

**IMPACT OF MICROFINANCE ON WOMEN
EMPOWERMENT: A CASE STUDY OF CHHIMEK
LAGHUBITTA BIKASH BANK LTD, WALING
MUNICIPALITY**

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in

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Submitted By

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LETTER OF RECOMMENDATION

This thesis entitled "Impact of Microfinance on Women Empowerment: A Case Study of Chhimek Laghubitta Bikash Bank Ltd, Waling Municipality" has been prepared by Miss. Rita Kumari Singjali under my supervision and guidance for the partial fulfillment of requirements for the degree of MASTER OF ARTS in ECONOMICS. I hereby recommend this thesis for the final evaluation and approval by the thesis committee.

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APPROVAL SHEET

We certify that the thesis entitled " Impact of Microfinance on Women Empowerment: A Case Study of Chhimek Laghubitta Bikash Bank Ltd, Waling Municipality" submitted by Ms Rita Kumari Singjali to the Department of Economics, Prithvi Narayan Campus, Pokhara Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the degree of MASTER OF ARTS in ECONOMICS has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said Degree.

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ABSTRACT

The general objective of this study is to show impact of microfinance, to examine the trend of loan disbursement in past nine years from 2069 to 2078, to explore the relationship between loan disbursement and recovery of CLBBL in Waling Municipality of ward no 7 and to examine the relationship that exists between investment and income. In this study, an attempt has been made to examine changed life-style of women after engaging CLBBL.

The data were collected from primary and secondary sources. The primary data were collected by making structured questionnaire. The data for time frame range from fiscal year 2069/2070 to 2077/2078 are considered. This study have taken into consideration the data for nine years and analyzed by using simple regression model and simple correlation. Regression analysis has measured the degree of relationship between two variable i.e. independent variable X (loan disbursement) and dependent variable Y (recovery) in the study area.

In this analysis of explanatory variable, there exists direct and positive relationship between loan disbursement and recovery. t- Test has been cSomputed to find out significance relationship between independent and dependent variable. This study has found that the monthly income of women is consistently increased; the positive correlation between loan disbursement and its recovery level among participants has been found that the capability of the entrepreneurship for the repayment of the loan on time was satisfactory. Increase in income along with empowering process increased in living standard of women.

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ABBREVIATION/ACRONYMS

ADB	:	Asian Development Bank
ADB/N	:	Agriculture Development Bank of Nepal
CLBBL	:	Chhimek Laghubitta Bikash Bank .Ltd.
Cos	:	Community Organizations
DLGSP	:	Decentralized Local Governance Support Program
DSL	:	Deprived Sector Lending
FINGOs	:	Financial Intermediary Non-Government organizations
GBB	:	Grameen Bikash Bank
GBBs	:	Grameen Bikash Banks
GDP	:	Gross National Product
GON	:	Government of Nepal
ICPD	:	International Conference Population and Development
LDF	:	Local Development Fund
LDF	:	Local Development Project
LDP	:	Local Development Project
MFDBs	:	Micro Finance Development Banks
MFDBs	:	Micro Finance Development Banks
MFI	:	Micro Finance Institutions
NGOs	:	Non-Government organizations
NRB	:	Nepal Rastra Bank
NSE	:	Nepal Stock Exchange
NSSC	:	Neighbourhood Society Service Center
NUBL	:	Nirdhan Uthhan Bank Ltd
PAF	:	Poverty Alleviation Fund
PDDP	:	Participatory District Development Project
RMDC	:	Rural Microfinance Development Center
SBBL	:	Swabalamban Bikas Bank Ltd
SCCs	:	Saving Credit Cooperatives
SDC	:	Shreejana Development Center
SFDB	:	Small Farmers Development Bank
SFDP	:	Small Farmers Development Project

SFL	:	Small Farmers cooperative limited
SHGs	:	Self- Help Groups
SKBBL	:	Sana Kisan Bikash Bank Limited
UN	:	United Nations
UNDP	:	United Nations Development Program
VDC	:	Village Development Committee

CHAPTER I

INTRODUCTION

1.1 Background of the study

Nepal is an underdeveloped country in the world. Most of the population depended on agriculture. In Nepal, most women contribute to agriculture's potential labor force. The agricultural system is not modernizing due to traditional types of agriculture systems. This type of agriculture system is not sufficient to fulfill their basic need. Most Nepali women are limited in agriculture, housework, and care for their children so they are not financially strong. Women are dependent on others even for small work so the issue of women's empowerment has been raising a lot in Nepal. In the rural area, women are very poor, they do not have sufficient income, and they are not educated. Due to the lack of capital, they are not able to run their own business. Microfinance plays the role of generating capital for those poor women who have the desire to run their businesses by providing loans at a low-interest rate without collateral. It is believed that rural poor women are benefited from this service of microfinance.

Women's empowerment is directly linked to poverty reduction programs. Analyzing the programs implemented in 26 districts of the Terai, Inner Madhes, and Mid-Hills region run by the World Bank, Asian Development Bank, and UNDP concerning microfinance and poverty reduction in Nepal, it has found that women-oriented programs have achieved tangible results. The poverty rate in that family or community has dropped dramatically. Launched in the Bangladeshi model in the 1990s, microfinance or microfinance programs under various donors inspired Nepali women to become entrepreneurs and save. At present, it has estimated that around 1.2 million women have organized in the microfinance program alone. In addition, various donor agencies, including ADB and UNDP, gave priority to women's group formation when conducting community-based programs. Like Goat '*paicho*' (Borrow), program. Empowering women financially also affected literacy. In families where the female literacy rate is high, the infant and maternal mortality rates have started declining. In the meantime, the government-sponsored program to increase girls' school enrolment has begun to have an impact. Moreover, as the number of men going abroad increased, then the responsibility of rural women has

also increased. As the girls of the house became women, their financial decision-making capacity also increased. The desire to give children a proper education and to pay attention to their health care has led to an increase in the number of temporary settlements in urban or market areas. Its chain effect has also had a direct effect on poverty reduction. (Anupurnanews, 2019).

First-time microfinance establish in Bangladesh. In the early 80s, famine was rampant in Bangladesh. The country's economy has not been able to effectively control and manage it. The banking system of Bangladesh, which became independent only a decade ago, has not been able to flourish. As a weapon to alleviate poverty, Mohammad Yunus encouraged 42 women from vulnerable families in Jobra village to start small businesses by providing unsecured personal loans. Starting from making "*bamboo stools*", the business gradually started gaining momentum for self-reliance. As a result, challenging the traditional banking system, in 1983, the same Dr. Under the leadership of Mohammad Yunus, Grameen Bank (Bank for the Poor) had formally established and modern microfinance had introduced. Established in this way, Grameen Bank formed a group of vulnerable women and started providing unsecured micro loans on collective responsibility which is being followed all over the world including Nepal as a rural model(Sustainable-finance, 2017).

After 2046 BS, the Government of Nepal started formal microfinance in Nepal by establishing the Eastern and Far Western Rural Development Bank following the rural model of Bangladesh. Soon after established as a nongovernmental organization in 2047 BS, Nirdhan and Swavalamban Bikas Kendra started microfinance formally following the rural model of Bangladesh with the permission of Nepal Rastra Bank as a financial intermediary. After other NGOs like Chhimek, Deprox and others started microfinance programs as financial intermediaries, the government issued the Financial Intermediaries Act 2054 and on the same basis, 47 non-governmental organizations were allowed to conduct microfinance programs as financial intermediaries. The role of rural development banks established by the government in the five development regions and the limited banking program run by the private sector as non-governmental organizations became effective. In 2054 B.S., the "Microfinance Development Bank" has established to act as a "D" category bank and financial institution, which was later operated and managed under the "Banking and Financial Institutions Act 2063". Seen in this light, it has been

almost three decades since the formal beginning of modern microfinance in Nepal. The microfinance institutions that came into operation with the main objective of poverty alleviation By mid-April 2076, 18,935 employees were providing micro banking services to 45,79,732 members through 3,803 branches of 87 microfinance institutions in all 77 districts. 28,03,575 to the indebted members by disbursing Rs. Compared to the economy, it accounts for 7.5 percent of the GDP and more than 8 percent of the total banking sector credit flow. The overall figure above confirms the fact that more than 80 percent of the total business is concentrated in rural areas and even in that, a large part of the total credit flow is more than 66 percent. We cannot ignore the fact that this sector, which has been connecting the vulnerable and rural farmers who do not have access to the traditional banking system, to the banking sector with financial awareness at home, is becoming self-reliant and self-reliant by developing the habit of saving. (Bankingkhabar, 2020).

The Government of Nepal (GON) and the Central bank of Nepal introduced the Grameen Bikash Bank (GBB) approach to Bangladesh by establishing two GBB, one in the far-western Development Region and another in the Eastern Development Region in the year 1992. Soon after 3 more GBB were also established one each in the remaining three development regions, five private GBB- model replicating banks and several Financial Intermediary Non- Government Organization (FINGOs),and Saving and Credit Cooperative Societies (SCCSs) also came into existence following the GBB approach which enhanced the accessibility of the poor to the microfinance services at their doorstep. The group members understand the problems and capabilities of all members, and the loan officer, who goes to provide service on the doorstep, gets an opportunity to closely assess the reality of the local situations. Both these factors help to effectively use the loan funds provided to the group members and a system of close monitoring for productive use of loans is also made possible by the decision of the group together with the loan officer. The total coverage of members and borrowers by the 60 principal MFIs following the GBB approach stands at 842,205 and 41,508.50 million, loan recovery RS 35,061.97 million, and the outstanding RS 6,446.53 million. The total overdue loan stood at RS 264,75 million generating an overdue rate of 4.10% on July 2016 stood at RS 2,229.24 million 34.58% of the loan outstanding. (GBB, 2017).

Nepal is considering a developing country, one of the least developing in the world. The economic situation of the country is not satisfactory. According to the

economic survey 2021, Nepal has achieved an average economic growth of 2.9% over a decade in an environment of achievement of double-digit growth by its neighbours. Political instability has always been overshadowing the economic growth of the country. The per capita income of the country is \$1196 per annum only and about one-fourth of the total population is living below the poverty line with which women occupy higher portion (MOF, 2021).

Introduction of Chhimek Laghubitta Bikash Bank Ltd.

Chhemek Laghubitta Bikash Bank Ltd is a successful microfinance institution in Nepal. It was incorporated in December 2001; CLBBL received a microfinance-banking license from the Nepal Rastra Bank in January 2002 an offshoot of the microfinance operation implemented by Neighbourhood Society Service Center (NSSC), a national level NGO, since the 90s in Mahottari and Chitawan in central Nepal. CLBBL is providing microfinance services to the poor, marginalized, and deprived with the main role of women living below the poverty line. It has been launching savings, and lending other programs focusing on the marginalized poor women. Chhimek's promoters are leading commercial banks Neighbourhood Society Service Centre (NSSC) and individual shareholders. The company is listed on the Nepal Stock Exchange (NEPSE) as CLBBL. The ownership structure of the company is as follows:

- Nabil Bank Ltd. (11.98%)
- Bank of Lumbini ltd. (9.98%)
- Himalayan bank ltd. (11.98%)
- Neighborhood society service center (12%)
- Individual shareholders (18.71%)
- Public shareholders (35.35%)

CLBBL has been providing value-added services to its members since its inception CLBBL has delivering value-added services to its members. At present rural development banks, microfinance development banks, financial intermediary non-government organizations (FINGOs), and thousand of community-based saving credit cooperatives are providing microfinance services to especially women and poor communities in Nepal. As most of these institutions are focusing on women as the target

groups, this intends to analyze the role of CLBBL in empowering women. (Chhimek Bank, 2018)

CLBBL Waling Municipality branch is a woman participating micro finance institution. CLBBL is one of the most successful microfinance institutions in Waling Municipality. In Waling Municipality, it was established 2064. Its current head office Mid Baneshwar 34 Kathmandu now it was expanded is 5 regional offices with 137 branches. Microfinance encourages poor women of society to save small money and invest. With the valuable help of this microfinance, women can save their small money and get a small loan for small traders and businesses. It has been launching various savings, lending, and other programs focusing on the marginalized poor and very poor women. CLBBL after a new saving scheme called 'Pension Saving' has opened for those members who want to save their monthly savings. CLBBL has been currently providing identity cards to all the participating women. A group decision is the most important factor at the time. CLBBS decides the loan, amount, and repayment time according to a group decision. Generally, women are dependent on men. Therefore, women mostly have poor access to finance. They are involved in housework and agricultural activities. For microfinance to show an impact on women's empowerment, it needs to be supplemented by microfinance plus. CLBBL Waling Municipality's main focus of to be a social conscience bank that enables the poor to contribute equally to a prosperous, self-reliant rural society through self-employment and social awareness and to help reduce poverty in Nepal. CLBBL is a strong microfinance institution in Waling municipality. The CLBBL program is launching its program all over the Waling area CLBBL provides loan based on a group guarantee without collateral. Waling Municipality microfinance CLBBL has five types of saving accounts for its customers. They are monthly savings, Unit Fund Savings, Personal savings, and Pension savings. CLBBL provides loans for agricultural production, livestock (pig, buffalo, goat keeping, etc.), retail business, and another productive sector. CLBBL distributes up to Rs.5 Lakh loan to the client. The rate of interest taken by the CLBBL is 10% to 15% is an unsecured loan, and 15% for a collateral basis loan. Similarly, it gives 6% interest for compulsory savings and 8.5% to 10.5 percentages for pension saving scheme. (CLBBL, Waling Branch).

1.2 Focus of the study

Women's position in rural areas of Nepal is backward and behind compared to men. According to Nepal's 2068 census, women are 51.5 percent of the total population. Although the constitution states that every Nepal citizen has the right own property but very few women have their land in their name. Women have limited access to land, property as well as modern knowledge and information, and economic activities. The government of Nepal and NGO, INGO are trying to solve the poverty problem with various methods. Finally, microfinance is the best tool for women's empowerment and women poverty reduction. Microfinance is one of the most effective tools of increases women's living standards and self-employment and increasing their socioeconomic status in society.

