

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nepal a landlocked, largely mountainous country is among the world's 50 least developing countries. Sluggish economic growth, a low level of industrialization, underdeveloped production structure with limited commodities to export, high concentration of labor force in agriculture, etc are some of its characteristics. Thirty one percent of the population lives below poverty line. Out of total population 85 % live in rural areas and dependency on agricultural is 80 %. People consume around 90.6 % of Gross Domestic Product. Gross domestic saving and investment is around 9.4 % and 21.8 % of Gross Domestic Product respectively (MOF, 2066/067). Saving and investment gap is around 12.4 %. Such a huge gap implies that Nepal has depended on foreign assistance to meet its investment requirement. So lack of self dependency is clearly seen. This clearly indicates the necessity of some concrete measures for the sustainable development of the nation.

With small territory of 147,187 square km. in south Asia, Nepal, the country of tall Himalayas is geographically landlocked with two big neighbours, India in south, east and west, and China in the north. Nepal's population is growing rapidly while the existing population is unevenly distributed over haphazard settlement. According to census 2001 the total population of the country is 23,151,423 among which 11,563,921 are males and 11,587,502 are females (CBS, 2001). Therefore, women cover more than half of the country's population. But the socio-economic and political condition of Women is very poor.

After WTO membership in 2004, more responsibilities and challenges are added on national level. Nepal is in infrastructure development phase to activate WTO by 2010. After this intense competition be expected in the national economy. Among other things, it is high time Nepal pay its due attention to the ignored rural areas. In the rural areas also women workforce is the main stream of development. That is why Nepal's efforts for fulfilling the aspirations of its people is mainly possible only by empowering rural women economically, socially and politically. In this context micro finance can be one of the effective media to uplift the rural women.

The developing and underdeveloped countries of the world which form a majority of the population for the past 'few decades' have been in search of specialized economic programs that cater to the needs of the poor people. As a result, there have been substantial gains in reducing poverty and are gaining momentum to improve their lives particularly in providing better education, nutrition and health. In spite of this encouraging trend, a major portion of people in Asia, estimated to be 600 million continue to live below the poverty line.

Millions of people in developing countries produce a wide variety of goods at home or shops and in trades and retails. The goods produced range from a local cigarette, pottery and ceramics, metal utensils, household conveniences like mops and brooms to growing fruits and vegetables .Even in the urban areas, a growing percentage of the working population, sometimes as high as 50% is engaged in micro enterprise activity. In order to prosper their business, all micro enterprises have a sufficient supply of working capital for the purchase of supplies. With expansion they also need to invest in assets such as tools, equipment and improved premises. Sometimes people generate such capital from own savings or borrowing money from money lenders at a horrendously high rates of interest. Since, they lack collateral to access money from the formal financial services, most of the times, though such micro entrepreneurs are just left stagnant with their skills and business wish for some miracle to happen for the surplus of money.

The concept of micro finance has its roots in this lack of capital for investment particularly access to capital to the poor in developing countries. As the name implies, it is financing at a small level. Still the term could be vague and ambiguous considering that word 'micro' in micro finance may refer to any aspect of the finance associated with it. Many definitions have been put forward in this context and definition differ in understood as, Extension of small loans to very poor people for self employment projects that generate income, allowing them to care for themselves and their families. In other words, micro finance is the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans. Despite ongoing development efforts, poverty remains rampant in Nepal with approximately 31% of the population living below the poverty line. The incidence of poverty is highest in remote and rural areas. Microfinance has been one of the few effective tools for

poverty reduction over the past years. Through the creation of sound microfinance institutions and systems, poor people can safely deposit money and accumulate funds for future investments or emergencies as well as access loans for productive purposes leading to higher incomes. Additionally, microfinance produces an impact in other areas including good governance, participation in the political processes, women empowerment, social inclusion, and conflict transformation. Currently, more than 1.6 million individuals in the rural population have access to microfinance services. This figure represents approximately 8% of the population and approximately 26% of the people living below the poverty line. In order to obtain more effective statistics and further diminish poverty, the outreach of sustainable and sound microfinance institutions to the rural and urban poor must be increased (CMF, 2010).

With the capital acquired from micro finance services, poor people are able to engage in micro enterprises. Small initiatives which do not require huge capital, for which, resource and skill are locally available and most importantly which yields results very quickly. The quick yielding of results is taken as a very important factor as most of the micro finance programs allow very short repayment time. Hence, the micro entrepreneur must be able to generate enough income to be able to pay back the loan on time. Micro finance is the provision of board range of financial services such as saving (deposit), loans payment services, money transfer and insurance to poor and low income households and other enterprises which are usually considered non bankable. It is such a program which provides opportunity to low income groups to save small amount of saving, to receive loans at their doorsteps without or with collaterals in a simple way and at a reasonable interest rate. It also facilitates for small scale financial services such as guarantee, saving, insurance, leasing and remittance. Micro finance is targeted to small size loan for short duration at a slightly high interest rate than market rate to cover all costs and run the project with simple procedure. The special feature of microfinance is financing without collateral on group liability basis.

Micro finance activities usually include:

- a. Small loans, typically for working capital.
- b. Informal appraisal of borrowers and investment
- c. Collateral substitutes, such as group guarantees or compulsory saving

- d. Access to large loans, based on repayment performance
- e. Streamlined loans disbursement and monitoring secured saving products.

Micro finance clients are typically self employed low income entrepreneurs in both urban and rural areas and the clients are often traders, street vendors, small farmers, service provider, hair dressers, rickshaw drivers and artisans and small producers such as blacksmiths. Usually their activities provide a stable source of income; they are not considered to be the "poorest of the poor".

Microfinance is a tool for empowerment of the poorest. Higher the income, better the asset position of the borrower. It is essentially the promotion of self employment. The opportunities of wages employment are limited in developing countries. Microfinance helps to increase the productivity of self employment in the informal sector of the economy. It is generally used for (a) direct income generation (b) rearrangement of assets and liabilities for household to participate in future opportunities and consumption smoothing. It is not just a financing system but a tool for social change, especially of poor. It does not spring from market forces alone, it is potentially welfare enhancing because micro credit is aimed at the poorest.

There are various financial institutions providing financial services to the people. However, many of such financial institutions are focused on urban people who have medium and high income. Although many programs have been implemented for poverty reduction in Nepal, only micro finance program is seen as poor targeted and rural based peoples.

Today, nation is also depending open micro finance activities to get better result and success in the overall development of nation. This research paper helps to evaluate the performance of microfinance activities on poor and deprived society for their upliftment and modernization.

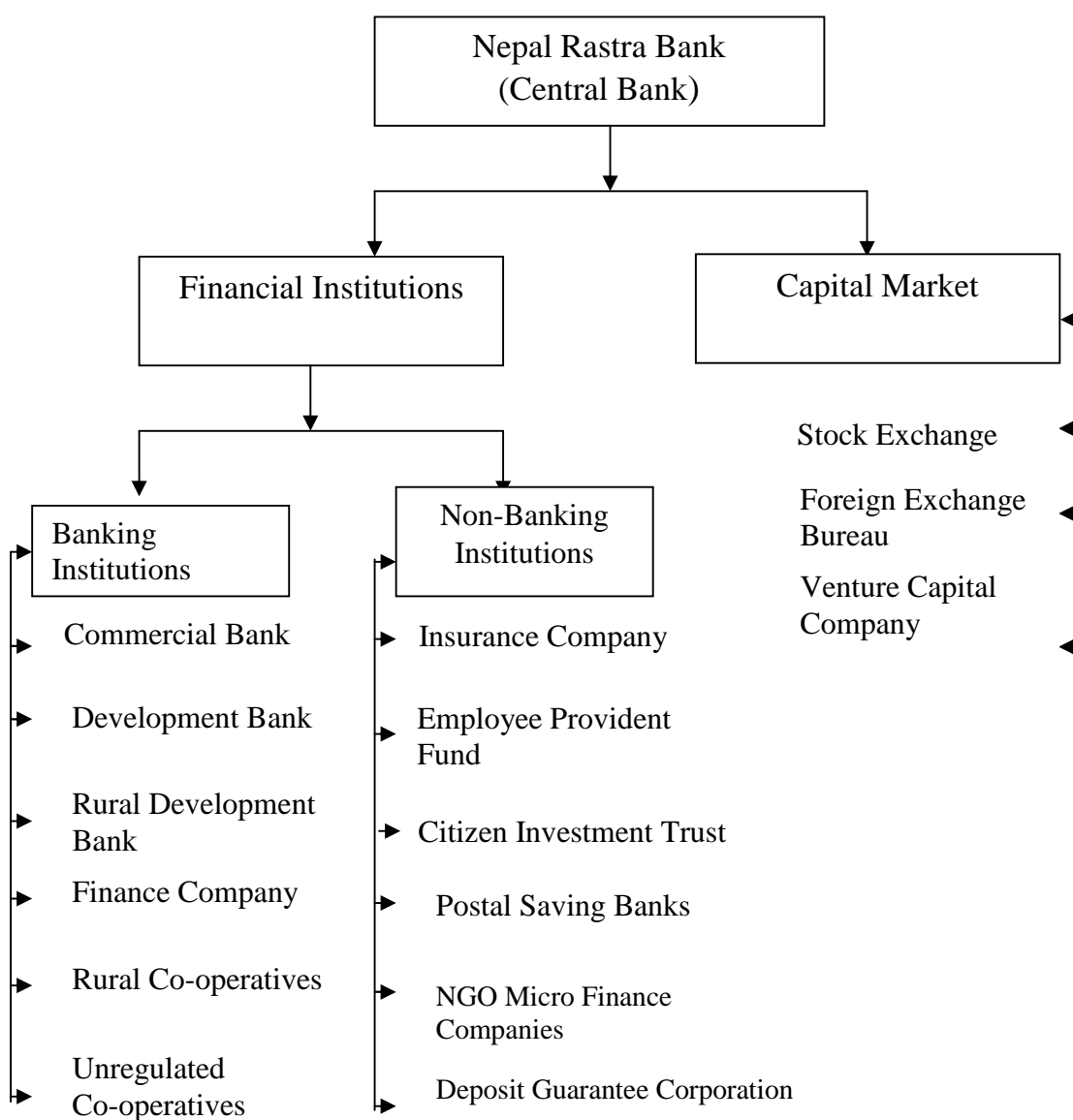
1.1.1 Micro Finance in Nepal

The history of financial sector development in Nepal is quite new. The first commercial bank in Nepal by the name of Nepal Bank Limited was established in the year 1937. The central bank of the country came in to existence in 1956 A.D. It was then followed by a couple of public sector financial institutions like Nepal Industrial

Development Corporation (1959), Rastriya Banijya Bank (1966) and Agriculture Development Bank (1968). After the adoption of liberalized economic policy, in 1980's a number of banks have come into existence. Nabil Bank Ltd. (Formally Nepal Arab Bank Ltd.) is the first joint venture foreign bank established in Nepal in the year 1984.

Since then there has been a rapid expansion in the financial market. It is expected that after 2012 some foreign banks would start their operation in Nepal as it has already become a member of WTO.

Figure 1.1: Overview of Nepalese Financial Sector



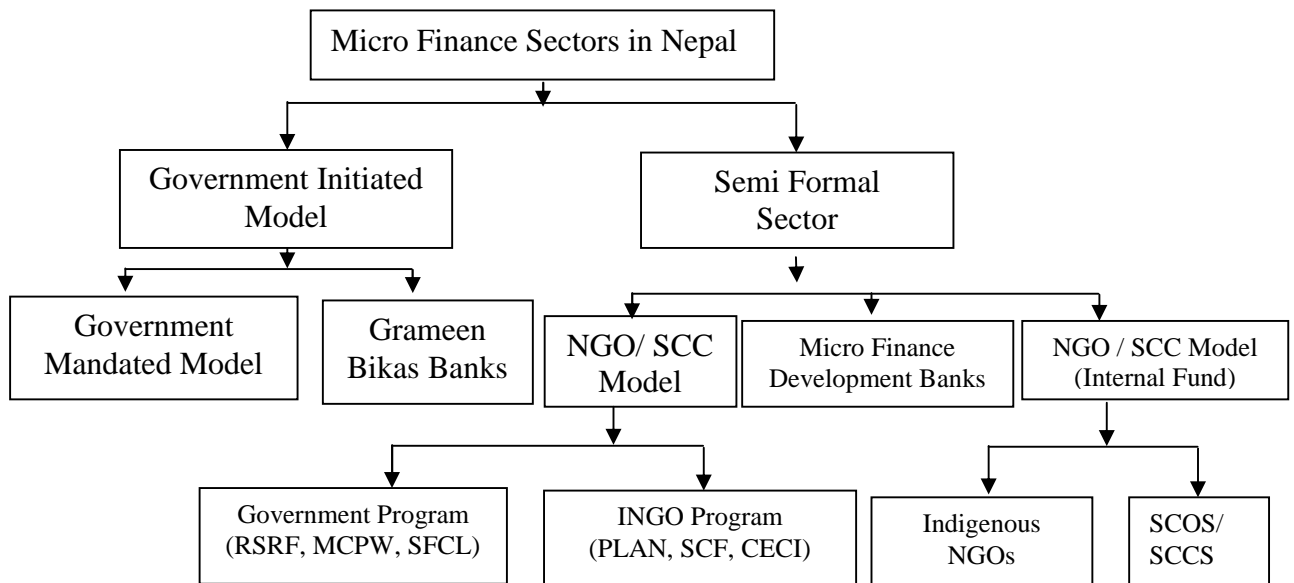
Source: [http:// www.cmfnepal.org](http://www.cmfnepal.org)

The financial activities have been basically concentrated in and around urban areas. Rural areas where absolute poverty persists have been deprived of financial services. Poverty alleviation program of the government will not succeed unless rural people are served with the necessary financial facilities. In this context microfinance is the only hope, and feasible for them.

The history of microfinance in Nepal is quite new. It was started only in the year 1975. The traditional practice of 'Dhikuti' and 'Guthi' can be taken as the origin of microfinance in Nepal. After the restoration of democracy in 1990 and the adoption of liberal economic policies by the government, a number of different types of microfinance institutions have emerged with governmental, non-governmental and donor initiatives. At the same time different types of community based organizations have also been established. Presently there are 19,724 cooperative institutions registered in Nepal. Among them about 8,888 are saving and credit cooperatives. Nepal Rastra Bank, Agriculture Development Bank, Rastriya Banijya Bank and Nepal Bank Limited have also delivered several microfinance programs. Some of the international non governmental organizations are also contributing in organizing people, collecting regular saving and investing in income generating activities. These activities on micro finance can be classified as government efforts in micro finance development and NGO or voluntary agencies contribution.

Nepal government designed a poverty alleviation program called small farmer development program in 1975. The program was implemented through Agricultural Development Bank. This program is now considered a successful program in Nepal for poverty alleviation to some extent. Government recognized micro finance as a tool for poverty alleviation and thus launched it in the Sixth Plan (1980/81-1984/85). Various programs to ensure poor, particularly women and disadvantaged and marginalized people was designed and implemented during that period. This program gained momentum after the restoration of democracy in 1997 with the establishment and promotion of Grameen Bikas Bank and other micro finance institutions like production credit for rural women, micro credit project for rural women, rural self reliance fund, rural development bank, etc.

Figure 1.2: Micro Finance Sectors in Nepal



Source: [http:// www.nrb.org.np](http://www.nrb.org.np)

Micro credit programs in Nepal have different modalities. Some are community based such as saving and credit cooperatives. Some are sector based such as 'priority sector' program which includes agriculture, cottage and small industries and services, and implemented through commercial banks. Though the history of micro credit started since 1950s, its importance has increased when regional rural development banks were established in 1992 by Nepal government and Nepal Rastra Bank as reapplication of Grameen Bank of Bangladesh, focusing on extremely poor people. The main objectives of RRDB is to empower rural people economically by providing them economic opportunities which in turn empowers them socially, economically, politically and psychologically.

