

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Turning the pages of history, microfinance services are relatively a new concept in Nepal. In the country's Sixth Five Year Plan (1980/81-1984/85), officially, microfinance activities were identified as a vehicle to alleviate poverty. Quite often the Microfinance service is perceived as an effective means to extend various financial services to the poor and the marginalized section of the society (Nepal Rastra Bank, 2011).

According to ILO (1998), Women's active engagement in microfinance services brings for the economic empowerment and improves women's productivity through their involvement in micro enterprises and income generating activities. At the individual level, this economic empowerment further improves women's level of self-confidence, self-esteem and status quo after they become producers and make contribution to the household economy (cited in Kato and Kratzer 2013).

Microfinance is not a new development concept in the finance sector. With higher competition exit in the microfinance industry, most of the microfinance industries try to expand their customer base through various strategies. Resulting, many poor people could be attracted around the companies providing them valuable financial and non-financial services to get up from the poverty vicious cycle. In this process, microfinance institutions basically address the requirements of the vulnerable group who is not considered by the formal financial system, such as female entrepreneur (Deduna, 2018).

Microfinance is the provision of financial services to the poor, aiming to empower low-income populations by providing them with access to credit and other financial services. Through microfinance institutions (MFI), the poor can obtain collateral-free loans at relatively low interest rates and use the money for creating microenterprises, funding children's education, and improving homes, among others. Aside from microcredit, MFIs have also developed numerous financial products, such as micro-

insurance and micro-mortgage that are designed to accommodate the poor's financial needs. Most of these institutions have also required their clients to open up savings accounts, which could be used for emergency and investment purposes (Carr & Tong, 2002).

Rural women are considered to play a significant role in the domestic and socio-economic life of the society and consequently, national development is not possible without developing this fragment of the society (Moon, 2011). For the development of poor women it is essential to improve their economic and social status and for this, microfinance institutions have emerged as a powerful tool for the women empowerment in the new economy. Microfinance helps poor people including women in getting employment, increasing confidence, enhancing communication skills and in other aspects as well. Women gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making at home, community, society and nation through involvement in these microfinance programs (Suja, 2012).

Women entrepreneurship is both about women's position in the society and about the role of entrepreneurship in the same society. In Today's context we are in an enhanced position where women contribution in the field of entrepreneurship is increasing at a noteworthy rate. Shane (2003) stated that; despite the crucial role of women entrepreneurs in the economic development of their families and countries; it is, however, discovered that women entrepreneurs have low business performance compared to their male counterparts; and this is caused by factors including lack of credit, saving, education or training, and social capital which normally affect entrepreneurial performance (cited in Ekpe, Mat and Razak, 2010).

Therefore, this study intends to investigate how women's participation in microfinance services fosters women's empowerment and entrepreneurial activity. It further tries to examine the changes in economic and social empowerment of women before and after joining the microfinance.

1.2 Problem Statement

The establishment of microfinance was seen as a bright hope to those who have had little or no access to financial services and empower them to contribute to rural transformation. A study by Ocholah et al. (2013) revealed that micro financing in sufficient quantities will have a greater effect on profitability, productivity, growth and expansion of women owned enterprises. Though the microfinance greatly influences on women entrepreneurs development, there is lack of evidence to support for the sustainability and growth of the businesses. Even with the influx of microfinance institution women enterprises are still predominantly micro and small, with very few women having growth orientated enterprises.

Ojo (2009) conducted a study on the impact of micro finance on entrepreneurship development with critical view on Nigerian entrepreneurs in south west region and the study shows that there is a significance difference between entrepreneurs who use micro finance institution and those who do not use. Against this backdrop, this study therefore, aim at making close evaluation on the impact of microfinance bank on the development of entrepreneurial activities in Anambra State, with special reference to selected small scale entrepreneurs in the two cities in Anambra (Onitsha and Awka) .

Mwewa (2013) researched on the effects of microfinance service on the growth of SMEs in Machakos County and found out that there was a relationship between predictor variable; micro credit, micro insurance and training and response variable annual growth in turnover, yet social growth indicators like employment and asset base were not considered which may lead to bias. Leseiyo (2014) also conducted a study on the effect of SMEs in Narok County and established that the MFIs service has contributed to the development of SMEs through provision of credit. The study however forecasted on credit and ignored other important aspects of credit management and other microfinance factors. He also focused only on the financial performance which is only one aspect of growth.

Microfinance programs usually target women as clients facilitating them with the financial services to help them build their confidence and increase the likelihood of participation in decision making at the household and community level and tackle with the stereotypical gender roles and responsibilities defined by the society.

Traditionally, in most of the developing countries, socio-cultural beliefs and other impediments have long limited women's participation in the economy and their access to resources for development. However, there is a general consensus that in order for women to play a meaningful role in economic development, they must be empowered both at the economic and social level. Ekpe, Razak, & Mat (2010) further observe that women entrepreneurs, especially in developing countries, do not have easy access to microfinance support for their entrepreneurial activity and as such have low business performance than their men counterparts. The basic assumption towards empowering women is to make easy access to credit in order to finance their small and micro enterprises.

Various government agencies, policy makers, NGOs and financial institutions are thriving to extend financial services to women entrepreneurs to expand their business. Despite of that, majority of women still faced enormous challenges in trying to access funds for their enterprises which can be attributed to a number of reasons such as low return activities undertaken by women coupled with heavy domestic workloads; channeling their low incomes or returns to support the up-keep of the home; high rate of illiteracy among women, their limited roles in household decision-making among others. Moreover, it is also considered that microenterprises owned by women often lack proper accounting procedures and mix their business and personal finances so lending to them is unreliable. Therefore, Ablorh (2011) stated that if the women entrepreneurs lack access to formal financial service, then they are compelled to raise greater percentage of their start-up capital through their own internal savings and from family members which is usually inadequate.

It is anticipated that increased women access to micro finance would increase their income which would in turn translate to improved well-being and a wider change as well as enhance gender equality (Basu, 2006). Management skills and lack of occupational experience in related businesses for many women entrepreneurs has been indicated as a constraint to growth. Kibas (2006) identified lack of opportunities for management training, financial management, marketing and people management, to be limitations faced by most women entrepreneurs. It is found that some MFIs are providing a decreasing percentage of loans to women as on average women's loan sizes are smaller than those of men, even when they are in the same credit program,

the same community, and the same lending group. The differences may be as a result of women's greater poverty or the broader social discrimination against women which limits the opportunities open to them. In the vision 2030, one of the strategies of reducing gender disparities and vulnerabilities is by providing financial support to women to raise their incomes and reduce the gap in estimated earned incomes between men and women (Kimanjara, 2013).

Hence, amidst the various concepts and counter-concepts that defines the influence of microfinance on women empowerment; the research intends to bridge the gap by delving into the effectiveness of Microfinance services as a tool to foster women entrepreneurial activity. Thus, this particular study aims to understand the impact of Microfinance services on the development of women entrepreneurship.

Research Questions

This dissertation aims to clarify the relationship between micro-finance and women entrepreneurs' economic. The study intends to examine how the loan taken from microfinance affects the economic performance of women entrepreneurs in Siyari Rural Municipality. The research aims to address following questions:

1. What is the impact of microfinance on women's business volume and turnover?
2. What is the impact of microfinance on women entrepreneur's saving and expenditure?
3. Does the microfinance play significant role in terms of women's ownership of assets?

1.3 Proposes of the Study

The general objective of the study is to assess the role of microfinance in women entrepreneurship in Siyari Rural Municipality. The specific objectives of the study are as follows:

1. To examine the impact of microfinance on women's business volume and turnover.
2. To evaluate the impact of microfinance on empowerment of women in terms of saving and expenditure.

3. To assess the impact of microfinance on women empowerment in terms of ownership of assets.

1.4 Hypotheses

Microfinance services have provided the means for the empowerment of women through women's entrepreneurship development which provides the basis for increasing income, output, employment and saving under women's power (Mayoux, 2000). Hashemi et al. (1996) designed an 'empowerment index' using mobility, economic security, ability to make small purchases, ability to make larger purchases, as indicators to measure the impact of microcredit on women's empowerment. The study of Malathi & Vijayarani (2012) revealed that microfinance help women in gaining empowerment. Empowerment is judged on the basis of economic position before and after joining the SHG program and education respectively.

According to Le & Raven (2015), microfinance has helped many women in their businesses, but has a limited effect on empowering women, creating upward mobility and contributing to long-term economic growth found that participation in microcredit programs help women to have access to financial and economic resources.

Based on prior empirical studies, following hypothesis can be developed to determine the role of microfinance in women empowerment and entrepreneurship.

Hypothesis 1 (H₁): There is a significant relationship between microfinance's service and business volume and turnover of women entrepreneurs.

Hypothesis 2 (H₂): There is a significant relationship between microfinance's service and saving and expenditure pattern of women entrepreneurs.

Hypothesis 3 (H₃): There is a significant relationship between microfinance's service and ownership of assets of women entrepreneurs.

Microfinance services create opportunity for the development of women's entrepreneurship so there exists positive relationship between microfinance services and entrepreneurial activity (Shane, 2003). In the study of entrepreneurial activity in

Nigeria, Akanji (2006), identified that credit and savings have positive effect on entrepreneurial activities. Likewise, similar kind of study by Ibru (2009) and Stomeyer (2007) in Nigeria and Germany concluded with a significant relationship between training and entrepreneurial activity. Mohanty (2004) had concluded that participation of women in MFIs empowered them and had improved their educational status and had similar size of family.

1.5 Rationale of the Study

The study seeks to examine how businesses run by women uplifting women's level of earning together with enhancing their entrepreneur status. Micro enterprises are considered to be enabling women to enhance business volume, savings, and ownership of assets. Therefore, the study contributes in understanding the role of microfinance in enhancing women entrepreneurial performance in the context of Nepal.

Since, women empowerment *i.e.* women's capacity to make decisions and empowerment of women through their engagement in microfinance institutions is also linked with their ability initiate micro-enterprises is major national concern, and issue of women empowerment is being addressed by both the government and non-government agencies of Nepal over decades, the proposed study is thus relevant in the policy matters as well as in various programme interventions.

