

**MICROFINANCE AND ITS IMPACT ON SOCIO-ECONOMIC  
EMPOWERMENT OF WOMEN**

**(Reference to Bindhavasini Saving Co-operative Society Ltd. in  
Ugrachandi Nala VDC of Kavrepalanchok)**

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An Undertaking of Bhaktapur Municipality

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Affiliated to Tribhuvan University

ESTD. 2001

## RECOMMENDATION

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and found the thesis to be the original work of the student and  
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to be accepted as partial fulfillment of the requirements for

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## ABBREVIATIONS

ACCU	:	Asian Configuration Credit Union
ADB	:	Asian Development Bank
ADBL	:	Agricultural Development Bank Limited
ADB/N	:	Agriculture Development Bank of Nepal
Amt.	:	Amount
BISCOL	:	Bindhavasani Saving Cooperative Society Ltd.
BS	:	Bikram Sambat
CBs	:	Commercial Banks
CMF	:	Centre for Microfinance
CGAP	:	Consultative Group to Assist the Poor
Cos	:	Companies
CSD	:	Center for Self-Development
Des.	:	Description
Eos	:	Employer's Organizations
FGD	:	Focus Group Discussion
FINCA	:	Foundation for International Community Assistance
FINGO	:	Financial Intermediaries Non-Government Organizations.
FY	:	Fiscal Year
GB	:	Grameen Bank
GBB	:	Grameen Bikas Bank
GDP	:	Gross Domestic Product
Govt.	:	Government
GBRs	:	Grameen Bank Replicators
HMG	:	His Majesty Government
IBP	:	Intensive Banking Program
INGO	:	International Non-Governmental Organization.
LGP	:	Local Governance Program
MCPW	:	Micro Credit Program for Women
MBA	:	Master of Business Administration
MBS	:	Master of Business Studies
MCPW	:	Microcredit Project for Women

MDG	:	Millennium Development Goals
Mem.	:	Member
MFA	:	Micro Finance Activities
MFDB	:	Microfinance Development Bank
MFI	:	Microfinance Institutions
MFP	:	Micro Finance Program
NBL	:	Nepal Bank Limited
NGO	:	Non-Government Organizations
NPC	:	National Planning Commission
NRB	:	Nepal Rastriya Bank
PCRW	:	Production Credit for Rural Women
PDDP	:	Participatory District Development Program.
%	:	Percentage
PGBB	:	Paschimanchal Gramin Bikas Bank
Pos	:	Partner's organization
PSLP	:	Priority Sector Lending Program.
RBB	:	Rastriya Banijya Bank
RMDC	:	Rural Microfinance Development Centre
RRDB	:	Regional Rural Development Banks.
Rs.	:	Rupees
RSRF	:	Rural Self-Reliance Fund
SBP	:	Self-help Banking Program
SCC	:	Saving and Credit Cooperative
SCCs	:	Credit Cooperative Societies
SFCL	:	Small Farmer Cooperative Limited.
SFDP	:	Small Farmer Development Program.
SHG	:	Self Help Group
UNCDF	:	United Nations Capital Development Fund.
UNDP	:	United Nations Development Program
VDC	:	Village Development Committee
WDR	:	World Development Bank
WDS	:	Women Development Section

# CHAPTER-I

## INTRODUCTION

### 1.1 Background of the Study

Microfinance is a powerful tool to self empower the poor people especially women at world level and especially in developing countries. Microfinance is recognized as a powerful instrument for poverty reduction. Microfinance activities can give them a means to climb out of poverty. Microfinance has been successfully used as developmental tool to reduce poverty in many countries. Microfinance is coined as the financial service rendered to the deprived group of the people and small entrepreneurs to help them in developing self-employment opportunities and various income generating activities. Usually, microfinance is a program that serves a large number of clients with reference to women/deprived people and works at a grassroots level with financial sustainability. Microfinance is one of the best alternatives to generate self-employment and plays an important role in fighting multi-dimensional aspects of poverty. It provides services to the communities who have no collateral to offer against the loans they take but have indigenous skills and strong desire to undertake economic activities for self employment and income generation. Thus, microfinance has become a strong means to reduce poverty especially of the women. Among the many developmental programs implemented in Nepal, microfinance programs have a strong rural orientation and are targeted at the poor. They have been in continuous operation even during the period of conflict or Maoist war.

At present, microfinance is being increasingly used in the form of development strategy for achieving the developmental goals. The targeted groups of micro-finance are small farmers and the rural poor women. Various aspects of micro-finance are much discussed in development literature but one important area that always remains critical to analyze is the socio-economic impact of microfinance in case of women empowerment. Issue of women empowerment and poverty reduction through micro-finance has been much discussed since it becomes further relevant when national policy and strategies are focused towards this.

Financial institutions are the intermediaries between the saving units and investing units in the economy. Small amounts of scattered savings are pooled together which are then lent for the purpose of investments and facilitating other transactions. So a well-regulated, soundly operating and properly-directed banking system plays a catalytic role in the transformation of the economy. An efficient role of the banks in tapping the resource mobilization and investment prospects of the economy thus fosters saving, investment, employment and economic growth. Mostly the people living in urban area and sub-urban area are getting the banking services but more than 80% people live in the remote area that are out of reach of banking service or financial service. The government is a supreme representative body entrusted with the responsibility of addressing the concerns and promoting and preserving the interests of the people and the nation as whole. The government works for and on the behalf of the people while the bank works for and on behalf of its shareholders, customers, and other stakeholders. The banks have specific functions to discharge: they work in a competitive environment. The government is accountable to the people in general and in the process, would like to launch various targeted programs or schemes aimed at poverty reduction, rural development, backward area development, community development cooperative development, self employment promotion etc. For all this financial resources should be mobilized all over country not only in the urban areas. We have found microfinance program very effective in creating self employment and poverty alleviation. But only there are 31 commercial banks, 87 development banks, 21 Microfinance institutions, 80 finance company, 16 financial co-operatives and 45 financial intermediaries NGOs (Economic survey 2010/11) doing limited banking activities licensed by the Central Bank under different legal framework. There still lack to cover all the rural area providing financial services. The NRB has been conduction various microfinance programs in order to uplift the rural poor women. Microfinance institutions have been encouraged to expand their activities in the backward regions through availing credit at a concessionary rate in addition to supervising the micro finance related projects. For the rural area NGOs have found to be effective in poverty reduction through microfinance programs. There are two national level initiations (Rural Microfinance Development Centre and Small Farmer Development Bank) have been engaged in wholesale financing for micro credit in Nepal. In addition, 16 co-operatives and 45 NGOs have been allowed to undertake the limited banking activities.

Microfinance mainly focuses on poor and low income people living in remote areas with less access to basic amenities and education, water, electricity, banking services, health services, market facilities etc. The poor people do not have enough land for farming. Opportunities of off-farming employment are few and needs to be generated. They lack affordable and appropriate financial services to create small business of self and to improve their economic and social status. In this condition micro-finance practitioners around the world have found very effective tool for bringing up their economic and social status thereby assisting in poverty reduction because micro-finance credits to the poor which creates small business opportunities that help to improve the socio-economic condition of deprived communities especially in rural areas and empower the rural women socio-economically.

In the least developed country like Nepal, microfinance is an important and powerful tool for gradual reduction of poverty and it is must to uplift the poor women and to make them independent and make them feel they can also do something for their family and the community besides their household work. Microfinance enables poor and encourages them to take advantages of the existing opportunities by providing them affordable and appropriate financial services. The clients of microfinance are typically self employed and household based entrepreneurs. Microfinance can help poor people to increase income, build viable business. It can also be a powerful instrument for self empowerment by enabling the poor, especially women to become economic agent of change. The worldwide microcredit institutions and agencies have targeted poor women for their program. It is estimated that about 75% of microfinance clients are women. Commercial banks as well other existing and forthcoming financial institutions and NGOs should give high focus on microfinance.

### **1.1.1 A Brief Introduction of BISCOL**

"Community Based Excellent, Sustainable Financial Co-operative" is the Slogan that Bindhavasini Saving Co-operative Ltd. (BISCOL) is renowned for. Bindhavasini Saving Co-operative Ltd. (BISCOL) is a community, group and member based co-operative model Microfinance Institution established on 27th December, 1993 (2050 Poush 12), registered under Co-operative Act, 2048 from Panauti Municipality-12, Khopasi, Kavrepalanchok with 55 members. Limited banking function was started on 24th October 1995 with the approval from the Nepal Rastra Bank (Central Bank). BISCOL is providing Co-operative Microfinance Services to the members from the

network of its four branches in Kavrepalanchok district as working area to its 12,332 members at the end of FY 2068/69.

BISCOL has been playing an important role in the society for socio-economical development as it provides different micro services targeting the social people. This institution has established with the mission to make a best future oriented co-operative society, with the vision to social and economical development of the member from the competitive and quality services based on international co-operative principal and standards. Its main objective is to minimize poverty from the means of microfinance. For the accomplishment of this objective, various functions such as micro saving, micro credit, micro training, and so on are being conducted.

This institution has operating microfinance programs in order to minimize poverty through the economic, social, cultural and leadership development of the poor, deprived, low caste, indigenous women since 2058 B.S. within its working area. Now it has succeeded to provide microfinance services to 5,871 members from 291 groups of 2 Municipality and 18 VDCs.

With the objectives of running socio-economic and community development activities in the active participation of group in Kavre district BISCOL have managed various programmes from its four branches, which covers total population of 4,71,000 in its service area. Because of its outstanding performance and contribution, it has been awarded from different prizes. The steps of success of this institution are presented in Table. 1.1 below.

**Table 1.1: Steps of Success of BISCOL**

Awards and Prizes		Provided by
1	CUMI Innovative Performance Award 2010	Association of Asian Confederation of Credit Unions
2	Excellent National Co-operative Enterprises Award 2010 (3 <sup>rd</sup> July 2010)	National Federation of Co-operative Union
3	Excellent National Co-operative Award 2009 (19 <sup>th</sup> Dec. 2009)	Nepal Federation of Saving and Credit Co-operative Unions Ltd.
4	First Prize in the Occasion of 53 <sup>rd</sup> National Co-operative Day 2010 (2 <sup>nd</sup> May 2010)	District Co-operative Union, Kavre
5	Five Star	Mix Market
6	Access Brand Accreditation, Bronze-2012	Association of Asian Confederation of Credit Unions

Source: Annual Report 2013, BISCOL

## **1.2 Focus of the Study**

Nepal is one of the poorest countries in the South Asia region and in the world. Poverty is the main challenge of economic development in Nepal and has become a burning problem. A country cannot achieve sustainable economic progress without tackling it. Since Nepal's 31% of the people are living below the absolute poverty line, government has also laid emphasis on poverty alleviation. In this context microfinance is a major way out to address poverty. It is an effective tool in raising the standard of living of rural poor, especially the women and granting them socio-economic status in the society. However there is a need to undertake study on the impact of microfinance on women in raising their socio-economic status. For the purpose, the role of BISCOL, Kavre in alleviating poverty among women will be studied as a case. The study mainly concentrated on exploring how BISCOL has helped in the mobilization of their saving, distribution of loan and its repayment policy. The study also incorporated to analyze the relationship between investment and income, and between loan disbursement and recovery and emphasis on the poorest of poor women's financial condition through microfinance activities.

## **1.3 Statement of the Problem**

Working women contribute to national income of the country and maintain a sustainable livelihood of the families and communities, throughout the world. But Nepalese women are underprivileged and disadvantaged in term of their socio-economic status in comparison to their male counterparts. Due to complex social cultural, traditional, geographical and economic characteristics, women of Nepal are suffering more than men. Since the long time, women have been suppressed by the male dominating society in every aspect, as they face many socio-cultural attitude, legal barriers, lack of education and personal difficulties. Traditionally, women have been marginalized. They are rarely financially independent and often they are more vulnerable members of society.

International aid donors, governments, scholars, and other development experts have paid much attention to microfinance as a strategy capable of reaching women and involving them in the development process. By giving women access to working capital and training, microfinance helps mobilize women's productive capacity to alleviate poverty and maximize economic output.

Poverty reduction has been receiving high priority in the periodic development of five years plans in Nepal. Different microfinance programs are focused on women, small farmers and backward people. So, microfinance is one of the effective tools in improving their status. Many participating women have now become self-reliant both economically and socially with the acquired knowledge and skills, and the resultant income from the microfinance program. Different studies show that welfare impacts on the household are significantly better when microfinance program is implemented. Considering the factors, present study aimed at assessing the socio-economic impact of microfinance. They will face different type of problems. So, this research paper deals with the following issues.

- a) Whether there is any impact of microfinance program on the social empowerment of women or not?
- b) Whether there is any impact of microfinance program on the economic empowerment of women or not?
- c) Whether the women clients have faced any constraints because of competitive microfinance services or not?

#### **1.4 Objectives of the Study**

Microfinance is emerging concept in Nepal. Now by microfinance activities, Nepal has been able to reduce poverty of country in some extent. This study will aim briefly surveying the microfinance world of Nepal and will try to explore the achievements of woman empowerment activities of BISCOL which is one of the pioneer microcredit institutions of Nepal. The objectives of the study are as follows:

- a) To study the impact of microfinance program on the social empowerment of women.
- b) To analyze the impact of microfinance program on the economic empowerment of women.
- c) To explore the constraints faced by the women clients because of the competitive microfinance services.
- d) To provide suggestion on the basis of above study and analysis.

#### **1.5 Importance of the Study**

To date, Nepal about three decades of experience in Microfinance, which has been exclusively recognized as a poverty-reduction program focused towards raising the

income level and social standard of the people living in poverty, particularly women. It helps to generate self employment avenues, develops micro enterprises, and raises income level, builds up self confidence, empowers women and provides opportunities to the poor, under privileged caste and inequality. Women who could gain access to microfinance services have been able to create self-employment opportunities and have been economically and socially empowered through increased income earning from their small projects. It is estimated that about 10 million people in Nepal needs micro finance (MF) services. MF services have reached only 18% of target population. Therefore, there it is necessary to accelerate the pace of expansion of microfinance services to unreached households.

Women occupy the half sky of the world but in every step of development, also they are considered as backward. Similarly, Microfinance becomes one of the major actions for poverty reduction which mobilizes money and also a saving mobilization. Women in Microfinance get success in poverty alleviation and also empower the economic development of the women. Poverty alleviation helps rural development, increase the life standard of people and also give socio-economic status of people in society. Similarly, Women empowerment motivates women to speak in their home for their self rights and duties, increase their life style and being independent from their family. So, this study of microfinance has an importance for our country.

## **1.6 Limitation of the Study**

Though the study is prepared to portray accurate report of socio-economic impacts of microfinance on women empowerment, there will be some limitations in the study:-

- i. Concentrating only on the service area of BISCOL, the study may not represent the actual picture of other areas of the country.
- ii. Collecting information from all members will be not possible. So the study will be based on sampling method.
- iii. Due to time and budget constraint, overall impact of microfinance in all aspect cannot be studies thoroughly.
- iv. Moreover, only few statistical tools will be used for measurement and analysis, that's why the study may not be sufficient in depth analysis.
- v. The study will also be conducted on the basis of secondary data i.e. audited financial reports of BISCOL for the period of previous five years, from the

fiscal year 2064/65 to 2068/69 B.S. and review of relevant literature; therefore, the accuracy of results and conclusions will also depend upon the reliability of these.

- vi. This study is conducted to partial fulfillment of the requirements for the degree of Master in Business Studies for a prescribed time and format, so it is not enough for itself in its subject matter.

## **1.7 Organization of the Study**

The whole study has been organized into five chapters, each devoted to some aspect of the study on “Socio-economic Impact of Microfinance on Women Empowerment”. The titles of these chapters are as follows:

### **Chapter- I: Introduction**

First is introduction chapter which covers general background of the study, statement of problem, objectives of the study, significance of the study, focus of the study, and limitations of the study and organization of the study.

### **Chapter- II: Review of Literature**

The second chapter, review of literature which deals with conceptual review and review of related studies and work papers of socio-economic empowerment of women through microfinance.

### **Chapter- III: Research Methodology**

This chapter describes the research methodology employed in carrying out the study and tools and techniques used in analysis of the data as well. This chapter includes research design, sources of data, population and sample, procedure of data collection and analysis of data along with the various financial and statistical tools used in the study.

### **Chapter-IV: Data Presentation and Analysis**

The fourth chapter is concerned with analytical framework which comprises of presentation and analysis of data and major findings of the study. The data collected after processing is presented using figures and tables and results of statistical analysis are interpreted in this chapter.

## **Chapter-V: Summary, Conclusions and Recommendations**

Fifth is the last chapter of the study which consists of summary, conclusions and recommendations of the study. It summarizes the result of analysis and offers suggestive framework.

Besides these, bibliography and appendices also presents at the end of the thesis. Similarly, acknowledgements, table of contents, list of tables, list of figures, abbreviation has been included in the front part of the thesis report.

## **CHAPTER-II**

### **REVIEW OF LITERATURE**

This chapter focuses on the conceptual framework of microfinance and the review of relevant concepts, books and journals as well as major findings of previous studies of the relevant field. Without clear concept on the subject matter, the study might not be conducted within its periphery. This section provides current stage of the research work and guidelines for further study and help to avoid unnecessary duplication of research work. This chapter is concerned with the brief discussion about the abstract regarding the microfinance sector.

Thus review of literature is basically "stock taking" of available literature in one's field of research. The purpose of the literature review is to find out what research studies have been done in the chosen field & what more has to be done. So this chapter has been divided into following sections:

- 2.1 Conceptual framework
- 2.2 Review of related studies and papers
- 2.3 Research Gap

#### **2.1 Conceptual Review**

##### **2.1.1 Historical Background of Microfinance**

Micro credit today we called that microfinance has been there for a very long time when people started to borrow small amount of capital to use on something, may it be productive or unproductive. The way of putting some amount of capital you borrowed from somebody to an activity that produces results is micro credit or micro financing. But when and where this concept of microfinance started is hard to tell.

Some references traced back the history of micro financing in the middle of the 1800s when the theorist Lysander Spooner was writing over the benefits of small loans to entrepreneurs and farmers as a way of getting some people out of poverty. But it was only at the end of World War II that the concept had a big impact.

The word 'microfinance' today has its roots in 1970s when some organizations started to engage actively in giving micro loans to some pre-qualified people. One of the prominent organizations that institutionalized the word 'microfinance' was Grameen Bank of Bangladesh grounded by the man we called 'Microfinance Pioneer' Muhammad Yunus. There are also some claims attribute to Akhtar Hameed Khan who promoted participatory rural development in Pakistan.

During the 1970s, there were so many programs - showing that people can be relied on to repay their loans and that it was possible to provide financial services- through an enterprise- to some poor people without even having subsidies.

Micro credit also could be traced back to Friedrich Wilhelm Raiffelsen's village bank in Germany which he started in 1864. This bank is generally known today as Raiffeisen Bank.

Timothy Guinnane , a Yale University scholar, asserted that by 1901-while studying the Raiffeisen's model-micro credit is effective in helping the poor and could withstand two tests concerning payback moral and the possibility of providing financial services to poor people.(wikipedia.org)

Today, there are more than 7000 microfinance institutions all over the world. And there are also more than half a billion families benefited or are benefiting from these small loans provisions.

As a result of Yunus pioneering work, he was awarded a Nobel Peace Prize in 2006. Indeed, microfinance has been proven as a tool in alleviating poverty.

Mohammed Yunis, the 2006 winner of the Nobel Peace Prize, as a young Economics professor in the late 70s, he was the Head of the Rural Economics Program at the University of Chittagong in Bangladesh. During that time the country was going through a famine. He found this quite frustrating as after all of his education he had no tools that enabled him to help solve the situation. He went out and made a list of all the very people he knew. He had 42 people on his list and after talking to them he determined that for all of them put together they needed at total of \$27 to improve their situation. So he loaned them each the money they needed out of his own pocket. They each paid the money back and improved their life.

One person was a lady who made bamboo chairs. She did not have the few cents need to buy the materials to make her chairs each day. So she borrowed the money from a money lender who required that that she sell her chairs to him at a drastic discount to the market. This kept her in a poverty trap of never being able earn enough money to buy her own materials and sell her chairs at market price and thus earn a much more livable wage. Dr. Yunis loaned her the money to buy the materials herself and from the profits she made by selling her chairs at the market price she was able to pay back her loan and break out the poverty trap. This was the beginning of GRAMEEN BANK which was founded by Dr. Yunis (<http://www.grameen-info.org/>)

In Nepal agriculture based co-operatives were initiated in the 1950s as a first step in micro-finance. Poverty alleviation rural based programs were initiated through the small famers development program (SFDP) on a pilot test basis in 1975 by the ADB/N. The success of the pilot tests in Dhanusa and Nuwakot districts encouraged policy makers to expand formal rural based micro-finance programs.

The SFDP is now being transformed into several autonomous, self-help organizations called Small Farmers Cooperatives Limited (SFCLs), which are managed by farmers themselves, other micro-finance development programs, such as Priority Sector Lending Program (PSLP), Intensive Banking Programme (IBP), Production Credit for Rural Women (MCPW) and Rural Self-Reliant Fund (RSF) have been implemented. After studying the pros and cons of various microfinance development programs, government began to rethink the delivery mechanisms of micro-finance.

In 1992, government set-up two Grammen Bikash Banks as a replication of the Bangladesh Grameen model of micro-finance delivery. Government also created a situation to encourage participation in the micro-finance by the private sector. Subsequently Nirdhan, CSD, Chhimek and other organizations came into existence. RMDC was also established to support micro-finance institutions by giving wholesale credit, initiating training and other necessary support to the MFOs. Some Government directed have been implemented in coordination with NRB.

MFIs are dependent in small savings from group members. As a definition Micro-finance is, as a party of development finance, rural of urban, targeted towards specific groups of people, male or female, falling in the lower bracket of society. Financial services include savings, credit and other services such as micro money transfer and

micro-insurance. This service is differentiated by types of service employment and income orientated objectives, target group, target community, target area and credit at home.

In the past decade, micro-finance has been recognized as a particularly effective development intervention for three basic reasons.

- a) The services provided can be targeted specially at the poor and poorest of the poor.
- b) These services can make a significant contribution to the socio-economic status of the targeted community.
- c) The institutions that deliver these services can develop, within a few years, into sustainable organizations with steadily growing outreach. (<http://www.adb.org>)

### **2.1.2 Evolution of Microfinance in Nepal**

The earliest initiatives for establishing microfinance in Nepal date back to the 1950s, when the first credit cooperatives were established. For providing rural financial services, this was the first step. These cooperatives primarily intended to provide credit only to the agriculture sector. The next milestone was SFDP in 1975 within ADB/N. This program covers the entire country and aims to organize farmers into small groups to provide credit without collateral.

In 1981, NRB introduced the Intensive Banking Program (IBP) and compelled to the commercial bank to finance at least 7 % on the priority sector, which was further increased to 12% in 1990. Now this compulsion is being phased out gradually.

In 1990, Grameen Bikash Banks were initiated by the government sector, crossing a milestone in rural micro-financing in Nepal and NGOs started grameen banking activities in certain areas. The evolution of the micro-finance sector in Nepal is:

- Credit Co-operative were established in the 1950s
- Co-operative Bank was established in 1963.
- Small Farmer Groups were established under SFDP (1970s).
- Commercial Banks began to follow priority sector lending directives (1974)
- SFDP was established under ADB/N (1975)
- The IBP program tries to involve commercial banks in micro-credit (1981)
- Gender based micro-credit-PCRW (1982)

- Gender programs refined - MCPW (1994)
- Replication of Grameen Banking Model (1992)
- Government runs MF programs-Bisheswor with the poor, women's Awareness program,
- Government peace movement, etc. ([www.hotelnepal.com/nepal\\_news.php](http://www.hotelnepal.com/nepal_news.php))

### **2.1.3 Overview on the Rural Microfinance System of Nepal**

- a) Over the past 28 years, the Government introduced a number of programs to extend financial services to the rural people focusing on the poor and women. These include mainly, the Small Farmers Development Program (SFDP) implemented by the Agriculture Development Bank (ADB), Intensive Banking Program (IBP) implemented by two national level commercial banks (CBs) and one joint-venture private commercial bank, Production Credit for Rural Women (PCRW) implemented by the CBs and ADB in partnership with Women Development Department of the Government, Regional Rural Development Banks namely Grameen Bikas Banks (GBBs), and the Micro-Credit Project for Women (MCPW) implemented through the CBs. Evidences indicate that these programs have not been able to substantially outreach the poor households in the country. Less than 20% of the total poor population has been estimated to come under the fold of institutional micro-credit.
- b) The Small Farmers Development Program (SFDP), incepted in 1975, has reached out about 200,000 small farmers throughout the country. But even after more than two and half decades of its operation, it failed to attain desired result. Its efficiency and loan recovery rate are found to be very low. As a result, ADBN made a strategy of stopping further expansion of the program and transforming SFDP offices into Small Farmers Cooperative Limited (SFCLs). Now, there are about 180 SFCLs throughout the country, and each has about 500 members. The program could not reach the real poor families, as it requires physical collateral for providing a loan. A Small Farmers Development Bank has also been recently established to cater services to the SFCLs. Under the framework of Intensive Banking Program, PCRW program was initiated in 1982 and has provided loans to about 70,000 women members in 55 districts. Micro-Credit Project for Women (MCPW) program, begun in 1994 has provided loan to around 25,000 women in 17 districts (12 districts and 5 towns). As both PCRW and MCPW programs did

not have prudent targeting approach, they could reach only a merger number of the poor women although they could reach the women in general. All the above programs have also been suffered from very low loan recovery, which is in the range of 50% - 80% and have failed to attain financial self-sufficiency in their operations. Besides, the current Maoist movement has seriously affected most of the aforesaid programs.

