

CHAPTER I

INTRODUCTION

1.1 Background

Nepal has been gripped into socio, economic and political crisis by the armed conflict instigated by the Communist Party of Nepal since 1996. After signing the Comprehensive Peace Accord at November 21, 2006, Nepal is moving into new direction. It is declared as Federal Democratic Republic Country and the focus has been given to prepare new constitution to ensure the rights and aspiration of citizen by elected Constituent Assembly. During the period, the Government of Nepal has prepared the Interim Three Years Plan which focused to increase the household income and self-employment opportunities particularly of poor, vulnerable and socially excluded people through savings and credit schemes.

Village Savings and Loan program, based in the community, are complementary to MFIs, tending to serve the very poor whose income is irregular and less reliable and who may not be full-time business people. Their principal need is for services that help them manage their household cash-flow and provide useful lump sums for life-cycle events – which may or may not include income generation. These people are more likely to be economically vulnerable and, for the most part, they live in rural areas that are served only intermittently by local markets, at the periphery of the national economy. VSLGs, on the other hand, provide people, no matter how remote or poor, with a means to intermediate small amounts of local capital on flexible terms and to transact frequently at very low risk and negligible cost. Problems of sustainability, high transaction costs, unfamiliarity with institution staff and weak incentives to save are resolved. But members of VSLGs can still be MFI clients and vice versa: choosing different services to satisfy different needs. It is not necessary that the one should try to emulate the other because, if a VSLA does so, it will likely abandon its original membership base. Creating federations of VSLAs and creating linkages to MFIs and banks, is an area of growing interest in the microfinance community, especially in the light of Indian experience, where Self-help Groups (SHGs) provide more than 40 million people with community-managed access to

savings and loan facilities, often augmented by capital supplied by banks and MFIs. While regarding these linkages as useful (and inevitable), we suggest a cautious approach, on terms that favour the VSLA and reduce the risks of over-borrowing, indebtedness and loss of autonomy. Creating such linkages needs to be based on demand and not just an ideological enthusiasm to deepen financial markets (VSLA Program Guide 2007).

Microfinance in Nepal has been expanded significantly the last fifteen years, there is still much to be done to include and reach to poorest of the poor. Formal microfinance institutions (MFIs) have reached less than 40 percent of the poor Nepalese households and less than 10 percent in rural and remote areas in the mountainous and inaccessible hills. And about 90,000 households linked to the formal microfinance sector and then 1.3 million in the informal savings and credit groups. People are not contented with this situation because they were caught in a debt-trap due to too much credit practiced. In addition to this, their savings and credit groups are about to collapse due to the lack of competency and external facilitation (source: Erik report, 2008).

ASK Nepal is going to readjust and improve further its own well-known model for working with savings and loans groups to this modified Village Saving and Loan Association (VSLA) in rural settings. The overall objective of VSL Project is to improve the livelihoods of poor rural population groups in selected areas of Syangja district (VSL Project Document 2008).

1.2 Statement of Problem

Everyone has need for financial services no matter how poor, though the scale and breadth of needs varies by economic levels. In spite of this, gaps within the microfinance sector in Nepal have persisted from about twenty years that have continued to marginalize majority of the vulnerable from accessing financial services as solutions to their abject situations. Most actors in this sector namely banks and Microfinance Institutions seem to have difficulty in taking services to the poor and serving remote areas, since they are profit oriented and may not justify the cost effectiveness of such undertakings. The poor require financial transactions that are too small to make them potential customers of MFIs. Besides, some of the providers'

policies do not favour the marginalized, for instance emphasizing credit as opposed to savings thus exposing the poor to greater risks. From past experience of promoting the Village Savings and Loans (VSL) methodology, practitioners have become convinced that the methodology is a critical alternative to other forms of financial services. The methodology can reach the poor that have low-income and are often illiterate, operates on a large scale, that it eventually provides sustainable profitable savings, insurance and credit services (Savings for Empowerment: Devendra K. Aryal and Erik Alhoj, GES Investment Services DK, 2008).

While many banks and MFIs provide valuable services to the poor in the developing world, they are most successful in economically dynamic urban areas, where investment opportunities abound; the borrowing requirements of small-scale enterprises are high; income streams are regular and diverse and the cost of reaching clients is low. But 30 years since the start of the microfinance revolution, people who live in many rural areas and urban slums, and in particular those who are very poor, have a difficult time gaining access to useful microfinance products. Surprisingly, this is often the case in countries with a well developed microfinance sector, a fact that is becoming increasingly evident as the industry matures. Even large-scale microfinance Institutions (MFIs) that are licensed to mobilise savings struggle to provide products that suit the small capital requirements and irregular incomes of their poorest clients, many of whom may borrow from informal sources to support their repayment obligations. They face a high risk of indebtedness if investments or income sources fail them and, to reduce their risk exposure, may only save the minimum necessary to access loans. Thus, MFIs are best configured to serve growth-oriented entrepreneurs, whose income is diverse and reliable; who work full-time in their businesses and who need access to large pools of capital to satisfy their demand for loans. People of this type are usually economically secure and for the most part live in densely populated areas, served by active markets that are deeply integrated into the national economy (CMF Report for Microfinance campaign 2012, Nepal).

Village Savings and Loan Group (VSLAs), based in the community, are complementary to MFIs, tending to serve the very poor whose income is irregular and less reliable and who may not be full-time business people. Their principal need is for services that help them manage their household cash-flow and provide useful lump

sums for life-cycle events – which may or may not include income generation. These people are more likely to be economically vulnerable and, for the most part, they live in rural areas that are served only intermittently by local markets, at the periphery of the national economy.

The two approaches are not an either-or proposition. MFIs intermediate large pools of capital and focus on credit to finance growth investments. Usually the savers and borrowers do not know each other and may be drawn from an extensive geographical area. To cover its expenses, the MFI will try to lower unit costs for the delivery of services, minimising the number of small loans and the expensive administration of a large number of small deposits and withdrawals: over time its average loan size will tend to get bigger. VSLAs, on the other hand, provide people, no matter how remote or poor, with a means to intermediate small amounts of local capital on flexible terms and to transact frequently at very low risk and negligible cost. Problems of sustainability, high transaction costs, unfamiliarity with institution staff and weak incentives to save are resolved. But members of VSLGs can still be MFI clients and vice versa: choosing different services to satisfy different needs. It is not necessary that the one should try to emulate the other because, if a VSLG does so, it will likely abandon its original membership base. Creating federations of VSLAs and creating linkages to MFIs and banks, is an area of growing interest in the microfinance community, especially in the light of Indian experience, where Self help Groups (SHGs) provide more than 40 million people with community-managed access to savings and loan facilities, often augmented by capital supplied by banks and MFIs. While regarding these linkages as useful (and inevitable), we suggest a cautious approach, on terms that favour the VSLG and reduce the risks of over-borrowing, indebtedness and loss of autonomy. Creating such linkages needs to be based on demand and not just an ideological enthusiasm to deepen financial markets (Strategy to work with village saving and loan group: CED Nepal, 2009)

Microfinance in Nepal has expanded significantly the last ten years, there is still much to be done. Formal micro-finance institutions (MFIs) have reached less than 40 percent of the poor Nepali households and less than 10 percent in rural and remote areas in the mountainous and inaccessible hills. And many of the 90,000 households linked to the formal microfinance sector and then 1.3 million in the informal savings and credit groups are not happy with their situation, some, because they are caught in

a debt- trap due to too much credit. Others because they are caught in a debt- trap due to too much credit. Others because their savings and credit groups are about to collapse due to the lack of competence and external facilitation. The people in rural areas are experiencing the hardship in their livelihoods due to scarcity of infrastructure facilities and institutional support systems and services. Village Savings and Loan Groups/Associations are emerged to achieve the poverty alleviation strategy of the government.

Various Micro finance Institutions are emerged for delivering services to women, poor and dalits in Phaparthurm VDC of Syangja. But Village Savings and Loan Groups are just facilitated by ASK-Nepal as pilot basis to contribute livelihoods of rural poor in the research site. There is no study has been conducted “how much contribution is created on the livelihood of the rural peoples from the Village Savings and Loan program initiatives” basically in Phaparthurm VDC 1 and 2 of Syangja District of Nepal we have to find out and analyze. Following questions should be addressed as the problems of this research.

- What is the strength and areas of improvement of village saving and loan group?
- What is the contribution of village savings and loan groups to develop the livelihood assets?
- What is the present condition of livelihood assets in the study area?
- Are the assets equitably accessible to the rural poor?

1.3 Objectives of the Research

The general objective of the study is to assess the impact of village savings and loan groups on livelihood of the rural poor in Phaparthurm VDC ward no One and Two of Syangja, where ASK-NEPAL is implementing Village Saving and Loan Program. To contribute towards set forth objectives in research, following the specific objectives are;

- To observe the managerial practices of village saving and loan group.
- To find out the contribution of village savings and loan program in the different aspects of livelihoods of rural poor.
- To examine the relationship between access of livelihood assets and socio-economic category.

1.4 Important of the Study

Government, Donor agencies and INGOs, which are involved in development process of Nepal, are also giving priority in improving the livelihoods of rural people focusing through different micro-finance models in Nepal. Those organizations are providing massive support to the local communities for feasibility study, group formation, capacity building, office materials support, business planning of feasible IGAs, Livelihoods Improvement Plan preparation, post group formation support, enterprise development skills in rural communities. Although, there is a lack of coordination between development organizations, lack of common understanding on livelihoods, duplication in same kinds of group formation, and feasible livelihood interventions rural areas of Nepal, they do not have a clear-cut idea about taking initiatives towards it. Therefore, to carry out a study on this regard is very essential.

The research findings have been fruitful to the planners and policy makers on the related field that has been helpful in planning and implementation of programs to achieve better result. This study also helps to launch other livelihoods improvement interventions through microfinance model and related community development programs. This study seeks to assess the contributions of village savings and loan groups, development agencies, and communities focusing on rural poor.

1.5 Limitations of the Study

The study may represent the existing status of the Three Village Savings Loan Groups and their households from Phaparthum VDC 1 and 2 of Syangja. It also represents the current status of five dimensions of livelihoods of households as well as individual level. This study may not represent the status of groups and households of the entire district which is not included in the research. Major findings that are crucial to livelihoods and VSL have been incorporated in the table whereas information having less importance have been ignored and/or merged in 'other' category. These are other some of the limitations with this study. Other specific limitations of the study are as follows:

i) Topic ii) Research problem, iii) General objective iv) Site name v) Research purpose vi) Research design vii) Techniques of research viii) Tools of data collection ix) Sampling Sources of data and x) Focus group for research.

1.6 Organization of the Study

This study has been organized into seven chapters. Chapter I deal with background, statement of the problem, objectives of the study, important of study, limitation of the study and organization of the study.

Chapter II is about the literature review which deals theoretical review, review of previous study and conceptual framework.

Chapter III is about research methodology. It deals about rationale of selection of the study area, research design including universe and sampling design, nature and sources of data, primary data collection tools, secondary data collection and data analysis and presentation

Chapter IV presents about managerial practice of village saving and loan group.

Chapter V presents the village saving and loan program and its contribution for the rural poor.

Chapter VI presents socio-economic category and livelihood assets. It deals selected households and population, status of human capital, social capital, physical capital, financial capital and status of natural capital.

Chapter VII presents the summary, conclusion and recommendations of this study. In addition, relevant information and/or data, questionnaire, reference documents, etc. are attached in appendices.

CHAPTER II

LITERATURE REVIEW

Nepal has very short and inadequate experience on systematic as well as strategic planning of national development process. The country had been initiated first five-year plan in 2013 BS and currently it has completed tenth five year plan which was also called Poverty Reduction Strategy Paper. Now, the country has been prepared three year interim plan due to instability of government. During the period, there have been developed different strategic plans to address the national needs like 20 years agriculture perspective plan and so on. The country has shifted its economic policies from government controlling system to market led since starting of 8th national development plan. The policy has clarified the role of government and private sectors, where the government have to play an assisting role and private sectors have increased role of providing services to the consumer as their need. The ninth plan has taken strategy to increase input on non-agriculture sector and reduce dependency of agriculture.

2.1 Theoretical Review

Social science has taken an important position in the society by developing and generalizing various social theories regarding the social development process. Various social scientists have made valuable effort on social development movements, which are still high value on the livelihoods improvement. Max Weber's action theory, Karl Marxs and Rendels' conflict theory Park's, Simmels', Moronos', Linton's, and Meads' role theory, Chris de Neubourg's A livelihood portfolio theory of social protection are very relevant and important regarding the study, therefore, the major themes of the theories are elaborated below in this section.

2.1.1 Max Weber's Action Theory

Max Weber's view on use of authority is explained in two ways for understanding that rationale and meaning full understanding and interpretative understanding. He mentioned that an ideal authority could establish an ideal frame of society and which

can define in three 10 characters like Rational and legal authority, traditional authority and Charismatic authority. He has mentioned that person can get legal authority through legal provision and he can hold his authority until his period of stay in that position. But after the position he will be normal people. Traditional authority can get him by social norms and customs but it is based on human perception and not similar in holding different areas by different people. Charismatic Authority depends on the specific quality, personality and capability of the person and started the authority in the society.

Max Weber has classified the social action in four categories like; goal oriented, evaluative, affective and traditional. When the person initiate action on the basis of specific goal is classified on goal action and the person who initiates evaluation of the action process to meet the goal and started action is classified as evaluative person. Likewise, a person who initiates action based on affective action is classified as a affective action and person initiate action based on system and customs is explained as traditional action (Francis and Morgan, 1982).

