance services may have undergone changes after the participants of the particular services are exposed to the microfinance activities. Empirical finding suggests that participation and decision making by members is positively influenced by family size, income of the members, whereas amount of loan granted, and total household assets are found to effect the decision making adversely (Vachya Lavoori & Rajendra Narayan Paramanik, 2014). According to above finding the researcher developed the fifth hypothesis for the study as follows.

H4: There is a positive impact of microfinance on decision making process of the rural people in Anuradhapura district.

Relationship between microfinance and common welfare of the rural people

Drinking water, toilet condition, reconstruction of canal etc. include in the common welfare which are conducted by microfinance institutions. The study shows that participation in the microfinance program significantly increase the probability of improved sources of drinking water. As well as shows the member have been enjoying the improved toilet facilities before joining the microfinance due to government and non-government initiatives that have already been implemented in those village (Rasheda Khanam, 2018). According to above finding the researcher developed the fifth hypothesis for the study as follows.

H5: There is a positive impact of microfinance on common welfare of the rural people in Anuradhapura district.

3.7. Methods of Data Presentation and Analysis

Methods of Data Presentation

There are number of methods was used to present data such as tables, graphs, charts etc. As well as results are presented by pictures also.

Methods of Analysis

The Statistical Package for Social Science (SPSS) was used to statistical analysis of the data collection through the questionnaires. Following tests were applied to analyse the data in the study.

3.8. Descriptive statistics

This is the first level of analysis. It helps researchers summarize the date and find patterns. The researcher also used this statistics.
Mean, Minimum, Maximum and Standard Deviation values.

3.9. Validity and Reliability

Validity is the most important issue in selecting a test. Validity refers to what characteristic the test measures and how well the test measures that characteristic. Reliability test measures the accuracy of the measuring the instrument, in extend to which the respondents can give the same answer to the same question each time. It refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings. The most common reliability tests that research used Cornbrash's coefficient alpha.

Table 4: General guidelines of Cornbrash's Coefficient alpha

Reliability coefficient value	Interpretation
.90 and up	excellent
.80-.89	good
.70-.79	adequate
Below .70	May have limited applicability

Source: Bright Mahembe. (2010)

3.10. Correlation Test

Correlation coefficient is a statistical measure of the strength of the relationship between the relative movements of two variables. The absolute value of a correlation coefficient described the direction and the magnitude of the relationship between two variables. The value of a correlation coefficient ranges between -1 to +1. The stronger linear relationship is indicated by a correlation coefficient of -1 to +1. A calculate number greater than +1 or less than -1. It means that, there was an error in the correlation measurement. The correlation coefficient value is -1 it shows a perfect negative correlation, while the correlation value is +1 it shows the perfect positive correlation. On the other hand the correlation value get 0 value it shows no linear relationship between the movements of the two variables. In this study correlation analysis was used to establish the existence of relationship between rural empowerment of poor people and microfinance services provide supporting to micro-enterprises, education, health condition, decision making and common welfare.

3.11. Linear Regression

To test the hypothesis o the study the researcher was used linear regression analysis. For this purpose, average of all items of each dimension as computed and finally this average was used in linear regression to test the hypothesis regarding microfinance and empowerment of rural people regarding different dimensions of empowerment including micro-enterprises, education, health condition, decision making and common welfare.

3.12. Independent Sample T-test

The independent sample t-test assesses whether the means of two groups are statistically difference from each other. This analysis is appropriate whenever you want to compare the means of two groups. The t-test with two samples is commonly used with the small sample sizes, testing the differences between the samples when the variances of two nominal distributions are not known. T-test was conducted to analyse statistically difference between both two groups such as participants group and non-participants group with microfinance. According to that to measure the independent sample t-test, following equations are used.

$$t = \frac{m^A - m^B}{\sqrt{\frac{S^2}{n_A} + \sqrt{\frac{S^2}{n_B}}}}$$

$$S^2 = \frac{\sum(x - m_A)^2 + \sum(x - m_B)^2}{n_A + n_B - 2}$$

— A and B represented two groups.
— m_A and m_B represented the means of groups A and B respectively.
— n_A and n_B represented the sizes of groups A and B respectively.
—

4. DATA ANALYSIS

The information as gathered from two categories. Those were microfinance beneficiaries who are engaged with microfinance institution in the Anuradhapura district. 300 questionnaires were issued among the microfinance beneficiaries and as another group the researcher selected people who are not engaged with microfinance institution in Anuradhapura district and 200 questionnaires were issued among that group. Data were analysed by using SPSS software.

Table 5: Demographic Information analysis

		Participants		Non-Participants	
		Frequency	Percent	Frequency	Percent
Sex	Male	66	22.0	21	10.5
	Female	234	78.0	179	89.5
	Total	300	100.0	200	100.0
Age	18-25	54	18.0	29	14.5
	26-35	65	21.7	71	35.5
	36-50	129	43.0	67	33.5
	Above 50	52	17.3	33	16.5
	Total	300	100.0	200	100.0
Marital Status	Single	10	3.3	6	3.0
	Married	271	90.3	185	92.5
	Divorced	11	3.7	4	2.0
	Widowed	8	2.7	5	2.5
	Total	300	100.0	200	100.0
Level of Education	Illiterate	7	2.3	1	0.5
	Primary	15	5.0	6	3.0

	Grade 8	73	24.3	46	23.0
	Ordinary level	164	54.7	103	51.5
	Advanced level	37	12.3	39	19.5
	Degree level	4	1.3	5	2.5
	Total	300	100.0	200	100.0
Family Members	1-3	72	24.0	34	17.0
	4-6	217	72.3	160	80.0
	above 6	11	3.7	6	3.0
	Total	300	100.0	200	100.0
Nature of Occupation	No any job	6	2.0	7	3.5
	Farmer	186	62.0	135	67.5
	Businessmen	10	3.3	13	6.5
	Service provider	83	27.7	39	19.5
	Other	15	5.0	6	3.0
	Total	300	100.0	200	100.0
Sources of Income	Agriculture	182	60.7	135	67.5
	Business	14	4.7	13	6.5
	Service	85	28.3	39	19.5
	Remittance	1	.3	.4	2.0
	Other	18	6.0	9	4.5
	Total	300	100.0	200	100.0
Income Generating Members	1 member	204	68.0	109	54.5
	2 member	84	28.0	82	41.0
	3 or above	12	4.0	9	4.5
	Total	300	100.0	200	100.0
Monthly Expenses	Below Rs.10,000	1	.3	0	.0
	Rs.10,000-Rs.20,000	199	66.3	142	71.0
	Rs.20,000-Rs.30,000	93	31.0	58	29.0
	Rs.30,000-Rs.40,000	7	2.3	0	0.0
	Total	300	100.0	200	100.0
Monthly Income	Below Rs.10,000	0	0.0	1	0.5
	Rs.10,000-Rs.20,000	17	5.7	114	57.0
	Rs.20,000-Rs.30,000	192	64.0	62	31.0
	Rs.30,000-Rs.40,000	56	18.7	19	9.5
	Above Rs.40,000	35	11.7	4	2.0
	Total	300	100.0	200	10

Source: Survey data, 2020

The researcher collected data from two groups. Totally, 500 questionnaires were brought forward for final analysis in this study and among these questionnaires 300 data collected from clients who are already engaged with microfinance institution and another 200 data collected from people who are not engaged with any microfinance institution in Nuara Gampalatha East, Kahatagasdigiliya, Horowpothana, Galenbindunuwewa, Mihinthale, Ipalogama, Thirappane and Kebithigollewa divisional secretariat divisions in Anuradhapura district. All demographic factors of the respondents were divided into two main groups such as participants and non-participants with microfinance. Allowing the questionnaire there are ten demographic factors were considered such as sex, age, marital status, level of education, family members, nature of occupation, source of income, income generating members, monthly expenses and monthly income. Further clarifications of respondents' background are shown below.