Numerous studies have been conducted to examine how microfinance services intervention can result into women empowerment. However, there is a research gap regarding how microfinance institution results into the development of women entrepreneurship. Despite of various programmes and policies by government and NGO/INGOs sectors, women's economic empowerment is lagging behind in the context of Nepal. Acknowledging the importance of women entrepreneurship, this study intends to examine the impact of microfinance services like credit, and other services on women entrepreneurs' economic performance. Thus this research may also help government, society, NGO/INGOs as a whole in understanding women's economic empowerment through the intervention of MFIs and also helps in rethinking and restructuring their existing policies and practices for effectiveness of various microfinance programs.

1.6 Limitations of the Study

The limitations of this study can be highlighted in the following points:

1. The study has confined itself on economic empowerment of women even though there are other dimensions of empowerment as such psychological, political and social dimensions.
2. The study is based on data collected from primary sources. So, it naturally suffers from inherent limitations of primary data and in course of fieldwork for collecting data the respondent biases may be unnoticed.
3. The study has confined itself to Siyari Rural Municipality only.
4. The number of respondents and variables administered may be relatively small which may limit the analysis.
5. The study has investigated the situation of women entrepreneurs after their involvement in MFIs but it would have been more fruitful if the status of women were investigated even before their involvement in MFIs. So there is a need of baseline study to get the more accurate result regarding comparison of the status of women entrepreneurs before and after taking loan from microfinance.

Chapter II

Literature Review

This chapter thoroughly reviewed various studies and research paper regarding microfinance, women empowerment, women entrepreneurship, barriers to women entrepreneurs followed by relevant empirical studies in the field of women entrepreneurship in relation to microfinance.

2.1 Definition and Scope of Microfinance

Microfinance has been proved to be a very important tool to boost economic growth, to counteract the effects of economic instability and to empower women. MFs programs target women because women's repayment rates are much higher than men, major emphasis is given on issues relating to gender equity and as women are more concerned about the wellbeing of their family so investing in women create a "multiplier effect" that improves the effectiveness of credit funds (Nader, 2008). A study conducted by Noreen (2011) found that when loans were used by females, it resulted in better outcomes as compared to male. Thus, microfinance gives a walking light for those in poverty and lack collateral, and encourages entrepreneurship (Birhanu & Kinde, 2016).

Although the word microfinance is literally comprised of two words: micro and finance which literally mean small credit; the concept of microfinance goes beyond the provision of small credit to the poor (Kiiru & Kenia, 2007). The main features of a microfinance institution which differentiate it from other commercial institutions, are such that, it is a substitute for formal credit; generally requires no collateral; have simple procedures and less documentation; easy and flexible repayment schemes; financial assistance of members of group in case of emergency; most deprived segments of population are efficiently targeted; and, last but not least, is groups interaction (Momba, 2013). The definition of microfinance often includes both financial and social mediation (Kanoni, 2015). There are thousands of MFIs providing financial services to an estimated 100 - 200 million of the world's poor (Christenet al., 1995).

Microfinance refers to small-scale financial services for both credits and deposits — that are provided to people who are running certain business; operate small or micro-enterprises where goods are produced, recycled, repaired, or traded; provide services; work for wages or commissions; gain income from renting out small amounts of land, vehicles, or machinery and tools; and to other individuals and local groups in developing countries, in both rural and urban areas (Madole, 2013). Microfinance are estimated to reach over 200 million customers, and much of this reach was achieved during periods of strong growth in the early 2000s, when microfinance was heralded as a critical development tool, and its commercialization capable of generating both financial and social returns (World Bank Organization, 2017).

Unlike commercial banks, the micro-finance banks do not make applicant's gender, formal registration of business, provision of collateral and age of business important factors in deciding on a loan application. This makes it easier for micro- entrepreneurs especially those who have been marginalized to source their business finance from micro-finance banks and help the entrepreneurs to improve their performances (Casmir, 2014). Micro-finance emerged with the aim of filling the gap left by banks in providing credit to individuals, micro, small and medium enterprises which were on the rise during this period (Ogindo, 2006 & Mbithe, 2013).

2.2 Microfinance and Women Empowerment

About 70% of world's poor are women. Yet they have no access to credit and other financial services. Therefore, microfinance often target women (Arora, 2011). It is believed that targeting women is in fact more judicious, because repayment rates of women are higher than men; women are more cooperative; and have enough awareness of what they have and need and their empowerment can actually increase sustainability, because MFIs can offer loans that are appropriate and sustainable (Cheston & Kuhn, 2002). MFIs are targeting women because they are believed to be the good credit risk taker, are less likely to misuse the loan, and are more likely to share the benefits with others in their household, especially their children Garikipati (2008) and Swain & Wallentin (2009). In male dominated society, women face discrimination in their family, social, economic and political life and in addition to it the traditional duties of managing households create hindrances in their social and

economic empowerment. Hence various efforts have been made by many Government and Non- Government organizations to promote women empowerment especially in rural areas and one such effort is the microfinance intervention (Arora, 2011).

Empowerment is a process by which women gain greater control over resources (income, knowledge, information, technology, skill and training), challenge the ideology of patriarchy and participate in leadership, decision making process, enhance the self-image of women, to become active participants in the process of change and to develop the skills to assert themselves (Sharma, Dua, & Hatwal, 2012). To facilitate empowerment, women's improved access to credit should be accompanied by a number of additional measures, such as informal education, skill trainings, and social and political awareness-raising to challenge patriarchal social structures (Gobezie, 2010).

Women empowerment is simply the process by which women are made capable, financed, educated and equipped with assets and funds to start a new small business or to support an existing one (Alshebami & Khandare, 2015). Access to microfinance has contributed immensely to the economic empowerment of women through improvement in their businesses, improved the status of women both at the family level and in society as a whole and also improved entrepreneurial skills in their businesses through a number of training programmes provided by microfinance (Ablorh, 2011). Training provided by microfinance services has significant impact on the growth of the enterprises because it helps the owners of enterprises to get new ideas on how to improve their businesses through productivity, reduced production costs, improved management skills, assets owned, average revenue obtained and number of employee increased and easy access to more profitable and expanded markets (Kessy & Temu, 2010).

Empowerment was crucial because any person, group or society operating with subsistent income could hardly make a breakthrough in income earnings that could possibly generate savings at a level that could be transformed into a meaningful investment. To overcome this captivity, those factors that depressed income growth must be dealt with- this was the concern of empowerment (Akpan, 2015).

2.3 Role of Microfinance on Women Entrepreneurship

Entrepreneur is the one who possess the ability to undertake and manage the organization with the advent of innovation, independence, risk taking and profit seeking behavior (Timmons & Spinelli, 2009). “Entrepreneurship is creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence” (Hisrich, Peters, & Shepherd, 2007). The women’s entrepreneurship has been gaining insights as a requirement for the poverty alleviation at household-level, the development of nation’s economy and most importantly for the women’s empowerment (Mayoux 2001a, cited in (Bushell, 2008). Job and career dissatisfaction hence act as push factor to women entrepreneurship (Okafor & Mosunmola, 2011). Like men, women also have the ability to develop home based micro-enterprises like food, handicrafts, garments and others (Dhakal, 2010). The need to develop women’s entrepreneurship was emphasized by the Fourth World Conference on women, held in Beijing in September, 1995. The Platform for Action, Equality,

Development and Peace, adopted at the conference call for specific actions to be taken by governments, Non-Governmental Organizations and international organizations among others to promote, support and strengthen female entrepreneurship (UNIDO, 2001).

In developing countries, women are generally considered as caretakers of the family lacking education, training and social and financial capital and lack of these opportunities motivates them to create their own work environments; to evade poverty, and gain confidence, audacity, and autonomy. As a remedy various micro-finance programmes have been encouraged by providing access to finance, formal education, networking and market, technical skills training and management models which would motivate women to become entrepreneur thus, increases their visibility in terms of equal participation and leadership of the business sector, and contribute towards sustained economic development (Bushell, 2008). Microfinance provides variety of financial services that target low-income clients, particularly women, frequently for microenterprise development (Ablorh, 2011). Microfinance includes micro-credit, micro-savings, micro-insurance, and money transfers, and have been

attributed with enabling micro-entrepreneurs to build businesses and increase their income, as well as improving the general economic wellbeing of the poor (Wakoko, 2004). Micro-finance sector has proved to be a viable intervention point to assist women start sustainable projects that improve their livelihoods and towards ending poverty and therefore increasing their ability to economically independent (Kimanjara, 2013). The main objective of microfinance towards targeting women for giving microcredit is to empower women in the household through helping them to create self-employment for them by establishing microenterprises (Chowdhury, 2009).

Women can be successful and better entrepreneurs if given the much needed conducive environment and provided with enough resources most importantly the required amount of capital (Pokhriyal, Rani, & Uniyal, 2014). Thapa (2004) stated that nearly one-third of small enterprises are being placed by women in Asia providing employment opportunities to the larger population. It is estimated that more than 500,000 women are involved in business activities and over 7,000 women entrepreneurs are now registered country-wide and their contribution to the nation's GDP is estimated to be 40 percent. Despite that they remain under-represented as owners of enterprises (Gobbi, Dhakal, & Hijazi, 2005). Thus, extending credits and providing a variety of financial instruments and impetuses through various financial institutions and banks is necessary to assist women in running their businesses (Veland et al., 2013).

Women entrepreneurs are becoming an important economic and social force around the world. Studies found that women entrepreneurs are more open to communication and participative in decision making (Yu, 2011). Entrepreneurship development among rural women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. According to Khanka (2009), a women entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration generates employment opportunities for others through initiating establishing and running an enterprise by keeping pace with her personal, family and social life. Compared to men, female entrepreneurs are more adaptive, more socially aware, have wider experience in different business areas, delegate more, and engage in longer-term

planning. Barbara Noble, in her report on female entrepreneurs (1986), summarized the difference in orientation when she wrote, "For men, being an entrepreneur is a business strategy. For women, it's a life strategy." Women's migration into entrepreneurship appears to result more from their frustration at hitting the "glass ceiling" or experiencing downsizing than to some unique personality attribute (Buttner, 1993). Women entrepreneurship is now growing in sectors where there is space for professional growth and demand for specialist skills, and it is declining in the traditional and low-skilled sectors (Bruni, Gherardi, & Poggio, 2014).