Nobel peace prize winner of 2006, Mohammad Yunus of Bangladesh, the brain child of Grameen Bank, aptly regards poverty as "The denial of human right. A poor person has no right at all, no matter what one puts into the book" (Yunus, 1987)

Thus poverty is multidimensional in nature. It is the presence of hunger, malnutrition, illiteracy or insufficient education, starvation, frequent outbreak of communicable disease, remarkable poor housing, bare clothing, landlessness and so forth. The dynamics of poverty inequality and nutritional deficiency are related to each other through a complex chain of interactions. This phenomenon reinforces the other, and they are influenced at the same time by a number of other socio-economic parameters.

1.1.2 Necessity of Micro Finance to Rural People

Micro finance is regarded as an effective tool for poverty alleviation. Micro finance programs appear to be more effective in improving socio-economic condition of the borrowers. A large proportion of the participants in terai as compared to hills has felt positive impact on their economical condition. Microfinance program has led to increase in health awareness and change in health service seeking attitude. In the social aspect private initiated MFIs appear to be more effective in making positive impact (Sharma, 2007:p.5).

For the past 20 years, the government, international agencies and social organizations have been focusing on women's development programs. The main priority of the Tenth Periodic Plan was poverty alleviation, women's empowerment and gender mainstreaming. Most of the poor people live in rural areas and have little opportunity. Micro-finance could help poor people who have no collateral, but a willingness to work and a desire to do some business activities from which he/she will acquire employment as well as income. Most of the poor people live in rural areas and have little opportunity. Therefore, Microfinance could help poor people who have no collateral, but a willingness to work and a desire to do some business activities from which he/she will acquire employment as well as income. What is more, the economic environment provides great business opportunities. Most Nepalese micro entrepreneurs are economically isolated, which means that their market is often local, small and does not offer any demand growth prospects. Commercial banks and other financial institutions normally do not like to go in that area because of the geographical constraints, underdeveloped infrastructure and other physical constraints. However on the other hand, there is a substantial demand of micro credit in the rural areas. In this scenario, locally operating micro finance institutions could obviously play an important role to mobilize local savings, extend credit as well as channelize borrowed fund/grant to the local rural people. Micro finance is equally important to both men and women. Women's experience of poverty is different and more acute than that of men because of gender-based forms of exclusion. Women become poor through deterioration in the household's access to resources. Women's lives are governed by more complex social constraints and responsibilities than men's and they are more concentrated in the non-monetized sector. In almost every Asian

country, women comprise a large percentage of the poor. The existence of the gender complexities in the handling of income affects the quality of family life, the quality of children's nutrition and education, as well as household stability. Unless and until women do not have access to economic opportunities, poverty can not be reduced.

1.1.3 Introduction to Organization

Pashchimanchal Grameen Bikas Bank Limited (PGBBL) was registered in 1994 as a public limited company under the company act 1974. Currently, it is operating under the Bank and Financial Institutions Act 2006. As a micro finance bank, the bank has been established to alleviate the hardship and sufferings of the rural people within the Western region of Nepal. The main objective of the bank is to poverty alleviation of the rural poor through credit delivery system of the western region of Nepal. The unique features of the bank are; Area approach, well defined target group, group guarantee landing approach, no physical collateral required, disbursement of loan at the center. The head office of the bank is situated at Butwal, Rupandehi. It has started its first operation on 15th July, 1995 from the Goringhara branch of Kapilvastu district. The bank has extended its service in 13 districts of the western region of Nepal, modeled on the methodology of Grameen Bank Bangladesh, the bank operates 35 branches located in the hill and plain region within the western region, with a stronger presence in the hills.

1.1.4 Operating Mechanism of PGBBL

The bank has adopted the following operational mechanism.

- Each group consists of 5 members of different household.
- Each group select a chairperson and secretary who monitor its own group members activities.
- Each group should take at least one week training at entry point where group member become familiarized with the basic components, policy and program of the bank.
- Each group member must be able to write their name to be qualified for the loan. There is a rule of 2+2+1 in PGBBL i.e. two member can get loan on first week, another two member on third week and chairman gets loan on lastly i.e. in fifth week. Each member has to pay his/her installment per week within a year.

There is a area office of PGBBL. This area office works as branch office. Under this branch office there are Nine V.D.Cs. namely, Dulegaunda, Khairenitar, Bhimad, Majkot, Dhorphirdi, Raipur, Phirphire, Manapang, Chhang and Lekhnath Municipality.

1.1.5 Introduction of the Study Area

Western Development Region consists of 3 Zones- Gandaki, Lumbini and Dhaulagiri and 16 districts. Tanahun District, a part of Gandaki Zone, is one of the seventy-five districts of Nepal, a landlocked country of South Asia. The district, with Damauli as its district headquarter, covers an area of 1,546 km² and has a population of 315,237 (CBS, 2001). Previously the town of Bandipur was its district headquarter. The Tanahun district consists of 47 Village development committees (V.D.Cs.) and 1 municipality. Dulegaunda V.D.C. is one of the V.D.C. of Tanahun district. Dulegaunda V.D.C. is located 24 kilometers north west to Byas municipality, on 'Prithivi highway'. Dulegaunda is a village development committee in Tanahun District in the Gandaki Zone of central Nepal. At the time of the 2001 Nepal census it had a population of 10,373 people living in 2264 individual households. Out of this 47% male and 53% female. It is found that around 5% of people go for further study mostly at Australia, America, UK, Singapore, Denmark, Cyprus, Germany and Spain. The economic condition of the people of this V.D.C. is not so bad. Most of the people depend upon agriculture. A negligible portion of this population depends on non-agricultural occupation such as public service, business/ trade and other works. The main occupation of small land holders and landless farmers is agriculture labor. People are employed in agriculture during the planting and harvesting period. Some people especially Gurung, Magar, Chhetri are being employed in India, British and Nepalese armies. Brahmin and other people are being employed in India and Nepalese armies. Most of Newar are being employed in their business. Some people to get other countries (such as India, Malaysia, Dubai, Saudi Arab, Qatar, Maldives, Korea, France etc) in search of employment. Other income of the farmers is livestock (goat, buffalo, farm, pig) and high volume of crops and vegetables. Thus the major sources of income of the people of this V.D.C. are basically agriculture.

1.2 Focus of the Study

In every society Poverty has become a burning problem. A country cannot achieve sustainable economic progress without tackling it. Since Nepal's 31 % of people are under poverty, government has also laid emphasis on poverty alleviation. In this context Microfinance is a major way out to address poverty. It is an effective tool in raising the standard of living of rural poor, especially the women and granting them socio-economic status in the society. However there is a need to undertake study on the impact of microfinance on women in raising their socio-economic status. For the purpose the role of PGBBL in Dulegaunda V.D.C., Tanahun, in alleviating Poverty among women has been studied as a case. The present study mainly concentrated on exploring how PGBBL has helped mobilization of their saving, distribution of loan and its repayment policy. The study also incorporates to analyze the relationship between investment and income, and between loan disbursement and recovery and emphasis on poorest of poor women's financial condition through microfinance activities.

1.3 Statement of the Problem

Women of Nepal are poorer than men because they lack access to health, education and economic resources. Most of the women of Nepal are involved in agriculture but not recognized as farmer due to triple burden of work. Majority of women in Nepal are suffering from hard work and have difficult social and economic condition. The most unprivileged class like women is to be especially targeted to effectively achieve overall poverty reduction in the country. Different types of Programs are being launched for women development in Nepal. Some of them are Priority Sector Program (PSP), Small Farmer Development Program (SFDP), Integrated Rural Development Program (IRDP), Production Credit For Rural Women (PCRW), Participatory District Development Program (PDDP) etc. These Programs are intended to uplift the rural poor, especially women. Government itself has also conducted Micro-Credit Project for Women (MCPW) in twelve districts and five urban areas. Although Tanahun is one of the educational district of Nepal, women of this district are still involved within household activities including agricultural. The ownership right over the family properties rests with males not the females. Some common problems related to women such as not owning land, low level of education,

limited scope to generate income and low social status are interconnected and circular in nature. They are less conscious to save money and financial mobilization. Thus it is difficult for them to invest in business activities. Women microfinance in Nepal has been facing many problems. So this study has attempted to address the following research problems.

1. How is saving and its mobilization pattern of women?
2. How is the mode of loan, loan disbursement and repayment practice?
3. What type of relationship exists in between investment and income, and in between loan disbursement and recovery?
4. What is the impact of this program on the poorest of the poor women's financial condition?

1.4 Objectives of the Study

Micro-finance is emerging concept of Nepal. The value of micro-finance in Nepal is increasing day by day. The objective of the study is to assess the impact of microfinance on women in Dulegaunda V.D.C., Tanahun. For the study we have raised following objectives.

- To analyse saving and its mobilization pattern of women.
- To explore mode of loan, loan disbursement and repayment practice.
- To analyse the relationship between investment and income, and in between loan disbursement and recovery.
- To assess the impact on the poorest of the poor women's financial condition.

1.5 Significance of the Study

In Nepalese prospective, majority of people live in villages. They are suffering from malnutrition, lack of schooling and other human necessities. They are unable to start new venture due to lack of financial problem. They have no access to banking system; their economic condition is being poorer and poorer. It is believed that micro finance is a powerful tool to fight against the poverty. Its major achievements are considered as enhancing income of poor, increasing social awareness in regard to education, health and sanitation, social welfare, group mobilization etc. PGGBL is the apex institution working for the rural poor through microfinance. So there is great importance of PGGBL for smooth development of rural areas. Significant of the study is to find out problem and prospects in near future. The present study has practical

relevance. It attempts to find out the ways it is trying to find out women's condition in Nepalese society not only supports the economic condition of women but also has positive impacts on their social life through better standard of living with greater access to education and health facilities and empowerment to participate in decisions of the society.

1.6 Delimitation of the Study

Main objective of the study is to analyse impact of microfinance on women. It is also required to fulfill the academic requirement of Master of Business Studies. No any research escapes from limitation. This study has the following limitations.

- This study is confined within Dulegaunda V.D.C. of Tanahun
- The study covers Pashchimanchal Grameen Bikas Bank's program for the last 5 years.
- The study is confined to women only.
- Sample of women is taken who are involved in micro- enterprises program.

1.7 Organization of the Study

This Study is divided into the following Five Main Chapters and necessary Sub-Chapters.

Chapter I: Introduction

Chapter II: Review of Literature

Chapter III: Research Methodology

Chapter IV: Presentation and Analysis of Data

Chapter V: Summary, Conclusions and Recommendations

Chapter I: Major issues to investigate along with the objective, significance, focus and limitation of the study and organization of the study have been presented in this chapter.

Chapter II: This chapter consists of conceptual framework about meaning, history, trends, importance, principles, loan, saving, investment, programs of microfinance in Nepal, preview of micro finance models. It also incorporates the socio-economic background of women in Nepal. Empirical studies so far undertaken in this area have also been reviewed in order to explore the research gap.

Chapter III: The methods followed by us in analyzing the objectives listed above have been outlined in the third chapter. It includes research design, sources of information, sample selection and the statistical tool used for the purpose of analysis.

Chapter IV: Chapter four deals with the presentation and analysis of relevant data and major findings emanating from the study. Various statistical tools have been used for this purpose.

Chapter V: Summary and conclusions together with recommendations have been presented in last chapter.

A bibliography, appendices etc are enclosed at the end of the study.

CHAPTER II

REVIEW OF LITERATURE

2.1 Conceptual Review

It is difficult to find a universal definition of micro finance due to its variation on the basis of implementing location, institution and program as well. In simplest terms micro finance is defined as the financial service provided to the deprived group of people and small entrepreneurs to help them in developing, self employment opportunities and income generating activities. Small size loan, compulsory saving, small scale entrepreneurs, diversified utilization and simple and flexible terms and conditions are the determining characteristics of its definition. Micro finance comprises of three Cs. Character, Capital and Capacity. Micro finance as a program serves a large number of clients focusing on women and whole world from the very grass roots level with financial sustainability (Shrestha, 2001:p.23).

First of all potential characters (women poor backward communities) are involved in a group to fight against poverty through MFIs. In the second step various employment, self reliance related skills are presented to the group to create capacity for betterment of own self. In the third step they are provided micro capital to utilize their capacity and to generate income. After completing this first step of three Cs, MFIs adopted groups are passed through next five steps which are information, participation, partnership, ownership, agree. The first step of second phase is information where MFIs adopted groups get information about raw material, production technology, market and complementary services through MFIs. After that they are forced to participate in education, health, sanitation, water supply and personality building etc. Then after they realize the whole network is for their own sake and want to work in a group which creates their partnership concept, such activities which are conducted in communities by them, become valuable for them and they think the entire effort as their own property and the concept of ownership takes place. Similarly they realize their progress and MFIs effort to make them self dependent and agree to give continuity in such activities again and again, which is the foundation of women and backward communities for their empowerment and poverty reduction. Micro credit refers to small-scale credit targeted toward only rural poor people to increase their income level by fully utilizing their internal resources and skill. Generally it is short

term credit and small in amount. Small scale financial services basically credit and saving along with essential social and community development activities are indicated by MF. Generally it is provided to targeted people who invest the small amount for productive/ service motive projects like farm or fish or heard or small grocery (vegetable) vender, marketing of agricultural products and inputs and such other types project meeting the needs of local people.

Over all MF can help low income people, reduce risk improve management, raise productivity, obtain higher return on investment increase their incomes and increase the quality of their lives and those of their dependents.

A micro-finance activity usually involves.

- Small loans typically for working capital.
- Informal appraisal of borrowers and investments.
- Collateral substitutes, such as group guarantees or compulsory saving.
- Access to repeat larger loans, based on repayment performance.
- Streamlined loan disbursement and monitoring.
- Secure saving products.

Some MFIs provide enterprise development services, such as skills training and marketing, and social services, such as literacy training and health care; these are not generally included in the definition of micro-finance. MFIs are non-government organizations (NGO), savings and loan co-operatives, credit unions, government banks, development banks, commercial banks or non banking financial institutions. Micro –finance clients are typically self employed, low income entrepreneurs in both urban and rural clients are often traders. Street vendors, small farmers, service provides and artisans and small producers. Essentials of micro-finance is targeting to the poor, group approach, no tangible collateral, doorstep service, small loan size, frequent repayment, sustainable interest rates, simple procedure of operation, free choice of economic activities by clients, disciplined clients, effective pre group training .

2.1.1 Microfinance and Women

Micro-finance programs appear to be more effective in improving socio-economic condition of the borrowers. A large proportion of the participants in Terai as compared to hills have felt positive impact on their economic condition. Women empowerment showed positive changes specially involvement in decision-making. Changes in occupational structure, participation in the social activities, gender equality, high level of self-confidence, awareness in social issues and control of income (Sharma, 2007:p.1).

In our context, generally women are dependent on men. So women are mostly poor access to finance. In village areas, they are involved in household and agricultural activities. To collect and raise small fund, they can involve in different groups and community. For this microfinance is an effective tool. The main objective is to investigate the impact of microfinance in particular the self help group Bank linkage program on women empowerment. Traditionally, about 90% or more of micro finance clients are women. Hence microfinance is increasingly seen as an important tool in achieving the millennium development goals there to promote gender equality and empower women. For microfinance to show an impact on women's empowerment, it needs to be supplemented by microfinance plus or other non-financial services, like training, awareness creation programs, education etc. Most of the Nepalese women are living under low class living although some of them are living standard life. Living standard of rural women is unbelievable. In rural women spend most of the time on agriculture and livestock related activities. They spend 10 to 12 hours in such non-paying works; they do not have access of chances and opportunities to change their life style. The situation of racial discrimination is also creating very hard condition in rural life which also restricting to develop rural sector. Similarly, the Nepalese women's mobility is limited because their legs are locked by the chain of tradition. Their hands are locked by household activities. Generally, women do not express their decision at front; it is due to the excessive male-dominated society. At present women related plans, programs, strategies of NGO, INGO are implemented to develop and empower them. Women are showing much attention to self dependency. To make women economically, socially, and politically independent, programs such as, micro-finance income generation, skill development for informal enterprise and preparation for the formation and operation of co-operatives are being undertaken.