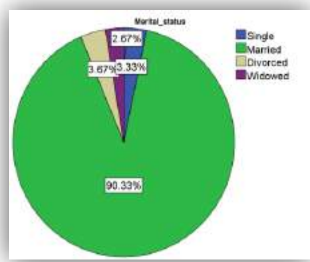
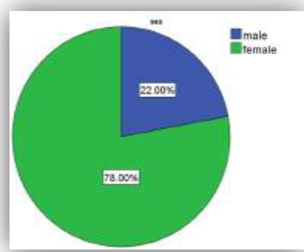
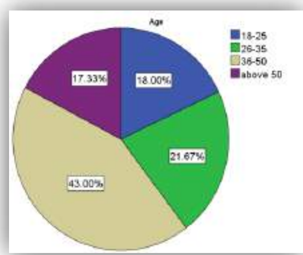


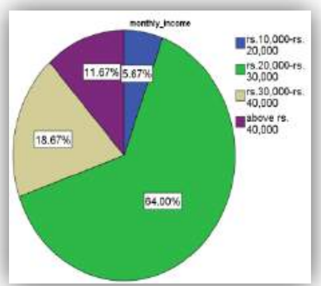
Table 5 shows all demographic factors of respondents, which were divided into two groups such as participants group and non-participant group with microfinance. Participant group is the main party of the study. Therefore the researcher highlights their demographic information by using the following figures.



In this study, seventy eight percent (78%) of the convenient sample of all participants was female while 22% was male. Table 5 presents the demographic information which is gathered by survey. Pie-Chart - Sex presents to get clear idea about how people participate with micro finance services by gender wise. In this figure clearly mentioned majority of female were engaged with microfinance services than male.



According to Table 5 and Pie-Chart - Age presented age of the beneficiaries all age people were engaged with microfinance. In the figure 43% were between 36 and 50. It seemed that middle age people are mostly engaged in getting beneficiaries from microfinance NGO's compare to other aged groups.



In the above Table 4.1 presents marital statuses of respondents into four categories and majority of respondents (90.33%) of the both participants and non-participants groups are married and few are divorced (3.67%), single (3.33%), and widowed (2.67%). Figure 4.3 presents only participant's group marital status to get clear idea about the main group in this study.

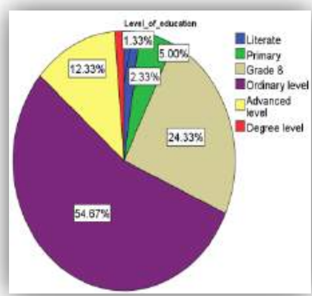
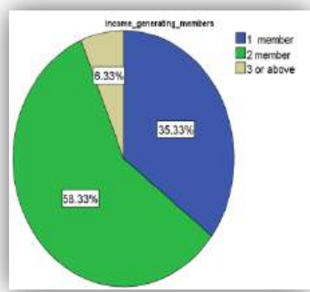
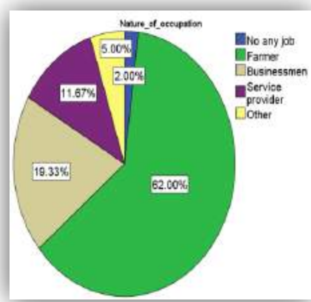


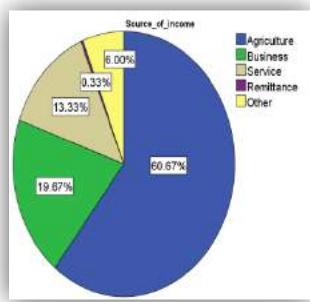
Table 4.1 and Figure 4.4 show the level of education of individual members of the sample. Total 300 respondents from the participant with MFI, about 54.67% have received education until ordinary level and 24.33% have received education only grade eight. From the non-participants 51.5% have received education ordinary level and 23% have received education grade eight. When comparing the participants and non-participants' data, and non-participants passed the advanced level than participants. Because, the researcher gathered majority of data from age range 18-35, from non-participants group. This is the main reason on behind that. There are few respondents indicated literate, primary and degree level in both participants and non-participants groups.



Above Table 4.1 presents data about the number of family members of the respondent's households into four categories and majority of 4 to 6 members in both participant group and non-participant group's households. As shown in Figure 4.5 the largest group of participant group has between 4-6 members in their families (n=217:72.33%) and few households of participant group have above 6 members.



According to the survey data the major occupation of the household presented that many of these two groups do their occupation as a farmer for their livelihood. Because of Anuradhapura is one of the main agricultural areas in Sri Lanka. Participants group conduct their own business than non-participant group. Because, MFI provided more benefit to starting businesses and improving existing businesses.



Of the participant with MFI, many of households earned income from cultivating paddy or something. As shown in Figure 4.7, respondents earned income from conducting business than non-participant group.. It means participants with MFI mainly earned income from cultivating and conducting their own businesses.

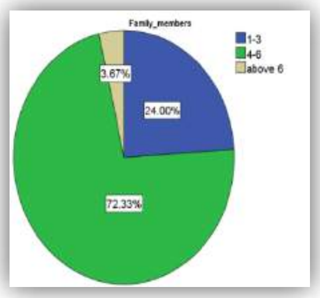
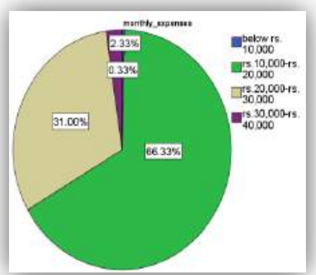


Figure 4.8 shows income generating members from the participants with MFI's households, 64.67% generating income by participating more than one member for income generating activities. It was the evidence to prove that the microfinance services help to generate opportunities to participant's households to generating income than non-participant group.



According to the survey data above Table 4.1 shows that monthly expenses of both participant and non-participant group. Majority of households' (142) in non-participant group's monthly expenses has between Rs.10,000 - Rs20,000. While majority of participant group's monthly expenses were more than that. Anyone can assume that non-participant group gets limited benefits from additional parties. Therefore, this group tries to satisfy their fundamental needs by using their limited resources. Then they spent little money towards their necessary things. But participant group has huge opportunity to get various kinds of benefits from MF NGOs. Then this group has lot of money in their hand than other group. Therefore, this group allures to satisfy several additional wants by spending more money. On the other hand anyone can assume that participant group receive loan from the institution. Therefore, particular group households must pay installment and its interest as well. Then their expenditure will be high. The Figure 4.9 shows that the participant group's monthly expenses and most of respondents (n=192; 66.33%) monthly average expenditure in between Rs.10,000-Rs20,000. 31% respondents of the participant group spend money in between Rs30,000-Rs40,000. Few respondents of the participant group spend more than Rs30,000 for monthly income. While no any respondent of non-participant group spend more than Rs.30,000.

The monthly average household's income of the participants varies from house to house. According to the survey data the majority of participant group households (n=192, 64%) earn between Rs20,000- Rs30,000 as average income per month. But majority of non-participant group (n=114, 57%) earn between Rs10,000- Rs20,000 as average income per month. No any household in the participant group earn below Rs10,000 per month. Rather than 30% of participant group households earn more Rs 30,000 per month as the average income. It value of the non-participant group is less than 12%.Figure 4.10 presents that 5.67% households have monthly income as Rs. 10,000-Rs.20,000 of the participant group with MF . Majority of households (64%) earned a monthly income between Rs.20,000-Rs.30,000 and 18.67% have between Rs.30,000-Rs.40,000. And also 11.67%of the total 300 respondents earned more than Rs.40,000 as their income per month. According to that can be summarize that participant group earn more income than non-participant group by getting additional benefits and opportunities by joining with MF NGOs.