Women's entrepreneurship has been recognized an important untapped source of economic growth during the last decade. There is high proportion of females who have a fear of failure to start their business (Itani, Sidani, & Baalbaki, 2011). While, at the other end of the spectrum, some studies reveal that female entrepreneurs are willing to take risk, accept challenges, and put in their best efforts to pursue their goals (Mordi et al., 2010).

Singh & Raina (2013) revealed three different categories of women entrepreneurs which are based on how their businesses got started, or what are their main reasons or motivations to start their own businesses. They are:

- **Chance entrepreneurs** are those who start a business without any clear goals or plans. Their businesses probably evolved from hobbies to economic enterprises over time.
- **Forced entrepreneurs** are those who were compelled by circumstances (e.g., death of a spouse, the family facing financial difficulties) to start a business, their primary motivation, hence, tend to be financial.
- **Created entrepreneurs** are those who are "located, motivated, encouraged and developed through, for instance, entrepreneurship development programs.

Gobbi, Dhakal, & Hijazi (2005) asserted that though cultural and legal constraints limit the impact of MFIs on women's enterprises, in majority of cases, micro-finance had a positive impact on women's enterprises by creating new jobs and starting and expanding businesses and women are able to gain self-confidence and improve their

status in their families and communities. Many women have taken up entrepreneurship and become business women not necessarily to earn and survive and raise the living standards, but to form their careers and become professionals in order to establish their rights through the development of a sector and thereby contribute towards the progress of the society and the nation (Nasima & Alam, 2015).

2.4 Motivation for Women Entrepreneurs

The women entrepreneurs were motivated primarily by the desire to create something new, the desire for autonomy, wealth and financial independence, the achievement of personal objectives and the propensity for action (Aliata, Baba, & Patrick, 2013). In the study of Lerner, Brush, & Hisrich (1997), it was found that achievement; economic necessity and independence have positive impact on Israeli women-owned business. The main motive that drives women to become entrepreneur is independence, decision making power followed by profit and desire for achievement. While the major problems they encountered regarding financing and establishing the balance between family and work and lack of time to enhance their capabilities by means of participation in various training (Veland et al., 2013). Supporting the family income and raising their standard of living are also contributory motivational factors in female entrepreneurship (Jamali, 2009). In lower-income classes, female entrepreneurship may be due to the need to meet family expenses, while among middle-income groups it can be attributed to the desire to raise the standard of living (Nadgrodkiewicz, 2011).

In the context of Nepal, Micro Enterprises Development Programme (MEDEP) has been working to develop innovation of women entrepreneurship, providing different training on micro enterprise, encourages rural women to take risk and create value of their outcomes (Gautam, 2014). Among various external factors, access to credit, access to skill training, membership with development organizations, access to information and favorable infrastructure were demonstrated as inspiring factors in participating micro-entrepreneurship (Parvin, Rahman, & Jia, 2012). Lack of employment opportunities for women with low educational background forces them to start enterprise. Economic motive is another motivating factor for the respondents to start business because majority of them are from economically backward families and their main motive was to earn income to supplement the income of the families

(Vasantha kumari, 2012). Though the females who come from an entrepreneurial background -either one or both of their parents is or has been self-employed - are very confident in their business approach (Mordi et al., 2010). The stimuli for individuals to create a business include factors such as lack of job in the formal sector, wanting to be their own bosses and job satisfaction, desire to generate income and support for their families, as well as seeing the business as a vehicle for being independent (Abagissa, 2013). The results indicate that women value independency and flexibility, as well as freedom and self-fulfillment, when they make the decision to become an entrepreneur (Jussila, 2014). In general, researchers have determined an internal locus of control, independence and a need for achievement, and risk-taking personality characteristics are required by entrepreneurs. In addition to this, other external influences including family background, education, motivation, and the availability of resources and the planning processes, contribute to the development of the entrepreneur (Bennett & Daan, 2000). Among the various motivational factors self-dependence, economic freedom, providing additional income, improvement in life quality and personal skills, innovativeness all were found to be crucial factors (Rahman, Alam, & Kar, 2013).

Turner (1993) shows that the personal factor is a strong motivational factor to starting one's own business and he shows that this personal factor is divided into two categories:

Pull Factors: Personal ambition, Creativity, Self-realization and Desire for independence.

Push Factors: Lack of an alternative source of income, Unemployment, Unsatisfactory employment conditions.

2.5 Effect of Microfinance on Women Entrepreneurs' Performance

If poor households were given access to credit, it would be possible to generate high incomes by starting small micro enterprises. Borrowers were expected to either boost existing business or to start one with the microfinance loans (Kiiru & Kenia, 2007). Through the engagement in micro-enterprises, women's analytical and enterprise management skills relating to 'best business practice', especially in areas of day-to-day enterprise operations, are increasing (De & Lakwo, 2010).

Credit also has significant impact on women's entrepreneur performance, their income and well-being (Ojo, 2009); (Kuzilwa, 2005); (UNCDF/UNDP, 2003) and (Vonderlack & Schreiner, 2002). MFIs play a major role in credit provision to the SMEs, and this credit has contributed to the growth of businesses in terms of number of employees, asset base, level of stocks and services of the businesses through improved capitalization of business, long-term income growth and employment creation (Muktar, 2009). Similarly, Loice & Razia (2013) and Soltane & Imen (2013) found positive association between credit access and women entrepreneurs' performance and they justified that loans assist female entrepreneurs to invest in and expand their business and thereby they make various decisions. The credits granted helped them to boost their capital and expand their businesses (Alhassan, Hoedoafia, & Braimah, 2016). Access to credit enables the MSEs owner to cover some or all of the cost of capital equipment, expansion, or renovation of buildings, increased their volume of sales and profit (Wanambisi & Bwisa, 2013). On the contrary, Kanani (2007) argues that microcredit does not improve women entrepreneurs' performance; instead, the government should invest and build more industries so that it creates more jobs. The study by (Ekpe, Razak, & Mat, 2013) also indicates that credit access has no significant impact on Nigerian women entrepreneurs' performance, and the authors concluded that without skill acquisition loan in itself could not lead to women entrepreneurs' performance.

Though most of the Microfinance institutions do not provide training facilities to the women; it is considered to be most prominent facility that is required by women to enhance the skills required for business activity. Ekpe, Razak, & Mat (2013) links credit with training. Training is considered to be one of the very important microfinance factors as it would provide the skills and experience needed for their business activity Akanji (2006); Cheston & Kuhn (2002); Kuzilwa (2005). Training develops women entrepreneurship skill, and introduces a wide range of support mechanisms, including research, networking and association building, market access, and a broad spectrum of business development services (ILO, 2006). Training is regarded as the bottom line necessity that empowers and gives confidence that is necessary in a life time utilization of resources and capacity to make sound credit management decisions, profitable investment options and offering skills to be

economically independent by starting up business ventures, access funds and manage it effectively to realize their goals in business and in household needs (Kimanjara, 2013). Business training mostly helps to improve the management knowledge of female entrepreneurs, and has some positive impact on business creation; interventions that combine finance and are more effective in supporting women's business start-up (International Labour Organization, 2015). In addition, Ekpe, Razak, & Mat (2010) and Birhanu & Kinde (2016) signifies the importance of training stating that having prior experience and acquired skill, women entrepreneurs become willing to take risk and this contributes to their business performance. Basically business skill training, in terms of education and vocational training, has positive effect on enterprise performance (Akanji, 2006 & Kuzilwa, 2005). Skill acquisition training can have a significant contribution on the effectiveness of small women businesses (Birhanu, 2015). However, other factors such as education facilities, social awareness, advising regarding the usage of micro credit and other non-financial services, also have an impact on business performance (Rathirane & Semasinghe, 2016).

A study conducted in the UAE found that for female entrepreneurs, a successful balance between work and family life is the key attribute of success (Itani, Sidani, & Baalbaki, 2011). Raising the standard of their family's living by earning enough is also a salient feature that female entrepreneurs look for from their self-employment (Roomi, Harrison, & Beaumont, 2009). Socio economic characteristics like age, educational status, marital status and family occupation of the entrepreneurs creates an impact on entrepreneurial behaviour (Yadav, 2013). In particular, access to finance contributes to growth through entry of new firms and the creation of a thriving private sector with efficient distribution of resources, and is particularly good for firm growth, especially for small businesses (Ahmad & Muhammad, 2015). SF, Gakure, & Karanja (2012) established that SMEs made significant growth after accessing financing from MFIs.

The study conducted by Khan (2000) identifies as familial business demonstrations, training for entrepreneurial skill development, technical knowledge, fortunate in getting good advisers, fortunate in obtaining sympathetic suppliers, abundant supply of local well-wishers, blessed with all types of institutional facilities & supports,

availability of seed as well as working capital, favorable market contacts, intimacy with some existing entrepreneurs are influencing factors of rural entrepreneurship development. Microfinance are gaining insights as it allows women to be organized under cooperatives for the purpose of acquiring finance even without collaterals and give entrepreneurs an opportunity of sharing skills, knowledge and experiences for one common goal which is organizational success (Hisrich, 2005). Microfinance programs participation have increased economic & social empowerment of women and enhanced self-confidence, self-esteem, training, financial literacy, management capabilities and helped in improvement in decision making skill (Vogelgesang, 2001) and (Enterprising Solution for Global Consulting (ESGC), 2004). Therefore, providing women with micro-finance loans would create an opportunity for them to engage in new business or improve an existing one (Allen et al., 2007), thereby leading to business performance in terms of increased income (Brana, 2008).