- c) The five Grameen Bikash Banks (GBBs) have been established in regional basis under the sponsorship of the Government and the Nepal Rastra Bank (NRB) with a view to provide microfinance services targeting specially to the poor households. Of these five, two (the Far- Western & the Eastern) were established in 1992, two (the Mid-Western & the Western) in 1995 and one (the Central) in 1996. Two NGOs namely the Nirdhan and the Centre for Self-help Development (CSD) began their microfinance operation in 1993 and 1994 respectively, and recently their microfinance operations have been converted into microfinance development banks namely Nirdhan Utthan Bank Ltd. and Swablamban Bikash Bank Ltd. respectively. Similarly, two other private development banks – Chhimek Bikas Bank Ltd. and Deprosc Development Bank Ltd. have also been licensed by NRB for conducting microfinance operations. All of them are following Grameen model of microfinance system, and are in general called Grameen Bank Replicators (GBRs). They have altogether covered 37 districts mostly in the plain area and provided services to about 270,000 poor rural households till Mid-July 2004. Majority of them belong to the poorest of the poor. The average loan recovery rate of the banks is over 97%. Some of the GBRs have also started their operation in accessible areas of the hills.
- d) There are also a large number of NGOs and co-operatives in the country, which have been embracing savings and credit activities as one of their major activities. The NGOs, because of their social orientation, seem motivated to deliver the services to the poor and women, but their institutional capacity particularly to operate microfinance services is extremely low. There are a number of rural cooperatives throughout the country, but they have not been targeted to the poor households and women as their clients. Their size of operation is also small, which is in the range of 30 – 150 members per cooperative. And only a very few of them have got license from NRB for limited banking operations. NRB, from its "Rural Self reliance Fund", has also provided wholesale loan to over 100 NGOs

and cooperatives for on lending to their clients. However, their outreach is very limited.

- e) In general, the outreach (in both depth and scale) of most MFIs is very low compared to what needs to be done. The major reasons are the lack of adequate institutional capacity of the institutions, limited access to wholesale funds, lack of location specific appropriate model of microfinance operation, lack of conducive policy and legal environment, poor socio-economic infrastructures and somewhere difficult geographical terrain in the country. But, presently, microfinance operations of most MFIs have been slackened off due to the fragile law and order situation in the country.
- f) It was long felt that a separate apex organization should be created to play a lead role for the promotion and development of microfinance sector and provide wholesale funds to MFIs in need of fund for on lending to the poor clients. Towards this end, the Rural Microfinance Development Centre Ltd. (RMDC) was established as an apex microfinance organization with the initiative of NRB and the Asian Development Bank (ADB). It was registered in 1998 as a public limited company and has got license from the central bank to operate as a development bank. It has been operational since January 2000. Its promoter shareholders are the Nepal Rastra Bank (the central bank) and 20 commercial banks including the joint venture. (Subedi, 2011)

#### **2.1.4 Concept and Definition of Micro Finance**

“Microfinance has proved its value in many countries, as a weapon against poverty and hunger, It really can change peoples’ lives for the better, especially the lives of those who need it most”. Kofi Annan

##### **a) Finance**

Finance is a monetary promises that exchanging into cash in the present for a promise of future reciprocity. Credit creates value in the form of loan in the present that is exchanged for promises pay in the future. Finance has special characteristics and it differentiates from the good and services produced by the non-financial sectors of the economy. It relates to social activities, intangible and interchangeable. By its nature it can use in various purposes and be easily politicized (Micro Finance Development of Nepal Bank Samachar, 2058: 37).

Finance is one of the products of the society. It categorizes into three aspects

- Promises power to in commerce
- Over the allocation of goods and services to consumers and
- Over the use of land, labor and capital for production.

Finance has plenty of risk and it can be minimized only with enhancing the confidence level. Confidence is the opposite of the risk. However, confidence level depends on society's general view of the future, social structure, required efforts to achieve and maintain consensus, legal structure, cost gaining the access and social handicaps etc. Confidence in the investment project is important. In this regard, lenders should be known about three "c" i.e. capacity, capital and character of the clients (Micro Finance Development of Nepal Bank Samachar, 2058: 37).

Microfinance is one of the components of the finance. Basically, it has been emphasizing to poverty reduction through focusing multidisciplinary and multifaceted activities such as collection of domestic in micro enterprises while micro credit emphasizes only the investment of small loan as well (Devkota, 2001: 37).

#### **b) Microfinance**

It is difficult to find a universal definition of microfinance due to its variation on the basis of location, implementing institution and program as well. In simplest term, microfinance is defined as the financial service provided to the deprived group of people and small entrepreneurs to help them in developing self-employment opportunities and income generating activities. Small size loan, compulsory saving, small-scale entrepreneurs, diversified utilization and simple and flexible terms and conditions are the determining characteristics of its definition. Micro-finance comprises of three 'Cs', its character, capacity and capital. Micro-finance as a program serves large number of clients focusing on woman and works on grass roots level with financial sustainability. Micro finance is based on the principal of low service cost, simplicity, commitment and long-term sustainability. Furthermore, it is a system at grass-roots development finance, which deals with the poor, low-income, the asset less, the marginalized, and the exploited and desperate people and provides them small loans to meet their diverse needs with simple procedures. Micro-finance, according to World Bank, is "the provision of financial services to low income clients including self-employed. It includes both financial and social intermediation. It is not

banking, it is a development tool" (Micro Finance Development of Nepal Bank Samachar, 2058: 23).

Microfinance operations frequently depend for their success on mobilizing and organizing the poor so that they can develop sufficient confidence to save, borrow, and invest. Because an acute lack of confidence is a common corollary of poverty, sensitive and trusted agencies must be used for this task; in a few situations, this can be tackled by staff from government agencies or banks. On the positive side, investment in social preparation yields long-term benefits in terms of social and human capacity building. Organizing women and then involving them in microfinance are effective ways to assist and empower poor women. The formation and operation of savings and borrowers groups likewise builds confidence, trust, and social capital to most. Microfinance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny businesses. Over time, microfinance has come to include a broader range of services (credit, savings, insurance, etc.) as we have come to realize that the poor and the very poor that lack access to traditional formal financial institutions require a variety of financial products. Traditionally, microfinance was focused on providing a very standardized credit product. The poor, just like anyone else, need a diverse range of financial instruments to be able to build assets, stabilize consumption and protect themselves against risks. Thus, we see a broadening of the concept of microfinance--our current challenge is to find efficient and reliable ways of providing a richer menu of microfinance products (Datta, 2005).

### **c) Microfinance and Micro Credit**

Microfinance refers to loans, savings, insurance, transfer services and other financial products targeted at low-income clients. Micro credit refers to a small loan to a client made by a bank or other institution. Micro credit can be offered often without collateral, to an individual or through group lending. Micro credit came to prominence in the 1980s, although early experiments date back 30 years in Bangladesh, Brazil and a few other countries. The important difference of micro credit was that it avoided the pitfalls of an earlier generation of targeted development lending, by insisting on repayment, by charging interest rates that could cover the costs of credit delivery, and by focusing on client groups whose alternative source of credit was the informal

sector. Emphasis shifted from rapid disbursement of subsidized loans to prop up targeted sectors towards the building up of local, sustainable institutions to serve the poor. Micro credit has largely been a private (non-profit) sector initiative that avoided becoming overtly political, and consequently, has outperformed virtually all other forms of development lending. (Agriculture Credit Annual Journal, 2007: 27).

Referring to the distinction between the two terms, micro credit and micro finance, used almost interchangeably in Nepal, Kunwar (2003) suggests that the latter, i.e. microfinance is broader in scope than the former in that it also includes savings. He then elaborates that microfinance includes group formation of the members. Regular savings by the members and availing collateral-free micro credit based on group responsibility including promoting literacy among people. He also maintain that due to the micro credit being collateral-free, it should be short –term, spanning not more than a year, and income earned from it should be enough to repay the principle and monthly interest.

Lidgerwood (1999) has also highlighted the issues of sustainability and access. He maintains that the accessibility of microfinance to the poor people is more important than subsidized credit. The poor too can pay high interest rate to cover the transaction cost of the financial institutions. Therefore, financial institutions should consider the cost recovery and make some profit to make the institutions not only financially viable and sustainable but also for scaling up the loan size (Agriculture Credit Annual Journal, 2007: 27).

The typical microfinance clients are low-income persons that do not have access to formal financial institutions. Microfinance clients are typically self-employed, often household-based entrepreneurs. In rural areas, they are usually small farmers and others who are engaged in small income-generating activities such as food processing and petty trade. In urban areas, microfinance activities are more diverse and include shopkeepers, service providers, artisans, street vendors, etc. Microfinance clients are poor and vulnerable non-poor who have a relatively stable source of income. Access to conventional formal financial institutions, for many reasons, directly related to income: the poorer you are the less likely that you have access. On the other hand, the chances are that, the poorer you are, the more expensive or onerous informal financial arrangements. Moreover, informal arrangements may not suitably meet certain

financial service needs or may exclude you anyway. Individuals in this excluded and under-served market segment are the clients of microfinance. As we broaden the notion of the types of services microfinance encompasses, the potential market of microfinance clients also expands. For instance, micro credit might have a far more limited market scope than, say, a more diversified range of financial services, which includes various types of savings products, payment and remittance services, and various insurance products. For example, many very poor farmers may not really wish to borrow, but rather, would like a safer place to save the proceeds from their harvest as these are consumed over several months by the requirements of daily living. (<http://www.rmdcnepal.com>)

Twentieth century witnessed large-scale conscious efforts of social change to improve the quality of life of the disadvantaged. The concept of micro-Finance emerged from the experiences of these efforts. It was recognized that making financial services available to the poor is a necessary, though not sufficient, condition for improving the quality of their life. However, it was also observed that in spite of establishment of a large network of financial outlets a large majority of the Disadvantaged had no access to formal financial systems. Therefore, thinkers concerned with development, in different parts of the world, made efforts to make financial services, including savings and credit, available to the disadvantaged. Micro-Finance is a result of the work of such social innovators.

Evolution of the concept of micro-finance is a route in the development efforts. Different approaches were adopted to ameliorate the conditions of living of the disadvantaged people, which included efforts like land redistribution, organizing the poor, building economic and political awareness, technology transfer and delivery of a variety of services. With these experiences, it was recognized that increase in the income level of the poor measured in terms of the purchasing power, is a necessary, though not sufficient, condition for improving the quality of their life in the complex economy today. The word "micro credit" did not exist before the seventies. Now it has become a buzzword among the development practitioners. In the process, the word has imputed to mean everything to everybody. No one now gets shocked if somebody uses the term "micro credit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, from credit unions, or from moneylenders. When someone claims micro credit has a

thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information. (<http://www.rmdcnepal.com>)

### **2.1.5 Key Principles of Microfinance (From CGAP)**

#### **a) The Poor Need a Variety of Financial Services, Not Just Loans**

Just like everyone else, poor people need a wide range of financial services that are convenient, flexible, and reasonably priced. Depending on their circumstances, poor people need not only credit, but also savings, cash transfers, and insurance.

#### **b) Microfinance is a Powerful Instrument Against Poverty**

Access to sustainable financial services enables the poor to increase incomes, build assets, and reduce their vulnerability to external shocks. Microfinance allows poor households to move from everyday survival to planning for the future, investing in better nutrition, improved living conditions, and children's health and education.

#### **c) Microfinance Means Building Financial Systems That Serve the Poor**

Poor people constitute the vast majority of the population in most developing countries. Yet, an overwhelming number of the poor continue to lack access to basic financial services. In many countries, microfinance continues to be seen as a marginal sector and primarily a development concern for donors, governments, and socially responsible investors. In order to achieve its full potential of reaching a large number of the poor, microfinance should become an integral part of the financial sector.

#### **d) Financial Sustainability is Necessary to Reach Significant Numbers of Poor people**

Most poor people are not able to access financial services because of the lack of strong retail financial intermediaries. Building financially sustainable institutions is not an end in itself. It is the only way to reach significant scale and impact far beyond what donor agencies can fund. Sustainability is the ability of a microfinance provider to cover all of its costs. It allows the continued operation of the microfinance provider and the ongoing provision of financial services to the poor. Achieving financial sustainability means reducing transaction costs, offering better products and services that meet client needs, and finding new ways to reach the unbanked poor.

#### **e) Microfinance is about Building Permanent Local Financial Institutions**

Building financial systems for the poor means building sound domestic financial institutions, which can provide financial services to poor people permanently. Such institutions should be able to mobilize and recycle domestic savings, extend credit, and provide a range of services. Dependence on funding from donors and governments including government-financed development banks will gradually diminish as local financial institutions and private capital markets mature.

**f) Micro Credit is Not Always the Answer**

Micro credit is not appropriate for everyone or every situation. The destitute and hungry that have no income or means of repayment need other forms of support before they can make use of loans. In many cases, small grants, infrastructure improvements, employment and training programs, and other non-financial services may be more appropriate tool for poverty alleviation. Wherever possible, such non-financial service should be couple with building savings.

**g) Interest Rate Ceilings Can Damage Poor People's Access to Financial Services**

It costs much more to make many small loans than a few large loans. Unless micro lenders can charge interest rates that are well above average banks loan rates, they cannot cover their costs, and their growth and sustainability will be limit by the scarce and uncertain supply of subsidized funding. When governments regulate interest rates, they usually set them at levels too low to permit sustainable micro credit. At the same time, micro lenders should not pass on operational inefficiencies to clients in the form of prices (interest rates and other fees) that are far higher than they need to be.

**h) The Government's Role is as an Enabler, not as a Direct Provider of Financial Services**

National governments play an important role in setting a supportive policy environment that stimulates the development of financial services while protecting poor people's savings. The key things that a government can do for microfinance are to maintain macroeconomic stability, avoid interest-rate caps, and refrain from distorting the market with unsustainable subsidized, high-delinquency loan programs. Governments can also support financial services for the poor by improving the business environment for entrepreneurs, clamping down on corruption, and improving access to markets and infrastructure. In special situations, government funding for

sound and independent microfinance institutions may be warranted when other funds are lacking.

**i) Donor Subsidies Should Complement, not Compete with Private Sector capital**

Donors should use appropriate grant, loan, and equity instruments on a temporary basis to build the institutional capacity of financial providers, develop supporting infrastructure (like rating agencies, credit bureaus, audit capacity, etc.), and support experimental services and products. In some cases, longer-term donor subsidies may be required to reach sparsely populated and otherwise difficult-to-reach populations. To be effective, donor funding must seek to integrate financial services for the poor into local financial markets; apply specialist expertise to the design and implementation of projects; require that financial institutions and other partners meet minimum performance standards as a condition for continued support; and plan for exit from the outset.

**j) The Lack of Institutional and Human Capacity is The Key Constraint**

Microfinance is a specialized field that combines banking with social goals, and capacity needs to be built at all levels, from financial institutions through the regulatory and supervisory bodies and information systems, to government development entities and donor agencies. Most investments in the sector, both public and private, should focus on this capacity building.

**k) The Importance of Financial and Outreach Transparency**

Microfinance leads to social and economic changes in the borrowers after the participation in the programs. Increasing income among borrowers results in increased food sufficiency, consumption of nutrient food, good caring of children health, health awareness and preventive measures of health, good education of the children, repair and maintenance of home (Sharma, 2007: p.10).

Accurate, standardized, and comparable information on the financial and social performance of financial institutions providing services to the poor is imperative. Bank supervisors and regulators, donors, investors, and more importantly, the poor who are clients of microfinance need this information to adequately assess risk and returns ([www.cgap.org](http://www.cgap.org)).

### **2.1.6 Microfinance Institution (MFI)**

Quite simply, a microfinance institution is an organization that offers financial services to low-income populations. Almost all of these offer micro credit and only take back small amounts of savings from their own borrowers, not from the general public. Within the microfinance industry, the term microfinance institution has come to refer to a wide range of organizations dedicated to providing these services: NGOs, credit unions, cooperatives, private commercial banks and non-bank financial institutions (some that have transformed from NGOs into regulated institutions) and parts of state-owned banks, for example. The image most of us have when we refer to MFIs is of a “financial NGO”, an NGO that is fully and virtually exclusively dedicated to offering financial services; in most cases micro credit NGOs are not allowed to capture savings deposits from the general public. This group of a few hundred NGOs has led the development of micro credit, and subsequently microfinance, the world over. Most of these constitute a group that is commonly referred to as "best practice" organizations, ones that employ the newest lending techniques to generate efficient outreach that permit them to reach down far into poor sectors of the economy on a sustainable basis. A great many NGOs that offer micro credit, perhaps even a majority, do many other non-financial development activities and would bristle at the suggestion that they are essentially financial institutions. Yet, from an industry perspective, since they are engaged in supplying financial services to the poor, we call them MFIs. The same sort of situation exists with a small number of commercial banks that offer microfinance services. For our purposes, we refer to them as MFIs, even though only a small portion of their assets may actually be tied up in financial services for the poor. In both cases, when people in the industry refer to MFIs, they are referring only to that part of the institution that offers micro-finance. There are other institutions, however, that consider themselves to be in the business of microfinance and that will certainly play a role in a reshaped and deepened financial sector. These are community-based financial intermediaries. Some are membership based such as credit unions and cooperative housing societies. Others are owned and managed by local entrepreneurs or municipalities. These institutions tend to have a broader client base than the financial NGOs and already consider them to be part of the formal financial sector. It varies from country to country, but many poor people do

have some access to these types of institutions, although they tend not to reach down market as far as the financial NGOs.

### **2.1.7 Importance of Microfinance Program**

Concepts and perceptions of the provision of microfinance have evolved greatly over the past two decades. While it was initially seen as an informal fragmented activity, there is now an increasing realization of the importance of microfinance as a component of the overall financial system, serving a huge portion of a country's population. From providing micro credit to micro entrepreneurs, microfinance entities are expanding into other high-demand services such as micro saving facilities. With the growth of institutional scale and the trend in microfinance to take voluntary deposits from the poor, Despite its rather recent emergences an instrument of national development, particularly for poverty reduction in poor countries, the term, microfinance, has been defined in a wide variety of ways One of the major players in the field, the Asian Development Bank (2002), Has defined microfinance as "the provision of a broad range of financial services such as deposits, loan, payment services, money transfer, and insurance to poor and low income households and their micro enterprises. One of the earlier authorities on the subject, Robinson (1935) has elaborated the subjects as " small scale primary credit and savings provided to people who farm or fish or herd; who operate small enterprises where goods are produced; recycled; repaired, or sold; who provide services, who work for wages or commission; who gain income renting out small amount of land, vehicles, craft, animals or machinery and tools at the local level both rural and urban."

More recently, Lidgerwood (1999) has referred to microfinance as an "Economic Development Approach" consisting of "the provision of financial services to low income clients" including women in the society. To that end, microfinance, for him is a kind of service products such as savings, credits, and insurance and payment services, and social intermediation services such as group formation, development of self confidence, training in financial literacy and management capabilities among members of group (Agriculture Credit Annual Journal,).

The main aim of microfinance program is to provide quality service to the large number of deprived populaces of the country and to ensure the availability of such services to their doorsteps. It is envisaged that Nepalese microfinance program has

not been able to gain momentum towards its sustainable growth due to management challenge being faced by the mushrooming micro-financing institution (MFIs) of Nepal as a result of financial sector liberalization policy of government. Moreover, it tries to provide creative thoughts in order to address the aforesaid challenges. In addition, it presents its significance in poverty reduction Endeavour of the government.

Because of these special attributes, microfinance has been a rapidly expanding industry in the world. Based on the compilation of worldwide inventory of MFIs undertaken by the Sustainable Banking with poor project, it is reported that there were about 1000 MFIs in 1995 having been in operation for at least year, and with an outstanding loan of about US \$ 7 billion provided to more than 13 million individuals and groups. To paraphrase (Lidgerwood 1999), the special attributes and advantages of Microfinance as an approach to poverty reductions are as follows:

- Micro finance can promote and support the income generation initiatives of the poor.
- It generally promotes the building of financially self- sufficient and locally managed institutions.
- It can provide saving and credit services with greater flexibility and at more affordable prices, a condition necessary for meeting the widely diverse individual-specific needs of the poor people in the communities.
- It can lead on to the emergence of formal financial institutions such as saving and credit cooperatives by expanding the markets for saving credit as well as ensuring profitability.
- Under this approach group liability based on social and peer pressure can substitute the need for physical collateral which normally made credit inaccessible to the asset less poor even as it provide saving services to meet the need of the small savers.
- The methods of microfinance also ensure the maintenance of repayment discipline (Agriculture Credit Annual Journal Vol 40 January 2007).

Thakur (1999) "SFDP the Pioneer of Microfinance Institution" gives importance of micro financing project are as follows (Micro Finance Development in Nepal Bank Samachar, 2058: 58):

- To increase the outreach and coverage.
- To provide services in easy and quicker manner.
- To obtain financial viability and sustainability.
- To cover the large chunk of poor community who have to still depend on informal credit market where interest rate is exorbitantly high.

### **2.1.8 Role of Different Players**

The government along with all the public and private sector financial institutions contributes to the development of micro finance industry (MFI), each playing a significant role in its development. However, their roles have to undergo changes and modifications to be able to respond to emerging requirements.

#### **A) Role of Government**

Governments have a complicated role when it comes to microfinance. Until recently, governments generally felt that it was their responsibility to generate development finance, including credit programs for the disadvantaged. Twenty years of insightful critique of rural credit programs revealed that governments do a very bad job of lending to the poor. Short-term political gain is just too tempting for politically controlled lending organizations; they disburse too quickly (and thoughtlessly) and they collect too sporadically (unwillingness to be tough on defaulters). In urban areas, governments never really got into the act, and subsidized micro enterprise credit is still relatively rare when compared to its rural counterpart. Now that microfinance has become quite popular, governments are tempted to use savings banks, development banks, postal savings banks, and agricultural banks to move micro credit. This is not generally a good idea, unless the government has a clear acceptance of the need to avoid the pitfalls of the past and a clear means to do so. Many governments have set up apex facilities that channel funds from multilateral agencies to MFIs. Apex facilities can be quite complicated and there are few successful examples in microfinance. Successful apex organizations in microfinance tend to be built on the backs of successful MFIs, not the other way around. Finally, governments can also get involved in microfinance by concerning themselves with the regulatory framework that impinges on the ability of a wide range of financial actors to offer financial services to the very poor.

It's necessary to have a perspectives plan on microfinance, the plan well integrated with the nation's economic development perspective plan with clear-cut objectives, targets and policies and strategies. The plan needs to integrate the micro finance sector with the overall national efforts for poverty alleviation. This is in addition to such integration with other components of rural development such as rural infrastructural development including physical and social infrastructure, rural energy and irrigation system. Specific role of the government, NRB, and the private sector and NGOs/INGOs would have to be spelt out in clear and concise terms, pattern of resource mobilization and the possibility of interring into competitive financial system with conducive regulatory policy and regulatory environment for its development.

The perspective plan should consider expanding outreach to the poor and providing quality services as the two most important elements of the overall micro finance policy, apart from strengthening micro finance institutions.

### **B) Role of the NRB**

A study conducted by ADB identified three principal roles for the Central Bank with respect to micro finance such as i.e.

- a) The Central bank should take the lead in matters to do with the regulation and supervision of licensed banks.
- b) They should take promotional activities to support micro finance, such as pilot project research data collection and publication, advocacy, and training.
- c) They should regulate non-banks MFIs that accept voluntary saving from members, when the volumes of savings exceed a certain threshold. However, the nature and depth of the central Bank's intervention differs from country to country depending upon the nature, pattern and status of development of micro finance in the country.

However, in the context of Nepal the NRB's role has to be viewed as one of creating conducive policy and regulatory environment for the development of micro finance system in the country. This involves the preparation of regulatory and supervisory framework for MFIs. It includes providing them with required infrastructure including performance standards and indicators, accounting and auditing standards, and so on. These will serve as a basis to monitor and evaluate their activities.