4.1. Reliability Analysis

Reliability analysis represents the internal consistency of the item which is used to measure respective variables. Consistency explain how well the items measuring a concept together as a set (Sekaran & Bougie, 2010). In this analysis Cronbach's alpha in SPSS is use to assess the reliability and internal consistency of the constructs. The results represent as follows;

Table 6 : Reliability Analysis

	Number of items	Corrected Item-Total Correlation	Cronbach's Alpha
Microfinance	11	.782	.861
Micro-enterprises	4	.570	.892
Education	7	.807	.856
Health Condition	3	.815	.854
Decision Making	5	.674	.879
Common Welfare	3	.635	.883

Source: SPSS output from Survey data, 2020

According to results the Cronbach's alpha values of micro finance, micro enterprises, education, health condition, decision making, and common welfare are greater than 0.8. it represents good reliability. Agreeing to that reliability tested results reveals that each variable are positively correlates with one another and the internal consistency reliability is satisfactory. Alpha values between 0.8 and 0.9 are usually preferred. But some time when not a better instrument have can accept correct lower values of Cronbach's alpha that is questionable. Normally this value should be greater than 0.40. This study corrected item total correlation values are greater than 0.40. Therefore, the correlations of each item with all other items are combining.

4.2. Descriptive Analysis

Descriptive statistics present the normality of the data. Mean, maximum, minimum and standard deviation are used to examine the data.

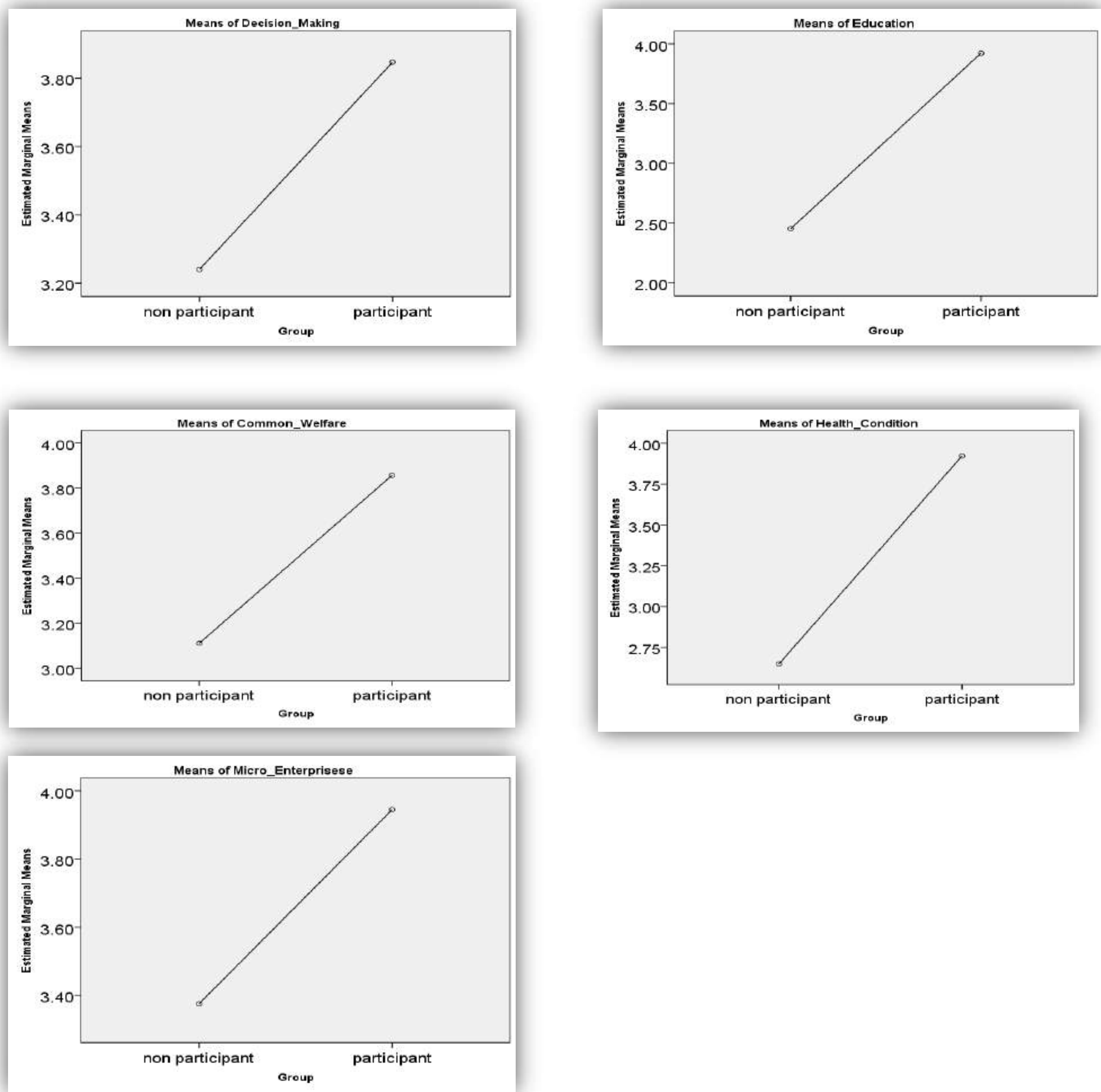
Table 7: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Microfinance	500	1.64	5.00	3.1944	.75075
Micro-enterprises	500	1.00	5.00	3.7170	.71480
Education	500	1.43	5.00	3.3349	.90601
Health Condition	500	1.33	5.00	3.4120	.87242
Decision Making	500	2.00	5.00	3.6040	.62914
Common Welfare	500	1.33	5.00	3.5580	.76727

Valid N (listwise)	500

According to the survey data of the both participant and non-participant group mean values presents of microfinance, education and health condition, decision making and common welfare were 3.19, 3.72, 3.33, 3.41, 3.60 and 3.56 respectively. It represents that rural people having relatively high involvement on those components which are indicate that selected respondents.

Figure 5: Means of Dependent Variable



Source: *SPSS output based on survey data, 2020*

According to the collected data by the survey the researcher shows differences of mean value between two groups, and it indicated separately as micro-enterprises, education, health condition, decision making and common welfare. The researcher used following figures to clearly identify which the respondents' answering questionnaires based on their personal ideas. Participant group has taken higher mean value than non-participant group. It means that participant group's more empower with the factors in terms of micro-enterprises, education health condition, decision making, and common welfare than non-participant group.

4.3. Correlation Analysis

The association between independent and dependent variable were measured through the correlation analysis. Therefore, person correlation analysis was used and its results are presented in table.

Table 8: Correlations

	MF	ME	ED	HC	DM	CW
Microfinance	1					
Micro-enterprises	.496**	1				
	.000					
Education	.781**	.502**	1			
	.000	.000				
Health Condition	.731**	.484**	.771**	1		
	.000	.000	.000			
Decision Making	.555**	.493**	.563**	.653**	1	
	.000	.000	.000	.000		
Common Welfare	.532**	.425**	.576**	.589**	.494**	1
	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS output based on survey data, 2020

Table 8 shows the correlation coefficients for the relationships among; microfinance and micro-enterprises, microfinance and education, microfinance and health condition, microfinance and decision making, and microfinance and common welfare. The correlelation coefficients for those relationships are 0.496, 0.781, 0.731, 0.555 and 0.532 respectively and those are significant at 0.01 ($p<0.01$) level. Therefore it can be concluded that there are positive significant relationships between microfinance and micro-enterprises, microfinance and education, microfinance and health condition, microfinance and decision making and microfinance and common welfare.

4.4. Linear Regression

Linear regression is a linear approach to modelling the relationship between a dependent variable and one or more independent variables. Linear regression used to test the hypothesis of the study. The researcher used the linear regression to test the hypothesis regarding microfinance and rural empowerment regarding different dimensions of rural empowerment including micro-enterprises, education, health condition, decision making and common welfare.

4.4.1. Micro-enterprises

In order to check the impact of microfinance on micro enterprises as follow.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.496[a]	.246	.244	.62143

a. Predictors: (Constant), Microfinance

Source: SPSS output based on survey data, 2020

The model summary table provides detail about the characteristics of the model.

Table 9 indicates that the correlation coefficient (R), using overall Microfinance is 0.496 (R2 = 0.246) and the adjusted R2 is 0.244, it means that 24.4 % variance in dependent variable that is Micro-enterprises can be explained through the independent variable that is Microfinance. It means 24.4% change in micro-enterprises come through Microfinance. As it is evidence and can see from the coefficient table, Microfinance is significant. The ANOVA table determines whether the model is significant enough to determine the outcome. It shows below.