Women in many studies reported their benefits from the participation in microfinance programs, this participation lead to greater independence, more freedom, and improvement in their business skills, better self-esteem, and more self-confidence. Whereas, some findings (SFD, 2008) reported a negative view of women towards microfinance and being a part of it, they declared that it increases their livelihood responsibility, increases their stress and tension, loses the control and balance between the house duties and work activities, increases the worries about the repayment of the loan back and finally the problems arising out of carrying out business. It has also been revealed from research studies that besides positive impacts of microfinance intervention on economic and social indicators it has negatively affected the clients social life in general whereas spiritual in special that is because of pressure of time and increase in business activities (Afrane, 2002). However, a research carried out in three countries including Kenya, Malawi and Ghana, in relation to the effect of micro credit on SME growth concluded that there was no significant and sustained impact of micro credit on clients in terms of SME development, level of employment and incomes but rather tends to stabilize income and preserve rather than create jobs (Burger, 1989).

Economic, socio-cultural, familial/interpersonal, legal, political, and psychological are significant dimensions of empowerment (Malhotra, Schuler, & Boender, 2002). So, the empowerment of women is based on five dimensions namely; economic, familial/interpersonal, socio-cultural, political and legal empowerment (Hashemi, Schuler, & Riley, 1996). Similar results were obtained from the studies of (Al-Mamun et al., 2014). They show that microfinance remains a powerful tool in promoting women empowerment in dimension of economic, socio-cultural, and legal awareness. Empowerment of women was measured on four indicators such as decision making, control over business, acquisition of assets and ownership and provision of essential needs. This implied that access to credit enabled women to own their business and have major control individually besides their husbands or parents (Kimanjara, 2013). Li, Gan, & Hu (2011) empirically affirmed that microfinance has a significant impact on five indicators of women empowerment, namely, control over financial assets, mobility, purchase making ability, involvement in decision making, freedom/legal awareness.

2.5.1 Economic Dimensions of Women Empowerment through Microfinance

Micro-finance sector has proved to be a viable intervention point to assist women start sustainable projects that improve their livelihoods and towards ending poverty and therefore increasing their ability to economically independent (Kimanjara, 2013). Microfinance is also a means for self-empowerment. It enables the poor to make changes when they increase income, become business owners and reduce their vulnerability (Adhikari & Shrestha, 2013). Access to credit can contribute to a long-lasting increase in income by means of a rise in investments in income generating activities and to a possible diversification of sources of income; and it can contribute to an accumulation of assets (Lensink, 2007). Rehman, Moazzam, & Ansari (2015) stated that due to the involvement in microfinance women's ownership of assets increased with enhanced women's economic independence. Female economic empowerment is usually about increased access of women to financial resources, income-generating assets or activities, savings, increased financial decision making power and more economic independence (Mayoux, 2000). It is stated that financial success to the women entrepreneurs is manifested in profitability, number of employees, business turnover, expanding of business through increasing space or shop

outlets, and diversifying the business into other areas (Dzisi et al., 2008). Microfinance was found to have significant effects on all the five different dimensions of women's empowerment by giving them greater economic value to their families (Hashemi, Schuler, & Riley, 1996).

Most of the study showed that women entrepreneurial activities usually lead to increase in return on investment (ROI), return on capital employed (ROCE), profit, staff strength, productivity and net worth (Okafor & Mosunmola, 2011). Pokhriyal, Rani, & Uniyal (2014) supported that microfinance services improves the performance of women entrepreneurs as it result into control over savings and income and increase in the ownership of assets. Alshebami & Khandare (2015) asserted that economic empowerment investigate whether microfinance has led to additional income, created new employment opportunities, contributed to the savings of the household, allowed the control over the available resource, gave a chance to open saving account in the bank and finally participated in decision making inside the family and outside. The major economic factors that affect women entrepreneurs are lack of own premises or land, lack of financial access, stiff competition in the market, inadequate access to training, lack of access to technology, and raw materials (Wube, 2010). The economic impact of microfinance was judged on three variables: Financial Securities, Family support through Entrepreneurial activities and Control over Entrepreneur & Household Resources (Naeem et al., 2015). Furthermore, through the help of microfinance women started their own business and this in turn created employment opportunity to others because they had assistants who helped in carrying out the business ventures (Kanoni, 2015). After joining the enterprise the percentage of micro entrepreneurs having own house also increase (Vasanthakumari, 2012).

Therefore, the overall microfinance services play a significant role in women entrepreneurial performance as it helps to initiate micro-enterprises and leads to positive impact on net income, enterprise working capital, fixed assets, and also helpful in creditworthiness of beneficiaries business in generation of funds from other funds providers if required for expansion and development of their business (Naeem et al., 2015).

2.6 Barriers to Women Entrepreneurs

Despite some visible achievements toward women entrepreneurship development, there are still many challenges for women entrepreneurs. These include: Financial problem, Lack of market information, Poor infrastructure and utility supply, Traditional technology, Lack of skilled/trained manpower, Complicated bureaucratic procedures, SME support centers (Parvin, Jinrong, & Rahman, 2012). In most of the developing countries women entrepreneurs do not have easy access to credit for their entrepreneurial activity (Ibru (2009); Iganiga (2008); Iheduru (2002); Okpukpara (2009)). Due to non-availability of easy access to capital, women do not have funds to grow their businesses (Goheer, 2003). Women basically lack access to credit probably because of their low level of savings as well as the lack of the necessary collateral needed for the acquisition and repayment required for a loan (Aliata, Baba, & Patrick, 2013).

There are reports claiming discrimination against women entrepreneurs when applying for loans from private sector banks, even though they often have superior collateral” (ECA, 2004, cited in Roomi, Harrison, & Beaumont, 2009). The major challenges that women entrepreneurs faced at starting micro-entrepreneurship as means of self-employment are lack of entrepreneurial skills, lack of startup finance, gender discrimination, management skills, lack of information, access to business support, lack of self-confidence, finding the right contacts for business venture, combining family and enterprise works and worried about societal acceptance (Parvin, Rahman, & Jia, 2012). Females are generally protected and it becomes a matter of “family reputation and honor” when a woman goes out to work. Safety and security issues further contribute to this (Anwar & Rashid, 2012). Women also likely to face several challenges as an entrepreneur regarding dual role of women of business and family, financial problem, illiteracy, less risk bearing capacity, lack of visibility, lack of information, training and development, male-dominated society, widespread corruption and mobility constraints (Sharma, Dua, & Hatwal, 2012). The major obstacles that women entrepreneurs encounter are access to finance, lack of collateral, access to markets, education, 26 networks, policy makers, work-family interface, legal barriers and procedures and lack of societal support (Haxhiu, 2015).

According to Bradley and Boles (2003), there are five major barriers for women entrepreneurs especially for south Asian women: Family Responsibilities, Self-confidence, Ethnic Specific Barriers, Education and Social constructions. In developing countries, formal sector financial institutions do not provide poor people with the necessary funds that are required for starting micro-enterprises; the socio-cultural environment is also not conducive for women to start a micro-enterprise of their own. It means that the control on microcredit loans goes from the women members to their husbands (Chowdhury, 2009). Microfinance provides various management training services to their clients and though the training gave them skills, information and business management orientation, but they could not initiate business on their own because they lacked sufficient fund, enough motivation and confidence (Dangol, 2010). The obstacles of women micro-entrepreneurs in Bangladesh identified are family-oriented mentality of women, government's unfriendly attitudes, lack of market information and marketing strategies, unavailability of business development services, unavailability of loans at lower interest rates and lack of opportunities for women to develop skills in business management (Nasima & Alam, 2015). Various barriers are identified by women entrepreneurs for business start-up and growth. These include access to finance, access to markets, access to networks, access to land and premises, access to business start-up training and advice and access to education (Abagissa, 2013). The credit delivery system has difficult condition, including high interest rate charged, weekly repayment of loans, high costs incurred by clients in loan transaction process, group loans, entrepreneur education is not adequately provided, confiscation of properties of the defaulters which leads to serious negative impacts to clients like psychological torture, disintegration of their marriage/ family conflicts (Kanoni, 2015).

2.7 Conceptual Framework

The theoretical framework presented in the figure depicts the relationship of independent variable (Microfinance Services i.e. Credit and Other Services; advisory service, insurance service and saving service) with dependent variable (Women Entrepreneurs' Performance i.e. Economic Performance) under the study.

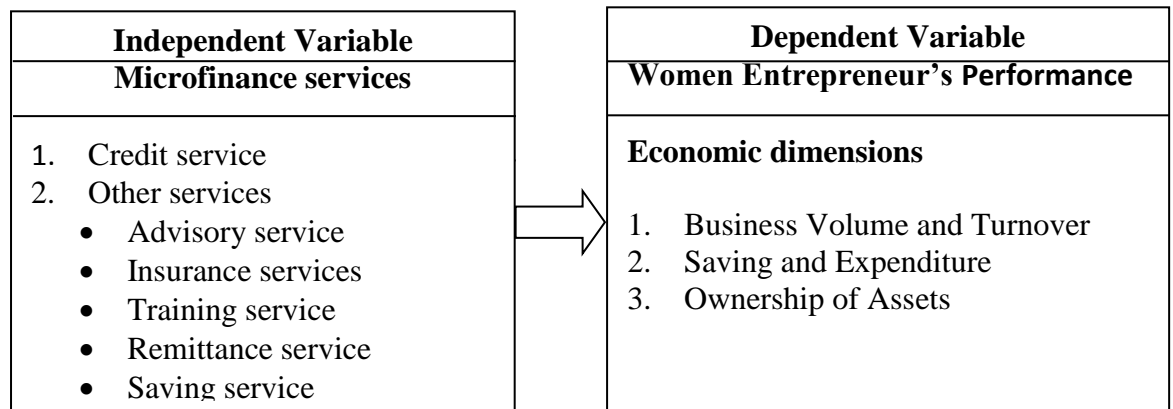


Figure 2.1: Conceptual Framework

Source: Dedunu Harsani (2018). Impact of microfinance to empower entrepreneur: International journal of business and managed by Rajatra University of Shree Lanka.

Independent Variable: In this research, the Microfinance service is the independent variable with various dimensions under study- Credit service and Other services.

