

CHAPTER I

INTRODUCTION

1.1 Background of the study

Microfinance is a tool to enable poor to start their own business to survive in the society, lift out themselves from poverty, and save something to fulfill their basic needs. The provision of microfinance products enables poor people to set up income generating activities that ultimately provide them with income for their domestic consumption. Therefore, the intervention through micro finance has a substantial positive impact on their lives of the society in general and the poor people in particular. “Microfinance refers to an array of financial services, including loans, savings, and insurance, available to poor entrepreneurs and small business owners who have no collateral and wouldn't otherwise qualify for a standard bank loan” (CSD, 2000).

Microfinance is a hot topic in the present development debates and is defined as “provision of financial services to the underprivileged class of the world”. In developing countries the major reason of poverty is the lack to the access to credit in both rural and urban slums .High interest rates charged by the local money lenders and the formal proceedings majorly leave the poor class with no credit in rural and sub- urban areas respectively. Apart from credit accessibility there are various other social services offered by the microfinance institutions which help their members combating poverty and several other related adversities of their lives. Facilities of micro credits, micro savings, micro insurance, trainings and micro remittances help individuals to break the Vicious circle of poverty and services such as investment in health and education smooth out the progress of social development. (Daley-Harris, 2006).

Microfinance is a broad term for financial services for people with low income, or who they do not have access to traditional banking services. Microfinance is the realization that people with the low income they can escape poverty if they have access to financial services. Second Canadian International Development Agency (CIDA), "Microfinance is a distribution of a wide range of financial services for the poor Family, poor microenterprises, who usually do not have access to formal financial institutions. The term micro credit and micro finance belong to the

continuation of small loans to entrepreneurs too poor to get traditional bank loans. Especially in developing countries, microcredit makes it poor for self-employment projects that generate income, allowing them to improve the quality of life for themselves and their families (Khan & Rahaman, 2007).

Microfinance provides access to low-income financial and non-financial services access to money to start or develop their income generating activities. Individual loans and savings for the poor Small customers. Microfinance has been noted with satisfaction that some micro-entrepreneurs and poor people it can be "repaid", that is, how can you pay the loan and interest on time, and also make savings; Services are designed to meet your needs. Microfinance has created financial products and services, with low-income people to be customers of the bank (Khan & Rahaman, 2007).

Microfinance Revolution is basically a way to help the poor in society. Microfinance has brought hope to the poor, not only runs programs to reduce poverty, but also provides other services for the poor in terms of savings and insurance. Through microfinance can help poor people, so they can help themselves and get rid of poverty without spending too much money. The worldwide success of this vision calls for repeating the model in other areas of the social enterprise. The answer to microcredit was no less extreme, new lenders, poor myopia investors. The evidence leads to a much slimmer conclusion that financial innovation is access to credit for some families, which can start a new business is given. Help others save or delight surprises. However, not everyone is a natural businessman and has poorer barriers to build up (time of inconsistency, endogenous discouragement). Microfinance is a great innovation, should be supported, and we must continue to develop new projects to improve financial access. However, it is not possible to replace antediluvian methods to help the poor (Esther, 2011).

The process of disbursed loans or credit to the poor peoples was a constraint with the lack of tangible collateral. Thus the emergence of microfinance revolutionizes the process of issuing loans to the very poor people by coming up with the pro poor model of group lending. The group lending in the form of joint liability lending emerged as an innovation that made lending to the poor possible because the poor people can be lent without having tangible collateral rather the group stand as a

guarantor in accessing credit from financial services institution. Therefore, this innovation brings poor people together in the entire process of accessing credit from financial institutions. In this innovation, there is a feature which makes lending to the poor possible. Few of those feature includes peer monitoring among group members were by this reduce cost of transaction and monitoring by the formal financial services since the group members are responsible to ensure full responsibilities in repaying the credit. Also, this innovation minimizes the problems of adverse selection since the participants are well informed about the capacity of every group member in repaying the loan (Kelvin, 2015).

The feature that necessitated the frequent by weekly meetings of group member's in collecting money stimulate reimbursement since members put pressure on their fellow group members who often lag behind in credit reimbursement. The success of a joint liability model brought several changes to the financial market system. Currently, the informal financial markets employ this model in extending and scaling up the outreach for the poor. However, in formal financial markets group lending is hardly accepted, and this imposes obstacle for the poor to access loan from formal financial markets. Grameen bank model has changed the rules of the game and it had shown that the poor people are bankable unlike in the conventional banking practice, in the process; Professor Yunus brought policy changes at the national level, so he helped in the development process of reaching the remote poor people.

In the book *Microfinance Handbook "Sustainable Banking with the poor "*Joanna Leader Wood declines microfinance as the provision of the financial services to low-income clients including saving and credit . Some microfinance organizations also provide insurance and payment services. The concept micro finance institutions (MFI's) is used as a common concept of all the institutions providing financial services to the low-income people such as credit union, non-government organizations (NGOs) and commercial banks.

The definition of microfinance often includes both financial intermediation and social intermediation. Thus microfinance is not simply banking. "It is a development tool focused towards the socio-economic uplift of the poor.

1.2. Statement of the problems and research questions

Microfinance in Nepal is a recent phenomenon and the poor households in the country remain with limited access to formal financial services. Despite the recent progress in the poverty reduction, 25.2%(google.com) of the population still living under poverty line which requires various types of measures including access to financial resources. In this connection, improving the operational performance of the existing Microfinance institutions and upgrading the scale of outreach requires due attention and policy intervention to reduce the prevalence of poverty in the country. There has been a couple of incidents whereby microfinance institutions failed to be sustainable and bankrupted in the country that invited a study to be conducted on how should the credit market operate and microfinance institutions be organized so that they can effectively discharge their development agenda. Besides the shortage of loanable funds, how efficiently Micro finance institutions use the available financial resource and how they can raise more funds remains a critical question in the Nepalese microfinance industry. This study attempts to answer the following research questions.

1. How the microfinance services contribute on the social impact (women empowerment, health and education) of microfinance members?
2. What is the relationship between microfinance services and economic impact (such as income, assets, and employment) microfinance members?

1.3 Purpose of the study

The main purpose of this study is to examine the roles of micro finance in effect of MF program in Ghorahi sub municipality districts and other objectives are explained follows.

1. To examine whether or not microfinance services contribute on the social impact such as women empowerment, health and education.
2. To analyze the relationship between microfinance services and economic impact (such as income, assets and employment) of microfinance members.

1.4 Significance of the study

This study mainly concerned with the analysis of the Effect of MF program in social and economic empowerment of women. Therefore it is significant to find out the level of standard of living and enhance the entrepreneurship development. Therefore it is significant to find out the level of Nepalese microfinance have providing to improve the economic and as well as social status of Nepalese people. It is also significant to find out whether microfinance have invested in targeted groups of people or invested in deprive sectors or not. Lastly it is also provides to literature to the scholars and new researchers who want to do further research in this field.

The study involves the effective management of micro finance projects. As the present rural credit behavior in Nepal is highly unorganized in case of small micro-finance projects, therefore performance of existing organization need to be assessed while extending the service of micro finance projects. The significance of the study lies on that, it will try to explore the roles and service of micro financing project for small farmers, entrepreneur and household as well.

1.5 Limitations of the study

There are different models of micro finance program in Nepal. The study limited to the study of Microfinance institutions. Following are the limitation of the present study:

1. The overview of the study has taken into consideration of some of Microfinance Institutions so the study might not cover the whole microfinance institutions.
2. This study only focus on five variables of micro finance services (Micro credit, micro saving, micro insurance payment and re-payment, training and development) other remaining services are not focus of the study.
3. The study is based on the opinion expressed by microfinance clients; the reliability of the study depends upon the answer given by them.
4. Study is based on the sampling method which can only study women members where 120 members are studied.

5. The study focus to access the effect of microfinance program carried out for only social and economic impact other aspects such as political aspect and legal aspect are negated.

1.6 Chapter plan

The study is divided into five chapters.

Chapter I: Introduction

This chapter explains background of the study, statement of the problem, objective of the study significance of the study, research hypothesis and limitation of the study.

Chapter II: Review of literature

This chapter includes review of literature which incorporates the theoretical review, the review of previous studies, conceptual framework and research gap.

Chapter III: Research Methodology

This chapter includes research design, justification for the selection of the unit, population and sample size, Nature and sources of data, data collection procedures, data processing and Analysis tools.

Chapter IV: Data presentation and analysis

In this chapter the presentation and analysis of relevant data and applying various statistical tools, Tables and graphs are also interpreted to accomplish the objective of the study. This chapter also includes data presentations, data analysis and major findings of the study.

Chapter V: Conclusion

This is the final chapter which deals with summary, conclusion and implications, reference and appendices that also be attached at the end of the study.

CHAPTER II

LITERATURE REVIEW

2.1 Conceptual Review

The concept of Microfinance is based on economic development strategy that aims at poverty reduction by providing financial services to the poor, low income earners households and micro-entrepreneurs that are deprived of getting the same services from the formal financial market. These services include savings, credit, insurance and other development services like health, education, human empowerment, skills, training and environmental protection (Barry, 1995).

Studies have affirmed that the development of financial sector will go a long way to contribute to economic growth and development. Suffice to say that the development of viral and efficient financial instrument like microfinance to fund micro and small enterprises will generate more employment, improve the standard of living, health, education, savings and serve as a formidable measure to reduce poverty (Green, Kirkpatrick, & Murinde, 2006). Also, in his study of the impact of microfinance on rural Area in Pakistan, Comim (2007) affirms that Microfinance can serve as a strong tool to increase the income of the poor and education of his household. He concludes that income generated from the credit of microfinance will reduce poverty and increase both economic and social well beings.