This study analyses how CLBBL helped the mobilization of their saving and distribution of loans and its repayment policy to analyze the relationship between investment and income. It is helping to develop local level women's financial condition and mainly focuses on the poorest women's financial condition through the microfinance CLBBL program.

1.3 Statement of the Problem

Women of rural areas are behind men in Nepalese society. They have no better health, higher education, and economic resources. Most of the women are involved in agriculture and household, who are staying in rural areas but are not recognized as farmer workers. The majority of women seem extended in from political, social, and economic conditions. Microfinance helps their empowerment from this point of view. If their economic situation is strong, women can move forward. With a special focus on women, different types of programs have been launched for women's poverty reduction by such micro finances. This study has examined the following point especially related to the women who are a member of the CLBBL of Waling branch.

- i. What kind of the trend of loan disbursement in the past nine years from 2069 to 2078.
- ii. What types of relationship exist between loan disbursement and recovery in Waling municipality?

- iii. What types of relationship exists between income and investments of women there?
- iv. How has the lifestyle changed of women in Waling Municipality after engaging in CLBBL?

1.4 The objective of the study

The main objective of the study is to analyze the effectiveness of the microfinance programmer for Women under CLBBL in Waling Municipality ward no seven are.

- i. To analyze the trend of saving and loan disbursement activities by CLBBL in the study area.
- ii. To explore the relationship between loan disbursement and recovery of CLBBL in Waling Municipality.
- iii. To examine the relationship that exists between investment and income.
- iv. To examine the changes in the lifestyle of women after engaging in CLBBL.

1.5 The hypothesis of the Study

This study attempts to testify to the following hypothesis.

Null Hypothesis (H_0)

- There is no significant correlation between loan disbursement and recovery.

Alternative Hypothesis (H_1)

- There is a significant correlation between loan disbursement and recovery.

1.6 Significance of the Study

Micro finance is very important for low-income Nepalese women, especially for the farmer. This research work aims to access the role of microfinance in Nepal and to analyze the social-economic empowerment of women in Waling Municipality concerning CLBBL micro financial support. They can be directly involved in fundraising programs and develop themselves. The main significance of this study is to gain some knowledge regarding microfinance institutions. This study has great significance because microfinance programs enhance the economic status of rural poor and deprived of opportunities women in society.

This study will support the study of the economic condition of women and the positive impact on their social life through a better standard of living with greater access

to education and health facilities and empowerment to participate in the decision of society. A study has contributed significantly to solving the problem existing in microfinance.

This study has some practical relevance. It is trying to disclose the real condition of women in Nepalese society. The increasing trend of women participating in economic activities like saving, taking loans, etc.

1.7 Limitations of the Study

The researchers have their limitations. Therefore, this research work has mainly focused on Waling Municipality as the case study area. Here are some limitations of the study.

- i. This study has been confined to women only.
- ii. This study focuses only on the impact of microfinance on women under CLBBL in Waling municipality.
- iii. This study has used primary data collected from a sample of rural area women and secondary data from the CLBBL Waling branch.
- iv. This study has based on the CLBBL Waling branch annual report of nine years of data from the fiscal year 2069/2070 to FY 2077/2078.
- v. This study has mainly been based on primary data. Therefore, the responses answers may be biased.

1.8 Organization of the Study

This thesis has organized into five chapters.

The first chapter is the introduction of the study, which includes the background of the study, the focus of the study, statement of the problem, objective of the study, the significance of the study, limitation of the study, and organization of the study. The second chapter is devoted to include chapter and empirical review of related subject matter and previous research. The third chapter explains the research methodology used in research to find the result for meeting the objectives set in the chapter. This chapter consists of research design, population, sample, and nature, sources of data, data collection techniques and data analysis tools, etc. The fourth chapter is devoted to the analysis of the data and presentation of the collected data regarding the topic. It consists of analysis, interpretation, and major findings of the study. The fifth chapter consists of

the summary, conclusion, and recommendation of the study. It summarizes the findings, conclusions, and recommendations based on the findings of the study. Finally, supplementary materials have given in the appendixes and bibliography.

CHAPTER II

REVIEW OF LITERATURE

This chapter deal with the review of different types of literature related to this study. This chapter is concerned with a review of literature on the impact of microfinance on women under CLBBL in the waling municipality. This chapter has divided into two parts conceptual review and a review of related studies.

2.1 Conceptual Overview

Concept of Microfinance

There is no specific definition of microfinance due to its variation based on implementation. It varied due to culture, religion, economic, social and living standards, etc. in general words, microfinance is define as the financial service provided to unemployed or low-income individuals are the group who would otherwise have no other means of gaining financial support. The main purpose of microfinance is to give low-income people an opportunity to become self-sufficient by providing a means of saving money, borrowing money, and many more (Shapkota 2018).

Micro finance is the quasi bank, which provides specialized financial services. It provides funds for unemployed, low-income individuals or groups, who have no access to financial services. Microfinance is often, defines as a microfinance service for low-income people and poor women. It refers to microcredit, micro-saving, money transfers, micro-insurance, and other financial products targeted at poor women and low-income people It focuses on poor women, who live in rural areas. Often, in rural areas, women are poor, they have no regular income sources, and they are not educated, due to the lack of capital. They are not able to run their businesses. Therefore, microfinance plays a vital role for women in generating capital, which has the desire to run their own business. It provides loans at a low-interest rate without any collateral. So, in rural areas women have benefited from microfinance services. (Robinson, 2001)

Micro-credit is thus the most popular microfinance service for the poor and low-income people who have no access to a financial activity. They are involving only household and agricultural activities. Microfinance programs focus on women's empowerment. They are fighting against poverty through MFIs. Women build up their self-confidence after the microfinance program. Microfinance allows taking on

reasonable small business loans for people safely. Microfinance institution gives information to their member of groups about raw material production, technology, market, and other services. After that, they are focused on their participation, education, health and personality building, etc. Typically, microfinance clients are often self-employed and household-based entrepreneurs operating in a wide range of microenterprises including small retail shops, street vending, informal manufacturing, and service provision. In rural areas, activities often include food-processing, trade, and agriculture-related activities (Imran, M., Hulme, D. & Rutherford, S., 2002).

Microfinance in the world

The microfinance program was set up for the first time as a microloan in the Grameen Bank in 1976 by Bangladeshi economist Prof Muhammad Yunus. The term itself, “microfinance” in its modern usage has its roots in the 1970s owing to successful pilot microcredit lending programs in Asia credited to Mohamad Yunus of Bangladesh (Lenton & Mosley, 2011). Literature evidence shows that, although the modern microfinance lending activities of the 1970s were credited to the Grameen Bank of Bangladesh, this type of credit activity existed for hundreds of years in Africa, Asia, and other parts of the world. Its main goal was to reduce rural poverty (Srncic & Svobodová, 2009). In 2006, the Noble Peace Prize was awarded to both Yunus and Grameen Bank for their efforts in developing the microfinance system. It has a successful tool for anti-poverty and development in many countries. Clients of microfinance institutions are usually poor and low-income people often; their basic needs such education, water, electricity, banking services, health services, market facilities, etc. Many women are playing a double bottom line role of a provider and caretaker at the household level. Generally, poor women do not have enough land for farming; agriculture opportunities affordable and appropriate financial services has provided by microfinance. Modern microfinance in Bangladesh has expanded its scope from home base activities and self-employment to include saving and productive employment. Microcredit also helped to diversity borrowers' economic activities, boosting income in the process. Household income grew over the study period, driven by rising non-farming income. Micro finance also encourages individuals to invest in small businesses and it provides resources to establish the business.

Status of Micro Finance in Nepal

The modern banking system had introduced in Nepal after the establishment of Nepal Bank Limited as the first commercial bank in 1994 BS. Microfinance formally started in the year 2037 BS when the Agriculture Development Bank launched the Small Farmers Development Project (SFDP). The intensive Banking Program had started by Rashtriya Banijya Bank in 2038 BS under the direction of Nepal Rastra Bank. In the year 2039 BS, the Department of Women's Development (Government of Nepal) started a credit project for rural women. The current microfinance program launched in Nepal had modeled after the program of Grameen Bank of Bangladesh started by professor Mohammad Yunus. In Nepal, microfinance had started by Dr. Harihardev pant. At that time, he was the Deputy Governor of Rastra Bank. He started a microcredit program, which is call later microfinance. Now, the microfinance program started the government level and private sector. Nowadays microfinance transforms into the concept of Microfinance Development Bank. (History-of-microfinance-in-Nepal 2020)

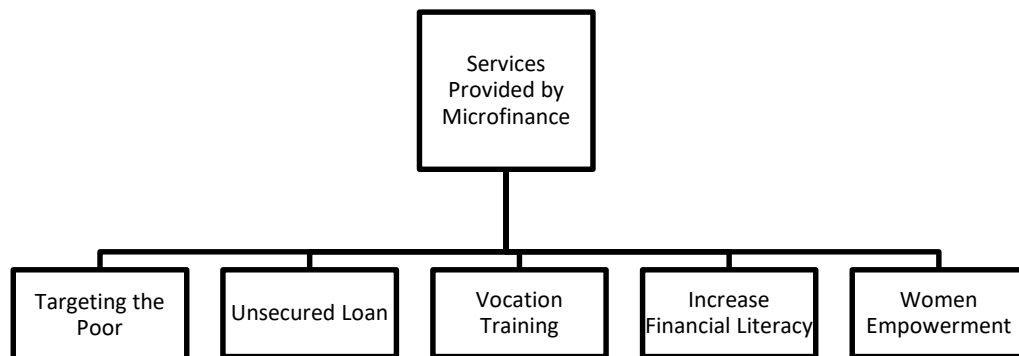
In conceptual aspects of microfinance defined as the financial service provided to the deprived group of people and small entrepreneurs to help them increase self-employment opportunities and income-generating activities micro-credit loan, saving, diversified utilization and conditions are the determining characteristics' of its definition. Micro finance as a program serves clients focusing on poor women and the whole world from the very grassroots level with financial sustainability.

A microfinance project is small deposits of a poor client. It is a financial tool for these people who do have not sufficient income. It gives them a financial environment and efficient saving opportunities. Then, they can invest in small businesses. It provides loans for people who invest in agriculture production, agriculture production business, service business, retail business, etc.

Five important Services by Microfinance

Microfinance is a financial service, which gives to service for low-income people. Microfinance's main objectives are reducing risk improving management, raising productivity, obtaining higher return on investment, increasing their income, and increasing the quality of their life and with who are their dependents. These five

important services cannot obtain from the bank. These services are provided by microfinance. Its services are the following.



I. Targeting the Poor:

The services of MFIs are targeted at the poor and needy. As they do not have the status to do business with big loans, microfinance help to start and expand the enterprise by providing small loan to the poor and needy people who do not have the poverty to pledge for a loan.

II. Unsecured Loan:

The second service unsecured loan to get loan microfinance provided the loan on collateral without collateral. Small loans are provided by forming a group of women from rural areas and witnessing the same group.

III. Vocational Training:

The third service is vocational training microfinance institutions have been to the villages and imparting vocational training to their members. Microfinance develops entrepreneurship by imparting various skill-based training such as animal husbandry, vegetable farming soap, incense making, etc.

IV. Increase Financial Literacy:

Next fourth microfinance service Women empowerment MFIs have promoted Women in entrepreneurship. Women who used to be content with their husbands or sons'

earnings now running their own businesses husband and wife are going to run the family together. This is a donation from a microfinance institution.

V. Women Empowerment:

The fifth service is increased financial literacy the microfinance program has greatly contributed to the growth of financial literacy and expansion of financial access. Having financial awareness has made it easier for the customer to run a business, this microfinance institutions have also been conducting financial literacy programs. <https://bankinghabar.com/archives/87179>

Women Empowerment

Women empowerment is empowering women to take their own decision for their personal development as well as social development. Empowerment of women would mean encouraging women to be self-reliant and independent, have positive self-esteem, generate confidence to face only difficult situations, and incite active participation in various socio-political developments. One can empower women in various ways. The individuals and government must both come together to make it happen. Education for girls must be compulsory to make a life for them. There are several principles defining women's empowerment such as, for one to be empowered, they must come from a position of disempowerment. Other studies have found that the empowerment definition entails people having the capability to make important decisions in their lives while also being able to act on them. Therefore, empowerment is a process.

The program of Action of the International Conference on Population and Development stresses that the empowerment and autonomy of women and the improvement of their political, social, economic, and health is both a highly important end in itself and necessary for the achievement of sustainable human development. It states future that "Advancing gender equality and equity and the empowerment of women and the elimination of all kinds of violence against women, and ensuring women's ability to control their fertility are priority objectives of the International Community".

The program of Action further recognizes that in all parts of the world, women are facing threats to their lives, health, and well-being. They receive less education than men and are over-represented among the poor and powerless. Achieving change requires policy and program activities that will improve women's access to the scarce and valued

resources of their societies (particularly secure livelihoods and economic resources), alleviate their disproportionate household responsibilities, and remove the legal system to contribute more effectively to the achievement of women's empowerment. The statement on the role and functioning of the resident coordinator system provides the framework in which this coordination will take place.