- **Credit service:** Basically microfinance empowers women by lending capital and allowing them to earn independent life and make their family and community life easier. Microfinance credit services had helped microenterprises venturing their business, improve their business and avoid business failure (Gedion, Maizs, & Toroitich, 2016).
- **Other services:** Other services include advisory, savings, insurance, remittance and training. A study by Gedion, Maizs, & Toroitich (2016) revealed that Microfinance consultancy services had provided micro enterprises with fashionable management knowledge and techniques and also helped microenterprise with appropriate remedies on emerging problems. Similarly MFIs saving services had helped improve on growth and expansion of microenterprises through accumulation of wealth to great extent. Micro insurance provides social intermediation such as development of social capital (through groups formation, training in financial and enterprise management and development of management capabilities) and external support services (Aheeyar, 2007).

Dependent Variable: In this research women entrepreneur's economic performance is the dependent variables under study. Women entrepreneurs especially in the developing countries lack access to credit, saving, training. Various studies have shown that the microfinance services act as a boon to empower women by enabling them to earn cash income through various types of entrepreneurial activities.

Economic Dimensions: The MFIs help existing and would-be women entrepreneur's acquire the means for establishing or expanding a business including business premises and working capital. When the women transform their life from housewife to business women then their saving and expenditure pattern also improves simultaneously. In one such study, Hashemi, Schuler, & Riley (1996) find significant positive effects of membership in Bangladesh Rural Advancement Committee on empowerment, where their indicators of empowerment including female mobility in public domain, ability to make large and small purchases, ownership of productive assets, involvement in decision making and the ability to make choices regarding money and travel decisions.

Chapter III

Research Methodology

This chapter presents the overall plan set or methods of conducting the study. This chapter will specify design of research, the methods and procedures for the collection, measurement and analysis of data that the researcher made use of.

3.1 Research Design

Sen (cited in Malhotra, Schuler, & Boender, 2002) suggested that the process of women's empowerment was essentially qualitative in nature but Kabeer (1997, cited in Malhotra, Schuler, & Boender, 2002) suggested that the assessment of the process was not only qualitative but is subjective as well, as the process of empowerment should be judged as having occurred if it was self-assessed and validated by women themselves.

This particular study is qualitative and quantitative in nature. The research design used in this research are descriptive research design in which the respondents were randomly assigned to assess the casual relationship of the hypotheses that were designed to analyse the impact of microfinance on women micro entrepreneurship in Siyari Rural Municipality. The study has analyzed the significant difference in women's economic before and after taking loan from microfinance for their MEs using Paired sample t-test and related statistics. Informal interviews had been used to analyses the study qualitatively by preparing structured questionnaire. The study was a field based study so it observed and examined the attitude of women entrepreneurs in natural work setting.

3.2 Population and Sample

All the women entrepreneurs of Siyari Rural Municipality, who started or expanded their business through the help of microfinance, were considered. As per an interview with Suman Ghimire of NMB Lagubitta Bittia Sastha ltd, there are around 350 women entrepreneurs of Siyari Rural Municipality, who started or improved their business through the help of loan from microfinance. To qualify the selection of respondents, women entrepreneur who initiated and expanded their

business through the loan taken from microfinance institutions were considered. On the basis of this, the criterion made it possible to assess the economic empowerment of women because the impact of economic empowerment could be visibly seen after their involvement in businesses.

In order to extract the exact data, researcher had gone to five of the MFIs of Siyari Rural Municipality (i.e. NMB Lagubitta Bittia Santha ltd, Manakamna Lagubitta Bittia Sastha ltd, Infinity Lagubitta Bittia Sastha ltd, Forward Community Microfinance, Janautthan Microfinance Bittia Sastha ltd) requesting the name, address and contact number of women clients who had taken loan from their microfinance for their business purpose. So the Microfinances were knocked and required data was collected. The sampling technique that is used in this research is non-probability sampling method given that the research is based on the subjective judgment of the researcher. Among the various non-probability sampling techniques, purposive sampling technique was used for the study because the study participants are chosen based on researcher knowledge about the population and the purpose of the study and it had been convenient to respondents as they will be free to express and share their information with the researcher. The total number of respondents that were surveyed through informal interview was 110.

3.3 Nature and Sources of data

The study intends to incorporate both primary and secondary methods of data collection.

- Primary data: The primary data were collected through the help of semi-structured questionnaire.
- Secondary data: The secondary data had included information obtained mainly from different reports, articles, journals, websites and literatures which had been relevant to the theme of the study, gathered from various sources to complement the survey-based analysis.

3.4 Tools for Data Collection

As mentioned above the tool that was used for primary data collection was implied and these explained below;

3.4.1 Questionnaire

The major tool used in the survey research was questionnaire which translated research objectives into specific questions. A semi-structured questionnaire was developed to gather the information regarding empowerment of women entrepreneurs on the basis of few questionnaires previously exercised in other similar studies namely; Kodamarty (2016), Dangol (2010), Acharya (2000) and Wube (2010).

In order to answer the basic questions raised, the questionnaire was prepared with 4 parts. The first part consisted of demographic profile of the respondents which was designed in a closed ended format. The second part covered that loan information of the respondents which was also prepared in a closed ended format. The third section of the questionnaire dealt with other services of microfinance that are provided to women entrepreneurs using open ended format. The final section of the questionnaire dealt with the economic empowerment of women assets as the dimensions of economic empowerment using open as well as close ended format.

The process structure that was used in the research questionnaire consisted of the following questions;

- Dichotomous questions (closed, structured questions)
- Free response questions (open-ended, unstructured questions)

3.5 Methods of Data Analysis

After the data had been collected, the responses on questionnaire survey was categorized, tabulated, processed and analyzed with the help of SPSS and MS-Excel. Descriptive as well as inferential statistical tools were implied to achieve the intent of the study. Frequency distributions, tables, percentage, means, comparison of means and non-parametric test were performed. Based on the distribution of the descriptive statistics obtained from the study, the following techniques were used to perform inferential analysis: Paired samples t-test, one tailed test, McNemar test. The p -value was compared to the significance level on the basis of which the null hypothesis was either rejected or not. If the p value was

less than the significance level (0.05), then the null hypothesis was rejected. If p value was greater than or equal to significance level, the null hypothesis was not rejected.

The demographic profiles and items related to women entrepreneurs' were analyzed using simple statistical tool *i.e.* table. The study has harnessed paired samples t-test to get the significant difference in the mean value before and after taking loan from microfinance which were assessed with tabulation. Business volume and turnover, saving and expenditure and ownership of assets of women entrepreneurs was tested using paired samples t-test and McNemar test.

Finally, all these were followed by the necessary interpretations and discussions so as to achieve the desired goals. Descriptive narrations were encompassed in the process of interpretation which was observed through questionnaire and informal interview by the researcher.

3.6 Software used

The data obtained from the survey has been analyzed and interpreted using Statistical Package for Social Sciences Version 16 (SPSS v16.0) and Microsoft Excel. The research was put in written format by using Microsoft Word.

Chapter IV

Results and Discussion

This chapter primarily deals with the analysis of primary data. Primary data are analyzed through the use of statistical tools like descriptive analysis, paired sample t-test, one sample statistics and McNemar test whereas the data were collected through structured questionnaire. This section deals with the analysis of primary data through microfinance services and economic empowerment of women who started and expanded their business with the help of microcredit. The study focus on determining the impact of microfinance services on the women entrepreneur performance including their economic empowerment.

4.1 Personal Information

The respondents considered in this research are the women of Siyari Rural Municipality who have started or expanded their business by using the loan from microfinance. The response from those women entrepreneurs were collected and analyzed in order to determine the microfinance institutions and its relationship with women entrepreneurial performance. A total of five microfinance institutions have been selected to collect the data of business women clients. During the sample study period, a total of 110 women taking loan from microfinance to start or run the business had been interviewed personally for the study. For the study, it was necessary to know the background of the respondents in terms of age, type of business, level of education, and other vital indicators.

The adjoining Table 4.1 showed that out of total respondents (110) women entrepreneurs from Siyari Rural Municipality, more than half of whole sample belonged with the age of 30-40; it meant that women of this age were more likely to take loan from microfinance to be micro entrepreneurs. Women ranging 41-50 years of age had visibly (20.90 percent) piled up to take loan from microfinance for their business. While, the women below 30 years of age had showed (13.64 percent) and above 50 years had (8.18 percent) involvement in microfinance for their micro enterprise. In case of type of business, it was found that majority of the respondents (60 percent) had taken loan from microfinance in order to start, improve and expand

their business (*i.e.* for shop). While among total number of respondents, only 20 percent of women were found to take loan from microfinance for the purpose of animal husbandry business. Only 6.36 percent of the women had taken loan for the vehicle business. Similarly 13.64 percent women had taken loan from microfinance to purpose invest various agriculture sectors.

Table 4.1 Personal information of respondents (n=110)

Variables	Category	Number of women	Percent
Age	less than 30	15	13.63
	30-40	63	57.27
	41-50	23	20.90
	51 & above	9	8.18
Type of business	Agriculture	15	13.63
	Animal Husbandry	22	20.00
	Shop	66	60.00
	Vehicle purchase	7	6.36
Education	Below SLC	53	48.18
	SLC	31	28.18
	Intermediate	16	14.54
	Under-graduate	7	6.36
	Graduate	3	2.72

Source: Field survey, 2020

A majority of women below SLC (48.18 percent) were implicitly seen by the adjoining table. The women entrepreneurs with SLC were 28.18 percent and women with intermediate, under-graduate and graduate education level were 14.54, 6.36 and 2.72 percent respectively.

4.2 Loan Information

This section provides the information regarding the MFIs that are being selected for the purpose of identifying the women clients who have taken loan from MFIs for their household or business purpose. It depicts the loan amount, loan cycle, annual

interest rate of loan taken, and the maturity of loan. So the descriptive analysis was done to analyses the data regarding loan information of various women entrepreneurs.