Table 10: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.638	1	62.638	162.201	.000[b]
	Residual	192.317	498	.386		
	Total	254.955	499			

a. Dependent Variable: Micro-enterprises

b. Predictors: (Constant), Microfinance

Source: SPSS output from Survey data, 2020

Table 10 shows that F=162.201 and is also significant. This shows that Microfinance as a predictor significantly predict micro-enterprises. Below table shows the strength of the relationship the significant of the variable in the model and magnitude with which it impacts the micro enterprises. This analysis helps in performing the hypothesis testing for the study.

Table 11: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.210	.122		18.172	.000
	Microfinance	.472	.037	.496	12.736	.000

a. Dependent Variable: Micro-enterprises

Source: SPSS output based on survey data, 2020

In Table 11, only one value is used in interpretation: sig value. The value should be below the tolerable level of significant for the study below 0.05 confidence level in the study. According to above table it presents0.000 value as the sig value. It means there is a significant relationship between microfinance and micro enterprises. These results support H1 and reject H0. According to above results shows that the microfinance can put positive impact on micro-enterprises of rural people can be fulfill by obtaining the microfinance services from the MFIs.

Education

Table 12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781[a]	.610	.609	.56645

a. Predictors: (Constant), Microfinance

Source: SPSS output based on survey data, 2020

Above Table (Table 12) indicates that the correlation coefficient (R), using overall Microfinance is 0.781 ($R^2 = 0.610$) and the adjusted R^2 is 0.609, it means that 60.9 % variance in dependent variable that is education can be explained through the independent variable that is Microfinance. It means 60.9% change in education come through Microfinance. As it is evidence and can see from the coefficient table, Microfinance is significant.

Table 13: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	249.816	1	249.816	778.561	.000[b]
	Residual	159.793	498	.321		
	Total	409.609	499			

a. Dependent Variable: Education
b. Predictors: (Constant), Microfinance

Source: SPSS output based on survey data, 2020

Table 13 shows that F=778.561 and is also significant. This shows that Microfinance as a predictor significantly predict education. Below table shows the strength of the relationship the significant of the variable in the model and magnitude with which it impact the education. This analysis helps in performing the hypothesis testing for the study.

Table 14: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.324	.111		2.926	.004
	Microfinance	.942	.034	.781	27.903	.000

a. Dependent Variable: Education
Source: SPSS output based on survey data, 2020

According to Table 14 0.000 value as the sig value. It means there is a significant relationship between microfinance and education of the rural people. These results support to H1 and reject H0. According to above results shows that the microfinance can put positive impact on education of rural people can be fulfill by obtaining the microfinance services from the MFIs.

Health Condition

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731[a]	.535	.534	.59552

a. Predictors: (Constant), Microfinance
Source: SPSS output based on survey data, 2020

Table 15 indicates that the correlation coefficient (R), using overall Microfinance is 0.731 (R^2 = 0.535) and the adjusted R^2 is 0.534, it means that 53.4 % variance in dependent variable that is health condition can be explained through the independent variable that is Microfinance. It means 53.4% change in health condition come through Microfinance. As it is evidence and can see from the coefficient table, Microfinance is significant.

Table 16: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	203.184	1	203.184	572.930	.000[b]
	Residual	176.611	498	.355		
	Total	379.795	499			

a. Dependent Variable: Health Condition
b. Predictors: (Constant), Microfinance
Source: SPSS output based on survey data, 2020

Table 16 shows that F=572.930 and is also significant. This shows that Microfinance as a predictor significantly predict health condition.

Below table shows the strength of the relationship the significant of the variable in the model and magnitude with which it impacts the health condition. This analysis helps in performing the hypothesis testing for the study.

Table 17: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.697	.117		5.981	.000
	Microfinance	.850	.036	.731	23.936	.000

a. Dependent Variable: Health_Condition
Source: SPSS output based on survey data, 2020

According to above results of the table presents 0.000 value as the sig value. It means there is a significant relationship between microfinance and health condition of the rural people. These results support to H1 and reject H0. According to above results shows that the microfinance can put positive impact on health condition of rural people can be fulfill by obtaining the microfinance services from the MFIs.

Decision Making

Table 18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.555[a]	.308	.307	.52384

a. Predictors: (Constant), Microfinance

Source: SPSS output from Survey data, 2020

Table 18 indicates that the correlation coefficient (R), using overall Microfinance is 0.555 (R^2 = 0.305) and the adjusted R^2 is 0.307, it means that 30.7 % variance in dependent variable that is decision making can be explained through the independent variable that is Microfinance. It means 30.7% change in decision making come through Microfinance. As it is evidence and can see from the coefficient table, Microfinance is significant.

Table 19: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.858	1	60.858	221.780	.000[b]
	Residual	136.654	498	.274		
	Total	197.512	499			

a. Dependent Variable: Decision_Making

b. Predictors: (Constant), Microfinance

Source: SPSS output based on survey data, 2020

Table 19 shows that F=221.780 and is also significant. This shows that Microfinance as a predictor significantly predict decision making. Below table (Table 20) shows the strength of the relationship the significant of the variable in the model and magnitude with which it impact the decision making. This analysis helps in performing the hypothesis testing for the study.

Table 20: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.118	.102		20.666	.000
	Micro_Finance	.465	.031	.555	14.892	.000

a. Dependent Variable: Decision_Making

Source: SPSS output based on survey data, 2020

According to above table, it presents 0.000 values as the sig value. It means there is a significant relationship between microfinance and decision making of the rural people. These results support to H_1 and reject H0. According to above results shows that the microfinance can put positive impact on decision making of rural people can be fulfill by obtaining the microfinance services from the MFIs.

Common Welfare

Table 21: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.532[a]	.283	.281	.65042

a. Predictors: (Constant), Microfinance

Source: SPSS output based on survey data, 2020

Table 21 indicates that the correlation coefficient (R), using overall Microfinance is 0.532 (R^2 = 0.283) and the adjusted R^2 is 0.281, it means that 28.1 % variance in dependent variable that is common welfare can be explained through the independent variable that is Microfinance. It means 28.1% change in common welfare come through Microfinance. As it is evidence and can see from the coefficient table, Microfinance is significant.

The ANOVA table determines whether the model is significant enough to determine the outcome. It shows below.

Table 22: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.083	1	83.083	196.390	.000[b]
	Residual	210.679	498	.423		
	Total	293.762	499			

a. Dependent Variable: Common_Welfare

b. Predictors: (Constant), Microfinance

Source: SPSS output based on survey data, 2020

Table 23 shows the strength of the relationship the significant of the variable in the model and magnitude with which it impacts the common welfare. This analysis helps in performing the hypothesis testing for the study.

Table 23: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.822	.127		14.316	.000
	Micro_Finance	.544	.039	.532	14.014	.000

a. Dependent Variable: Common_Welfare

Source: SPSS output based on survey data, 2020

According to Table 23 presents 0.000 values as the sig value. It means there is a significant relationship between microfinance and common welfare of the rural people. These results support to H_1 and reject H_0. According to above results shows that the microfinance can put positive impact on common welfare of rural people can be fulfill by obtaining the microfinance services from the MFIs.