2.1.2 Conflict Theory

Randal Collins views in their analytic conflict theory that all people could not be able to mobilize and utilize equally the state resources and the cause stratification started in the society. The situation creates different like higher and lower classes among the people in the society and there would be struggle between stratified classes. In the analyses of human nature Randal expressed that “Human beings are sociable but conflict prone animals”. Lewis A. Coser expresses the social conflict in the line of conflict functionalism. He expresses that “conflict prevents the classification of the social system by exerting pressure for innovation and creativity”. Coser mentioned that "the more subordinate members in a system of inequality question the legitimacy of the existing distribution of scare resources, the more likely are they to initiate conflict".

2.1.3 Role Theory

Park's, Simmels', Moronos', Linton's, and Meads' has in sighted the concept of role theory in their “Structural Role Theory” that there are major two stages of role in

every action those are players and actors. Players perform their roles at the stage with the help of written scripts and actors occupy their positions based on the societal norms. Always actors dictate actions with power but the players show the performance on the stages. The performance of incumbents is behavioral effect and it is affected by different factors. The role appraises and expects from different areas like expectation from the script, expectation from other players and expectation from audience. Deutsch and Krauss viewed on the alternative conceptualization of three types of role; prescribe roles, subjective roles and enacted roles.

2.2 Reviews of Previous Study

Livelihoods improvement of poor communities is being a hot issue in the country Nepal, as well as over the world. There are conducted lots of studies, different professional have written valuable article and published in different publications regarding the issue and different agencies have made different concept, plan and strategies concerning the issues of livelihoods improvement through microfinance and non-microfinance models. The roles of different actors like government, civil society organization and private sectors have also defined by different agencies on the context of different areas. The relevant findings of different publications are reviewed and elaborated in the section below.

2.2.1 Microfinance as a Tool against Poverty

Within the last ten years, microfinance has become one of the most expanding and public discussed tools against poverty around the world. It began to show up more than three decades ago, but gained considerable public attention after the first world comprehensive Microcredit Summit in Washington 1997. The public interest culminated in 2005, declared by the UN as “Year of Microcredit” and the following year where Mohamed Yunus, was given the Nobel Prize for his foundation of the Grameen Bank, now the world largest provider of microfinance. Originally, microfinance evolved as an alternative form of finance to poor and marginalized people who was held out from the formal financial system. At that time it was primarily driven by NGOs and government supported institutions with the primarily aim of creating better livelihood conditions to the ultra poor. However, now microfinance is becoming more and more commercial and international banks and

pension funds are investing in microfinance institutions in very large scale. “Responsible investors”¹ are attracted by the opportunities to contribute to poverty alleviation at the same time as they get an attractive and stable financial return. Microfinance is a vehicle for that, due to low credit default rates, low correlation to the mainstream financial assets in other countries and the opportunity to do “bottom of the pyramid business”. It is estimated that the number of formal microfinance institutions has grown dramatically from 618 in 1997 to 3,316 in 2006. They are distributed with 1,677 in Asia and the Pacific, 970 in Sub-Saharan Africa and 579 in Latin America and the Caribbean. (Microcredit Summit Campaign Report 2007) In total, the microfinance institutions have reached 113 million clients with credit, savings- and/or other financial services. Assuming five persons per family, more than 600 million people are now benefiting of the new possibilities to generate income and resist emergencies as fire, death, climatic incidents etc. 84 percent of the microfinance clients are women and 70 percent can be characterized as poor. (Microcredit Summit Campaign Report 2007)

The volumes of total microfinance loans has risen sharply from an estimated USD 4 billion in 2001 to around USD 25 billion in 2006. The trend is also reflected in the volume of institutional and individual investments in microfinance institutions that has more than doubled from USD 1,7 billion in 2004 to around USD 4,4 billion in 2006. (Deutsche Bank 2007) Deutsche Bank is estimating that the amount of investment in Microfinance will rise by more than 500 percent to about USD 25 billion in 2015.

Some consider this as a very promising development, due to the fact that more than 40 percent of the world’s population still has less to live for than USD 2 per day. And according to the World Bank round 1.1 billion people live in extreme poverty of less than USD 1 a day. Others will disagree sharply because they have seen a lot of scaring evidence that commercial investors are less focused on helping the poor than maximizing their profit by exploiting the poor clients by giving them too much credit.

2.2.2 Poverty and Microfinance in Nepal

Nepal is one of the 14 least developed countries in the Asia Pacific region and one of the poorest countries in South Asia with a per capita of USD 260. Most people are

subsistence farmers, just managing to grow enough to feed their families and sell a small surplus to buy a few things as clothes, salt and tea. About 23.8 percent of Nepal’s population lives below the poverty line (Central Bureau of Statistics 2012/013). This is a significant reduction from 42 percent in 1996; however the target is to reduce the rate to 21 percent in 2015. More than 83 percent of the poor live in the rural areas and a majority of them live in inaccessible hills and mountainous areas (Central Bureau of Statistics 2012/013). Most of them have no access to the formal financial system and are left to the private moneylenders who often charge an interest rate between 36 and 100 percent per year. One of the tools against the poverty is microfinance. Formal microfinance emerged in Nepal for the first time in 1956, when cooperatives started providing savings and microcredit services to their members. An official policy that recognized the importance of microfinance came in the Sixth plan implemented 1980-1985. Today the Nepalese microfinance sector is governed by Bank and Financial Institutions Act 2006, Cooperative Act 1991 and act for NGOs involved in Financial Intermediation 1998. Four types of formal Microfinance institutions are present in Nepal: Savings and credit Cooperatives (SCC or SACCO), Small Farmers Cooperatives Limited (SFCLs), Financial Intermediary NGOs (FI-NGOs) and Microfinance Development Banks (MDBs). However, most poor are still served by savings and credit groups in the informal microfinance system. Here we find thousands of community based groups of which some are traditional ROSCAs called “dhikuti”, “dharma bhakari” and “pharma”. Others are Accumulating Savings and Credit Associations and Self helped savings and credit groups, facilitated and promoted by NGOs etc. Finally, some groups are integrated in the thousands of rural development programmes with savings and credit components.

Table 2.1: Number of MFIs in Nepal

S.N.	MFI Type	Number of MFI as of 15 of		
		July 2008	July 2014	Growth
1	MDBs	12	37	25
2	FI-NGOs	46	29	-17
3	SCCs	4500	13368	8868
4	SFCLs	228	271	43
Total		4746	13705	8919

Source: Nepal Rastra Bank, Nepal November 2014.

2.2.3 Village Savings and Loan Groups/Association (VSLG/A)

Village Savings and Loan Associations (VSLAs) program fulfills the small local pools of capital to satisfy households' cash-management needs. It provides immediately sustainable and profitable savings, insurance; live in places where banks and Micro Finance Institutions do not have a presence. The model was originally developed by CARE-International and applied in 16 countries in Africa, 2 in Latin America and 2 in Asia, with now worldwide (Program Guide 1-Version 1.5 -February 2006 Village saving and Loan Association in Africa, CARE). Village Savings and Loan Association (VSLA) is a self-selected group of people, (usually unregistered) who pool their money into a fund from which members can borrow; the money is paid back with interest, causing the fund to grow. The regular savings contributions to the groups are deposited with an end date of in mind for distribution of all part of the total funds (including interest earnings) to the individual members, usually on the basis of a formula that links payout to the amount saved. This lump sum distribution provides a large amount of money that each member can then apply to his/her own needs. The model has slightly readjusted and improved with VSL model for working with savings and loans groups, as a local context of Nepal (Strategy paper to work with Village Saving and Loan groups, Volume 1: Main Report, Care Nepal 2009).

2.2.4 Poverty Dimensions

Poverty is understood and defined by people in many ways. The encyclopedia defines poverty as "the state or fact of being in want". It further clarifies that the poor are poor because they lack enough income and resources to live adequately by their accepted living standards of their community. The former definition is that of absolute poverty whereas the other appears to be a relative poverty definition. It is like, between two similarly placed villages, one becomes poor because the other village has access to transportation. Another definition of poverty is called textbook poverty, notions of which are inherited through western education. Poverty has commonly been assessed in terms of income or consumption with reference to a determined poverty line. It is closely related with income and employment opportunity for people. However, income-based definitions are now widely agreed to be too narrow and there have been various attempts, for instance through the Human Development Index, to consider a

wider set of variables and in some cases to draw in qualitative indicators such as dignity and autonomy (Baulch 1996 in Arnold and Bird, 1999).

Basically, the poverty has two characters, one is the situation of low incomes, which is insufficient to maintain a dignified life, and the other is low level of human capabilities, which restricts a citizen's options to lead a life of his or her choosing. According to Chambers (1983) poverty is a form of deprivation trap, with strong interactive linkages of five clusters to other forms such as income poverty, physical weakness, isolation, vulnerability and powerlessness (Fig 2.1).

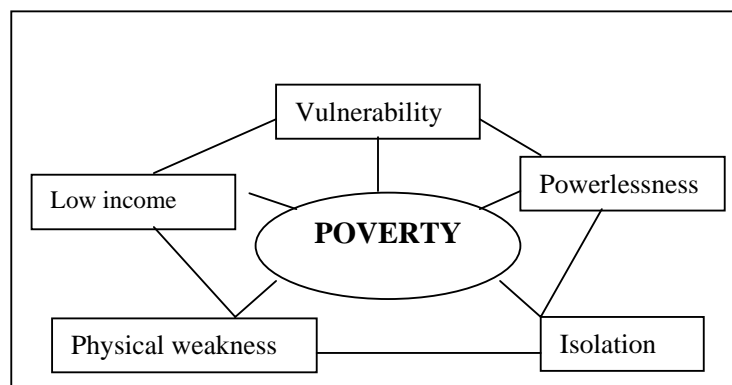


Figure 2.1: Chamber's Interpretation of Poverty (1983)

2.2.5 Livelihood Assets and the Assets Pentagon

The livelihoods approach is concerned first and foremost with people. The approach is founded on a belief that people require a range of assets to achieve positive livelihood outcomes; no single category of assets on its own is sufficient to yield all the many and varied livelihood outcomes that people seek. This is particularly true for poor people whose access to any given category of assets tends to be very limited. As a result they have to seek ways of nurturing and combining what assets they do have in innovative ways to ensure survival. The asset pentagon lies at the core of the livelihoods framework, 'within' the vulnerability context. The pentagon was developed to enable information about people's assets to be presented visually, thereby bringing to life important inter-relationships between the various assets. The shape of the pentagon can be used to show schematically the variation in people's access to assets. The idea is that the centre point of the pentagon, where the lines meet, represents zero access to assets while the outer perimeter represents maximum

access to assets. On this basis, different shaped pentagons can be drawn for different communities or social groups within communities (Sustainable Livelihood Guidance Sheet, Livelihood assets 2.3, DFID, April 1999).

Human Capital

Human capital represents the skills, knowledge, ability to labor and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives. At a household level human capital is a factor of the amount and quality of labour available; this varies according to household size, skill levels, leadership potential, health status, etc (Sustainable Livelihood Guidance Sheet, Livelihood assets, DFID, April 1999).

Natural Capital

Natural capital is the term used for the natural resource stocks from which resource flows and services (e.g. nutrient cycling, erosion protection) useful for livelihoods are derived. There is a wide variation in the resources that make up natural capital, from intangible public goods such as the atmosphere and biodiversity to divisible assets used directly for production (trees, land, etc.) (Sustainable Livelihood Guidance Sheet, Livelihood assets, DFID, April 1999).

Social Capital

There is much debate about what exactly is meant by the term 'social capital'. In the context of the sustainable livelihoods framework it is taken to mean the social resources upon which people draw in pursuit of their livelihood objectives. These are developed through: networks and connectedness, membership of more formalized group rules, norms and sanctions and relationships of trust, reciprocity and exchanges (Sustainable Livelihood Guidance Sheet, Livelihood assets, DFID, April 1999).

Physical Capital

Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods. Infrastructure consists of changes to the physical environment

that help people to meet their basic needs and to be more productive. Producer goods are the tools and equipment that people use to function more productively. The following components of infrastructure are usually essential for sustainable livelihoods: affordable transport; secure shelter and buildings; adequate water supply and sanitation; clean, affordable energy; and access to information (Sustainable Livelihood Guidance Sheet, Livelihood assets, DFID, April 1999).

Financial Capital

Financial capital denotes the financial resources that people use to achieve their livelihood objectives. The definition used here is not economically robust in that it includes flows as well as stocks and it can contribute to consumption as well as production. However, it has been adopted to try to capture an important livelihood building block, namely the availability of cash or equivalent that enables people to adopt different livelihood strategies. There are two main sources of financial capital i.e., available stocks and regular inflows of money (Sustainable Livelihood Guidance Sheet, Livelihood assets, DFID, April 1999).

2.2.6 Sustainable Livelihood Approaches

Sustainable livelihood is widely used in contemporary writings of the poverty and rural development. The welfare definition of poverty has recently been broadened to recognize the importance of access to assets. Asset poverty is defined as insufficient assets (natural, physical, financial, human, and social) or lack of an appropriate mix of assets, to be able to generate or sustain an adequate and sustainable level of livelihood. Livelihood defined in this connection as comprising the capabilities, assets and activities required for a means of living and sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities both now and in the future (Carney, 1999). Sustainable livelihood is a way of thinking about the objectives, scope and priorities for development with the ultimate aim of poverty elimination (DFID, 2001).