Microfinance and Women Empowerment

Women empowerment is a global issue. Empowerment is a growing process and not an end by itself. The empowerment and autonomy of women and the improvement of their political, social, economic, and health status is a highly important end in itself. In addition, it is essential for the achievement of sustainable development. The full participation and partnership of both women and men are required in productive and reproductive life, including shared responsibilities for the care and nurturing of children and maintenance of the household. The argument is that women spend much of their income on household well-being, including a daughter's education and health. (Hulme & Arun, 2009) In most regions of the world, women receive less formal education than men do, and at the same time, women's knowledge, abilities, and coping mechanisms often go unrecognized. The power relations that impede women's attainment of healthy and fulfilling lives operate at many levels of society, from the most personal to the highly public. Achieving change requires policy and programmer's actions that will improve women's access to secure livelihoods and economic resources, alleviate their extreme responsibilities about housework, remove legal impediments to their participation in public life, and raise social awareness through effective programmers of education and mass communication. In addition, improving Also, increased confidence through interaction with program staff and groups has improved women's role in decision-making within the household. Furthermore, some programs with an explicit gendered women empowerment focus have effectively supported women's microfinance groups to challenge unequal property rights, domestic violence, alcoholism, and dowry demands (Adams & Pischke, 1992).

Empowerment has emerged as a concept that would liberate women from their unsaved states and provides them an opportunity to embrace that promised freedom to make choice and contribute to their society. The requirement of empowerment is felt at

the national as well as the international level. Empowerment is a growing process and not an end by itself. It means control over and access to resources and taking decisions in the matters of her own earned income, saving, and expenditure for her household needs and other purposes. Microfinance includes microcredit, the provision of a small loan to poor women clients; saving and checking accounts, micro-insurance, and payment system, among other services. Microfinance is a way to promote economic development, employment, and growth through the support of micro-entrepreneurs and small businesses. Microfinance is an effective and powerful instrument. Micro-credit aims to help the poor and low-income people to raise income by running an income-generating activity. Therefore, the service is usually limited to business purposes only; although increasingly more loan are also given out for consumption purposes as well such as medical, education, or emergency loans to cover the costs of funerals and other challenges faced by poor people (Armendáriz de Aghion & Morduch, 2005).

2.2 Models of Microfinance Institution in Nepal

Microfinance institutions in Nepal have been following a few prominent microfinance models.

I. Cooperative Model

Cooperative models are implemented by the Saving Credit Cooperatives (SCCs) under which a wide range of saving and loan products are provided to the members. The SCCs target all community members in a given locality regardless of their social and economic status. However, originations established by development programs stress more on serving the disadvantaged population. As per the cooperative Act 1992, a group of 25 persons from a community can cooperatively register it with the department of the cooperative, ministry of agriculture, and co-operatives. The SCCs has governed by cooperative laws and are supposed to be self-regulated. However, some cooperatives that have been providing services to non-members after has licensed by Nepal Rastra Bank (NRB) for banking services come under NRB's regulation and supervision. The SCCs generally require mandatory savings from their members. However, members can also choose from a variety of services such as individual or group saving products, deposits, and festival and education savings. Member has also provided with loans covering a specific area, such as agriculture, housing, micro-enterprises, or some social emergency purposes. Loan so provided have a minimum term of three months to three years.

II. Small Farmer Cooperative Limited (SFCL) Model

Agriculture development bank of Nepal (ADB/N) initiated a newly developed financing concept on -cooperatives known by the name of Small Farmers Cooperative Limited (SFCL), which is a convergent from of 3-decade-old small farmers' development project 1976 bank, considered the first poverty-focused credit program in the country. To meet the whole sale requirement of SFCL for lending to the small farmer, ADB/N has established the Small Farmer Development Bank (SFDB, 2002). An SFCL is a multi-service cooperative formed to provide as well as non-financial services, like social mobilization, training, and technical support services to its members (farmers), in rural areas. SFCL's services are the main target only small farmers and are generally confined to a single Village Development Committee (VDC). Regular meetings are organized by grassroots groups to collect compulsory savings, loan repayments, and applications for loan demand. Respective inter-group appraise these loan applications and forward those to the executive committee with their recommendation for making the final decision. The loan is extended mainly with collateral security. Without collateral security can be observe as well. Sana Kisan Bikash Bank Limited (SKBBL) Provides these MFI's with a wholesale loan.

III. Grameen Bank Model

In 1997 the Nobel Laureate, Professor Muhammad Yunus Bangladesh, is quite popular worldwide and has been adopted by a large number of organizations. First introduced in Nepal in the early 1990s, the Grameen Bank Model is comparatively more feasible in terai, where the economic activities are more flourish with a relatively more developed market and road infrastructure. Under this approach, peer groups, each comprising five members are forums. The aim of the Grameen Bikash Banks (GBBs) model is to engage the targeted rural poor with appropriate credit delivery mechanisms and on a group liability basis. Rural Microfinance Development Centre (RMDC), finances Microfinance Development Banks (MFDBs) along with commercial banks and finance companies under the Deprived Sector Lending (DSL) scheme. Nirdhan Uthhan Bank Ltd (NUBL), Chhimek Bikas Bank Ltd. (CBBL), and Swabalamban Bikas Bank Ltd (SBBL) are some Nepalese MFIs operating under the Grameen Bank models.

IV. Self-Help Groups (SHGs)/Community Organization (COs) Model

The history of the group's approach to poverty reduction in Nepal dates back to the mid-1970 when 10 to 20 and operating a saving first business model. In an SHG usually, women from a similar class and region come together to form a savings and credit organization. They pool financial resources to make small conditions and account for the group. The 'Dhukuti' system is one such example of a very old form of a self-help group in Nepal that has been in operation for over decades.

Community Organization (COs) /SHGs are made at the VDC level with the assistance of the Local Development Project (LDP) under the Participatory District Development Project (PDDP) and Decentralized Local Governance Support Program (DLGSP). Local community resident is organized into COs, either separately for men or Women or together irrespective of gender. Similar to other MFIs the COs to mobilizes mandatory and other types of savings. However, if the member using seeks a loan amount that is more than what cost can provide from its saving, the member would have to fill out a separate application from addressed to the Local Development Fund (LDF). Similarly, the Poverty Alleviation Fund (PAF) organizes the local group of the target families called COs with the help of local NGOs they are informal groups and not linked up with any financial institution.

V. Village Bank Model(VB)

Village bank is a credit and savings association it managed and run by community members. Established by NGOs to provide members with access to financial services, UBS builds community self-help groups and helps members' savings. A typical village bank consists of 25 to 50 members to improve their lives through self-employment activities. In a village Bank, loans are generally charged at 24% interest per annum, and interest is collected on an upfront basis.

Major Principles of Microfinance

The condition and procedure of microfinance are more flexible and easy to understand by the local community. The principle of microfinance is as follows.

- i. Poor people need a variety of financial services, not just loans.
- ii. Micro Finance is a powerful tool to fight poverty.

- iii. Micro Finance is about building financial systems that serve the poor.
- iv. Micro Finance is about building a permanent local financial institution.
- v. The key bottleneck is the shortage of strong institutions and managers.
- vi. The role of the government set to enable financial services, not to provide them directly.
- vii. Donor funds should complement private capital, not complete with it.
- viii. Interest rate selling hurt poor people by making it harder for them to get credit.
- ix. MF can pay for itself and must do so if it is to reach a very large number of poor people.

2.3 Review of Related Studies

There are some articles, dissertations, and other relevant studies concerned with the impact of microfinance on women's empowerment. Some of the relevant studies, their objectives, finding and conclusion, and other literature relating to the topic have been reviewed.

Sharma (2007) published an article in *"The Journal of Nepalese Business Studies about Microfinance and Women Empowerment"*. The study's paper examines the effect of Women's participation in group-based micro credit programs on a large set of qualitative responses to questions that characterize women's autonomy and gender relation within the household. the data were taken from a special survey carried out in hill and terai in 2004-2006 Nepal .In this paper, analyses were done o women's involvement in decision making, changes in self-confidence, women's status in gender equity, change in awareness of social issues and problems, and family relationships and domestic violence. From the study, the result has taken out those similar changes in making the decision was a notice in both hill and terai. There is a significant change in the self-confidence of Women in the program. MFIs program has a substantial impact on terai women's income control as compared to the hill. Terai shows a relatively greater change in family relationships and domestic violence.

Lamichhane (2012) has written a thesis under the title *"Microfinance practice and its impact on women empowerment regarding Chhimek Laghubitta Bikas Bank Limited Lekhnath Municipality, Kaski"*. The general objective of this study is to show the impact of microfinance on women's empowerment and the specific objective of this study, is to highlight the impact of microfinance on the social empowerment of women in Lekhnath

municipality. This study is based on primary and secondary data. Data analysis was done using a quantitative statistical method mainly regression analysis. This study was focused on the positive impact of microfinance programmers concerned with beneficiaries, earnings, and living standards.

Tripathi (2013) has submitted a thesis study on the topic of "*Impact of Paschimanchal Grameen Bikash Bank Ltd on women Empowerment in Lamachur VDC*". The specific objective of the study was to analyze the saving & mobilization pattern of women, to explore the mode of loans, loan disbursement & repayment practice, and to analyze the relationship between investment & income of the PGBB program. The major conclusions addressed by the researcher are that saving capacity & habits have increased after the program intervention, and group saving plays a vital role in the source of financing. The monthly income of Women is satisfactory after the involvement in PGBB. The majority of the client has improved their living standards.

Gautam (2014) has conducted a study on "*Loan Disbursement in Animal Husbandry about Agriculture Development Bank of Nepal, Bagar, Pokhara*" The main objective of the study is to analyze the loan disbursement pattern from ADBN, Bagar, Pokhara. To find out the rate of growth of disbursal for loans and changes in interest rate in animal husbandry and its responses from the farmers in and around Pokhara. This study was based on both Primary and Secondary data. From this study, she found the major conclusions are; during the year 2066 -2069 the highest total loan Disbursement of ADBN, Bagar was 176.35 million in 2064/065 and the lowest was 109.74 million in 2062/063. The highest loan disbursement in husbandry was 16.23 million 14.79% in 2062/063 and the lowest was 2.57 million 21.60 % in 2060/061. The low-interest-rate was stimulation the farmer in paying the time. The repayment trend might have been affected by the socio-economic condition of the farmer but the payments of interest seem to directly move the interest rate.

Ranabhat (2014) has conducted a thesis on the topic of "*Impact of Microfinance on Women; A case studies of National Education & Social Development Organization Lekhnath Municipality of Kaski District*". The specific objective of the study was to find out the change in business, employment & income of NESDO Nepal's beneficiaries before & after involvement in micro finance program, to find out the contribution of micro-financing programming to health & nutrition, to find out the impact of NESDO

Nepal in the alleviation of poverty. The researcher concludes as saving capacity & habit have increased after the program intervention. Group saving plays a vital role as the source of finding. Loan recovery pattern seems sound, no loan amount has changed into bad debts and the majority of women interested to pay the loan on time. Majority of the clients have improved their living standard & they have shown the full community over the program & the overall study shows the program has made the positive impact on Women standard by generating employment and increasing productivity.

Agyekum (2015) has published an article on "*Effect of Microfinance on women's Empowerment*" published in *adder journal of arts and social science Ghana* says that microfinance serves both the unbanked and under-banked and reduces poverty. Microfinance is the provision of financial services to low-income clients through micro credit, compulsory saving, and micro-insurance within the reach of millions who is classified as too poor to be financed by universal banks. Microfinance often targets women and as such has become a critical tool in empowering women. Microfinance gained global recognition following the UN's declaration of the year 2005 as the UN Year of Microcredit. The UN, World Bank as well as governments, and their development partners view microfinance as an instrument that will aid the development of the society and alleviate poverty. Li, Gan & Hu (2011) assert that women empowerment through microfinance can positively transform women in two ways. First, microfinance supports poor women to earn income independent of their spouses and can financially support their families, which immediately boosts their self-esteem. Second, it frees Women from the narrow confine of the household precinct and moves into a wider community as they access to credit and used the credit facility to initiate income-generating activities. By being in a wider community coupled with the interaction with other women within the community, their self-confidence is fostered.

Parajuli (2015) has submitted a thesis on the topic of "*Impact of Microfinance in Women: A case study of Waling Municipality Syangja under MBBL*". The specific objective of the study was to access the saving and its mobilization pattern of Women in Waling municipality Syangja to analyze loan disbursement and recovery practice of Women in Waling municipality to access the impact of a microfinance program on the Women's socio-economic condition.

Adhikari (2015) has conducted a study on “*Impact of microfinance program for women development which*” is a case study of small farmer agriculture co-operative LTD, Nirmal Pokhari VDC Kaski, the objective of the study is, to explore the contribution of co-operative to Women empowerment and to evaluate the impact of microfinance program to reduce the poverty of Nirmal Pokhari VDC. From the study, it is found that microfinance leads to social and economic change in the respondents after the participation in the program. Women were empowered socially and economically and it is claimed that they were empowered with psychologically appreciable impact in bringing confidence courage, skill development, and personal empowerment in social and economic issues. Toilet facility, drinking water facility use of the store, bank saving, group saving, and forest conservation all are in increased ratio; women are aware of their right and capacity to women empowerment in the increase in Nirmal Pokhari VDC Kaski.

Khatiwada (2016) made a study under the title, " *Impact of Paschimanchal Grameen Bikash Bank on Women Empowerment in Dulegauda VDC, Tanahun.*" The objectives set by Khatiwada for his studies were to measure the relationship between investment and recovery, to analyze saving and its mobilization pattern of Women, to explore the making of loans, loan disbursement, and repayment, and assess the impact on the poorest of the poor women's financial condition. This study was based on primary and secondary data. This study concluded that the different types of savings are collected in increasing trend and mobilization of the income-generating activation in income and employment generation and overall living standard is positive. The status of loan investment and income of women is found satisfactory and they are earning slowly higher with involvement of the PGBBL program. Instead of this, the business which is running by taking a loan is found as running satisfactorily. Poor women are found and some of them have high confidentiality of standing themselves as a successful entrepreneur in the future.

Kharel (2016) has written a thesis titled " *Microfinance and women empowerment under village development programs: A Case Study of Parewadanda VDC, Lamjung.*" the basic objective of the study isto explore the role of microfinance and women empower development programs in parewadanda VDC Lamjung. The other specific objectives are to asset the condition of loan borrowing, investment repayment loan, and income, to assess the status of saving programs, to assess the utilization of amount, and to assess the socio-economic impact of microfinance on different groups. From this study, he has

presented some major findings of his studies. From the study, he found and concluded that the MFIs remobilization program parewadanda participating women enterprise higher than men are MFIs mobilization program mainly supported to women enterprises also poor people. The majority of the respondent's women are involved in agriculture and trading business.