Independent Sample T-Test

The independent sample t- test used to evaluate whether there is a significant difference between participant and non-participant groups with microfinance and dependent variable

Table 24: Independent Sample T-Test

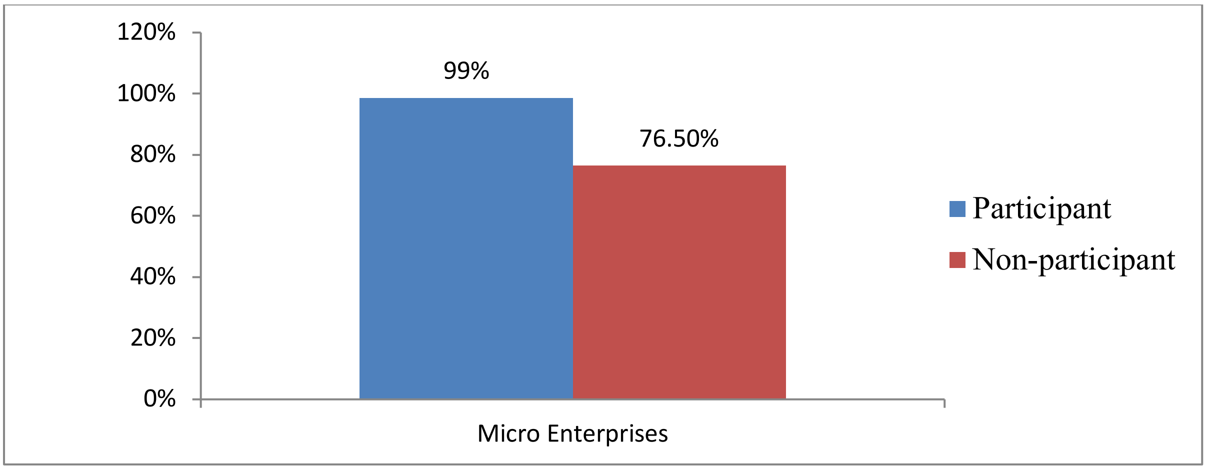
		Mean	Std. Deviation	Sig.(2-tailed)	t
Microfinance	Participant	3.7282	.39661	.000	39.700
	Non Participant	2.3936	.32094	.000	41.395
Microenterprises	Participant	3.9450	.54701	.000	9.482
	Non participant	3.3750	.79729	.000	8.821
Education	Participant	3.9229	.62780	.000	29.312
	Non participant	2.4529	.40384	.000	31.857
Health Condition	Participant	3.9211	.63708	.000	22.851
	Non participant	2.6483	.56730	.000	23.386
Decision-making	Participant	3.8467	.57270	.000	11.976
	Non participant	3.2400	.52706	.000	12.3177
Common Welfare	Participant	3.8556	.68309	.000	12.060
	Non participant	3.1117	.66438	.000	12.128

Source: SPSS output from Survey data, 2020

According to the above table the participants group with microfinance have taken higher mean value than non-participant group with microfinance group for all variables. Further classification about t-test reveals that there is a significant difference between these two groups on micro enterprises, education, health condition, decision making and common welfare. ($p<0.01$) the evidence suggests that microfinance positively impact on micro enterprises, education, health condition, decision making and common welfare of participant group with microfinance.

Difference of Impact between two groups
Impact of Microfinance on Micro Enterprises

Figure 6: Impact of microfinance on micro-enterprises

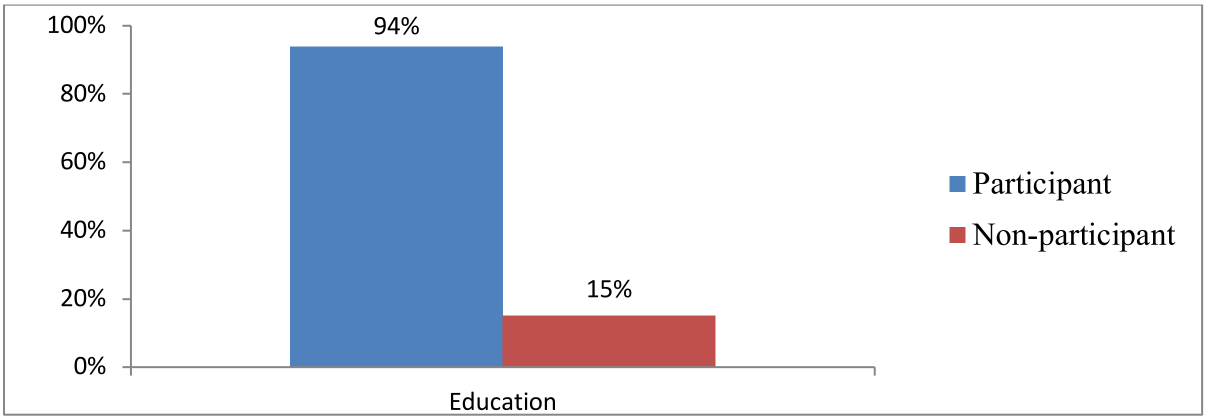


Source: Graphical representation based on survey data, 2020

When consider the data in the Figure 4.16, the participant group had improved micro enterprises better than the non-participant group with microfinance. Although 99% respondents of the participants group empowered on this matter by getting special benefits from MFIs, only 76.5% respondents of non-participant group empowered with micro enterprises not getting any additional benefits from any institution. According to the finding of the study, participant group's households improved personal development through micro enterprises by using microfinance services over a decade.

Impact of Microfinance on Education

Figure 7: Impact of microfinance on education

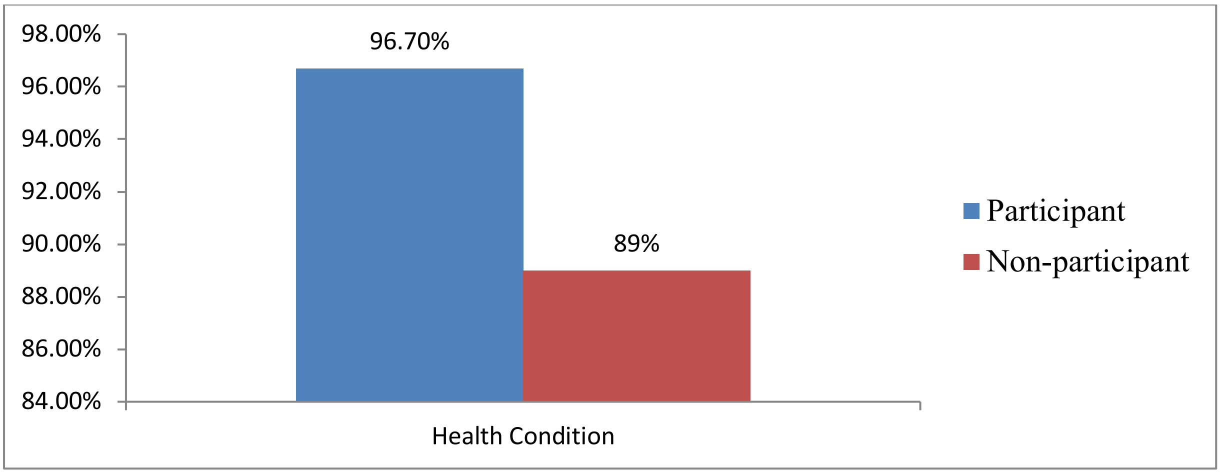


Source: Graphical representation based on survey data, 2020

Bestowing to the data depicts in the Figure 4.17, the participants group has good education batter than the non-participant group with MFIs. Although 94% respondents of the participant group empowered with education by getting additional benefits by MFIs , there are 15% of the respondents of the non-participant group empowered with education. Therefore, the participant group has been improving their education level by using microfinance services over a decade.