The development of sustainable livelihoods has become the central theme in the quest for the alleviation of poverty. The historical emphasis on the efficient utilization of natural resources has been superseded by a more holistic approach to focus on all

livelihood assets and to identify the best entry points to promote change. There are several tools for understanding the poverty and sustainable livelihoods as widely used in present context. Such as;

- DFID's Sustainable Livelihood (SL) Framework
- UNDP's Sustainable Livelihood (SL) Framework
- CARE's Livelihood Model
- Oxfam's Sustainable Livelihood (SL) Analysis

2.2.7 VSL Model and Livelihoods

The VSL is considered as useful model due to different reasons. The model is originally developed and promoted by CARE-International and ASK Nepal, it has been found very successful in more than twenty countries, according to the microfinance literature, and it is very suitable to reach the ultra poor in the rural and remote areas with the largest present need for microfinance services. The best means of understanding the various livelihood dimensions and their inter-relations with poverty is by using the Sustainable Livelihoods Improvement frame work developed by the United Kingdom Department for International Development (DFID). According to this frame work, a livelihood comprises of five types of capitals namely Human, Social, Physical, Natural, and Financial. When people have inadequate access to any or all of these capitals, they fall into poverty. The VSL methodology can reach the low-income and illiterate poor, it operates on a large scale, which eventually provides sustainable profitable savings, insurance and credit services. In fact, almost one third of the population lives below the poverty line and is characterized by limited earning potentials and meager cash flows in Nepal (An assessment of six CARE related savings and credit groups in Nepal and recommendations for improvements, Devendra K. Aryal and Erik Alhøj, GES Investment Services DK, 2008).

2.3 Conceptual Framework

ASK Nepal has been introducing the VSL model in Syangja district of Nepal to improve livelihoods of poor and marginalized household in Syangja with the financial support from CARE Nepal for the periods of two years and after that internally support from ASK Nepal regularly. This is considered as appropriate model for

deepening the outreach for poorest segment of the people and plays significant role to fight against poverty of PVSEs in a sustainable manner.

To assess the Livelihood assets and the contribution created to local people's livelihoods have been analyzed by following the Sustainable Livelihood Framework developed by DFID, in which qualitative and quantitative assessment of the indicators of five livelihood-assets have been carried out.

Out of these tools, the DFID's SL framework has been used as conceptual framework for overall research work as this approach has emphasized the natural resources as a key component of livelihood in the rural community. It is a holistic approach that tries to capture, and provide a means of understanding the vital causes and dimensions of poverty without collapsing the focus onto just a few factors. It was also tries to sketch out the relationship between the different aspects (causes, manifestations) of poverty, allowing for effective prioritization of action at an operational level. The conceptual framework shows number of basic elements of the livelihood in the Village saving and loan program. The livelihood framework is a tool to improve our understanding of livelihoods, particularly the livelihoods of the poor. The framework presents the main factors that affect people's livelihoods, and typical relationships between these. It can be used in both planning new development activities and assessing the contribution to livelihood sustainability made by existing activities (DFID, 1999).

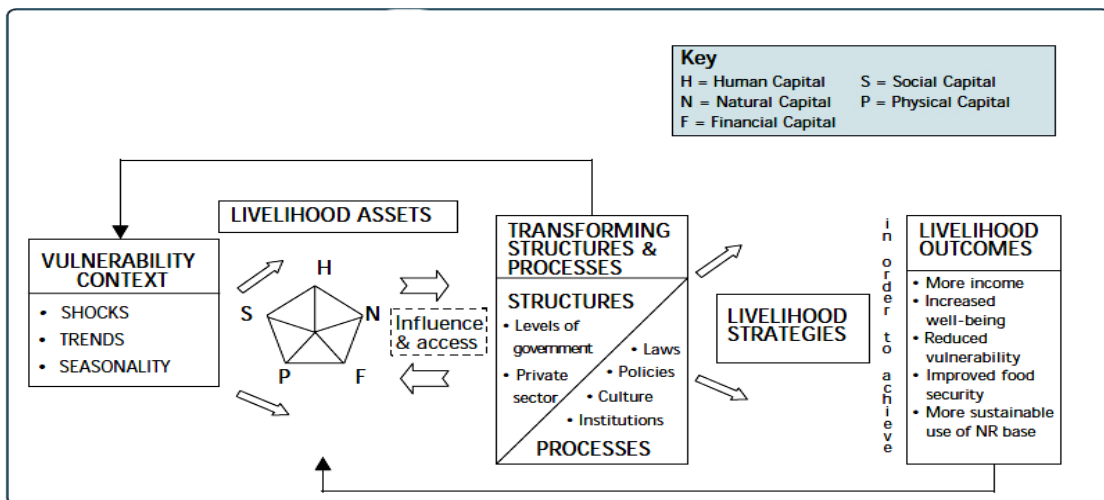


Figure 2.2: Sustainable Livelihood Framework

CHAPTER III

RESEARCH METHODS

This chapter describes the methods and processes applied to conclude this research. In addition, it also includes the rationale for site selection, sampling procedure, and techniques used for data collection. Following procedure has been applied to find out the actual condition of the rural poor.

3.1 Rationale of Selection of the Study Area

Government, most of the donor and development agencies have given emphasis to concentrate their interventions rural and poor areas of Nepal due to being very low social and economic status in rural area as compared to other urban area of the country.

Village Savings and Loan Project of ASK-Nepal has been focused upon a selected number of communities within the district of Syangja. The choice of VDCs and its ward are based upon a need to adjust and make the VSL model flexible enough to fit very different contexts. VSL model is unique new model piloting by ASK-Nepal in Syangja that is the first time in Nepal with the support of CARE-Nepal. So, the study area has represented the contribution of village savings and loan program in developing and developed districts.

The selected group had got orientation, training and support from the different program. Whether they are getting benefit or not from the programme it has to be analyzed. Therefore, it is convenient on its operation, due to the above facts; the Phaparthum VDC of Syangja district selected for study site. The study has been presented as comparatively between 3 groups.

3.2 Research Design

The study has adopted the descriptive research design. Similarly; exploratory design helped to find out specific objective of research, which was helped to clarify concept, establishing priorities, find out variables and information gathering on practical

experiences and carrying out research setting. The descriptive design also helped to understand and document the causal relationships between different variables. Furthermore, the descriptive research describes the characteristics of the livelihoods, livelihoods impact at communities, implementation modalities and achievements of ASK-Nepal's village savings and loan groups. It is a scientific value, though it can't be generalized to apply it in all situations.

3.3 Universe and Design

The universe of this study were 3 village saving and loan groups built in phaparthum village development committee ward no 1and2 Syangja district. There were 84 members from 3 village saving and loan group. All those 84 members were selected as census basis study method for the study.

3.4 Nature and Sources of Data

Both qualitative and quantitative data were collected and used in this research. Similarly, the information was gathered from primary and secondary sources. Specially perception of different categories respondents towards the contribution of village savings and loan groups; implementation modalities and achievements of ASK-Nepal's project, their quality of work and present impacts of their work performance, current situation of different savings and credit groups, group formation status, composition of groups, status of present livelihoods and possible initiatives to improve the livelihoods system were collected from primary sources.

The secondary data were taken for historical and theoretical perspective like; present status, trends, strategies/plans of government, donor, INGOs and NGOs on enhancing the contribution in livelihoods improvement of rural poor. The sources of data were reports, plans and strategies of ASK-Nepal, NGOs/ INGOs, government offices and DDC those who are working in livelihoods improvement of rural poor and downloaded internet web-sites, which covers the concept, strategy, study reports and plans prepared by different international development agencies. Likewise, recent publications and study reports related with governance will be also reviewed.

3.5 Primary Data Collection Tools

These following techniques were used for the fulfilment of the aim of this research analyzing its primary sources as per nature and type of the research.

3.5.1 Interview Schedule

The questionnaire schedule was prepared previously and the same questions were put forward by the concerned partly as interviews were used. HHs was conducted to gather the household information from the group members within the study areas. The survey was conducted by using structured questionnaire format. The questionnaire was designed and properly tested and used to collect detail information on socio economic condition, employment, income generation activities for the benefit, participation level, decision making, transparency of decision, use of group's fund for the welfare of the members and to enhance livelihood capitals and innovative activities in Village saving and loan groups.

3.5.2 Observation

It was carried out in the respondents' home, farms and groups meeting as participant. Rural poor participation in decision making process was observed extensively. Direct field observation helps to know the geographical attributes of groups and the developmental activities conducted in the village, and moreover to triangulate the information gathered during focus group discussion, interview and questionnaire survey.

3.5.3 Focus Group Discussion

Three focus groups discussion has been conducted with the different groups (of low socio economic strata) of the Village saving and loan groups to collect varieties of information specially contribution of village saving and loan program to the groups.

3.5.4 Case Study

Some good and bad case study were collected from the different groups (of different socio economic strata) of the Village saving and loan groups to collect the impact and

the contribution from village saving and loan program. This method was used to explore the life pattern, activities and life history of the respondent. The case study supported to get immense information about rural people and their family member. The researcher used five case studies.

3.5.5 Key Informant Interview

It was done to get additional details from Project Coordinators, Village Savings and Loan Facilitators, NGO representatives, local school teachers, Management Committee members from VSLGs with a separate interview guideline to gather information about Village saving and loan program support towards rural poor, existing socio-economic condition of rural poor.

3.6 Secondary Data Collection

Secondary data were collected from concerned Divisional Cooperatives Office, ASK-Nepal, and constitution of village saving and loan groups, relevant related literatures, office library and course book. Furthermore, essential information has been downloaded from related websites as well as from other different organizations.

3.7 Data Analysis and Presentation

Both quantitative and qualitative data has been carried out in this research. Quantitative data has been analyzed by using tables, graphs, figures and charts through Microsoft excel whereas qualitative data analyzed by using descriptive manner.

CHAPTER IV

MANAGERIAL PRACTICE OF VILLAGE

SAVING AND LOAN GROUP

4.1 The Study Site

Syangja is a hill district located in Gandaki Zone. The district lies between 83° 31' and 84° 01' East longitude and 27° 35' and 28° 16' North latitude. The elevation varies from 366 m to 2,517m above sea level, with wide variation in topography and climatic conditions. The total physical area of the district is 1,164 sq. km. of which about 36 percent is estimated to be arable. Only about 11 percent of the total cultivated land is irrigated. The district is divided into 57 VDCs and three municipalities. Syangja is one of the food surplus districts of Nepal. The 2001/02 food balance of the district shows 95,426 mt of edible food production with a total food shortage of 31,399 mt.

The study area, Phaparthum is a village development committee in Syangja District in the Gandaki Zone of western region Nepal. It is 18 Km. far from Syangja headquarter and 8 km far from Siddhartha highway near Putalibazaar municipality at Naudanda. We will reach there from Pokhara and Butwal by using bus, truck, taxi and tracks to Naudanda in Siddhartha highway. From Naudanda we have to go by using earthen rural road so it is difficult take vehicle in rainy season. It is necessary to travel more than 2 hours to meet Phaparthum. As per the population census 2011, the total population of this VDC is 2412. Out of them 1025 male and 1387 are women. The average household size is estimated at 4.00 members. About 48 percent of the total population is economically active of which about 70 percent are engaged in farming.

4.2 Overview of Study Areas

To ensure study plan responsive, it is important to find out the situation in the study area. It is also necessary to establish current value which can be used as performance benchmarks for future evaluation of the study. (See Table 4.1)

Table 4.1: Demographic Situation of the Study VDC

Particulars	Study area
Average Household size	4
Total Households	603
Total population	2412
Total Female population	1387
Population growth rate	-1.01%
Average Life expectancy rate	67.71
Per capita income in \$	245
Social empowerment index	0.643
Human development index	0.535
Human poverty index	35.300
Gender empowerment measure	0.405
Gross domestic product	1333
Micro Finance Institutions	5

Source: Village Profile Phaparthum Syangja, March 2015.

4.3 Status of Village Saving and Loan Group

A total of 3 groups were participated in study process. Among the selected three groups 2 were mixed and one was women group. The finding shows that all three groups have their signed policy (not authorised by government agency but locally made in group). Out of three village saving and loan group of Syangja, two have conducted their general assembly but not in a regular manner and those two groups have changed their leadership position by the election of general assembly. All groups have had their own social fund.

Table 4.2: Status of VSLG

S. N.	Name of Group	Types of group		Status of general assembly		social fund	
		Women group	Mixed group	Yes	No	Yes	No
1	Unnatishil VSLG	0	1	1	0	1	0
2	Samaj Sudhar VSLG	1	0	1	0	1	0
3	Manakamana VSLG	0	1	0	1	1	0
Total		1	2	2	1	3	0

Source: Field Survey, March 2015.

4.4 Saving and Loan Activities of the VSLG

Following table 4.3 indicates that the overall status of selected village saving and loan group performance as of February 2015. Average membership per VSLA is 28 in target area. A total of 84 members are participating in saving scheme with accumulated amount Nrs 257006.00. Out of total, 84 members in target area the Unnatishil VSLG having saving amount of Nrs. 115206.00 (average amount per member is Nrs 4431.00), Samajsudhar VSLG having amount of Nrs 45600.00 (average amount per member is Nrs 1425.00).and the Manakamana VSLG having amount of Nrs. 96200.00 (average amount per member is Nrs. 3700.00). The loan outstanding balance in Unnatishil VSLG having Nrs. 115000.00 with seven active clients, in Samajsudhar VSLG having Nrs. 93800.00 with the 22 active clients and the loan outstanding balance in Manakamana VSLG having amount of Nrs. 119000.00 with 12 active client.