2.1.2 Historical Background of Microfinance in Nepal

The term micro refers to very small and finance is the art and science of managing money. So microfinance is the management of small amount of money. Microfinance means providing very small loan to very poor families so that they can involve in productive activities and grow their small business. In the past, microfinance was focused on providing a very standardized credit product. With change in time it is covering other areas such as saving, insurance etc. “Microfinance is small in value amounts targeted at low income clients. It includes loans, savings, insurance, transfer services and other services” (Sharma, 2005: p.87).

According to ADB (2000), country studies, the earliest initiatives for establishing micro finance services in Nepal can be dated back to the 1950s when the first credit cooperatives were established. These were primarily intended to provide credit to the agricultural sector. A well-structured and specialized program to cater to the financial needs of the poor was provided further impetus with the launching of the Small Farmer Development Program (SFDP) in 1975 within ADB/N. Over the past few years, a process of institutionalizing the small farmer Groups into the Small Farmer Cooperatives Limited (SFCL) has been under way. In 1974, NRB directed commercial banks. In 1981, to strengthen the priority sector program, NRB introduced the Intensive Banking program (IBP). The next main step in the development of microfinance in Nepal came in the form of the first gender-focused program, the Production Credit for Rural-Women (PCRW). In 1992, the first two RRDBs-one for the eastern region and another for the Grameen Bank of Bangladesh. Focusing on extremely poor women, RRDBs use a group lending approach and a weekly repayment system. By mid 1997, five RRDBs had been established. Besides these, NGO's and cooperatives have also had an increasing role in microfinance. Center for microfinance in Nepal (CMF) was established in July 21, 2000 with main activities of providing trainings, technical assistance consultancy services and undertaking studies, research, documentation and publications etc.

2.1.2.1 Trends of Microfinance in Nepal

Microfinance is growing for several reasons.

- Microfinance has promise of reaching the poor. Its activities can support income generation for enterprises operated by low-income households.
- It has promise of financial sustainability. Its activities can help to make financially self sufficient, subsidy free, often locally managed institutions.
- It has potential build on traditional system such as rotating saving and credit associations. They provide the same service in similar ways, but with greater flexibility at more affordable price to microfinance enterprises and on more sustainable basis.
- The contribution of Microfinance to strengthening and expanding existing formal financial system such as saving and loan cooperatives, credit union networks, commercial banks etc.
- There is increasing number of well-documented innovative success stories in setting savers as rural microfinance in women.
- The availability of better financial products as a result of experimentation and innovation. These experimentation and innovation have shown that living standard of women is growing at range.

2.1.3 Major Principles of Microfinance

The conditions and procedures of microfinance are more flexible and easy to understand by local community. The principles of microfinance are as follows.

(a) Poor people need a variety of financial services, not just loans

Like every one else the poor need a range of financial services that are convenient, flexible, and affordable. Depending on circumstances, they want not only loans, but also savings, insurance, and cash transfer services.

(b) MF is powerful tool to fight poverty

When poor people have access to financial services, they can earn more, build their assets, and cushion themselves against external shocks. Poor households use MF to move from everyday survival to planning for the future: they invest in better nutrition, housing, health, and education.

(c) MF means building financial systems that serve the poor

In most developing countries, poor people are the majority of the population, yet they are the least likely to be served by banks. MF is often seen as marginal sector a 'development activity' that donors, governments or social investors might care about, but not as part of country's mainstream financial system. However, MF will reach the maximum number of poor clients only when it is integrated into the financial sector.

(d) MF can pay for itself, and must do so if it is to reach very large number of poor people

Most poor people cannot get good financial services that meet their needs because there are not enough to cover their costs. Cost recovery is not an end in itself. Rather, it is the only way to reach scale and impact beyond the limited levels that donors can fund. A financially sustainable institution can continue and expand its services over the long term. Achieving sustainability means lowering transaction costs, offering services that are more useful to the clients, and finding new ways to reach more of the un-bankable poor.

(e) MF is about building permanent local financial institutions

\Finance for the poor requires sound domestic financial institutions that provide services on a permanent basis. These institutions need to attract domestic savings, recycle those savings into loans and provide other services. As local institutions and capital markets mature, there will be less dependence on funding from donors and governments, including government development banks.

(f) MC is not always the answer. MC is not the best tool for everyone or every situation

Destitute and hungry people with no income or means of repayment need other kinds of support before they can make good use of loans. In many cases, other tools will alleviate poverty better for instance, small grants, employment and training programs, or infrastructure improvements. Where possible, such services should be coupled with building savings.

(g) Interest rate ceiling hurt poor people by making it harder for them to get credit.

It costs much more to make many small loans than a few large loans. Unless micro lenders can charge interest rates that are well above average bank loan rates, they cannot cover their costs. Their growth will be limited by the scarce and uncertain supply soft money from donors or governments. When governments regulate interest rates, they usually set them at levels so low that MC cannot cover its costs so such regulation should be avoided. At the same time, a micro lender should not use high interest rates to make borrowers cover the cost of its own inefficiency.

(h) The role of government is to enable financial services, not to provide them directly.

National governments should set policies that stimulate financial services for poor people at the same time as protecting deposits. Governments need to maintain macroeconomic stability, avoid interest rate gaps and refrain from distorting markets with subsidized, high default loan programs that cannot be sustained. They should also climb down on corruption and improve the environment for micro businesses, including access to markets and infrastructure. In special cases where other funds are unavailable, government funding may be warranted for sound and independent MFI

(i) Donor funds should complement private capital, not compete with it

Donors provide grants, loans, and equity for MF. Such support should be temporary. It should be used to build the capacity of MF providers: to develop supporting infrastructure like rating agencies, credit bureaus, and audit capacity: and to support experimentation. In some cases, serving sparse or difficult to reach populations can require longer term donor support. Donors should try to integrate MF with the rest of the financial system. They should use experts with a track record of success when designing and implementing projects. They should set clear performance targets that must be met before funding is continued. Every project should have realistic plan for reaching a point where the donor's support is no longer needed.

(j) The key bottleneck is the shortage of strong institutions and managers

MF is a specialized field that combines banking with social goals. Skills and systems need to be build at all levels: managers and information systems of MFI central banks

that regulate MF, other government agencies and donors. Public and private investment in MF should focus on building this capacity, not just moving money.

MF works best when it measures and discloses its performance. Accurate, standardized performance information is imperative, both financial information (e.g., interest rates, loan repayment and cost recovery) and social information (e.g., number of clients reached and their poverty level). Donors, investors, banking supervisors, and customers need this information to judge their cost risk, and return.

2.1.4 Importance of Microfinance for Women

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

There is greater importance of microfinance in Nepal. It is mostly important for women because they are inhabitant in rural areas. There is lack of financial assess in rural areas. To engage women in small fund raising program and making them self-department, microfinance is an effective tool. Nepal's gender empowerment measure is only half of the global average and after Pakistan, the second lowest in south Asia. Agricultural feminization in Nepal is caused by de facto rather than de jury reason as the number of female-headed households in rural areas is increasing mainly because of male out-migration and male employed in other sectors. The important impacts of microfinance for women are:

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

In social sector, awareness development is found one of the major outcomes of this program. In this respect, many MFIs members started to join in literacy canter, schooling to their children including daughters, participating in the village level election so far they are daughters, participating in the village level elections so far

they are elected in ward members, V.D.C. chairman and vice chairman. In addition, they are actively involved in community development activities such as construction of village community hall, road, and bridge and drinking water system. By this, MFIs have been imputing the momentum for poverty endeavour. Majorities of women are not accessing the credit easily as due to lack of the collateral. In this respect, MFIs have been providing credit on the basis of group liabilities to such downtrodden people in income generating activities such as vegetable production, livestock raising, tea and daily uses shop , marketing of goods (better rice, vegetables and fruits) as per their experience an market potentialities.

2.1.5 Microfinance in Terms of Saving, Investment and Loan Distribution

Microfinance is targeted to poor and low-income people. It includes loans, savings, insurance, transfer services and financial services. Providers of microfinance include non-government organizations (NGOs), self-help groups, cooperatives, credit union, and commercial bank. Insurance and credit card companies and other points of sale (Sharma, 2005:p.87).

The poor already save in ways that we may not consider as “normal” saving-investing in assets, for example, that can be easily exchanged to cash in the future. After all, they face the same series of sudden demands for cash we all face illness, school fees, needs to expand the dwelling, burial, and weddings. It is hard to cut off one leg of a goat that represents a family’s savings mechanism when the sudden need for a small amount of cash arises, or if a poor women has loaned her “saved” funds to a family member in order to keep them safe from theft, she may not be already available when the woman needs them. The poor needs saving services that are both safe and liquid. These savings services must be adapted to meet the Poor’s particular demand and their cash flow cycle. Thus to maximize the savings propensity of the poor, institutions must provide flexible opportunities- both in terms of amounts deposited and the frequency of pay ins and pay outs. This represents important challenges for the microfinance industry that has not yet made a concerted attempt to profitably capture tiny deposits. Saving and investment are two parts of same coin. If people save they are encourage investing also. Women in the rural village area are interested to invest in gold and other small profitable sector. They cannot invest in large area because their saving is low. The main objectives to save are either to invest or to

provide service to poor people. So from the microfinance activities some women are saving and other poor women are getting benefit from loan services at low rate.

From newsletter of RMDC (2010) Prof. Yunus's long-term vision is to make the world free of poverty. He argued that loans to the poor without physical collateral had once appeared to be an impossible idea. He also showed that micro credit is a strong instrument to alleviate poverty in the developing countries. Loan clients are the most valuable agents in MFI operation. Income of MFI depends on loan client's willingness to receive financial services on continuous basis. For efficiency MFI requires that their entire client borrow and make disciplined transaction (Sharma, 2006:p.46). Mobilization and recovery of loan should be impartial. Loan can be in the form of individual loan, group loan etc. individual loan should be mobilized on the collateral of real assets where as in group loan also more emphasis is given on group guarantee (Baral, 2004: p.54).

2.1.6 Microfinance Emphasis on Poorest of Poor Women

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

Women are behind men in Nepalese society. They are lacking access to financial services. They should depend on man for financial services. Most of women are staying in rural areas. They are poor and illiterate also. It is necessary to uplift their livelihood. So microfinance is such an effective tool, which will bring change in their life, and they will be easily access to financial services. In Nepal, there are micro credit programs for poor women both in the public sector and in the non-governmental sector. The majority credit programs in the public sector are the women development program of the small farmers development program (WDP/SFDP), Production Credit for Rural Women (PCRW) Program and Regional Rural

Development Banks (RRDBs). Apart from numerous non-registered NGOs, there are a lot of registered NGOs, which primarily operate as welfare organizations but may include saving-credit activities for poor women.

2.1.7 Preview of Micro-Finance Models

To date, Nepal about three decades of experience in Micro-Finance, which has been exclusively recognized as a poverty-reduction program focused towards raising the income level and social standard of the people living in poverty, particularly women. In due consideration of the success of the micro-finance program in bringing positive impact towards poverty reduction. The micro-finance practices of the organized sector that are prevalent in the country can be grouped broadly into seven (7) micro-finance models as follows (NRB, 2008:p.22).

A) Grameen Model

A concept of Grameen bank was evolved in 1992 when the Nepal Government felt the need to establish a separate institution which would take sole responsibility for financing the rural poor and supplementing, to some extent, the rural micro-finance activities of the previously established institutions. The aim of the Grameen Bikas Banks (GBBs), established as a regional development bank in 5 development regions between 1992 and 1996 and operating on the Bangladesh Grameen model, is to engage the targeted rural poor with the appropriate credit delivery mechanism and on a group liability basis. These banks are the largest MF operators in Nepal. Training as an entry point of banking has been introduced, as a new specialized banking system by Grameen Bikas Bank. Although Nepal Rastra Bank had the major share ranging from 55-70 percent in GBBs, NRB is in the offing to divest its share of all GBBs to the private sector. As a result, Nepal Rastra Bank has been successful in divesting its share in three of five GBBs. Besides the government owned 5 GBBs, 4 MFIs based on Grameen model, and established as a development bank, are operating in the private sector. The bank provides credit basically for micro level income generating activities on a group guarantee basis to the group members through 2+2+1 system.

i. Swabalamban Bikas Bank Ltd. (SB Bank)

SB Bank (literally means Self-help Development Bank) is a Microfinance Development Bank, which started its operation on January 14, 2002. The Bank's registered (central) Office is situated in Janakpur, Dhanusha, Nepal. Over 13 years

ago, Centre for Self-help Development (CSD), an NGO, initiated the Self-help Banking Program based on the Grameen Bank Model with some adaptations in September 1993. The primary objective of the institution is to provide the disadvantaged section of the rural poor with easy access to credit, which will help them to improve their socio-economic status and make full use of their existing skills and resources. SB Bank targets families having per capita income not more than NPR 4,400 and serves women exclusively. By the end of Ashad 2067, SB Bank has reached 89,745 members (families). This Bank has succeeded to expand credit to 63,328 member families from its 56 branches. The current outstanding portfolio amounts to Rs. 993.393 million. However the cumulative disbursement has reached Rs. 7,487.141 Million and rest saving amount has reached Rs. 413.781 Million (RMDC, 2067).

ii. Nirdhan Utthan Bank Ltd.

Nirdhan Utthan Bank Limited, "the bank for upliftment of the poor" is a microfinance bank established in November 1998. It was granted a license in April 1999 to undertake banking activities. It provides microfinance services such as loans, deposits, micro-insurance, and remittance services. The lending methodologies are individual lending based on Grameen Bank, Bangladesh model and group lending based on Self help Group model through a few specified branch offices. By the end of Ashad 2067, NUBL has reached 126,787 members. This Bank has succeeded to expand credit to 85,323 member families from its 77 branches, its loan disbursement stood at Rs.1478.313 Million and rest saving amount has reached Rs. 435.248 Million by the end of Ashad 2067 (RMDC, 2067). Though, legally established as a company in 1998, the operation of NUBL is a continuation of microfinance services provided by an NGO called "NIRDHAN" which was providing microfinance services since March 1993. NIRDHAN, as an NGO has limited resources and capacity to satisfy the demand of poor people in different parts of the country. Hence, in July 1999, NIRDHAN transferred all microfinance operations to Nirdhan Utthan Bank. NIRDHAN was reoriented to Nirdhan Utthan Bank Limited.

iii. Chhimek Bikas Bank Ltd.

Chhimek Bikas Bank Limited is a micro finance development bank providing microfinance service to the poor, the marginalized and the deprived, with a main focus on women living below the poverty line. It was registered with the company

Registrar's Office in December 2001 and obtained a license in January 2002 from Nepal Rastra Bank. By the end of Ashad 2067, Chhimek Bikas Bank Ltd has reached 113,015 members. This Bank has succeeded to expand credit to 90,579 member families from its 48 branches. Its loan disbursement stood at Rs 1364.024 Million and rest saving amount has reached Rs 672.141 Million by the end of Ashad 2067 (RMDC, 2067).

iv. Deprosc Development Bank Ltd.

Deprosc Development Bank (DD Bank) is a microfinance bank working in the central and western region of Nepal. The bank has been promoted by DEPROSC Nepal (an NGO active in microfinance business). The other promoters are Agriculture Development Bank, Nepal Bank, NABIL Bank, Lumbini Finance and Leasing Company, CEAPRED (an NGO) and former bankers having 15-20 years experience. This bank was registered in January 2001. Deprosc Development Bank has been established to provide microfinance services, which are adaptable to local situations, cost effective, and financially viable and sustainable. By the end of Ashad 2067, Deprosc Development Bank Ltd has reached 51,827 members. This Bank has succeeded to expand credit to 39,711 member families from its 39 branches. Its loan disbursement stood at Rs 818.243 Million and rest saving amount has reached Rs 175.851 Million by the end of Ashad 2067 (RMDC, 2067).

B) Small Farmers Co-operative Model (SFCLs)

Agricultural Development Bank of Nepal (ADB/N) initiated a newly developed financing concept on co-operatives known by the name of Small Farmers Co-operative Limited (SFCL) which is, in fact, a convergent form of a 3-decade old Small Farmers Development Project (1976) of the bank, considered the first poverty focused credit program in the country. To meet the wholesale requirement of SFCL for on-lending to small farmers, ADB/N, has established Small Farmers Development Bank (SFDB, 2002). The main objective of transformation of SFDP into SFCL is to ensure the viability and sustainability of Micro-Finance Institutions (MFIs), which would be managed and administered by the members themselves. Many international organizations including IFAD, ADB/M, CGAP have lent their support to this program

in one way or other and GTZ has been continuously providing technical support to help upgrade these institutions.