Micro finance services affect the Social and economic status on women empowerment.

(i) Microcredit

Weber (2006) describes microcredit programs as “the provision of small loans to individuals, usually within groups, as capital investment to enable income generation through self-employment”. Weber added that the poor’s businesses were seen as a symbol of unmet demand for credit and on the other hand poverty was thought to be the result of market failure:...Market imperfections, asymmetric information and the high fixed costs of small-scale lending, limited the access of the poor to formal finance, thus pushing the poor to the informal financial sector or to the extreme case of financial exclusion. Credits are also claimed to create economic power that would

generate into social power, lifting the poor out of poverty (Yunus, 1999). Moreover it is also argued that microcredit enhances human capital regardless of poverty level because expenditures on education and health care are increased, “which may then extend to poor individuals through intra-household and inter-generational effects” (Mosley and Rock, 2004).

(ii) Micro saving

While credit has been the traditional focus of microfinance institutions (MFIs) and donors, the importance of micro-savings programs for the poor is gaining recognition within the microfinance literature. Traditional savings schemes – Rotating Savings and Credit Associations (ROSCAs), Accumulating Savings and Credit Associations (ASCAs), deposit collectors, cash hidden in the home – have been granularly explored by development practitioners (Rutherford, 1999; Gugerty, 2003). Defining micro-saving for the purpose of measuring stocks, flows, and effects/impact is challenging. There are several possible approaches depending on whether one focuses on the people saving, the amounts saved, or the institutions in which the saving takes place.

Thus, micro-savings can be thought of as savings made by low-income or poor people, or as small amounts of savings (the challenge here is to provide a threshold for saving deposits or balances that would distinguish between micro and non-micro savings), or as savings held at institutions that specialize in micro-savings. However, from the perspective of most poor savers, micro-savings can consist of a large variety of informal, semi-formal and formal practices and defined micro-savings as the mobilization of savings through deposit services run by microfinance institutions (MFIs) (Daley-Harris, 2002).

Diop et al. (2007), posits that there has been a transition toward expanded microfinance, and savings services are seen as a means of securing savings and of encouraging the poorest to save more and more systematically. Morduch (2007) argues; “with savings, households can build up assets to use as collateral, smooth seasonal consumption needs, self-insure against major shocks, and self-finance investments”.

(iii) Micro Insurance

Micro-insurance is the provision of insurance to low-income households, including insurance for life, health, property, disability, and agriculture (crop) that is involving a risk-pooling element, which allows large groups of insured entities to share the losses resulting from the occurrence of an uncommon event. This risk-pooling function makes insurance more complicated than savings, credit, or payment services. Poor families are especially vulnerable to risk, both in the form of natural disasters, and more regular incidences of accidents and illness.

Since micro-insurance sector is relatively new, to date, a growing number of impact assessments have been conducted or are still underway regarding the effects of micro-insurance on the welfare of low-income individuals. Thus, understanding the effects of micro-insurance is not only important for development driven players but also market oriented actors, like insurance companies. It helps design better products, gain a competitive edge, and thus stimulate the market in the long term. However, because the field of micro-insurance is still new, it is not clear where to look for the impact. However, its knowledge is still patchy but certain key insights are emerging (Khalily, 2004).

Therefore, known collectively as micro-insurance, these new financial products seek to help the poor by reducing their vulnerability to unexpected shocks like illness or death. Khaliy, in his survey of income shocks suffered by individuals covered by the Ethiopian Rural Household Survey between 1999 and 2004, estimates that “if these shocks had been insured and smoothed, poverty would have been lower by about a third” (Khaliy, 2006). However, whether and how they actually do help the poor, however, is up for debate.

(iv) Payment and re-payment services

The operation of Microfinance can only thrive if the repayment schedule is met promptly by the customers .Empirical studies have shown that loan repayment is determined by the quality of the beneficiaries and other factors like education, distance of the lender to the customer's business, amount of loan, duration of the loan, gender and sanction threat to the borrowers (Qudrat-I Elahi & Rahman, 2006).

(v) Training and business development

Microfinance associations are often a principal source of training for their members and play an essential role in building the management capacity of microfinance institutions (MFIs). As member-based organizations, they exist to respond to the demands of their members and to strengthen the microfinance industry in their respective countries. However, many associations make the mistake of rushing to develop training programs without dedicating sufficient time to planning, resource assessment, and overall program design. This technical note provides guidance in how to develop training programs. It begins with an overview of training models, examining the pros and cons of each, along with detailed case studies of the experience of several associations. It then lays out the strategy development process that enables associations to create training programs with greater effectiveness and long-term sustainability (Sanyal, 2009).

2.2 Theoretical Review

Microfinance institutions must concern themselves with more than their ability to reach institutional self-sufficiency. The ability to reach and to demonstrate a positive impact on the poorest is now becoming a core principal in poverty-focused financial institutions. The 1999 Microfinance Summit Meeting of Council set out a hard-hitting agenda, with key note papers calling on MFIs to meet the challenge of targeting and reaching. This chapter deals with the various theories and findings from previous literatures and intended to provide theoretical basis for the research. There is a further renewed interest on microfinance institutions because micro-credit is thought to be an instrument for reducing poverty (Ledgerwood, 2002). However, counter arguments are also found from the literatures that micro-credit provided by microfinance institutions does not necessarily guarantee the reduction of poverty. Although the innovation in MFIs have made loans more available to poor people, still there is some debate in the design of appropriate financial services for the poorest [Morduch, 1998].

Microfinance credit for micro-enterprises, group lending practices and the pursuit of financial sustainability of microfinance institutions are among the best practices (innovative activities) of micro finance (Yunus, 1999). But, all these practices are not necessarily effective in reducing extreme poverty. According to Hulme and Mosley,

credit is only one factor in the generation of income or output. There are other complementary factors, crucial for making credit more productive. Among them, the most important is recipient's entrepreneurial skills (Mosley, 1998). Wolday Amaha, (2007) also point to this factor that most poor people do not have the basic education or experience to understand and manage even low level business activities. They are mostly risk-averse, often fearful of losing whatever little they have, and struggling to survive. For that, microfinance institutions service should incorporate the provision of enabling skills through training and capacity building programs (Wolday, 2007).

Furthermore, borrowers who already have asset and skill are able to make use of credit. The poorest are less able to take risk or use credit to increase their income. Some poorest borrowers become worse off as a result of micro-enterprise credit because credit exposes those vulnerable people to high risks. For poor people business failure is likely to provoke livelihood crises than for borrowers with more secure asset base (Mosley, 1998).

On the other hand, opposite arguments are also raised on group lending practice that said group lending for income generating projects may not be appropriate as a strategy to reduce extreme poverty. Some evidences (Osamani, 1989; Montgomery, 1996) show that self-selected group for peer monitoring have not been inclusive of the poorest people. People select those with whom they want to form a group on the basis of their own knowledge of the likelihood that these people will make timely payment of loan and saving installments. This might lead to the exclusion of the poorest people (Osamani, 1989; Montgomery, 1996). Contrary to this view, many also argue that group lending is a useful innovation whereby the poor, having no physical collateral can access credit through this system.

The impact of microfinance on poverty alleviation has recently gained a prominent position on the microfinance agenda. Donors, practitioners, and academics are realizing that microfinance the poorest and to develop systems for measuring their impact on their clients (Zohir & Imran, 2004).

Microfinance is an instrument that, under the right conditions, fits the needs of a broad range of the population—including the poorest—those in the bottom half of people living below the poverty line. While there will be people in this group who

will not be suited for microfinance because of mental illness, etc., the exclusion of this small percentage of the population will likely not be a limiting operational issue for MFIs.

The poorest can benefit from microfinance from both an economic and social well-being point-of-view, and that this can be done without jeopardizing the financial sustainability of the MFI. If microfinance is to be used, specific targeting of the poorest will be necessary. Without this, MFIs are unlikely to create programs suitable for and focused on that group (Zohir & Imran, 2004).

The impact of growth on poverty reduction varies both by nation and across regions and households within countries. Rural sector growth (both from the farm and non-farm sectors) on poverty reduction depends upon initial conditions, such as the distribution of assets, access to social and physical goods and services, and geographic factors (Akram & Hussain, 2011). Consequently, growth alone is not sufficient to successfully attack the high rates of rural poverty; strategies that redress the weak initial conditions facing many poor households are critical. Raising agricultural productivity, especially for smallholders, and expanding infrastructure and social spending in poor rural areas, can help to overcome weak initial conditions and improve the likelihood of pro-poor growth (Akram & Hussain, 2011). Thus, designing interventions to promote pro-poor growth in rural areas.

2.3 Review of Research journal articles

At a UN Summit on social development, 'the Copenhagen Declaration' 1995, poverty was described as a condition characterized by severe deprivation of basic human needs including food, safe drinking water, sanitation facilities, health, shelter, education and information. To the (World Bank, 2002), a person is said to be poor when his or her consumption level falls below the poverty line of \$1 per day. (Narayan et al., 2013) identified poverty as being complex and interwoven, including a material lack and need for shelter, assets, money and often characterized by hunger, pain, discomfort, exhaustion, social exclusion, vulnerability, powerlessness and low-esteem. To rural people, poverty means lack of food, insecurity, infertility and inability to participate in social activities. Urban dwellers see poverty as lack of employment, inadequate social services, lack of capital as well as lack of training

skills, (Fernando, 2006). According to Sarkar (2001), Professor Muhammad Yunus observed that conventional banking practices had in-built constraints and were aimed only at those who were already well off. In this context, Professor Yunus contemplated an alternative institutional framework that could be used to raise the wellbeing of impoverished sections of society. This review of literature tests the effectiveness of microfinance programs in the hypothesis that, if financial resources were made available to the poor at reasonable terms and conditions, the poor could generate productive employment without external assistance.