Table 4.3: Overall Group Performance in Village Saving and Loan Program as of February 2015

Content	Unit	Unnatishil VSLG	Samaj Sudhar VSLG	Manakamana VSLG	Total
Total number of VSLG	Nos.	1	1	1	3
Total HH coverage	Nos.	26	32	26	84
Total number of population assisted by the program	Nos.	152	226	164	542
Total number of current members	Nos.	26	32	26	84
Total number of women	Nos.	21	32	22	75
Average association membership	Nos.	26	32	26	28
Attendance rate	%	100	100	100	100
Number of savers	Nos.	26	32	26	84
Saving amount	Nrs	115206	45600	96200	257006
Average saving amount	Nrs	4431	1425	3700	3185
Social fund	Nrs	4500	2500	4950	11950
Donation/seed money	Nrs	0	50000	30000	80000
Number of borrowers	Nos.	8	22	12	42
Number of women borrowers	Nos.	6	22	9	37
Amount of loan outstanding	Nrs	115000	93800	119000	327800
Loan outstanding with women	Nrs	68000	93800	85000	246800
Average loan size	Nrs	14375	4264	9917	9518
Number of loan overdue	Nos	0	0	0	0
Loan overdue amount	Nrs	0	0	0	0

Source: Field Survey, March 2015.

4.5 Control, Reporting and Governance

All the VSLG has a constitution that outlines the VSLG operation and management. The constitution is charged on the first general assembly by at least 2/3 of the members. The final version is signed by all members with fingerprints in case of all non-literate members. It has been found that even the non-literates have remembered few rules in the constitution. All the three VSLG surveyed during field studies has

kept the paper version of the constitution which was available in case of misunderstandings and discussions. The field study has an opportunity to review the constitution of the VSLG surveyed. It has been found that the constitution was discussed frequently in VSLG meeting and is being amended if required. It has been found that constitution of all the VSLG needs to be reviewed and amended through the earliest village saving and loan group meeting or general assembly (GA).

In meeting, discussed with the board members and the other members and asked the questions. All the members knew the total group members in their group. Meeting also observed and found the constitution was signed by all members, all members were taking passbook which was provided by the group and filled it in the meeting by treasures with their saving and signed. 41.67 percent members are totally followed the rules and regulations of the groups and 58.33 percent has reported sometimes because of the time limitation. 64.29 percent of group members reported the group general assembly has done but 35.7 percent members did not know about the general assembly. Refer following table 4.4 for details.

Table 4.4: Control, Reporting and Governance

S. N.	Name of group	Total members	Sign/ written constitution		Personal pass books		members followed the rules and regulation regularly			Regularity of general assembly	
			Yes	No	Yes	No	Yes	Some times	No	Yes	Don't know
1	Unnatishil VSLG	26	26	0	26	0	9	17	0	18	8
2	Samaj Sudhar VSLG	32	32	0	32	0	12	20	0	18	14
3	Mana kamana VSLG	26	26	0	26	0	14	12	0	18	8
Total		84	84	0	84	0	35	49	0	54	30
Percent			100	0	100	0	41.67	58.33	0	64.29	35.71

Source: Field Survey, March 2015.

4.6 Response towards the Members by Management Committee

As mentioned in table 4.5, the status of listen and address the voice and issues is analyzed. The report has showed that 36.90 percent members have the confident that the committee listen and address their voice, 41.67 percent were reported the group committee listen and address their voice sometime and 21.43 percent members

reported the committee has not listened and addressed their voice and issues about the groups and its work.

Table 4.5: Response towards the Respondents by Management Committee

S.N	Name of Group	Total Members	Listen and address your voice		
			Yes	Sometimes	No
1	Unnatishil VSLG	26	10	11	5
2	Samaj Sudhar VSLG	32	7	14	11
3	Manakamana VSLG	26	14	10	2
Total		84	31	35	18
Percent			36.90	41.67	21.43

Source: Field Survey, March 2015.

4.7 Participation of the VSLG Members in Group Meeting

In group meeting level of participation within members were observed. 32.14 percent members were seems very active, 57.14 percent members were give their view moderates and 10.71 were no active. Refer following table 4.6 for details.

Table 4.6: Participation of the VSLG Members in Group Meeting

S.N	Name of Group	Total Members	participation in group meeting		
			Very Active	Moderates	Not Active
1	Unnatishil VSLG	26	10	14	2
2	Samaj Sudhar VSLG	32	6	20	6
3	Manakamana VSLG	26	11	14	1.00
Total		84	27	48	9
Percent			32.14	57.14	10.71

Source: Field Survey, March 2015.

4.8 Progression

The study found all VSLG have prepared the pro-poor policy however 48.81 percent members did not know about the group pro-poor policy. So it has to give more sensitization to the members about the policy, rules and regulation. 50 percent

members are thinking to upgrade the groups in formal organization. 64.29 percent members are giving positive response about the group progress sharing. So the following table no. 4.7 showed that the capacity building training focusing on entrepreneurship development, leadership and other saving and credit management preparation of specific vision for future progression of the groups have to be provided them for moving forward to sustainability.

Table 4.7: Status of Progression

S. N.	Name of Group	Total Members	Pro-poor Policy		Thinking to Upgrade the Group		Progress Sharing among the Members		Progress Sharing Time	
			Yes	No	Yes	No	Yes	No	in Monthly Meeting	In General Assembly
1	Unnatishil VSLG	26	8	18	9	17	18	8	14	4
2	Samaj Sudhar VSLG	32	20	12	23	9	18	14	13	5
3	Manakamana VSLG	26	15	11	10	16	18	8	14	4
Total		84	43	41	42	42	54	30	41	13
Percent			51.19	48.81	50.00	50.00	64.29	35.71	48.81	15.48

Source: Field Survey, March 2015.

4.9 Integration and Inclusiveness in VSLG

Village saving and loan program promoted under the project integrates the poorest and disadvantaged groups as their members. The modality has been quite effective to ensure the inclusion of excluded. There are cases where development activities are integrated in some selected and needy VSLG by the program and such a supports were quite relevant to enhance the capacity of VSLG members to start the income generating activities and micro-enterprises. There are cases where the development interventions were quite effective to address the food security issue of the VSLG members. The social mobilisers and VSLG committee members are trained in

leadership and elections, policies and rules, savings and credit operations, record-keeping etc. The program has provided training on governance, leadership development, savings and credit management, book keeping, accounting, loan management, entrepreneurship development and livelihood support.

The study was done for selected 3 Villages Savings and Loan Groups out of 90 in Syangja district. The study covered 84 HH (100%) in target area. Among them, 42.5 percent households were Janjatis. The total population is 542 including 282 Janjatis of sampled households.

Table 4.8: Ethnic Composition of Sample Households and Population

Name of Group	Households				Gender wise Population		Cast wise Population		
	Dalit	Janajati	Other	Total	Female	Male	Dalit	Janajati	Other
Unnatishil VSLV	0	0	26	26	74	78	0	0	152
Samaj Sudhar VSLG	0	31	1	32	111	115	0	213	13
Mana kamana VSLG	0	10	16	26	84	80	0	57	107
Total	0	41	43	84	269	273	0	270	272
Percent	0.00	48.81	51.19	100	49.63	50.37	0.00	49.82	50.18

Source: Field Survey, March 2015.

4.10 Existing Micro Finance Institutions (MFIs) and Rate of Interest in the Districts

More than 34 formal MFIs are working in Syangja district. Informal source of credit consists of saving and credit groups, money lenders, relatives and friends. The lending rate of interest of formal financial institutions ranges from 12 to 24 percent per annum which is higher than in government owned commercial Banks but moderate in credit unions and lesser than Grameen Replicating Banks. The interest rate charged by local money lenders ranges from 24 – 60 percent per annum. The interest rate within the members of the village saving and loan groups is 12 percent per annum or less. So the VSLG are the one of the poorest of the poor oriented self help group.

CHAPTER V

THE VILLAGE SAVING AND LOAN PROGRAM AND IT'S CONTRIBUTION

5.1 Introduction

ASK-Nepal was implemented Village Saving and Loan (VSL) Program with the financial support of CARE Nepal through CARE Denmark for the period of five years (FAHU Foundation February 1, 2009 - December 2013) targeting to Syangja district. This project was especially focused on livelihoods improvements of Poor, Vulnerable and Socially Excluded (PVSEs) groups in deprived communities through an adjusted Village Saving and Loan model. The CARE Nepal, FAHU Foundation and CARE DANIDA are co-funding project and implementing through ASK Nepal in Syangja district and supporting in capacity building, resource centre management, advocacy initiatives, pro-poor support revolving fund and business development service in working area to build strong synergy and complementarities in project.

5.2 Working Modalities on Adjusted VSLA Model

The adjusted VSL model is focusing on savings and loan given on the basis of the internally collected money. Not until good saving habits are build up after one or two years, external organizations to provide external funded credit and access to the financial system. This kind of link to market conforming financial services through formal microfinance institutions rather than donations or loans with a reduced interest rate directly from ASK Nepal. To secure that the system is financially sustainable; members have to consider loans as liabilities that should be paid back and not gifts or cold money. ASK-Nepal has adopted the following steps to implement VSL model in a sustainable way.

- Participatory capacity assessment/rating of existing groups.
- Restructuring the existing group if necessary for integration of women focusing PVSEs.

- Training package development, training conduction, and technical support to groups.
- Livelihoods Improvement Activities a. Vocational training, Micro-enterprise development, b. Pro-poor revolving fund support
- Monitoring, follow up, and reporting a. Regular monitoring and follow up of groups, b. Periodic MIS updates.
- Integration with Livelihoods and issue based activities within ASK Nepal-in house projects as well as outside.
- Institutionalization and Linkage development. a. Saving and Credit Organizations (SCOs), b. Financial Intermediary NGOs (FINGOs), c. Development Banks, d. Other MFIs

5.3 Implemented Project Activities

The below table provides the description of various activities implemented under each of above components described in 6.3.1 which are directly contributed from Village saving and loan program to the VSLG.

Table 5.1: Project Components and Implemented Activities

S.N.	Project Components	Activities
1	Orientation on VSL Project and Strategy	VSL Strategy development Sharing among district level stakeholders UCP Analysis
2	Strengthening capacity of existing VSL Groups	Detail capacity assessment of existing SC groups Training on management of MFIs Staff training on social mobilization, governance, saving and credit operation, business and entrepreneurship development, etc. Field level training on social mobilization and governance, saving and credit operation, financial Management, business and entrepreneur development and leadership development.
3	Mainstreaming PVSE/ Pro-poor	LIP Support to Pro-poor Member of VSLG Reinforce corporate and social responsibilities of

S.N.	Project Components	Activities
	focus into existing saving and credit / cooperatives groups,	existing saving and credit groups Sensitization camp on saving and credit schemes Support to create social fund
4	Creating innovative fund for business development service focusing PVSE	Subsector analysis, Staff training on LIP preparation Support to poor on LIP LIP monitoring Piloting selected LIP initiatives Pro-poor Revolving Fund through VSLGs
5	Cross learning/ Networking/ Market and Expert linkages/ advocacy /Social Audit	Support to advocacy initiatives, Support office/resource materials for VSLG, Interactive reflective, sharing and learning meeting at different level, Support to credit union and apex organization Social audit Participation in Microfinance summit
6	Monitoring, Evaluation and Documentation	Review reflection and sharing workshop at district level, Start up planning, review and sharing meeting at district and VDC level, Review, reflection, sharing and Planning at project level, Support to prepare rules, regulations, guidelines, constitution or operational plan of VSLGs, Joint Monitoring by NGO executive / board members/DLAs/CARE, Program VS and Ls monitoring by Executive Committee, LRP development and mobilization, Interaction among VSandLs within VDCs, VSLG-Health Diagnosis,

S.N.	Project Components	Activities
		Monitoring of VSLGs in 30 key issues model by LRPs and review, Monitoring and Interaction with stakeholders and political parties on VSL model at VDC level, Interaction with stakeholders and political parties on VSLG model at VDC and District level, Document best practices and project completion report,
7	Management and Coordination	Support the cost of field staff Salary for field staff Support for office operation and management

Source: Village Saving and Loan Program Document, ASK-Nepal, 2009.

5.4 Case Study

The case studies were collected with VSLG members about the change of life from livelihood initiatives through village saving and loan programs on their livelihood. This method was used to explore the life pattern, activities and life history of the respondents. After the households survey the researcher has selected four poorest of poor members of the groups and one most energetic persons and discussed with them made in-depth interview with them and got information about positive change. The details we can see from the case studies which are below.

5.4.1 Village Saving and Loan program - Hope to Easy Future



Sabitra Rana-37, Phaparthum-2, Syangja joined VSLA in March 2010 and her life was very hard. Her husband was spendthrift. She have to send three children to school and she need to knock the door of the local money lender frequently for loan. The traditional agriculture system was not been able to provide the enough food for his family and she was having only 3 to 6 months of Food Sufficiency Status from his own production.

After joining to the village saving and loan group called samaj sudhar village saving and loan group Phaparthum VDC-2 Syangja district, she obtained the training of the livelihood improvement plan with the support of ASK-Nepal. She obtained the NRs 10,000.00 through village saving and loan program pro poor revolving fund and she purchased 3 goats initially from the locality. After few months one of the goats died but another give four and she started to rear. Recently she has 12 goats and she already sold 3 goats of worth NRs 19,000. When valuated by the local market price, goats worth more than NRs 70000.00

She is regularly saving in village saving and loan group and her husband has controlled his spendthrift habit and started to help his wife in goat farming. Her 3 children are regularly going to school and she is not suffering from any type of financial crisis to handle the household economy. Regarding change, laughingly Sabitra replied, "I need not to knock the local money lenders door for loan".

5.4.2 Sita has Confident, Because of the Village Saving and Loan Program



Women's role in solving hand to mouth problem. The study is about Sita Dhakal; member of Unnatishil village saving and loan group, who lives in Phaparthum village development committee ward no-1, Syangja district. Sita's family was ranked as poor family. In her family, there was no one to earn. Her husband is ill. They have only a few lands that are insufficient for food. She has no other way to earn. She seemed very weary and tired seeing her household condition.