Table 4.2.1 Descriptive analysis of loan information of women entrepreneurs

Statistics	MFI Name	Loan Amount	Loan cycle (in days)	Annual interest Rate	Maturity of loan (in year)
Mean	2.14	117112.9	26.46	18	1.2538
Median	2	108000	30	18	1
Std. Deviation	1.012	62599.27	4.364	0	0.51569
Minimum	1	20000	18	18	1
Maximum	4	400000	30	18	4

Source: Field Survey, 2020

From the Table 4.2.1, it was found that the mean value of MFI name, loan amount, loan cycle, annual interest rate and maturity of loan is 2.14, 11712.9, 26.46, 18 and 1.2538 respectively. While the median value of MFI name, loan amount, loan cycle, annual interest rate and maturity of loan is 2, 108000, 30, 18 and 1 respectively. The standard deviation was observed to be 1.012, 62599.27, 4.364, 0 and 0.51569 for MFI name, loan amount, loan cycle, annual interest rate and maturity of loan respectively. The minimum and maximum value for MFI name ranges from 1 to 5 where 1 stands for NMB Lagubitta Bittia Sastha ltd and 5 stands for Janauthhan Microfinance Bittia Sastha ltd. The microfinance institutions provide loan facilities to the women entrepreneurs ranging from Rs.20000 up to Rs.400000, loan cycle ranges from 18 to 30 days and the annual interest rate is 18% in all the microfinance selected while the maturity of loan ranges from 1 year to 4 years.

Table 4.2.2 Distribution of Microfinance institutions providing loan for the women entrepreneurship (n=110)

MFI name	Number of women	Percent
NMB Lagubitta Bittia Sastha ltd	26	23.64
Manakamana Lagubitta Bittia Sastha ltd	18	16.36
Infinity Lagubitta Bittiya Sanstha ltd	35	31.82
Forward Community Microfinance	12	10.90
Janauthhan Microfinance Bittia Sastha ltd	19	17.28

Source: Field survey, 2020

The Table 4.2.2 was showed the MFIs that are selected by the respondents for venturing their business. It showed that highest percentage (31.81 percent) of women was more likely to take loan from Infinity Lagubitta Bittia Sastha ltd compared to other microfinance. While percent (23.64, 16.36, 10.90 & 17.28) of the respondents were found to select NMB Lagubittia Bitta Sastha ltd, Manakamana Lagubittia Bitta Sastha ltd, Forward Community Microfinance and Janauthhan Microfinance Bittia Sastha ltd for taking the loan for their business purpose.

Table 4.2.3 Descriptive analysis of the major uses of loan taken by women from microfinance

Major uses of loan	Number of Women	Percent
Purchase inventory for business	40	36.36
Purchase fixed assets for business	7	6.36
Purchase livestock and agriculture products	16	14.54
Personal and household expenses	5	4.55
Starting new business	42	38.19
Total	110	100

Source: Field survey, 2020

By the Table 4.2.3, it was revealed that more of the respondents (38.19 percent) who took loan from MFIs use it for the purpose of stating a new business. While (36.36 percent) of the women used the credit taken from microfinance in order to commence their purchase inventory for their business. From the total respondents only (14.54 percent) of the women used the loan for purchase livestock and agriculture product. Likewise (6.36 percent) of the women taken loan from MFIs for purchase fixed assets to their business followed by personal and household expenses (4.55 percent) like for their daughter's marriage or for sending their children to abroad.

4.3 Other Services

The MFIs may provide services other than credit service to their clients which may be trainings, consultancy, savings, remittance and insurance. Among the four microfinance selected for the study, it was found that none of the MFIs had provided training and consultancy service to their clients.

Table 4.3 Distribution of other services provided by MFIs to women except credit service

	Training		Advisory		Saving		Remittance		Insurance	
	No.	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
No	110	100	110	100	58	52.83	94	85.45	65	59.10
Yes	-	-	-	-	52	47.27	16	14.55	45	40.90
Total	110	100	110	100	110	100	110	100	110	100

Source: Field survey, 2020

From the Table 4.3, it was revealed that from the total number of respondents (110), none of the respondents had received services relating to training and advisory from any of the MFIs. This shows that the women entrepreneurs lack training and advisory for starting and improving their business due to which they may face problems regarding the failure and growth their business. Majority of the

respondents (47.27 percent) had received saving service from the MFIs which showed that most of the women are concerned about saving for their household and business purpose. While only few of the respondents (14.55 percent) had received remittance service from microfinance and it was investigated that 40.90 percent from the total respondents were provided with insurance service from microfinance institutions.

4.4 Economic Empowerment

The study used business volume and turnover, saving and expenditure and ownership of assets as economic variables affecting women's entrepreneur performance. Under these three sub-variables various factors had been considered that directly or indirectly has a linkage with women empowerment through the help of microfinance services.

4.4.1 Business Volume and Turnover

While comparing 110 women who took loan from microfinance and who were performing their daily business transactions and their amount and area of investment they made before and after taking loan from microfinance, the paired sample t-test shows the mean difference between two sets of observations that are from same individual, object or units. Here, the two sets of observations are the changes in business volume and turnover before and after taking loan from microfinance.

Table 4.4.1 Impact of microfinance on business volume and turnover by paired sample t-test

Items	Mean Difference	Std. Error Mean	T	p-value
1 Daily sales amount	5018	1389.458	3.611	0.001
2 Daily customers flow	9.32	1.572	5.929	0.000
3 Daily purchase amount	2985	705.152	4.233	0.000
4 Number of people employed	0.18	0.056	3.215	0.002
5 Total investment in business	155203	15712.17	9.877	0.000

Source: Field Survey, 2020

The table 4.4.1 showed the result of average scores on five dimensions of business volume and turnover for women entrepreneurs. They were asked to provide the

information regarding the business sales and purchase amount, customer flow, number of people employed and total investment in business. The mean difference of each of the dimensions is positive which means the mean value of all the dimensions of business volume and turnover is increased after taking loan from microfinance compared to before taking loan from microfinance. So, there is an improvement in business volume and turnover of women entrepreneurs after taking loan from microfinance. Accordingly, p-values of paired sample t-test for each of the dimensions were statistically significant at 5% level of significance as the p-value in each of the dimensions is less than 0.05. So, the hypothesis 1 is accepted *i.e.* there is a significant relationship between microfinance and business volume and turnover of women entrepreneurs is supported.

4.4.2 Saving and Expenditure

This showed to what extent the saving and expenditure pattern of the women entrepreneurs changed after taking loan from microfinance. As the amount that the women saved and spend on different dimensions were not exact so the highest value from the range had been taken for the study purpose like if the monthly expenditure on food by one of the respondent is Rs.10000 to Rs.12000 then 12000 has been considered for the study.

Table 4.4.2 Impact of microfinance on saving and expenditure pattern of women by paired sample t-test

Significance test for saving and expenditure of women					
Pair	Items	Mean Difference	Std. Error Mean	T	p-Value
1	Average monthly saving at home	6475	715.58	9.048	0.000
2	Average monthly saving in bank	9515	1470.6	6.471	0.000
3	Monthly expenditure in food	2145	149.21	14.394	0.000
4	Monthly expenditure in education	638.547	152.66	4.182	0.000
5	Monthly expenditure in entertainment	255.806	47.295	5.408	0.000
6	Monthly expenditure in health	646.256	79.018	8.178	0.000

Source: Field Survey, 2020

The Table 4.4.2 displayed the results of paired sample t-test on six dimensions of saving and expenditure pattern of the respondents. They were asked to mention their savings at bank and at home and their expenditures on food, education, entertainment and health before and after taking loan from microfinance. The mean difference is positive in each of the dimensions which depicted that the saving increased and the expenditure pattern improved after taking loan from microfinance. As most of them were found to use the loan for their business expansion which expanded their earnings and their savings automatically increased. Similarly, their expenditures on food, education, health and entertainment also improved after taking loan from microfinance. No respondent was found having decreased household expenditure on any head after taking loan from microfinance. Accordingly, the p-value of paired sample t-test for each of the dimensions of saving and expenditure were statistically significant in 5% level of significance which supports the hypothesis 2. This result suggested that microfinance played a significant role in empowering women through improving their saving and expenditure pattern.

4.4.3 Ownership of Assets

With the help of loan taken from microfinance by women, their saving and expenditure pattern had improved which resulted in the increment in ownership of assets of women entrepreneurs.

Table 4.4.3 Impact of microfinance on ownership of assets of women entrepreneurs

Panel A: Significance test for ownership of assets					
Pair	Items	Mean Difference	Std. Error Mean	T	p-value
1	Number of mobile	0.869	0.128	6.782	0.000
2	Number of TV	0.356	0.083	4.289	0.000
3	Number of bicycle	0.847	0.835	1.014	0.275
4	Number of animal	0.056	0.148	0.378	0.705
5	Number of motorcycle	0.684	0.213	3.211	0.002

Panel B: McNemar Test statistics for ownership of land and house by women

Test Statistics	Land	House
Exact Sig. (2-tailed)	0.001	0.5

Source: Field survey, 2020

The mentioned Panel A of Table 4.4.3 explained the ownership of different assets of women entrepreneurs after starting their business. It chalked out that there is a significant difference in four of the dimensions of ownership of assets (i.e. number of mobile, TV, motorcycle and bicycle) as the p-value is less than 0.05 at 5% level of significance. On the contrary, there is no significant difference in number of animals owned by women entrepreneurs as the p-value is greater than 0.05 at 5% level of significance. This showed that the number of mobiles, cycle, TVs and motorcycle increased after taking loan from microfinance for their business while the numbers of animals were more before taking loan from microfinance. Thus the findings supported hypothesis 3 which stated that there is a significant relationship between microfinance and ownership of assets of women entrepreneurs. It suggested that their living standard had improved as they were more concerned towards business rather than animal husbandry. From the Panel B of Table 4.4.3, it was found that the p-values of test statistics for land were statistically significant at 5% level of significance. Whereas, the p-values for house were found to have significant difference at 5 % level of significance. Thus it displayed that microfinance played a positive role in the ownership of land by women entrepreneurs while it also showed that there is no such more changes in case of ownership of house after taking loan from microfinance.