The Nepal Rastra Bank (NRB), the central bank of the country, has, since a long time, been striving to achieve credit-induced rural poverty alleviation in the country. Two significant approaches adopted by it include requiring the commercial banks to invest in Priority Sector credit and extending equity participation and refinancing supports to rural financing institutions such as Agricultural Development Bank Limited (ADBL), Regional Rural Development Banks and the more recently created Rural Microfinance Development Centre (RMDC). Thus, the NRB has, by far, been one of the most important sources of rural finance in Nepal. However, the mandatory stipulation of lending by commercial banks for priority sector is being phased out due to the lack of wherewithal with them to make such investments effective and efficient. But the requirement for 3 percent investment in the deprived sector would continue to be there, and the banks can meet it either by directly lending to the poor or providing wholesale loans to the MFIs, including co-operatives.

The NRB has also been managing a Rural Self-Reliance Fund (RSRF) since 1991 and provides wholesale credit to micro finance organizations such as saving and credit co-operatives and NGOs. Of the total of 8045 cooperatives registered under Department of Co-operatives in 2006, 2,692 have been saving and credit coops and of them 249 from remote rural areas are associated with RSRF for the purpose (NRB, 2006). Because of this NRB facility, these coops are able to provide relatively large loans to its member borrowers for their income generating activities to a tune of Rs.40, 000/- per scheme.

### **C) Role of the RMDC**

Rural Micro Finance Development Center (RMDC) was established as an apex microfinance organization, which became operational since 2000 only. It started with the objective of contributing "to improving socio-economic condition of the poor, the landless, and the asset less through increasing their access to resources for productive undertaking and employment." Their specific objectives are:

- i) To provide wholesale funds to potential and viable micro finance institutions for on-lending to the ultimate borrowers for undertaking their productive activities.
- ii) Help to build and strength institutional capacity of the partner's organization (POs).
- iii) To provide financial and technical supports to MFIs

- iv) To undertake research and development activities to promote new Micro finance products and develop sound practices.
- v) To strengthen their capacity through training and exposure visits and to act as a financial intermediary to channelized resources. (Subedi, 2011)

### **2.1.9 Importance of Microfinance for Women**

Since 1970s, tens of thousands of poor women have started their own business-often with sewing machine-using loans of as little as \$100 from organizations like Grameen Bank in Bangladesh and the Washington, D.C. - based Foundation for International Community Assistance (FINCA), which has been active in Latin America. The results have been eye-opening: Women turned out to be reliable debtors, and since many who received micro loans squirreled away their earnings to send their children to school and buy more food for their families, the positive impact has rippled through communities (<http://web.ebscohost.com/ehost/detail>).

There is greater importance of microfinance in Nepal. It is mostly important for women because they are inhabitant in rural areas. There is lack of financial assess in rural areas. To engage women in small fund raising program and making them self-dependent, microfinance is an effective tool.

Nepal remains one of the poorest countries of the world with endemic poverty particularly in rural areas despite planned development effort of half a century. The government of Nepal since past several years has shown its commitment to reduce poverty through various policies, programs and projects aimed at providing minimum basic needs of life to the poor in terms of food, clothing, housing, education and health required for human survival. The country has initiated various poverty reduction programs. In the perspective, credit related programs have played a significant role in the socio-economic development of the nation in general and the rural sector development in particular (Sharma, 2007:p.2).

Nepal's gender empowerment measure is only half of the global average and after Pakistan, the second lowest in south Asia. Agricultural feminization in Nepal is caused by de facto rather than de jury reason as the number of female-headed households in rural areas is increasing mainly because of male out-migration and male

employed in other sectors (Bashyal, 2008: p.74-75). The important impact of microfinance for women is:

- Microfinance has increased the women's role on making decisions on purchasing of both the small amount of household consumption items.
- Increases income of clients has empowered them on running their daily household needs.
- Microfinance empowered them on deciding the marriage of their daughters.

In social sector, awareness development is found one of the major outcomes of this program. In this respect, many MFIs members started to join in literacy center, schooling to their children including daughters, participating in the village level election so far they are daughters, participating in the village level elections so far they are elected in ward members, VDC chairman and vice chairman. In addition, they are actively involved in community development activities such as construction of village community hall, road, and bridge and drinking water system. By this, MFIs have been imputing the momentum for poverty reduction endeavor.

Majorities of women are not accessing the credit easily as due to lack of the collateral. In this respect, MFIs have been providing credit on the basis of group liabilities to such downtrodden people in income generating activities such as vegetable production, livestock raising, tea and daily uses shop, marketing of goods (better rice, vegetables and fruits) as per their experience an market potentialities.

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

- i. Women's involvement in decision-making will be improved and affects their lives and their future.
- ii. Self-confidence for women will increase.
- iii. Women's' participation in income generating activities is assumed to strengthen women's bargaining position.
- iv. It will help women to earn independent and contributes the household economy and social and political participation.
- v. Women are more likely than man to invest increased income in the household and family well-being.

- vi. Microfinance program seems to be highly effective in uplifting the women's economic and social condition.
- vii. It will help to reduce domestic violence and family relationships appeared to have improved.

Microfinance has the provision of saving, credit and other financial services and product of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise income levels and improve living standards. The objective of micro financial services is to ensure the availability of these services to the doorsteps of the poor and low-income households. Microfinance framework, if properly designed and implemented, can thus attain the objectives of poverty alleviation in the developing countries like Nepal.

#### **2.1.10 Microfinance In terms of Saving, Investment and Loan Distribution**

Microfinance is targeted to poor and low-income people. It includes loans, savings, insurance, transfer services and other financial services. Providers of microfinance include non-government organizations (NGOs), self-help groups, cooperatives, credit union, and commercial bank. Insurance and credit card companies and other points of sale (Sharma, 2005: p.87). The poor already save in ways that we may not consider as "normal" saving-investing in assets, for example, that can be easily exchanged to cash in the future. After all, they face the same series of sudden demands for cash we all face: illness, school fees, needs to expand the dwelling, burial, and weddings. It is hard to cutoff one leg of a goat that represents a family's savings mechanism when the sudden need for a small amount of cash arises, or, if poor women has loaned her "saved" funds to a family member in order to keep them safe from theft, there may not be already available when the women need them. The poor need savings services that are both safe and liquid. These savings services must be adapted to meet the Poor's particular demand and their cash flow cycle. Thus to maximize the savings propensity of the poor, institutions must provide flexible opportunities- both in terms of amounts deposited and the frequency of pay ins and pay outs. This represents important challenges for the microfinance industry that has not yet made a concerted attempt to profitably capture tiny deposits. (<http://www.microfinancegateway.org>)

Saving and investment are two parts of same coin. If people save they are encourage investing also. Women in the rural village area are interested to invest in gold and

other small profitable sector. They cannot invest in large area because their saving is low. The main objective to save is that either to invest or to provide service to poor people. So from the microfinance activities some women are saving and other poor women are getting benefit from loan services at low rate.

From newsletter of RMDC (2006), Prof. Yunus's long-term vision is to make the world free of poverty. He argued that loans to the poor without physical collateral had once appeared to be an impossible idea. He also showed that micro credit is a strong instrument to alleviate poverty in the developing countries. Loan clients are the most valuable agents in MFI operation. Income of MFI depends on loan client's willingness to receive financial services on continuous basis. For efficiency MFI requires that their entire client borrow and make disciplined transaction (Sharma, 2006: p.46). Mobilization and recovery of loan should be impartial. Loan can be in the form of individual loan, group loan etc. Individual loan should be mobilized on the collateral of real assets where as in group loan also more emphasis is given on group guarantee (Baral, 2004: p.54).

### **2.1.11 Basic Facts about Microfinance**

Comprehensive impact studies have demonstrated that:

- Microfinance helps very poor households meet basic needs and protect against risks;
- The use of financial services by low-income households is associated with improvements in household economic welfare and enterprise stability or growth;
- By supporting women's economic participation, microfinance helps to empower women, thus promoting gender-equity and improving household well-being;
- For almost all significant impacts, the magnitude of impact is positively related to the length of time that clients have been in the program.

The demand for microfinance services is largely unmet. Estimates of the global demand ranges from 400 to 500 million households of which only around 30 million are reported to have access to sustainable microfinance services in 2002. Although many poor and low-income people do not yet have access to financial services, the number of customers that use microfinance, has grown between 25 and 30 percent annually over the past five years. (Subedi, 2011)

## **2.2 Review of Related Studies and papers**

Under this heading effort has been made to review some related books, thesis, articles journals, annual reports and web sites.

### **2.2.1 Review of Articles**

Sharma (2003), In the article “*Micro finance Against Poverty; the Nepalese Scenario*” has expressed the role of micro-finance as follows: Micro-finance is the financial service such as deposits, loan, payment service, money transfer and insurance to poor and low income households and their micro-enterprises”. Studies in Nepal and elsewhere have clearly indicated micro-finance as one of the most powerful tools for alleviating poverty. Micro-finance institutions (MFI) in Nepal are serving primarily the micro-enterprises. Accesses of micro-entrepreneurs to micro-finance services provide them with an important tool for improving their efficiency, productivity, and welfare while reducing risk. In other words, MFI is both formal and informal, providing financial services which helps in creating job opportunities to the micro-entrepreneurs, both wage and self-employment and thereby generating income among the poor.

Uprety (2003), In the article *Micro-finance in Nepal*, concludes that in the last decade of the 20<sup>th</sup> century it is accepted that micro-finance is one of the most significant contributors for poverty alleviation. The article further claims that in Nepal the poverty reduction rate is slower. If proper model is used in the hill and terrain region, the life standard of the poor people could be raised very fast.

Sharma (2004), has conducted a study on “*Microfinance a Powerful Tool for Social Transformation, Its challenges and Principles*”. This research article attempts to explore the role and importance of microfinance in reducing poverty by generating the income of the poor. Microfinance has been emphasized for poverty reduction in developing countries through executing dual articles such as collection of domestic saving and investment of small loan. This article try to find out the answers of different claiming by institutions such as- Are these institutions really delivering microfinance services to the poorest of the poor? Are they really sustainable in the long run? Are they financially efficient? The conclusion drawn by this article is that the Nepalese MFIs aren’t being able to reach the poorest due to inability of proper identification of the poor and lack of commitment and clear vision of their action.

Expanding microfinance programs along with restructuring the whole financial system is essential so as to ensure financial system to better serve the rural economy. The time frame to reach or grant based on clients serving to reach financial self-sufficiency will be shorter for MFIs serving the economically active poor.

Sharma (2007), published an article on *'The Journal of Nepalese Business Studies'* about *'Microfinance and Women Empowerment'*. The studies paper examines effect of women's participation in group-based microcredit programs on a large set of qualitative responses to questions that characterize women's autonomy and gender relations within the household. The data were taken from a special survey carried out in hill and terai in 2004-2006 of Nepal. In this paper, analysis were done on women's involvement in decision making, changes in self-confidence, women's status in gender equity, changes in social and political participation, changes in control over income, changes in awareness of social issues and problems, and family relationships and domestic violence. From the study the result was taken out those similar changes in making decision was noticed in both hills and terai. There is a significant change in self-confidence of women after the program. By ecologically belt hills showed relatively higher proportion of men's involvement in cooking as compared to terai, but in childcare, fetching water, washing clothes, cleaning house and utensils, men's involvement is relatively higher in terai belt than the men in hills. It also shows that there is a significant change in social and political participation of women after the program. MFI program has substantial impact on terai women's income control as compared to hills. Terai shows a relatively greater change in family relationship and domestic violence.

### **2.2.2 Review from Different Website**

Gomez, (2004), Simply comments about micro finance as, "Micro-finance should be goal fight poverty. Fighting poverty is the most important social goal of MF. In fact MF was involved as business of providing financial services to the market segment composed of micro-entrepreneurs excluded from the services offered by traditions formal financial sector institutions". ([www.cmfnepal.org](http://www.cmfnepal.org))

MFI are dependent on small saving from group members. As a definition micro-finance is, as a part of development finance, rural or urban, targeted towards specific groups of people, male of female, falling in the lower bracket of society. Financial

services include savings, credit, and other services such as micro money transfer and micro-insurance. This service is differentiated by types of service employment and income oriented objectives, target group, target community, target area, and credit at home.

In the past decade, micro-finance has been recognized as a particularly effective development intervention for three basic reasons:

- The services provided can be targeted specifically at the poor and poorest of the poor.
- These services can make a significant contribution to the socio-economic status of the targeted community.
- The institutions that deliver these services can develop, within a few years, in to sustainable organizations with steadily growing outreach.

In this context, it is important to make a couple of distinctions

- a) Micro-finance is more than the provision of credit. It involves the provision of other financial services (most usually savings and insurance) and recognizing that even the poor have a variety of needs, not just credit.
- b) Securing sustainable access to micro-finances for low-income communities involves building (or reforming) micro- finance institutions-not just the delivery of time bound micro-finance programs (such as offering short-term revolving funds). (<http://www.cmfnepal.org/mf-nepalp.htm>)

Microfinance has evolved as an economic development approach intended to benefit low income groups. The term refers to the provision of financial services to low income clients, including the self employed. Financial services generally include saving and credit, and some microfinance organizations also provide insurance and payment services.

Microfinance activities usually involve

- i) Small loans, typically for working capital
- ii) Informal appraisal of borrowers and investments
- ii) Access to repeat larger loans based on debt capacity and repayment performance
- iv) Streamlined loan disbursement and monitoring

v) Secure savings products

Microfinance clients are typically self-employed, low-income entrepreneurs in both urban and rural areas. Clients are often traders, street vendors, service providers (hairdressers, tricycle operators), small restaurant operators, artisans, and small cottage industries. Usually their activities provide a stable a source of cash flow and income (often from more than one activity).

### **2.2.3 Review of Thesis/Dissertations**

Ojha (2002), who did research for MBA degree on the topic '*Microfinance in Practice: Loan Recovery Approach to the Program Assessment of Microcredit Product for Women in Pokhara*'. The basic objective of this study is to examine the performance in terms of loan recovery of microcredit financial projects. The other objectives are; to overview the state of outreach, training activities, savings and its mobilization; to examine the state of loan disbursement, repayment outstanding and overdue; to access the overall performance of participating women; to analyze the state of loan recovery in terms of loan repayment. To show the relationship between investment and income; to recommend appropriate suggestions. From this study he found that the loan disbursement and outstanding is related to its repayment in due time. The performance of participating women is quite satisfactory. The sampled women have repaid in time, create savings and disbursed loan from the savings. Investment caused to increase in income and hence the capability of loan recovery and repayment becomes higher. Some of the group members were found of less difference and equal income status, but some of them were found a highly effective aspect of the program and there by loan disbursement and training program were considered to be less effective aspects than savings. NGO's program help to identify targeted women training program is an essentially required to participant women more skilled. He concluded that the MCPW, if managed effectively, reaches to the targeted women, educated and trained the women entrepreneur and also if made regular supervision and initiated them the agricultural production. Productive and business activities, self-employment, income earnings, savings and investment could be raised. This becomes the cause of uplifting vulnerable and poor women to higher social and economic status.

Lekhak (2004), did research for MBS degree on the topic '*Microfinance in Nepal and The Case Study of SFCL, Anandavan, Rupendahi, ADB/N*'. The main objective of this study is to do case study of SFCL Anandavan, Rupendahi, ADB/N. The other specific objectives are; to study the financial sustainability and viability of SFCL; to know the facing change of society after SFCL; to know the major problem of SFCL Ananadavan. From the research study following results finds out women empowerment participation in SFCL increased. After SFCL people participation in literacy program helped to improve the literacy position of village. SFCL is also success to convince the people about the importance of group saving and impact of forest conservation. SFCL also gives the different types of training to small farmers which help to make more efficiency to small farmers. There was politicization and financial undisciplined in some cases. There was lack of inspection from government side. The position of share capital is not so bad. SFCL is also able to get profit from its activities. The position of saving is increasing ways every year. Borrowed loan position of SFCL is decreasing ways.

Poudyal (2005), has written a thesis on '*Micro Finance and Its Impact on Economic Upliftment of Women: A case study of Baluwa VDC of Kathmandu District, Nepal in 2005*', made a research with the objective of evaluating the impact of micro finance on economic upliftment of women and to examine the enhancement in the status of women. Poudyal has used primary as well as secondary data applying questionnaire as well as observation methods. Data revealed from 72 samples out of 228 members of 7 centers are analyzed with correlation regression and chi-square test. Her findings include that microfinance has improved their earning and equally stimulated their living standards. However repayment rate of the program is only 80 percent in Baluwa VDC and the loan has not seeded to be utilized on the said purpose. Based on chi-square result, caste and ethnicity does not affect the control over their earning. Moreover, women do not have their own control on their earning: joint control exists widely in the VDC.

Despite, she concludes that, microfinance program is best way to uplift women economically as well as socially. A country like Nepal cannot mobilize the resources for the optimization of benefits by excluding women from the development model. Hence providing credit for women to income generating activities as well as multi-prolonged strategy with a systematic relationship between income promoting

activities and social and institutional development activities would strengthen the entire connection in the solution of the problem to uplift poor women.

Pathak (2006), did research for MBS degree on the topic '*Microfinance in Nepal and its Effect on ADB/N under Small Farmers Cooperative Limited (SFCL), Shankarnagar Rupendehi*'. The objectives of study are; to find out the advantages, limitations, and conclusions of microfinancing; to know the changes in society brought by SFCL after its implementation; to know how development of the country is positive through microfinance activities; to study the financial sustainability and viability of SFCL; to know about the role of SFCL shankarnagar in women empowerment; to know about the major problems of SFCL/Shankarnagar Rupendehi. From the study he found that the small Farmer's participation in SFCL after handover is increasing. The position of share is increasing positively. So it is good sign for SFCL. It helps to increase internal sources. Profit of SFCL increases every year. Position of deposits through members is in increasing way. It is also seen that borrowed bank loan is decreasing. Loan and advance to total deposit ratio is flexible during study period. Loan loss ration is normal just to meet legal provision. Toilet facility, drinking water facility, use of store, bank saving, group saving and forest conservation all are in increased ratio. Women education rate is increase by 96.55% after SFCL activities. Women are aware on their rights and capacity to women empowerment in increase in the Shankarnagar VDC Rupandehi.

Acharya (2007), who did research for MBS degree on the topic, '*Impact of Microfinance: A Case Study of Microcredit program for Women in Bahadaure Tamagi VDC, Kaski*'. The main objective of the study is to explore the role of microcredit program for women of Bhadaure Tamagi VDC Kaski. Other specific objectives of this study are; to analyze the position of existing credit; to analyze the relationship in between investment and income; to measure the perception of users group towards the program; to assess the effect of microcredit program on living standard of the people; to assess the financial sustainability of the program. From this research study she found that the overall impact of microcredit program for women's earning beneficiaries and living standard is positive. It has positive impact on clothing and sheltering facility after the intervention of the program. The condition of loan recovery has a positive impact up on the regularity of loan payment. Among the sample women, 4% could not repay both the principal and interest, 28% could repay

only interest and not principal and 18% could repay only principal and not interest regular. Since all the respondents of the program have taken loan at least one time from the program. Out of the total investment of microcredit program, the highest proportion of investment is made on poultry farming (35.95%), and the lowest is made on goat keeping (18.21%). The main sectors of taking loan were poultry farming, buffalo keeping, retail business and goat keeping

Aryal (2007), who did research for MBS degree on the topic '*Microfinance under Rural Development program: A case study of Khilung Deurali VDC Syangja*'. The basic objective of the study is to examine the effective activities and effectiveness of rural development program and is to carry out the detail study of rural development program in Khilung Deurali VDC of Syangaja. The other specific objectives are; to know the activities operated under rural development program; to analyze the mode of loan disbursement, repayment, outstanding and overdue; to analyze the state of saving, deposit and its mobilization in terms of loan disbursement; to find out the problems faced by the women in obtaining the loan. From this study he found and concludes that the program has made positive impact of the women living standard by generating employment and increasing productivity. Most of the women's income is sufficient for one year living or less. The performance of the project in terms of achievement of loan disbursement and recovery has been found very well in study period. So the repayment of loan was very satisfactory in the following years. It was 100 percent successful. The identification encouragement and training of local leadership saving and its mobilization, loan disbursement and its recovery should be a basic objective in any program.

Poudel (2007), has done a research on "*Microcredit in Leknath Municipality: A Case Study of Paschimanchal Grameen Bikas Bank (PGBB)*". The main objective of this study is to assess microcredit phenomenon of Paschimanchal Grameen Bikas Bank in Leknath Municipality. Other specific objectives of this study were; to identify the sectors and types of investment on microcredit; to study the role of microcredit in employment generation; to study the state of microcredit in terms of distribution, repayment and investment sustainability; to study the fruitfulness of microcredit in terms of income generation pursuing poverty alleviation; to study the bank's performance on target group identification and accessibility of microcredit to the target group. From the study he found that the investments were mainly of three types

i.e. investment of loan to support existing business/occupation, expenditure. Out of 97 new employment, the highest contribution in new employment generation was from small business and lowest was from animal keeping sector. The highest amount of loan was borrowed for the purpose of small business. It is also seemed that investment of the bank loan to the members who have existing business/ occupation is not fruitful for poverty alleviation. It is also proved that the performance of bank to identify target group is also poor.

Finance can be regard as effective tool in spreading economic opportunity and fighting poverty giving poor people the freedom to earn and fulfilling livelihood. Microfinance has proved itself a powerful tool for economic development of low-income women and man. It is an effective approach for alleviating poverty through access to the poor for operating their small enterprises. The term microfinance refers to the provision of financial services to low-income clients, including the self-employed, financial services generally including savings and credit; however, some microfinance organizations also provide insurance and payment services.

Poudel (2008), conducted a research in the topic; "*Economic impact of microfinance to upliftment of women*", he concluded that, Micro-finance program serves the deprived population of the country at their doorstep with the aim of improving their socio-economic condition. As micro-finance has been considered as an effective and efficient mechanism to reduce poverty all over the world,

Shrestha (2009), conducted research work "*An Impact of SFDP in Rural Area: A Case study of Kaski District*". The major objectives of his studies were (i) to show whether the MCPW project in rural area of Kaski district has been providing the micro credit facilities to the rural poor women or not (ii) to measure the ration of loan disbursement and repayment rate, and (iii) to find out whether any change have been seen in the livelihood of the poor women. He has found the impact of the project is cooperatives in all the VDC of the project area, and the lanket approach is not facility to transfer group saving in cooperative account, livestock insurance product needs to make more effective and practical and there should be an effective participatory monitoring and evaluation system to sustain MCPW in Kaski district.

Yadav (2010), conducted a research on '*Micro Credit Program For Rural Woman*'. He concluded that positive impact of micro credit program on beneficiary's earnings

and living standards. Similarly, involvement in the micro credit program has empowered women in varying degree. It has offered opportunities for poor women to come out of their house hold confines, to organize themselves in groups and to work in productive and social activities.

In this way different papers which are related to this research paper gives the conclusion that only microfinance success to reduce the poverty alleviation of country especially for women.

### **2.3 Research Gap**

Research is searching something new again and again. So it is never ending process. Different scholars and researcher have given their different findings and conclusion in the field of microfinance and women microfinance. From the above review of articles and dissertations it seems that this research paper is trying to find out something new in the field of women microfinance. Few studies have been taken place in the topics of Microfinance. Some studies are not available publicly use although they are conducted. These types of studies are done by related microfinance organization for their own self. As such very few studies are made in this context. In the concern of Socio-Economic Impact of Microfinance on Women Under Bindabasai Saving Co-operative Society Ltd. is not done by other in selected area. However, the study is entirely new which accomplishes by the researcher's own research. Although, there are various researches carried out related to the microfinance program but present study is significant difference from the previous research in nature as it focus on micro level in depth study. So, this is in depth study on its related topic. Findings will certainly be useful for visualizing the reality of the microfinance program performance and its positive impact on targeted group and the further implementation of the different program. The findings of this research will stand as a blueprint for the concern sector. This research will play the role of a catalyst for further research carried in this.

This study also attempts to explore socio-economic impact of microfinance over the groups, so this purpose study is new one which will be beneficial to all the members, institute, and students who want to learn about the impact of microfinance on socio-economic empowerment of women.

## **CHAPTER- III**

### **RESEARCH METHODOLOGY**

Research methodology describes the methods and process applied in the entire study. Research methodology refers to the various sequential steps adopted by a researcher in studying a problem with certain objective in view. Hence this chapter includes research design, nature and sources, population and sampling of data, data collection procedure, data processing and data analysis tools to accomplish the objectives set in Chapter I.

#### **3.1 Research Design**

As this study is based on the micro study of microfinance program and the analysis of the effectiveness and sustainability of microfinance program in the specific study area, both explorative and descriptive research design has been adopted to analyze and interpret the quantitative and qualitative data collected to fulfill the objectives of the study.

#### **3.2 Nature and Sources of Data**

As the nature of the study, this study has mainly been based on the first hand or primary data observed and collected from the consequence area using appropriate data collection tools e.g. field survey and questionnaire. Other required secondary data have also been obtained through secondary sources e.g. annual reports, books, journals, newspapers, published and non-published reports by concerned institutions in this field. MFIs, NGOs, INGOs, SOs and other institutions working in this field.