Poverty is a multi-dimensional problem and hence needs multifaceted Intervention. Breaking the vicious circle of poverty demands. Recent reports by (State of Micro credit Summit Campaign, 2009) reveals that in the year, 2011, more than 150 million of the world's poorest families received a micro loan and achievement of this goal touches the lives of an estimated half a billion. When the United Nations designated 2005 as the International Year of Microcredit, heated controversies, whether should it be year of microfinance or microcredit, among supporters of poverty and sustainability camps reached high stage and this year can be considered as a land mark for the MF division (Morduch, 2005). It is in human and unfair to see a world where a few hundred million people enjoy access to all the resources of the planet, while over billions struggle to survive. Yunus cites one study that concluded in the year 2000, "the 1 percent richest persons owned 40 percent of the world's assets, and the richest 10 percent owned 85 percent of the world's resources (Yunus, 2007).

Microfinance would correct the market failure, providing access to credit to the poor. Credit would create economic power that would generate into social power, lifting the poor out of poverty (Yunus, 1999). In 2008 it was estimated that there were 2,420 microfinance institutions (MFIs), representing 99 million borrowers in 117 countries. Many of these programs did not require collateral, reported loan repayment rates above 95 percent, and reached poor individuals who had formerly been difficult to reach. As Kabeer (2005) describe: Microfinance performs a conjuring-trick: it achieves higher rates of loan repayment than conventional banking, without having access to the collateral which conventional banks employ to protect their loan portfolio. It performs this trick through constructing social relationships, which substitute for collateral by putting pressure on the borrower to repay loans. These

relationships may be either group-based (in which case peer pressure within the group is an important element in pressure to repay) or individual-based, in which case the pressure comes from loan officers and in some cases mentors and others within the client's community.

Microfinance appeared as a fresh solution to an old problem. It appeared to be a “win-win” situation, where both financial institutions and poor clients profit. The “win-win” appearance of microfinance created unparalleled excitement in the world of economic development.

Microfinance – provision of formal financial services for the poor – helps people fight poverty on their own terms, in a sustainable way. Poor people use loans, deposits, and other financial services to reduce their vulnerability, seize opportunities, and increase their earnings. Indirectly, microfinance improves schooling, health, and women's empowerment. In most settings, however, microfinance does not reach the people at the very bottom of the socioeconomic scale—the “poorest” (Hashemi, 2006). Arguably, there is a need for “social safety nets” to take care of the consumption needs of the poorest and the destitute before they could be provided microfinance. Hashemi (2006) provides a few good case studies that suggest ways in which links can be established between safety net programs and microfinance programs and show how appropriate sequencing of support can produce good results for the poorest.

Starting with grants to meet immediate consumption needs and build “micro-assets,” these programs then provide skills training, business management training, savings services, and sometimes small credit to prepare clients for running microenterprises. Those who successfully move forward in this sequencing are likely to be ready to graduate to become microfinance clients. In the context of Islamic societies, a similar framework integrating *zakah* and *awqaf* with “for-profit” Shariah-compliant microfinance needs to be developed. Though traditionally these two institutions have been used as instruments of poverty alleviation and economic empowerment, their potential is vastly untapped (Kahf, 1999).

RMDC (2008), RMDC has also initiated an impact study of microfinance program on the socioeconomic dimensions of the clients of its partner organizations in order to see whether the objective of improving socio-economic conditions of the ultimate

clients has been attained or is being attained. The study has focused on impacts of microfinance services on (i) loan transactions from various sources, (ii) income-source-wise investment, income and savings, (iii) living and non-living assets, (iv) food self-sufficiency and nutritious food consumption, (v) clothing and housing type, (vi) health care measures and education of children, and (vii) participation in social and political events, and empowerment of women.

According to Sharma (2007), 'The journal of Nepalese Business Studies' there is different important approaches to women from microfinance. They are:

1. Women's involvement in decision-making will be improved and affects their lives and their future.
2. Self-confidence for women will increase.
3. Women's' participation in income generating activities is assumed to strengthen women's bargaining position.
4. It will help women to earn independent and contributes the household economy and social and political participation.
5. Women are more likely than man to invest increased income in the household and family well-being.
6. Microfinance program seems to be highly effective in uplifting the women's economic and social condition.
7. It will help to reduce domestic violence and family relationships appeared to have improved.

2.4 Review of previous theses.

Gharana (2001), conducted a research entitled "Microcredit for Women Poverty Reduction: A case study of the Ghaukhel VDC, Bhaktapur". The main objective of the study was to identify the role of women in microcredit program. He concluded the study on microcredit program for women on beneficiaries earning, living standard, social impacts in terms of child education, family planning, sanitation and other social reforms are positive in Ghaukhel VDC. The program empowers women as self-confidence, as well as increase in literacy and increase their skill to do their own interested income generating activities.

Soti, B. (2002), in his thesis, he concluded that the involvement in MCPW program has empowered women in varying degree. The program has offered various opportunities for poor women to open to extra outdoor activities apart from household limits. Extra outdoor activities means that they are organize themselves in groups and work in productive and social activities. The program focused on group activities and income generation has helped to enhance the self-confidence and increased right to spend.

Lamsal (2005), has done research work on "Impact of Microfinance Program for Women's Poverty Reduction: A case study of Chartare Youth Club Baglung District" The whole impact of microfinance program is to be associated in multi-dimensional ways. Although the impact of the microfinance program in the field of income generation and living standard is positive, but not satisfactory.

Dhakal (2010), topic of this thesis was" Impact of microfinance program of selected microfinance institutions for poverty reduction" .she concluded this thesis with finding that significant positive impact on the field of income level saving and entrepreneurship talent in poverty reduction .

Finally, she concluded that microfinance program helps to women's participation. Where they can invest and make expenses their income independently as their desire also.

Bhandari (2010) conducted thesis on socio-economic impact of microfinance for women and has summarized the positive correlation between investment and changes in income level of the participants shows that the capability of the entrepreneurs for the repayment of the loan in due time is good. Saving on the basis of the investment is found to be highly effective aspect of the program upon which training and income generating activities is based.

Micro finance leads to social and economic change in the borrowers after the participations in the programs. Increasing income among borrowers results increase in food sufficiency, consumption of nutrient food, good caring of children health, health awarded and prevention measure of health, good education of the children repair and maintained of home.

Shakya (2016) conducted thesis of International Business on Microfinance and Women Empowerment and has summarized the positive impact of microfinance in empowering women. He has concluded that with microcredit programs, women living in village have become self-confident and are encouraged to take up leadership positions in their families. These programs have helped women in creating decision making opportunities inside their household matters. Moreover, women are economically and socially empowered after joining the microfinance program. Shakya has further observed that women start business by taking micro loan from MFPs with the loan, they are not only able to increase their income but also enhance their financial and social life.

2.5 Conceptual framework

Poverty is a multidimensional trend which covers an individual's economic and social Capabilities. Eradicating poverty is a difficult task for both United Nation Organizations (UNO) and World Bank (WB). The process of poverty alleviation requires a coordinated effort for purpose of empowering people economically as well as socially, so that the human capital can be made more productive (World Bank, 2006). Poverty is considered as the divest of general wellbeing of individuals. Low income level, poor health conditions, meager access to education facilities, insufficient capacity and lack of security, less facilities to improve one's life and lack in freedom of speech encompasses poverty (World Bank, 2010). So poverty is not just an economic issue it is related to many other things which affects the social wellbeing of communities. Microfinance institutions work as poverty eliminating tools but on the double bottom line approach which means they have two objectives financial and social (Christen et al, 2004).