In the mean time ASK-NEPAL, a NGO cooperating with CARE Nepal implemented a program which called village saving and loan for livelihood. The program also encouraged the participants to collect some money and form a fund. She also joined the group for saving and loan. Sita also participated in goat rising and off season vegetables farming organized by ASK Nepal. Sita prepared livelihood improvement plan and took a Nrs. 10000.00 loan committed to pay 12 percent interest from her village saving and loan group. She purchased two goats initially. Slowly she increased the number of goats. She sold some of the goat and paid the loan in time. After that she is also motivated to the vegetables farming. Slowly-slowly she started to earn money. She extends goat farming and vegetables farming again. Now she is able to collect 4-5 thousand rupees per month by the selling the vegetables and goats. Now she is happy and she is busy in her household works. There is no need to go to other house for wages works. In the past other villagers used to neglect her but now everyone praise her.

Now a day she is respected. She is active involved in village saving and loan group the collected the money and disbursed as well. Other members of the village and group come to discuss about the improvement her livelihood and she happily gives suggestion. Seeing her, other women also ready to do the better works in the village. She is being a leader and resource person for the group. In this way, she is able to solve her hand to mouth problem because of the village saving and loan program.

5.4.3 Changing of Lifestyle through Saving and Loan Program



Goma Bhujel- 42 Phaparthurm 1 Syangja. A model woman, in the society who got idea and solved the problems.

There was no one to earn in the house. Father in law deid already. Only a few lands are there in the village. There is still used traditional farming method and the same crops like Mize, millet etc. She has no land for paddy production. The production of land is also insufficient only spend three months from the land production. Her husband was a drunkard man. Due to the drinking habit he was lost his police job. After sometimes he also died. There are no any income sources in the house. She was even unable to teach he children in school.

In that village, there was a group of active farmer who used to grow professionally vegetables with the support of ASK Nepal. She saw, some of the members income from the vegetables are higher then others and she also determined to involve in the same group which called manakamana village saving and loan group.

From last two years, ASK Nepal cooperation with CARE Nepal organized the village saving and loan program in that village. Goma also determined to involve in saving and loan program from that group. In the group, members were saved the money and that is given to person in minimum interest. She was very poor so she got money from poor helping fund in 0.5 percent interest. In that time she got training about chilly production from district agriculture office with the coordination of village saving and loan program of ASK Nepal. Her group planted the chilly with the technical support of ASK Nepal. When the crops started to give income she became very happy and she got the little bit benefits. Then after she thought to product in her land with the support of her family members. She started to grow in three ropani land. She was busy in every time and after school time her children also involved in the field to support their mother. Income was increased as per earlier in the group. In this way she is started seasonal and off seasonal vegetables likes; cucumber, bitter guard, ginger etc. Now she started to saved bigger amount then early from Nrs. 100 per month to Nrs. 200.00.

Now she is being one of the leader farmers, who sell the vegetables regularly in the village. She has no tension for the management of the house, to teach her children in the school, for clothes etc. She is being active member for village saving and loan group in the village. She is able to save nearly 30-40 thousands per year from her income generation activities. She is also attracting to grow sunflower which gives more oil. She makes her house attractive from growing different kind of vegetables. So, she is being one of the model candidates in the society and every one praised her.

She says, this is possible by the help of village saving and loan program. Due to the program women are being active. They manage themselves saving and loan activities in the village. Every year, they distribute the benefit to the all member of the village saving and loan group. So they, including Goma are very happy because of their changing comfortable life.

5.4.4 Village Saving and Loan Group - A Change Agent to Village People



Mina Bhujel - 42 , Phaparthum-2, Syangja joined VSLA in December 2010 and her life was very hard. Her husband had no income and recognized as a drunken man. She have to send three children to school and she need to knock the door of the local money lender and the MFIs frequently for loan. The traditional agriculture system was not been able to provide the enough food for her family and she was having only up to 3 months of Food Sufficiency Status from her own production.

After joining to the village saving and loan program through Samajsudhar village saving and loan group, she obtained the training of the Livelihood Improvement Plan the technical knowledge of goat raising with the support of ASK-Nepal through village saving and loan program. She obtained the NRs 10, 000 through VSLA pro poor revolving fund and she purchased 3 goats initially from the locality and brood chicks. After few months one of the goats gives 2 kids and she started to rear. Recently she has 10 goats and the several chickens and she already sold 4 goats of worth NRs 40,000. When valuated by the local market price, goats worth more than NRs 90,000

She is regularly saving in village saving and loan group and her husband has controlled his drink alcohol habit and started to help her wife in goat farming and small poultry business. Her 3 children are regularly going to school and she is not suffering from any type of financial crisis to handle the household economy. Regarding change, laughingly Mina replied, "I need not to knock the local money lenders door as well as other high interest rated MFIs office for loan".

5.4.5 Activeness in Ageing Period



"If we are capable, our ageing period does not disturb." This is the voice of Cholakanta Dhakal, an inhabitant of Phaparthum Village Development committee Ward no-1, Syangja district.

In his family, there are 13 members. All the members are outside the house except wife and husband (Cholakanta and his family). He is now 65 years old and he is being free from social and political works. But he is still busy in household works.

In 2068 Magh, ASK Nepal has started a program about village saving and loan. In that time he was selected in one of the top four executive posts as a controller in the Manakamana village saving and loan group. In this program, he got a chance to participate in training about the saving and credit management as well as governance and accountability. His physical appearance shows that he is quite old with grey hair and beard with Dhaka Topi and Surwal. But his activeness seems that he is more active than other people. He actively participated in the training and at last determined to involve in every works of the program as well as group.

Now with the help of him, working area is extended in other VDCs and groups are formed. He is leading 20 groups including Phaparthum and others VDCs also. He visits every group in all extended area and supports them with his suggestion. Village saving and loan program is over now but he is still busy in every activities which was promoted by ASK Nepal. These types of work help to improve livelihood of the villagers.

Village Saving and Loan Program which is found positive support to uplift the socio-economic condition of rural poor through access of financial services and other development services and thereby alleviate poverty through rural poor empowerment. The main aim of any development project is to increase management capacity of the beneficiaries, and ultimately improve the economic position through income generating projects and sustainable livelihood practices, which is found positive here.

CHAPTER VI

SOCIO ECONOMIC CATEGORY AND LIVELIHOOD ASSETS

This chapter has described the social and economic category and livelihood assets of the people of the study area. It represents the current status of five dimensions of livelihoods of the selected households as well as individual level of rural poor. Major findings that are crucial to livelihoods and village saving and loan program have been incorporated in the different table.

6.1 Status of Human Capital

Under the human capital topic there are seven sub topics. The short description of each topic is given below.

6.1.1 Age Group Composition

Table 6.1 describes the age composition of impact group in sample households. The age composition was categorized into 4 groups (<5, 6-18, 19-40 and 41 years old and above). The percentage of distribution of these groups varies between 7.08 percent in the age group of below five years and 43.76 percent in the age group of 19-40 years. Out of the total sample population, 22.91 percent and 27.19 percent was found in the age groups of 6-18 and above 41 years respectively.

Table 6.1: Age Composition in Sampled HHs

S.N.	Name of Group	Age Composition in Sampled Household				Total
		0-5 year	6 - 18 Year	19 -40 Year	Above 40 Year	
1	Unnatishil VSLG	9	29	68	46	152
2	Samaj Sudhar VSLG	14	55	98	59	226
3	Manakamana VSLG	15	39	69	41	164
	Total	38	123	235	146	542
	Percent	7.08	22.91	43.76	27.19	100

Source: Field Survey, March 2015.

6.1.2 Literacy and Education Status

Both literacy and education attainment are important determinants of individual for household welfare and well-being status. Literacy here is defined as the ability of a person to read/write, do simple mathematical calculation; with or without formal education. Those not attending formal education were found literate through adult literacy programs implemented by different NGOs and INGOs. Total population of sample household is 542; out of this, 10.53 percent of the sample population was found illiterate. Only 19.96 percent of the respondents reported literate. The education status of population is 20.83 percent in primary, 28.95 percent in secondary, and 38.60 percent in higher secondary and above. More information we can see from the table no. 6.2 below.

Table 6.2: Literacy and Education Status

S. N.	Name of Group	Literate		Up to 5		Up to SLC		Above +2		Illiterate	
		Total %	Women%	Total %	Women%	Total %	Women%	Total %	Women%	Total %	Women%
1	Unnati shil VSLG	21.71	12.50	11.84	5.26	21.05	9.87	34.87	13.82	10.53	7.24
2	Samaj Sudhar VSLG	23.68	12.50	26.97	12.50	50.00	26.97	38.16	14.47	9.87	6.58
3	Mana Kamana VSLG	14.47	7.89	23.68	15.13	15.79	7.89	42.76	21.05	11.18	3.29
	Percent	19.96	10.96	20.83	10.96	28.95	14.91	38.60	16.45	10.53	5.70

Source: Field Survey, March 2015.

6.1.3 Status of School Enrolment

In the study groups, it is shows that all 124 children were continuing their education at school even with their eligible age. The situation is good because there is a primary school in the village so all the school going age children are able to go to school. Children of school going status from selected groups can be seen in below table.

Table 6.3: Status of School Going Status of Population of Six to Eighteen Years

S.N.	Name of Group	Number of Children Reached School in the School Going Age
1	Unnatishil VSLG	29
2	Samaj Sudhar VSLG	56
3	Manakamana VSLG	39
	Total	124

Source: Field Survey, March 2015.

From the above table it is seen that out of 124 children reaching school, 29 children from Unnatishil, 56 from Samaj Sudgar and remaining 39 children from Manakamana VSLG have been reached in school.

6.1.4 Status of Birth Registration

Total eligible population for birth registration is 542. The study found 84.44 percent of populations have registered the vital events and 15.56 percent have not yet done. Manakamana VSLG Members has the highest birth registration with 92.07 percent while Samajsudhar VSLG has 83.63 percent and Unnatishil VSLG has least with 77.63 percent only. The main reason is that it was not necessary in previous days.

Table 6.4: Status of Birth Registration

S.N.	Name of Group	Birth Registration				
		Eligible	Yes		No	
			Population	%	Population	%
1	Unnatishil VSLG	152	118	77.63	34	22.37
2	Samaj Sudhar VSLG	226	189	83.63	37	16.37
3	Manakamana VSLG	164	151	92.07	13	7.93
	Total	542	458	84.44	84	15.56

Source: Field Survey, March 2015.

6.1.5 Status of Citizenship

Total population eligible for getting citizenship is (equals to or greater than 16 years) is 399 in number on average but if we see group wise it is found only 118 members from Unnatishil, 165 from Samajsudhar and 116 from Manakamana VSLG members are eligible to get citizenship. Similarly 4.47 percent of populations do not have their citizenship certificate. The main reasons of not taking their citizenship certificate reported are; not necessary in the mean time, lack of awareness; district admin office is far from the village etc. The more information we can see in table no 6.5 below.

Table 6.5: Status of Citizenship

S. N.	Name of Group	Citizenship Certificate				
		Eligible	Yes		No	
			Population	%	Population	%
1	Unnatishil VSLG	118	114	96.61	4	3.39
2	Samaj Sudhar VSLG	165	157	95.15	8	4.85
3	Manakamana VSLG	116	110	94.83	6	5.17
	Total	399	381	95.53	18	4.47

Source: Field Survey, March 2015.

6.1.6 General Health Status

Without Health and Sanitation improvement of persons, livelihoods can't be improved in a sustainable way. So, the assessment herewith conducted in terms of pattern and access to health service in daily life within and/or around household level.

The study found that 97.68 percent household members of selected VSLV are visiting the hospitals for general medical treatment whereas 11.62 percent household members from selected VSLV using both the traditional treatment at their home if not getting well then go to hospital.

Table 6.6: Health Service Getting by Respondents

S.N.	Name of Group	Use of Hospital in the Time of Sickness	
		Hospital	Home
1	Unnatishil VSLG	100.00	11.54
2	Samaj Sudhar VSLG	96.88	15.63
3	Manakamana VSLG	96.15	7.69
Average		97.68	11.62

Source: Field Survey, March 2015 (Multiple answers from respondents).

6.1.7 Overview of Sanitation at Household Level

The sanitation status was assessed with the use of observation method during the study in each and every sampled (84 HH) household. The table 6.7 describes 61 percent households are found clean, 26.19 percent households are found moderates and 11.90 percent households are found dirty in and around the households. This status is high in Unnatishil VSLG with 84.62 percent households are found clean whereas 57.69 percent households of Manakamana and 46.88 percent households of Samajsudhar VSLG are clean. Like the same way 38.46 percent households of Manakamana and 37.50 percent households of Samajsudhar VSLG are found moderates respectively in health and sanitation sector in the study area.

IN personal hygiene aspect, 84.62 percent, 46.88 percent and 32462 percent households are neat and clean from Unnatishil, Samajsudhar and Manakamana VSLG respectively.

Table 6.7: Overview of Sanitation and Personal Hygiene

S. N.	Name of Group	Total HHs	Sanitation Observed at HHs						Personal Hygiene					
			Clean HHs		Moderates HHs		Dirty HHs		Clean HHs		Moderates HHs		Dirty HHs	
			HH	%	HH	%	HH	%	HH	%	HH	%	HH	%
1	Unnatishil VSLG	26	22	84.62	0	0.00	4	15.38	22	84.62	0	0.00	4	15.38
2	Samaj Sudhar VSLG	32	15	46.88	12	37.50	5	15.63	15	46.88	12	37.50	5	15.63
3	Manakamana VSLG	26	15	57.69	10	38.46	1	3.85	9	34.62	15	57.69	2	7.69
Total		84	52	61.90	22	26.19	10	11.90	46	54.76	27	32.14	11	13.10

Source: Field Survey, March 2015.