#### **3.3 Population and Sampling**

BISCOL has been implementing microfinance program in 2 Municipalities and 18 VDCs of Kavrepalanchok district among which Ugrachandi Nala VDC is the one where some 201 women clients of 7 groups formed are served.

Out of the total population of 201 microfinance clients of BISCOL in Ugrachandi Nala VDC, some 25 percent clients (50 clients) is selected in this study as sample for the in-depth and detailed study.

### **3.4 Sampling Technique**

The list of women clients of BISCOL in Ugrachandi Nala VDC involving in microfinance program was taken from Banepa Centre of BISCOL. From that list a sample has been taken by using Stratified Random Sampling considering each group of women formed in Ugrachandi Nala VDC as a separate stratum.

### **3.5 Data Collection Procedure**

The required primary data were collected by making structured questionnaire. Formal and informal discussions with borrowers, women group leader and staffs of the concern institutions were held which is helpful in understanding and obtaining the additional information. The annual reports of the concerned institutions for the study period were obtained through personal approach and internet surfing to the institute's official website. Existing literature on the subject matter was collected from various research papers placed in Central Library (T.U.) and Library of Khwopa College. Likewise review of working papers conducted by various international scholars on the related matter was done through internet surfing to various websites.

### **3.6 Tools for Presentation and Analysis of Data**

The obtained data from primary sources and the audited financial statements were manually extracted into the computer files of Microsoft Excel program which acted as master database file. The data were refined further into spreadsheets to carry out different calculation and graphical illustrations through mathematical functions and chart program of the Excel program. In the same way, different mean based statistical tools and frequency counts were applied as per requirement. Specially, qualitative indicators are used to assess the impact of microfinance on social empowerment of woman and quantitative analysis tools to assess the economic impact. Qualitative information is based on observation and perceptions which are analyzed and interpreted by researcher. Further Z test is fitted to analyze whether the living standard have changed from before and after program intervention and T test, to analyze the income and investment pattern of sample women before and after program.

#### **3.6.1 Statistical Tools**

Following statistical tools are used in this study.

**a) Arithmetic Mean ( $\bar{x}$ )**

Arithmetic mean is the most popular and widely used statistical tool to measure the entire data by one value called average. The mean value can be obtained when the total of all the values in a distribution is divided by the number of values in the distribution. Arithmetic mean is also known as the arithmetic average (Bajracharya, 2067:p.101).

Symbolically,

$$\text{Arithmetic Mean } (\bar{x}) = \frac{x_1 + x_2 + x_3 + \dots + x_n}{n}$$

i.e.  $\bar{x} = \frac{\sum x}{n}$

Where,  $\bar{x}$  = Arithmetic Mean

$\sum x$  = Sum of observations  
 n = no. of observations

**b) Test of the significance of the parameters.**

**Z Test**

Z test is used to examine the overall significance of the model, which can be performed as:

$$Z = \frac{P_1 - P_2}{\sqrt{PQ \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}}$$

Where,

$P_1$  = Sample proportion of relatively better off members before borrowing

$P_2$  = Sample proportion of relatively better off members after borrowing

$$P = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

and  $Q = 1 - P$

The calculated variance ratio will be compared with the tabulated value at 1% and 5% special level of significance with degree of freedom. If  $Z_{cal} < Z_{tab}$  null hypothesis is accepted. If  $Z_{cal} > Z_{tab}$  null hypothesis is rejected.

## T Test

T test is used to examine the overall significance of the model, which can be performed as:

$$T = \frac{\bar{d}}{\frac{s}{\sqrt{n}}}$$

Where,

$\bar{d}$  = mean of the differences

s = sample standard deviation

n = no. of sample

The calculated variance ratio will be compared with the tabulated value at 1% and 5% special level of significance with n-1 degree of freedom. If T cal < T tab null hypothesis is accepted. If T cal > T tab null hypothesis is rejected.

## Research Hypothesis

### Hypothesis 1

There is no significant difference between the proportion or relatively better off respondents before and after borrowing.

### Hypothesis 2

There is no significant difference between the proportion of relatively better off respondents before and after borrowing.

## 3.7 Indicators Used in Collecting and Analyzing Data

The following indicators are used and analyzed in order to fulfill the above mentioned objectives of this research:

**Table 3.1: Indicators of Analysis by Objectives**

<b>Objectives</b>	<b>Major Indicator</b>	<b>Sources of Data</b>
- To analyze the impact of microfinance program on the social empowerment of women	Empowerment at household level <ul style="list-style-type: none"><li>- Decision making and participation in household level</li><li>- Level of awareness on basic issues</li><li>- Keeping and using of profits and fund.</li><li>- Household level discrimination and family cooperation.</li><li>- Household responsibility and</li></ul>	- Field survey with the sample of focused group women clients and interaction with BISCOL personnel.

	<p>family support</p> <p>Empowerment at external level</p> <ul style="list-style-type: none"> <li>- Traveling outside from the home.</li> <li>- Awareness on political and legal issues</li> <li>- Participation on Social activities.</li> <li>- Exposure at the community.</li> <li>- Trust and respect from other.</li> <li>- Visit and demand services from line agencies</li> <li>- Level of Confidence</li> <li>- Participation of the women group in the program organized by MFIs.</li> <li>- Evaluation of the effectiveness of the organized program in women empowerment</li> </ul>	
<ul style="list-style-type: none"> <li>- To check the impact of microfinance program on the economic empowerment of women</li> </ul>	<ul style="list-style-type: none"> <li>- Assets creation ( Physical and financial)</li> <li>- Landholding</li> <li>- Building</li> <li>- Livestock holding</li> <li>- Other household assets</li> <li>- Saving</li> <li>- Food Security</li> <li>- Income and Expenditure pattern</li> <li>- Loan borrowing and repayment</li> <li>- Employment Creation</li> </ul>	<ul style="list-style-type: none"> <li>- Field survey with the sample of focused women clients</li> </ul>
<ul style="list-style-type: none"> <li>- To explore the constraints faced by the women clients because of the competitive microfinance services.</li> </ul>	<ul style="list-style-type: none"> <li>- Constraints faced</li> <li>- Opportunities gained from the MFIs</li> </ul>	<ul style="list-style-type: none"> <li>- Discussion on the focused group women clients and the interview with the related BISCOL personnel and their stakeholders.</li> </ul>

Source: Designed by Researcher

## **CHAPTER- IV**

### **PRESENTATION AND ANALYSIS OF DATA**

This chapter consists of presentation and analysis of primary and secondary data related with different variable using statistical tools. The basic objective of this chapter is to analyze the relevant information. In order to achieve these objectives the gathered data are presented and analyzed with the help of different tools and techniques. It comprises of management of saving and credit for women, savings, investments, repayment pattern of loan, income from loan, impact on income, education, changes in custom and society.

#### **4.1 Impact of MF Program in Social Empowerment of Women**

Social empowerment of women has been analyzed at two stages: (i) Empowerment at household level and (ii) Empowerment at external level. Household level empowerment is assessed through decision making and participation on household affairs, awareness level on basic household issues, access to and control over resources, cooperation and discrimination at household level. External level empowerment is assessed mobility, awareness, exposure, social capital and confidence. Based on these the discussion is as under.

##### **4.1.1 Women Empowerment at Household Level**

For analyzing the gender dimensions and empowerment through microfinance among the sample clients, a FGD was done. Surveyed sample clients expressed their autonomy in obtaining membership and purpose of loan to borrow. Selection of MFI, amount of loan to borrow, and spending the borrowed cash are done jointly by husband and wife. In one sense, participation of husband in these crucial decisions can be seen as their support to wives while this might be their domination in the key decisions related to resources.

Particularly, joint decision and involvement of husband in managing regular savings, arranging loan installments and finding coping mechanisms to re pay the loan in time might justify husbands taking ownership to the loan. Keeping cash received from the enterprises by husband-definitely not in favors of empowering women-can be seen

along with the role of managing daily household expenditure by them. But controlling over the decisions related to deposit and withdrawal of personal savings by husband clearly explains the high magnitude of their control over women members' autonomy. Decisions related to personal savings are optional thus member could enjoy the flexibility but they do not.

Furthermore, women expressed their increased level of confidence, increased awareness on other developmental activities such as education, nutrition, sanitation and increased participation and acknowledgement in the household level decision making process which has been presented in the following Table 4.28 below:

**Table 4.1: Magnitude of Empowerment of Other Domestic Issues after Joining the MF Program**

S. No.	Issued	Slightly Improved	Highly Improved	Has no Difference	I am Unaware	Total
1	Children Education	30 %	68 %	2 %	0 %	100 %
2	Children Health	44%	56 %	0 %	0 %	100 %
3	Procurement of food	38 %	58 %	2 %	0 %	100 %
4	Selling of Products	28 %	64 %	6 %	4 %	100 %
5	Decision Making at household level	36 %	56 %	8 %	0 %	100 %
6	Reducing on HH Pressure and Discrimination	48 %	40 %	10 %	2 %	100 %
7	Keeping and use of profit and funds	50 %	44 %	4 %	2 %	100 %
8	Household level cooperation	40 %	54 %	6 %	0 %	100 %

Note: Percentage is presented in round figure.

Source: Field Survey, 2013

The survey shows that some 68 percent sample clients expressed highly improved child education situation. Similarly, some 56 percent clients expressed the highly improved knowledge on child health and therefore their health situation. Likewise, the program has impacted to larger scale around 58-64 percent sample clients on procurement of household good and selling of their products. Remarkably, 92 percent sample clients mentioned that decision making at household level has increased.

Exceptionally, 10 percent sample clients mentioned that participation on microfinance program has not make any difference on household level discrimination. In the same way, 94 percent sample clients stated that both keeping and use of profit and funds and household level cooperation have been improved. Despite these the strategic needs such as structural issues, power dynamics within the household, traditional role of women and ownership to land and other assets are still under ambiguity which has not covered in this study.

#### 4.1.2 Empowerment at External Affairs

Women empowerment that begins from the household level will not be institutionalized unless it is reflected to the external affairs. In order to identify the impacts of microfinance on women regarding some strategic needs of women and developing of social capital, which ensures the position of women empowerment? Sample women were interviewed whether there has been improvement or not. Responses of 50 sample clients have been summarized.

**Table 4.2: Magnitude of Empowerment of Women at External Affairs after Joining the MF Program**

S. No.	Issued	Slightly Improved	Highly Improved	Has no Difference	I am Unaware	Total
1	Traveling outside from the home	34%	50 %	10 %	6 %	100 %
2	Awareness on political and legal issues	56%	10 %	14 %	20%	100 %
3	Participation on social activities	32 %	66 %	2 %	0 %	100 %
4	Trust and respect from other	34 %	62 %	4 %	0 %	100 %
5	Visit and demand services from line agencies	50 %	12 %	24 %	14 %	100 %
6	Level of confidence	34 %	40 %	20 %	6%	100 %

Source: Field Survey, 2013

Among sample respondents 34 percent said their travelling outside home has increased substantially whereas 50 percent respondents mentioned it has increased highly. Exceptionally, microfinance has not improved to the travelling of 10 percent women clients.

Awareness on political and legal issues such as political ideology, voting rights, political system, women rights, child rights are slightly improved to 56 percent sample clients whereas 14 percent sample clients find there has no improvement in those issues. Some 20 percent clients in fact are unaware of the issues as such thus replied as they are unaware.

Social capital as defined earlier the reciprocal cooperation trust and respects among the community people, exposure and participation on the social and community level activity and visit of line agencies to put pressure and demand services were also asked. The field survey result in the area is found to be very much optimistic expect in one.

Participating sample clients have increased social capital. Almost all sample clients (98 percent) mentioned their increased participation on social and community level activities however the magnitude varies among them. Trust and mutual respect are also increased to 96 percent sample clients. Exceptionally, around 38 percent sample clients mentioned visiting of government and other developmental line agencies to put pressure and demand support services have not happened. For those, who mentioned it has happened is also at low magnitude. Only 12 percent sample clients mentioned it has happened with higher magnitude. Likewise, almost 74 percent sample clients expressed their level of confidence has improved. Based on this result, we can say that women participation on microfinance have increased their social capital however the magnitude varies among them.

Besides microfinance clients have enhanced their understanding and capability in many areas. The increased awareness and confidence on various aspects of life skills and economy are presented in the Box No. 1 here below as mentioned by sample women during the individual survey and focus group discussion.

#### **Box No. 1**

##### **Women's Perceptions on the Benefits of Microfinance Program**

- Helped in participating on economic transaction - taking loan.
- Taught the importance of time and time management.
- Involves in social program and knowledge about economic scenario of the region.
- Brought about the feeling of community living.
- Taught the importance of child education.
- Uplift the rural and the backward class people.

- Made them capable and self sufficient so as to share the similar screen as the other educated people.
- Made them able to handle various monetary transactions.
- Taught the importance of money.
- Enhanced the awareness about nuclear family.
- Made us more up to date in the field of economic development and social engagement.
- Realized the importance of investments and savings.
- Made awareness of the harmful effects of narcotic drugs and timely reduction of its uses so as to save one's life and property.
- Made us more disciplined and mannered.
- Knowledge about handling responsibilities.

## **4.2 Economic Impacts**

Economic Impact of microfinance on women are measured through some of the visible indicators that sample women have felt. The physical assets-land, building, livestock, and other household amenities, saving-income and expenditure patterns, food security, loan borrowing, repayment, employment and vulnerability are measured and analyzed.

### **4.2.1 Assets Creation (Physical and Financial)**

Land, livestock and home to live are the three major assets which significantly affect the overall position of a poor household. Fundamentally, these three are the indicators that BISOCL has been using in identifying a women to be their member. Therefore, measuring impacts of microfinance seem much more relevant using them thus has analyzed the changes revealed in the surveyed sample clients.

#### **4.2.1.1 Landholding**

Land is the primary assets that everyone asserts to have it since this is the primary source of livelihoods in the agricultural country like Nepal. The microfinance program itself is focus on landless, marginal landholders and deprived people. The survey revealed that before joining the microfinance program all the sample clients have their own home to live and land for cultivation varying in their quantity. After involving in such micro financing program 2 clients i.e. 4 percent sample clients has been able to add somehow landholding as fixed assets.

**Table 4.3: Number of Client's Households Holding and Adding Land**

Particulars	Status Before		Status After	
	No.	%	No.	%
Clients having land	50	100%	50	100%
Clients adding land	0	0	2	4%

Source: Field survey, 2013

Above table 4.3 shows that the impact of microfinance on adding the land assets seems not promising however, some 2 clients (4%) out of 50 sample clients have been able to add the land after the involvement in the provided microfinance programs. So survey done, it shows some positive movements for adding the land.

#### 4.2.1.2 Building

Home to live poses higher value to anyone in other parts of the country and the world. According to the interviewed women, they value home in their life mainly on the two grounds (i) form the safety and comfort, and (ii) social value. They prefer to improve the quality of house by changing their roof, making ground cemented, plastering the walls etc. Women feel proud to say and show that changed the thatch roof into the CGI sheet. During the interview, the obvious happiness could be observed because of this improvement.

Among the sample clients, merely 20% gave renovated their home prior joining the program but during the survey, it revealed that almost all clients have renovated their home i.e. 84%. In that sense, the microfinance program has been very much helpful in making them prosperous.

**Table 4.4: Number of Client's Households Renovating and Building New House**

Particulars	Status Before		Status After	
	No.	%	No.	%
Clients having home	50	100%	50	100%
Clients renovated their home	10	20%	42	84%

Source: Field survey, 2013

BISOCL does not provide loan or home repair and maintenance thus there is no chances of using the loan fund for this purpose and monitoring of loan utilization is

also very much strict thus it is apparent that the revenue generated is used for this purpose which signifies the benefit of joining microfinance program.

#### 4.2.1.3 Livestock Holding

Holding livestock is an integral part of livelihoods in any rural parts of Nepal like in rest of the way rating the household level prosperity with the number of animal head hold is very common in Nepal. The similar notion applies to the type of livestock hold. Large animal like buffalo and ox represents the magnitude of wealth and security compared to small scale livestock such as goat and chicken. Therefore, this study has analyzed the changes taken place in these different types of animals. Among the surveyed clients also, keeping animal is an integral part of their life. The holding but due to the lack of their own sufficient land and animal feeding problem there is no clients holding large animals like cow and buffalo but mostly they've small scale livestock like goat and chicken. After joining the microfinance program, it is found that the clients have taken initiation in keeping cow, buffalo and chickens and making them the source of income generation.

**Table 4.5: No. of Clients Households Holding Livestock Before and After**

Particulars	Status Before		Status After	
	No. of clients HHs (Before)		No. of clients households (After)	
	No.	%	No.	%
Large livestock ( Cow, Buffalo, and Ox)	25	50%	28	58%
Medium size livestock (Goat and sheep)	34	68%	41	82%
Small scale livestock (Chicken and Duck)	32	64%	37	74%

Source: Field survey, 2013

#### 4.2.2 Management of Saving and Credit for Women

Saving facilities help household risk management the most when women are safe and accessible to the depositors, and when the poor can deposit small amounts on a frequent basis. Credit is only one kind of financial service. Credit has gained wide acceptable as a key strategy for poverty alleviation and women empowerment. Loan can be disbursed with collateral and sometimes without collateral also.

The status of saving by women under different saving program is presented in the following Table 4.6

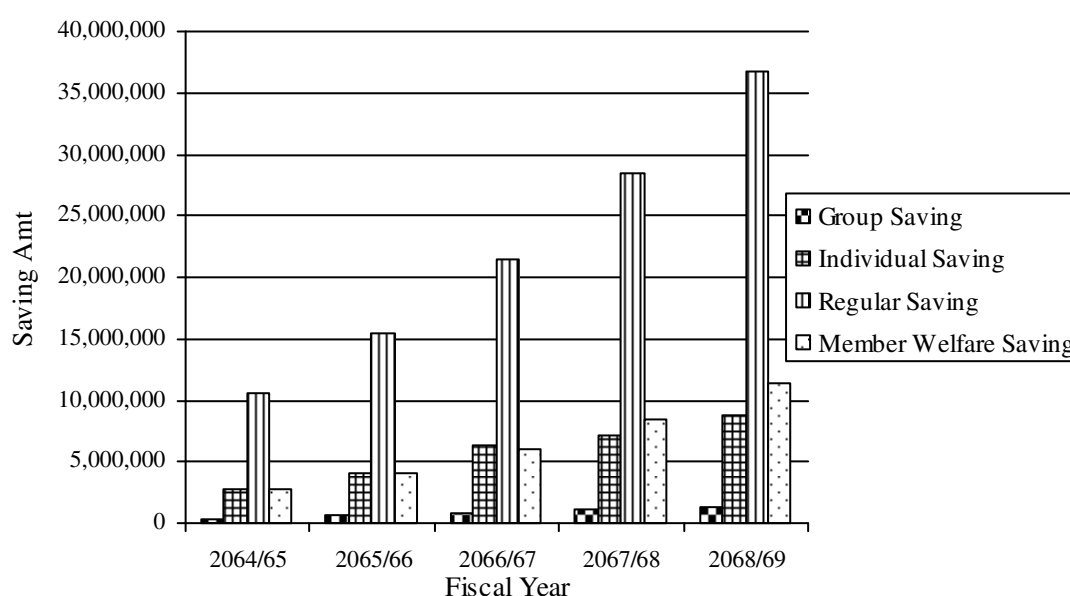
**Table 4.6: Saving by Group Members under Saving Programs (In Rs.)**

S. N.	F/Y	Group Saving		Individual Saving		Regular Saving		Member Welfare Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	2064/65	374385	8.77	2839253	9.76	10506712	9.34	2689437	8.22	16409787	9.19
2	2065/66	615184	14.42	4024918	13.83	15442575	13.72	4082863	12.48	24165540	13.53
3	2066/67	894034	20.95	6357961	21.85	21405523	19.02	6080469	18.58	34737987	19.45
4	2067/68	1113211	26.09	7101728	24.40	28391930	25.23	8497197	25.96	45104,066	25.25
5	2068/69	1270120	29.77	8777031	30.1	36801968	32.70	11377451	34.76	58226570	32.59
	Total	4266934		29100891		112548708		32727417		178643950	
	Average	853387	2.39	5820178	16.29	22509742	63.00	6545483	18.32	35728790	100

Source: Annual Report 2013, BISCOL

Above Table 4.6 shows the saving of members of BISCOL under different saving programs during the last five years. There are different saving amounts under different headings. The overall saving from different saving programs stands for Rs 178,643,950. Regular saving stood at the highest percentage of 63 % followed by Member welfare saving 18.32 %, individual saving 16.29 % and group saving 2.39%. The table shows that the total all saving is being increasing yearly. However women seem to attracted towards regular saving as a result it is increasing. We can conclude that regular saving plays the vital role as a source of financing. The above saving programs can be shown in the following Figure 4.1:

**Figure 4.1: Saving by Group Members under Saving Programs**



Source: Annual Report 2013, BISCOL

Above Figure 4.1 shows the saving of members of BISCOL under different saving programs during the last five years. There are different saving amounts under different headings. The overall saving from different saving programs stands for Rs 178,643,950. Regular saving stood at the highest percentage of 63 % followed by Member welfare saving 18.32 %, individual saving 16.29 % and group saving 2.39%. The table shows that the total all saving is being increasing yearly. However women seem to attracted towards regular saving as a result it is increasing. We can conclude that regular saving plays the vital role as a source of financing.

### 4.2.3 Number of Women Taking Loan

Most of the women were not financially sufficient. So they were taking loan to run their livelihood and also to earn some money. Following Table. 4.7 shows the numbers of women taking loan before and after involvement in BISCOL activities.

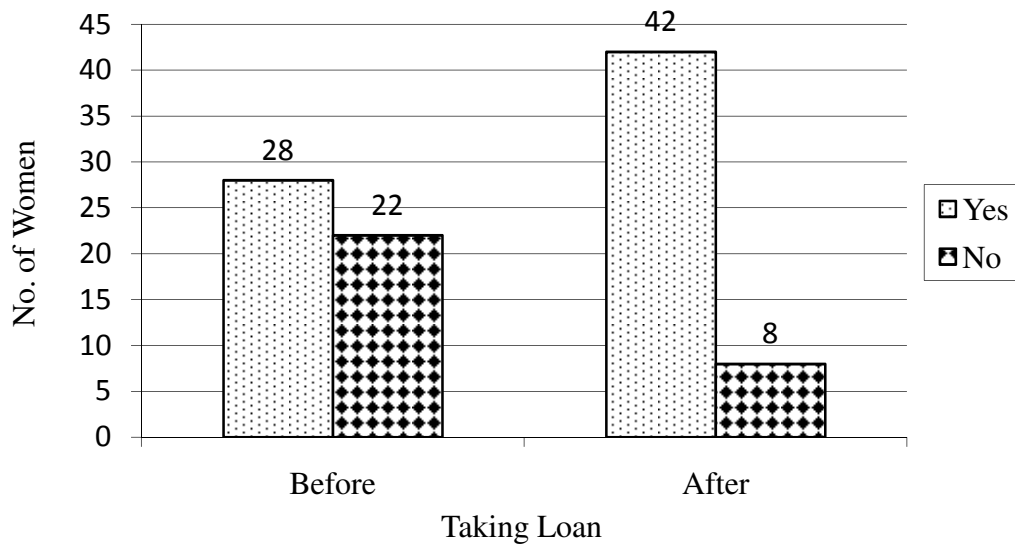
**Table 4.7: Numbers of Women Taking Loan**

S.N.	Description	Before		After		% Increase/Decrease
		Number	%	Number	%	
1	Yes	28	56	42	84	28
2	No	22	44	8	16	-28
Total		50	100	50	100	

Source: Field Survey, 2013

Above Table 4.7 shows that the sample women involved in taking loan. Before involvement in BISCOL programs, 23 women were taking loan for their micro business and micro enterprises and 21 women were not taking loan. But after involvement in BISCOL programs, number of taking loan women increased to 42 and the number of women who were not taking loan decrease to 16. Hence there was 28% increase in women who taking loan. BISCOL programs provide an opportunity to earn more money by utilizing their fund. Most of the respondents mobilize their fund in the proper way. The graphical presentation of above data is given in Figure 4.2 below:

**Figure 4.2: No. of Women Taking Loan**



Source: Field Survey, 2013

Above Figure 4.2 shows that the sample women involved in taking loan. Before involvement in BISCOL programs, 28 women were taking loan for their micro business and micro enterprises and 22 women were not taking loan. But after involvement in BISCOL programs, number of taking loan women increased to 42 and the number of women who were not taking loan decrease to 8. Hence there was 28% increase in women who taking loan. BISCOL programs provide an opportunity to earn more money by utilizing their fund. Most of the respondents mobilize their fund in the proper way.

#### 4.2.4 Response of Women on Repayment of Taken Loan

Sample of women were taken loan who are involved in borrowing of loan for repayment pattern. The following Table 4.8 shows the women’s response on repayment pattern of loan which was taken by women before and after entering into BISCOL programs.