C) FINGOs Model

This is the latest form of development in micro-finance in terms of financial intermediary process. It is believed that more than 10,000 unregistered NGOs are operating in the country either in the field of micro-finance or in social and community based development activities. After the promulgation of Financial Intermediary Act 1998 (1st amendment 2002), a broader scope has been created for the NGOs to function as financial intermediaries for mobilizing savings and promoting credit activities within the group. In this model, the NGOs disburse loans for micro-finance on a group basis. By mid-July 2009, 45 FINGOs had come into existence with a membership of 381,392, the total outstanding loan disbursed to them amounting to Rs.2394 Million and a saving deposit of Rs.1317 Million (<http://www.skbbbl.com.np>).

D) Priority Sector and Deprived Sector Credit Model

Priority sector lending model was introduced in early 1974 through the mandatory credit requirement as put forward by the NRB in agriculture, cottage industry and Micro-financing towards Empowerment of Disadvantaged Groups in Nepal: Innovations and Practices Centre for International Studies and Cooperation (CECI Nepal) 13 services sector. This mandatory requirement is presently called Priority Sector Credit Program (PSCP) and Deprived Sector Credit Program (DSCP). Priority sector credit program was renamed later as Intensive Banking program (IBP) in 1981 while Deprived Sector Credit Program was introduced in 1991 by the NRB. Both the programs have provision of direct and indirect financing. Under the direct financing mechanism, commercial banks provide loans to the beneficiary directly as retail lending while under indirect financing, commercial banks act as wholesale micro-financer and the loan-able funds are channeled through MFIs, co-operatives, FINGOs and MFDBs for on-lending to the beneficiaries. Notwithstanding the fact that Nepal is currently passing through a World Bank led Financial Sector Reform Program (FSRP), NRB has opted for a phasing out policy of this priority sector credit program within 5 years starting from 2002/03. It may be recalled that mandatory requirement to flow funds into priority sector credit program was 12 percent of the

total credit outstanding, while for DSCP commercial banks are required to finance micro finance sector at least to the tune of 3 percent of their total credit outstanding. Thus, DSCP is also a major source of fund for on-lending purposes to MFIs.

E) Savings and Credit Co-operatives (SACCOs) Model

As stated earlier, the co-operative model of financing emerged in Nepal as early as the 50's. This is a member-based organization, registered with the objective of self-help development among the members. By the mid-April, 2011, around 19,724 co-operatives have been registered with the Department of Co-operatives of which 8,888 are savings and credit co-operatives (SACCOs) and 8 percent of them are women SACCOs. Such SACCOs. The regulation on the job of micro-financing may therefore be assigned to a separate institution like NEFSCUN and National Co-operative Development Board or new institutions such as Micro-financing Regulatory and Supervisory Authority.

F) Project-Based Micro-Financing Model

There were six major donor-funded project-based micro-credit programs. Some of them are still in inactive stage.

i. Production Credit for Rural Women (PCRW)

This is the first donor supported micro finance program that was initiated in 1982 and completed in 1997 under two phases covering 26,616 groups and 82,416 poor women borrowers from 75 districts of the country with the credit disbursement amounting to Rs. 933,812 thousand. Funded by IFAD with a loan amount of SDR 3.23 million, the project utilized the loan amount cent percent. Two major commercial banks (NBL & RBB) and ADB/N were the participating banks and it was executed by Women Development Division of Ministry of Local Development. Nepal Rastra Bank was the main executing agency of the credit component.

ii. Micro-Credit Project for Women (MCPW)

This project was launched in 1994 by Ministry of Local Development in coordination with NRB, RBB financial assistance of ADB/Manila amounting to SDR 5.0 million. The distinctiveness of its approach lies in using NGOs as facilitators in micro-finance. Under the project, 95 partners (87 NGOs and 8 SACCOSs) have been involved in "financial and social intermediation", i.e. group formation, training, and delivery of

bank credit. By March 2002, the project covered 25,000 women clients from 14 districts and 14 municipalities. The participating banks such as NBL and RBB provided micro-credit amounting to Rs. 135 million (outstanding balance) to the target beneficiaries through NGO's and women's associations. NRB was again the executing agency of the credit component of the project. The project was completed in 2002 and the utilization of ADB's loan remained at 90 percent. The project was awarded best run ADB funded project in Nepal by ADB in 2001. With the completion of the project, many NGO's associated with the program as a credit agent later converted or upgraded into FINGOs and SACCOs. That is, 82 women savings and credit cooperatives were organized and 25 (twenty five) of them were registered at the Cooperative Department. 25 SACCOS have been able to become partner organization (POs) of RSRF. Similarly, 27 FINGOs formed by women groups under the MCPW have received licenses for limited banking from the central bank.

iii. Poverty Alleviation Project in Western Terai (PAPWT)

This project was funded by IFAD and launched in December 12, 1997 in selected Terai districts of western, mid-western and far-western development regions. The project is to cover below poverty level clients of the MFIs through 16 branches of Grameen Banks and its replicating institutions from 8 districts of western, mid-western and farwestern Terai. The project was completed in December 2004 and covered 29,000 small and marginal deprived sector borrowers. The project utilized 80 percent of total loan amount of SDR 2.57 million. The project was based on pre-financing model under which the selected branches were pre-financed by the NRB for on lending their clients based on their branch viability plan. As usual, Ministry of Local Development was the major project implementing body for overall project management and NRB acted as a credit component implementing body.

iv. Third Livestock Development Project (TLDP)

The project was started in the year 1996 with an aim to improve the quality of livestock and its production along with other livestock related development. The project was funded by ADB/Manila with a loan amount of SDR 2.0 million. The project was launched in three different phases in 26 districts of western, mid-western and far western regions of the country for targeted marginal and middle-income people. Initially, the project was to be completed by July 30, 2003 but it was extended

by one year to July 30, 2004. Besides, targeting marginal and middle income farmers, provision for high income level farmers was also made for raising livestock on commercial basis. During the project period, TLDP has disbursed Rs. 170 million through its 17 PFIs. While NRB was the implementing agency for the credit component, the overall executing responsibility was with the Department of Livestock, Ministry of Agriculture and Co-operative.

v. Community Ground Water Irrigation Sector Project (CGISP)

With the objective of increasing agricultural productivity of marginal and small farmers through community-based shallow tube-well irrigation system, Government introduced CGISP in 12 districts of eastern and central Terai in March 1999. CGISP is funded by ADB/M with a loan amount of SDR 9.93 million for the STWs installation and production credit and US\$ 3.5 million as a grant from CIDA as technical assistance. NRB is the implementing agency for the credit component. Department of Irrigation has overall responsibilities for executing the project. Technical assistance part was implemented by Centre for International Studies and Cooperation (CECI).

vi. Rural Micro-Finance Project

This was an ADB/M funded project for a period of 1999-2005. With a loan amount of SDR 14.2 million under the project, Rural Micro-finance project aimed at improving the socio economic status of poor women through wholesale credit to MFIs for on-lending to income generating activities and institutional strengthening of MFIs. Rural Micro-finance Development Center (RMDC) implemented the credit component. Rural Microfinance Development Centre (RMDC) is an apex organization of microfinance in Nepal. It was incorporated on October 30, 1998 (2055/7/13 B.S.) as a public limited company under the Companies Act, 1996 and has got license from the Nepal Rastra Bank (the central bank) on December 6, 1999 to operate as a development bank within the framework of the Development Bank Act 1995. It has been operational since January 2000. It is argued that the poor utilization of loan-able funds of ADB/M was mainly due to conservative attitude shown towards large MFIs with undermining the prospects of micro-finance development banks such as GBBs in outreaching as well as scaling-up of operation of micro-finance.

G) Wholesale Micro-Financing Model

Wholesale micro-financing in Nepal was introduced in 90's with the establishment of Rural Self-Reliance Fund (RSRF) in 1991. Later another institution called RMDC (Rural Micro Credit Development Center) under RMP came into existence in 2000 to cater to the wholesale credit needs of MFIs for on-lending purposes as well as for institutional capacity building of MFIs and capacity building of clients of partner organization. Concurrently, in the year 2002, another wholesaling micro-finance institution called Sana Kisan Bikas Bank (SKBB) was established to provide wholesale credit to Small Farmers Co-operative Limited (SFCL). Likewise, wholesale institution called National Co-operative Development Bank (NCDB) was also established in 2003.

2.1.8 On-going Major Micro Finance Activities

a) Rural Self-Reliance Fund (RSRF)

The Rural Self Reliance Fund was established in 1991 for providing credit to the rural deprived people for carrying out income generating activities using their skills, labors and other local resources, and thereby helps people to achieve economic self-reliance over the years. The target group of the fund is individuals of rural households, holding less than 15 ropanies (0.82 hectare) of land in the hills or less than 1 bigha (0.71 hectare) of land in Terai, or those who cannot meet the minimum annual consumption needed for their family members from their family income. And the fund will provide micro credit where the service of bank and financial institution does not exist. The RSRF provides micro credit to the saving and credit cooperatives (SACCOs) and NGOs on the basis of total share capital, reserve fund plus profit. RSRF is the first micro finance institution not only in Nepal, but also in Asia Pacific Region. RSRF's activities have been found to be more confined to Eastern and Central Development region of Nepal. NRB/MFD is endeavoring to expand its activities particularly in Western, Mid-Western and Far-Western Development Region in the years to come through workshops, advocacy and allied activities. RSRF has motivated rural women to run various income generating activities for their meaningful economic empowerment.

b) Rural Micro-Finance Development Centre (RMDC)

Rural Microfinance Development Centre Ltd. (RMDC) is an apex microfinance organization in Nepal. It operates as a wholesale lender for retail microfinance institutions (MFIs) such as rural development banks, microfinance development banks, savings and credit cooperatives (SCCs) and financial-intermediary NGOs (FINGOs), which are providing microfinance services to the poor, the marginalized and the deprived people with main focus on women living below the poverty line. RMDC also provides supports to MFIs for their institutional strengthening and capacity building. RMDC was registered on October 30, 1998 as a public limited company. It has been operational since January 2000. RMDC's vision is to emerge as a successful apex institution of microfinance that is financially viable and sustainable, operationally efficient and capable to establish a sound financial system that can cater to the needs of the majority of the deprived and disadvantaged families and thereby help contribute to the building of a poverty free self reliant society in the country. Its mission is to reach a large number of the poor and deprived families in Nepal with appropriate microfinance services and capacity building supports to help them realize their untapped huge potentials for self development. By the end of Ashoj 2067, RMDC has approved a total of Rs 5.73 billion for 88 MFIs, of which Rs 4.90 billion have been disbursed. It is revealed that RMDC has made significant contributions to promote and develop the micro finance sector in Nepal (RMDC, 2067).

c) Agricultural Development Bank Ltd. (ADBL)

With the main objective of providing institutional credit for enhancing the production and productivity of the agricultural sector in the country, the Agricultural Development Bank Nepal, was established in 1968 under the ADBN Act 1967, as a successor to the Cooperative Bank. The Land Reform Savings Corporation was merged with ADB/N in 1973. Subsequent amendments to the Act empowered the bank to extend credit to small farmers under group liability and expand the scope of financing to promote cottage industries. The amendments also permitted the bank to engage in commercial banking activities for the mobilization of domestic resources.

d) Small Farmers Cooperative Ltd. (SFCL)

A Small Farmer Cooperative Ltd is a multi-service cooperative designed to deliver primarily financial, but also non-financial services to its members in the hills and

Terai of rural areas of Nepal. The SFCLs play an important role in the rural civil society, by pooling joint resources to meet basic needs and to defend members' interests. The SFCLs are member-owned and controlled and have an open membership policy towards small farmers. A SFCL is a three tiered organization with small farmer groups, inter-groups and a central committee as the main pillars. Small farmers are arranged in a group with joint liability at the village level, which usually consist of 5 to 12 members. This is the body for the members to start their loan application process and to pool monthly individual and other compulsory savings. The groups also carry out other activities such as marketing, farming and community development. By mid-July 2009, 225 SFCLs had come into existence with a small farmer membership of 145,419, the total outstanding loan disbursed to them amounting to Rs. 2302 Million and a saving deposit of Rs.1304 Million (<http://www.skbbbl.com.np>).

e) Small Farmers Development Bank

The Agricultural Development Bank Limited (ADBL) started the Small Farmers Development Program (SFDP) in 1975 to extend credit to small and marginal farmers. Under SFDP, small and marginal farmers were organized into groups of 5-7 individuals to borrow from ADBL based on the group guarantee. SFDP was carried out through its subproject office (SPO), which promoted village level committees and was facilitated by a group organizer. Groups were formed based on the community members' common socioeconomic status, such as having income below the poverty threshold, being from a common locality, and having citizenship certificates. Separate male and female groups were organized. Loans under SFDP were subject to the ceiling of NRs 30,000 per individual group member. Loans generally started at lower levels, with members graduating to larger loans based on experience and satisfactory repayment performance. In addition to the financial operations to support SFDP, ADBL has assumed responsibility for group mobilization and group training.

f) Federation of Small Farmer Development Center (FSFDC)

There were two major reasons behind establishing SFCL. First, the rapid expansion of SFDP through ADBL was not possible due to the overhead costs carried by the bank in establishing a SPO thereby creating a limitation to the bank expanding each year. This was because given the magnitude of poverty in rural Nepal, without a rapid

expansion of the program it was unrealistic to expect any significant improvement in poverty situation. Secondly, transforming the ownership of the program to the farmers themselves was to create conditions that helped in the sustainability of the organization.

g) Self-help Groups (SHGs)

The history of the group approach to poverty reduction in Nepal dates back to mid 1970s wherein about 9-25 people below poverty line and living in a settlement are organized into groups (male only, female only or mixed) under the technical backstopping support of the government promoted programs such as SFDP and Intensive Banking Program (IBP) to work together for addressing their common problems. Other programs such as PCRW, Banking with the Poor (BWTP), MCPW, etc. also attempted to address poverty using the group approach. Success of the program implementation using group approach led to its expansion among different government organizations (GOs) and Non-Government Organizations (NGOs) in the recent years with the idea that people living in a settlement share an environment and common need together and they are bound to take up activities jointly which are meant for the welfare of the whole group. In most cases, these groups exhibit features of SHGs with savings collection and loan operation as one of their key activities. At present there is hardly any cluster or village in Nepal without SHGs. There are cases where members of the households have participated in more than one group promoted by different organizations. Since mid 1990's UNDP, in close collaboration with Ministry of Local Development, Ministry of Forest and Environment, Ministry of Tourism and Civil Aviation, Ministry of Industries, Supplies and Commerce and Ministry of Women, Children and Social Welfare have been implementing rural development and poverty reduction programs organizing the beneficiaries into SHGs.

h) Institutional Dimension of Cooperative in Nepal

Besides the National Planning Commission (NPC) and the Ministry of Agriculture and Cooperatives (MOAC) that are responsible for policy formulation, program approval and progress monitoring at the national level, the major national players in the field of cooperatives in program planning and implementation include DOC, NCDB, and NCF.

a. Department of Cooperatives

The Department of Cooperatives (DOC) was established as early as 1953. The first cooperative society was established as a credit cooperative in 1956 in Chitwan District. The first Cooperative Act was promulgated in 1962. In accordance with the Cooperative Act of 1992 (amended in 2000), and Cooperative By laws 1993, the DOC seeks to achieve the objective of registration, supervision, regulation, monitoring and promotion of cooperative societies/unions within the framework of the cooperative principles put forward by the International Cooperative Alliance (ICA).

b. National Cooperative Development Board (NCDB)

NCDB was created in 1992, first as an ad hoc organization by dissolving the then existing Sajha Central Office, and then as a permanent national organization under a separate act.

c. National Cooperative Federation (NCF)

The National Cooperative Federation of Nepal (NCF) is an apex level umbrella organization of all the central and district level cooperative unions and specialized unions. It was established in June 1993. It is a member of the International Cooperative Alliance (ICA).