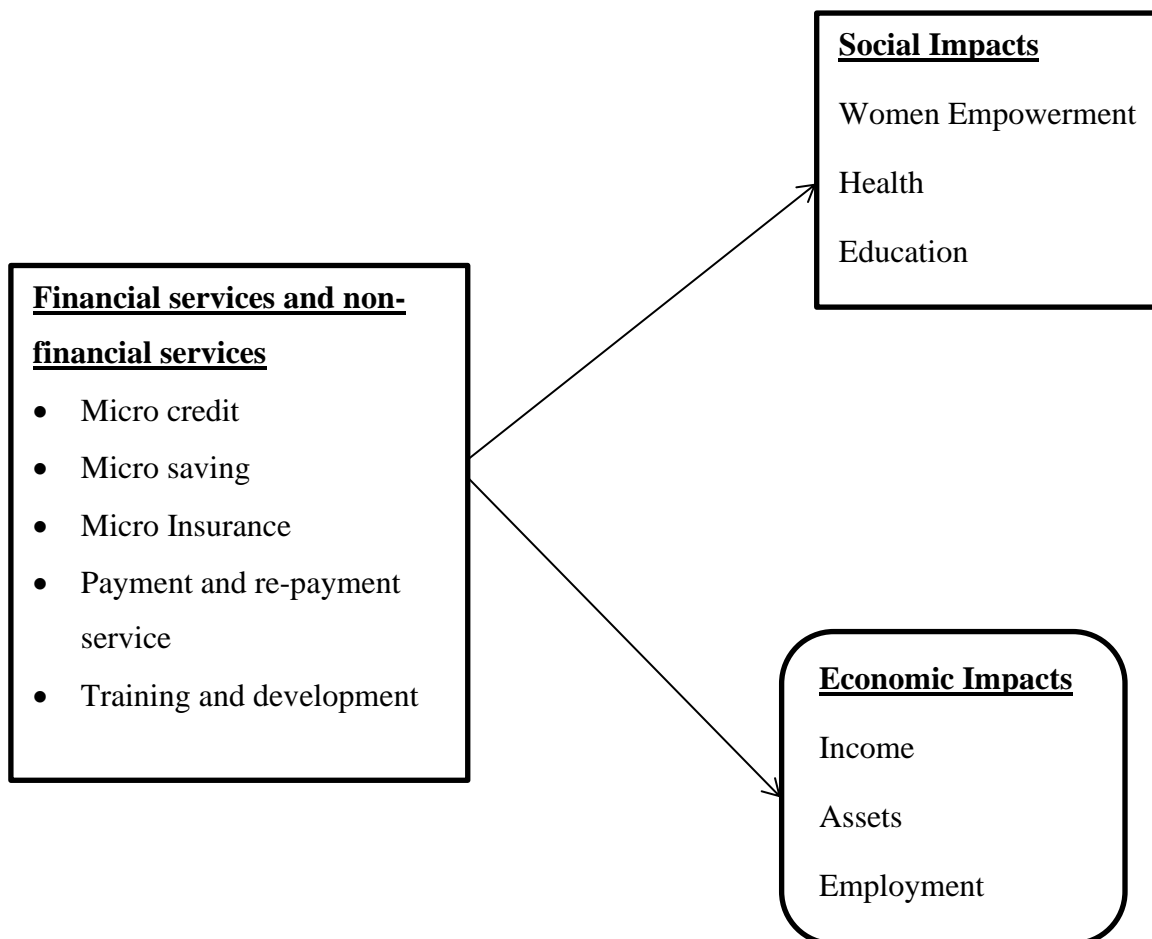
First, the financial services are the driving force of the socioeconomic development of poor people and poverty reduction. The financial services of microfinance are generally known as the credit and saving, insurance, payment and repayment services (Ledgerwood, 1999).

Second, the nonfinancial services such as enterprises development trainings are important factors to effectively use the financial services and advance the clients' wellbeing and their businesses' performance thus embedded financial services with

entrepreneurial and business development training are inevitable for creating successful entrepreneurs. Ledgerwood (1999) argues that microfinance is not a simple lender; it is also a development tool of human skills and capabilities. There are different types of business development and entrepreneurial training. However, this research traces the suggested trainings of Wright (1999), which include a) business strategy training, b) plan training, c) marketing training, d) finance training, e) project management, f) time management, g) leadership, h) motivation, i) delegation, j) communication, k) negotiation.

The experimental project by Professor Muhammad Yunus, the 2006 Nobel Peace Prize laureate, revolutionized lending to the poor and demonstrated the self-sustainability of microfinance business. Through the Grameen Bank (GB) project, he demonstrated that microfinance lenders could ensure higher repayment rates and returns even in the absence of collateral, particularly capitalizing on social networks, concepts of group liability and compulsory savings by borrowers (Yunus, 1999).

As an approach to development, the Grameen microcredit model is thought to be bottom-up, fulfilling the credit requirements of the marginalized people who, otherwise ignored by the traditional banks, would engage in micro-entrepreneurial activities. This, in turn, would contribute to increase their production, income and consumption, and make a positive impact on the overall socio-economic development of the country by reducing poverty and bringing entrepreneurial development (Armendáriz & Morduch, 2005).

Independent Variables**Dependent variable****Figure 2.5 conceptual framework****2.6 Research gap**

Basically, the above literature review that is conceptual review, review of journal and article, and review of previous thesis are done in poverty alleviation through credit and saving, health and insurance services and so on. Microfinance – provision of formal financial services for the poor – helps people fight poverty on their own terms, in a sustainable way. Poor people use loans, deposits, and other financial services to reduce their vulnerability, seize opportunities, and increase their earnings. Indirectly, microfinance improves schooling, health, and women’s empowerment. In most settings, however, microfinance does not reach the people at the very bottom of the socioeconomic scale—the “poorest.

Similarly, in this research the major two factors have a vital role in effect of microfinance program in social and economic empowerment of women. The two

factors are financial services and non-financial services that can be coincide with social factors and economic factors. The financial services such as micro credit, micro saving, insurance, payment and repayment of loan services, Whereas the non-financial services has only one factor that is training and business development.

This research has two dimensions on impact of MF program on women empowerment. Basically, the research tries to find out social impact and economic impact on microfinance member of Ghorahi sub municipality.

CHAPTER III

METHODOLOGY

Introduction

Research methodology has followed to achieve the objective of this research paper. The research methodology includes research design, population and sample, sources of data, data collection, and processing procedure and data analysis tools and techniques.

The research methodology is the way to solve the research problem in order to make any type of research systematically, which fulfills the objective of the study. This study can be based on the descriptive and Causal study in order to achieve the objective of the study. The relevant and needed data can be collected through journals, newspaper, periodicals, bulletins, magazine's, published and unpublished reports from various sectors. similarly, the primary data can be collected through sample survey, questionnaire, observation, direct interview as well.

3.1 Research design

To conduct the research and realize the above mentioned objectives this research adopted descriptive and Causal research design. In this study, the approach can employed to established how variables such as micro credit, micro saving, micro insurance , payment and repayment of loan services and training and business development has relation on social impact (such as women empowerment, health, education) and economic impact (such as income, assets , employment).

3.2 Population and sample

This study has carried out the study of effect of MF program in social and economic empowerment of women in Ghorahi sub municipality of ward no. 15. The people who are member of different micro finance in Ghorahi sub municipality of ward no.15 is a total population of the study. Where the members are around 1200 member, thus researcher takes 10% sample size of 120 members represents the population. Out of the population 120 members has been selected conveniently all together from the different microfinance.

3.3 Sources of data

The study is based on primary data. Primary data is used as a convenience sample survey through questionnaires of 120 members of microfinance in Ghorahi sub municipality. The questionnaire has been structured in two sections. Section one is concern with micro finance services with yes/no question and section two focused on about social and economic impact with likert questionnaire. It also tries to find out the level of financial knowledge of respondents. The questionnaire has included both Likert scale questions and Yes/No questions.

3.4 Data collection procedure

In order to achieve the real results of the research primary data can be collected from different reasonable sources. The primary sources of data can be questionnaire, field visit, and interaction with the different respondents that is directly related to the micro finance program.

3.5 Data processing procedure

The collected data can be edited, coded, classified and tabulated in accepted from Microsoft Excel. The processed data exhibit an appropriate situation of the performance related activities under micro finance program.

3.6 Data analysis tools and technique

This study is based on both descriptive and causal approach. Statistical analysis tools also are used. The following techniques have also been followed in analyzing the data:

- ❖ Collection of relevant information
- ❖ Classification and tabulation of data
- ❖ Analyze and interpret the date various statistical tools can be used;
- ❖ Identification of data suited to fulfill purpose of the study;
- ❖ Derived conclusion based on analyzed data.

3.7 Statistical tools

In this research the following statistical tools are used to find the objective of the research. The statistical tools are mean, standard deviation, correlation coefficient and regression analysis is used to analyze of research whereas table and graphs are also used to representation of analysis.

SPSS software application has been used for interpreting data.

I Mean

The average measures condense a huge unwieldy data into a single value which represents the entire data. Since an average represents the entire data, its value lies between the two extreme observations, i.e. the largest and the smallest items in case of this paper i.e income specifically represents. Hence Average represents the central value among large data. Average represents whole data in equal distribution although it is not actual value. Thus mean is calculated by the given formula.

$$\bar{X} = \frac{\sum fx}{f}$$

Where \bar{X} = mean, f = frequency, $\sum fx$ = sum of the multiplication of frequency and no. of observation.

II Standard Deviation

The standard Deviation is powerful and useful measuring tools in dispersion in order to measure the size of deviation from the average. Standard deviation is the positive square root of the average mean of the squares of the deviations of the given observations from their mean. It is denoted by sigma (σ). Thus, if X_1, X_2, \dots, X_n is a set of n observations then the standard deviation is given by:

$$\sigma = \sqrt{\frac{1}{n} \sum (X - \bar{X})^2}$$

Where n= Total number of observations

III Correlation Analysis

This statistical tool has been used to analyze, identify and interpret the relationship between two or more variables. It interprets whether two or more variables are correlated positively or negatively. Statistical tool analyses the relationship between independent variables and dependent variables.

For the purpose of decision- making, interpretation is based on following term:

Assumptions

If $r = 1$, there is a positively perfect correlation between the two variables.

If $r = -1$, there is a negatively perfect correlation between the two variables.

If $r = 0$, the variables are uncorrelated.

The nearer the value of r to $+1$, the closer will be the relationship between the following variables and the value of r , the lesser will be the relation (Bajracharya, 2057).

Karl Pearson's correlation coefficient has been used to find out the relationship between the following variables.

Coefficient of Correlation between micro finance services with social and economic impact.

Correlation coefficient between microfinance services (such as: Micro Credit, Micro Saving, Micro Insurance, Payment, Re-payment services, Training and business development) variables (X) and social and economic variables (Y) (such as: women empowerment, Health, Education, Income, assets, Employment). The main purpose of calculating correlation coefficient is to justify whether the microfinance services are significant role with social and economic impact or not.