**Table 4.8: Women’s Response on Repayment of Taken Loan**

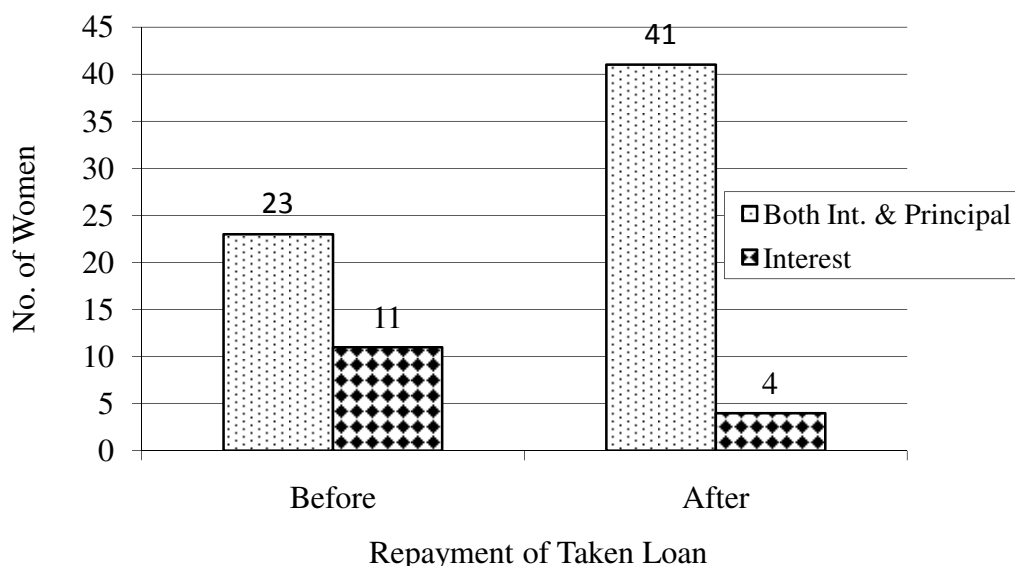
S.N.	Des.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Both Int & Principal	23	67.75	41	91.11	23.46
2	Interest	11	32.35	4	8.89	-23.46
Total		34	100	45	100	

Source: Field Survey, 2013

Above Table 4.8 shows that the sample women's response on repayment of taken loan. Before involvement in BISCOL programs, 23 women were repayment of taken loan both principle and interest and 11 women were repayment of taken loan interest only. But after involvement in BISCOL programs, number of women repayment of both principle and interest were increased to 41 and the number of women who were repayment of interest only decrease to 4. Hence there was 23.46 % increase in women who repayment of taken loan both principle and interest and 23.46 % decrease in women who repayment of taken loan interest only.

To make it clear, meaningful and understandable above data presented in the graphical form in Figure 4.3 as follows.

**Figure 4.3: Women's Response on Repayment of Taken Loan**



Source: Field Survey, 2013

Above Figure 4.3 shows that the sample women's response on repayment of taken loan. Before involvement in BISCOL programs, 34 women were able to repay the taken loan principal and interest and 16 women, the taken loan interest only. But after involvement in BISCOL programs, number of women repayment of both principal and interest were increased to 48 and the number of women who were repayment of interest only decrease to 2. Hence there was 30 % increase in women who repayment of taken loan both principal and interest and 30 % decrease in women who repayment of taken loan interest only.

#### 4.2.5 Condition of Business Which is Running From Loan

Women are doing business from the loan which was taken from BISCOL. They were also doing business from loan prior to entering BISCOL. So the following Table 4.9 shows the condition of business which was running by them from loan.

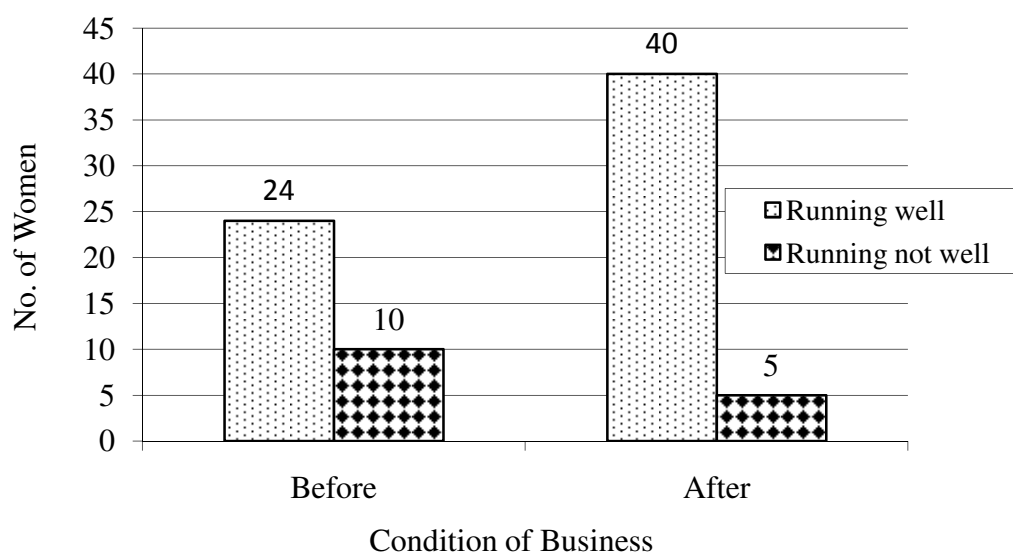
**Table 4.9: Condition of Business Which is Running From Loan**

S.N.	Des.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Running well	24	70.59	40	89.89	18.30
2	Running not well	10	29.41	5	11.11	-18.30
Total		34	100	45	100	

Source: Field Survey, 2013

Above Table 4.9 shows that the sample women's condition of business which is running from loan. Before involvement in BISCOL programs, 24 women's business were running well and 10 women's business were not running well. But after involvement in BISCOL programs, 40 women's business were running well and only 5 women's business were not running well. Hence there was 18.30 % increase in women's business running well and there was 18.30% decrease in women's business running not well. To make it clear, meaningful and understandable above data presented in the graphical form.

**Figure 4.4: Condition of Business which is Running from Loan**



Source: Field Survey, 2013

Above Figure 4.4 shows the sample women's condition of business which is running from loan. Before involvement in BISCOL programs, 24 women's business were running well and 10 women's business were not running well. But after involvement in BISCOL programs, 40 women's business were running well and only 5 women's business were not running well. Hence there was 18.30% increase in women's business running well and there was 18.30% decrease in women's business running not well.

#### 4.2.6 Amount Invested by Women in Business

Loan taken by women was invested in Business before and after entering into microfinance programs. The following Table 4.10 shows the response of sample women who invest different amounts in business.

**Table 4.10: Amount Invested by Women in Business**

S.N.	Amount in Rs.(000)	Before		After		% Increase/Decrease
		Number of women	%	Number of Women	%	
1	0-10	4	11.76	6	13.33	1.57
2	10-20	5	14.71	5	11.11	-3.59
3	20-30	7	20.59	7	15.56	-5.03
4	30-40	5	14.71	7	15.56	0.85
5	40-50	4	11.76	5	11.11	-0.65
6	50-60	3	8.82	4	8.89	0.07
7	60-70	3	8.82	6	13.33	4.51
8	70-80	2	5.88	3	6.67	0.78
9	80-90	1	2.94	1	2.22	-0.72
10	90-100	0	0.00	1	2.22	2.22
Total		34	100	45	100	

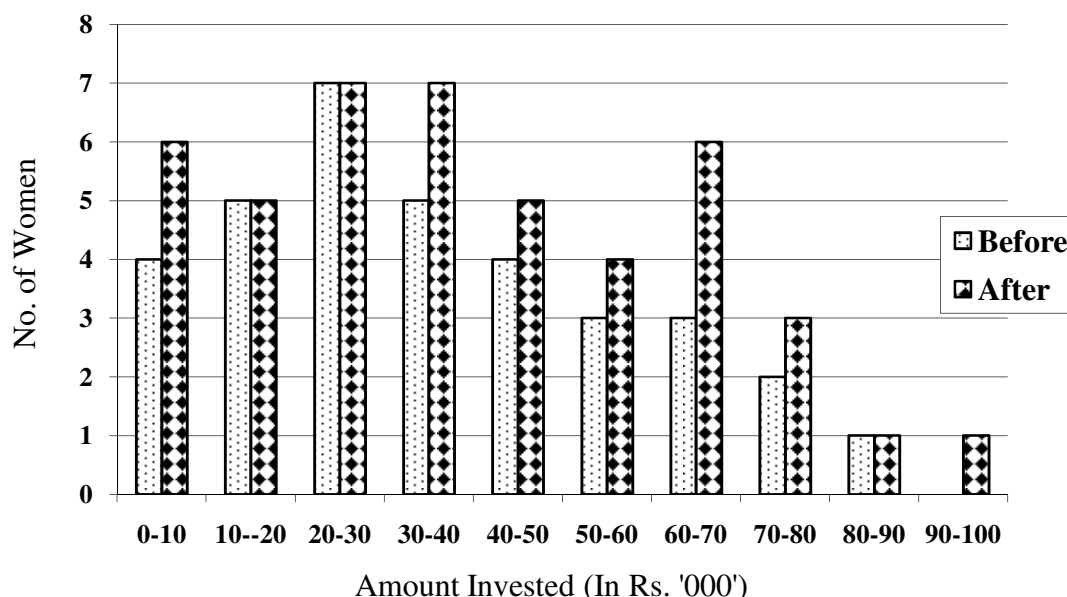
Source: Field Survey, 2013

Above Table 4.10 shows the positive impact of microfinance activities in investment pattern. Mean Investment by sample in business after BISCOL program is increased to Rs. 39,222 from Rs 35,882 which gives positive result to us. It means increased investment is more consistent than previous investment. Their economical condition is improving after microfinance program. This is because more women involve in this

program and can earn a certain income after entering the program. It seems women were highly encouraged to mobilize their saving fund.

To make it clear, meaningful and understandable above data presented in the graphical form.

**Figure 4.5: Amount Invested by Women in Business**



Source: Field Survey, 2013

Above Figure 4.5 shows the positive impact of microfinance activities in investment pattern. Mean Investment by sample in business after microfinance program is increased to Rs. 39,222 from Rs 35,882 which gives positive result to us. It means increased investment is more consistent than previous investment. Their economical condition is improving after BISCOL program. This is because more women involve in this program and can earn a certain income after entering the program. It seems women were highly encouraged to mobilize their saving fund.

#### **4.2.7 Presentation and Analysis of Investment Pattern**

Presentation & analysis of investment pattern Before & after M.F.P. T-Test

1. Null Hypothesis  $H_0: \mu_1 = \mu_2$ , i.e This is no increment in investment pattern of sample women after M.F.P.
2. Alternative Hypothesis  $H_1: \mu_1 < \mu_2$ , i.e. There is increase in investment pattern of sample women after M.F.P (left tailed test).

**Table 4.11: Calculation of Required Sum Values**

Group	Average Investment Before (X)	Average Investment After (Y)	d(Y-X) '00'	d <sup>2</sup>
Radhakrishna	29,000	31,500	25	625
Kashidhanyang	18,000	22,000	40	1,600
Janachetana	21,000	24,000	30	900
Nawajyoti	13,500	21,000	75	5,625
Shreekrishna	15,500	19,500	40	1,600
Chunatal	13,000	18,500	55	3,025
Dakshinakali	8,000	17,000	90	8,100
			$\sum d = 355$	$\sum d^2 = 21,475$

Source: Field survey, 2013

Where,

$\bar{d}$  = Mean of difference

S = Standard deviation

$$\bar{d} = \frac{\sum d}{n} = \frac{355}{7} = 50.71$$

$$S = \sqrt{\frac{1}{n-1} \left[ \sum d^2 - \frac{(\sum d)^2}{n} \right]} = 24.05$$

$$\text{Test Statistic } T = \frac{\bar{d}}{\frac{s}{\sqrt{n}}} = 5.58$$

Level of significance = 0.05

Degree of freedom (d) = n-1 = 7-1 = 6

The tabulated value of T-Test; Since tabulated value of t at 5% level of significance and 6 degree of freedom for one tail test is 1.943.

**Decision**

Since computed T (5.58) is greater than that tabulated value i.e. 1.943, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the project intervention is significant in increasing the investment in business after M.F.P.

#### 4.2.8 No. of People Engaged in M.F.P.

There is a few number of peoples engaged in micro finance program in Nepal. But it is in the increasing trend recent year trend in the recent year as a result of awareness program. In my research area following result has been found as presented in the following Table 4.12 below:

**Table 4.12: No. of People Engaged in M.F.P.**

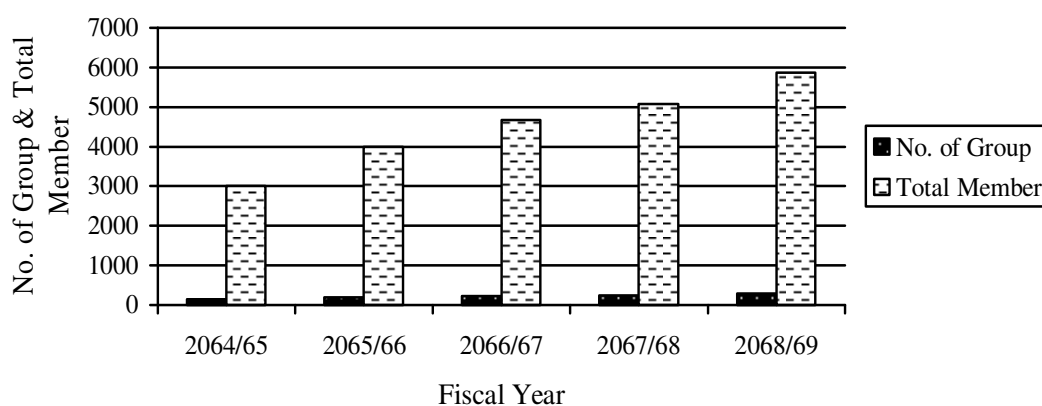
Year	2064/65	2065/66	2066/67	2067/68	2068/69	Total
No. of group	145	191	220	243	291	1,090
Total Member	3,004	4,001	4,668	5,073	5,871	22,617

Source: Annual Report 2013, BISCOL

Above Table 4.12 shows the no of group of micro finance formed in different fiscal year and total member of all group. From the table it is clear that every year no. of group and member are increasing. In 2064/65 total group is 145 and member is 3,004, in 2065/66 total group are increase up to 191 and total member 4,001, in the year 2066/67, 2067/68 and 2068/69 the total group and total member are 220, 243, 291 and 4,668, 5,073, 5,871 respectively. From this table, it is clear that every year no. of group is increasing and the member as well. In conclusion, we can say that microfinance program is effective in the area because of increasing trends of no. of group and member.

This also presented in the Figure 4.6 below:

**Figure 4.6: No. of People Engaged in Microfinance Program**



Source: Annual Report 2013, BISCOL

Above Figure 4.6 shows the no of group of microfinance formed in different fiscal year and total member of all group. From the table it is clear that every year no of group and member are increasing. In 2064/65 total group is 145 and member is 3,004, in 2065/66 total group are increase up to 191 and total member 4,001, in 2066/67. 2067/68 and 2068/69 the total group and total member are 220, 243, 291 and 4,668, 5,073, 5,871 respectively. From this table it is clear that every year no. of group is increasing and the member as well. In conclusion we can say that microfinance program is effective in the area because of increasing trends of no. of group and member.

#### 4.2.9 Portion of People Benefited From M.F.P.

Most of the people engaged in microfinance activities are benefited with the program. The peoples benefited with M.F.P. of BISCOL is presented in the following Table 4.13:

**Table 4.13: Portion of People Benefited From M.F.P.**

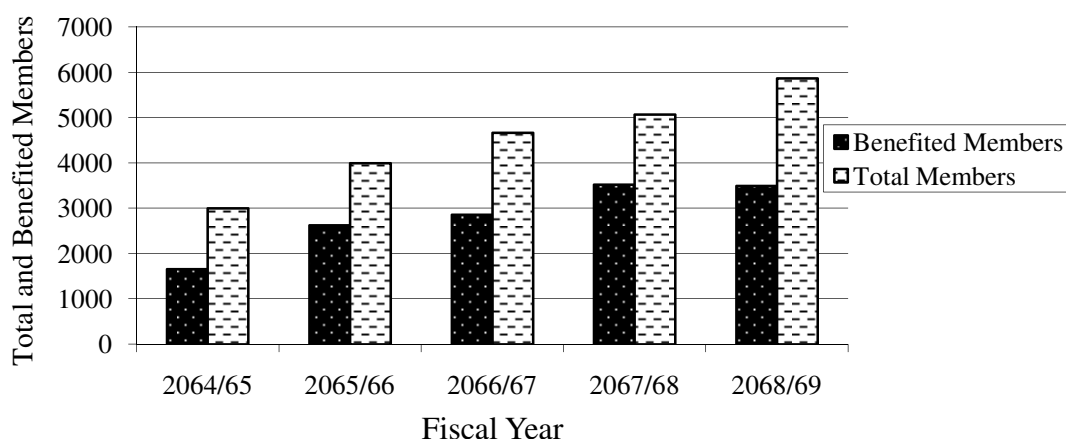
Year	2064/65	2065/66	2066/67	2067/68	2068/69
Total Mem. in M.F.P.	3,004	4,001	4,668	5,073	5,871
No. of Mem. benefited	1,661	2,626	2,860	3,526	3,498
% of Mem. benefited	55.29	65.63	61.27	69.51	59.58

Source: Annual Report 2013, BISCOL

Above Table 4.13 shows the portion of people benefited from microfinance program. Benefited are those people who took loan from the BISCOL under microfinance program. In the table, total no. of member are increasing from fiscal year 2064/65 to 2068/69. Whereas no. of people benefited is also in increasing with fluctuating trend. In fiscal year 2064/65 benefited are 55.29%, in fiscal year 2065/66, 65.63%, in fiscal year 2066/67 benefited are 61.27%, likewise in fiscal year 2067/68 percentage of benefited member is 69.51%, in fiscal year 2068/69 the percentage is 59.58%. From this we can conclude that every year loan taking member is increasing with fluctuating trend and they are investing in different microenterprises, which help to uplift the living standard of participants.

This can be presented in the Figure 4.8 below:

**Figure 4.7: Portion of People benefited From M.F.P.**



Source: Annual Report 2013, BISCOL

Above Figure 4.7 shows the portion of people benefited from microfinance program. Benefited are those people who took loan from the BISCOL under microfinance program. In the figure, total no. of member are increasing from fiscal year 2064/65 to 2068/69. Whereas no. of people benefited is also in increasing with fluctuating trend. In fiscal year 2064/65 benefited are 55.29%, in fiscal year 2065/66, 65.63%, in fiscal year 2066/67 benefited are 61.27%, likewise in fiscal year 2067/68 percentage of benefited member is 69.51%, in fiscal year 2068/69 the percentage is 59.58%. From this we can conclude that every year loan taking member is increasing with fluctuating trend and they are investing in different microenterprises, which help to uplift the living standard of participants.

#### 4.2.10 Loan Recovery and Outstanding

Since loan is distributed in different programs and recovery is also from different programs. But according to BISCOL report overall recovery is shown. So the state of loan recovery and outstanding is shown in Table 4.14.

**Table 4.14: Loan Recovery and outstanding**

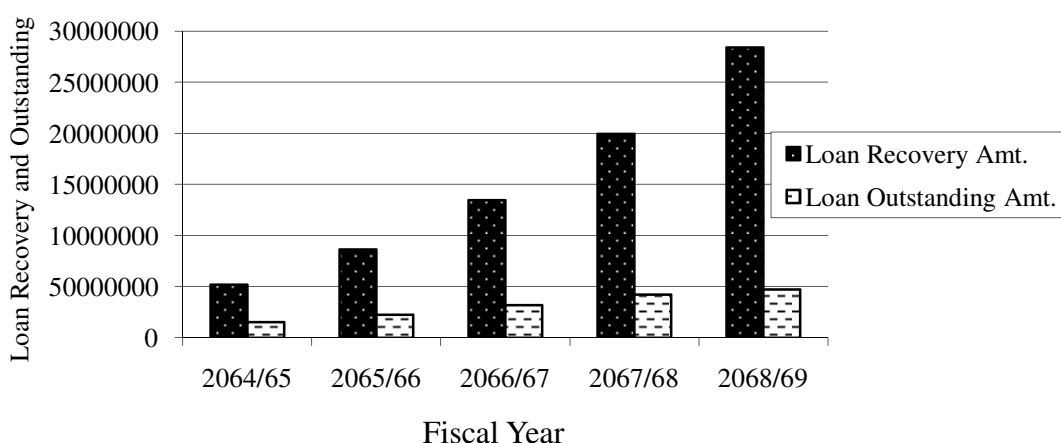
S.N.	Fiscal Year	Loan Recovery		Loan Outstanding		Total	
		Amount	%	Amount	%	Amount	%
1	2064/65	52088451	77.07	15500837	22.93	67589288	7.36
2	2065/66	86680557	79.24	22711731	20.76	109392288	11.91
3	2066/67	135009460	80.85	31974828	19.15	166984288	18.19
4	2067/68	199892666	82.5	42398423	17.5	242291089	26.39
5	2068/69	284389875	85.69	47494410	14.31	331884285	36.15
Total		758061009	82.56	160080229	17.44	918141238	100
Average		151612202		32016046		125520974	

Source: Annual Report 2013, BISCOL

Above Table 4.14 shows the amount and percentage of loan recovered by BISCOL from groups of women in different fiscal years. It also shows the outstanding loan of BISCOL in different fiscal years. The total loan recovery on last five year was Rs 758,061,009 and outstanding was Rs 160,080,229. Highest amount and percentage of loan recovery was in fiscal year 2066/69 amounting Rs. 284,389,875. The smallest amount loan recovery was in fiscal year 2064/65 amounting Rs 52,088,451. Out of total disbursed loan, 82.56 % loan was recovered during the years and only 17.44 % loan was outstanding. Loan recovery rate is higher. We conclude that women have been able to earn so they repay on their loan on the other hand they are conscious about the repayment of loan. BISCOL program seems able to recover their fund. There is no chance of bad debts.

The data related to loan recovery and loan outstanding can also present by following graphical form in Figure 4.8 as follows:

**Figure 4.8: Loan Recovery and Outstanding**



Source: Annual Report 2013, BISCOL

Above Figure 4.8 shows the amount and percentage of loan recovered by BISCOL from groups of women in different fiscal years. It also shows the outstanding loan of BISCOL in different fiscal years. It also shows the outstanding loan of BISCOL in different fiscal years. The total loan recovery on last five year was Rs 758,061,009 and outstanding was Rs 160,080,229. Highest amount and percentage of loan recovery was in fiscal year 2066/69 amounting Rs. 284,389,875. The smallest amount loan recovery was in fiscal year 2064/65 amounting Rs 52,088,451. Out of total disbursed loan, 82.56 % loan was recovered during the years and only 17.44 % loan was outstanding. Loan recovery rate is higher. We conclude that women have been

able to earn so they repay on their loan on the other hand they are conscious about the repayment of loan.

#### 4.2.11 Position of Saving under M.F.P. in Total saving

Position of saving under microfinance program in total saving of BISCOL is presented in Table 4.15 below.

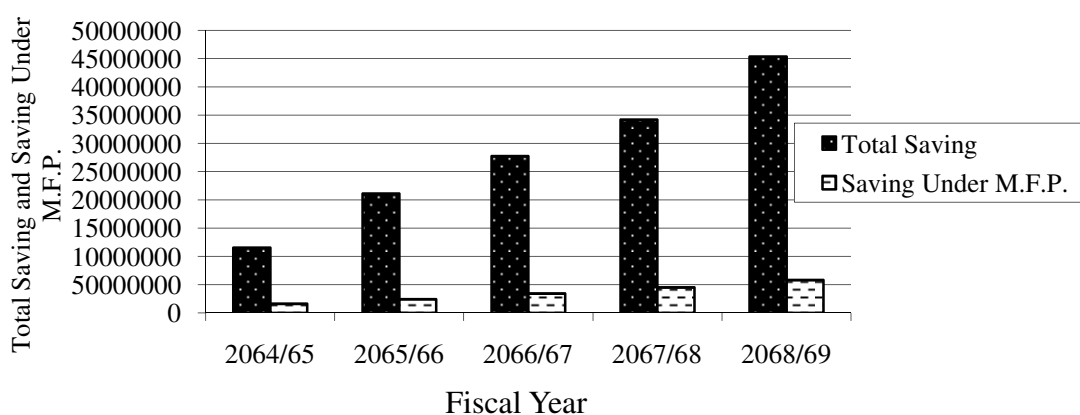
**Table 4.15: Saving Under M.F.P. in Total Saving**

Year	2064/65	2065/66	2066/67	2067/68	2068/69	Total
Total Saving	115635000	211230000	277320000	342110000	453591000	1399886000
Saving Under M.F.P.	16409787	24165540	34737987	45104066	58226570	178643950
% of Saving Under M.F.P.	14.19%	11.44%	12.53%	13.18%	12.84%	

Source: Annual Report 2012 and 2013, BISCOL

The above Table 4.15 shows that the total saving and saving under microfinance program. Out of total savers, in fiscal year 2064/65, total saving in microfinance is 14.19%, in 2065/66 that percentage decreases up to 11.44%. In fiscal year 2066/67 and 2067/68, it increases to 12.53% and 13.18% but in fiscal year 2068/69 that percentage decreases to 12.84. This indicates that saving under microfinance has covered the major share in the total saving with its consistent trend in different fiscal years. The above table 4.15 can be presented by following graphical presentation in Figure 4.9.