Impact of Microfinance on Health Condition

Figure 8: Impact of microfinance on health condition

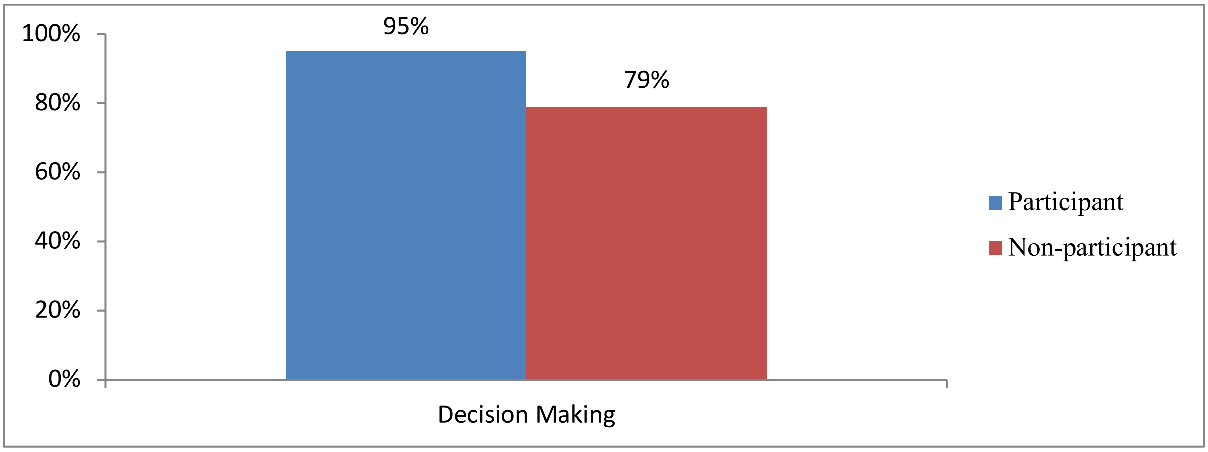


Source: Based on Survey data, 2020

According to the data depicts in the Figure 4.18, the participant group has health condition better than the nonparticipant group with MFIs because of microfinance services provide more benefit for their clients such as provide spectacles, wheel chairs, and procure instructions for timely health issues etc. although 96.7% respondents of the participant group empowered on this matter by getting necessary services with MFIs, 89% respondents of non-participant group empowered on this. According to the survey data, the participant group has been improving their good health with microfinance services.

Impact of Microfinance on Decision Making

Figure 9: Impact of microfinance on decision making

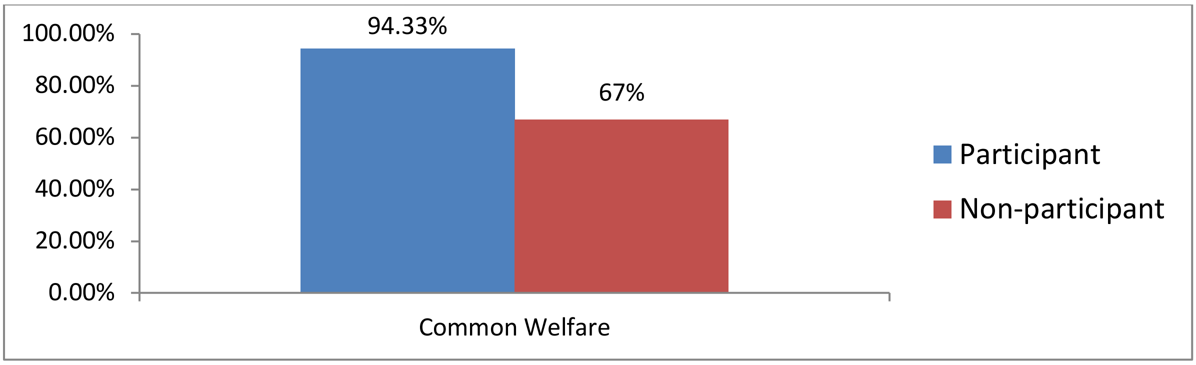


Source: Based on Survey data, 2020

When consider the data depicts in the Figure 9, the participant group has good decision making process better than the non-participant group because of microfinance institutions provide important services about decision making process within clients' households. Although 95% respondents of the participants group empowered with decision making, only 79% respondents o the non-participant group empowered on this matter. According to gathered data by the researcher, the participant group have been improved their decision making process across the microfinance services.

Impact of Microfinance on Common Welfare

Figure 10: Impact of microfinance on common welfare



Source: Based on Survey data, 2020

According to the survey data in Figure 10, the participant group has received more benefit from the common welfare better than the non-participant group because o microfinance institutions help to conventional industry from the particular area and set water filter, reconstruction canal etc. Although 94.33% respondents of the participant group empowered with on this matter by getting above benefits, only 67% respondents of the non-participant group empowered on this. According to the collected data by the researcher, the participant group has been improving common welfare also by getting benefits from MF NGOs.

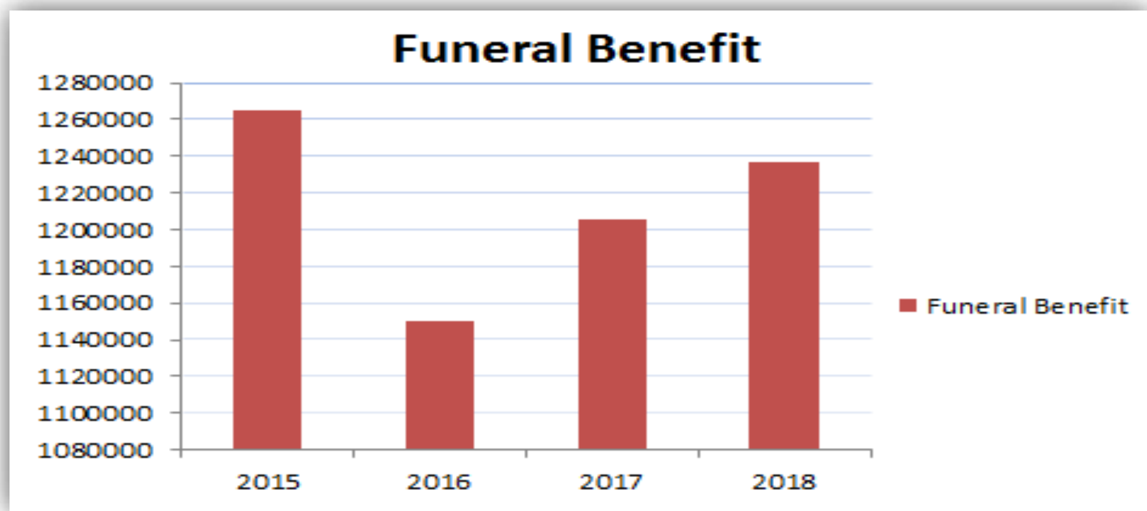
Microfinance has a long history in Anuradhapura district. Ti means that microfinance concept has over a decade in this area. According to the above findings of the survey data which are collected from eight divisions in Anuradhapura district, rural people improved their personal development by joining with microfinance. The participant group's households empowered by various sections such as microenterprises, education, health condition, decision making and common welfare.

BMICs' data

In addition to the gathered data from the survey, the researcher proved the impact of microfinance on rural empowerment in Anuradhapura district by using following data, which are collected through the particular microfinance NGO in that area.

The researcher gathered data from Berendina Micro Investment Company Ltd in Anuradhapura division. Under the Suwa Sahana Programe the company provides special monetary benefits in the event of funeral and hospitalization. According to that data, Figure 11 presented funeral benefits which are provided by particular microfinance institution since 2015 to 2018 for their clients. During this time period under review, LKR.48.58 Million was distributed among 253, 230, 229, and 209 clients respectively

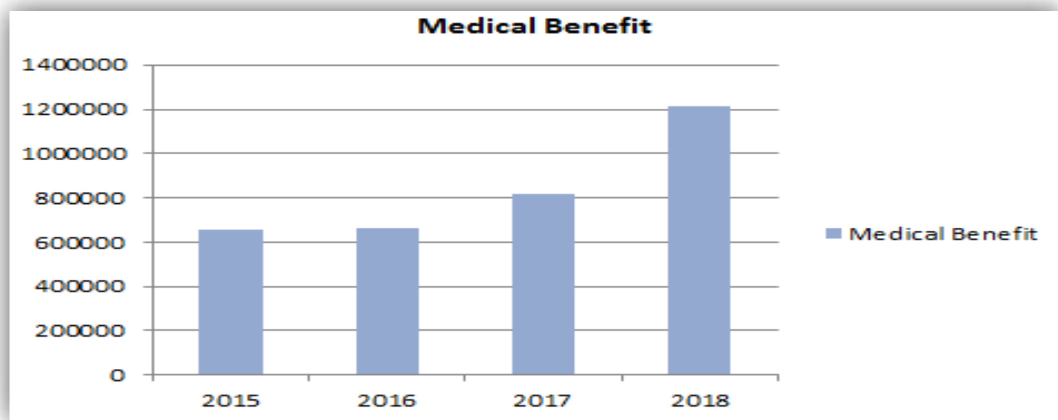
Figure 11: Funeral Benefits provided by BMIC



Source: Progress Report, Berendina Foundation, Regional Office, Anuradhapura, 2019

Figure 12 shows that the medical benefits which are provided by BMIC for their clients. According to that data Figure 4.22 presents medical benefits which are provided by particular microfinance institution since 2015 to 2018 for their clients. During this time period under review, LKR.3,347,950 was distributed among 422, 411, 492 and 664 clients respectively.