Gurung (2017) has conducted the study on "*Impact of microfinance program for women: A case study of Microfinance Program of NESDO in Pokhara*". The main objective of the study was; to identify the demographic background of respondents, highlight different types of saving schemes of microfinance programs, and examine the economic impact of microcredit schemes in the area, to find out the perception of microfinance programs. The overall study shows that the program has made a positive impact on women living standards by generating and increasing productivity, the most important and effective program is to basis to uplift the economic condition of poor women. In this way, different papers that are related to this research paper give the conclusion that only microfinance success to reduce poverty alleviation in country, especially for women.

Chapagain, Sapkota, and Gautam (2018) attempted the study on "*Impact of Microfinance Intervention on livelihood, the status of women household*" the study attempted to examine the impact of micro to microfinance intervention on the livelihood status of the women household. To measure the impact of microfinance 60 non-intervened and the res 60 intervened respondents having a minimum of five years of attachment with Chhimek Laghubitta BittiyaSantha Limited established in the rural area of Pokhara Metropolitan City and nearby VDC has a positive impact on income level, consumption expenses, capital expenditure, and saving. The research also showed that microfinance intervention has a positive association with occupation status and micro-enterprise creation.

Palikhe (2018) has conducted a study on '*Women Empowerment in Tourism; Special Reference to Pokhara Metropolitan city*'. In his study, he examines women's empowerment in tourism in the Pokhara Metropolitan City, Nepal. The major objective is to identify the women in tourism, their situation, problem, objective, and future perspective in the tourism industry. The descriptive and analytical research design is used. Primary and secondary data are used. This study shows women are gradually being

motivated to involve themselves in tourism elected business. Women face a different obstacle that hampers them to move, initiate and run their businesses. Women have better potentiality in different tourism sectors like direct and indirect, such as farming, planting, travel, trekking, rural tourism, home stay medication, hospitality, etc. Lastly, he recommended necessarily formulating such policies to enhance related activities. There is also important to increase public awareness of the interrelation between tourism and its beneficial role for Women.

Gautam (2018) published a research articles on the topic "*Impact or Micro Finance Intervention on Livelihood Status of women Households*" this study attempts to examine the impact of micro finance intervention on the livelihood status of the women household. To measure the impact of microfinance, 60 non- intervened and the rest 60 intervened respondents had a minimum of five years. This study was based on primary data collected by a semi-structured questionnaire, and both qualitative and quantitative data were used to assess the impact of microfinance intervention. These researches also show that microfinance intervention has a positive association with occupational status and microfinance enterprise creation. The finding of the research shows that microfinance intervention has a positive impact on income level, consumption expenses, capital expenditure, and saving.

Malla (2019) has carried out a study on "*Impact microfinance program on women empowerment*". A case study of Shreejana Development Center in wards no 4 of Rupa Rural Municipality of Kaski". The objective of the study are; to identify the rational and effective program, to uplift the financial condition of concerned women, to evaluate the impact of microfinance on the income generation of the women, to analyze the socio-economic change due to the program, to explore the problem of the Women and to suggest the effective plan for the empowerment. From the study, he found that the SDC after involvement in the microfinance program majority of Women realizes their personal development very well. The program is very near its objectives to reduce the poverty different focus has been given to providing loan facilities without collateral even though there is lacking vocational training (unseasonal vegetable production, vet-nary, modern farming, and agriculture exhibition tour). There should be vocational training to conduct their business more efficiently and successfully. Women are aware of their rights and capacity for women empowerment in an increase in the Rupa Rural Municipality Kaski.

Jaishi (2020) conducted a study on '*Capital Structure and its Impact on Finance Performance in Insurance Companies of Nepal*' 'return on assets and earnings per share are the dependent variables. Independent variables are total debt ratio, equity to total assets ratio, size, liquidity, and tangibility. This paper uses descriptive as well as causal-comparative research design to examine the general structure of capital structure and financial performance and their relationship. The data were collected from annual reports of listed insurance companies in Nepal. The study is based on 84 observations from 14 insurance companies in Nepal from 2013/14 to 2018/19. The regression models are estimated to test the effect on financial performance variables i.e. return on assets and earnings per share. The result shows that insurance companies having a high debt ratio have better financial performance. An increase in debt ratio return on assets and an increase in equity, size, and liquidity decrease return on assets in the industry. The impact of the debt ratio and tangibility on earnings per share is positive and there is a negative impact of equity, size, and liquid ratio on earnings per share. The major conclusion of this study is that total debt ratio, equity to total asset ratio, size, liquidity, and tangibility are the significant factors in determining the financial performance of Nepalese insurance companies.

2.4 Research Gap

Many pieces of research are made a research on the topic of microfinance in different areas, under the different banks, micro-finance, and companies. But no one has written with a related microfinance program on Waling Municipality under CLBBL. Therefore, this research focused on women of Waling Municipality to find out the rational and useful program for women's empowerment. It is trying to study income mobilization, saving, loan disbursement, and recovery practice in selected respondents and the investigation seeks to find out about the lifestyle changes that the CLBBL of Waling Municipality has brought to the women.

In our context, generally, women's access is too backward economically, socially, educationally, and politically compared to men. Therefore, women have mostly poor access to finance. In the rural area, they are involved in household and traditional agricultural activities. In rural women, spend most of their time on agricultural and livestock-related activities. They spend 12 hours in such non-paying work they do not have access to changes and opportunities to change their living standard. Therefore, the best opportunity for women's empowerment has given by microfinance. Microfinance's

main objective is to improve the socio-economic condition of the poor, with less land, and assets -less and the deprived rural women through microfinance. In this way, women are with low income given more priority, so that women do not need to depend on others. Microfinance is important for empowering Women because further, it reduces the vulnerability of the poor. It reduces the need to pledge or sell assets to meet the basic needs. With microfinance as a tool, families move out of poverty in five to six years. The link between microfinance and empowerment is through self-help groups (SHGs). Therefore, SHGs should be adjusted and transmission of knowledge about health, literacy, nutrition childcare, education, and income generation skill.

CHAPTER III

RESEARCH METHODOLOGY

This research consists of both the methodologies of qualitative and quantitative methods. The data were collected through self-observation; this kind of method is used to assess behaviours, knowledge, attitudes, and opinion of people depending on the topic of the research. The main objective of this research work is to analyze the impact of microfinance on women's empowerment in the CLBBL Waling Municipality.

3.1 Study Area

At first, Waling Municipality had announced on 2053/11/10 B.S by the government of Nepal by joining the area or village development committees Dhanubash, Pekhu, Baghkor, and Waling. With the establishment of the new provincial structure in 2073 B.S, the present Waling Municipality included the former Waling Municipality and the wards of the former VDC. At present Waling Municipality, have 14 wards. The total population of Waling Municipality is 51243 (CBS 2011). Waling is 65 km far from the capital of Gandaki Province, Pokhara, and 27 km far from District Headquarter, Syangja.

Waling is connected to the most beautiful city of Nepal, Pokhara, and the birth place of Lord Gautam Buddha, Lumbini via the Siddhartha highway. The Popular Adikhola River is flowing through almost the middle of the Waling Municipality. Waling Bazaar is one of the major business places in the Syangja district. There are many development opportunities for Waling Municipality. The government of Nepal has listed developing Waling as one of the smart cities of Nepal.

This study area is limited to CLBBL of Waling Municipality. Out of 14 wards in Waling Municipality, four units have been selected from ward no 7. The samples is selected from a group of women from different units. The study is analyzed based on the performance of participating people from the CLBBL group.

3.2 Research Design

This study is carried out within Waling Municipality ward no seven of Syangja district; this study used an analytical as well as a descriptive type of research design. The researcher has collected the problems of the study concerning CLBBL has set the objective, information collection data, and microfinance-related literature review. It tries

to explain the relationship between incomes, loan disbursement, and other variables analyzed and interpret. It also examines the changes in the lifestyle of women after engaging in CLBBL.

3.3 Nature and Sources of Data

This study has used both primary and secondary data. The primary data were collected from the field survey by using a questionnaire. Secondary data had obtained from the annual report of CLBBL; publish dissertations, journals, related books, various websites, and library studies. The data used in this study cover nine years ranging from 2069/2070 to 2077/2078.

3.4 Population and Sample

The population of the women participating in all the units of CLBBL in Waling municipality is four units of ward no. 7 has selected for this study. This study covers all units but it does not consider all the members of women for purpose of study because of the limitation of area, budget, and time. There is 80 Women group from 2069 to the end of Ashad 2078 in Waling municipality, which is considered the size of the population for this study. Out of a total, 120 women are participating in the four unit of which 80 women has selected randomly for data collection. The details of the sampling design has been given in table 3.1

Table 3.1

Population and Sample

Unit No	Total Member	Sample	Percentage of Sample	Method of Sample
8549	36	27	33.75	Random
8544	26	18	22.5	"
30554	25	15	18.75	"
8541	33	20	25	"
	120	80	100	

Source: Field Survey 2020

3.5 Data Collection Methods

The data has based on primary and secondary sources. Most of the data has obtained from primary data by field survey. To obtain data from the study area, questionnaires were prepared after the pilot survey. The questionnaires are filled up by interviewing sample members. Secondary data collected by discussion and interview with related staff of the CLBBL institution. In addition, various news, unpublished thesis, articles, journals, dissertations, and related websites are used to collect information.

3.6 Data Processing and Analysis

The collected data has edited, classified, and tabulated in appropriate form. Processing of data has using computer software Microsoft Excel and SPSS. Various tools has used for analyzing the data.

- Collection of related information CLBBL.
- Classification and tabulation of data.
- Use of percentages changes, average, simple regression, correlation, t-test,
- Draw a conclusion summary and suggestion based on the analyzed data

Simple Correlation Coefficient (r)

Simple correlation (r) has used to find the relationship or the degree of association between the loan disbursement say X and recovery say Y. Calculated the following formulae.

$$\text{Simple correlation coefficient } \left(r_{xy} = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{\sum (x-\bar{X})(y-\bar{Y})}{\sqrt{\sum (x-\bar{X})^2 \sum (y-\bar{Y})^2}} \right)$$

Where,

r = Correlation coefficient between loan disbursement and recovery

$$\bar{X} = \frac{\sum X}{n} = \text{Average loan disbursement}$$

$$\bar{Y} = \frac{\sum Y}{n} = \text{Average loan recovery}$$

n = Number of Observation years

Its value Lines between -1 to 1 (i.e. $-1 \leq r_{xy} \leq 1$).

If $r_{xy} = 1$, there is a perfect positive relation.

If $r_{xy} = -1$ there is a perfect negative relationship.

If $r_{xy} = 0$ there is no correlation at all.

The closer the value of r is to 1 or -1 , the closer the relationship between the variable, and the closer r is to 0, the less close relationship between the variables.

Simple Regression

This analysis shows a linear relationship between the variables. It has been used to measure the degree of relationship between loan disbursement and income generation. To examine the relationship between loan disbursement and income generation, the following formula has been used.

$$Y = a + bX + e$$

X = Loan disbursement (Independent variable)

Y = Recovery (Dependent variable)

a = Autonomous loan disbursement

b = Elasticity of recovery to loan disbursement

Statistical tests

A brief explanation of the major statistical tests used in this is given below:

I. t-Test

The t-test has used to find out the statistical significance of the individual parameter at the given level of significance. It determines the degree of confidence in the validity of the estimates. This test helps us to decide whether the estimated parameters are significantly different from zero or not. The t-test statistic has computed as follows.

$$t = \frac{\bar{X} - \mu}{\frac{\Sigma}{\sqrt{n}}}$$

Where,

$$\bar{X} = \frac{\Sigma x}{N} = \text{Sample mean}$$

$$S^2 = \frac{1}{n-1} \Sigma (X - \bar{X})^2 = \text{unbiased estimate of the variable variance}$$

μ = Population mean

n = Sample size

The following hypothesis is used to compute the t-test statistic.

Null Hypothesis(H_0): $a = 0$, i.e. the regression parameter is not significant.

Alternative Hypothesis(H_1): $a \neq 0$ i.e., the regression parameter is significant.

Thus, if the calculated t- value is greater than the tabulated t- value at a certain degree of freedom and level of significance, the null hypothesis is rejected and the regression parameter is significant and vice versa.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

This chapter includes of presentation and analysis of primary and secondary data related to a different variable using statistical tools. The focus of this chapter is to analyze the relevant information. This chapter has been organized based on the objectives of the study. The data obtained from various sources have been classified and tabulated to obtain the findings. The findings have interpreted based on the table and statistical results.

4.1 Respondent Profile

Table 4.1

Respondents Profile

Age Structure of Respondents		
Age group	No. of Respondents	Percentage (%)
20-30	5	6
30-40	29	36
40-50	30	38
50-60	13	16
60 above	3	4
Total	80	100

Education Status		
Level of Education	No. of Woman	Percentage (%)
Literate Only	31	39
Under SLC	42	52
Above SLC	7	9
Total	80	100

Ethnic Group of Sample		
Ethnic	No. of Women	Percentage (%)
Bhaman/Chhetri	2	2.5
Adibasi Janajati	61	76.25
Dalit	17	21.25
Total	80	100

Source: Field Survey, 2020

Age Group of Respondents

Table 4.1 shows among 80 respondents 6 Percent were between the 20 to 30 years range, 36 percent were in between the 30 to 40 years range, 37 Percent were in between the 40 to 50-year range, 16 percent were in between 50 to 60 years and 4Percentwomen were 60 above. Out of 80 respondents, 30 sample women were highly benefited in the 40-50 years range. Normally 20-65 years range sample women were engaging in economic activities and benefited from CLBBL.

