

The Effect of Microfinance on Entrepreneurship Development in Rolpa District, Nepal

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Abstract

The main objective of this study was to evaluate the effect of microfinance in entrepreneurship development. This study guided from descriptive and casual comparative research design and it is based on deductive research approach. For this study, non-probability convenience sampling method applied to collect 400 survey data from the small entrepreneurs as well as the clients of microfinance intuitions in Rolpa District of Nepal. The likert scale data consisted from primary sources. The central tendency of the variables were investigated using descriptive analysis. In order to determine the relationship between the variables, Pearson correlation was applied. And multiple linear regression models were used to examine the effect of microfinance on entrepreneurship development.

The result suggested that all independent variables contributed to the creation of entrepreneurship development and also played a significant role in the entrepreneurship development of small entrepreneurs. Further, the result indicated that there positive relationship between all independent and dependent variables. And, the result also found that lending services, training and education services, barriers and financial resources have positive and statistically significant impact on success of entrepreneurship development. But, saving services have insignificant positive impact on success of entrepreneurship development.

Therefore, the study reveals that microfinance is the effective instrument and contributes significant for the growth and success of small entrepreneurship. And it helps policy makers, microfinance institutions, and small entrepreneurs for new insights to improve the entrepreneurship development and take right decision on microfinance related activities in Nepal.

Keywords: *entrepreneurship development, microfinance, regression models*