Karl Pearson's correlation coefficient (r) can be obtained as:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where, \bar{X} , \bar{Y} are the sample mean.

IV Regression analysis

The general purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. A correlation analysis can only tell whether or not a strong relationship exists between two variables. But even if a correlation coefficient indicates that a strong relationship exists between two variables, the exact shape of the relationship between the two variables cannot be determined. In this case, regression analysis provides more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. Multiple regressions were used to explore the impact of independent variables (Micro credit, Micro Saving, Micro Insurance, Payment-Repayment, Training and development) on dependent variable: social (women empowerment, Health, Education) and Economic (Income, Assets, Employment).

Statistically regression equation can be written as:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$$

$$\hat{Y}_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where,

\hat{Y} = Social Impact (dependent variable)

\hat{Y}_1 = Economic Impact (dependent variable)

X_1 = Micro Credit

X_2 = Micro Saving

X_3 = Micro Insurance

X_4 = Payment and Re-payment

X_5 = Training and development

α	=	Constant
$\beta_1, \beta_2 \dots \beta_5$	=	Regression coefficients of Factor 1 to Factor 5 respectively
e_i	=	Error term

3.8 Variables and Measurement

I Variables

Basically in this research the variables are classified into two categories they are dependent and Independent. In the group of dependent the financial and non-financial variables are:

- Micro credit
- Micro saving
- Micro Insurance
- Payment and re-payment service
- Training and business development.

Similarly, in the group of Independent the social and economic variables are:

- Women empowerment
- Health
- Education
- Income
- Assets
- Employment

Thus, the variables are used to measure the whether the microfinance has effect of MF program in social and economic empowerment of women or not?

II Measurement

This research is pure based on primary data so the research follows the analytical and descriptive research design. The questionnaires include both Likert scale questions and option based questions

3.9 Reliability and validity Test

The purpose of the validity and reliability analysis is to determine whether data are trustworthy or not. The designed questionnaire is finalized before requesting the respondents to participate. For the reliability test, Cronbach's Alpha was calculated for this questionnaire. It is generally used as a measure of internal consistency or

reliability. If the calculated Cronbach's alpha is above 0.7, then the collected data are considered to be reliable. It is typically associated with internal consistency with values ranging from 0 to 1. Cronbach's Alpha coefficient less than 0.6 is considered as 'poor'; greater than 0.6 but less than 0.8 is considered 'acceptable' and greater than 0.8 is considered 'good' Sekaran (2000). Here, Cronbach's Alpha of Corporate Governance are considered as good, since they are greater than 0.8. Therefore, the instruments used in this research are considered to be reliable.

Topics	Cronbach's Alpha
Services of micro finance	0.699
Women Empowerment	0.661
Health	0.601
Education	0.685
Income	0.723
Assets	0.696
Employment	0.799

Source: SPSS Output

Thus, the calculated reliability test is above the 0.6 hence the data are considered as acceptable.

CHAPTER IV

RESULTS

In the process of fulfilling objectives of this research, data revealed are tabulated and presented followed by analysis and interpretation in this chapter. Furthermore, the findings of this research are also presented at this chapter. As mentioned in the research methodology, the data are presented and analyzed in accordance with the flow of questions: (i) Social impacts, (ii) Economic impacts and (iii) constraints faced by women and critical issues of women focus microfinance.

4.1 Data presentation and analysis

4.1.1 Time period involve, loan size, loan cycle and interest rate of Respondents

Table 4.1 Descriptive statistics of Respondents

	N	Minimum	Maximum	Mean	Std. Deviation
Time period involve in microfinance	120	1.00	8.00	4.0250	1.83093
Loan size	120	30000.00	250000.00	125041.67	54253.89
Loan cycle	120	1.00	2.00	1.5583	0.49867
Interest rate	120	16.00	18.00	17.2250	0.74993
Valid N (list wise)	120				

Sources: Field Survey, 2019

Table 4.1 shows that the 120 members of microfinance from Ghorahi sub-municipality represent the different descriptive statistics. The minimum time period involve in microfinance is one (1) year and maximum year is eight (8) years and mean is 4.0250. Similarly, the maximum loan size is 250000, minimum is 30000 and mean value is 125041.67. The maximum loan cycle is 2 times a year and minimum is 1 time whereas mean value is 1.5583. Furthermore the maximum interest rate is 18% and minimum interest rate is 16%.

4.1.2 Single or multiple members

Table 4.2 Status of membership of respondent

Valid	Frequency	Percent
Single	58	48.3
Multiple	62	51.7
Total	120	100

Sources: Field Survey, 2019

Table 4.2 shows that the total number of members is 120 members. Out of them 48.3% are single memberships where as 51.7% of member are multiple membership of microfinance program.

4.1.3 Response of members on the topic of financial and non –financial services MF programs

Table 4.3 financial and non-financial services of mf programs and members responses

	No		Yes		Total	
	Count	%	Count	%	Count	%
Does the MFIs provide easily loan to the members?	13	10.8	107	89.2	120	100.00
The interest charged by the MFIs is fair and affordable?	27	22.5	93	77.5	120	100.00
Is the amount of loan is enough to start the business?	28	23.3	92	76.7	120	100.00
MFIs provide easy Micro saving facility to the members?	27	22.5	93	77.5	120	100.00
Does your micro saving have	24	20.0	96	80.0	120	100.00

increased by participating in the MF program?						
Did the MFIs provide save small capital	13	10.8	107	89.2	120	100.00
Have the MFIs provide credit micro insurance to the members?	13	10.8	107	89.2	120	100.00
Did the MFIs supports micro insurance facilities in natural hazards and accidents of members?	25	20.8	95	79.2	120	100.00
Is the loan repayment schedule is convenient for you?	30	25.0	90	75.0	120	100.00
Do you have partial payment system in your MF program?	0	0.00	120	100	120	100.00
Does MFIs provide group training such as candle making, pickles making, and soap making etc.?	9	7.5	111	92.5	120	100.00
Do the MFIs provide the business professional training such as agriculture husbandry, bee farming, and fishery?	21	17.5	99	82.5	120	100.00
Is the MFIs helps to utilize the local resources?	19	15.8	101	84.2	120	100.00

Sources: Field Survey, 2019

The table 4.3 shows the Financial and non-financial services of micro finance such as Micro Credit, Micro Saving, Micro Insurance, Payment, Re-payment, training and business development with Responses of member.

The partially payment system is most favored for them because the 100% member gives the answer of this question which is: *Do you have partial payment system in your micro finance?* So as the easily loan provide, saving of small capital, Micro Insurance are the key facilities that are promote the member of microfinance in socially and economically active.

Similarly, the interest charged is not so fair by the microfinance. The saving facilities, amount of loan size to start up the business and the business professional training is also lacking behind. Yes the MF provide to save small capital but the office is far from village and center meeting held only once in a month so the saving facilities is not so convenient

Here all the responses are above the 75% so the MF services plays a vital role in enhancing the social and economic values of member.

4.1.4 Responses of member on Social and Economic Impact of Microfinance Program

Table 4.4 Descriptive Statistics of Social and Economic Impact

	N	Minimum	Maximum	Mean	Std. Deviation
I got opportunity to involve in household decision making process.	120	1	5	4.14	1.023
Family members take suggestion before taking financial decision.	120	1	5	4.08	1.206
Positive perception of other people status towards me.	120	1	5	4.16	1.188
Awareness about health consciousness has been increased.	120	1	5	4.05	0.960
MFIs provide medical and health care services.	120	1	5	3.88	1.009

The type of diet and meal consumed has been increased.	120	1	5	4.22	1.002
Children are sent to better school than before.	120	1	5	3.89	0.960
Children pass rate has increased by extra class or coaching.	120	1	5	3.94	0.901
Expenditure in education has increased.	120	1	5	4.35	1.150
My business sources of income have growth.	120	1	5	3.93	0.985
Personal income has increased.	120	1	5	3.79	1.107
Increased expenditure has met by income.	120	1	5	4.08	1.127
The MF program helped acquire assets like TV, mobile, proper bed etc.	120	1	5	3.97	1.084
I have land ownership.	120	1	5	3.33	1.131
I purchased fixed assets after involving MF programs.	120	1	5	3.80	1.171
MFIs helps to start up own business.	120	1	5	3.54	1.003
MF program helps to expand the business in agriculture and non-agriculture.	120	1	5	3.34	0.815
The business helps to give other employment too.	120	1	5	2.21	0.986

Sources: Field Survey, 2019

In the table 4.4 that represents the degree of responses of members to the social and economic variables.

Micro finance program plays a vital role in women empowerment in social status. Here the degrees of response are in five likert scale points. The household making decision, take suggestions before taking financial decision and positive perception towards them have a mean value of 4.14, 4.08, 4.16 out of 5 points. These mean values indicate that the agree responses of member in MF programs helps in women empowerment and a standard deviation of them are 1.023, 1.206, 1.118 respectively. These all data are in less than 1.5 which shows the variability is less. Thus we can say that response is agreed.

Similarly, in the health sectors also the mean value is above the average. Awareness about health consciousness, MFIs provide medical and health facilities, diet and meal consumed has been increased, these three questions have a mean value of 4.05, 3.88, and 4.22. These mean value also shows that the agree response and standard deviation are 0.960, 1.009, 1.022 which is less variability. Thus it attempts to get the positive response in health sectors of MF programs.