6.1.8 Households Hygienic Status

The household hygiene status was assessed with the use of observation method during the study in each and every sampled (84 HH) household. The table 6.8 shows that 38 percent households are using improved cooking stoves, 65 percent is using gas/bio-gas and 69.23 percent are using traditional stoves in Unnatishil VSLG. Likewise 31 percent households are using improved cooking stoves, 31 percent is using gas/bio-gas and 68.75 percent are using traditional stoves in Samajsudhar VSLG whereas 77 percent households are using improved cooking stoves, 69 percent is using gas/bio-gas and 23.08 percent are using traditional stoves in Manakamana VSLG.

The table also shows that households who manage their vegetables consumption from their own kitchen garden are found 56.89 percent and only 2.32 percent households they supply from the market. Likewise 40.79 percent households are collected their vegetables from both market and own kitchen garden. Further information has been showed in the table no. 6.8 below

Table 6.8: Households Hygienic Status

S. N.	Name of Group	Total HHs	Means of Cooking			Collection of Vegetables from		
			Improve Smokeless Cooking stop HH%	Gas/ Bio-gas HH %	Traditional Stop %	From Own Kitchen garden HH%	From market HH%	Both %
1	Unnatishil VSLG	26	38	65	69.23	50.00	3.85	46.15
2	SamajSudhar VSLG	32	31	31	68.75	43.75	3.13	53.13
3	Manakamana VSLG	26	77	69	23.08	76.92	0	23.08
Total		84	49	55	53.69	56.89	2.32	40.79

Source: Field Survey, March 2015 (Multiple Answers).

6.2 Status of Social Capital

Under the social capital topic there are two sub topics. The short description of each topic is given below.

6.2.1 Institutional Affiliation

The table 6.9 shows the affiliation of targeted households' respondent member with different institutions, which states their participation and exposure in various activities. The indicators that are useful to programs have been considered in below table'. The study found that targeted households are affiliated with various institutions mainly with saving/credit group, Cooperatives, community forestry user groups, school management committee and others. The affiliation is stated with their representation in key position, executive committee, and general members in different institutions.

Out of total sampled households in 3 groups of Syangja district, two persons are in executive committee and seven persons are affiliated in cooperative. Three persons are in executive members and 77 persons are affiliated in CFUG as general members. In school management committee two persons are in key position and 13 person are in

executive members. The study found, it has to be increased the awareness level in the community about the inclusive participation.

Table 6.9: Status of Institutional Affiliation

Name of Group	Total HHs	Cooperative						CFUG						SMC						
		Key Position		EC Members		General Members		Key Position		EC Members		General Members		Key Position		EC Members		General Members		
		F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Unnatishil VSLG	26	0	0	1	1	5	0	0	0	0	0	2	19	3	0	0	3	2	0	0
Samaj Sudhar VSLG	32	0	0	0	0	2	0	0	0	0	0	0	31	0	0	0	2	0	0	0
Manakamana VSLG	26	0	0	0	0	0	0	0	0	0	1	21	3	1	1	4	2	0	0	
Total	84	0	0	1	1	7	0	0	0	0	3	71	6	1	1	9	4	0	0	

Source: Field Survey, March 2015 (F-Female, M-Male, EC-Executive committee members).

6.2.2 Access to and Control over in Decision Making Process (Within Family)

As mentioned in table 6.10, the status of decision making processes within households' level is analyzed in different sectors in terms of gender role. The report has showed that 23.00 percent of women have their own decision making for land buying and selling. The 23.72 percent have their roles in children's education, 11.06 percent in marriage, 50.56 percent in agro product buying and selling, and 36.62 percent in income, expenditure and balances. Similarly, 39.18 percent have their participation in capacity building program and 52.64 percent are participating in social works.

The status of joint decision making process within households also analyzed. The report has showed that 10.82 percent of family have their decision making for land buying and selling jointly. Concerning child education 66.51 percent decision are made jointly. In case of marriage 84.05 percent decision are made jointly by male and female. Concerning agro product buying and selling activity 26.76 percent decision are made by both whereas income, expenditure and balances issues only 15.95 percent decision are made jointly by male and female. In case of participation in capacity building program only 20.35 percent decision are made by male and female jointly.

Concerning participation in social works only 17.23 percent decision are made by male and female jointly

Table 6.10: Status of Access to and Control over on Decision Making Process

S. N.	Name of Group	Total HHs	1. Land Buying and Selling			2. Children's Education			3. Marriage		
			Female	Male	Both	Female	Male	Both	Female	Male	Both
1	Unnatishil VSLG	26	7.69	80.77	11.54	11.54	15.38	73.08	0.00	11.54	88.46
2	Samaj Sudhar VSLG	32	34.38	56.25	9.38	25.00	9.38	68.75	6.25	3.13	90.63
3	Mana-Kamana VSLG	26	26.92	61.54	11.54	34.62	7.69	57.69	26.92	0.00	73.08
Percent			23.00	66.19	10.82	23.72	10.82	66.51	11.06	4.89	84.05

S.N.	4. Agro Products Buying and Selling			5. Income, Expenditure and Balances			6. Participation in Capacity Building Program			7. Participation in Social Works		
	Female	Male	Both	Female	Male	Both	Female	Male	Both	Female	Male	Both
1	30.77	30.77	38.46	19.23	53.85	26.92	34.62	50.00	15.38	46.15	34.62	19.23
2	59.38	21.88	18.75	40.63	50.00	9.38	40.63	40.63	18.75	65.63	25.00	9.38
3	61.54	11.54	23.08	50.00	42.31	11.54	42.31	30.77	26.92	46.15	30.77	23.08
Percent												
	50.56	21.39	26.76	36.62	48.72	15.95	39.18	40.46	20.35	52.64	30.13	17.23

Source: Field Survey, March 2015.

6.3 Status of Physical Capital

Under the physical capital topic there five sub topics. The short description of each topic is given below.

6.3.1 Land Ownership and Size

Study showed that every household has their own land. The following analysis examines the quantity of land and tenure status. The study found 100 percent households have their own land. Total 1073.50 Ropani land is reported in 84 households (average land holding is 12.77 Ropani per HHs). About 26.20 percent of land is owned by women and only 15.86 percent land owned by both (women and men). The table below 6.11 illustrates the status of land holding in three groups.

Table 6.11: Status of Land Holding

S. N.	Name of Group	Total HHs having own land	Size of Lands (Ropani)			Land ownership			
			Aable (Khet)	Dry Field (Bari)	Grass Land (Pakhro)	Ownership of Women(HHs))	Ownership of Women (%)	Ownership with Both	Ownership with Both (%)
1	Unnatishil VSLG	26	116.5	157	120	0	0	0	0.00
2	Samaj Sudhar VSLG	32	86	130	134.5	1	3.12	4	12.50
3	Manakamana VSLG	26	83.5	111	135	6	23.07	5	19.23
Total		84	3.40	4.74	4.64	7	26.20	9	15.86

Source: Field Survey, March 2015.

6.3.2 Physical Assets

Physical assets here include items that have basic importance in livelihood and their possession. Total 97.67 percent households have their own house; among them all households have their own animal shade. Similarly; all households have their own toilets (permanent or temporary). All households have drinking water facility with fulfill from public water system supply. Out of total households, 44.23 percent have bio-gas for cooking food in target group reported. Similarly only one household is found with motorcycle.

Table 6.12: Status of Physical Assets

S N	Name of Group	Total Hhs	House		Animal Shade		Toilet		Drinking Water		Biogas		Motor cycle	
			HH	%	HH	%	HH	%	HH	%	HH	%	HH	%
1	Unnatishil VSLG	26	25	96.15	26	100.00	26	100.00	26	100.00	16	61.54	1	3.85
2	Samaj Sudhar VSLG	32	31	96.88	32	100.00	32	100.00	32	100.00	8	25.00	0	0.00
3	Mana Kamana VSLG	26	26	100.00	26	100.00	26	100.00	26	100.00	12	46.15	0	0.00
	Total	84	82	97.67	84	100.00	84	100.00	84	100.00	36	44.23	1	1.28

Source: Field Survey, March 2015.

6.3.3 Status of House, Animal Shade and Toilet

The physical assets available among sampled households are mentioned above. The study also captured the status of major fixed assets such as house, animal shade and toilet in terms of used materials in structure of these assets. According to the reports, 91.51 percent houses were made with local materials such as mud, stones with CGI Sheet for roofing.

All households are found with animal shade. Most of the poor households are found with animal shade closed within the same house and all animal shade is found made with local materials.

The households with toilet (permanent or temporary) are found in all households in target area. Among them, 28.12 percent households are found with simple toilet using local materials such as thatches walls, and simple locally made pan and rest of them are found with RCC with CGI Sheet for roofing.

Table 6.13: Status of House, Animal Shade and Toilet

S. N	Name of Group	Total Hhs	House			Animal Shade			Toilet		
			Local %	RCC %	NA %	Local %	RCC %	NA %	Local %	RCC %	NA %
1	Unnatishi VSLG	26	84.62	11.54	3.85	100.00	0.00	0.00	34.62	65.38	0.00
2	Samaj Sudhar VSLG	32	93.75	3.13	3.13	100.00	0.00	0.00	34.38	65.63	0.00
3	Manakamana VSLG	26	96.15	3.85	0.00	100.00	0.00	0.00	15.38	84.62	0.00
Total		100	91.51	6.17	2.32	100.00	0.00	0.00	28.12	71.88	0.00

Source: Field Survey, March 2015.

6.3.4 Livestock Assets

Other assets related with direct cash earnings are also important for households in rural communities to the livelihood. Most of the households used to sell these assets to fulfill their immediate cash requirement. So far; base line study also assesses the current number big animals (Cow, buffalo, ox), small animals (goat, sheep, pigs) and chickens/hens, ducks etc. The study shows that current number of big animals (Cow, buffalo, ox) found 228, small animals (goat, sheep, pigs) was found 596 and chickens/ducks/hens was found 62 in selected HHs. which is shown in table no 6.14.

Table 6.14: Status of Animal

S.N	Name of Group	Big Animal (Cow/Ox/Buffalo)	Small Animal (Sheep/Goat/Pig)	Chickens/ Hens/ Ducks
1	Unnatishil VSLG	79	151	0
2	Samaj Sudhar VSLG	91	249	341
3	Manakamana VSLG	58	196	282
Total		228	596	623

Source: Field Survey, March 2015.

6.3.5 Vulnerability of Physical Asset

Most of the group members were located in remote and rural areas from district head quarter, so far they are always in risk from natural disasters such as floods, landslides, affected by wildlife etc. To minimize and mitigate the risks, the current vulnerability status of houses and land should be taken into consideration. This type of assessment helps the groups to create an emergency fund for immediate responses within members.

According to the study, 3 households (3.5%) were settled down near river/streams. This is 11.54 percent only in Manakamana VSLG. Out of total respondent households, 28.37 percent households are found near the land slide-prone areas and 62 (73%) households have reported that they are affected by wildlife attack.

Table 6.15: Vulnerability Status of Physical Asset

S. N.	Name of Group	Total HHs	Near about River/Stream		Near about Land Slides		Affected by Wildlife	
			HH	%	HH	%	HH	%
1	Unnatisihil VSLG	26	0	0.00	13	50.00	12	46.15
2	Samaj Sudhar VSLG	32	0	0.00	10	31.25	27	84.38
3	Manakamana VSLG	26	3	11.54	1	3.85	23	88.46
	Total	84	3	3.85	24	28.37	62	73.00

Source: Field Survey, March 2015.

6.4 Status of Financial Capital

Under the financial capital topic there are seven sub topics. The short description of each topic is given below.

6.4.1 Sources of Livelihoods

The agriculture sector and foreign employment in Nepal is the major source for employment and economic activities, contributing to gross national/domestic product, among others. Therefore, occupations are stratified in farming/agriculture, animal husbandry, wages/labor, job, business and others. Out of total respondent population; 15.41 percent populations has been found in agriculture farming, 15.12 percent in animal husbandry/livestock, 3.31 percent in wages, 13.04 percent in

jobs/employment, 3.27 percent in business categories. Since one household and population may have more than one livelihood sources. 12.90 percent population are engaged in 2 types of livelihood sources, 57.45 are engaged in 3 types of livelihoods, 27.08 percent population are engaged in four types of livelihoods sources and 2.56 percent populations are engaged in 5 types of livelihoods resources. Actual summation may be more than 100 percent. The details are herewith below table 6.16.

Table 6.16: Sources and Types of Livelihoods

S. N.	Name of Group	Total Pop	Source of Livelihood									
			Agriculture		Livestock		Wages		Employ		Business	
			Pop	%	Pop.	%	Pop	%	Pop	%	Pop	%
1	Unnatishil VSLA	152	26	17.11	24	15.79	7	4.61	20	13.16	5	3.29
2	SamajSudhar VSLG	226	30	13.27	31	13.72	1	0.44	27	11.95	12	5.31
3	Manakamana VSLA	164	26	15.85	26	15.85	8	4.88	23	14.02	2	1.22
Total		542	82	15.41	81	15.12	16	3.31	70	13.04	19	3.27

Name of Group	Total Pop.	Types of Livelihood									
		Only One Types of Income HHs		Only Two Types of Income HHs		Only Three Types of Income HHs		Only Four Types of Income HHs		All Types of Income HHs	
		Pop	%	Pop	%	Pop	%	Pop	%	Pop	%
Unnati shil VSLG	152	0	0.00	6	23.08	11	42.31	8	30.77	1	3.85
Samaj sudhar VSLG	226	0	0.00	5	15.63	17	53.13	10	31.25	0	0.00
Mana kamana VSLG	164	0	0.00	0	0.00	20	76.92	5	19.23	1	3.85
Total	542	0	0.00	11	12.90	48	57.45	23	27.08	2	2.56

Source: Field Survey, March 2015.