2.1.9 Historical Background of the Nepalese Financial System

The history of modern financial system in Nepal was begun in 1937 with the establishment of the Nepal Bank Ltd. (NBL) as the first commercial bank of Nepal. Before the establishment of NRB, there were only 12 branches of NBL. With the establishment of NRB in 1956, the development of the financial system took a momentum. NIDC (Nepal Industrial Development Corporation) was established in 1959, which helped for industrial development. With the equity participation of NRB, the Agricultural Development Bank (ADB/ N) was set in 1968 by incorporating the assets and liabilities of the cooperative bank.

The Rastriya Banijya Bank (RBB) was established in 1966 as the second commercial bank of Nepal. From 1962 to 1982, a large number of non-banks financial institutions were setup such as the provident fund, Insurance Corporation, stock exchange etc they move towards financial liberalization encouraged the entry of joint venture

commercial banks and finance companies. Even the non-governmental organizations (NGOs) and the savings and cooperative societies (SCCs) have been licensed by NRB for limited banking activities.

2.1.9.1 Microfinance System in Nepal

The formal sector micro lending activities began in 1956 with the establishment of credit cooperatives in the Rapti Vally of Chitwan district to provide financial services in rural Nepal. They were established to progressively abolish excessive rural indebtedness and contribute to uplift the socio-economic conditions of the rural people. To make financial resources available to these cooperative credit societies, the cooperative bank was established in 1959. As a result, ADB/N was established in 1968 to provide agriculture credit. ADB/N has still remained the foremost rural and agriculture financing institution and accounted for 55 % of the total rural institutional credit. The role of Grameen Bikas Banks (GBBs) in rural micro financing has increased recently but their share in total outstanding rural institutional credit was less than 2 %. Microfinance practice formally started in 1974 since the Nepal Rastra Bank's (NRB) direction to commercial banks for lending five percent of their total deposit liabilities to "Small Sector" in order to increase production and employment in rural areas.

2.2 Review of Related Studies

In Nepal, over half a dozen MFI has been in operating since the early 1990s. Although a lot of research has been done on microfinance. This financial impact of microfinance on women is new topic for MBS faculty. There are a lot of papers and views related to microfinance activities which were presented in different seminars and functions. Several research work have been collected through different books, dissertation, papers, journals, articles and electronic devices

2.2.1 Review of Major Journals and Articles

This part includes the major related studies which are taken from articles, journals, electronic devices etc.

Baumann (2001) published a research article on topic 'microfinance and poverty Alleviation in South Africa'. This paper stress that microfinance starts from an observation that the poor lack access to financial services, credit and saving facilities.

South Africa govt. has begun to emphasize the importance of saving as part of the nation's overall economic health. Finance minister, Tranil Manuel, gave speech emphasizing the importance of saving facilities for low-income households not only for its own sake, but to increase the national saving rate. Collective savings and credit movements use group savings autonomous grassroots savings groups. The 'outputs' of active women's savings and credit collectives in poor communities include: social assets, leverage, reduced vulnerability saving and credit in the basic element in the development strategy, women who are interested in taking part are drawn into the training process and show how such crises credit funds work in other communities. The conclusion drawn by this report is that MFI's expert contribution seems to consist not in assessing multi-faced goals, and the benefits there of, but in demonstrating their own arithmetical competence. It is more an expression of frustration at the stage of discourse on microfinance and poverty alleviation in South Africa today. The technical finance skills employed by orthodox practitioners are highly valuable, and many alternative initiatives suffer for lack of them. Unless and until NGO put a side their fears, rivalries, and isolationism, they will probably fail to influence government policy effectively. They must do so not for themselves, but for the poorest of the poor whom they seek to serve. The poor simply cannot wait as long as it will take the formal sector, in the form of emergent small business to absorb them and their activities into the main stream economy. Govt. must acknowledge programs that use microfinance as a means to mobilize poor households and communities to create, reclaim, and harness social assets as part of apart of appropriate livelihood strategies. The micro credit orthodoxy in South Africa must be explored, critiqued and challenged.

A report was presented by United Nations Capacity Development Fund (UNCDF) (2004) which is based on case studies in Haiti, Kenya, Malwi and Nigeri. The topic of report is Microfinance Program Impact Assessment 2003. This report describes that microfinance is a cost effective means of contributing to development and poverty alleviation, because any dollar invested is used more than one time. Microfinance takes consideration effort on financial planning and enables poor people to expand and increase outreach to the poor through internally generated funds. The objectives of program impact assessment is to examine whether UNCDF's programs have had the desired impact on microfinance clients, institutions and the enabling

environment. The findings of the report are that UNCDF is making an important contribution to the growth of microfinance in a number of countries around the world. In term of poverty reduction and client impact, UNDCF has been particularly successful in increasing outreach, with microfinance services expanding roughly 80-85% in the case study countries since the inception of the UNCDF/UNDP microfinance programs. The selected partners have successfully targeted largely poor and very poor population and appear to be increasing women's access to financial services. Program loans are one of the main ways clients overcome food, security, pay for medical and lifecycle express and address emergencies.

Pradhan and Shrestha (2004) have conducted a study on "Microfinance and Women in Nepal". They concluded that most of the MFIs are facing the serious problem of sustainability due to high administrative and overhead cost, heavy service delivery cost, absence of self-regulatory mechanism and fully committed professionalism. They further concluded that the role of the central bank in microfinance development is still important in Nepal where private sector institutions are just involving. They have mentioned that many activities have to be coordinated new skill and technology should be added and micro credit programme should be expanded to reduce the ratio of poverty.

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

The time frame to reach or grant based on clients serving to reach financial self-sufficiency will be shorter for MFIs serving the economically active poor.

Baral (2004) has studied on the title "Micro Finance: Good Portfolio and Management of Delinquency". He has made some important improvements in the field of micro-finance. Quality portfolio refers to the loan recovered in time within or the due date. Loan recovery rate is a measure of quality of loan. Financial institutions analyze the present financial condition while approving the loan, statistics of many countries shows that the loan recovery rate of micro- credit is higher than that of commercial banks and finance company loan. In Microfinance, the term delinquency is used to imply the situation when over due loan remains institution do not have to face much more problem relating to delinquency.

Shrestha (2006) chief executive officer of RMDC, presenting his paper on "Viability and sustainability of micro-finance Institutions" presents the meaning of micro finance in this way. Micro-finance is a system of grassroots development finance. It deals with the poor people, low income group, the asset less, the marginalized, the exploited and the desperate. Micro-finance provides small loans to meet their diverse needs with simple procedure in homely atmosphere. It takes small and petty saving for safe keeping to meet their lump sum requirement in future. It offers other financial services such as micro-insurance.

Sharma (2007) who published an article on "The Journal of Nepalese Business Studies about Microfinance and women Empowerment". The studies paper examines effect of women's participation in group-based micro-credit programs on a large set of qualitative responses to questions that characterize women's autonomy and gender relations within the household. The data were taken from a special survey carried out in hill and Terai in 2004-2006 of Nepal. In this paper , analysis were done on women's involvement in decision making, changes in self-confident, women's status in gender equity, changes in social and political participation, changes in control over income, change in awareness of social issues and problems, and family relationships and domestic violence. From the study the result was taken out those similar changes in making decision was noticed in both hills and Terai. There is a significant change in self-confidence of women after the program. By ecologically belt hills showed relatively higher proportion of men's involvement in cooking as compared to Terai,

but in children, fetching water, washing clothes, cleaning house and utensils, men's involvement is relatively higher in Terai belt than the men in hills. It also shows that there is a significant change in social and political participation of women after the program. MFI program has substantial impact on Terai women's income control as compared to hills. Terai shows a relatively greater change in family relationship and domestic violence.

Shrestha (2007) has conducted a study on "Microfinance: A Tool to Fight with Poverty." This paper briefly reviews the targeted institutional credit system in the rural areas particularly microfinance. From the research paper it is found that poverty decline is sharper in the thousands with lesser number of children, household with bigger land holding, and also in the households with educated household heads, collateral based lending particle of commercial banks and development banks deprived the poor people from institutional sources of credit. Such institutions for women are productive credit for rural women and, microcredit program for women, rural development banks and other Grameen bank replicate etc. Outreach and disbursement of credit by microfinance activities have shown that substantial amount of saving could be generated from rural saving and credit schemes. Proportional of household taking loan increased substantially particular in the rural areas.

2.2.2 Review of Thesis/Dissertations

Since the MF and Empowerment are relatively new discipline, only handful researches are undertaken by few researchers. Therefore, very few dissertations are available in the libraries, which are briefly reviewed below.

Ojha (2002) has done a research on "Micro Finance in Practice: Loan Recovery Approach to the Performance Assessment of Micro Credit Project for Women in Pokhara." The main objective of his study were: to analyze the state of loan recovery in terms of loan repayment, to overview outreach of training activities and to examine the state of savings and its mobilization, disbursement, repayment, outstanding, overdue of the loan. The major findings of the study were, out reach of the program is good. Which helps to identify that target women. The job of household survey, target women identification, group formation and loan disbursement to the participating entrepreneur was carried out by the implementing non-government organizations.

However, the implementing non-government organizations were not able to include all the targeted women. Most of non-government organizations could not meet the required criterion of loan repayment and still the amount of overdue was remained high. Similarly it was found that most of the sampled women have repaid in time, created savings and disbursed loan from the savings.

Karki (2003) has written a dissertation entitled "Micro Credit Programme for Rural Women: A Case Study of IRWDP Badahari, Lekhnath Municipality Kaski." Her objective was to examine the impact of the programme in the economic status to the women in the study area and to examine the impact of the programme in changing social status of Dalit Women. Research design was descriptive, quantitative and qualitative, that had been followed to conduct the study. The systematic random sampling technique had been used. Her major findings were 76.66 % of the borrowers had gained profit by the credit programme. The two members who had gained profit more than Rs 2500 by using the small amount of loan, shows that if it was used properly these kinds of program could change the life of the poor women (Specially Dalit) with their family.

Ghimire (2005) has done a study on the title, "Impact of Microfinance: A case study of Micro-Credit Program for Women in Kahun Village Development Committee." The objective set by Ghimire for his studies were to measure the relationship between investment and income, to know the perception users group towards the program. Similarly, he tried to assess financial sustainability of the program and effect of training on living standard of the people. He has presented some major findings of his studies. Among four investment sectors of borrower, agriculture sector has highest investment. Business, which were started by taking loan from program, were found to be operating regularly as major occupation .After the intervention of program, women were especially attracted towards economically profitable business like poultry, buffalo keeping and retail business. Co-relation and regression analysis was found to be significant between income and investment. Overall impact of the program on living standard of women was positive. Likewise perception of users group towards the program was positive. Most of the participant had repaid the loan in due time. Where 85 percent of women repaid the loan in due time.

Sainju (2006) has done a study on “Investment Policy of Pachimanchal Grameen Bikas Bank (PGBB)”. The objective of that study was to know about investment policy of PGBB, to gain knowledge about investment areas of this bank and assess financial performance of PGBB. From his study, he concluded that, the implementing NGO were found being able to include all the targeted women. Amount of overdue was high, as most of the NGOs could not meet the required criterion of loan repayment. Most the participating women were literate. Most of the sampled women had repaid loan in time. Loan recovery and repayment was found positive relationship between investment and income. Loan recovery from small business group had better achievement in loan recovery and regularity in the repayment.

Aryal (2007) who did research for MBS degree on the topic “Microfinance Under Rural Development Program: A Case Study of Khilung Deurali V.D.C. Shyangja.” The basic objective of the study is to examine the effective activities and effectiveness or rural development program and is to carry out the study of rural development program in Khilung Deurali V.D.C. Syanja. The other specific objectives are; to know the activities operated under rural development program; to analyze the mode of loan disbursement, repayment, outstanding and overdue; to analyze the state of saving, deposit and its mobilization in terms of loan disbursement to find out the problems faced by the women in obtaining the loan. From this study he found and concluded that the program has made positive impact of the women living standard by generating employment and increasing productivity. Most of the women’s income is sufficient for one year living or less. The performance of the project in terms of achievement of loan disbursement and recovery has been found very well in study period. So the repayment of loan was very satisfactory encouragement and training of local leadership saving and its mobilization, loan disbursement and its recovery should be a basic objective in any program. In this way different papers which are related to this research paper gives the conclusion that only microfinance success to reduce the poverty alleviation of country especially for women.

Ale (2007) has conducted a research on “Diagnosis of Financial Health of Pashchimanchal Grameen Bikas Bank Limited in the Frame Work of PEARLS.” The main objective of his study was to examine the financial health of Pachimanchal Grameen Bikas Bank Limited in order to sustain in the competitive environment and

concluded the institution has adequately protected the loan loss with the provision of allowance and also maintained the liquid investment to total assets ratio within the PEARLS standard while the institutional capital to total assets is below the standard. The growth in saving deposits, financial investment and total assets are also not increasing as compared to PEARLS ratio. In short, though Pachimanchal Grameen Bikas Bank Limited has been able to allocate the allowance for loan loss, maintain non-earning liquid investment up to its standard and lower the operating expenses consecutively over the periods, the institutional capital has not been attained up to its norm.

Manandhar (2007) completed a study on “Financial Impact of Child Labor Projects Micro-credit Program on Women in Kaski district”. The basic objectives of the study were to measure the ratio of loan disbursement to repayment rate and to see women ability to mobilize those funds properly and generate income. In that research he has concluded that the fund was mobilized properly which is fruitful to generate significant income. In the same way, fund was mobilized in the new-occupation leaving traditional after intervention of microfinance project. The overall performance of loan mobilization was fruitful in terms of income generation.

Poudel (2007) has done a research on ‘Micro-credit in Lekhnath Municipality: A case study of paschimanchal Grameen Bikas Bank (PGBB).’ The main objective of this study is to assess microcredit phenomenon of Paschimanchal Grameen Bikas Bank in Lekhnath Municipality. Other specific objectives of this study were to identify the sectors and types of investment sustainability to study the fruitfulness of microcredit in terms of income generation pursuing poverty alleviation; to study the bank’s performance on target group identification and accessibility of micro credit to the target group. From the study he found that the investments were mainly of three types i.e. investment of loan to support existing business/occupation in new employment generation was from small business and lowest was from animal keeping sector. The highest amount of loan was borrowed for the purpose of small business. It is also seemed that investment of the bank loan to the members who have existing business/occupation is not fruitful for poverty alleviation. It is also proved that the performance of bank to identify target group is also poor.

Sharma (2007) has conducted a Ph.D. research on "Microfinance Practices and their Sustainability in Nepal." The main objective of the study was to identify and evaluate the effectiveness and sustainability of the activities of MFIs and their contribution in socio-economic changes and women empowerment in comparison to the performance of MFIs of Nepal and Bangladesh and to evaluate financial and institution viability and overall sustainability of the selected MFIs. He found that the micro finance leads to social and economic changes in the borrowers after the participation in the program. Women empowerment showed the positive changes with the high level of confidence in decision making, participation in social activities, gender equity and control of income. He also concluded that MFIs program helped to increase income and saving so that they can meet their emergency needs. Further more micro finance is creating an environment for poverty alleviation and rural development but the overhead and office expenses of the MFIs of Nepal are higher than that of Bangladesh. Hence, the productivity of Bangladesh MFIs is better than Nepal. In this study her further concluded that however micro finance is not a solution in itself, other issues of development policy and implementation also affect women empowerment, poverty reduction and utility of micro finance need which should be addressed at a proper and appropriate levels.

2.3 Research Gap

Research is searching something new again and again. So it is never ending process. Different scholars and researcher have given their different findings and conclusion in the field of microfinance and women microfinance. From the above review of articles and dissertations it seems that this research paper is trying to find out something new in the field of women microfinance. Few studies have been taken place in the topics of Microfinance. Some studies are not available publicly use although they are conducted. These types of studies are done by related microfinance organization for their own self. As such very few studies are made in this context. In the concern of Impact of Microfinance on Women Under Pashchimanchal Grameen Bikas Bank Limited in Dulegaunda V.D.C., Tanahun is not done by other in selected area. However, the study is entirely new which accomplishes by the researcher's own research. Although, there are various researches carried out related to the micro finance program but present study is significant difference from the previous research in nature as it focus on micro level in depth study. So, this is in depth study and its

findings will certainly be useful for visualizing the reality of the micro finance program performance and its positive impact on targeted group and the further implementation of the different program. The findings of this research will stand as a blueprint for the concern sector. This research will play the role of a catalyst for further research carried in this related topic.