In the Education sectors also the role of MF programs has a significant role, where the research tries to find out the children are sent to better school than before, pass rate has increased by extra classes and expenditure in education has increased, these research question have got above the mean value where 3.89, 3.94, 4.35 are mean value that shows the agree response and standard deviation are 0.960, 0.901, 1.150 respectively which is less variability.

However the MF program helps to increase the income level of MF members. The growth of business sources of income, increase in personal income, and the increased expenditure has met by income, these research question have also above the mean value i.e. 3.93, 3.79, 4.08 Thus the mean value is in agree response and the standard deviation are 0.985, 1.107, 1.127 Respectively which is less variability.

Furthermore, the Assets Acquiring of MF Members have just met the average level. The level of land ownership, purchased of fixed assets, and MFIs helps to start up own business have a mean value of 3.33, 3.80, 3.54 and standard deviation is 1.131, 1.171 and 1.003. In the Acquiring of assets also, the mean value of response is in fair position.

In the employment sectors the role of MF programs has a slightly significant role. Where the MFIs helps to supports start up own business of mean value is 3.54 and standard deviation is 1.003. The MF program helps to extend the business in agriculture and non- agriculture sectors mean value is 3.34 this mean value is in fair position and standard deviation is 0.815. The MF program provides no more of generating to give other employment too, which mean value is below the average i.e. 2.21 which indicate the disagree response and standard deviation is 0.986.

In sum up, all the variables are in agree response which means that the MF programs helps to enhance the social and economic empowerment of women. In the case of employment generating of other people the response is in disagree that shows the MF role of employment generating is less.

4.2 Correlation Analysis:

Correlation analysis was done to find out the relationship between independent variable and dependent variable.

4.2.1 Association between microfinance services and social and Economic Impacts

Table 4.5 correlations of microfinance services with social and economic impact.

Pearson correlations	Women empowerment	Health	Education	Assets	Income	Employment
Micro Credit	.337**	.395*	.331**	.359*	.257*	.139
Micro Saving	.533**	.289**	.265**	.374*	.273*	.150
Micro Insurance	.99	.070	.006	.151	.074	-.003
Payment and Re-payment	.149	-.024	-.004	.047	.114	.136
Training and business development	.167	.148	.169	.255*	.086	.065

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

* Correlation is significant at the 0.05 level (2 tailed).

Sources: SPSS Data

From the table 4.5 it can be seen that there is a significant correlation between Micro credit with women empowerment, health, Education, Assets, Income and Employment. ($r=0.337$, $r=0.395$, $r=0.331$, $r=0.359$, $r=0.257$, $r=0.139$) This implies that increase in micro credit causes increase in women empowerment, health, Education, assets, income, and employment. Thus there is a significant relationship between micro credit with social and economic impact.

The correlation coefficient between Micro saving with women empowerment, health, Education, Assets, Income and Employment is significant relationship which suggests that an increase in micro Saving also leads towards increase in Social and economic impact which ultimately leads towards increase in women empowerment of women clients taken under study. The correlation is significant at 1 percent level of significance.

Furthermore there is a highly positive relationship between micro Insurance and women empowerment. Other dependent variables such as health, Education, Assets and income have also a positive relationship but Insurance has not a positive relationship between Empowerment.

However the Payment and Re-payment Services of MF programs have a positive relationship between women empowerment, assets, income and employment whereas there is negative relationship between health and Education.

Moreover, the training and business development has also a positive relationship between women empowerment, health, education, income and employment where training and business development has a significant relationship with assets. Thus it can be said that the training and business development improves the social and economic impact of MF members.

4.3 Regression Analysis:

Regression analysis was done to find out the effect of predictors on the dependent variable. Linear regression were calculated and presented with F and t-value.

Multiple Linear Regression Model

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$$

\hat{Y}	=	Dependent variable
X_1	=	Micro Credit
X_2	=	Micro Saving
X_3	=	Micro Insurance
X_4	=	Payment and Re-payment
X_5	=	Training and development
α	=	Constant
$\beta_1, \beta_2 \dots \beta_5$	=	Regression coefficients of Factor 1 to Factor 5 respectively
e_i	=	Error term

4.3.1 Model summary

Table 4.6 Model summary of women empowerment

Model	R	R square	Adjusted R square	Std. error of the estimate
1	.574	.330	.301	.73810

Predictors: (constant), Micro credit, Micro saving, Micro Insurance, Payment-Repayment, Training and business development.

Sources: SPSS Data

Model summary indicates that the R- square also known as coefficient of determination which can help in explaining variance. The R^2 value of 0.330 in table 4.6 indicates that the model explains that 33% of independent variables are responsible for women empowerment. However, the remaining 77 % is still unexplained in this research. Model summary also indicates the standard error of the estimate of 0.73810 which shows the variability of the observed value of women empowerment from regression line is 0.73810

4.3.2 ANOVA Test

Table 4.7 ANOVA Table of women empowerment

Model	Sum of squares	Df	Mean square	F	Sig
Regression	30.575	5	6.115	11.225	.000
Residual	62.106	114	.545		
Total	92.681	119			

- a. Dependent variable: women empowerment
- b. Predictors: (constant), Micro credit, Micro saving, Micro Insurance, Payment-Repayment, Training and business development.
- c. Sources: SPSS Data

The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Micro Credit, Micro Saving, Micro Insurance, Repayment, Training and development) are significant in explaining the variance in Women Empowerment.

4.3.3 Coefficients Analysis

Table 4.8 Coefficients Analysis of women empowerment

Model	Unstandardized coefficient		Standardized coefficient	T	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	2.084	.460		4.535	.000		
Micro Credit	.779	.355	.181	2.193	.030	.858	1.165
Micro Saving	1.239	.229	.463	5.413	.000	.805	1.242
Micro Insurance	.090	.214	.034	.422	.674	.918	1.090
Re-payment	.078	.332	.019	.234	.815	.879	1.138
Training and Business development	.288	.241	.096	1.192	.236	.902	1.109

a. Dependent variable: women empowerment

The value of VIF is less than Five (5) so there is no multi collinearity and we can run the regression.

Sources: SPSS Data

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 2.084 + 0.779X_1 + 1.239X_2 + 0.090X_3 + 0.078X_4 + 0.288 X_5$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.8, shows that Micro saving ($\beta_2= 1.239, p=0.000$) carries the heaviest weight for women empowerment, followed by Micro credit ($\beta_1= 0.779, p=0.030$), Training and business development ($\beta_5= 0.288, p= 0.236$). The increase in Micro credit, Micro saving, Training and business development enhance the women empowerment too. Thus the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.3.4 Model summary

Table 4.9 Model summary of health

Model	R	R square	Adjusted square	Std. Error of the Estimate
1	.448	.200	.165	.67977

a. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

b. *Sources: SPSS Data*

Table 4.9 shows the regression analysis. We know that R^2 measures how much of the variation in the dependent variable can be explained by the independent variables. In this study, we have found $R^2 = 0.20$. It means 20% of variation of health has been obtained because of the changes made by independent variable (Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development)

4.3.5 ANOVA

Table 4.10 ANOVA table of health

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	13.191	5	2.638		
Residual	52.677	114	.462	5.709	0.000
Total	65.868	119			

- Dependent Variable : Health
- Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.
- Sources: SPSS Data

The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Micro Credit, Micro Saving, Micro Insurance, Repayment, Training and development) are significant in explaining the variance in Health.

4.3.6 Coefficients Analysis

Table 4.11 Coefficients Analysis of health

Model	Unstandardized Coefficient		Standardized Coefficient	T	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	2.754	.423		6.506	.000		
Micro Credit	1.136	.327	.314	3.473	.001	.858	1.1654
Micro Saving	.476	.211	.211	2.255	.026	.805	1.242
Micro Insurance	.058	.197	.026	.295	.769	.918	1.090
Re-payment	-.273	.306	-.080	-.892	.374	.879	1.138
Training and business Development	.193	.222	.078	.884	.379	.902	1.109

- a. Dependent variable: Health
- b. Sources: SPSS Data

The value of VIF is less than Five (5) so there is no multi collinearity and we can run the regression.

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 2.754 + 1.136X_1 + 0.476X_2 + 0.058X_3 + -0.273X_4 + 0.193 X_5$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.11, shows that Micro credit ($\beta_1= 1.136, p=0.001$) carries the heaviest weight for Health, followed by Micro saving ($\beta_2= 0.467, p=0.026$), Training and business development ($\beta_5= 0.193, p=0.379$), Micro insurance ($\beta_3= 0.058, 0.0769$)

The increase in Micro credit, Micro saving, Micro insurance, Training and business development enhance the Health sectors of members. Thus the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.3.7 Model summary

Table4.12 Model summary of Education

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.384	.155	.118	.70088

Predictors: (constant), Micro credit, Micro saving, Micro Insurance, Payment-Repayment, Training and business development

Sources: SPSS Data.

Model summary indicates that the R- square also known as coefficient of determination which can help in explaining variance. The R² value of 0.155 in table 4.12 indicates that the model explains that 15.5% of independent variables are responsible for Education. However, the remaining 84.5 % is still unexplained in this research. Model summary also indicates the standard error of the estimate of 0.70088

which shows the variability of the observed value of women empowerment from regression line is 0.70088.

4.3.8 ANOVA

Table 4.13 ANOVA table of Education

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	10.278	5	2.056	4.185	.002
Residual	56.001	114	.491		
Total	66.279	119			

- a. Dependent variable : Education
- b. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.05. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Micro Credit, Micro Saving, Micro Insurance, Repayment, Training and development) are significant in explaining the variance in Education.