4.5 Major Findings

The study aimed to analyses the effect of microfinance on women entrepreneurs' performance based on their economic empowerment. On the basis of data presentation and analysis, the major findings of the study were as follows;

1. All the MFIs of Siyari Rural Municipality were providing loan to the women with 18% interest rate. The loan cycle of most of the microfinance was 30 days and Majority of women took loan from microfinance with their maturity time of 1 year.
2. The amount of loan provided to women entrepreneurs ranges from Rs.20000 to Rs.400000. Out of total women entrepreneurs, more than one third of the women used the loan taken from microfinance in order to starting their new business.

3. Microfinance providing service other than credit to women entrepreneurs, most of women had saving services but none of total respondents got training and advisory service from any of the microfinance.
4. The p-values for all the dimensions of business volume and turnover were statistically significant as the p-value is less than 0.05 (5% level of significance). Hence, the microfinance played a significant role in business volume and turnover of women entrepreneurs.
5. Women's saving at home and at bank also improved after taking loan from microfinance as the p-value is 0.000 which is less than 0.05. This depicted that there is statistically significant difference in women's saving after taking loan from microfinance than before they took loan.
6. The household expenditure pattern for food, health, education and entertainment had increased after they took loan from microfinance than before. Thus the microfinance played a major role in empowering women by improving their saving and expenditure pattern.
7. The women had increased their ownership of assets like mobile, TV, motorcycle, bicycle, land and other vehicles after they took loan from microfinance to enhance their business as there is a statistically significant difference in all these categories of assets at 5% level of significance as the value of 'p' is less than 0.05.
8. There is no statistical significant difference in the number of animals that the entrepreneur women own. This showed that their preference has shifted from animal husbandry to business.

Result of Hypothesis

Table 4.5 Result of the Hypotheses

Descriptions	Tests used	Accept/Reject Hypothesis
H1: There is a significant relationship between microfinance and business volume and turnover of women Entrepreneurs.	Paired sample t-test	Accepted
H2: There is a significant relationship between microfinance and saving and expenditure patterns of women entrepreneurs.	Paired sample t-test	Accepted
H3: There is a significant relationship between microfinance and ownership of assets of women entrepreneurs.	Paired sample t-test & McNemar of 2 related samples	Accepted

Source: Table No. 4.4.1, 4.4.2 and 4.4.3

- H1: The mean difference of each of the dimensions is positive which means the mean value of all the dimensions of business volume and turnover increased after taking loan from microfinance compared to before taking loan from microfinance. So, there is an improvement in business volume and turnover of women entrepreneurs after taking loan from microfinance. Accordingly, p-values of paired sample t-test for each of the dimensions were statistically significant at 5% level of significance as the p-value in each of the dimensions is less than 0.05. So, the hypothesis 1 is accepted *i.e.* there is a significant relationship between microfinance and business volume and turnover patterns of women entrepreneurs. Thus, this result suggested that microfinance played a significant role in business volume and turnover of women entrepreneurs.
- H2: The mean difference is positive in each of the dimensions which depicted that the saving and expenditure is in improvement pattern after taking loan from

microfinance. Accordingly, the p-value of paired sample t-test for each of the dimensions of saving and expenditure were statistically significant in 5% level of as the p-value in each of the dimensions is less than 0.05. So, the hypothesis 2 is accepted *i.e.* there is a significant relationship between microfinance and saving and expenditure of women an entrepreneur. So, this result suggested that microfinance played a significant role in empowering women through improving their saving and expenditure pattern.

- H3: The mean difference is positive in each of the dimensions which depicted that the ownership of assets improved after taking loan from microfinance. The p-value is less than 0.05 at 5% level of significance on four dimensions. On the contrary, there is no significant difference in number of animals owned by women entrepreneurs as the p-value is greater than 0.05 at 5% level of significance. This showed that the number of mobiles, bicycle, TVs and motorcycle increased after taking loan from microfinance for their business while the numbers of animals were more before taking loan from microfinance. Thus the findings supported hypothesis 3 which stated that there is a significant relationship between microfinance and ownership of assets of women entrepreneurs. It suggested that their living standard had improved as they were more concerned towards business rather than animal husbandry.

4.6 Discussions

The involvement of women between the ages 30-40 was more. Findings of Suliaman (2014) and Yasmeen & Karim (2014) confirmed with the same result however Maridoss (2012); Joshi (2008) and Shihabudheen (2012) did not confirmed in the identical line of age. Global monitoring report (2007) stated that there was a heavy gap in labor force participation at the age between 25-49 years. The type of business that most of women was involved in were groceries and other kind of shop and only few of them were involved in agriculture, animal husbandry and vehicle.

Most of the women's level of education in the study was below SLC. Education being the most important determinant of economic development of a country, it has not been able to confront social class differentiation because economic constraints that prevail in society reinforce gender inequality in the family, labor market and society (Jayaweera, 1997). Marchandani (1999) suggested that educating women

means removing their barriers and motivating them towards entrepreneurship. All the women respondents who were surveyed were found to be married which showed that married women were more likely to take loan from microfinance in order to become micro entrepreneurs which were also stated by Maridoss (2012) and Suliaman (2014). All of the respondents had received credit facility from the MFIs for their business activities and most of the women from Siyari Rural Municipality were found to take loan from Infinity Lagubitta Bittia Sastha ltd. The loan amount ranges from Rs.20000 to Rs.400000. The interest rate is same for all the microfinance i.e. 18 percent. It was found that there is a high interest rate on micro loans because of the administrative cost (Rathirane & Semasinghe, 2016). Moreover, according to the response obtained from the microfinance officials' personal interview in the study area, women entrepreneurs mostly get credit by using the group (5-7 members) as collateral, which is very impossible in banks; this motivates the poor to do business. This might be the reason that credit access found to be very relevant microfinance intervention for women entrepreneurs' performance which is consistent with the study of Birhanu & Kinde (2016).

It was visible that the main loan driver for most of the women was the business activity and some of the women also took loan for their household and personal expenses and for purchasing livestock and agricultural products. Women had a long history of their micro enterprise commencement (Yasmeen & Karim, 2014). So, the majority of respondents started or expanded their businesses on their own after receiving the loan (Nasima & Alam, 2015). It is therefore imperative to provide business capital through microfinance and other institutions to enable women have business as their source of income. This agrees (Hashemi, Schuler, & Riley, 1996) who narrated that microfinance has positive effect on empowerment even controlling for women's independent contributions to household income. The study concludes that the loans provided to WOE leads to an expansion in business in terms of working capital (Otiso & Omambia, 2016).

None of the respondents had received trainings and advisory service from the MFIs for developing their entrepreneurial skills and their business performance. In reverse of this finding Suliaman (2014) came with the higher level of training status of micro entrepreneurs. The microfinance institutions should provide trainings to women

entrepreneurs for improving their business activities. This is in line with the findings of (Akanji, 2006), (Cheston & Kuhn, 2002) and (Kuzilwa, 2005), as cited in (Ekpe, Razak, & Mat, 2013), who established that training is a very important micro-finance factor for women entrepreneurs as it would provide the skills and experience needed for business. 60 percent of the women had received saving facilities from their MFIs while 40 percent of them received insurance facilities. Savings as a micro-finance factor enable people with few assets to save, since they could make weekly savings as well as contribute to group savings, and such savings are mobilized by the micro-finance institutions for further lending to other clients (Mkpado & Arene, 2007).

Economic Dimensions

The analysis of business volume and turnover using paired sample t-test suggested that there is a significant difference in business volume and turnover of women's business after taking a loan from microfinance. It is also supported by Naeem et al. (2015) as they asserted that microfinance has an overall significant impact on sale revenue and net income of beneficiaries' microenterprises as compared to non-beneficiaries while Owuor (2014) found that microcredit negatively influences growth in the sales of business. Women participation as per revenue is less due to the size of their enterprises, but creates more volume and employment in various sectors. Smaller amounts of investment capital effectively limit women to a narrow range of low-return activities which require minimal capital outlays, few tools and equipment and rely on farm produce or inexpensive raw materials (Swapna, 2017). Majority of the respondents are self-employed in their small business which increased the income of the women entrepreneurs. This is in line with the findings of Rashid et al. (2015).

In line with results of the study, it showed that there is a significant relationship between participation in MFIs and control over savings and expenditures of women entrepreneurs. This finding is supported by a study of (Al-Mamun et al., 2014), wherein the respondents reported that their level of contribution to family expenses increased after participation in a microcredit program. As women start earning, the standard of living increases and it leads to more spending. However, this finding is contrary to that of (Goetz & Gupta, 1996) and which found that often men control savings and income of the women. This collaborates with the study by (Hashemi, Schuler, & Riley, 1996)

who narrated that microfinance has positive effect on empowerment even controlling for women's independent contributions to household income.

The findings also depicted that women and their family owned more assets after taking loan from microfinance as the paired sample t-test showed the significant difference in ownership of assets before and after taking loan from microfinance. Similar result was found in the study of (Barnes, Morris, & Gaile, 2001b); (Chen, 1997) and (Chen & Mahmud, 1995). In the case of Household Land Ownership of assets the same is having significant effect on Women empowerment. Similar conclusions have been drawn by (Pollio & Obuobie, 2010) and others.

Problems and Suggestions

The problem of access to credit and capital was the major problem as expressed by most of the women entrepreneurs. By providing them access to small amounts of loans, they will be able to escape poverty through investing in businesses (Rooyen, Stewart, & Wet, 2012). Easy access to capital was suggested by women entrepreneurs to promote SMEs and (Gautam, 2014) had also cited that access to capital as a constraint for women entrepreneurs.

Lack of training by microfinance institutions was found to be another major problem of women entrepreneurs in order to have good entrepreneurial skills to run their business. The microfinance institutions should provide trainings to women entrepreneurs for improving their business activities. This is in line with the findings of (Akanji, 2006), (Cheston & Kuhn, 2002) and (Kuzilwa, 2005), as cited in (Ekpe, Razak, & Mat, 2013). Another main problem among women of Siyari Rural Municipality is that low-income women are often victims of societal suppression and abuse; while their counterparts in developed economies are victims of lending discrimination which was also mentioned in the study of (Bennett & Goldberg, 1993).