CHAPTER III

RESEARCH METHODOLOGY

The methodology is a series of underlying assumptions, theories, principles and philosophies relating to the conceptualization of material under study and the categories that will be used define, describe, analyze and talk about it. It is the process in which the data are collected, analyzed, evaluated and finally inference is drawn. Therefore, it is a specific way of performing an operation that implies precise deliverables and the end of each stage. Thus, research methodology simply describes the systematic way of one and different tools and techniques to be followed by the researcher of another. In this chapter different methodologies are used for the briefing of collected information.

The main objective of the study is to analyze impact of microfinance on women under Pashchimanchal Grameen Bikas Bank Limited in Dulegaunda V.D.C.,Tanahun. This study aims to recommend necessary suggestions to achieve the targeted objectives. So this chapter outlines the methodology followed for this purpose. This chapter has been divided into seven sections; research design, study area, population and sample, nature and sources of data, data collection procedure , data processing procedure and data analysis technique.

3.1 Research Design

Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible yielding maximum information with minimum expenditure of effort, time and money. Such a plan of study or blue print for study is called a research design.

A research design is the specification of methods and procedures for acquiring the information need to structure or to solve problems. Analytical and descriptive approach has been adopted for the purpose of present study. Analytical approach utilized mainly to analyze the relationship between income, investment and other variables. Descriptive approach has been used mainly for conceptualization of the research objectives and research problem of the study.

3.2 Study Area

The study area is limited within Dulegaunda V.D.C., Tanahun. The sample is selected from groups of women. The study covers only for five years. The study is analyzed on the basis of the performance of participating people from micro enterprise groups.

3.3 Population and Sample

As per the objective of the study, study should cover the whole picture of V.D.C. regarding micro finance of PGBBL. The total numbers of women involved in PGBBL program are 1269 and divided into 44 centers containing about 20-50 members for each centre. Again, there are 437 groups and each group contains 5 members. There are 10 centre of women groups by the end of Ashad 2067 in Dulegaunda V.D.C. which is considered as the size of population for the study. This study covers all the centre but it does not considered all the members of women for the purpose of study because of the limitation of area, budget and time. Out of 345 women, only 101 women have been selected as sample for this study using random sampling method which is as follows in table 3.1.

Table 3.1
Name List of Centre in Dulegaunda V.D.C., Tanahun

S.N.	Name of Centre	Ward No	N	n	Percentage
1	Galchhina Mahila Samaj	8	25	8	32
2	Shanti Surkchha Mahila Samaj	7	45	14	31.12
3	Nawa Jyoti Mahila Samaj	7	44	13	29.55
4	Gachhepani Mahila Samaj	7	29	9	31.04
5	Eklekhet Mahila Samaj	2	43	13	30.24
6	Srijana Mahila Samaj	7	25	7	28
7	Prativa Mahila Samaj	3	46	14	30.44
8	Janakalyan Mahila Samaj	8	41	8	19.52
9	Jana Chetana Mahila Samaj	9	28	8	28.58
10	Chuhunemuda Mahila Samaj	3	19	7	36.85
	Total		345	101	

Source: PGBBL Dulegaunda Branch.

N= Population women in the centre

n=Sample women in the centre

3.4 Nature and Source of Data

This study include both primary as well as secondary data but mainly based on primary data, which are collected from the field survey by using questionnaire. The relevant secondary data are obtained through secondary sources e.g. Books, Pamphlets, Journals, Various Research Studies, Dissertations, Article, Annual Reports of Pashchimanchal Grameen Bikas Bank Limited, Publication and Records of concerned agencies.

3.5 Data Collection Procedure

The research is based on both primary and secondary data. But most of the data have been obtained from primary source by field visit. To obtain data from study area, questionnaires are prepared after pilot survey and they are distributed to sample members to fill up and those who are ignorant are asked questions. Similarly, the secondary data are collected by discussion and unstructured interview with related staffs of the bank. Also various news, articles, journals, dissertation and related web sites are used to collect information.

3.6 Data Processing Procedure

The collected data have been edited, classified and tabulated in appropriate form. Processing of data have been done by the computer using Microsoft excel.

3.7 Data Analysis Technique

Analysis is the careful study of available facts so that one can understand and draw conclusion on the basis of established principles and sound logic. Various analysis tools are used. The following techniques are followed in analyzing the data.

- Collection of relevant information.
- Identification of data suited to fulfill the purpose of the study.
- Classification and tabulation of data.
- Use of percentage changes, average.
- Drive conclusions, summary and recommendations based on the analyzed data.

3.7.1 Statistical Tools

Following statistical tools are used in this study.

a) Arithmetic Mean (\bar{x})

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

Symbolically,

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

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

Where, \bar{x} = Arithmetic Mean

$\sum x$ = Sum of observations

n = no. of observations

b) Standard Deviation (S. D.)

Standard Deviation is defined as the positive square root of the arithmetic mean of the squares of the deviations of the given observations from their arithmetic mean (Bajracharya,2067:p.177).The standard deviation indicates the ranges and size of deviance from the middle or average. It is commonly used to measure the spread of scores. The small value of s.d. implies the high degree of uniformity and homogeneity of the distribution and vice versa.

Symbolically,

$$\text{Standard Deviation } (\sigma) = \sqrt{\frac{\sum (x - \bar{x})^2}{n}}$$

Where

σ = Standard Deviation

$\sum (x - \bar{x})^2$ = Sum of the square of deviation taken from mean.

n = no. of observations.

c) Coefficient of Variation (C. V.)

The coefficient of variation shows the relation between standard deviation and arithmetic mean. The relative measure of dispersion based on the standard deviation is known as coefficient of variation. It is suitable for comparing the variability, homogeneity and uniformity of two or more distributions. A distribution with smaller C. V. is said to be more homogeneous or uniform or less variable than the other and vice versa. It is independent of unit. So two distributions can better be compared with the help of C.V. for their variability. Less the C.V., more will be the uniformity, consistency etc. and more the C.V. less will be the uniformity, consistency etc (Bajracharya, 2067:p.180).

Symbolically,

$$\text{C. V.} = \frac{\sigma}{\bar{x}} \times 100\%$$

Where, C.V. = Coefficient of Variation

σ = Standard Deviation

\bar{x} = Arithmetic mean

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

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

4.1 Management of Saving and Credit for Women

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

4.1.1 Concept of Group and Centre

Beneficiaries are organized into group. There is certain number of members in a group. Group includes one group leader, one secretary and other few members and functions at the centre level only. One group leader elects in a group. Group is the idea in Grameen Bikas Bank for loan demand processing, saving, weekly of monthly instalment, and to some extent for community development activities. Group functions directly under the supervision and control of PGBBL office. Overall banking services are delivered through this centre.

4.1.2 Credit With and Without Collateral Securities

PGBBL are in operation one each in all development regions to provide credit without collateral, to deprive rural people especially from PGBBL on the basis of Collateral also.

4.1.3 Credit Facility for the Poor

The bank provides credit facility for the poor especially to the female of disadvantage group of rural area. It provides both non-collateral and collateral based micro credit facilities.

4.2 Saving Activities of PGBBL

Saving is postponement of present consumption for the future. People are required to save something for the future unforeseen contingences. PGBBL has provisioned for three kinds of saving. They are group fund saving, individual saving, and centre fund saving. Group Savings are compulsory savings of 5 % of each loan disbursement. The centre fund saving is used to build centre meeting buildings. Individual saving is voluntarily savings.

4.2.1 Saving by Group Members under Saving Programs

The status of saving by women under different saving program is presented in the following table.

Table 4.1
Saving by Group Members under Saving Programs

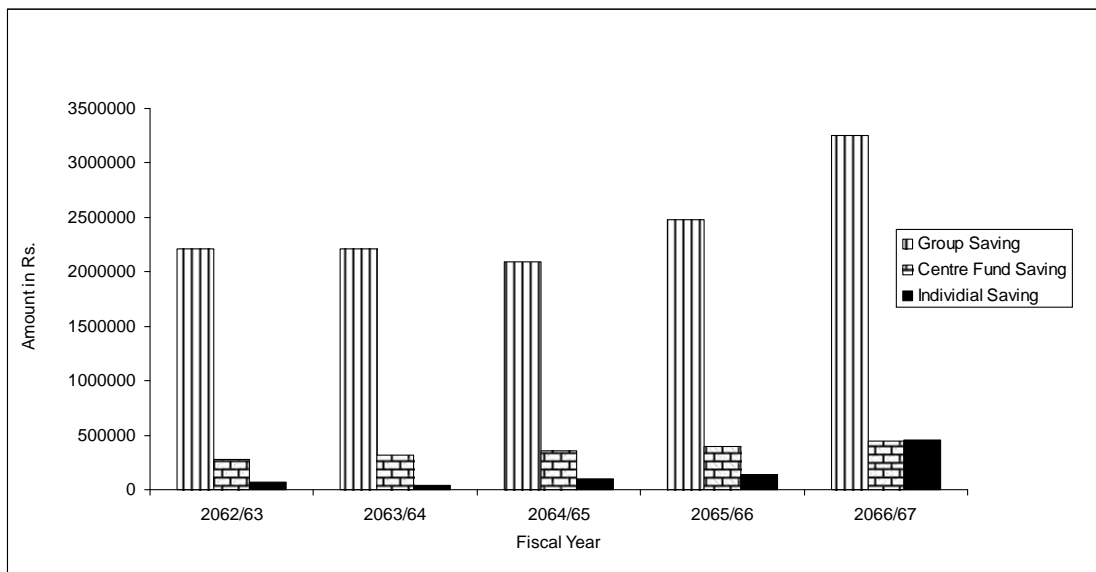
(In Rs.)

S.N.	Fiscal Year	Group Saving		Centre Fund Saving		Individual Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2062/63	2,215,354	86.44	273,491	10.67	74,097	2.89	2,562,942	17.26
2	2063/64	2,207,765	86.07	314,602	12.26	42,557	1.67	2,564,924	17.27
3	2064/65	2,089,847	82.24	353,604	13.92	97,669	3.84	2,541,120	17.11
4	2065/66	2,479,602	82.13	396,374	13.13	143,016	4.74	3,018,992	20.33
5	2066/67	3,256,734	78.21	450,966	10.83	456,410	10.96	4,164,110	28.03
Total		12,249,302		1,789,037		813,749		14,852,088	100
Average		2,449,860	83.02	357,807	12.16	162,749	4.82	2,970,418	
S.D.		423,115		38,320		150,444		623,221	
C.V		0.1727		0.1071		0.9244		0.21	

Source: PGBBL, Dulegaunda Branch.

Above table shows the saving of members of PGBBL under different saving programs during the last five years. There are different saving amounts under different headings. The overall saving from different saving programs stand at Rs 14,852,088. Group saving stood at the highest percentage of 83.02 % followed by centre fund saving 12.16 % . and individual saving 4.82 % . The table shows that the total saving is being increasing yearly except FY 2064/65 but the group saving seems little decreased from FY 2062/63 to FY 2064/65 then it is increasing. However women seem to attracted towards centre fund saving as a result it is increasing. Again almost individual saving increasing except FY 2064/65.Group Saving was Rs 3,256,734, Centre fund Saving was Rs 450,966 and Individual Saving was Rs 456,410 in FY 2066/67.We can conclude that group saving plays the vital role as a source of financing. The above saving programs can be shown in the following figure also.

Figure 4.1
Saving by Group Members under Saving Programs



4.2.2 Regular Saving of Sample Women

The regular saving of sample women is presented in table 4.2.

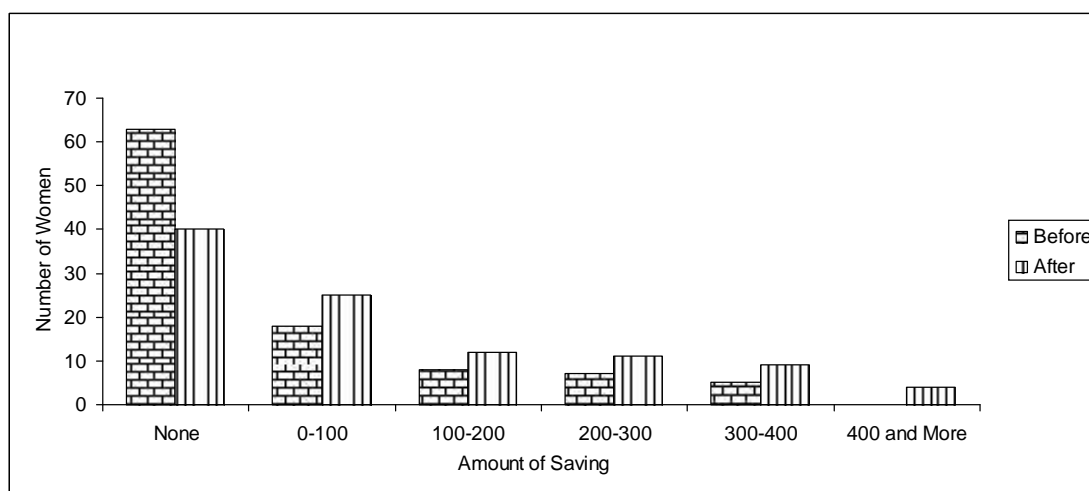
Table 4.2
Monthly Regular Saving of Sample Women

S.N	Amount in Rs	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	None	63	62.38	40	39.60	(22.78)
2	0-100	18	17.82	25	24.75	6.93
3	100-200	8	7.92	12	11.88	3.96
4	200-300	7	6.93	11	10.90	3.97
5	300-400	5	4.95	9	8.91	3.96
6	400 & more	-	-	4	3.96	3.96
Total		101	100	101	100	

Source: Field Survey, 2011

Above table shows the regular saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in PGBBL programs and percentage change in saving. Sixty three women were not saving regularly before involvement in PGBBL programs but after the number is 40 with 22.78 % decrease. There were no women who are saving Rs 400 and more before involvement in PGBBL programs but after the number are 4 with 3.96% increase. Monthly regular saving of sample women are gone to save more amount than None-saving or little. They are able to generate more income after entering PGBBL program so they save regularly. To make it clear, meaningful and understandable above data is presented in the graphical form in figure 4.2.

Figure: 4.2
Regular Saving of Sample Women



4.2.3 Optional Saving of Sample Women

The Optional Saving of sample women is shown in table 4.3.

Table 4.3

Monthly Optional Saving of Sample Women

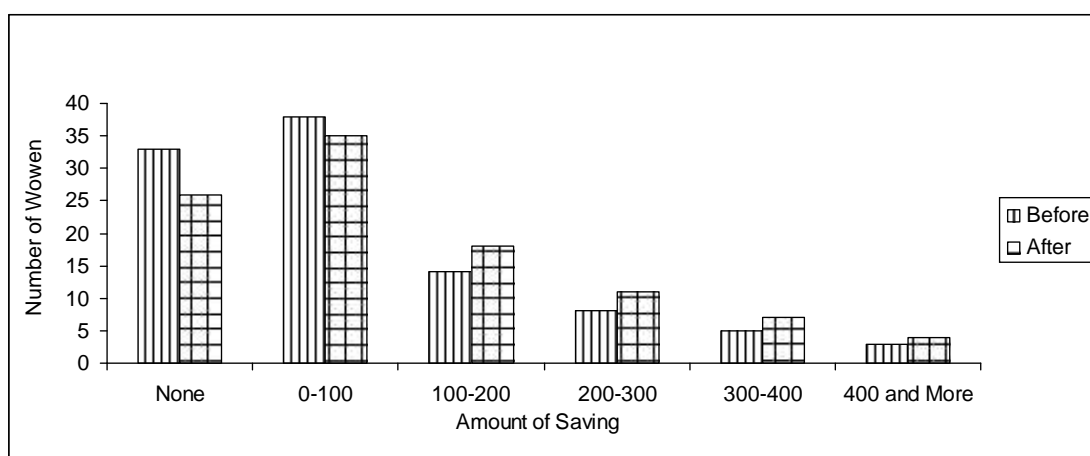
S.N	Amount in Rs	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	None	33	32.67	26	25.74	(6.93)
2	0-100	38	37.62	35	34.66	(2.96)
3	100-200	14	13.86	18	17.82	3.96
4	200-300	8	7.93	11	10.89	2.96
5	300-400	5	4.95	7	6.93	1.98
6	400 & more	3	2.97	4	3.96	0.99
Total		101	100	101	100	

Source: Field Survey, 2011

Above table shows the optional saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in PGBBL programs and percentage change in saving. Thirty three women were not saving optionally before involvement in PGBBL programs but after the number was 26 with 6.93% decreased. Before entering PGBBL program respondents can hardly

earn a little money and save little also, after entering PGBBL program they are involving in different economic activities and generate more income. So they freely save more money in different ranges. It seems that program is able to benefit them. To make clear, meaningful and understandable of above data presented in the following graphical form in figure 4.3.