4.3.9 Coefficients Analysis

Table 4.14 Coefficients Analysis of education

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	2.986	.436		6.843	.000		
Micro Credit	.899	.337	.248	2.666	.009	.858	1.165
Micro Saving	.477	.217	.210	2.192	.030	.805	1.242
Micro Insurance	-.069	.203	-.030	-.337	.736	.918	1.090
Re-payment	-.242	.315	-.071	-.769	.444	.879	1.138
Training and business development	.257	.229	.102	1.122	.264	.902	1.109

- a. Dependent variable : Education

Sources: SPSS Data

The value of VIF is less than Five (5) so there is no multi collinearity and we can run the regression.

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 2.986 + 0.899X_1 + 0.477X_2 + -0.069X_3 + -0.242X_4 + 0.257 X_5$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.14, shows that Micro credit ($\beta_1= 0.899$, $p=0.009$) carries the heaviest weight for Health, followed by Micro saving ($\beta_2= 0.477$, $p=0.030$), Training and business development ($\beta_5= 0.257$, $p=0.264$).

The increase in Micro credit, Micro saving, Training and business development enhance the Education status of MF member's children. Thus the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.3.10 Model Summary

Table 4.15 Model Summary of income

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.508	.258	.225	.75904

- a. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

Table 4.9 shows the regression analysis. We know that R^2 measures how much of the variation in the dependent variable can be explained by the independent variables. In this study, we have found $R^2 = 0.258$. It means 25.8% of variation of Income has been obtained because of the changes made by independent variable (Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development)

4.3.11 ANOVA

Table 4.16 ANOVA table of Income

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	22.793	5	4.559	7.912	.000
Residual	65.681	114	.576		
Total	88.474	119			

- a. Dependent Variable: Income
- b. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

The ANOVA test shows that the calculated p-value, 0.000, which is lesser than alpha value 0.01. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Micro Credit, Micro Saving, Micro Insurance, Repayment, Training and development) are significant in explaining the variance in Income.

4.3.12 Coefficients Analysis

Table 4.17 Coefficients Analysis of Income

Model	Unstandardized coefficient		Standardized coefficient	t	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	1.882	.473		3.982	.000		
Micro Credit	.937	.365	.223	2.563	.012		
Micro Saving	.741	.235	.283	3.146	.002	.858	1.165
Micro Insurance	.334	.220	.128	1.518	.131	.805	1.242
Payment & Re-payment	-.150	.341	-.038	-.440	.660	.918	1.090
Training and business development	.620	.248	.212	2.500	.014	.879	1.138
						.902	1.109

- a. Dependent Variable : Income

Sources: SPSS Data

The value of VIF is less than Five (5) so there is no multi collinearity and we can run the regression.

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 1.882 + 0.937X_1 + 0.741X_2 + 0.334X_3 + -0.150X_4 + 0.620 X_5$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.17, shows that Micro credit ($\beta_1= 0.937, p=0.012$) carries the heaviest weight for Health, followed by Micro saving ($\beta_2= 0.741, p=0.002$), Training and business development ($\beta_5= 0.620, p= 0.014$), Micro Insurance ($\beta_3 = 0.334, p= 0.131$)

The increase in Micro credit, Micro saving, Micro Insurance, Training and business development enhance the Income of MF member. Thus the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.3.13 Model Summary

Table 4.18 Model Summary of Assets

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	3.40	.116	.077	.85636

- a. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

Model summary indicates that the R- square also known as coefficient of determination which can help in explaining variance. The R² value of 0.116 in table 4.18 indicates that the model explains that 11.6% of independent variables are responsible for women empowerment. However, the remaining 88.4 % is still unexplained in this research. Model summary also indicates the standard error of the

estimate of 0.85636 which shows the variability of the observed value of Assets from regression line is 0.85636.

4.3.14 ANOVA

Table 4.19 ANOVA table of Assets

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	10.922	5	2.184	2.979	.015
Residual	83.602	114	.733		
Total	94.525	119			

- Dependent Variable : Assets
- Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

The ANOVA test shows that the calculated p-value, 0.015, which is lesser than alpha value 0.05. Therefore, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Micro Credit, Micro Saving, Micro Insurance, Repayment, Training and development) are significant in explaining the variance in Assets.

4.3.15 Coefficients Analysis

Table 4.20 Coefficients Analysis of Assets

Model	Unstandardized coefficients		standardized coefficients	T	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	2.162	.533		4.056	.000		
Micro Credit							
Micro Saving	.852	.412	.196	2.067	.041	.858	1.165
Micro Insurance	.509	.266	.188	1.915	.058	.805	1.242
Payment and Re-payment	.122	.248	.045	.493	.623	.918	1.090
Training and business development	.284	.385	.069	.736	.463	.0879	1.138
	.086	.280	.028	.306	.760	.902	1.109

a. Dependent Variable: Assets

Sources: SPSS Data

The value of VIF is less than Five (5) so there is no multi collinearity and we can run the regression.

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 2.162 + 0.852X_1 + 0.509X_2 + 0.122X_3 + 0.284X_4 + 0.086 X_5$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.20, shows that Micro credit ($\beta_1 = .852, p=0.041$) carries the heaviest weight for Health, followed by Micro saving ($\beta_2 = 0.509, p=0.058$), Payment and repayment ($\beta_4 = 0.284, p=0.463$), Micro Insurance ($\beta_3 = 0.122, p= 0.623$) Training and business development ($\beta_5 = 0.086, p= 0.760$).

The increase in Micro credit, Micro saving, Micro Insurance, Payment, Re-payment, Training and business development enhance the Assets of MF member. Thus the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.3.16 Model Summary

Table 4.21 Model Summary of employment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.213	.045	.003	.69836

- a. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

Table 4.21 shows the regression analysis. We know that R^2 measures how much of the variation in the dependent variable can be explained by the independent variables. In this study, we have found $R^2 = 0.45$. It means 4.5% of variation of Employment has been obtained because of the changes made by independent variable (Micro saving,

Micro credit, Micro Insurance, Payment and Re-payment, Training and business development)

Table 4.3.17 ANOVA

Table 4.22 ANOVA table of Employment

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	2.639	5	.528	1.082	.374
Residual	55.598	114	.488		
Total	58.237	119			

- a. Dependent Variable : Employment
- b. Predictors (constant), Micro saving, Micro credit, Micro Insurance, Payment and Re-payment, Training and business development.

Sources: SPSS Data

The ANOVA test shows that the calculated p-value, 0.374, which is higher than alpha value 0.05. Therefore, the model is not a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables (Micro Credit, Micro Saving, Micro Insurance, Repayment, Training and development) are not significant in explaining the variance in employment.

4.3.18 Coefficients Analysis

Table 4.23 Coefficients Analysis of Employment

Model	Unstandardized Coefficient		standardized Coefficient	T	Sig.	Collinearity Statistics	
	Beta	Std. Error	Beta			Tolerance	VIF
(Constant)	2.225	.435		5.117	.000		
Micro Credit	.389	.336	.114	1.157	.250	.858	1.165
Micro Saving	.182	.217	.086	.841	.402	.805	1.242
Micro Insurance	-.017	.202	-.008	-.082	.935	.918	1.090
Payment and Re-payment	.363	.314	.113	1.157	.250	.879	1.138
Training and business development	.042	.228	.018	.186	.853	.902	1.109

a. Dependent Variable: Employment

Sources: SPSS Data

The value of VIF is less than Five (5) so there is no multi collinearity and we can run the regression.

On the basis of above findings, the following model has been developed.

$$\hat{Y} = 2.225 + 0.389X_1 + 0.182X_2 + -0.017X_3 + 0.363X_4 + 0.042 X_5$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The results presented in Table 4.23, shows that Micro credit ($\beta_1 = .389, p=0.250$) carries the heaviest weight for Health, followed by Payment and repayment ($\beta_4 = 0.363, p=0.250$), Micro saving ($\beta_2 = 0.182, p=0.402$), Training and business development ($\beta_5 = 0.042, p=0.853$).

The increase in Micro credit, Micro saving, Payment, Re-payment, Training and business development enhance the Employment generation of MF member and other people too. Thus, the result of multi regression analysis shows the positive relationship between independent variable and dependent variable.

4.4 Major Findings

The major findings of the study can be presented below in point wise:

1. The partial payment service of MF programs for research members are more convenient for them where 100% respondent's gives strongly agree decision.
2. In the women empowerment sectors the house hold making decision, take suggestions before taking financial decision and positive perception towards them have a positive mean value of 4.14 which indicates agree response and standard deviation is 1.02 which is less variability.
3. The relationship between women empowerment, health and education with micro credit (0.337, 0.395, and 0.331) has a positive correlation which indicates that the increase in micro credits leads to social empowerment of women.