**Figure 4.9: Saving Under M.F.P. in Total Saving**



Source: Annual Report 2012 and 2013, BISCOL

The Figure 4.9 shows that the total saving and saving under microfinance program. Out of total savers, in fiscal year 2064/65, total saving in microfinance is 14.19%, in 2065/66 that percentage decreases up to 11.44%. In fiscal year 2066/67 and 2067/68, it increases to 12.53% and 13.18% but in fiscal year 2068/69 that percentage decreases to 12.84. This indicates that saving under microfinance has covered the major share in the total saving with its consistent trend in different fiscal years.

#### 4.2.12 Ratio of Disbursement under M.F.P. with Comparison to Total Disbursement

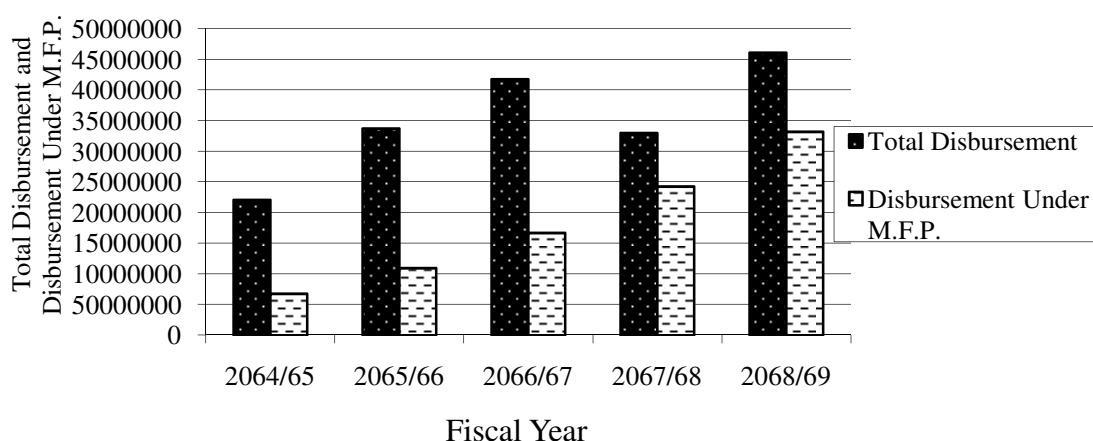
**Table 4.16: Disbursement under M.F.P. under Total Disbursement**

Year	2064/65	2065/66	2066/67	2067/68	2068/69	Total
Total Disbursement	220545000	337347000	417476000	330076000	460861515	1766305515
Disbursement under M.F.P.	67589288	109392288	166984288	242491719	331913719	918371302
% of Disbursement under M.F.P	30.65%	32.43%	40.00%	73.47%	72.02%	

Source: Annual Report 2012 and 2013, BISCOL

The above Table 4.16 shows that the total disbursement and disbursement under microfinance program. Out of total disbursement, in fiscal year 2064/65, total disbursement in microfinance is 30.65%, in 2065/66 that percentage increases up to 32.43%. In fiscal year 2066/67, it increases to 40%, in fiscal year 2067/68 and 2068/69 that percentage is increased to 73.47 and 72.02, which indicate the effectiveness of microfinance program every year because every year percentage of loan disbursement under microfinance is increasing. The above Table 4.16 can be presented by following graphical presentation in Figure 4.10 below:

**Figure 4.10: Disbursement Under M.F.P. Under Total Disbursement**



Source: Annual Report 2012 and 2013, BISCOL

The above Figure 4.10 shows that the total disbursement and disbursement under microfinance program. Out of total disbursement, in fiscal year 2064/65, total disbursement in microfinance is 30.65%, in 2065/66 that percentage increases up to 32.43%. In fiscal year 2066/67, it increases to 40%, in fiscal year 2067/68 and 2068/69 that percentage is increased to 73.47 and 72.02, which indicate the effectiveness of microfinance program every year because every year percentage of loan disbursement under microfinance is increasing.

#### 4.2.13 Monthly Income of Women

Monthly income of sample women from different financial activities is presented below Table 4.17.

**Table 4.17: Monthly Income of Women**

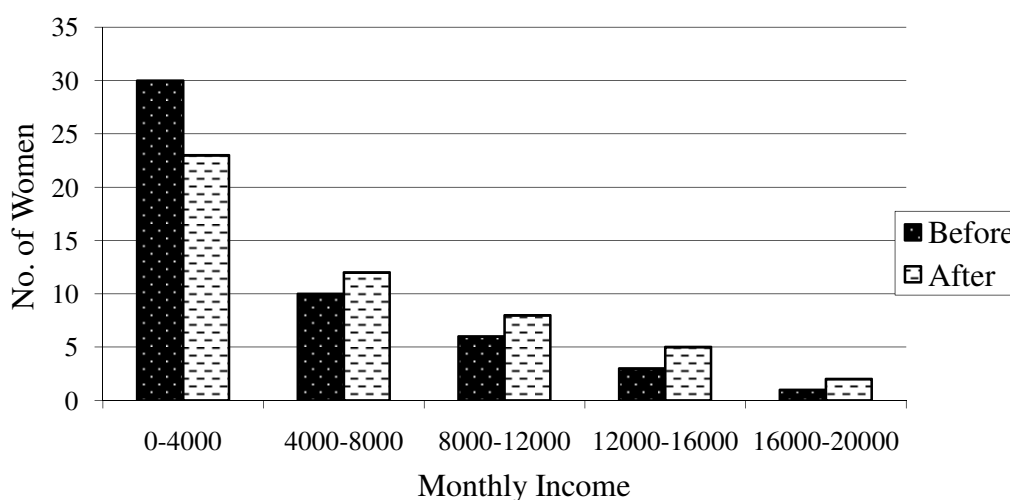
S. N.	Income Range in Rs	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	0-4000	30	60	23	46	-14
2	4000-8000	10	20	12	24	4
3	8000-12000	6	12	8	16	4
4	12000-16000	3	6	5	10	4
5	16000-20000	1	2	2	4	2
Total		50	100	50	100	

Source: Field Survey, 2013

Above Table 4.17 shows the positive impact. Mean income of respondent after BISCOL is increasing to Rs 6,080 from Rs 4,800 which gives positive result to us. It

means increased income is more consistent than previous income. Their economical condition is improving after BISCOL program. There were 60 % of members earning up to Rs 4,000 and only 2% of them earned between Rs 16,000-20,000. After intervention of program 46 % was earning less than Rs 4,000 and 4 % of members earned between Rs 16,000-20,000. The women who had entrepreneurship skills earned more. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

**Figure 4.11: Monthly Income of Women**



Source: Field Survey, 2013

Above Figure 4.11 shows the positive impact. Mean income of respondent after BISCOL is increasing to Rs 6,080 from Rs 4,800 which gives positive result to us. It means increased income is more consistent than previous income. Their economical condition is improving after BISCOL program. There were 60 % of members earning up to Rs 4,000 and only 2% of them earned between Rs 16,000-20,000. After intervention of program 46 % was earning less than Rs 4,000 and 4 % of members earned between Rs 16,000-20,000. The women who had entrepreneurship skills earned more.

#### **4.2.14 Presentation & Analysis of Monthly Income Pattern of Women Before and After M.F.P.**

Presentation & analysis of monthly income pattern of women Before and after M.F.P  
T-Test

1. Null Hypothesis  $H_0: \mu_1 = \mu_2$ , i.e. There is no increment in the income pattern of sample women after M.F.P.
2. Alternative Hypothesis  $H_1: \mu_1 < \mu_2$ , i.e. There is increment in income pattern of sample women after M.F.P. (left tailed test).

**Table 4.18: Calculation of Required Sum Values**

Name of Group	Average Income Before (X) Rs.	Average Income After (Y) Rs.	d(Y-X) '00'	$d^2$
Radhakrishna	7000	8000	10	100
Kashidhanyang	5500	7000	15	225
Janachetana	6000	7500	15	225
Nawajyoti	4000	6800	28	784
Shreekrishna	4300	6200	19	361
Chunatal	3500	6000	25	625
Dakshinakali	3000	5500	25	625
			$\sum d = 137$	$\sum d^2 = 2945$

Source: Field Survey, 2013

Where,  $\bar{d}$  = Mean of difference

S = Standard deviation

$$\bar{d} = \frac{\sum d}{n} = \frac{137}{7} = 19.57$$

$$S = \sqrt{\frac{1}{n-1} \left[ \sum d^2 - \frac{(\sum d)^2}{n} \right]} = 6.63$$

$$\text{Test Statistic } T = \frac{\bar{d}}{\frac{s}{\sqrt{n}}} = 7.81$$

T = 7.81

Level of significance = 0.05

Degree of freedom (d) = n-1 = 7-1 = 6

The tabulated value of T-Test; Since tabulated value of t at 5% level of significance and 6 degree of freedom for one tail test is 1.943.

### **Decision**

Since computed T (7.9091) is greater than that tabulated value i.e. 1.943, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the project intervention is significant in increasing the monthly income pattern of women.

#### 4.2.15 Regular Saving of Sample Women:

The regular saving of sample women is shown in following Table 4.19

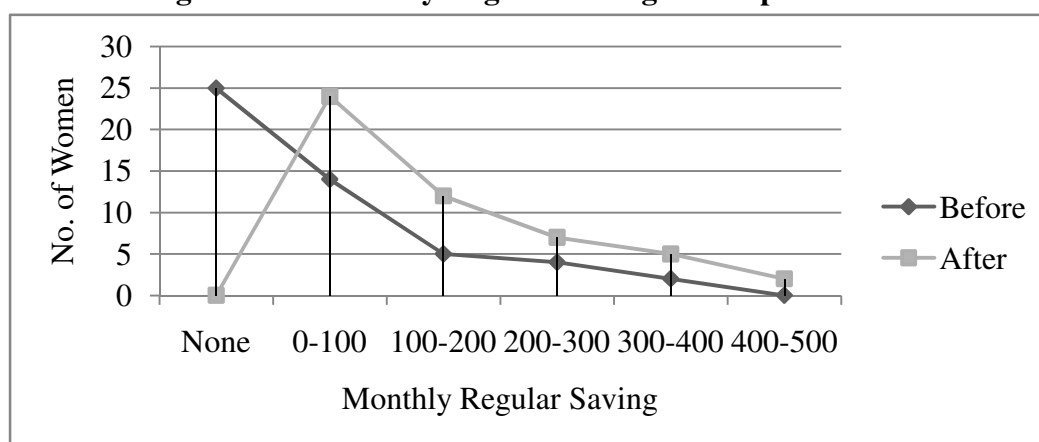
**Table 4.19: Monthly Regular Saving of Sample Women**

S.N.	Amount in Rs.	Before		After		% Increase /Decrease
		Number	%	Number	%	
1	None	25	50	0	0	-50
2	0-100	14	28	24	48	20
3	100-200	5	10	12	24	14
4	200-300	4	8	7	14	6
5	300-400	2	4	5	10	6
6	400-500	0	0	2	4	4
Total		50	100	50	100	0

Source: Field Survey, 2013

Above Table 4.19 shows the regular saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. 50 women were not saving regularly before involvement in BISCOL programs but after the number is 0 with 50% decrease. There were no women who are saving Rs. 400 and more before involvement in BISCOL programs but after the number increases with 4%. Monthly regular saving of sample women are gone to save more amount than none-saving or little. They are able to generate more income after entering BISCOL program so they save regularly. To make it clear, meaningful and understandable above data is presented in the graphical form in Figure 4.12 as follows

**Figure 4.12: Monthly Regular Saving of Sample Women**



Source: Field Survey, 2013

Above Figure 4.12 shows the regular saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. 50 women were not saving regularly before involvement in BISCOL programs but after the number is 0 with 50% decrease. There were no women who are saving Rs. 400 and more before involvement in BISCOL programs but after the number increases with 4%. Monthly regular saving of sample women are gone to save more amount than none-saving or little. They are able to generate more income after entering BISCOL program so they save regularly.

#### 4.2.16 Optional Saving of Sample Women:

Not all women were regular saving and not all women were optional saving in BISCOL Programs. There was no compulsory saving in their programs. So some women were in optional saving programs. The optional saving of sample is shown in following Table 4.20.

**Table 4.20: Monthly Optional Saving of Sample Women**

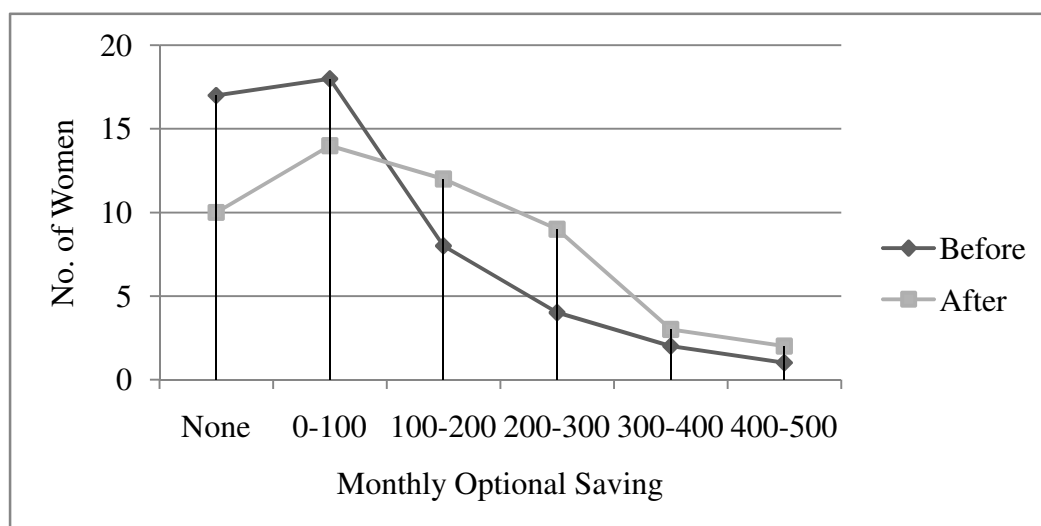
S.N.	Amount in Rs.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	None	17	34	11	22	-12
2	0-100	18	36	13	26	-10
3	100-200	8	16	12	24	8
4	200-300	4	8	9	18	10
5	300-400	2	4	3	6	2
6	400-500	1	2	2	4	2
Total		50	100	50	100	0

Source: Field Survey, 2013

Above Table 4.20 shows the optional saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. Seventeen women were not saving optionally before involvement in BISCOL programs but after the number was 11 with 12% decrease. Before entering BISCOL program respondents can hardly earn a little money and save little also, after entering BISCOL program they are involving in different economic activities and generate more income. So they freely save more

money in different ranges. It seems that program is able to benefit them. To make clear, meaningful and understandable of above data presented in the following graphical form in Figure 4.13 below

**Figure 4.13: Monthly Optional Saving of Sample Women**



Source: Field Survey, 2013

Above Figure 4.13 shows the optional saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. Seventeen women were not saving optionally before involvement in BISCOL programs but after the number was 11 with 12% decrease. Before entering BISCOL program respondents can hardly earn a little money and save little also, after entering BISCOL program they are involving in different economic activities and generate more income. So they freely save more money in different ranges. It seems that program is able to benefit them.

#### **4.2.17 Mobilization of Collected Saving Fund:**

Saving and investment are two alternative parts. If people save they will be motivate to invest that money to earn more. So the women involving in BISCOL programs and saving small money are lending that money to other people in community. Doing this both people are benefited. Investor can get interest and borrower can utilize that money in appropriate area.

Following Table 4.21 shows the lending activities of women who are involved in BISCOL programs.

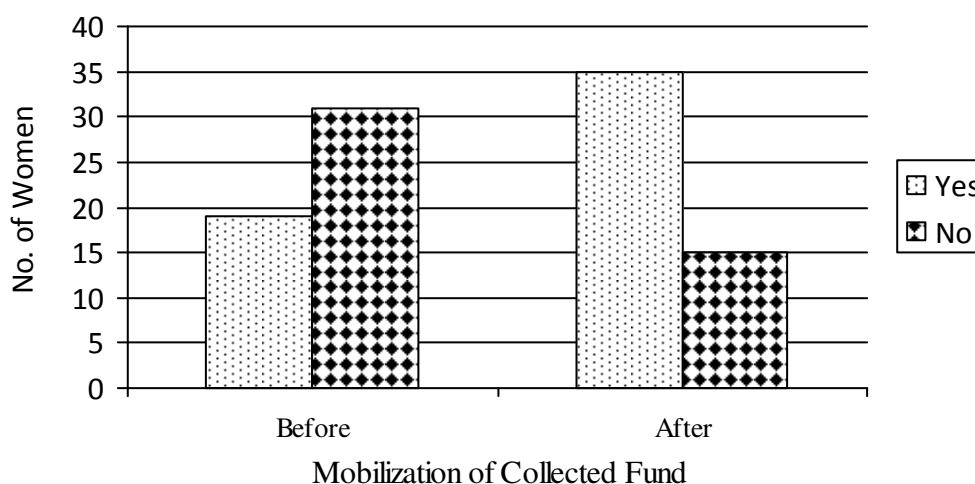
**Table 4.21: Mobilization of Collected Fund**

S.N.	Description	Before		After		% Increase/Decrease
		Number	%	Number	%	
1	Yes	19	38	35	70	32
2	No	31	62	15	30	32
Total		50	100	50	100	

Source: Field Survey, 2013

Above Table 4.21 shows that the sample women involved in mobilization of saving. Before involvement in BISCOL programs, 19 women were mobilizing their money and 31 women were not mobilizing their small save money. But after involvement in BISCOL programs, number of mobilizing women increased to 35 and the number of women who were not mobilizing decrease to 15. Hence there was 32 percent increase in women who mobilize money. After joining BISCOL programs, women are motivated to mobilize their saving fund. BISCOL programs provide an opportunity to earn more by utilizing their fund. More respondents mobilize their fund in productive way. The following Figure 4.14 also shows the change in women who were lending and were not lending.

**Figure 4.14: Mobilization of Collected Fund**



Source: Field Survey, 2013

Above Figure 4.14 shows that the sample women involved in mobilization of saving. Before involvement in BISCOL programs, 19 women were mobilizing their money

and 31 women were not mobilizing their small save money. But after involvement in BISCOL programs, number of mobilizing women increased to 35 and the number of women who were not mobilizing decrease to 15. Hence there was 32 percent increase in women who mobilize money. After joining BISCOL programs, women are motivated to mobilize their saving fund. BISCOL programs provide an opportunity to earn more by utilizing their fund.

#### 4.2.18 Response of Women as Continuing Their Business in Future

If people see more profit in future, then he/she will be motivated to continue their business in coming future. Like this some sample women of BISCOL program were motivated to continue their business in future and some are not interested in those activities. Following table shows the women’s response in continuing their business in future

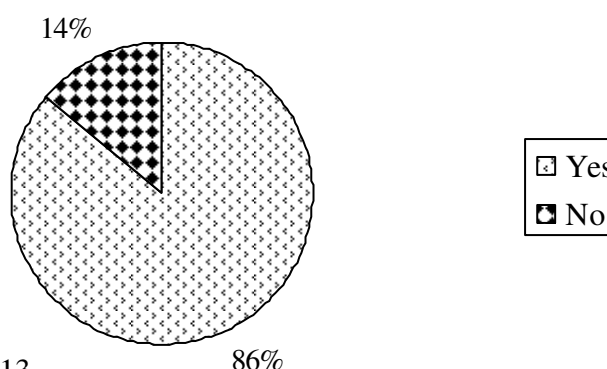
**Table 4.22: Response of Women as Continuing Their Business in Future**

S.N	Description	Number of women	Percentage
1	Yes	43	86
2	No	7	14
Total		50	100

Source: Field Survey, 2013

Above Table 4.22 reveals about the women’s response of continuing their present business in future, in this research survey, out of 50 sample women, 43 women have intention of continuing their business in future but 7 sample women have no intention of continuing their business in future. So this field study shows that maximum number of women was interested to continue their business in future also. To make it clear, meaningful and understandable above data presented in the graphical form.

**Figure 4.15: Response of Women as Continuing Their Business in Future**  
Number of Women



Source: Field Survey, 2013

Above Figure 4.15 reveals about the women’s response of continuing their present business in future, in this research survey, out of 138 sample women, 114 women have intension of continuing their business in future but 24 sample women have no intention of continuing their business in future. So this field study shows that maximum number of women was interested to continue their business in future also.

#### 4.2.19 Improvement in Living Standard of Women After Joining BISCOL:

Following Table 4.23 shows the improvement in living standard of women after participating BISCOL program activities.

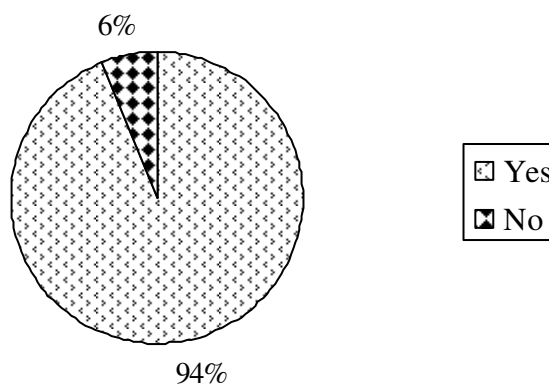
**Table 4.23: Response on Improvement in Living Standard of Women**

S.N	Description	Number of Women	Percentage
1	Yes	47	94
2	No	3	6
Total		50	100

Source: Field Survey, 2013

Above Table 4.23 reveals that the response of participating women about their life standard after participating in BISCOL program. In totality 94 percent of women said that their life standard has change after entering into BISCOL program and 6 percent of women said that there is no change in their life style. Thus it seems that majority of sample women has improved their living standard after joining BISCOL program. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

**Figure 4.16: Response on Improvement in Living Standard of Women**



Source: Field Survey, 2013

The Figure 4.16 above shows that majority of sample women has improved their living standard after joining BISCOL program.

#### 4.2.20 Priority Sector After Improvement in Economic Condition

Every people have their own interests and future plan. Like this, these BISCOL women also have their own future plan to give priority in different sectors after improvement in their economic condition which is shown in the following Table 4.24.

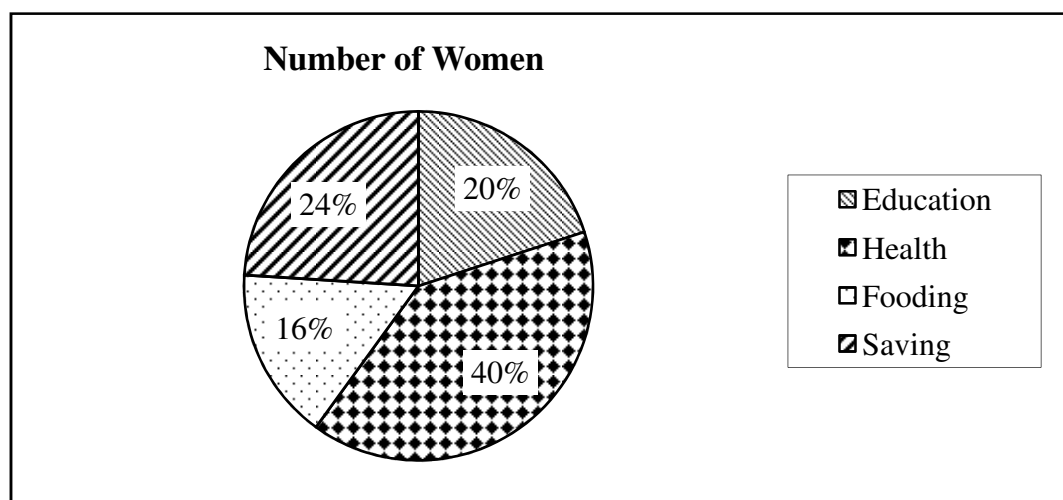
**Table 4.24: Priority Sector after Improvement in Economic Condition**

S.N	Description	Number of women	Percentage
1	Education	10	20
2	Health	20	40
3	Fooding	8	16
4	Saving	12	24
Total		50	100

Source: Field Survey, 2013

Above Table 4.24 shows the priority sector of sample clients after improvement in their economic condition. Main priority sector of women were education, health, fooding, saving. Out of 50 respondents 10 prefer education, 20 prefer health, 8 prefer fooding and 12 prefer saving after improvement in their economic condition, in percentage, highest percentage of women prefer health i.e. 40 percent and lowest percentage of women prefer fooding i.e. 16 percent. It shows majority of the respondents given high percentage to health after the improvement on their economic activities. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

**Figure 4.17: Priority Sector after Improvement in Economic Condition**



Source: Field Survey, 2013

Above Figure 4.17 shows the priority sector of participatory women. Main priority sector of women were education, health, fooding, saving. It shows that majority of the respondents have given high percentage to health after the improvement on their economic activities.