Figure: 4.3
Monthly Optional Saving of Sample Women



4.2.4 Sector Wise Saving

Most of the women are saving small amount of money from agriculture, buffalo keeping, goat keeping, poultry farming, retail business, bio gas, pig keeping etc. The status of women saving is shown in following table 4.4.

Table 4.4
Sector Wise Saving

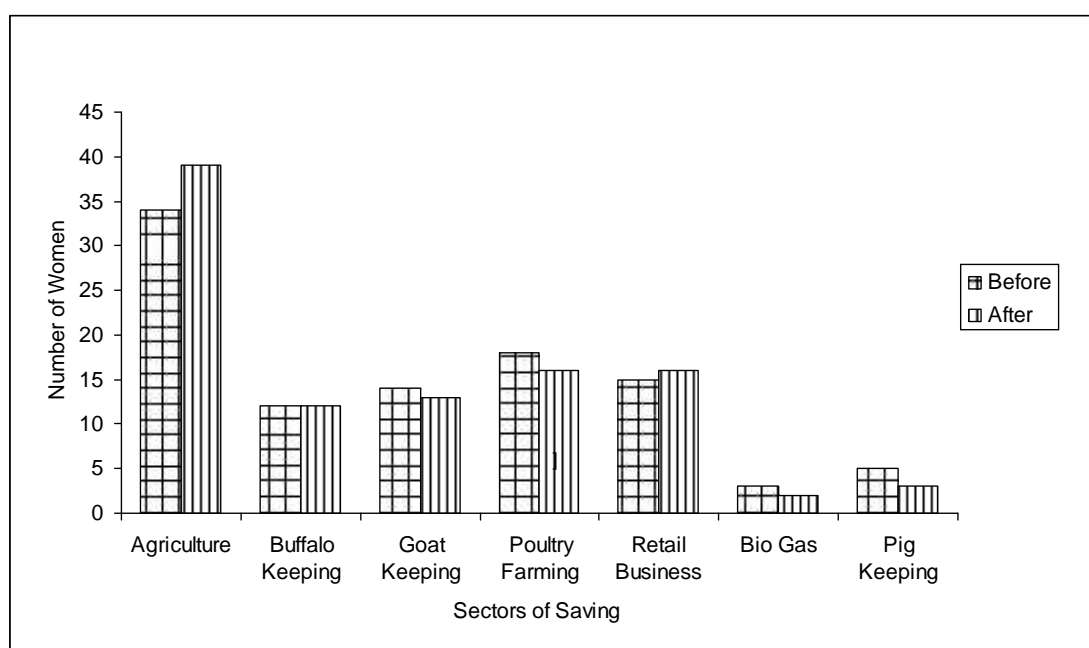
S.N	Sectors	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	Agriculture	34	33.66	39	38.62	4.96
2	Buffalo keeping	12	11.88	12	11.88	-
3	Goat keeping	14	13.87	13	12.87	(1.00)
4	Poultry farming	18	17.82	16	15.84	(1.98)
5	Retail business	15	14.85	16	15.84	0.99
6	Bio gas	3	2.97	2	1.98	(0.99)
7	Pig keeping	5	4.95	3	2.97	(1.98)
Total		101	100	101	100	

Source: Field Survey, 2011

The above table shows that the sample women involved in different types of economic activities to save money before and after entering PGBBL programs. Out of total savers of sample survey, about one-third was involved in agriculture and rest in others. Before entering the program, 34 women were saving from agriculture but after the number reached to 39. Only 15 women were saving from retail business before and after they were 16. The sectors of women saving were taken from only microfinance activities. There was 4.96 % increase in women's saving from agriculture and no change in buffalo keeping. Respondents are able to generate more income from agriculture so more women save from this sector comparing to other sectors. The above table 4.4 can be presented by following graphical presentation in figure 4.4.

Figure: 4.4

Sector Wise Saving



4.2.5 Mobilization of Collected Saving Fund

Saving and investment are two alternative parts. When people save they will be motivated to invest that money to earn more. Women involving in PGBBL programs and saving small money are lending that money to other people in community. Doing this both people are benefited. Investor can get interest and borrower can utilize that money in appropriate area. Following table shows the lending activities of women who are involved in PGBBL programs.

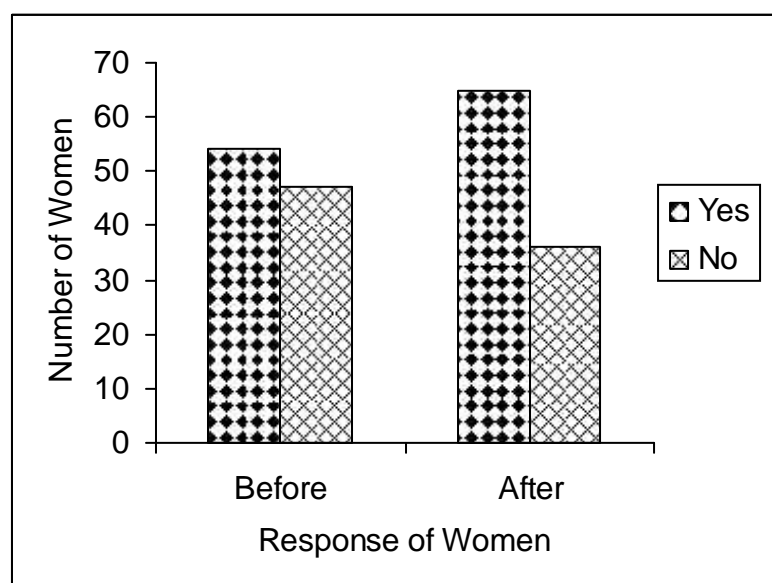
Table 4.5
Mobilization of Collected Saving Fund

S.N	Description	Before		After		% Increase / Decrease
		Numbers	%	Numbers	%	
1	Yes	54	53.47	65	64.35	10.88
2	No	47	46.53	36	35.65	(10.88)
Total		101	100	101	100	

Source: Field Survey, 2011

Above table shows that the sample women involved in mobilization of saving. Before involvement in PGBBL programs, 54 women were mobilizing their money and 47 women were not mobilizing their small save money. But after involvement in PGBBL programs, number of mobilizing women increased to 65 and the number of women who were not mobilizing decrease to 36. Hence there was 10.88% increase in women who mobilize money. After entering PGBBL programs, women are motivated to mobilize their saving fund. PGBBL programs provide an opportunity to earn more by utilizing their fund. So more respondents mobilize their fund. The following figure also shows the change in women who were lending and were not lending.

Figure 4.5
Mobilization of Collected Saving Fund



4.2.6 Recovery Status of Lending Fund

Recovery is necessary for lending amount. But sometimes due to different reasons it can be difficult to recover lend amount. The following table shows the status of recovery of lending amount.

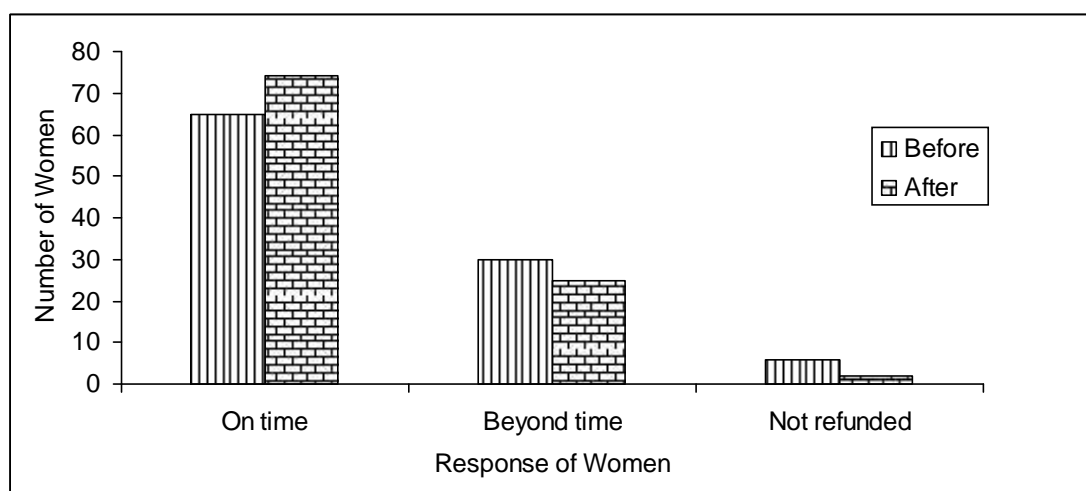
Table 4.6
Recovery Status of Lending Fund

S.N	Description	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	On time	65	64.35	74	73.26	8.91
2	Beyond time	30	29.71	25	24.76	(4.95)
3	Not refunded	6	5.94	2	1.98	(3.96)
Total		101	100	101	100	

Source: Field Survey, 2011

From the above table it is shown that recovery of money which was mobilized by women. The survey shows the satisfactory result of recovery of women's lending amount after entering into PGBBL programs. Repayment of loan on time is in increasing trend after entering PGBBL. So loan recovery pattern seems sound. Following figure also makes us clear about the recovery of lending amount of women's.

Figure 4.6
Recovery Status of Lending Fund



4.2.7 Interest Expenses on Savings

When there is investment, after investment, saved money is charge by interest. PGBBL collects some small money from women. For this they will get interest. The

interest is expenses of PGBBL. The state of interest expenses in different saving programs is shown in table 4.7.

Table 4.7
Interest Expenses on Savings

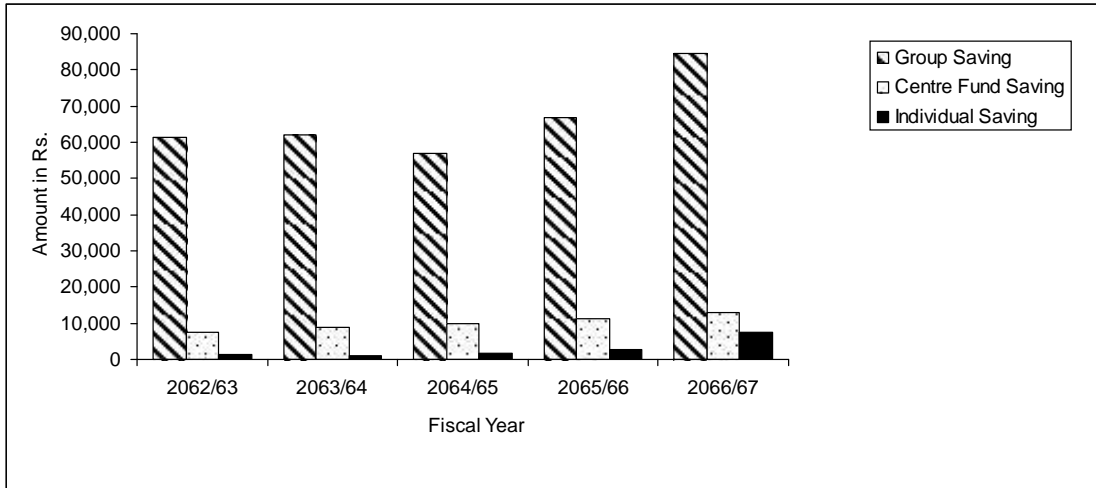
(In Rs.)

S. N.	Fiscal Year	Group Saving		Centre Fund Saving		Individual Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2062/63	61,449	18.53	7,665	15.10	1,347	9.22	70,461	17.75
2	2063/64	61,902	18.67	8,879	17.50	1,023	7.01	71,804	18.09
3	2064/65	56,873	17.15	10,019	19.74	1,708	11.69	68,600	17.28
4	2065/66	66,837	20.16	11,338	22.36	2,881	19.72	81,056	20.42
5	2066/67	84,539	25.49	12,838	25.30	7,647	52.36	105,024	26.46
Total		331,600	100	50,739	100	14,606	100	396,945	100

Source: PGBBL, Dulegaunda Branch.

The above table shows the interest expenses on saving of group members of PGBBL of Dulegaunda Branch in last five years. The overall total interest expenses on different saving programs were Rs.396,945. The total interest expenses on group saving was Rs 331,600, centre fund saving was Rs 50,739 and individual saving was Rs 14,606. The total interest expenses on different saving programs in last five fiscal years were Rs 70,461 in 2062/63, Rs 71,804 in 2063/64, Rs 68,600 in 2064/65, Rs 81,056 in 2065/66 and Rs 105,024 in 2066/67. The overall greatest percent of interest expenses was on fiscal year 2066/67. The greatest percentage of interest expenses on group saving was 25.49 %, on centre fund saving was 25.30 % and on individual saving was 52.36 %. The smallest percentage of interest expenses on group saving was 17.15 %, on centre fund saving was 15.10 % and on individual saving was 7.01 %. The following figure also makes us clear about the interest expenses on different saving.

Figure 4.7
Interest Expenses on Savings



4.3 Lending Activities

Loan disbursement repayment, outstanding etc are related to lending activities of PGBBL women's. Loan disbursement to the targeted women is significant for reaching aspect of the livelihood uplift. The implementing PGBBL selects an appropriate enterprise to the targeted women according to their choice and recommend them for loan on the basis of group decisions. The responsibility of operating business and repayment of loan with interest lies on the borrowers of PGBBL. However the capacity of loan repayment depends on the performance of women and the income earning from the programs of PGBBL. The main loan activities of PGBBL are micro business and micro enterprise. Micro business loan is for small business activities which don't need collateral. But in micro enterprise loan collateral is needed. Both of these activities consists of agriculture, buffalo keeping, goat keeping, retail business, bio-gas, poultry farming, pig keeping etc.

4.3.1 Loan Disbursement in Different Programs

The bank provides credit facility for the poor especially to the female of disadvantage group of rural area. It provides both non-collateral and collateral based micro-credit facilities. PGBBL Dulegaunda Branch, distributes loan on different programs. The state of the loan disbursement in last five fiscal years is shown in table 4.8.

Table 4.8
Loan Disbursement in Different Programs

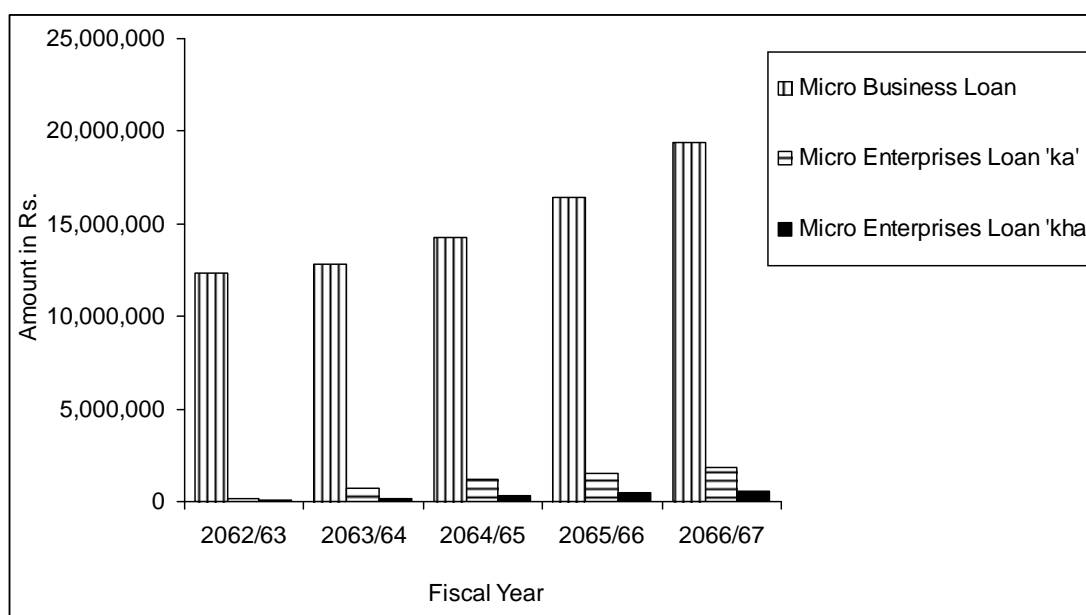
(In Rs.)