4. The relationship between Assets, Income and Employment with Micro credit (0.359, 0.257, and 0.139) also has a positive relationship which indicates that the increase in micro credit leads to economic empowerment of women.
5. The variable micro saving has also a positive relationship with women empowerment, health and education (0.533, 0.289, and 0.265) which indicates that the increase in micro saving leads to social empowerment of women.
6. The relationship between Micro saving with Assets, income and employment has also a positive correlation (0.374, 0.273 and 0.150) which indicates that the Micro saving leads to Economic empowerment of women.
7. Similarly the correlation between Micro Insurance with women empowerment, health and education has a positive relationship (0.99, 0.70 and 0.06) which indicates that the Insurance facilities of MF programs lead to social empowerment of women.
8. The relationship between micro insurance with Assets and income has also a positive relationship (0.151 and 0.74) whereas employment has negative relationship -0.03 , which indicates that the micro insurance facility enhance the economic empowerment of women
9. The payment and re-payment variable has a positive relationship between women empowerment which is 0.149 correlation where as health and education has a negative correlation i.e. -0.024 and -0.004 respectively. This indicates that the repayment system has not a highly significant to social empowerment of women.
10. Likewise the payment and re-payment variable has a positive relationship between Assets, income and employment (0.047, 0.114 and 0.136) which shows that the convenient payment service enhance the economic empowerment of women.
11. The relationship between training and business development has a positive correlation with women empowerment, health and education (0.167, 0.148 and 0.169) which indicates that the service providing of training and business development increases the social empowerment of women.
12. The relationship between training and business development has also a positive relation with Assets, income and employment (0.255, 0.086 and 0.064) which shows that the training and business development enhance the economic empowerment of women.

13. Micro credit, Micro saving, Micro Insurance, Payment and Re-payment, Training and business development has a significantly impact on women empowerment, Health, Education, Income and Assets with a beta value of 2.084, 2.754, 2.986, 1.882, 2.162 respectively.
14. Similarly, employment positively impact on micro credit, micro saving, micro insurance, payment and re-payment, training and business development with a beta value 2.225.

CHAPTER V

CONCLUSIONS

This final chapter involves Discussion, conclusions and implications of the research work. The facts and findings from primary data analysis are presented in this chapter.

5.1 Discussion

Previous studies have affirmed that the development of financial sector will go a long way to contribute to economic growth and development. Suffice to say that the development of viral and efficient financial instrument like microfinance to fund micro and small enterprises will generate more employment, improve the standard of living, health, education, savings and serve as a formidable measure to reduce poverty (Green, Kirkpatrick, & Murinde, 2006). Also, in his study of the impact of microfinance on rural Area in Pakistan, Comim (2007) affirms that Microfinance can serve as a strong tool to increase the income of the poor and education of his household. He concludes that income generated from the credit of microfinance will reduce poverty and increase both economic and social well beings.

In this study the objective is to examine whether or not microfinance services contribute on the social impact such as women empowerment, health and education and to analyze the relationship between microfinance services and economic impact (such as income, assets and employment) of microfinance member. So, in this study the concern of empowerment on economically, socially strong and power on decision-making and their involvement in the society. In this study social and economic impact of MF consist various sub-headings like as women empowerment, health, education, income, assets and employment. Another aspect of improvement consist their life style. Similarly, the perception of women about MF includes women perception, social response to women and dependency level. The main focus of the study is to make improvement in economic status and social status. By taking required samples from study area, and the number of sample are 120 samples, the data have been collected by structure questionnaire, observation and interview; collected data are analyzed, tested, interpreted by using descriptive as well as analytical approach.

The study shows that the Micro credit, Micro saving, Micro Insurance, Payment and Re-payment, training and business development are significantly positive effect on

social Aspect whereas the payment and re-payment service of micro finance doesn't significantly effect on health sector. The result of the MF facilities such as Micro credit, Micro Insurance, Payment and Re-payment, training and business development is found to be positive relationship with economic aspect such as income, assets, and employment of the respondent. Improvement in the facility of fooding, expenditure in education has increases, the MF program helped to acquire assets like TV, mobile, proper bed etc. and MFIs helps to start up own business, shows the significant improvement in the living standard of the people. Similarly, the study reveals that most of the women have repaid loan and interest in due time and majority of the participant has utilized their investment property. Women's greater access to financial resources and services could provide greater decision-making power in terms of money and their households. Thus overall impact of the program is found to be positive; the social and economic aspect of MF members has been improved satisfactorily.

5.2 Conclusions

The services of MF program aim to raise social and economic status of women, to empower them and uplift them from vulnerable status to the prestigious entrepreneur and self-sufficient member of the society. From the discussions of all reported data and information, a sharp conclusion appears as following. Some of the conclusions can be derived about the program as implemented the study area of ghorahi sub municipality.

1. Women empowerment involving in household decision, financial decision, and positive perceptive of other peoples towards them.
2. The raise in health sectors of women and their family too, like consciousness about health, diet and meal consumed has been increased.
3. The education sectors of their family has also been positive changed such as children are sent to better school, expenditure in education has increased.
4. The level of income has also increased by their business and personal income growth and increased expenditure has also met by their income.
5. Women are willing to purchase material for physical facilities but they don't have their own land.
6. The MF programs helps to start up their own business which creates the

employment generation of member but the members are not able to give the other employment too.

The overall impact of the program is found to be satisfactory. All the participants of the sample survey have been able to increase their income, assets and employment whereas the level of empowerment, health and education has also been increased. Thus the program has brought significant change in social and economic status of their members' family. Increase in income along with empowering process increased in standard of living of women's family which endeavored change in their social and economic wellbeing.

5.3 Implications

Based on the analysis, findings and conclusions, the following implications are put forward.

5.3.1 General Implications

1. The micro credit facilities play a vital role in social and economic sector so the MFIs should gradually increase the size of loan for that borrower who is paying regular loan and interest.
2. The micro saving facilities also plays a significant role in social and economic sector of the members so the MFIs should encourage the members who have not habit of saving.
3. Micro Insurance facilities has significant relationship with women empowerment, health, education and income whereas it cannot be significant with employment, the MFIs only provide a credit insurance, so the MFIs should give proper insurance facilities to the business insurance also.
4. The Productive investment should be raised, which may promote loan repayment and utilization of the loan.
5. The partial payment system is convenient for the members but the schedule should be flexible for them. That means in the due date the payment is compulsory in center meeting, if the member will manage the payment system in later on date it should be consider for them.

6. Most of the poor women prefer low interest rate, more loan amount and long repayment time to improve their living standard.
7. The program should develop practical and varied training courses to the women and small farmer related development activities as the need particular community.

5.3.2 Implication for the future studies

1. This result is basically from the MF program. Thus, the study may include NGO relating microfinance, cooperative, and other microfinance running from commercial banks.
2. The sample size is limited and it is purely based on primary data so further research can be done in large sample size and data could be both primary and secondary data.
3. This study has considered only five variables of MF services. Further research can be conducted considering more variables. Similarly, only two factors of social and economic aspect of women empowerment are studied the political and legal aspects are again remaining.
4. This study is concentrated only in ghorahi sub municipality of dang district, further research can be conducted considering for wider and different areas.
5. This study can be useful for microfinance, stakeholders, BIFs, researchers, and general public.

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APPENDIX

Dear respondent,

This is a questionnaire that intended to assess the effect of microfinance in social and economic empowerment. The information you provide is used only for academic purposes and shall be kept strictly confidential. Therefore, you are kindly requested to give accurate information.

Thank You for your cooperation

Name of member (Optional):

Name of Microfinance.....

Time period involve in Microfinance.....Loan SizeLoan cycle

Interest RateSingle or Multiple

Member.....

Section A

Questionnaire are based on the Yes/No Question for the following topics

1. Does the MFIs provide easily loan to the member?
 - a. YES
 - b. No
2. The interest charged by the MFIs is fair and affordable?
 - a. YES
 - b. No
3. Is the amount of Loan is enough to start the business?
 - a. Yes
 - b. No
4. MFIs provide easy saving facility to the members?
 - a. Yes
 - b. No
5. Does your saving have increased by participating in the MF program?
 - a. Yes
 - b. No
6. Did the MFIs provide to save small capital?
 - a. Yes
 - b. No
7. Have the MFIs provide credit Insurance to the Members?
 - a. Yes
 - b. No
8. Did the MFIs support insurance facilities in natural hazards and accidents of members?
 - a. Yes
 - b. No
9. Is the loan repayment schedule is convenient for you?
 - a. Yes
 - b. No
10. Do you have partially payment system in your MF program?
 - a. Yes
 - b. No

11. Does MFIs provide group training such as candle making, pickles making and soap making etc.?

- a. Yes b. No

12. Do the MFIs provide the business professional training such as agriculture, husbandry, bee farming and fishery?

- a. Yes b. No

13. Is the MFIs helps to utilize the local resources?

- a. Yes b. No

Section B

After involving in MF program what is the level of changes that you perceive in following indicators?

Please respond to all of the statements on a scale of 1 to 5. 1-Strongly Disagree, 2-Disagree, 3-Fair, 4-agree, 5-Strongly Agree.

Responses		(1)	(2)	(3)	(4)	(5)
Women empowerment	I got opportunity to involve in household decision making process.					
	family members take suggestion before taking financial decision.					
	positive perception of other people status towards me.					
Health	Awareness about health consciousness has been increased.					
	MFIs provide medical and health care services.					
	The type of diet and meal consumed has been increased.					
Education	Children are sent to better school than before.					
	children pass rate has increased by extra class or coaching.					
	Expenditure in education has increased.					
Income	My business sources of income have					

	growth.					
	personal income has increased.					
	Increased expenditure has met by income.					
Assets	The MF program helped acquire assets like TV, mobile, proper bed etc.?					
	I have land ownership.					
	I purchased fixed assets after involving MF programs.					
Employment	MFIs helps to start up own business.					
	MF program helps to expand the business in agriculture and non-agriculture.					
	The business helps to give other employment too.					

If you have any further comments about social and economic impact of microfinance, please feel free to comment in the space provided below.

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