#### 4.2.21 Future Program needed to uplift the livelihood of Poor Women:

There are some programs which are needed to uplift the livelihood of poor women. There are different perceptions of women about different programs which are needed for them. Following Table 4.25 shows the different facilities needed for poor women

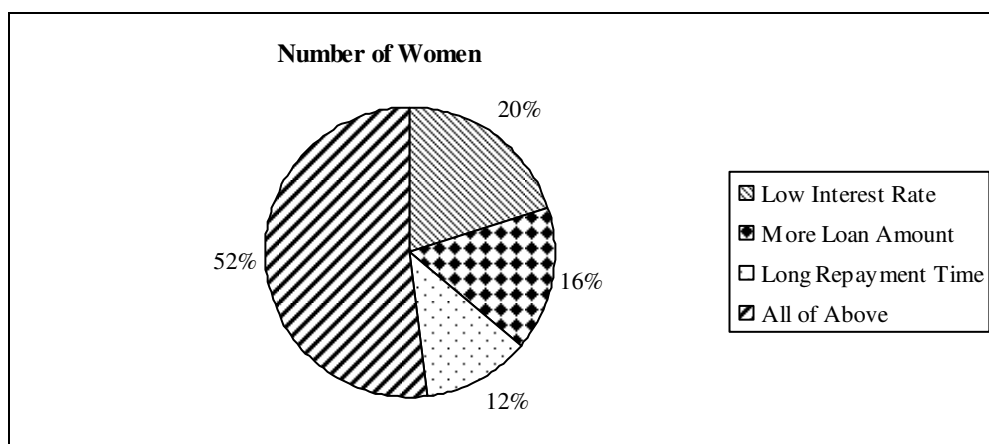
**Table 4.25: Future Programs for Poor Women**

S.N	Description	Number of Women	Percentage
1	Low Interest Rate	10	20
2	More Loan Amount	8	16
3	Long Repayment Time	6	12
4	All of Above	26	52
Total		50	100.00

Source: Field Survey, 2013

Table 4.25 shows the number and percentage of women which have needed different facilities from BISCOL to run their livelihood. Out of 50 sample clients there were 10 women prefer low interest rate, 8 women prefer more loan amount, 6 women prefer long repayment time and 26 women prefer all of above. Similarly the percentage of women who prefer low interest rate was 20 percent, more loan amount was 16 percent, long repayment time was 12 percent and all of above was 52 percent. So the women who prefer all of above programs were more than 50 percent. To make it clear, meaningful and understandable above data presented in the graphical form in Figure 4.18 as follows.

**Figure 4.18: Future Programs for Poor Women**



Source: Field Survey, 2013

Above Figure 4.18 shows that most of the women prefer more loan amount, low interest rate and long repayment time to improve their living standard. Thus majority of respondents prefer better term and condition about the loan repayment.

#### 4.2.22 Living Standard

Living standard of the respondents is usually analyzed in terms of food practices, sheltering, clothing etc. Here both quantitative and descriptive tools are used to see whether the living standard has changed from before and after program intervention. Among quantitative tools Z test is used for food practices and clothing pattern made by respondents which are important dimension of living standard. Here for simplicity, traditional and relatively better off food practices and clothing pattern made by family member of respondents are analyzed, which has been presented in the following Table 4.26 below:

**Table 4.26: Change in Clothing Pattern Before and After Program Intervention**

S.N.	Category	Before Borrowing	After Borrowing
01	Traditional	35	18
02	Relatively Better off	15	32
Total		50	50

Source: Field Survey, 2013

In the usual notation, we have

$$P_1 = \text{Sample proportion of relatively better off members before borrowing}$$

$$= \frac{15}{50} = 0.30$$

$$P_2 = \text{Sample proportion of relatively better off members after borrowing}$$

$$= \frac{32}{50} = 0.64$$

#### Now Setting Hypothesis

Null hypothesis,  $H_0: P_1 = P_2$  there is no significant difference between the proportion of relatively better off members before and after borrowing.

Alternative hypothesis,  $H_1: P_1 < P_2$ , there is significant difference between the proportion of relatively better of members before and after borrowing (left tailed test).

Since N = 50 we use Z test

$$Z = \frac{P_1 - P_2}{\sqrt{PQ\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Level of significance: 5 percent i.e.  $\alpha = 0.05$

Where population proportion,

$$P = \frac{N_1P_1 + N_2P_2}{N_1 + N_2}$$

$$= \frac{50 \times 0.30 + 50 \times 0.64}{50 + 50} = 0.47$$

and  $Q = 1 - P = 1 - 0.47 = 0.53$

$$= \frac{0.30 - 0.64}{\sqrt{0.47 \times 0.53 \left(\frac{1}{50} + \frac{1}{50}\right)}} = -5.84$$

Now,  $\alpha / |Z| = 5.84$

Z tabulated value at 5% level of significance for left tailed test is 1.645

### Decision

Since the computed value of Z (5.84) is greater than tabulated value of Z (1.645), null hypothesis is rejected or alternative hypothesis is accepted and we conclude that the project intervention is significant in increasing the numbers of members who put on the relatively better off clothing.

### Change in Food Practices of Family Members of Respondents

Change in food practices of family member of respondents are as follows.

**Table 4.27: Change in Food Practices before and after Program Intervention**

S.N.	Category	Before Borrowing	After Borrowing
01	Traditional	27	20
02	Relatively Better off	13	30
Total		50	50

Source: Field Survey, 2013

The above Table 4.27 itself represents the picture that the living standard has increased after the program intervention. It can be proved from statistical tools also.

Whether the number of respondents who have perceived positive change in food practice is significant or not has been tested with Z test as follows.

In the usual notation, we have

$P_1$  = sample proportion of relatively better off members before borrowing

$$= \frac{13}{50} = 0.26$$

$P_2$  = Sample proportion of relatively better off members after borrowing

$$= \frac{30}{50} = 0.60$$

Now setting the hypothesis;

Null Hypothesis  $H_0$ :  $P_1 = P_2$ , there is no significant difference between the proportion of relatively better off members before and after borrowing.

Alternative Hypothesis  $H_1$ :  $P_1 < P_2$ , there is significant difference between the proportion of relatively better off members before and after borrowing (left tailed test)

Since Z test.

$$Z = \frac{P_1 - P_2}{\sqrt{PQ \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}}$$

Level of significance: 5 percent i.e.  $\alpha = 0.05$

Where population proportion

$$P = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

$$= \frac{50 \times 0.26 + 50 \times 0.60}{50 + 50} = 0.43$$

and  $Q = 1 - P = 1 - 0.43 = 0.57$

$$= \frac{0.26 - 0.60}{\sqrt{0.43 \times 0.57 \left( \frac{1}{50} + \frac{1}{50} \right)}} = -5.89$$

Now,  $\alpha / |Z| = 5.89$

Z tabulated value at 5% level of significance for left tailed test is 1.645

### ***Decision***

Since computed Z (5.89) is greater than that tabulated value i.e. 1.645, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the project intervention is significant in increasing the number of members who take the relatively better off food.

### **4.3 Constraints and Critical Issues of Women Focused Microfinance**

In the process of analyzing the critical aspects, constraints faced by women are captured and analyzed. Moreover, the field survey has revealed further critical issues related to women focus microfinance for their socio-economic empowerment and poverty reduction which are discussed at length here below. Some of these are even related to policy issues whereas some are related to the pressure faced by MFIs and market phenomena.

#### **4.3.1 Constraints Faced**

Despite the number of positive socio-economic impacts that women sample clients have enjoyed from microfinance. They are facing number of constraints since the microfinance program is a discipline based thus every activities has to be done with limited flexibility. Major constraints face include the increased pressure, tension, difficulty in time management, difficulty in taking care of child, pressure of arranging loan installments. The details of the constraints faced by sample clients are presented in the table below.

#### **Box No. 2**

##### **Major Constraints Faced by the Sample Clients.**

- |   |
|---|
| <ul style="list-style-type: none"><li>- Taking loan and borrowing money has increased irrational feelings amongst the sample females because loan has been passed in their name.</li><li>- Male counterparts are keeping less interest and wanted to be free from any household responsibility which has increased out tension.</li><li>- The installments need to be paid on specified days. Even of female are ill, it has to be managed anyway which is difficult.</li><li>- Regular meetings and discussions have brought difficulty in managing household activities.</li><li>- Entire process has to be done by the females and under their presence which put them in pressure and made them worry as they have to look after their family and</li></ul> |
|---|

children. Further, problems are seen to feed and send children to school.

- Delay in paying the installment by any member brings about heated discussions and arguments amongst the village members. Often this has led to social conflict and unrest.
- Since it is a joint effort of the entire village and all has to be present together to work thus has become more problematic and difficult.

### **4.3.2 Critical Issues**

In addition to the above mentioned major constraints faced, women focused microfinance consists of some critical issues which need to be duly considered. These include three (i) exclusion of bottom poor women, (ii) client duplication and its potential risk and (iii) lack of support services.

#### **4.3.2.1 Exclusion of Bottom Poor Women**

While discussing the issues of none participation or exclusion of bottom poor women in the microfinance, interviewed BISCOL field supervisors explained following major reasons: (i) they fallback position is weak so more probable to default their loan; (ii) they normally do not have experience of handling enterprises including livestock raising and marketing; (iii) their loan absorption capacity is low so outstanding portfolio will be lower thus impacting negatively the financial viability of MFIs; (iv) they have higher chances of loan being used for consumption purposes which again increase the default risk; (v) they are irregular in the group meetings : and finally (vi) they are often not being helped by fellow members. Despite these all, access to microfinance is also hindered by political unrest restriction on mobility and blockades in general.

These reasons question the microfinance services to deprived bottom poor women. Intensive implementation of preparatory and capacity building program, arrangement of support services and re-distribution of resource base seem urgent for which external support and government intervention and incentive mechanisms are must. Otherwise, it is highly probable that desperate poor women are excluded from the microfinance services.

#### **4.3.2.2 Client Duplication and Its Potential Risk**

Discussion with microfinance Filed Supervisors revealed that there is a competition among MFIs to serve large number of clients thus prevail client duplication. The most prominent implication of MF competition discussed within the MF industry even in Bangladesh is also the "overlapping" a term whose definition itself has undergone changes over the years. The term was first used very broadly to denote similar service providing NGOs working within a geographical area. In recent times, the term is used to indicate multiple microfinance membership at the level of the household '(Martin, undated). Client duplication has fundamental two perspectives. For MFIs, it is a fast track to attain sustainability but risky option as it increases default possibility. For clients it is an option to cross finance projects and enjoy the fungibles but remains the risk of falling into debt trap. Both might enjoy it looking forward the bright part but may fall into the downside.

#### **4.3.2.3 Lack of Support Services**

BISCOL with self and donors support has carried out limited quantity of preparatory and support services. These include; education and communication sessions; campaign; literacy programs; information, awareness raising campaign; vaccination campaign and skill development training. Technical inputs and marketing arrangement as support services after the credit are also provided. These programs because of low in quantity have not had visible impacts but have spread a positive impression to join BISCOL. Besides, microfinance members have not obtained such support services from the government system because of various reasons. These include: limited financial and human resources; no working incentives to the staff; limited tools, equipments and machineries; and poor coordination and collaboration arrangements in the government system. Whatever level of support is available, local elites and those having better social capital with this sector exploit them. In this way sample women clients are excluded from this support services.

Principally under the market economy, private sector should render Business Development Services (BDS) but they are confined at the district headquarter if any. Virtually, microfinance clients have no access to BDS therefore; issue of access to such support services to the microfinance clients becomes more pertinent.

#### 4.4 Major Findings of the Study

Major findings of the overall study of BISCOL are presented below:

- After joining the program 68% sample women expressed highly improved child education situation, 56% women expressed the highly improved knowledge on child health, around 58-64% sample women on procurement of household good and selling of their products, almost 96% sample women stated that household pressure and discrimination has decreased and 94% sample women mentioned that household level cooperation has increased.
- Among sample women 50% said their travelling outside home has increased, around 66% sample women are aware on political and legal issues, almost all sample women (98%) mentioned their increased participation on social and community level activities, trust and mutual respect are also increased by 96% among sample women.
- BISCOL is collecting saving from women through different kinds of saving programs such as group saving, individual saving, regular saving and member welfare saving under M.F.P. The total saving of BISCOL through such programs increased from 9.19% to 32.59% during five years.
- There was 28% change in the sector of taking loan after entering BISCOL. More women were taking loan or they were mobilizing their fund that provides the opportunities to earn more money.
- Loan repayment rate of women is satisfactory. Both interest and principal repayment rate was increased by 23.46% after entering into BISCOL.
- The condition of business which was running by taking loan was found running well after BISCOL program. It was increased by 18.30 percent.
- Loan taken by women was invested in different sectors before and after entering into BISCOL programs. And it has increased to Rs. 39,222 from Rs 35,882 on an average after entering into BISOCL programs.
- The investment pattern of sample women of different groups has increased after entering BISCOL programs. It seems significantly increase in the investment after M.F.P.
- It was found that the number of women who are benefited from M.F.P. is increasing during five years. It has increased to 59.28% from 55.29%. The portion is in increasing tendency.

- The loan recovery of BISCOL Kavre during five years is in increasing trend and loan outstanding rate is in decreasing trend. Out of total loan disbursement, 82.56 percent loan was recovered during the years and only 17.44 percent loan was outstanding.
- The position of saving collected from M.F.P. in total saving is in consistent trend with some degree of fluctuation. In fiscal year 2065/66 it decreased to 11.44 percent from 14.19 percent. But in 2066/67 and 2067/68 it is increased to 12.53 percent and 13.18 percent. Likewise in fiscal year 2068/69, it reached to 12.84 percent by decreasing.
- The ratio of disbursement under M.F.P. to total disbursement is in increasing trend. In fiscal year 2064/65 the percentage was 30.65 percent. In 2068/69 it reached to 72.02 percent.
- Women were saving more regularly after entering BISCOL. The no. and percentage of women who were saving none is decreased to 50% and saving amount high amount were increasing after BISCOL programs.
- The optional saving of sample women is increasing after entering BISCOL. The no and percentage of women who were saving high amount were also increasing.
- After entering BISCOL programs, women were motivated to mobilize their saving fund. BISCOL program provides an opportunity to earn more by utilizing their fund. The no. and percentage of women mobilizing of collected saving fund is increasing by 32 percent.
- Perception of women to continuing their business in future is positive. After BISCOL program 86 percentage women responded to continue their business in future.
- Response of women on improvement in living standard of women is positive. In totality 94 percentage of women said that their living standard has changed after entering into BISCOL program.
- After improving their economic condition, more than 40 percentage of women preferred health as priority sector than other sector for their expenditure.
- More women i.e. 26 sample women said that they preferred low interest rate, more loan amount and long repayment time to uplift their livelihood from poor women.

- More women i.e. 32 sample women said that their clothing pattern is changed and 30 sample women said that their food practices is changed traditional to relatively better off.
- Despite number of advantages, sample women are facing many constraints since the microfinance program is a discipline based thus every activity has to be done with limited flexibility. Women are burdened with household as well as external works since participation on microfinance program does not excuse them from completing household works rather responsibility of loan related enterprises is added. Constraints face include thee increased pressure to manage household finance, difficulty in managing time among home, children, enterprises and participation on community activities,
- In addition to many difficulties, there are number of critical issues related to women focus microfinance. These include (i) there exists high probability of excluding bottom poor women (ii) the present microfinance program can put them into dept trap (iii) sample women are deprived from any business development and support services to strengthen their micro enterprises to come out of poverty.

## **CHAPTER-V**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter has summarized the research in general followed by conclusions of the study based on the findings and conclusions, some recommendations are also put forwarded to be considered by BISCOL in particular and policy makers, academicians, researchers and microfinance practitioners in general.

#### **5.1 Summary**

Government of Nepal amongst others has envisaged that access to microfinance to women not only impact on micro-finance life of women but also empower them effectively thereby reducing thereby reducing the poverty therefore, has promoted it. MFIs are also expanding their services targeting to women with the same notion, however MFIs have a pressure of sustaining their program through the attainment of financial viability. Therefore, the interest of having good microfinance - better repayment - may have direct negative effect on socio economic empowerment of women. At the same time, the debate on microfinance whether it should be completely business oriented or it should carry some social responsibility of social development, capacity building, linkage and coordination also exist. Thus this thesis is conducted with the objectives of exploring consequences of such microfinance targeting to women through analyzing socio-economic empowerment and the critical issues prevailed.

In order to fulfill its broader objectives, it has three different objectives which have focused on economic impacts; thereafter women empowerment at household and external level; and constraints and critical issues of such women focused assets, and food security and borrowing as major indicators to analyze the economic impacts. To fulfill the objective of analyzing women empowerment, their participation and decision making at household level, awareness on health education, sanitation, financial transaction, family cooperation, discrimination, exposure traveling, social capital and confidence are analyzed. Observations and perceptions are analyzed for tracing out the constraints and critical issues.

The study based on comparative analysis is done with 25 percent sample of 201 clients of BISCOL - coverage in Ugrachandi Nala VDC of Kavre. Data required is collected from the field survey with stratified random sampling. Individual interview of samples using semi structured questionnaire and focus group discussion are done. Individual interview of concern stakeholders, academicians and BISCOL executives are also done. Simple statistical tools such as percentage, mean, frequency counting T-Test and Z-Test are done for quantitative data where as observation, interpretation and perception analysis is done for qualitative information.

Data received are presented in tabular form, bar diagram and pie charts comparing pre and post situation. Magnitude of empowerment on qualitative information is presented on a categorical basis - no impact, low, high, very high impact. General observations and perceptions are interpreted and summarized in boxes; and paragraphs.

However, the research done within a very short period taking samples form only one branch of BISCOL using limited methods and approaches might not represent the whole microfinance industry of the country; its findings could be useful not only to BISCOL and participation clients but also to the policy makers, decision makers, academicians and other microfinance practitioners.

## **5.2 Conclusions**

Access to microfinance services offered by BISCOL has positive impacts on the life of surveyed sample women in Ugrachandi Nala VDC of Kavrepalanchok. Positive in many ways such as awareness and knowledge in basic issues such as importance of educating children, child health and hygiene, importance of money management, their role in household economy etc. Satisfactory economic impacts are not observed in assets creation and self employment creation but the microfinance services provided have helped them to improve their better livelihood structure like: enhanced food security; improved health, sanitation and nutrition status; self employment creation; and heavy rain, illness and cost of social rituals (feast and festivals.)

Moreover, microfinance services have empowered women in many ways awareness and knowledge on basic issues such as importance of educating children, child health and hygiene, importance of money management, their role in household economy etc. The program has made participation client women more disciplined and conscious on

time management. Further, awareness on enterprises handling, trading and local economic scenario has upgraded. Their social interaction and community level, harmony, mutual cooperation are magnificently increased. Domestic level violence and discrimination has also been reduced and their role on household level economic activities and participation on decision making process has been acknowledged.

Despite these all, women are also facing problems created through participation on microfinance program like increased responsibility to look after household as well as external affairs therefore, difficulty in time management. Even some respondents mentioned they do not find time to go to their birth home (*Maiti*) because of rigid and time bound participation on microfinance centers and the responsibility to mobilize the loan fund properly. Sample women are not empowered to that level that they can unite and put pressure to the government line agencies and other developmental organization to demand services.

On top of these, sample clients are very much cautious in maintaining their social dignity by repaying the loan installment in time thus felt most pressured; however it has been said that their husbands are also taking responsibility. Probably, this is one of the main reasons that microfinance is focused towards women. Sample clients even have to adopt some coping mechanisms sometimes - borrowing from more than one places - to repay the loan in time which has enlarged the threat of putting them into a debt trap. However, good repayment cannot be rationalized only with discipline and pressure but also with better return from their investment which has been proven from the analysis.

Besides, the notion of microfinance services to women is to capacitate them historically. For which, availability of support services: input supply, infrastructure development, market and friendly legal environment become integral part which are not adequately addressed. Moreover, the loans are mostly invested on small scale business, medium and small livestock and somehow in agriculture (in growing seasonal vegetable), since participation women are not capacitated with upgraded skill and knowledge for market oriented value addition in micro enterprises.

Despite of having number of areas to improve and strengthen, microfinance services targeted to women clients have open up lots of avenues of empowering them. The significant social impacts, increased awareness, confidence and living in a more

dignified life itself and somehow the improvement in economic level are remarkable achievements in the field of poverty reduction and women empowerment thus cannot viewed only with the strategy of successful microfinance. In addition of providing loan and other financial facilities to women they should also be given trainings to develop their skills and knowledge in micro enterprises so that they can do better to sustain economically.

### **5.3 Recommendations**

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

- Microfinance methodology of BISOCL is highly welcomed by clients except the rigidity of time. Therefore, microfinance methodology should be revised in such a way that women client's time involvement in the process should be reduced.
- Social impact of microfinance services targeted to women is significant thus should further be encouraged. But still there is not satisfactory economic impact in the clients regarding assets creation so there should be the provision of counseling and in case of skills need; related training or program can be given to make them able to start a small and medium scale of enterprises.
- There has been tremendous pressure on women regarding the repayment of loan so it has to be shared among the family members of the microfinance clients. The microfinance services delivery methodology should be designed in such a way that husband's also feel equally accountable and responsible in repaying the loan installment.
- BISCOL has provided very limited skills transformation and capacity building activities to sample clients which are not sufficient, thus BISCOL should focus on such technical capacity building activities.
- Microfinance institution including BISCOL should develop other products and working methodology to bring the excluded ones into the orbit of microfinance services.
- The program should develop practical and varied training courses related to skill development activities, agriculture extension, income generation and business promotion as per the need of particular community.

- Most of the disbursed loan goes to agriculture activities; it is because our whole economy is dominated by agriculture sector. Thus following points are proposed:-
  - Healthy livestock should be supplied to client instead of providing credit in cash.
  - Vaccination of animal should be arranged at appropriate time.
  - The program should have its at least one veterinary assistant who can fully devote time to provide services.
  - Though there is the provision of insurance in case of death of livestock but it has not been smoothly implemented. So there is need of smooth implementation of insurance provision as well as the provision of insurance to the livestock suffering from diseases too.

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- <http://www.gdrc.org>
- <http://www.grameen-info.org/>

<http://www.grameenbanknepal.org>  
<http://www.microfinance.com>  
[http://www.microfinancegateway.org/section/faq.](http://www.microfinancegateway.org/section/faq)  
[http://www.microfinancesumitnepal.org.](http://www.microfinancesumitnepal.org)  
<http://www.mof.gov.np>  
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<http://www.wikipedia.org>  
<http://www.worldbank.org>

## Appendix-I (A): Questionnaire

म आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघुवित्त सम्बन्धि केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव सल्लाह र जानकारी नितान्त गोप्य राखिनेछन् । उक्त कुराहरू अनुसन्धानको प्रयोजन बाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ तपाईंहरूले निम्न प्रश्नावलीहरूको उपयुक्त उत्तर भरि दिई मेरो अनुसन्धान (Research) को कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

### MICROFINANCE AND ITS IMPACT ON SOCIO-ECONOMIC EMPOWERMENT OF WOMEN

(Reference to Bindhavasini Saving Co-operative Society Ltd. in Ugrachandi Nala  
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#### संस्थागत प्रश्नहरू

नाम, थर : ..... कार्यालय: ..... पद : .....

१. यस कार्यालयबाट प्रदान गरिने वित्तीय सेवाहरू के के हुन् ?

बचत सम्बन्धि	ऋण सम्बन्धि
(क) .....	(क) .....
(ख) .....	(ख) .....
(ग) .....	(ग) .....
(घ) .....	(घ) .....

२. बचत अन्तर्गत ब्याजदर निर्धारण गर्नुभएको छ वा छैन ?

(क) छ (ख) छैन

यदि छ भने कति ब्याजदर निर्धारण गर्नुभएको छ ? .....

३. कुन कुन कार्यक्रम अन्तर्गत ऋण प्रदान गर्नुहुन्छ ?

(क) .....

(ख) .....

(ग) .....

(घ) .....

४. यस कार्यालयको कार्यक्षेत्र अन्तर्गत कुन-कुन न.पा. र गा.वि.स हरू पर्दछन् ?

(क) ..... (घ) ..... (छ) .....

(ख) ..... (ड) ..... (ज) .....

(ग) ..... (च) ..... (झ) .....