Figure 12: Medical Benefits provided by BMIC

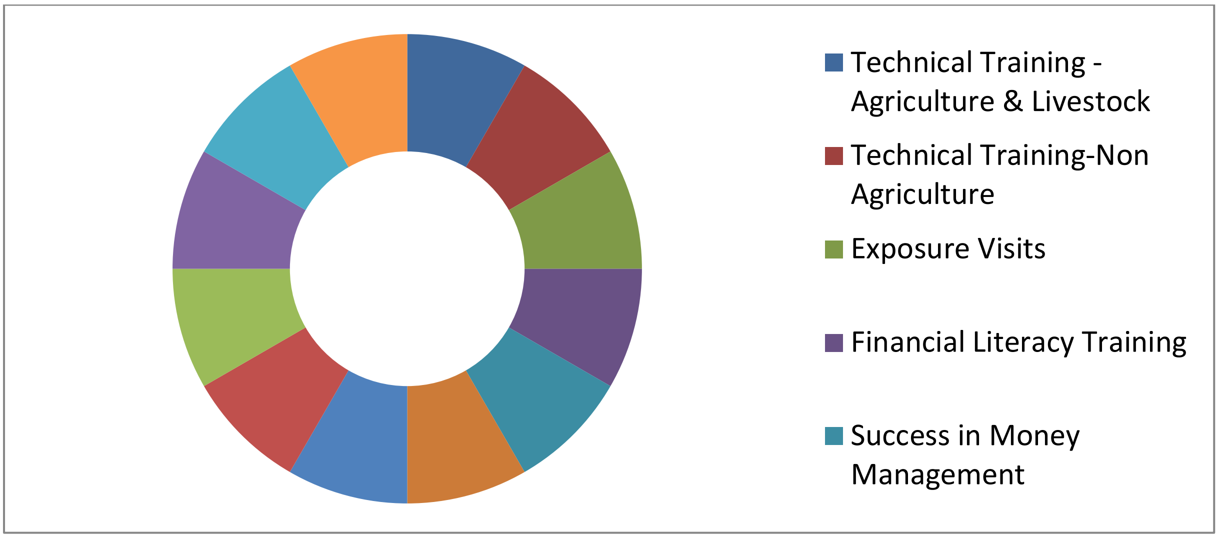


Source: Progress Report, Berendina Foundation, Regional Office, Anuradhapura, 2019

These kinds of benefits provide by institution for their clients. Then the participant group can reduce their necessary expenditure by helping of the microfinance services. In addition to that there are lot of services provide by microfinance NGO for their client. NGO is a non-profit organization. Therefore, this kind of organization always tries to support economic development of the country by targeting certain group. Microfinance NGOs also like that. Their target group is rural client.

According to the data which are collected through the annual report of that particular company, Figure 13 presents that services provide by particular company to empower the rural people. These services support to people empower their education, micro enterprises and decision making process as well.

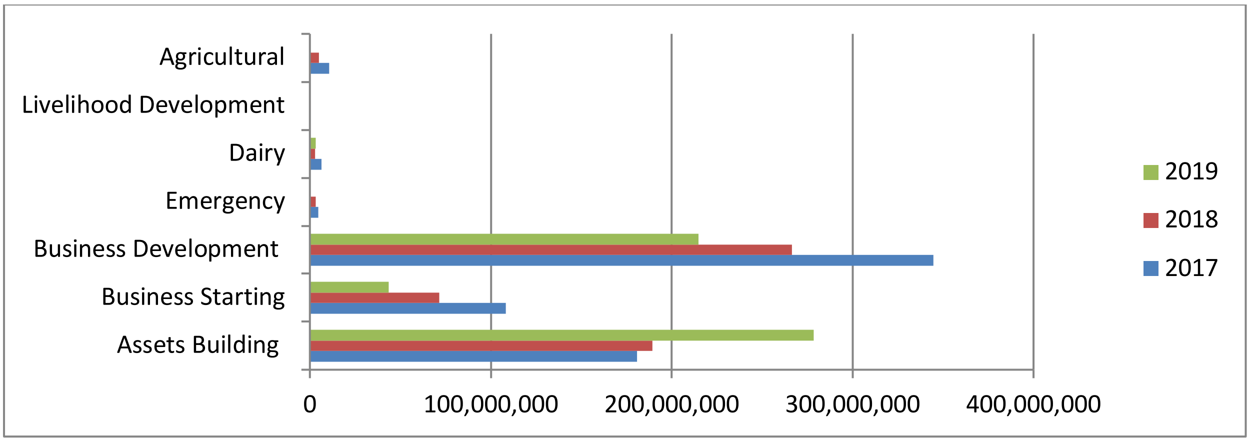
Figure 13: Type of services provide to empower the rural people by BMIC



Source: Progress Report, Berendina Foundation, Regional Office, Anuradhapura, 2019

Figure 14 shows BMIC has disbursed loans since 2017 to 2019. In 2017 company issue many loans to development of businesses it changed in 2019 as issue many loans to assets building.

Figure 14: Loan Disbursement of BMIC

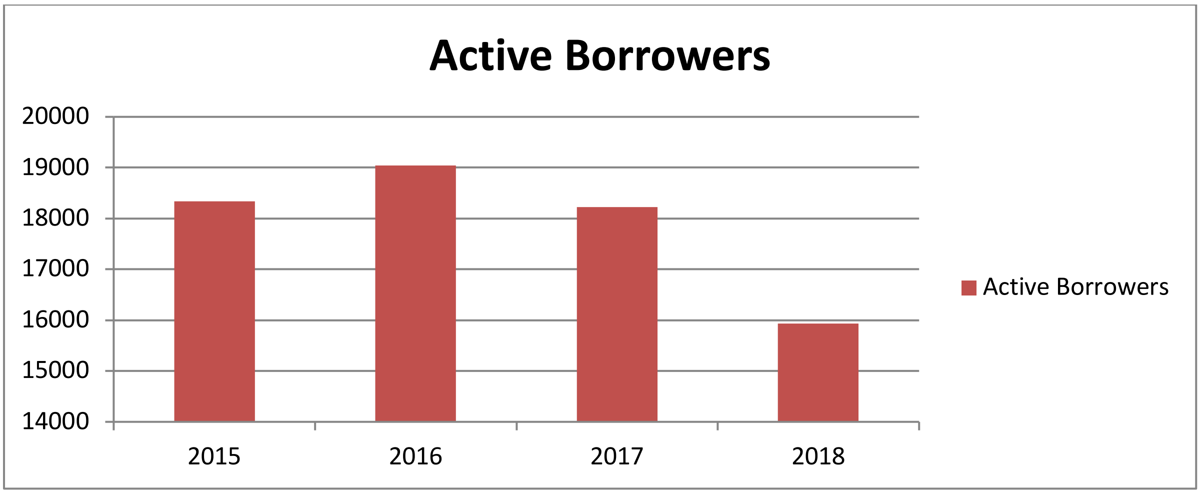


Source: Progress Report, Berendina Foundation, Regional Office, Anuradhapura, 2019

According above figure, in 2017 majority of loan amounts issued for development purpose of the business. When 2019, it was change and majority of clients received loans for assets building purpose.

Figure 15 presents number of active borrowers of BMIC since 2015 to 2018 years. BMIC had to curtail loan disbursement to minimize the negative effects of government program or writing of microfinance loans. As the result of this matter active borrowers also decreased than 2016 year.