Home management had been most vigilant challenge encountered by most of the women entrepreneurs surveyed as they had to look after their home and their business at a time. Ahmad (2011) argued that women confronted a flux of challenges in developing and running a business still women are establishing and growing businesses remain significant barriers.

Chapter V

Summary and Conclusion

The study presents the impact of microfinance on women's entrepreneur performance which was measured by few economic with some indicators. To analyses the relationship between microfinance and women entrepreneurs performance the study had compared before and after taking loan from microfinance change scenario of women entrepreneurs in their business volume and turnover, saving and expenditure, ownership of assets. Consequently, the impact of microfinance on women entrepreneurs was presented and tested using test statistics to draw conclusions.

5.1 Summary

The primary objective of this study was to assess the role of microfinance on women entrepreneurs' performance in case of Siyari Rural Municipality. The general objectives of this study were to examine the impact of microfinance on women's business, on women's empowerment in terms of economic dimensions. The assessment of the process was not only qualitative but is subjective as well. Both parametric and non-parametric test have been applied to test the significance of the study.

This study considered all the women entrepreneurs taking loan from microfinance institutions for their business operating within Siyari Rural Municipality as population. Sample firms included five of the microfinance institutions namely; NMB Lagubitta Bittia Sastha Ltd, Manakamana Lagubitta Bittia Sastha Ltd, Infinity Lagubitta Bittia Sastha Ltd, Forward Community Microfinance, Janautthan Lagubitta Bittia Sastha Ltd. A total of 110 women from Siyari Rural Municipality who took loan from microfinance for business purpose had been selected as sample size. Purposive sampling technique was used for the study purpose. A semi-structured questionnaire was developed to gather the information regarding the purpose of the study. The questionnaire consisted of the dimensions of economic empowerment of women that resulted due to participation in microfinance. The variables that were considered for the study of economic of women entrepreneurs were business volume and turnover, saving and expenditure and ownership of assets.

The findings suggested that most of the MFIs of Siyari Rural Municipality was found to provide only credit and saving facilities to women entrepreneurs and none of the institutions were found to provide training facility. The intervention of MFIs for women entrepreneurs had significant positive impact on business volume and turnover of women entrepreneurs improved, women started saving more and their expenditure pattern also improved after they took loan from microfinance. Though the overall dimensions of ownership of assets of women entrepreneurs has significant difference before and after taking loan from microfinance but in case of land, house and motorcycle there is no significant difference as the women can get only few amount of credit from MFIs which is not sufficient for adding any heavy assets. The main problem that the women were struggling for is lack of capital and training from microfinance in order to run their business smoothly. Women are required to look after their home as well as business which created the problem regarding better home management. So the access to sufficient amount of capital from banks and MFIs, support from family and devotion and commitment of women would be the solution to tackle with these challenges in order to be a successful women micro entrepreneur. So the MFIs have emerged as a tool to empower women economically and socially.

This study can motivate other rural women to take loan from microfinance for their business in order to improve their economic status. The use of RCT in future research would help the researcher to provide information regarding the intervention of MFIs on women empowerment removing the selection bias.

5.2 Conclusion

In order to achieve the Sustainable Development Goals various strategies are in place around the world and microfinance is one such intervention. Microfinance important contribution towards SDGs is that it helps to combat poverty and reduce gender differences. Micro-finances in Nepal have been operated in many parts of the country, targeting especially women to help them in developing self-employment opportunities and various income generating activities. As per their requirement, they are provided with small loans to start micro organization without collateral.

Women have household and children responsibilities that hinder them to follow their job in their young age hence they carry forward their enterprises by 31-40. So,

married women are more likely to pursue their business than bachelors because of uncertainty of bachelor's future after marriage. Micro enterprises do not require high level of education and training to operate so most of the women can initiate and carry their business forward with low level of education.

MFI's are an asset to the developing countries. The services they provide are tailored to meet the needs and aspirations of the local women and their small to medium enterprises. It should be noted that microfinance does not serve or solve all the problems of the poor but it serves as a means of helping them to boost their economic activities or augmenting their status. MFI's are not much concerned about providing training services to their women clients in order to run their business successfully. Training is a very important micro-finance factor for women entrepreneurs as it would provide the skills and experience needed for business and in order to enhance their business performance.

Women entrepreneurs are involved in ME's with an engaging mind set rather than making more money thus their earning are nominal and they do not emphasize much to expand their business. ME's are usually chosen by those who could manage their home and business as well as to generate incomes on their own as access to resources to females is limited. Women being productive are not able to harness their potential because of lack of capital, training, family support, restricted social culture and better government policies. Even though many NGOs, INGO's, development programmes and microfinance institutions are struggling to uplift the women's status in entrepreneurship but the true condition is not yet fully captured by the organizations.

First, the study revealed that access to microfinance has contributed immensely to the economic empowerment of women through improvement in their businesses as the beneficiaries of the microfinance programme have higher levels of employment, income, investment, savings and expenditure and ownership of assets as compared to non-participants. Second, the study showed that access to microfinance has improved the status of women both at the family level and in society as a whole. It was found that the beneficiaries are more confident while travelling, visiting market for the purchase of household and business goods, and dealing with other members of the society, increased participation in household and business decision-making and

community activities and improvement in education and health status of women and their family. They are more participative in the social development activities; and have greater political awareness as compared to nonparticipants. Apart from it, group activities of microfinance develop reading and writing skills, ability to do basic calculations and understanding basic banking operations. The test statistics showed that economic variables like business volume and turnover, savings and expenditure pattern, ownership of assets. In this way, microfinance programmed has contributed a lot in the empowerment of women.

On the contrary, the MFIs charge high interest rate and concentrate only on those areas where they are safe and have wide scope of profit, meaning that the access to finance is limited to women in ordinary situation. Though the women have freedom to make decisions on household affairs but there is still depending nature of women on husband as well as less priority by family members and women do not have predominant role for major economic and financial transactions of home and business. Further, poor/lack of self-motivation is a barrier to start the business due to credit burden and family commitments. Actually, it is not that the women are not able to expand and run their enterprises effectively, the issue is rather managing home and business together so they are not able to perform with their full potential. Small firms are disproportionately handicapped by a lack of finance, but they receive a stronger boost in growth than large firms if financing is provided. Financing obstacles affect small firm's more than large firms.

In a nutshell, microfinance are found to be the robust instrument for empowering women as the study results in improved economic condition of women. It has been observed that microfinance services has overall significant impact on women entrepreneurs at Siyari Rural Municipality of Rupandehi. The microfinance is only a portion of what is needed to boost enterprise activities and developing household and social status, increasing income, accumulating assets, freedom towards decision making, mobility, improving education and health status and promoting a culture of entrepreneurship. Thus, MFIs have become a vehicle for economic transformation and empowerment of women.

5.3 Implications

The study has great implications for women entrepreneurs who are involved in microfinance institutions. Small business women can benefit abnormally in their economic condition through their participation in the microfinance programs. Group financing is largely agreed as having a direct relationship with loan sizes. It is therefore recommended that women SME owners join more groups so as to benefit from larger loans for business expansion and also learn from one another and reap the overall benefit of group synergy. This study is a possible means to avoid the doubts of the women regarding self-employment activities, creating awareness in loan facilities, improving business and family and their family relationships, improving saving and expenditure, importance of skill training etc.

1. This study will motivate other rural women to engage in micro-entrepreneurship with the right support from MFIs and they can reinforce their capacities through adding further to the family income and national productivity.
2. MEs that are established with the help of microfinance loans can be best remedy for the problem of unemployment especially for the developing country like Nepal as it creates employment opportunity for self and other as employees even engages their family members in their business.
3. The researchers and scholars can use RCT in future research as it can provide important information on the causality of microfinance interventions on women entrepreneurs' performance.
4. The study identified easy access to credit as the most relevant microfinance factor for women entrepreneurs. This leads to practical implications that microfinance institutions in Siyari Rural Municipality of Nepal,
5. The study has only overwhelmed economic dimensions of women empowerment but there are other many aspects of women empowerment such as health, political and psychological which could be measured and that could be followed by future research.
6. This study is concentrated only in Siyari Rural Municipality for women entrepreneur, further research can be conducted considering for different areas and participants in Nepal.

7. The study can be useful for local stakeholders, Banking and Financial Institutions, Researcher, General public business man, College students, Bankers, Youth, Employees in other areas, Labors etc.

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Appendix I

1. Personal information (Demographics)

1.1 Name:

1.2 Age: Years

1.3 Type of Business: Agriculture Shop
 Animal Husbandry Other (Specify :.....)

1.4 Education (Tick One):

Education Below SLC Intermediate
 SLC under graduate Graduate

2. Loan Information

MFI Name	Amount Received	Loan cycle (first/second/ etc)	Average annual interest rate (%)	Maturity of loan	Major uses of loan

3. Other Services

Particulars	Trainings	Advisory	Savings	Remittance	Insurance
Yes					
No					

4. Economic Dimensions

A. Business Volume and Turnover

4.1 Please provide information on following heads (Before and after taking loan from microfinance).

Particulars	Before	After
Daily sales amount (NRS)		
Daily customers flow (number)		
Daily purchase amount (NRS)		
People employed in business (number)		
Total investment in business (NRS)		
Area of investment		

B. Saving and Expenditure

4.2 Could you kindly provide following information? (Before and after taking loan from microfinance)

Particulars	Before	After
Average monthly saving at home (NRS)		
Average monthly saving in bank (NRS)		
Saving account at bank (Yes/No)		
Monthly expenditure in food (NRS)		
Monthly expenditure in education (NRS)		
Monthly expenditure in entertainment (NRS)		
Monthly expenditure in health (NRS)		
Other monthly expenditure (Specify...)		

C. Ownership of Assets

4.3 Please provide information of following assets (Before and after taking loan from microfinance).

Assets	Before	After
Mobile (number)		
Television (number)		
Land (yes/no)		
House (yes/no)		
Animals (number)		
Cycle (number)		
Motorcycle (number)		
Other (specify....)		