५. ऋण रकम किस्ताबन्दी र व्याजदर समयमा नै फिर्ता भएको छ ?  
 क) छ ख) छैन
६. ऋण रकम र व्याज संकलनमा कुनै समस्या भएको छ वा छैन ?  
 क) छ ख) छैन  
 यदि छ भने के मा समस्या भएको छ ?  
 क) ऋण रकम ख) व्याज ग) समय घ) सर्तहरू
७. यस कार्यालयले लघुवित्त कार्यक्रम संचालन गरेको छ वा छैन ?  
 क) छ ख) छैन
८. यस कार्यालयको लघुवित्त कार्यक्रमबाट महिलाहरू कति मात्रामा लाभान्वित भएका छन् ?  
 क) धेरै ख) थोरै
९. यस कार्यालयबाट संचालन भएका समूहहरू वढी मात्रामा सफल वा असफल के छन् ?  
 क) सफल ख) असफल
१०. असफल समूहमा विशेषताहरू के के हुन् ?  
 क) जाति अन्तर्गत असफलता ख) आर्थिक स्तर अन्तर्गत असफलता  
 ग) संस्कृति अन्तर्गत असफलता घ) अन्य अन्तर्गत असफलता
११. समूह भंग हुनुका मुख्य कारणहरू के के हुन् ?  
 (क) ..... (ख) .....  
 (ग) ..... (घ) .....
१२. असफल समूहका लागि केही नयाँ कार्यक्रम सोच्नु भएको छ ? यदि छ भने ति के के हुन् ?  
 (क) ..... (ख) .....  
 (ग) ..... (घ) .....
१३. यस संस्थाको विकासको लागि के के समस्याहरू छन् ?  
 क) संचार ख) संरचना  
 ग) मानवस्रोत घ) अन्य केही भए .....
१४. यी समस्याहरू कसरी समाधान गर्न सकिन्छ ? बुंदागत रुपमा लेख्नुहोस् ?  
 (क) ..... (ख) .....  
 (ग) ..... (घ) .....
१५. यस कार्यक्रमका सकारात्मक पक्षहरू के के छन् ?  
 (क) ..... (ख) .....  
 (ग) ..... (घ) .....

१६. यस कार्यक्रमका नकारात्मक पक्षहरु के के छन् ?

(क) ..... (ख) .....

(ग) ..... (घ) .....

१७. यस कार्यक्रममा सुधार गर्नुपर्ने कुराहरु के के छन् ?

(क) ..... (ख) .....

(ग) ..... (घ) .....

१८. तपाईंको विचारमा यस कार्यक्रमले गरिवी निवारणमा कस्तो भूमिका खेलेको छ ?

क) सकारात्मक ख) नकारात्मक

१९. यस लघुवित्त कार्यक्रम अति गरिव महिलासम्म पुगेको छ वा छैन ?

क) छ ख) छैन

२०. यदि छैन भने अति गरिव महिलासम्म पुऱ्याउनको लागि के गर्नुपर्ला ?

(क) ..... (ख) .....

(ग) ..... (घ) .....

### फिल्ड कर्मचारीहरूसंग लिइएको विवरण

निम्नलिखित पक्षमा आफ्नो धारणा राखिदिनुहोस् (१ ज्यादै राम्रो, २ राम्रो, ३ ठीकै, ४ राम्रो, ५ ज्यादै राम्रो)

विवरण	१	२	३	४	५	कैफियत
१. नेतृत्व						
२. समन्वय						
३. संचार						
४. व्यवस्थापन						
५. कर्मचारी सुविधा						
६. असुली दर						
७. विपन्न सम्मको पहुँच						
८. महिलाको सहभागिता						
९. सामाजिक योगदान						
१०. तालिमको व्यवस्था						
११. दक्ष जनशक्ति						
१२. सरकारी निकायको अनुगमन						
१३. कर्जाको सदुपयोग						
१४. लघुवित्त सम्बन्धि ज्ञान						

## Appendix-I (B): Questionnaire

म आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघुवित्त सम्बन्धि केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव सल्लाह र जानकारी नितान्त गोप्य राखिनेछन् । उक्त कुराहरू अनुसन्धानको प्रयोजन बाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ तपाईंहरूले निम्न प्रश्नावलीहरूको उपयुक्त उत्तर भरि दिई मेरो अनुसन्धान (Research) को कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

### MICROFINANCE AND ITS IMPACT ON SOCIO-ECONOMIC EMPOWERMENT OF WOMEN

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१. नाम, थर सहित : .....
२. वडा नं : ..... टोल : .....समूहको नाम : .....  
धर्म : ..... परिवारको प्रकार : ..... सदस्य संख्या : .....
३. तपाईंको शैक्षिक योग्यता कति छ ?  
क) निरक्षर      ख) साक्षर      ग) S.L.C पास      घ) S.L.C भन्दा कम
४. तपाईंको उमेर कति भयो ? ..... वर्ष
५. तपाईंको वैवाहिक स्थिति के हो ?      क) विवाहित      ख) अविवाहित
६. तपाईंको औसत मासिक बचत कति हुन्छ ?

पहिले		अहिले	
नियमित	रु. ....	नियमित	रु. ....
ऐच्छिक	रु. ....	ऐच्छिक	रु. ....

७. अहिले तपाईंले कुनै समूहबाट ऋण लिनु भएको छ ?      क) छ      ख) छैन
८. ऋण रकम खर्च गर्ने निर्णय कसले गर्छ ?  
क) आफैं      ख) परिवारमुली      ग) संयुक्त निर्णयबाट
९. लिएको ऋण समयमा नै तिर्नुभएको छ ?  
पहिला      क) दुवै सावाँ/ ब्याज      ख) सावाँ मात्र  
                 ग) ब्याज मात्र      घ) कुनै पनि तिरेको छैन ।  
अहिले      क) दुवै सावाँ/ ब्याज      ख) सावाँ मात्र  
                 ग) ब्याज मात्र      घ) कुनै पनि तिरेको छैन ।

१०. ऋण कुन उद्देश्यको लागि कति रकम लिनुभएको छ ?

पहिला			अहिले		
सि.नं.	क्षेत्र/उद्देश्य	रकम (रु.)	सि.नं.	क्षेत्र/उद्देश्य	रकम (रु.)
१	कृषि		१	कृषि	
२.	भैंसी पालन		२.	भैंसी पालन	
३.	माछापालन		३.	माछापालन	
४.	बाखापालन		४.	बाखापालन	
५.	खुद्रा व्यापार		५.	खुद्रा व्यापार	
६.	वायोग्यास		६.	वायोग्यास	
७.	उद्योग		७.	उद्योग	
८.	अन्य		८.	अन्य	

११. समूह बचत रकम कसैलाई सापटी वा ऋण दिनुभएको छ ?

पहिला क) छ ख) छैन अहिले क) छ ख) छैन

यदि छैन भने नदिनुको कारणहरु .....

१२. बचत रकम कति समयसम्मका लागि ऋण दिनुहुन्छ ?

पहिला ..... अहिले.....

१३. कति समयमा ऋण र किस्ताबन्दी फिर्ता हुन्छ ? पहिला ..... अहिले.....

१४. सापटी दिएको रकम उठेको छ ?

पहिला क) उठेको छैन ख) अंशिक रुपमा उठेको छ ग) पुरै उठेको छ ।

अहिले क) उठेको छैन ख) अंशिक रुपमा उठेको छ ग) पुरै उठेको छ ।

यदि उठेको छैन भने

क) उठ्न नसक्नुका कारणहरु के-के हुन् ? .....

ख) उठाउन के-के उपाय गर्नु भयो ? .....

ग) उठाउन अब के-के गर्नुपर्ला ? .....

१५. तपाईं कार्यक्रममा आवद्ध हुनु अघि र पछाडिको मासिक आम्दानी कति जति छ ?

क) हुनुअघि लगभग रु. .... ख) भएपछाडी लगभग रु. ....

यदि ऋण लिएर कुनै व्यवसाय संचालन गर्नुभएको छ भने उक्त व्यवसाय विस्तार हुँदै गएको छ ? पहिला : क) छ ख) छैन अहिले : क) छ ख) छैन

यदि विस्तार हुँदै गएको छैन भने

क) किन हुन सकेन जस्तो लाग्छ ? .....

ख) विस्तार गर्न के-के बाधाहरु छन् ? .....

ग) ति बाधाहरु कसरी समाधान गर्नुपर्ला ? .....

१६. तपाईंको व्यवसायिक लगानी र आम्दानी विवरण

विवरण	पहिले	अहिले
तपाईंको सम्बन्धित व्यवसायमा लगानी रु.		
मासिक सरदर आम्दानी रु.		
मासिक व्यवसायिक खर्च रु.		
मासिक बचत रु.		

१७. तपाईंले यस लगानीलाई भविष्यमा निरन्तरता दिएर अझ बढि लगानी गर्ने उद्देश्य छ ?

क) छ                      ख) छैन

यदि छैन भने

क) किन छैन ? .....

ख) के-कस्ता समस्या प्यो ? .....

ग) कसरी समाधान गर्न सकिन्छ ? .....

१८. तपाईं समूहमा आवद्ध भएपछि तपाईंको आर्थिक आवश्यकता सुधार भएको छ ?

क) छ                      ख) छैन

यदि छैन भने

क) हुन नसक्नुका कारणहरु के-के लाग्छन् ? .....

ख) कसरी सुधार गर्न सकिन्छ ? .....

१९. लघुवित्त कार्यक्रममा सहभागि भएपछि तपाईंको घरयासी उपभोग (कपडा) मा परिवर्तन भएको छ ?

क) छ                      ख) छैन

यदि छ भने १) बढेको                      २) घटेको                      ३) समान

यदि छैन भने

क) हुन नसकेको कारण के होला ? .....

ख) कसरी बढाउन सकिन्छ ? .....

२०. लघुवित्त कार्यक्रममा सहभागि भएपछि तपाईंको घरयासी उपभोग (खाना) मा परिवर्तन भएको छ ?      क) छ                      ख) छैन

यदि छ भने                      १) बढेको                      २) घटेको                      ३) समान

२१. तपाईंको आर्थिक आवश्यकता सुधार भएपछि कुन क्षेत्रलाई बढि प्राथमिकता दिनुहुन्छ ?

१	२	३	४	५
खानपान	शिक्षा	स्वास्थ्य	बचत	अन्य

किन .....

२२. लघुवित्त कार्यक्रमबाट कति सन्तुष्ट हुनुहुन्छ ?

क) धेरै सन्तुष्ट      ख) सन्तुष्ट      ग) थाहा छैन      घ) असन्तुष्ट      ङ) धेरै असन्तुष्ट

यदि असन्तुष्ट हुनुहुन्छ भने

क) किन .....

ख) सन्तुष्ट हुन कसरी सकिन्छ ? .....

२३. तपाईंको व्यवसाय कस्तो अवस्था छ ?

क) धेरै नाफा      ख) नाफा

ग) नाफा छैन      घ) घाटा

२४. तपाईं यस कार्यक्रममा सहभागी भएपछि सामाजिक संस्था र समूहहरूमा सहभागी हुनु भएको छ ?

क) छ      ख) छैन

यदि छैन भने हुन नसक्ने कारणहरु.....

२५. लघुवित्त कार्यक्रमले सामाजिक कार्यको लागि तपाईंलाई प्रोत्साहन गरेको छ ?

क) छ      ख) छैन

यदि छैन भने कारण .....

२६. समूहका सदस्यहरु बीच जातिय भेदभाव हुन्छ कि हुँदैन ?

क) हुन्छ      ख) हुँदैन

यदि हुन्छ भने कसरी हटाउन सकिन्छ ? .....

२७. अति गरिव महिलाको आर्थिक अवस्था सुधारको लागि लघुवित्त कार्यक्रमले के गर्नुपर्ला ?

क) कम व्याजदरमा ऋण प्रवाह गर्ने

ख) वढि ऋण रकम प्रदान गर्ने

ग) लामो समयका लागि ऋण प्रदान गर्ने

घ) माथिका सबै

२८. बिन्धवासिनीले तपाइको जीवनस्तरमा सुधार गर्नमा भूमिका खेलेको महसुस गर्नुभएको छ ?

क) छ      ख) छैन ।

यदि छैन भने

क) नसक्नुका कारणहरु के-के हुन् ? .....

ख) सुधारका लागि उपाय के-के हुन सक्लान् ? .....

२९. सम्पत्तिको विवरण

सम्पत्तिको किसिम	एकाई	BISCOL मा समावेस हुनु अगाडी	BISCOL मा समावेस हुनु पछाडी	कैफियत
जग्गा/जमिन	रोपनी			
भैसी / गाई	संख्या			
सुंगुर / बाख्रा	संख्या			
हाँस / कुखुरा	छ / छैन			
नयाँ घर	छ / छैन			
घर निर्माण	छ / छैन			
छाना परिवर्तन	छ / छैन			
टि. भि.	छ / छैन			
शौचालय	छ / छैन			
धारा / इनार	छ / छैन			
अन्य लगानी	छ / छैन (कहाँ र केमा)			

३०. BISCOL मा आबद्ध भएपछी तलका मुद्दामा तपाईंको अवस्थामा परिवर्तन वा सुधार भएको छ ?

मुद्दा	केही हदसम्म	पूर्ण रूपमा	अहिले सम्म छैन	थाहा छैन
बाहिरी भ्रमणमा				
बाल बच्चाको पढाई				
बाल बच्चाको स्वास्थ्य				
वस्तु किन्न				
वस्तु बेच्न				
घरायसी कार्यमा निर्णय				
घरायसी दवावमा (Dominaton) मा स्वतन्त्रता				
राजनितिक तथा कानुनी सचेतना				
पैसा तथा नाफा निर्माण				
पारिवारिक सहयोग				
अन्य व्यक्तिसंग सम्बन्ध				
साथिहरु र समुदायमा विश्वास				
सरकारी तथा अन्य निकायमा सोधपुछ तथा माग गर्न				



## Appendix-II:

**Table 4.6: Saving by Group Members under Saving Programs (In Rs.)**

S. N.	F/Y	Group Saving		Individual Saving		Regular Saving		Member Welfare Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	2064/65	374385	8.77	2839253	9.76	10506712	9.34	2689437	8.22	16409787	9.19
2	2065/66	615184	14.42	4024918	13.83	15442575	13.72	4082863	12.48	24165540	13.53
3	2066/67	894034	20.95	6357961	21.85	21405523	19.02	6080469	18.58	34737987	19.45
4	2067/68	1113211	26.09	7101728	24.40	28391930	25.23	8497197	25.96	45104,066	25.25
5	2068/69	1270120	29.77	8777031	30.1	36801968	32.70	11377451	34.76	58226570	32.59
Total		4266934		29100891		112548708		32727417		178643950	
Average		853387	2.39	5820178	16.29	22509742	63.00	6545483	18.32	35728790	100

Source: Annual Report 2013, BISCOL

$$(1) \text{ Arithmetic Mean } (\bar{x}) = \frac{\sum fX}{n}$$

Where,  $\bar{x}$  = Arithmetic Mean,

$f$  = Frequency

$\sum x$  = Sum of Observations

$n$  = no. of observations

Group Saving	Individual Saving	Regular Saving	Member Welfare Saving	Total
4266934/5 = 853387	29100891/5 = 5820178	112548708/5 = 22509742	32727417/5 = 6545483	178643950/5 = 35728790

### Appendix-III:

**Table 4.17: Monthly Income of Women**

S. N.	Income Range in Rs	Before		After		% Increase/Decrease
		Number	%	Number	%	
1	0-4000	30	60	23	46	-14
2	4000-8000	10	20	12	24	4
3	8000-12000	6	12	8	16	4
4	12000-16000	3	6	5	10	4
5	16000-20000	1	2	2	4	2
Total		50	100	50	100	

Source: Field Survey, 2013

Income Range in Rs	Mid Value (X)	Before		After	
		Number (f <sub>1</sub> )	Total (X×f <sub>1</sub> )	Number (f <sub>2</sub> )	Total (X×f <sub>2</sub> )
0-4000	2000	30	60000	23	46000
4000-8000	6000	10	60000	12	72000
8000-12000	10000	6	60000	8	80000
12000-16000	14000	3	42000	5	70000
16000-20000	18000	1	18000	2	36000
Total		50	240000	50	304000

$$(1) \text{ Arithmetic Mean } (\bar{x}) = \frac{\sum fX}{n}$$

Where,  $\bar{x}$  = Arithmetic Mean,

$f$  = Frequency

$\sum x$  = Sum of Observations

$n$  = no. of observations

	Before	After
Mean Income	4800	6080

## Appendix-IV:

### List of Respondents for the Study

S. N.	Name of Respondents	Age	Education	Regular Saving	Name of Group
1	Gayatri Bajagain	33	Under SLC	yes	Radhakrishna Mahila Bachat Samuha
2	Sita Timalcina	24	SLC Pass	yes	Radhakrishna Mahila Bachat Samuha
3	Sangita Bajagain	29	Under SLC	yes	Radhakrishna Mahila Bachat Samuha
4	Rita Bajagain	25	Literate	yes	Radhakrishna Mahila Bachat Samuha
5	Gita Bajagain	24	Under SLC	yes	Radhakrishna Mahila Bachat Samuha
6	Kalpana Bajagain	26	SLC Pass	yes	Radhakrishna Mahila Bachat Samuha
7	Iswori Pudasaini	24	Under SLC	yes	Radhakrishna Mahila Bachat Samuha
8	Santa Bajagain	28	Literate	yes	Radhakrishna Mahila Bachat Samuha
9	Sita Dulal	23	SLC Pass	yes	Kashibhanyang Mahila Bachat Samuha
10	Indira Sapkota	23	SLC Pass	yes	Kashibhanyang Mahila Bachat Samuha
11	Narayani Bajagain	24	Literate	yes	Kashibhanyang Mahila Bachat Samuha
12	Laxmi Bajagain	28	Under SLC	yes	Kashibhanyang Mahila Bachat Samuha
13	Nirmala Bajagain	29	Under SLC	yes	Kashibhanyang Mahila Bachat Samuha
14	Prajita Bajagain	27	SLC Pass	yes	Kashibhanyang Mahila Bachat Samuha
15	Satyakala Bajagain	33	Under SLC	yes	Kashibhanyang Mahila Bachat Samuha
16	Prabitra Bajagain	26	SLC Pass	yes	Janachetana Mahila Bachat Samuha
17	Subhadra Bajagain	25	SLC Pass	yes	Janachetana Mahila Bachat Samuha
18	Sumitra Dahal	31	Literate	yes	Janachetana Mahila Bachat Samuha
19	Gita Bajagain	40	Under SLC	yes	Janachetana Mahila Bachat Samuha
20	Rita Bajagain	33	Illiterate	yes	Janachetana Mahila Bachat Samuha
21	Sharmila Bajagain	24	SLC Pass	yes	Janachetana Mahila Bachat Samuha
22	Debaki Nepal	30	Under SLC	yes	Nawajyoti Mahila Bachat Samuha
23	Kamala Nepal	32	Under SLC	yes	Nawajyoti Mahila Bachat Samuha
24	Putali Nepal	26	Under SLC	yes	Nawajyoti Mahila Bachat Samuha
25	Bimala Bajagain	27	Under SLC	yes	Nawajyoti Mahila Bachat Samuha
26	Bhumikumari Bajagain	28	SLC Pass	yes	Nawajyoti Mahila Bachat Samuha
27	Sushila Bajagain	33	SLC Pass	yes	Nawajyoti Mahila Bachat Samuha
28	Netrakumari Bajagain	24	Literate	yes	Shreekrishna Mahila Bachat Samuha
29	Radhika Acharya	27	Literate	yes	Shreekrishna Mahila Bachat Samuha
30	Bhojkumari Bajagain	35	Literate	yes	Shreekrishna Mahila Bachat Samuha
31	Suntali Bajagain	40	Under SLC	yes	Shreekrishna Mahila Bachat Samuha
32	Renuka Bajagain	29	Under SLC	yes	Shreekrishna Mahila Bachat Samuha
33	Shova Sapkota	23	Literate	yes	Shreekrishna Mahila Bachat Samuha
34	Masini BK	30	Literate	yes	Shreekrishna Mahila Bachat Samuha
35	Mira Dahal	41	Literate	yes	Chunatal Mahila Bachat Samuha
36	Shanta BK	36	SLC Pass	yes	Chunatal Mahila Bachat Samuha

37	Sunita Dahal	35	Literate	yes	Chunatal Mahila Bachat Samuha
38	Saraswoti Dahal	28	Literate	yes	Chunatal Mahila Bachat Samuha
39	Shova Parajuli	24	Under SLC	yes	Chunatal Mahila Bachat Samuha
40	Manju Dahal	27	Under SLC	yes	Chunatal Mahila Bachat Samuha
41	Rita Dahal	30	Literate	Yes	Chunatal Mahila Bachat Samuha
42	Urmila Sigdel	25	SLC Pass	yes	Dakshinkali Mahila Bachat Samuha
43	Tilkumari Sigdel	24	Literate	yes	Dakshinkali Mahila Bachat Samuha
44	Bhinkumari Sigdel	46	Under SLC	yes	Dakshinkali Mahila Bachat Samuha
45	Sita Dangal	28	Literate	yes	Dakshinkali Mahila Bachat Samuha
46	Anita Parajuli	50	Literate	yes	Dakshinkali Mahila Bachat Samuha
47	Kalpana Sapkota	48	Literate	yes	Dakshinkali Mahila Bachat Samuha
48	Gamala Pariyar	43	Under SLC	yes	Dakshinkali Mahila Bachat Samuha
49	Pramila Sigdel	35	Literate	yes	Dakshinkali Mahila Bachat Samuha
50	Binda Dahal	24	Literate	yes	Dakshinkali Mahila Bachat Samuha

## APPENDIX-V

### बिन्धवासिनी बचत सहकारी संस्था लि. खोपासी, काभ्रे लघुवित्त कार्यक्रम २०६७/०६८ सम्मको कार्यप्रगति विवरण

क्र. सं.	विवरण	२०६५ आपाठ	२०६६ आपाठ	२०६७ आपाठ	२०६८ आपाठ	२०६९ आपाठ
१	<b>संस्थागत विवरण</b>					
	क) शाखा कार्यालय संख्या					
	ख) इलाका कार्यालय संख्या	४	४	४	४	५
	ग) कुल कर्मचारी संख्या	४	४	४	७	७
	घ) फिल्ड कर्मचारी संख्या	४	४	४	६	६
२	<b>सेवा विस्तार</b>					
	क) कार्यक्रम पूगेको जिल्ला	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे
	ख) कार्यक्रम पूगेको गा.वि.स.	१२	१५	१५	१७	१८
	ग) कार्यक्रम पूगेको न.पा.	२	२	२	२	२
	घ) कुल केन्द्र/यूनिट समूह	१४५	१९१	२२०	२४३	२९१
	ङ) कुल समूह/उप समूह संख्या	५७४	७७२	८८३	९५५	११०१
	च) कुल सदस्य संख्या	३००४	४००१	४६६८	५०७३	५८७१
	छ) कुल ऋणी संख्या	१६६१	२६२६	२८६०	३५२६	३४९८
ज) समूह छाडेको सदस्य संख्या	३३	३३	३३	२६	३५	
३	शेयर पूँजी रकम	३४३४३००	४४३८८००	५६२३६००	८४४७८००	१२०४२३००
४	बचत संकलन	१६४०९७८७	२४१६५५४०	३४७३७९८७	४५१०४०६६	५८२२६५७०
	क) कुल समूह बचत	३७४३८५	६१५१८४	८९४०३४	१११३२११	१२७०१२०
	ख) कुल व्यक्तिगत बचत	२८३९२५३	४०२४९१८	६३५७९६१	७१०१७२८	८७७७०३१
	ग) नियमित बचत	१०५०६७१२	१५४४२५७५	२१४०५५२३	२८३९१९३०	३६८०१९६८
	घ) सदस्य हितकोष बचत	२६८९४३७	४०८२८६३	६०८४६९	८४९७१९७	११३७७४५१
५	<b>ऋण लगानी असुली विवरण</b>					
	क) कुल ऋण वितरण	६७५८९२८८	१०९३९२२८८	१६६९८४२८८	२४२४९१७१९	३३१९१३७१९
	ख) कुल ऋण असुली	५२०८८४५१	८६६८०५५७	१३५००९४६०	१९९८९२६६६	२८४३८९८७५
	ग) लगानीमा बाँकी ऋण	१५५००८३७	२२७११७३१	३१९७४८२८	४२३९८४२३	४७४९४५१०
	घ) कुल भाखा नाघेको ऋण	-	-	-	-	-
	ङ) भाखा नघाउने ऋणी संख्या	-	-	-	-	-
च) असुली दर	१००%	१००%	१००%	१००%	१००%	
६	<b>संचालन स्थिति</b>					
	क) कुल आम्दानी	१९३४३६२।-	३००३५५।१४	४९५९२३।११	६९८२५७।२८	९६७२३५।३७
	ख) कुल खर्च	१७०२९३७।०८	२७५२५८६।०८	४८७२२७३।०५	६७२२२९।५९	९४८२१४५।१८
७.	संचालन सक्षमता	११४%	१०९%	१०२%	१०४%	१०२%