Educational Status of Respondents

Education is the basic human capital formation and the key source of economic development of a nation. Education gives new knowledge and idea to people which help to create and use suitable technology for every field of development. It is believed that the rapid quantitative expansion of education opportunities is the key to national development the more education, the more rapid the development (Todaro, 2011:394).

Table 4.1 shows the educational status of the participating women. The majority of the clients are under SLC 52Percent CLBBL is helping all levels of women in the field of awareness, economic development, social participation, and other activities.

Ethnic Structure

As Nepal is a multi-cultural and multi-ethnic country, there is diversity in caste and culture, ethnically sampled. The state table shows Brahmin and Chhetri, Janajati, and Dalit of the sample women and their perceptions of the programs. Microfinance gives priority to women with lower incomes than ethics.

Table 4.1 shows that there are 2.5 percent Brahmin and Chhetri, 76.25Percent, Janajati, and 21.25 Percent Dalit. The field survey report shows the number of Adibasi Janajati covers the highly engaging and Brahmin, Chhetri group has the least involvement in the CLBBL during the survey.

4.2 Analysis of Saving and Lending Activities by CLBBL

4.2.1 Saving Activities of CLBBL

Saving is a postponement of present consumption for the future. Saving is the excess of income over expenses, for the development of entrepreneurship, saving is necessary. People are required to save something for future unforeseen contingencies. The effectiveness of CLBBL can also be analyzed based on the members generated by investment increased in income dependent on investment and saving depends on increased income.

Chhimek Lakhubitta Bikash Bank Ltd. has opened various savings schemes the main saving schemes and their interest rate are as follows.

Table 4.3

Saving Activities of CLBBL

Saving Service	Interest Rate	Apology
Monthly Savings	6.00%	-
Personal Savings	6.00%	-
Unit Fund Savings	6.00%	-
Pension Savings	8.5 to 10.5%	Closed new opening at the end of the period

Source: CLBBL Waling Branch, 2020

Monthly Regular Saving of Sample Women

Chhimek Laghubitta Bikash Bank Limited has provided various savings schemes for its client and gives different interest rates to different savings schemes. The regular saving of women are presented in a table.

Table 4.4

Monthly Regular Saving of Sample Women Before and After Joining CLBBL

Amount	Before Taking loan		After Taking loan		Increase/ Decrease (%)	Remarks
	Women Response	%	Women Response	%		
0-100	55	68.75	8	10	-58.75	Decrease
100-200	15	18.75	25	31.25	12.5	Increase
200-300	7	8.75	22	27.5	18.45	Increase
300-400	3	3.75	18	22.5	18.75	Increase
500&More	-	-	7	8.75	8.75	Increase
Total	80	100	80	100	-	-

Source: Field Survey, 2020

Table 4.4 shows a sample of women's monthly regular savings. Before taking a loan in CLBBL, out of 80 women who save Rs 100, 55 were women and now 8 women saved Rs 100 after taking a loan. Similarly, women the number of women saving Rs 100 to 200 here 15 women but after there are 25 women. No women-taking loans were saving Rs 500 before. But after taking a loan in CLBBL, now there are 7 women. Compared to the before and after, according to the table above, the number of women saving 200-300 and 300-400 monthly is increasing. The table shows the monthly saving of women before and after taking loans participating in CLBBL. To make it clear, meaningful, and understandable above data is in graphical form in figure 4.4.

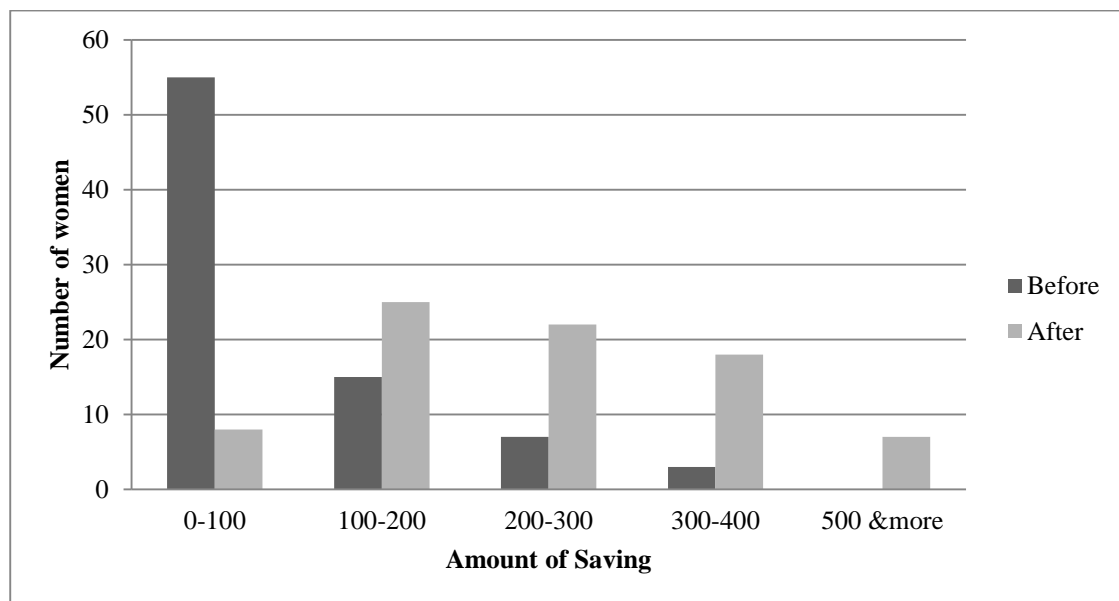


Figure 4.1 Monthly Regular Saving of Women

Figure 4.1 has shown the monthly regular saving is a positive increase in CLBBL. They are generating more income after they enter in CLBBL program so they are saving regularly.

Monthly Optional Saving of Sample Women

The monthly Optional saving (Saving Personal savings, Unit fund savings, and Pension Savings) of sample women before taking the loan and after taking the loan entering the CLBBL program optional saving has presented in the following table.

Table 4.5

Monthly Optional Saving of Sample Women Before and After Joining CLBBL

Amount in Rs.	Before Taking Loan		After Taking Loan		Increase/ Decrease (%)	Remarks
	Women Response	%	Women Response	%		
0-100	22	27.5	10	12.5	-15	Decrease
200-400	38	47.5	18	22.5	-25	Decrease
400-600	7	8.75	12	15	6.25	Increase
600-800	8	10	10	12.5	2.5	Increase
800-1000	3	3.75	27	33.75	30	Increase
1000& More	2	2.5	3	3.75	1.25	Increase
Total	80	100	80	100	-	-

Source: Field Survey, 2020

Table 4.5 shows the regular optional saving of sample women in both numbers and amounts. It also shows the saving of sample women before and after taking a loan in CLBBL programs and the percentage change in saving. 22 women were Rs 100 saving optionally before taking a loan in CLBBL response but after the number was 10 women with 15% decreased. After entering the CLBBL program, they are involved in different economic activities and generate more income. It seems that the program can positively benefit them.

4.2.2 Lending Activities

Loan disbursement and repayment has related to the lending activities of CLBBL. Loan disbursement to the targeted women is important for reaching the aspect of the livelihood uplift. The implementation of CLBBL selects an appropriate sector for the targeted Women according to their choice and recommends them for loan and the base of a group decision. The responsibility of operating business and repayment of loan interest line on the borrower's women of CLBBL. The main loan activities of CLBBL are discipline loans, special discipline loans, and emergency loans. All of these activities consist of agriculture production, agriculture production business, livestock (Pig, Goat, Buffalo, and Poultry Farming), service (Hotel, Furniture business), retail shop, and other business.

Loan Repayment Model

The loan, which has provided by CLBBL to the client, should have paid monthly basis Member should pay monthly instalment with interest. Members have no chance to pay only interest. This is why the chance of bad debt is getting low. The rate of interest differs according to the program or business of the loan.

Table 4.6

Loan Interest Rate

Business/Program	Rate of Interest %	Service Charges %
Agriculture Production	15.0	1.5
Poultry Farming	15.0	1.5
Livestock	15.0	1.5
Service Business	15.0	1.5
Alternative Energy	15.0	1.5
Collective Business	14.0	1.0
Unit Home Loan	10.0	1.0

Source: Annual, Report of CLBBL.

Table 4.6 shows the rate of interest of the unit home loan is very lower than the collective business loan and then another business interest is equal.

Sectors of Loan Mobilization

There are various sectors of taking loans by women from CLBBL programs. Following table 4.7 shows, the number and percentage of women participating in various sectors of CLBBL while taking the loan. It shows the sample of women involved in different types of economic activities after entering into CLBBL programs.

Table 4.7

Sectors of Loan Mobilization after Joining CLBBL

Sector of Loan	Number of Women Respond	Percentage
Animal Farming (AF)	50	62.5
Agriculture Production(AP)	12	15
Agriculture Productive Business (APB)	2	2.5
Retail Business (RB)	3	3.75
Service Business (SB)	5	6.25
Others Business(OB)	8	10
Total	80	100

Source: Field Survey, 2020

In the sector of women, more loan was taken from the It shows the sample women involved in different types of loan mobilization after engaging in CLBBL programs 50 women were involved in animal farming and 2 women were involved in agriculture production business which is the highest and lowest number of women borrowers.

Loan Disbursement in Different Programs

The bank provides credit facilities for the poor, especially to the female of the disadvantaged group. It has non-collateral and collateral-based micro-credit facilities CLBBL; Waling branch distributes loans on different programs (Normal Loan, Discipline Loan, Special Discipline Lone, and Emergency loan). Kinds of 4 different loan Disbursement of Waling CLBBL. The statement of loan disbursement in the last nine fiscal years has shown in the table.

Table 4.8

Loan Disbursement in Different Programs

(In Rs lakh)

Fiscal year	Normal Loan		Discipline Loan		Special Discipline Loan		Emergency loan		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
2069/70	5.66	3.76	0.95	0.42	0.12	0.67	-	-	6.73	1.69
2070/71	8.4	5.58	2.85	1.25	0.35	1.96	0.11	4.07	11.71	2.94
2071/72	9.36	6.22	5.75	2.53	0.3	1.68	0.25	9.26	15.66	3.93
2072/73	12.65	8.41	10.85	4.77	0.55	3.09	0.73	27.04	24.78	6.22
2073/74	17.1	11.36	13.4	5.89	0.55	3.09	0.41	15.19	31.46	7.89
2074/75	19.65	13.06	26.9	11.83	0.65	3.65	0.2	7.41	47.4	11.89
2075/76	24.2	16.08	51.43	22.6	5.9	33.11	0.27	10	81.8	20.53
2076/77	24.57	16.33	56.88	25	4	22.45	0.2	7.41	85.65	21.49
2077/78	28.9	19.2	58.5	25.71	5.4	30.3	0.53	19.62	93.33	23.42
Total	150.49	100	227.51	100	17.82	100	2.7	100	398.52	100

Source: CLBBL, Waling Branch, 2020

Table 4.8 shows the disbursement of loans to the women of CLBBL in fiscal years from 2069/070 to 2077/078. There are four kinds of loans. Out of this Rs. 150.49, lakh was distributed for a normal loan, Rs.227.51 lakh discipline Loan, Rs.17.82 for a special discipline Loan, and Rs.2.70 has distributed for an emergency loan. The total loan of disbursement was Rs.398.52.

Women's Response to Repayment of Taken Loan

A sample of women was taken loans who are involved in the borrowing of loans for repayment patterns.

Table 4.9

Women's Response on Repayment of Taken Loan after joining CLBBL

Description	Number of Women Respond	%
Paying the Principle & Interest	77	96.25
not paying the Principal and Interest	3	3.75
Total	80	100

Source: Field Survey, 2020

Table 4.9 shows the women's responses to the repayment of the taken loan. 77 women were repaid both principal and interest. 3 women do not pay both the principal and interest.

Loan Recovery and Outstanding

Loan recovery on time from different heading is one of the important parts of the lender. According to the CLBBL report, overall recovery are shown in table 4.10

Table 4.10

Loan Recovery and Outstanding (Rs Lakh)

Fiscal year	Loan Recovery		Outstanding		Total Loan	
	Amount	%	Amount	%	Amount	%
2069/70	6.25	92.87	0.48	7.13	6.73	1.69
2072/71	9.97	85.14	1.74	14.86	11.71	2.94
2071/72	13.90	88.76	1.76	11.24	15.66	3.93
2072/73	21.87	88.25	2.91	11.75	24.78	6.22
2073/74	28.98	92.12	2.48	7.88	31.46	7.89
2074/75	44.95	94.83	2.45	5.17	47.40	11.89
2075/76	78.90	96.45	2.90	3.55	81.80	20.53
2076/77	81.55	95.21	4.10	4.79	85.65	21.49
2077/78	88.75	95.09	4.58	4.91	93.33	23.42
Total	375.12	94.13	23.40	5.87	398.52	100

Source: CLBBL, Waling Branch, 2020

Table 4.10 shows the amount of loan recovery by CLBBL from the group of women in different fiscal years. It also shows the outstanding loan of CLBBL from the group of women from FY 2069/70 to 2077/78. The total loan recovery on the study was Rs.375.12 and the outstanding was Rs.23.40. Loan disbursement gradually recovery condition also increases during the study period after entering the CLBBL programs.