Figure 15: Active Borrowers of BMIC



Source: Progress Report, Berendina Foundation, Regional Office, Anuradhapura, 2019

Roles of Microfinance Institutions

According to the findings of the survey data the researcher identified some specific roles of microfinance institution.

- Microfinance institution provides micro credit services to clients to establish new business ventures and support existing businesses to expand and diversify and build up family asset base.
- Enterprise Development Services conduct towards providing technical skills, business management skills, financial literacy and leadership training.
- Institution provides educational support for bright and support to the unemployed youth through the provision of soft and had skill training and supporting to follow additional diplomas.
- Company following Green Microfinance concept by conducting tree planting programmes, environmental awareness programmes and training programmes on health and safety for piggery and poultry enterprises.
- Institution help to decision making process by conducting money management training to enhance clients' understanding on different aspects such as interest rate, family budgeting and saving.

- Institution provides pure water facility.
- Institution arranges necessary background to increase living standards of the poor people.
- According to the above findings the researcher builds summary results of the study as follows.

Summary of the results from hypotheses test

Table 25: Hypotheses Testing Results

No	Hypothesis	Sig.	Decision
H_1	There is a positive impact of microfinance on rural people's micro enterprises in Anuradhapura district.	.000	Supported
H_2	There is a positive impact of microfinance on rural people's education in Anuradhapura district.	.000	Supported
H_3	There is a positive impact of microfinance on rural people's health condition in Anuradhapura district.	.000	Supported
H_4	There is a positive impact of microfinance on rural people's decision making process in Anuradhapura district.	.000	Supported
H_5	There is a positive impact of microfinance on rural people's common welfare in Anuradhapura district.	.000	Supported

Source: Authors determinations based on the survey outputs, 2020

Agreeing to the summary of the results of hypothesis test, the entire hypotheses are significant at 0.01 levels. Therefore all hypotheses are significantly supported for this study. It can be concluded that microfinance positively impact on rural empowerment in Anuradhapura district.

Summary of Findings

Based on the hypotheses tested, the summary of study findings is presented as follows;

1. The study was done by the researcher to examine the impact of microfinance on rural empowerment in Anuradhapura district. When consider about demographic factors crosstab results were show that majority of respondents in both group represented female and it value is more than 50%. Further, a large number of respondents in both participant and non-participant groups is represented in the age limit between 36- 50.
2. Most respondents in the sample were married respondents and most of the respondents passed the Ordinary Level. As well as most of the respondents' occupation was a farmer. Both group average monthly expenditure as Rs10,000 Rs20,000.

3. Reliability test revealed that all the variables were considered as reliable since the Cronbach's Coefficient alpha value of all variable fall between the range of 0.8- 0.9. Hence all the variables positively correlated with one another and reliability was satisfactory.
4. According to the results of the correlation test, microfinance has statistically significant association with micro enterprises, education, health condition, decision making and common welfare. And using linear regression analysis, the researcher explained that microfinance has positive impact on micro enterprises, education, health condition, decision making and common welfare and it revealed that all the hypothesis are significantly supported to the study.
5. Based on the results from statistical data analysis, the results of the correlation test revealed that the microfinance has a statistically significant association with micro-enterprises, education, health condition, decision-making, and common welfare. And the linear regression analysis revealed that the microfinance has a positive impact on micro-enterprises, education, health condition, decision making, and common welfare. Therefore, this study shows that all the hypotheses formulated are significantly supported by the study.

Finally, the emphasis on this study was reiterated that Microfinance is a most influential economic factor to empower the rural community with sustaining their livelihood in the forms of agriculture, self-employment, and other income generation. Further, the findings of the study revealed that microfinance activities were having significant impact on all five dependent variables namely micro enterprises, education, health condition, decision making and common welfare which have been used to measure the impact of rural empowerment in complying with the research / study findings by the researches (Tasos, Ahmed, Awan, & Waqas, 2020; Mecha, 2017; Akhter, & Islam, 2016; . Bhuiya et al., 2015; Goel, 2015; Herath, 2015; Zahid Iqbal, Shahid Iqbal and Mushtaq, 2015; Lavoori & Paramanik, 2014).

Conclusion, Recommendations, and Suggestions for Future Research

Sri Lanka has a long history of microfinance spanning for over several decades. Sri Lanka started microfinance as a key instrument to alleviation of poverty. The government of Sri Lanka a number of NGOs provides financial services to the rural poor through a number of schemes and mechanisms. Despite the long history and the large number of MFIs in Sri Lanka, the real impact of microfinance at households and society is still unclear. The study examined the real impact of microfinance of participant with microfinance NGOs in Anuradhapura district by covered 300 household level surveys compared with another 200 non-participant households from eight divisional secretariat divisions in Anuradhapura district. The study used Statistical Package for Social Sciences (SPSS) to analyze the data and prove impact of microfinance at the household-level. Microcredit is the major component of the microfinance, but other than microcredit there are lot of services are necessary to empower the rural poor people. The study found that there is significantly a greater impact of microfinance among the participants compared with non-participants with microfinance. Mean households' health condition, decision making is higher among the participant group compared with non-participants and the difference is statistically significant. The participant households are better equipped with educational achievement as well. Monitoring of the group activities and providing suitable training is critical to materialize the benefits of microfinance. According to the findings of the study the result of correlation test microfinance has statistically significant association with micro-enterprises, education, health condition, decision making and common welfare of the rural people who are engaged with microfinance NGOs. And using linear regression analysis the researcher investigated that microfinance has significant relationship with micro-enterprises, education, health condition, decision making and common welfare of the rural people in Anuradhapura district and it reveal that all the hypothesis are significantly supported to the study. The independent sample t-test identified that there is significant difference between participant groups and non-participant groups with microfinance services and it explained that microfinance favourably impact on participant group with microfinance NGOs. According to the gathered data from the Berendina Micro Investment Company Ltd, the researcher explained that what the things are done by them to empower the rural people by year wise. Finally, the study summarized that microfinance positively and significantly impacts on rural empowerment.

When conducting the survey, the researcher can be clear that some time small loan amount is not enough to satisfy relevant needs and wants to their client. Therefore, the researcher recommended that microfinance NGO s must increase this credit amount. According to the gathered data from the survey the researcher recommends that to improve educational opportunities, social services, home finance skills, new technologies, entrepreneurial skills, training programs and ne job opportunities. Because the participants with MF believe that have been any improvement after getting their services and they hope to get more and more benefits by continually joint with particular institutions. And also, social and political awareness of the rural people must be raised because; those are the major factors which involve improving rural empowerment in current situation. According to the gathered data from the survey the researcher recommends that support to improve the conventional industry of that particular area. Because some rural people contract with their traditional industry and they don't satisfy to select another career rather than their own habitual industry.

In Anuradhapura district majority of families' occupation is agriculture. Therefore, provide knowledge about organic cultivation and encourage organic fertilizer can be improved to people's health condition. As well as encourage gardening and afford pure drinking water facilities must be done. Because in Anuradhapura district most people suffering from kidney problems. The researcher recommended that provide individual huge loans (about rs.500,000) to their client because, client facing various issue by getting group loans with another party and small loan amount not enough to pay other creditors also. And also reduce interest rate and extend the loan repayment period. Finally, findings of the study explained that provide facility to deposit money with higher interest rate in particular microfinance NGO.

The researcher was found some limitations when conducting the research as presented through the limitations of the study section in the first chapter. Therefore, the researcher proposed some recommendations for future researchers who are interests in this area, for the purpose of making some improvement as follows. First, the researcher gathered data only from one microfinance NGO. Therefore, the results of the study may not reflex truly for the overall microfinance NGO s in Anuradhapura district. Hence the future researchers who are interested with this area suggested that to include all type of microfinance institutions in particular area. Another one, the survey was limited to 300 respondents who are really engaged with microfinance NGOs because of time constraint. Therefore, future researchers should increase the number of participants with microfinance that could improve the quality of the research. In addition, there are many determinants that effect to rural empowerment. But this study investigates about five dimensions such as, micro enterprises, education, health condition, decision making and common welfare. Therefore, strongly recommended that, the future researchers have to add more dependent variables.

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