Pop. -Population,

6.4.2 Gross Annual Income

The study found that jobs/employment is the most prominent source of income. 62.47 percent income depends on the employment. 18.31 percent is occupied by animal husbandry/livestock works. Agriculture's share is 13.06 percent, business is 4.92 percent and wages covers 1.24 percent. Jobs/employment is considered high here due to migration for employment in India and other foreign countries. It contributes significantly in the households of these three groups. Moreover, study found average gross income of per household is NRs.207228.57 and average gross income of per groups is NRs 5802400.00.

Table 6.17: Gross Annual Income

S. N.	Name of Group	Total HHs	Category and Income					Total Income
			AG	Livestock	Wages	Employ	Business	
1	Unnatishil VSLG	26	1316500	748500	37500	3036800	285000	5424300
2	Samaj Sudhar VSLG	32	443000	1144500	40000	4144400	405000	6176900
3	Mana Kamana VSLG	26	513500	1295000	138000	3693500	166000	5806000
Total		542	2273000	3188000	215500	10874700	856000	17407200
Percent			13.06	18.31	1.24	62.47	4.92	100

Source: Field Survey, March 2015.

6.4.3 Food Sufficiency from Own Land

Food scarcity is one of the most problems facing by people in Nepal. Most of land is barren and unproductive, there is inadequate irrigation facility and natural disaster such as landslides, and floods are major factors for this.

To assess food security, sample households were categorized into five groups: (i) households with food sufficiency below three months; (ii) households with food sufficiency for six months; (iii) households with food sufficiency for 9 months; (iv) households with food sufficiency for 12 months, and (IV) households with food

sufficiency for above 12 months from their own land and the livestock rearing. In study groups and their households who afford to manage their food sufficiency for three month are only 10.10 percent households, households with food sufficiency for six months are 36.62, households with food sufficiency for 9 months are 37.34 percent, households with food sufficiency for 12 months are 13.38 percent and above 12 months are only 2.56 percent respectively. The deficit food is managed by impact groups from, wages, borrow, business and other income sources.

Table 6.18: Food Sufficiency from Own Land/Livestock Works

S. N.	Name of Group	Total HHs	Food sufficiency									
			3 Months		3-6 Months		7-9 Months		10-12 Months		Above 12 Months	
			HHs	%	HHs	%	HHs	%	HHs	%	HHs	%
1	Unnatishil VSLG	26	1	3.85	12	46.15	7	26.92	4	15.38	2	7.69
2	Samaj Sudhar VSLG	32	6	18.75	13	40.63	10	31.25	3	9.38	0	0.00
3	Mana Kamana VSLG	26	2	7.69	6	23.08	14	53.85	4	15.38	0	0.00
Average		100	9	10.10	31	36.62	31	37.34	11	13.38	2	2.56

Cont.....Table

S. N.	Name of Group	Total HHs	If not food sufficiency for 12 months then how can it possible to make sufficient			
			Wages	Borrow	Business	Others
1	Unnati shil VSLG	26	4	0	5	18
2	Samaj Sudhar VSLG	32	1	5	11	25
3	Manakamana VSLG	26	6	2	3	18
Total		84	11	7	19	61
Since one household may have more than one sources used for 12 months foods sufficient.						

Source: Field Survey, March 2015.

6.4.4 Household Expenditure

Following section on expenditure is an indication of priorities and needs measured by investment of cash by households during past twelve months. Analysis of group wise expenditure showed that maximum expenditure is on food which covers 70.43 percent of total expenditure, for education 6.45 percent, health 5.36 percent, clothing 4.74 percent, festivals 4.57 percent, animal husbandry/livestock 3.11 percent and investment in infrastructure(house, animal shade, and property maintenance)1.39 percent. Expenditure on entertainment 12.39 percent, business works 1.29 percent and social are 1.28 percent.

The study found average expenditure of per household is NRs. 217388.93 and average expenditure of per groups is NRs 6086890.00. Analysis clearly describes the total expenditure is more than annual gross income. This variation between income and expenditure is negative. Group members have taken loan from different sources to maintain it.

Table 6.19: Total Annual Expenditure

Expenditure heading	Name of Group			Total Expenditure	% of Expenditure
	Unnatishil VSLG	Samaj Sudhar VSLG	Manakamana VSLG		
Fooding	3500200.00	5424000.00	3936000.00	12860200.00	70.43
Health	241500.00	470800.00	265740.00	978040.00	5.36
Education	203700.00	620400.00	353580.00	1177680.00	6.45
Livestock	157600.00	200200.00	210800.00	568600.00	3.11
Clothes	189900.00	470700.00	205480.00	866080.00	4.74
Festival	212300.00	432600.00	190280.00	835180.00	4.57
Infrastructure	15800.00	132300.00	105300.00	253400.00	1.39
Entertainment	34300.00	135070.00	83860.00	253230.00	1.39
Business	34000.00	198000.00	3000.00	235000.00	1.29
Social	55940.00	90280.00	87040.00	233260.00	1.28
Total	4645240.00	8174350.00	5441080.00	18260670.00	100.00

Source: Field Survey, March 2015.

6.4.5 Status of Savings Amount

Pattern and amount of saving is the most critical part of the livelihoods assessment and even also for the program. Total amount saved by sampled households is NRs.1003191.00 (\$ 10236.64). Out of total accumulated amount of total respondent households 25.62 percent amount have been saved in their own groups. 67.47 percent amount in Savings/Credit Cooperatives, 6.16 percent in Banks and MFIs and 0.75 percent in other institutions and personal money lenders/relatives have been saved by sampled households.

Table 6.20: Status of Savings Amount

S. N	Name of Group	Total HHs	Group		Co operative		Bank and MFIs		Others		Total Saving
			Per	Amount of Saving	Per	Amount of Saving	Per	Amount of Saving	Per	Amount of Saving	
1	Unnatishil VSLG	26	26	115206	16	159795	4	31100	1	1500	307601
2	Samaj Sudhar VSLG	32	32	45600	7	70750	7	23790	1	2000	142140
3	Manakamana VSLG	26	26	96200	11	446300	4	6950	2	4000	553450
	Total	84	84	257006	34	676845	15	61840	4	7500	1003191
	Percent	100	100	25.62	40.47	67.47	17.85	6.16	4.76	0.75	100

Source: Field Survey, March 2015.

6.4.6 Status of Loan Amount

Study found that sampled households have lend loan to meet their basic requirements i.e. household construction/repairing, domestic expenditure, employment (in country IGA or abroad) medical treatment, education, loan repayment and socio-cultural activities which include expenditure for marriage ceremony, festival etc.

Out of total loan taken NRs 29,77,700.00, the analysis showed that households have taken 47.58 percent loan from local money lenders and MFIs though they charge maximum interest rate as high as 24 percent per years. Similarly; the loan taken from

Cooperatives 39.08 percent, from Banks is 2.33 percent and from own group 11.01 percent is reported.

Table 6.21: Status of Savings Amount

S. N	Name of Group	Total HHs	Group		Co operative		Bank		Others/MFIs		Total Saving
			Per	Amount of Loan	Per	Amount of Loan	Per	Amount of Loan	Per	Amount of Loan	
1	Unnatishi VSLG	26	7	115000	17	501000	1	26200	9	250000	886200
2	Samaj Sudhar VSLG	32	22	93800	2	59000	7	49000	25	453000	654800
3	Manakamana VSLG	26	12	119000	8	603800	0	0.00	23	713900	1436700
	Total	84	41	327800	27	1163800	8	69200	57	1416900	2977700
	Percent			11.01		39.08		2.32		47.58	100

Source: Field Survey, March 2015.

6.4.7 Status of Income Generating Activities (IGAs)

Income Generating Activities are major component of livelihood improvement activities. The study reports showed that 56 (67.47%) HHs are engaged in different types of agro-based income generation activities with or/and without any supports from any external supporters. The tentative annual gross income from agro-based IGAs is found NRs 3639000.00. Goat keeping, buffalos rising, pig raising, ginger farming, vegetable farming, small poultry farming etc. are the major activities of income generation activities reported in income generation activities. The details of income generation activities, its income and the investment from different organizations are briefed in given in table no. 6.22.

Table 6.22: Status of Income Generating Activities (IGAs)

S. N.	Name of Group	Total HHs	Persons engaged		Tentative Annual Income	Support Amount			
			HHs	%		Own	Co-operative	Donor	Others
1	Unnati shil VSLG	26	16	61.54	1130000	246000	209500.00	0	269800.00
2	Samaj Sudhar VSLG	32	18	56.25	1018000	258000	76400.00	50000	240400.00
3	Mana kamana VSLG	26	22	84.62	1491000	241000	190300.00	30000	378599.00
	Total	84	56	67.47	3639000	745000	476200	80000	888799

Source: Field Survey, March 2015.

6.5 Status of Natural Capital

6.5.1 Linkage with CFUGs

All the group members except one are being affiliated with CFUGs. It is resource-based groups and several types of livelihood activities are being implemented by CFUGs targeting ultra poor. This analysis may help us to linkage program activities with community forestry user groups in each group. It is reported that all members of village saving and loan groups are also the members of CFUGs. The study has also showed that among sampled households, representation of 3 village saving and loan group members are found (1 women) in Executive Committee of CFUGs where 80 (women 73) are found as general members. Refer following table no. 6.23 for details.

Table 6.23: Affiliated with CFUGs

Name of Group	Total Hhs	Affiliation status in CFUV		Key Position		Executive Member		General Member	
		Yes	No	Female	Male	Female	Male	Female	Male
Unnatishil VSLG	26	26	0	0	0	0	1	21	4
Samaj Sudhar VSLG	32	32	0	0	0	0	0	32	0
Manakamana VSLG	26	25	1	0	0	1	1	20	3
Total	84	83	1	0	0	1	2	73	7

Source: Field Survey, March 2015.

6.5.2 Access to and Control over within CFUG

As mentioned in table 6.24, the status of Access to and Control over in community forest user group's level is analyzed. The report has showed that 100 percent households have accessed the resources from the community forest. 60 households reported that the community forest user group management committee have been listen and addressed their voice about the forest resources but 24 households reported the committee has not listened and addressed their voice about the forest issued. Refer following table for details.

Table 6.24: Status of Access to and Control over within CFUG

S.N.	Name of Group	Total HHs	Access of Resources		Listen the voice and addressed from CFUG committee	
			Yes	No	Yes	No
1	Unnatishil VSLG	26	26	0	21	5
2	Samaj Sudhar VSLG	32	32	0	20	12
3	Manakamana VSLG	26	26	0	19	7
Total		84	84	0	60	24

Source: Field Survey, March 2015.

CHAPTER VII

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Summary

The objectives of the study were; to observe managerial practices of village saving and loan group, to find out the contribution of village savings and loan program to the rural poor and examine the relationship between access of livelihood assets and socio-economic category. In order to meet the research objectives different tools and techniques were used for data collection. Descriptive research was carried out for which both primary and secondary data were collected.

Total 84 household members and three groups have participated in interview schedule, observation and focus group discussion. Among the selected three groups in study area one was women's group and two were mixed groups. In the study time five members from each group were participated in case study process. All village saving and loan groups and its members are living in rural areas at considerable distance from the district Headquarters. The research results are analyzed in five dimensions of livelihoods to measure the overall current livelihoods status. The conclusions of findings herewith briefly drawn in summarized form.

- The overall status of VSLG performance up to February, 2015 is recorded. Until this date, average membership per VSLG is 28. A total of 84 members are participating in saving scheme with accumulated amount Nrs. 257006. The loan outstanding balance in target VSLG is Nrs. 327800.00 with 42 active clients.
- It is found the constitution was signed by all members, all members were taking passbook which was provided by the group and filled it in the meeting by treasures with their saving and signed. 41.67 percent members are totally followed the rules and regulations of the groups and 58.33 percent has reported sometimes because of the time limitation. 64.29 percent of group members reported the group general assembly has done.

- The entire target VSLG prepared policy of fines and disciplinary action for late arrival in the meeting as well as the pro-poor policy made and gave the priority to take the loan for IGAs for poor, vulnerable, marginalized members.
- The lending rate of interest of formal financial institutions ranges from 12 to 24 percent per annum and charged by local money lenders ranges from 24 – 36 percent per annum. The interest rate within village saving and loan groups is 12 percent per annum or low and benefit was shared among the saving members only.
- The project created base to improve the livelihoods of poor rural population groups but the capacity of VSLG need to be developed to enable them operates independent of external support.
- The village saving and loan group model is highly relevant in rural area where access to finance to the poor and disadvantaged groups is a challenge but the member who are engaged in VSLG found happy and changing their livelihood in better way.
- 43.76 percent population found between the age group of 19-40 years; which is economically active population.
- The literacy level is high in all groups (90.82%) where women literacy only 90.33 percent and the men literacy are a little bit higher than women and the percent is 91.94 percent. All the children are found school going in the school going age because of the sufficient awareness in education sector.
- 61 percent households are found clean, 26.19 percent households are found moderates rest of them are found dirty in and around the households and 54.76 percent households maintain their personal hygiene clean, 32.14 percent are found moderate.
- 49 percent households are using improve smokeless coking stove and 55 percent are using bio-gas and liquid gas in target area. This kind of progression is very much important and it seems people are fully aware about the conservation of environment also.
- Only two members including one woman are holding key positions. Likewise 21.42 percent members are found to hold positions in executive committee member and 100 percent (92.86% women) in general members are affiliated with different institutions only in community level intuitions.