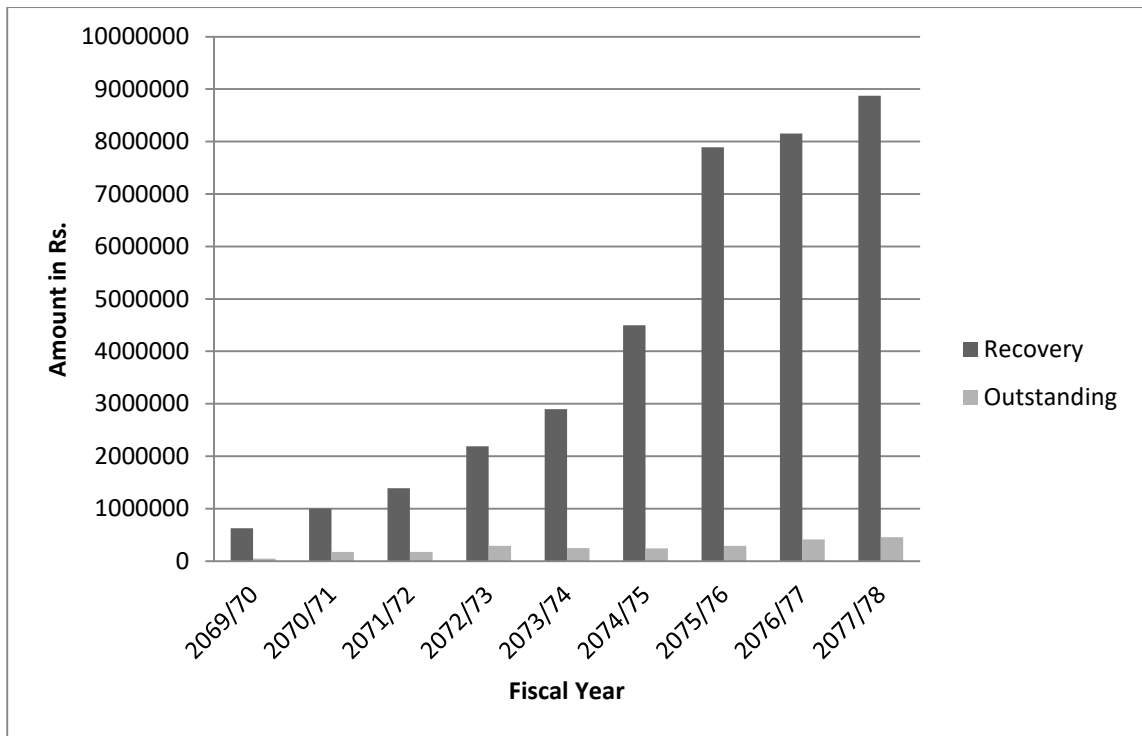


Figure 4.2. Loan Recovery and Outstanding

Figure 4.2 shows that the loan recovery rate is higher. It concludes that women can earn so they on their loan, on the other hand, they are conscious about the repayment of loans. CLBBL program seems able to recover their fund. There is no change in bad debts.

4.3 Relation between Loan Disbursement and Recovery

It is essential to examine the relationship between loan disbursement and recovery. The stay relationship between loan disbursement and recovery is following shown.

Table 4.11

Relation between Loan Disbursement and Recovery (Rs. in Lakhs)

FY	Total Loan Disbursement	%	Recovery	%
2069/070	6.73	1.69	6.25	92.87
2070/071	11.71	2.94	9.7	85.14
2071/072	15.66	3.93	13.9	88.76
2072/073	24.78	6.22	21.87	88.25
2073/074	31.46	7.89	28.98	92.12
2074/075	47.4	11.89	44.95	94.83
2075/076	81.8	20.53	78.9	96.45
2076/077	85.65	21.49	81.55	95.21
2077/078	93.33	23.42	88.75	95.09
Total	398.52		375.12	

Source: Field Survey 2020

Table 4.11 shows the amount of loan disbursement and recovery in different CLBBL programs during the study period. The position of loan disbursement increased from FY 2069/2070 to 2077/2078. To find out the correlation regression related that loan disbursement (x) and recovery (y). The result has obtained by using SPSS computer software (Appendix C) which has given below.

(a) Correlation between x and y (r)

Table 4.12

Correlation Result

		Loan disbursement	Recovery
Loan Disbursement	Pearson Correlation	1	0.9998
	sig.2-tailed		.000
	N	9	9
Recovery	Pearson Correlation	0.9998	1
	Sig.2 tailed	.000	
	N	9	9

Source: Appendix

The value of the correlation coefficient lies between -1 to +1

If $r=+1$ there is a perfect positive relationship

If $r = -1$ there is a perfect negative relationship

If $r =0$ there is no correlation at all

So, the coefficient of correlation (r) =0.9998, which is a perfect positive correlation between loan disbursement between recovery. A high loan disbursement rate is associated with a higher recovery rate.

(ii) Computation of regression equation between loan disbursement and recovery.

The analysis shows the relationship between loan disbursement and recovery. Their relationships are estimated by using the following simple regression equations. Regression relationship between recoveries (y) on loan disbursement (x).

We have a regression line

$$Y = a + bX + e$$

Here.

Y =Loan Recoveries in Lakh Rupees

X = Loan Disbursement in Lakh Rupees

a =Autonomous increase in y

b =Slope of y on x

e = Error Term

Table 4.13

Regression Results

Equation	Constant	Coefficient of loan Disbursement	t-Test	F -Statics	R^2	Sig
$Y = a + bx$	-1.196	0.968	145.33	21122.082	.9997	0.000

Source: Appendix

The regression results presented in the table reveal the significant relationship between loan disbursement and recovery. The value of $b =0.968$ indicates the rate of loan disbursement per unit change in loan recovery is a positive fraction and hence it is increasing. The value of $a = -1.196$ indicates the negative value of loan disbursement

when the loan recovery is zero. In addition, regression square R^2 is high value and significant.

4.4 Relationship between Investment and Income

Investment is using the fund to raise more funds. The fund that has generated from investment has called income. Therefore, money has invested in the form loan at a certain percentage of interest. Loan has recovered with interest after a certain period. This fund investment plays a vital role to increase the live hood of CLBBL.

Income from Investment

Income and investment are inter-relating. Without investment, there is no income and without income, there is no investment. The following table, the response of women getting income from loan investment before and after the CLBBL program. Table 4.14 also makes clear the number of women and the percentage of women getting income from investment.

Table 4.14

Income from Investment Before and After Joining CLBBL

Description	Before Taking Loan		After taking Loan		Increase/Decrease %	Remarks
	Women Respond	%	Women Respond	%		
Maximum	34	42.5	36	45	2.5	Increase
Minimum	41	51.25	42	52.5	1.25	Increase
No	5	6.25	2	2.5	-3.75	Decrease
Total	80	100	80	100	-	-

Source: Field Survey, 2020

In table 4.14, the description is divided into maximum, minimum, and no income. Before maximum interning 34 women were investing loans from different sectors. After involvement in CLBBL programs, maximum of 36 women were investing loans from different sectors. Before minimum involvement, 41 women were investing loans from different sectors. But after minimum involvement, 42 women were investing loans from a different sector, and before no description involvement 5 women were investing loans but

after no description involvement women, 2 women were investing loans from different sectors. Therefore, the majority of respondents highly benefitted from the CLBBL programs. To make it clear, meaningful, and understandable above data has presented in the graphical form.

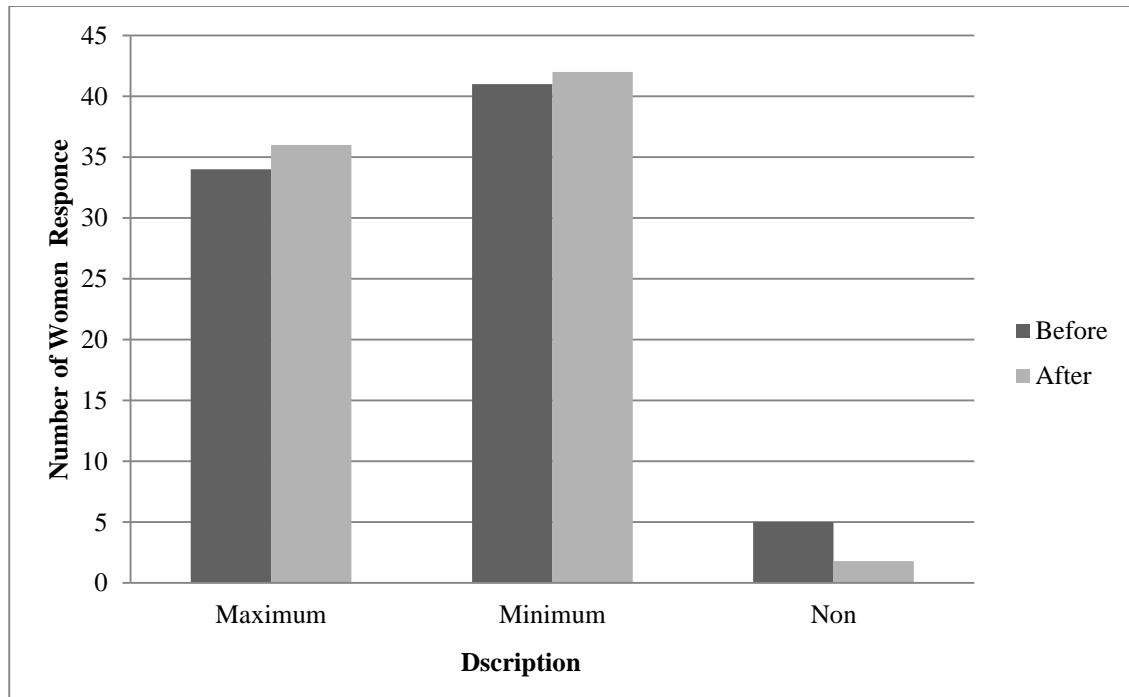


Figure: 4.3 Income from Investment before and after joining CLBBL

This graphical figure 4.3 clearly shows that after entering CLBBL in the investment program. The income level of women highly changes in maximum and minimum income levels.

Changes in Monthly Income of Sample Women

Some women were rich and some women were poor. Table 4.15 shows the monthly income of the women before and after involvement in CLBBL programs.

Table 4.15

Change in Monthly Income of Sample Women Before and After Joining CLBBL

Income Range in Rs	Before Taking Loan		After Taking Loan		Increase /Decrease e %	Remarks
	Women Response	%	Women Response	%		
	0-5000	60	75	34		
5000-10000	12	15	22	27.5	-12.5	Decrease
10000-15000	4	5	11	13.75	-8.75	Decrease
15000-20000	2	2.5	8	10	-7.5	Decrease
20000-25000	2	2.5	5	6.25	-3.75	Decrease
Total	80	100	80	100	-	

Source: Field Survey 2020

Table 4.15 that the monthly income of the sample. Before there were, 75% of members earned up to Rs 5000, but after program implementation, it has reduced to 42.5%. The table shows that 15% of members earn up to Rs 5000 to 10000 before the program but after program implementation, those have increased to 27.5%. Similarly, before 5% of members earn up to Rs 10000 to 15000 but after program implantation, it has increased to 13.75% and before 2.5 % of members earned up to Rs 15000 to 20000 but after that increased 10% and before 2.5 % of members earning up to Rs 20000 to 25000.

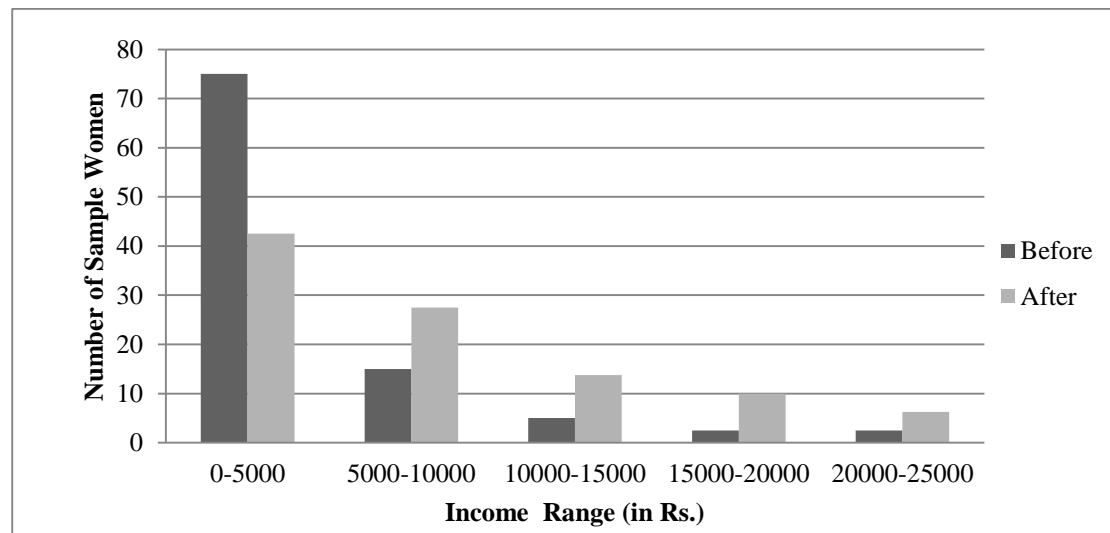


Figure 4.4. Change in Monthly Income of Women before and after joining CLBBL.

4.5 Analysis of Changes in Women's Lifestyle Before and After Engaging CLBBL

Microfinance programs often require women to meet only monthly to repay loans and deposit money. This allows women to come together and simultaneously provides financial strong power while building a support system. This is helpful to create an opportunity to provide higher living standards. There are some indicators as follows.

Changes in Self-Confidence Level/ Empowerment of Women

The changes in self-confidence level the main empowerment level of women are given in table 4.16.