- In terms of land ownership, 26.20 percent land is owned by women and 15.86 percent households are owned by jointly (Women and man).
- Most of the households sell the animal assets to fulfil their immediate cash requirement which is the main part of income and it is covered 18.31 percent.
- 3 households (3.85%) are settled down near river/streams. Out of total respondent households, 24 (28.37%) households are found near landslide areas. and 62 (73%) households are affected by wildlife.
- 15.41 percent populations has been found in agriculture farming, 15.12 percent found in animal husbandry, 3.31 percent found in wages 13.04 percent in jobs/employment, and 2.27 percent found in business categories. Most of the households applied 2 or more source of income for livelihood.
- The study found average gross income of per household is NRs. 207228.57.
- Households who afford to manage their food sufficiency for three month are only 10.10 percent households, for six months are 36.62, for 9 months are 37.34 percent, households with food sufficiency, 12 months are 13.38 percent and above 12 months are only 2.56 percent respectively. The deficit food is managed by impact groups from, wages, borrow, business and other income sources.
- The study found average expenditure of per household is NRs. 217388.93. Analysis clearly describes the total expenditure is more than annual gross income.
- Total amount saved by selected households in different groups found NRs 1003191.00. The average saving amount per HH is NRs. 11942.75.
- Out of total loan taken NRs 2977700.00; the analysis showed that households have taken 47.58 percent loan from local money lenders though they charge maximum interest rate as high as 24 percent per years. Similarly; the loan taken from Cooperatives 39.08 percent, from Banks is 2.33 percent and from own group 11.01 percent is reported.
- The survey showed that 56 (67.47 percent) households are engaged in different event/types of agro and non agro-based income generation activities and the expectation of tentative annual gross income from IGAs is found NRs 3639000.00.
- The study found that 100 percent households have accessed the resources from the community forest. 71.43 percent households reported that the community forest user committee have been listen and addressed their voice about the forest

resources but 28.57 percent households reported the committee has not listened and addressed their voice about the forest issued.

7.2 Conclusion

The study found that the awareness level is increasing day by day because most of the households are able to get the basic rights. Women and poor's awareness level have increased in livelihood, empowerment and gender equity. the study also concluded that women are capable for their own decision in different fields as well as jointly made the decision within family which is indicated the increment of women and common in decision making in different sectors. Land ownership of women is increasing. Land also purchased by jointly (Women and man). All households have drinking water facility, toilet and animal shed. The study area located in rural areas so; the villagers are always in risk from natural disasters such as floods, landslides, affected by wildlife etc. So to minimize and mitigate the risks, the current vulnerability status of houses and land should be taken into consideration. The agriculture sector and foreign employment in target area is the major source for employment and economic activities. Food scarcity is one of the most problems facing by people in target area. Nearly 83 percent households are found the below 12 month foods sufficient which is covered and managed by impact groups from wages, borrow, business, employment and other income sources. The saving is the most critical part of the livelihoods assessment and the program is encouraging to people for regular saving. The persons who took loan are investing in income generating activities which shows that the people are fully aware for the improvement of their living standard. All households are involved in community forest which is very much important to utilize the forest resources for livelihood.

The program Village Savings and Loan found which support to fulfill the small local pools of capital to satisfy households' cash-management needs of rural poor. It provides sustainable and profitable savings as well as the support to the villager for sustainable livelihood. Contribution of Village Savings and Loan Program to Uplift the Livelihoods of Rural Poor is measured by the different statements or queries related to livelihood. It is deduced that there is the positive response of participants towards livelihood in all indicators as well as the program impact and it's relevant.

7.3 Recommendation

- All the VSLG are found with written policy. But due to lack of implementation process and not clear rules and regulation, internal governance system and management of savings and credit is little bit weak in operation. Therefore, Program should focused to register in government agency (cooperative office).
- It is necessary to increase the level of literacy of group members particularly of women; so that they can manage their group funds independently.
- There is no proper Management Information System (MIS) in VSL groups. So, there is strong need of facilitation to develop MIS in each group.
- Develop organizations should focus to develop VSLGs as entry point to implement other interventions in the areas through these groups.
- The existing traditional male mechanism, patriarchal oriented rural philosophy ought to be changed. Opportunity should be created by selecting women in major key positions of VSLG and CFUG during the GA revision time.
- To improve the decision-making capacity of women, there need to provide further opportunities
- In spite of several positive responses to program activities, the women are still suffering from some hindrances in group management activities such as lack of technical knowledge, lack of awareness and underestimation by male members. Women also reported insufficient technical support from ASK and CARE. Thus, co-ordination with ASK Nepal office is essential to address the problems through which they can provide group management training as well as other technical support to the women members and gather moral support by giving gender knowledge to the male users.
- Further research is requires to do on education, level of awareness, empowerment of the village saving and loan group.
- It is necessary to see the impact of remittance on household as well as community level.

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- 1.9 Do your group conduct general assembly regularly and giving the status about your group to you?
 a. Yes () b. no ()
- 1.10 How is your participation in your group meeting?
 a. Active () b. moderates () c. inactive ()
- 1.11 Do your group listen and address your voice regularly?
 a. Yes () b. sometimes () c. No ()
- 1.12 Do your group make pro-poor policy to address the livelihood?
 a. Yes () b. No ()
- 1.13 Do you think to upgrade your group in cooperative or any other organization?
 a. Yes () b. No ()
- 1.14 Do your VSLG management committee share the group progression?
 a. Yes () b. No ()
- If yes, when?
 a. Monthly () b. Annuly ()

2. Questionnaires about human resources for upliftment of the livelihood.

2.1 What is the education status in your family?

literate		Up to primary education		Up to SLC		+2 or Above		Illiterate	
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male

2.2 How many School going age children in your family? ()

2.3 do all the children go to school?

a. Yes () how many children? ()

b. No () how many children? ()

If no, what is the reason for not going to school?

()

2.4 Do all the members register the birth registration in the registration office from your family?

a. Yes () how many members have? ()

b. No () how many members have? ()

If no, what is the reason for not taking the birth registration?

()

2.5 Do your family members take citizenship?

a. Yes () how many member have? ()

b. No () how many members have? ()

If no, what is the reason for not taking the citizenship certificate?

()

2.6 From where your family members take the facility of health treatment?

a. Health institution () b. used traditional technique ()

2.7 What is the condition of personal hygiene and sanitation in and around your house?

a. Clean () b. Moderates () c. Dirty ()

2.8 What is the situation of individual Sanitation at household level?

a. Clean () b. Moderates () c. Dirty ()

2.9 What is the main source for cooking in your house?

a. Improve Smokeless cooking stop () b. Gas/Bio-gas ()

c. Traditional Stop/firewood ()

2.10 From where you collect the vegetables for consumption?

a. From own kitchen garden () b. From market () c. Both ()

3. Questionnaires about social capital for uplift the livelihood.

3.1 Are you affiliated in any organization? What is your position where you are affiliated?

Cooperative				Community Forest				School Management Committee				Others (Specify)					
Key	Position	EC	Member	General	Member	Key	Position	EC	Member	General	Member	Key	Position	EC	Member	General	Member

3.2 Who decide the land purchase and sell in your family?

a. Female () b. Male () c. Both ()

3.3 Who decides the children education in your family?

a. Female () b. Male () c. Both ()

- 3.4 Who decides the marriage in your family?
 a. Female () b. Male () c. Both ()
- 3.5 Who decides the Agro products buying and selling in your family?
 a. Female () b. Male () c. Both ()
- 3.6 Who keep the Income, expenditure and balances in your family?
 a. Female () b. Male () c. Both ()
- 3.7 Who is participated in capacity building program in your family?
 a. Female () b. Male () c. Both ()
- 3.8 Who is participated in social works in your family?
 a. Female () b. Male () c. Both ()

4. Questionnaires about physical capital for the uplift the livelihood.

- 4.1 Do you have own land in your family?
 a. Yes () b. No ()
- If yes, how many land do you have (In ropani)?
 a. Aabal (Khet):Ropani b. Dry field (bari).....Ropani
 c. Grass land (Pakho)..... Ropani

- 4.2 who have land ownership in your family?
 a. Female () b. Male () c. Both ()

- 4.3 Do you have these infrastructure and physical assets?

Description of infrastructure and physical assets	Yes	No
House		
Animal House (Goth)		
Toilet		
Drinking Water		
Bio-gas		
Cycle/ Motorcycle/Car/Jeep		

- 4.4 What is the conditions of these infrastructure and physical assets?

Description of infrastructure and physical assets	Local	RCC
House		
Animal House (Goth)		
Toilet		

4.5 What types of animals do you keep in your house?

Types of animals	Total numbers
Big animal (Cow/Ox/Buffalo)	
Small Animal (Sheep/goat/pig)	
Chickens/ ducks	

4.6 Is there any risk and danger in and around your house?

- a. Near about River/stream () b. Near about landslides ()
 c. Affected by wildlife () d. Fire ()

5. Questionnaires about financial capital for uplift the livelihood.

5.1 What are the main sources of livelihoods?

- a. Agriculture () b. Livestock () c. Wages ()
 d. Employment () e. Business () f. Others ()

5.2 What is your Income Sources and how much income you earn?

Source of Income	Total income (Nrs annually)
AG	
Livestock	
Wages	
Employ	
Business	
Other (if any)	
Total Income	

5.3 How many days or months you consume your own product from your own land?

- a. Up to 3 months () b. 3-6 months () c. 7-9 months ()
 d. 9-12 months () e. More than 12 months ()

5.4 If food is not sufficient for 12 months then, how can it be possible to make sufficient?

- a. Wages () b. Borrow () c. Business () d. Others ()

5.5 What is the expenditure status in your family?

Source of expenditure	Total expenditure (Annually Nrs.)
Food	
Health	
Education	

Livestock	
Clothes	
Festival	
Physical Infrastructure	
Entertainment	
Business	
Social work	
Others (If any)	
Total expenditure	

5.6 Do you save your income in other organization?

a. Yes () b. No ()

If yes, how many saving in other organization till now?

Name of organization	Total saving amount
Co operative	
Bank/MFIs	
Other (if any)	
Total saving amount	

5.7 Do you take a loan from other agency?

a. Yes () b. No ()

If yes, how many loans you take from other agency?

Name of organization	Total loan amount
Co operative	
Bank/MFIs	
Other (if any)	
Total saving amount	

5.8 Did you involve in any Income Generating Activities (IGAs)

a. Yes () b. No ()

5.9 If yes, How many income aspect from your IGA?

Nrs.

5.10 How many loan you take from for IGA?

a . Own investment Nrs..... b. From cooperatives

Nrs.....

c. From donors Nrs..... d. From other (if any) Nrs.....

6. Questionnaires about natural capital for uplift the livelihood.
- 6.1 Do you get the natural resources as per your need from the CFUG?
a. Yes () b. No ()
- 6.2 Are you involved or member of CFUG?
a. Yes () b. No ()
- 6.3 If involve in CFUG then what is your post?
a. Key post () b. EC member () c. User member ()
- 6.4 do the executive committee listen and address your voice from CF?
a. Yes () b. Sometimes () c. No ()
7. At last, do you have any suggestion?
8. If there any special please observe.
- I would like to thank you for your valuable time, information and suggestion.

Appendix II

Check List for Focus Group Discussions

- What is the current status of your income sources and expenditures?
- What types of facilities are you getting from VSLGs?
- Have you prepared your Livelihoods Improve Plan?
- What do you like the most of VSLGs management?
- Are you satisfied with way of VSLG management?
- What do you suggest for betterment of VSLGs?
- Did you aspect more help from ASK Nepal and Care Nepal.
- What is your the participation level in VSLG Management?
- What are your major constraints in participation?
- What are the programs conducted by government to increase your participation?

Appendix III

Name of the Member Who Participated in Focus Group Discussion

Name of Participants	Name of VSLG
Sita Dhakal	Unnatishil VSLG, Phaparthum 1, Syangja
Mitha Dhakal	
Indra Dhakal	
Meena Dhakal	
Bimala Dhakal	
Nansuwa Gurung	
Lila Kumari Gurung	
Meena Bhujel	
Lina Gurung	
Sagun Bhujel	
Sita Dhakal	Manakamana VSLG, Phaparthum 1, Syangja
Ranmaya Bhujel	
Pyauli Bhujel	

Appendix IV

Check List for Key Informants

- What is VSLG Program?
- What are the objectives of Village Saving and Loan Program?
- What are the expected outputs results of the Village Saving and Loan Program?
- What is the methodology and its application of the Village Saving and Loan Program?
- What do you mean by adjusted VSL model of Village Saving and Loan Program?
- What kinds of program activities are implemented in research area?
- Is there any success of unsuccessful case study in the research area?
- What is the participation level of poor, women and marginalized in VSLG Management?
- What are the major constraints in participation of poor, Dalit, women and marginalized people?
- What are the programs conducted by government to increase participation of women and marginalized people?

Appendix V

Photo Gallery

Group Meeting Observation in dAppendifferent VSLG, Phaparthum VDC-1 and 2, Syangja



Household Survey



Interviewing with VSLG members of Manakamana VSLG in Phaparthum VDC -1, Syangja



Interviewing with VSLG members of Unnatishil VSLG in Phaparthum VDC -1, Syangja



Interviewing with VSLG members of Samaj Sudhar VSLG in Phaparthum VDC -2, Syangja



Information Collection from Key Informant, Phaparthum VDC -2, Syangja

Some Case Study Related



Mina Bhujel - 42 , Phaparthum-2 with her livelihood assets (Goat and small poultry business)



Sabitra Phaparthum 2 Syangja, Village saving and loan program - Hope to easv future with



Cholakanta Dhakal, 65 years old but still active to uplift the livelihood of rural



Goma's Children support her for chilly farming in Phaparthum VDC 1, Syangja



Sita Dhakal Phaparthum 1 Syangja, Village saving and loan program - Sita has confident, because of the village saving and loan program