Table 4.16

Change in Self-confidence Level Before and After Joining CLBBL

Self-Confidence Level	Before Joining		After Joining		Increase (%)	Decrease (%)
	Response	%	Response	%		
Improvement of speaking ability	20	25	60	75	50	25
Participating in community work	35	43.75	65	81.25	37.5	18.75
Leadership of development	10	12.5	55	68.75	56.25	31.25
Respect from family and society	19	23.75	75	93.75	70	6.25

Source: Field Survey 2020

Table 4.16 shows that the women's self-confidence has increased. To identify the impact of microfinance on women regarding some strategic needs of women and the development of social capital which ultimately ensures women's empowerment, a sample client was interviewed to find whether there has been improvement or not. Responses of 80 sample women indicate improvement in their personality. It is indicated by the data that the additional 50% of women who got an improvement in speaking ability after the program, an additional 37.5% of women from the sample of women have participated in community work. Similarly, there is an increase of 56.25% in client leadership of development, and 70% of clients got respect from family and society

Change in House Structure

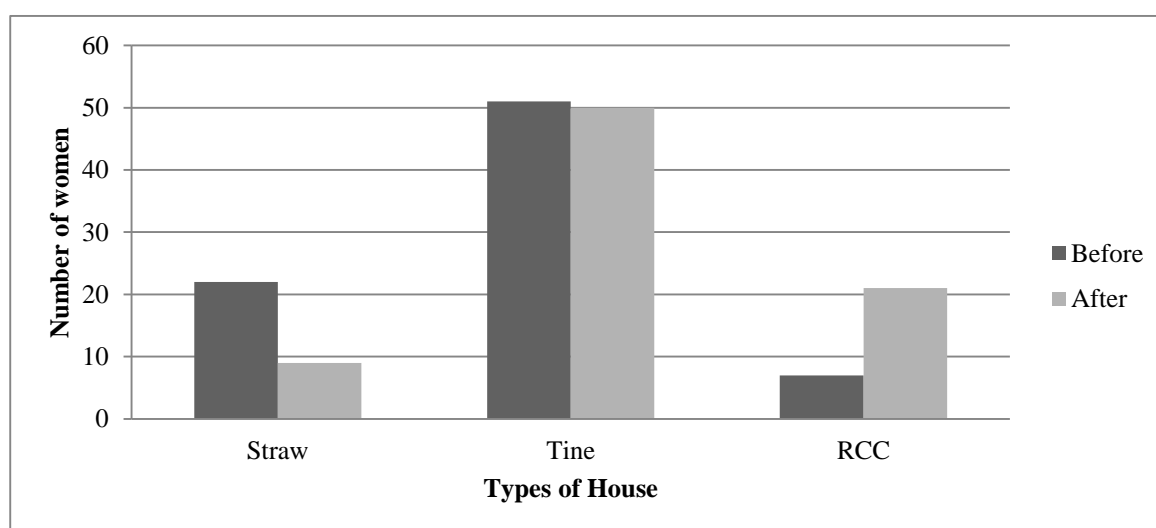
Table 4.17

Change in House Structure Before and After Joining CLBBL

Types of House	Before Taking loan		After Taking loan		Increase/Decrease (%)	Remark
	Response	%	Response	%		
Straw	22	27.5	9	11.25	-16.25	Decrease
Tin	51	63.75	50	62.5	-1.25	Decrease
RCC	7	8.75	21	26.25	17.5	Increase
Total	80	100		100		

Source: Field Survey2020

Table 4.17 shows that the house structure of the study area before and after 27.5% of houses had made of straw but after joining CLBBL 11.25% of houses were made of straw. After the house, the structure was 16.25% decreased made of straw. Similarly, 63.75% of houses were made of tin, but after joining CLBBL, 50% of houses are made of tin. Before 8.75% of houses had made of RCC but after 26.25% of houses has made of RCC. After joining CLBBL RCC houses increase by 17.5 %.



*Figure 4.5.*Change in House Structure before and after joining CLBBL

Changes in Toilet Structure

In this part, asked questions to the respondents about the improvement in the change in toilet structure before and after joining CLBBL.

Table: 4.18

Change in Toilet Structure Before and After Joining CLBBL

Type of Toilet Structure	Before Taking Loan		After Taking Loan		Increase/Decrease (%)	Remarks
	Response	%	Response	%		
Local Toilet	73	91.25	4	5	-86.25	Decrease
Flush Toilet	7	8.75	76	95	86.25	Increase
Total	80	100	80	100		

Source: Field Survey 2020

Table 4.18 show the changing habit of the respondents about using the toilet before and after joining CLBBL. Out of 80 responses, a large number of 73 were using the local toilet and the remaining seven were using the flush toilet before they joined CLBBL. After they joined CLBBL, the number decreased to 4 those who used local toilets and increased to 76 those who used a flush toilet. It reveals that CLBBL has a significant role to change the perception of the respondents in the structure of the toilet.

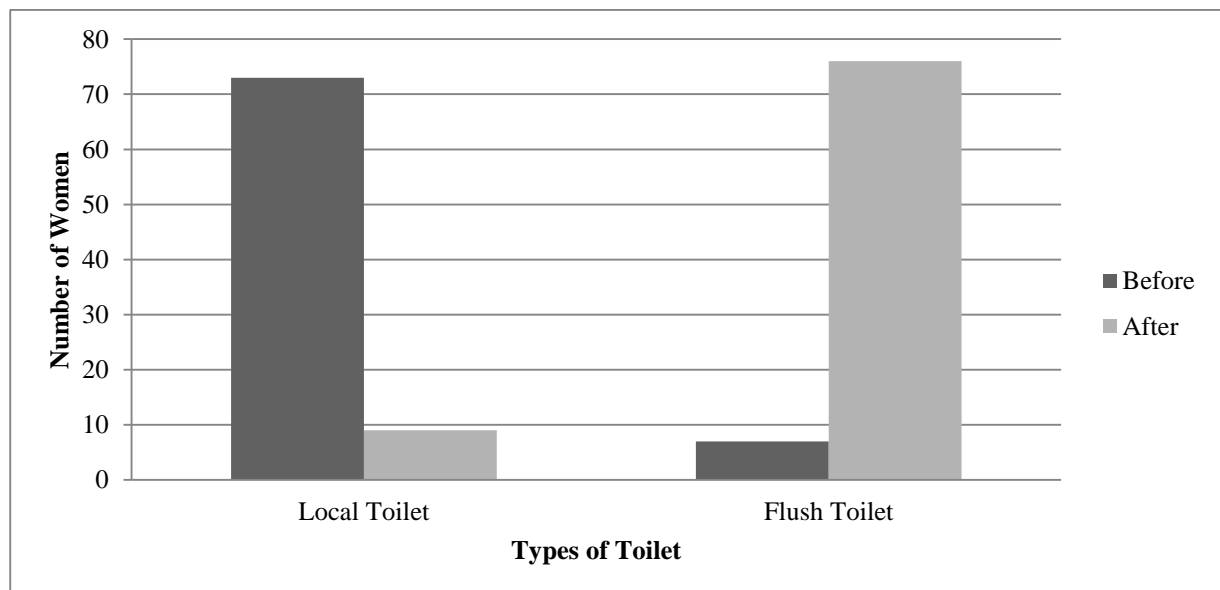


Figure: 4.6. Change in Toilet Structure Before and After Joining CLBBL

Changes in Health Treatment Pattern of the Respondent

Microfinance not only provides loans to repay and deposit but also provides health education opportunities to women who do not have access to insurance and health care. In this part, asked questions to the respondents about the improvement in their health patterns after involving in microfinance CLBBL.

Table 4.19

Treatment of Health before and after joining CLBBL

Types of Hospital	Before Taking Loan		After Taking Loan		Increase/Decrease	Remark
	Women Respond	%	Women Respond	%		
Dhami Jhakri	55	68.75	12	15	-53.75	Decrease
Government Hospital	16	20	44	55	35	Increase
Private Hospital	9	11.25	24	30	18.75	Increase
Total	80	100	80	100		

Source: Field Survey 2020

Table 4.19 shows that the maximum percentage i.e. 68.75% of respondents' referred Dhami-Jhakri, 20% recommended Government Hospital, and the remaining 11.25% referred Private Hospital before joining CLBBL. After joining the CLBBL, the percentage of referring to Dhami-Jhakri decreased to 15%, government hospitals increased to 44% and private hospitals decreased to 24%. It reveals that the awareness of health and treatment is improving after joining CLBBL.

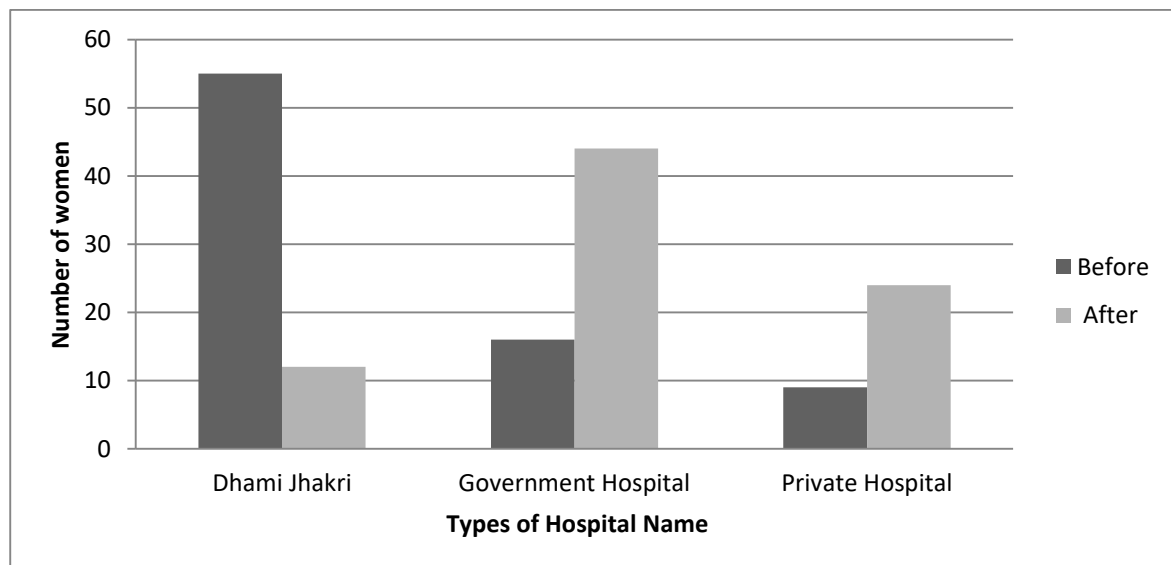


Figure 4.7 Treatments of Health Before and After Joining CLBBL

Changes in Schooling of Women's Children

Table 4.20 shows the children-schooling condition of the women respondents.

Table: 4.20

Schooling of Women's Children Before and After Joining CLBBL

Types of School	Before Taking Loan		After Taking Loan		Increase/Decrease (%)
	Women Response	%	Women Response	%	
Public School	77	96.3	74	92.5	-3.75
Private School	3	3.75	6	7.5	3.75

Source: Field Survey 2020

Table 4.20 shows the schooling pattern of the children of respondents before and after joining the CLBBL program. Before engaging in the program, 77 women used to admit their children to public school and only three women used to admit their children to Private schools. But after entering in CLBBL program, 74 women used to admit public schools and 6 women used to Private schools. It shows that very few women have increased their income and shifted their children from public to private after joining the CLBBL.

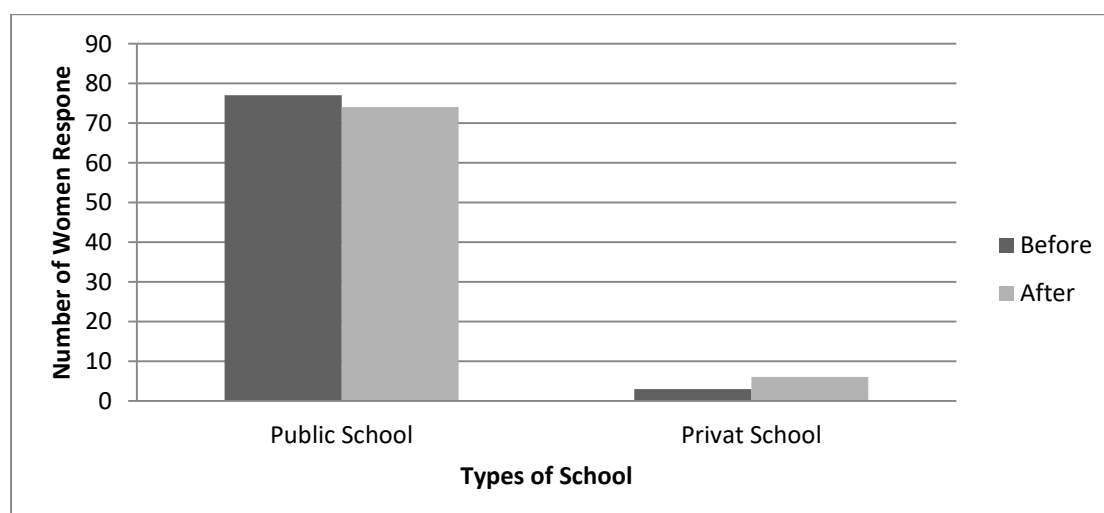


Figure: 4.8.Schooling of the Children Before and After Joining CLBBL

Operating Enterprises and Decision Making

Operating enterprises and decision making of the respondents before entering the CLBBL and after entering the CLBBL has presented in Table 4.21

Table 4.21

Role of Operating Enterprises and Decision Making

Decision Making	Before Taking Loan CLBBL		After Taking Loan CLBBL		Increase Decrease (%)
	Response	%	Response	%	
The decision by Them self	4	5	45	56.25	Increase
Dependent on Family	76	95	35	-43.75	Decrease
Total	80	100	80	100	-

Source: Field Survey 2020

Table 4.21 shows that before engaging in CLBBL 5% of women used to decide by themselves and joining after CLBBL 56.25% of women decided by them self. Before 95% of women were dependent on the family but only 43.75 % of women are depending on a family member. After this program, the percentage of women who made decisions themselves increase.

Overall Improvement in Living Standard of Women Before and After Joining CLBBL

Table 4.22 shows the improvement in the living standard of women before and after participating in CLBBL program activities.

Table 4.22

Improvement in Living Standard of Women Before and After Joining CLBBL

Description	Before Taking Loan	%	After Taking Loan	%	Increase/ Decrease	Remark
Improve	15	18.75	76	95	76.25	Increase
Not Improve	65	81.25	4	5	-76.25	Decrease
Total	80	100	80	100	-	-

Source: Field Survey 2020

Table 4.22 reveals the response of participating women about their living standards after participating in the CLBBL program. In total, 95 percent of women said that their living standards had changed after entering the CLBBL program and 5 percent of women said that there is no change in their living standards. It seems that the majority of sample women have improved their living standards after engaging CLBBL program.

4.6 Major Finding

The collected data during the economic year range from 2069 to 2078. This study used correlation as a regression analysis to accomplish the objectives of the study. Correlation and simple regression equations are used to test the relationship between loan disbursement and recovery. The research has succeeded in finding out various tables and figures related to different aspects of the study area. These major findings of the study has presented as follows,

- i. Out of all units four units has selected for this study of ward no seven in the Waling municipality.
- ii. One hundred twenty women are participants in the four units of which 80 women has selected for data collection.
- iii. A high percentage age group is 40 to 50-year range participants in CLBBL.
- iv. Out of 80 sample women, 39% of the women are literate, 52% of women are under SLC, and 9% of women found above SLC.
- v. Out of the selected sample, 2.5% Brahmin and Chhetri, 76.25% Janajati, and 17% Dalit women have participated in the CLBBL program.

- vi. Out of 80 respondents, 16 prefer nutritious food, 23 prefer health, 34 prefer education, and 7 prefer savings after improvement in economic condition. The highest perception of women prefers education and the lowest percent saving.
- vii. Hundred percent of the sample, women have involved monthly savings, and 100% of women and optional savings.
- viii. Seventy-seven women have taken a loan in the different sectors while three women have not taken a loan.
- ix. 50 women were involved in animal farming, 12 women were involved in agriculture production, 2 women were involved in the agriculture production business, 3 women were involved in the retail business, 5 women were involved in the service business, and 8 women in other business of women borrower.
- x. Rs. 150.49 lakh had distributed for a normal loan, Rs.227.51 lakh for a discipline loan, Rs.17.82 lakh for a special discipline loan, and Rs.2.70 lakh was distributed for an emergency loan. The total loan of disbursement was Rs.398.52 lakh.
- xi. Seventy-seven women were repaid of both principal and interest. Three women have not taken a loan since 2076 and have not paid both the principal and interest but have been saving.
- xii. The total loan recovery on the study was Rs.375.12 and the outstanding was Rs.23.40. The loan recovery rate is higher per year.
- xiii. Coefficient of correlation (r) = 0.9998, which is a perfect positive correlation between loan disbursement and recovery. A high loan disbursement rate is associated with a higher recovery rate.
- xiv. The exits direct relationship between loan disbursement and recovery. The value of $b = 0.968$ indicates the rate of loan disbursement per unit change in loan recovery is a positive fraction and hence it is increasing. The value of $a = -1.19$ indicates the negative value of loan disbursement when the loan recovery is zero.
- xv. The variation, which is explained by the coefficient of determination, R^2 is high and significant in both analyses of the relationship between loan disbursement and recovery with the annual report.
- xvi. The computed value of F is 21122.082, which is the highest than the tabulated value of 5.59. i.e. (H_0) is rejected. (F) The value indicated that the regression line has fitted to the observed data. So Null hypothesis has rejected and the

alternative hypothesis is accepted. It shows the relationship between Loan disbursement and Recovery is significant.

- xvii. A maximum of 34 women were investing loans from different sectors before Interning. But after involvement in CLBBL programs, maximum of 36 women were investing loans from different sectors. Before minimum involvement, 41 women were investing loans from different sectors. But after minimum involvement, 42 women were investing loans from a different sector, and before no description involvement 5 women were investing loans but after no description involvement women, 2 women were investing loans from different sectors.
- xviii. Before taking the loan, 75% of members earned up to Rs 5000, but after program implementation, it has reduced to 42.5%. The table shows that 15% of members earned up to Rs 5000 to 10000 but after program implementation, those have increased to 27.5%. Similarly, before 5% of members earning up to Rs 10000 to 15000 but after program implantation it has increased to 13.75% and before 2.5 % of members earning up to Rs 15000 to 20000 but after that increased 10% and before 2.5 % of members earning up to Rs 20000 to 25000. But after program implementation, this is 6.25%.
- xix. Out of 80 women had surveyed most of the women are affected by the program. It has indicated by the data that the additional 50% of women who received an improvement in speaking ability after the program, an additional 37.5% of women from the sample of women have participated in community work. Similarly, there is an increase of 56.25% in client development of leadership, 70% of clients got respect from family, and society Women increased their self-confidence after.
- xx. House structure the before 27.5% of houses were made of straw but after CLBBL joining 11.25% of houses were made of straw. After the house, the structure was 16.25% decreased made of straw. Similarly, 63.75% of houses are made of tin, but 50% of houses are made of tin. Before 8.75% of houses has made of RCC but after 26.25% of houses were made of RCC. After taking loan RCC, house 17.5 % increase.
- xxi. Seventy-three women were using the local toilet before joining CLBBL. But after taking loan 4 women were using the local toilet. Similarly, seven women

were using the flush toilet but 76 women were using the flush toilet. After taking a loan local toilet use is 86.25% decreased.

- xxii. Dhama-Jhakri, Government Hospital and Private Hospital 55, 16, 9 respectively for treatment the health-related before the program. But after taking loan 12 women Dhama-jhakri, 44 women government, and 24 Women private hospital treatment of health.
- xxiii. Before engaging program, 77 women used children to admit public school, and only three women used to admit their children to privet schools. But after entering in CLBBL program 74 women used to admit public school and 6 women used to privet school. It is remarkable someone change due to a change in income level as well as the intervention of the MF program. Women are also more aware of their children's future regarding quality education.
- xxiv. In total, 95 percent of women said that their living standards had changed after entering the CLBBL program and 5 percent of women said that there is no change in their living standards. It seems that the majority of sample women have improved their living standards after joining the CLBBL program.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary

Muhammad Yunus introduced microfinance to the globe in 1976 in Jobra's village in Bangladesh. It has currently been an effective instrument for poverty reduction instrument for currently been effective; however, the contribution of microfinance services to poverty reduction got more attention in 2006, after the United Nations (UN) announced the year of international microcredit. Many microfinance institutions have arisen, have attracted the poorer communities, and have developed new strategies to realize their vision. Since then most developing as the best strategy to reduce poverty.

Microfinance is a financial service targeted at people with low income or microfinance with no direct access to existing banks. Microfinance development banks operate in rural areas by mobilizing a small amount of capital. Such banks reach the doorsteps of the people to develop financial awareness and disburse small loans. Microfinance institution has been providing unsecured loan and needy people.

Empowering women is a vital tool for alleviating poverty-empowered women contribute to the health and productivity of the whole family and communities and improve prospects for the next generation. There have been several institutions advocating for Women's empowerment, but women are still poor and vulnerable as compared to men.

Microfinance has emerged as a powerful tool for women's empowerment in the new economy. In Nepal, the Self- the Help Group (SHGs)-Bank Linkage program, mainly dominates microfinance Disbursement. It aims at providing a cost-effective mechanism for providing financial services to the poor section of society.

The overall objective of the study is to assess the impact of microfinance on women of Waling Municipality ward no.7, Syangja under CLBBL the study has been carried out in the Keware area. The proven objective of the study is to assess the impact of microfinance programs on women. The total participants of the program are 120 out of these, 80 women are sampled for the study. The study has based on primary and secondary data. To conduct these studies, descriptive and analytical approach has adopted.

The result of the investment has found to be positive upon the engagement of the respondents. Similarly, the study reveals that most of the respondents have repaid the loan and interest in due time and the majority of the participant has utilized their investment properly. Thus, the overall impact of the program has found positive. Their life standard has improved.

5.2 Conclusion

The monthly income of women is consistently increased. The main occupation of the women has not changed but they are attracted to modern types of occupations such as trading, agriculture, retail shopping, and modern type of animal farming. The group activities, regular saving, and investment, high rate of repayment, and utilization of loans were found to be satisfactory. This shows the financial sustainability of the program in the study area. However, there is still space for improvement regarding management through misuse of loans. The positive correlation between loan disbursement and its recovery level among participants suggests that the capability of the women engaged in microfinance activities for the repayment of the loan on time was satisfactory. The overall impact of the micro-credit program conducted by Chhimek Laghubitta Bikash Bank Ltd. had found to be satisfactory. Most of the participants of the sample survey has found to increase their income and the program intervention has brought a change in the status of women. An increase in income along with empowering process increased the lifestyle of women participating in the program of the microfinance institution in the study area.

5.3 Recommendations

Based on the study, the following suggestions are recommending for further improvement and successful implementation of the program.

- i. Lack of sufficient marketing problem is the major problem observed. It should be taken seriously by the microfinance institution while designing and implicating programs.
- ii. Scientific method for promoting the business is essential to participating women. Those who pay the loan by other means except by their own business is need to encourage promoting business.
- iii. It is necessary to give Vocational training in microfinance directly to women.

- iv. The loan amount used or not should have been monitored. It does not only control the miss use of loans but also controls the failure of the project. The effort on monitoring and supervision should be increase to make effective use of loans and to sustain the program.
- v. CLBBL must conduct financial literacy program to enhance their banking knowledge. Especially for the poor Women, investment should be promoted in essential goods like agriculture, education, business, etc, rather than others.

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APPENDICES

Appendix A

Questionnaire for Microfinance Institution

Institutional question

Name _____ office _____

Post _____

1. What are the financial services provided by this office?

Concerning savings	Debt
1)	1)
2)	2)
3)	3)

2. Have you fixed the interest rate under-saving or not?

a) Yes b) No

3. How much interest rate has fixed under savings?

a) 6% b) 8% C) 10% D) 12%

4. Under which programs do you provide loan?

a) _____

b) _____

c) _____

5. Has this office conducted microfinance program or not?

a) Yes b) No

6. To the extent, have Women benefited from the microfinance program of this office?

a) A lot b) A little

7. Are the groups operating from this office more successful or unsuccessful?

a) Success b) Unsuccessful

~Thank You~

Appendix B
Questionnaire for Women Members Participating in Microfinance
Activities

I am a student of Prithivi Narayan Campus (PNC) and I am researching ‘impact of Women empowerment A Case Study of Waling Municipality Chhimek Laghubitta Bikash Bank Ltd.’ this questionnaire is being designed as a significant part of my thesis. This questionnaire aims to fulfil the partial requirement for a master’s degree in Humanities and social science. All the personal information will be used for research purposes and will be strictly confidential. I would be grateful if you could spend a few minutes providing your valuable response.

Personal questionnaire

Name: _____

Age: _____ Unit no: _____

Address: _____ Ward no: _____

1 What is your marital status?

- a) Married b) Unmarried

2 What is your educational status?

- a) Literacy b) Under S.L.C c) Above S.L.C

3 How old are you? _____

4 How long have you been participation in CLBS? _____

5 In which saving programme are you involved?

- a) Monthly Saving b) Optional saving c) Other Saving

6 How much do you save monthly?

Saving	Before	After
Monthly Saving		
Optional Saving		

7 Have you taken any loan from the Chhimak Laghubitta Bikash Bank Ltd? If you taken, loan for what purpose?

- a) Yes b) No

- 15 How did you change your thought before and after participating in micro finance CLBBL?

Change thought	Before Taking Loan		After Taking Loan	
	Yes	No	Yes	No
The Habit of Saving				
The Habit of Investment				
The Habit of Reducing Expenses				

- 16 What is your house structure?

House structure	Before Taking Loan	After Taking Loan
Straw		
Tin		
RCC		

- 17 What is your toilet structure?

Toilet structure	Before Taking Loan	After Taking Loan
Local Toilet		
Flush toilet		

- 18 Where did you go for medical treatment before and after?

Medical treatment	Before Taking Loan	After Taking Loan
Dhami- Jhakkri		
Government Hospital		
Private Hospital		

- 19 What kind of school did you send your children to before and after engaging CLBBL?

School	Before Taking Loan	After Taking Loan
Private		
Public		

- 20 What is your confidence level in the following before and after engaging in the CLBBL program?

Self-Confidence Level	Before Joining		After Joining	
	Yes	No	Yes	No
Improvement of speaking ability				
Participation in community work				
leadership of development				
Respect from family and society				

- 21 How do you spend your income?

a) Depending on family member b. Decision by themselves

- 20 Why did you join the program?

a) To earn more income and to improve the family condition

b) To be self-dependent

c) Other (Specify)

- 21 Are you satisfied with participation in CLBS? Please tick one.

a) Satisfied b) Very satisfied c) Neutral d) Dissatisfied

- 22 In your opinion, microfinance is needed for women's empowerment.

a) Yes

b) No

- 23 Do you have any complaints and the function of CLBBL? Please mention it.

~Thank You~

Appendix C

Relationship between Loan Disbursement and Recovery

Correlation Result			
		Loan	Recovery
Loan	Pearson Correlation	1	0.9998**
	Sig. (2-tailed)		.000
	N	9	9
Recovery	Pearson Correlation	0.9998**	1
	Sig. (2-tailed)	.000	
	N	9	9
**. Correlation is significant at the 0.01 level (2-tailed).			

Regression Result			
Variables Entered/Removed^a			
Model	Variables Entered	Variables Removed	Method
1	Loan	.	Enter
a. Dependent Variable: Recovery			
b. All requested variables entered.			

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.9998 ^a	.9997	.9996	.64490	.9997
a. Predictors: (Constant), Loan					

ANOVA ^a						
Model		Sum of Squares	D.F	Mean Square	F	Sig.
1	Regression	8784.575	1	8784.575	21122.082	.000 ^b
	Residual	2.911	7	.416		
	Total	8787.487	8			
a. Dependent Variable: Recovery						
b. Predictors: (Constant), Loan						

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.196	.365		-3.276	.014
	Loan	.968	.007	1.000	145.334	.000
a. Dependent Variable: Recovery						