S.N	Fiscal Year	Micro Business Loan		Micro Enterprises Loan 'ka'		Micro Enterprises Loan 'kha'		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2062/63	12,350,000	16.41	171,000	3.14	88,000	5.27	12,609,000	15.31
2	2063/64	12,790,800	17	740,000	13.57	185,000	11.09	13,715,800	16.65
3	2064/65	14,298,300	19	1,170,000	21.46	320,000	19.18	15,788,300	19.17
4	2065/66	16,416,000	21.81	1,490,000	27.34	490,000	29.37	18,396,000	22.33
5	2066/67	19,401,000	25.78	1,880,000	34.49	585,600	35.09	21,866,600	26.54
Total		75,256,100	100	5,451,000	100	1,668,600	100	82,375,700	100

Source: PGBBL, Dulegaunda Branch.

The above table shows the distribution of loan to the women of PGBBL in fiscal years from 2062/63 to 2066/67. There are three kind of loan. They are micro business loan, micro enterprises loan 'ka' and micro enterprises loan 'kha'. Micro business loan is distributed without collateral but collateral is needed for micro enterprises loan. The overall loan distribution in last five fiscal years was Rs 82,375,700. Out of this RS 75,256,100 was distributed for micro business loan, Rs 5,451,000 was distributed for micro enterprises loan 'ka' and Rs 1,668,600 was distributed for micro enterprises loan 'kha'. In overall the highest percentage of loan distribution was 26.54 % in fiscal year 2066/67 and lowest percentage of loan distribution was 15.31 % in fiscal year 2062/63 amounting Rs 21,866,600 and Rs 12,609,000 respectively. Loan disbursement rate is increased. It implies that women want more funds to invest in productive sectors. It is positive signalling for the program. The Following figure 4.8 also clear about the loan disbursement by PGBBL Dulegaunda in different years in different programs.

Figure 4.8
Loan Disbursement in Different Programs



4.3.2 Loan Recovery and Outstanding

Since loan is distributed in different programs and recovery is also from different programs. But according to PGBBL report overall recovery is shown. So the state of loan recovery and outstanding is shown in table 4.9

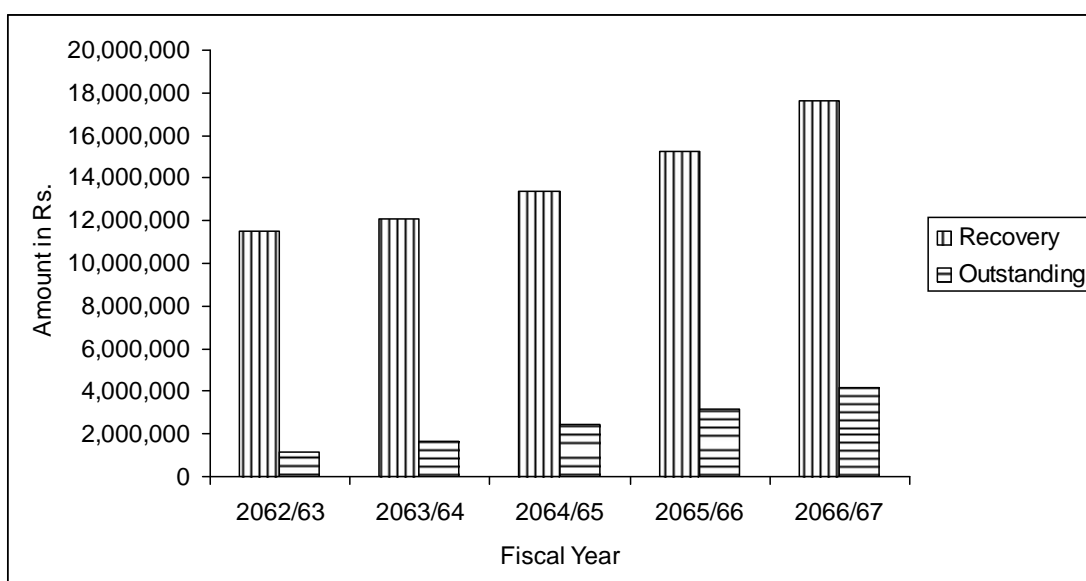
Table 4.9
Loan Recovery and Outstanding (In Rs.)

S.N	Fiscal Year	Recovery		Outstanding		Total	
		Amount	%	Amount	%	Amount	%
1	2062/63	11,480,000	91.05	1,129,000	8.95	12,609,000	15.31
2	2063/64	12,070,353	88.00	1,645,447	12.00	13,715,800	16.65
3	2064/65	13,365,874	84.66	2,422,426	15.34	15,788,300	19.17
4	2065/66	15,241,320	82.85	3,154,680	17.15	18,396,000	22.33
5	2066/67	17,658,137	80.75	4,208,463	19.25	21,866,600	26.54
Total		69,815,684		12,560,016		82,375,700	100
Average		13,963,137	85.46	2,512,003	14.54	16,475,140	

Source: PGBBL, Dulegaunda Branch.

Above table shows the amount and % of loan recovered by PGBBL from groups of women in different fiscal years. It also shows the outstanding loan of PGBBL in different fiscal years. The total loan recovery on last five year was Rs 69,815,684 and outstanding was Rs 12,560,016. Highest amount and percentage of loan recovery was in fiscal year 2066/67 amounting Rs 17,658,137. The smallest amount loan recovery was in fiscal year 2062/63 amounting Rs 11,480,000. Out of total disburse loan, 85.46 % loan was recover during the years and only 14.54 % loan was outstanding. Loan recovery rate is higher. We conclude that women can earn so they repay on their loan on the other hand they are conscious about the repayment of loan. PGBBL program seems able to recover their fund. There is no chance of bad debts. The table 4.9 can also present by following graphical form.

Figure 4.9
Loan Recovery and Outstanding



4.3.3 Number of Women Taking Loan

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

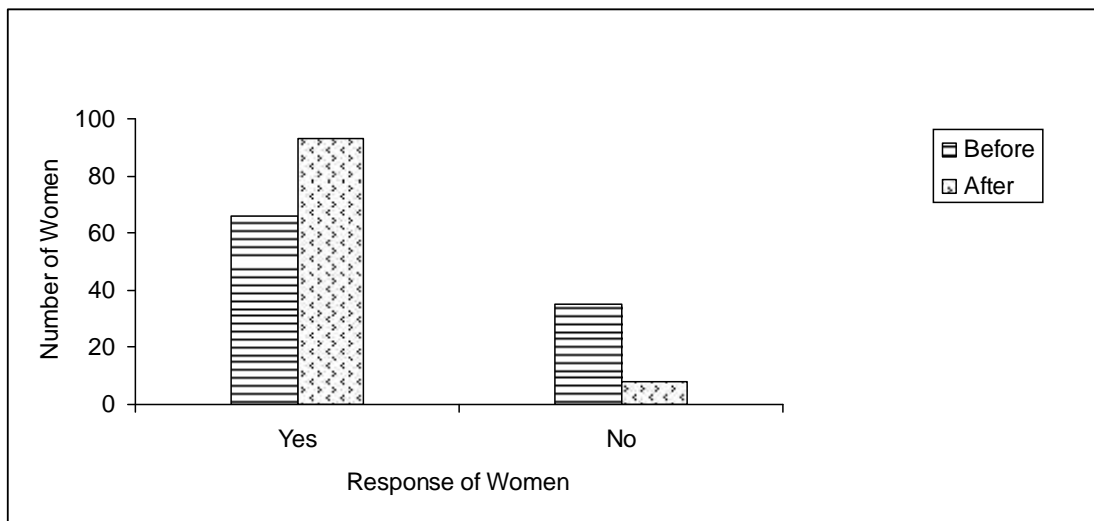
Table 4.10
Number of Women Taking Loan

S.N	Description	Before		After		% Increase / Decrease
		Number	%	Number	%	
1	Yes	66	65.35	93	92.08	26.73
2	No	35	34.65	8	7.92	(26.73)
Total		101	100	101	100	

Source: Field Survey, 2011

Above table shows that the sample women involved in taking loan. Before involvement in PGBBL programs, 66 women were taking loan for their micro business and micro enterprises and 35 women were not taking loan. But after involvement in PGBBL programs, number of taking loan women increased to 93 and the number of women who were not taking loan decrease to 8. Hence there was 26.73 % increase in women who taking loan. PGBBL programs provide an opportunity to earn more money by utilizing their fund. So more respondents mobilize their fund. The graphical presentation of above data is given below.

Figure 4.10
Number of Women Taking Loan



4.3.4 Sectors of Loan Mobilization

There are various sectors of taking loan by women from PGBBL programs. The following table shows the number and percentage of women involved in various sectors of PGBBL while taking loan.

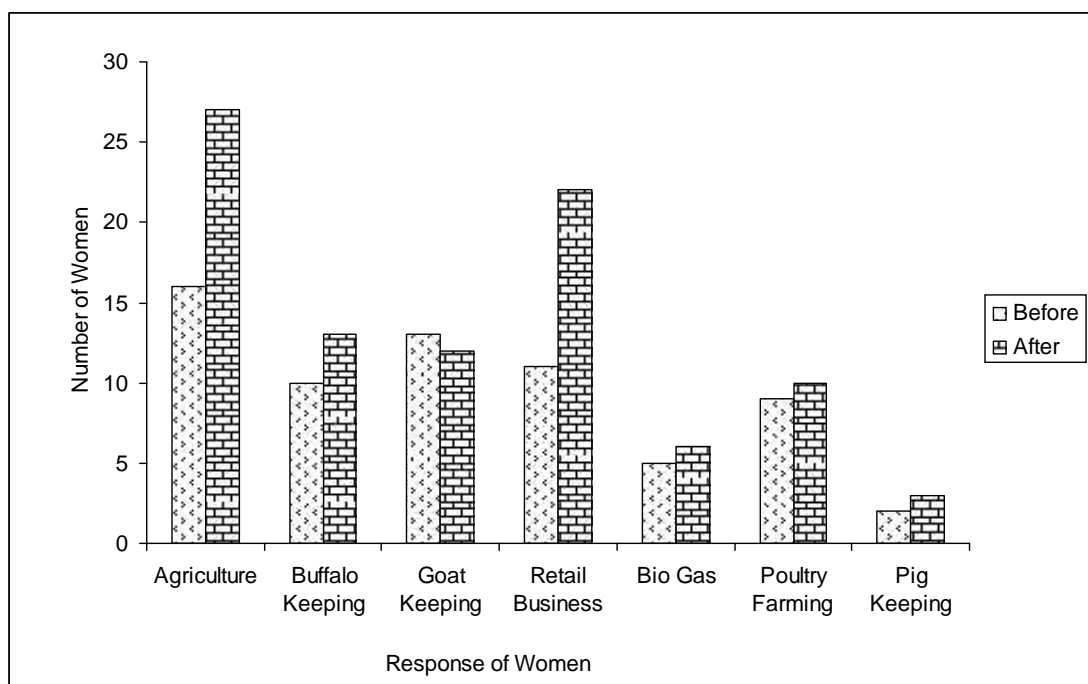
Table 4.11
Sectors of Loan Mobilization

S.N	Sectors	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Agriculture	16	24.24	27	29.03	4.79
2	Buffalo keeping	10	15.15	13	13.98	(1.17)
3	Goat keeping	13	19.70	12	12.90	(6.8)
4	Retail business	11	16.66	22	23.66	7.00
5	Bio gas	5	7.58	6	6.45	(1.13)
6	Poultry farming	9	13.64	10	10.75	(2.89)
7	Pig keeping	2	3.03	3	3.23	0.20
Total		66	100	93	100	

Source: Field Survey, 2011

Above table shows that the sample women involved in different types of economic activities before and after entering into PGBBL programs. Out of total borrowers of sample survey, about one-fourth were involve in agriculture and rest in other different programs. After implementation of program women did not left their old business but they motivate to make that business success. Before entering PGBBL, 16 women were involved in agriculture and 2 women were involved in pig keeping which was highest and lowest number of women borrowers. But after involvement in PGBBL programs 27 women were in agriculture and 3 in pig keeping. In overall there was 7 % increase in retail business and 6.8 % decrease in goat keeping. Women were interested to involve in retail business. The graphical representation of above table is below.

Figure 4.11
Sectors of Loan Mobilization



4.3.5 Women's Response on Repayment of taken Loan

Sample of women were taken loan who are involved in borrowing of loan for repayment pattern. The following table 4.12 shows the women's response on repayment pattern of loan which was taken by women before and after entering into PGGB programs.

Table 4.12
Women's Response on Repayment of taken Loan

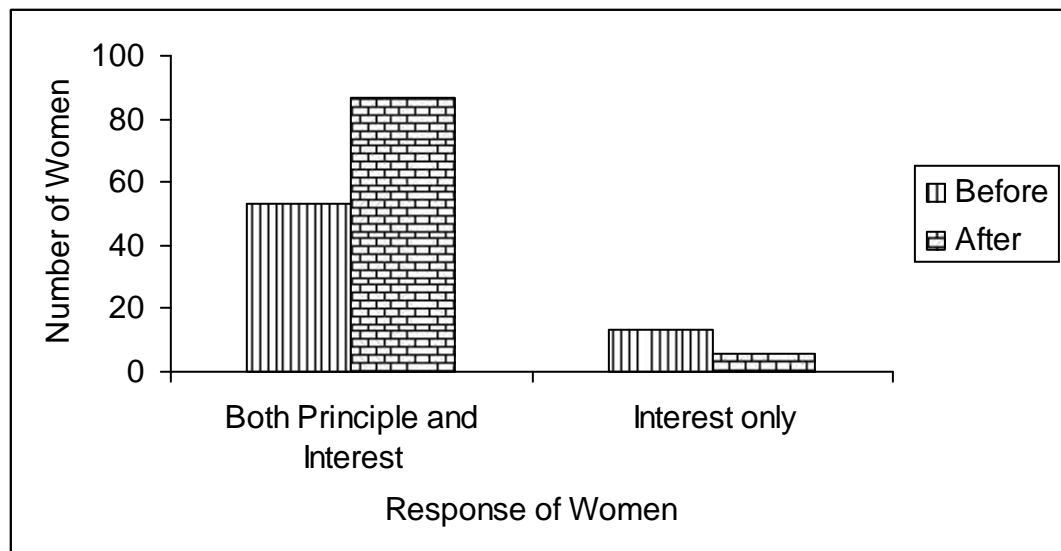
S.N	Description	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Both Principle & Interest	53	80.30	87	93.55	13.25
2	Interest only	13	19.70	6	6.45	(13.25)
Total		66	100	93	100	

Source: Field Survey, 2011

Above table shows that the sample women's response on repayment of taken loan. Before involvement in PGBBL programs, 53 women were repayment of taken loan both principle and interest and 13 women were repayment of taken loan interest only. But after involvement in PGBBL programs, number of women repayment of both principle and interest were increased to 87 and the number of women who were repayment of interest only decrease to 6. Hence there was 13.25 % increase in women who repayment of taken loan both principle and interest and 13.25 % decrease in women who repayment of taken loan interest only. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.12

Women's Response on Repayment of taken Loan



4.3.6 Condition of Business which is running from Loan

Women are doing business from the loan which was taken from PGBBL. They were also doing business from loan prior to entering PGBBL. So following table 4.13 shows the condition of business which was running by them from loan.

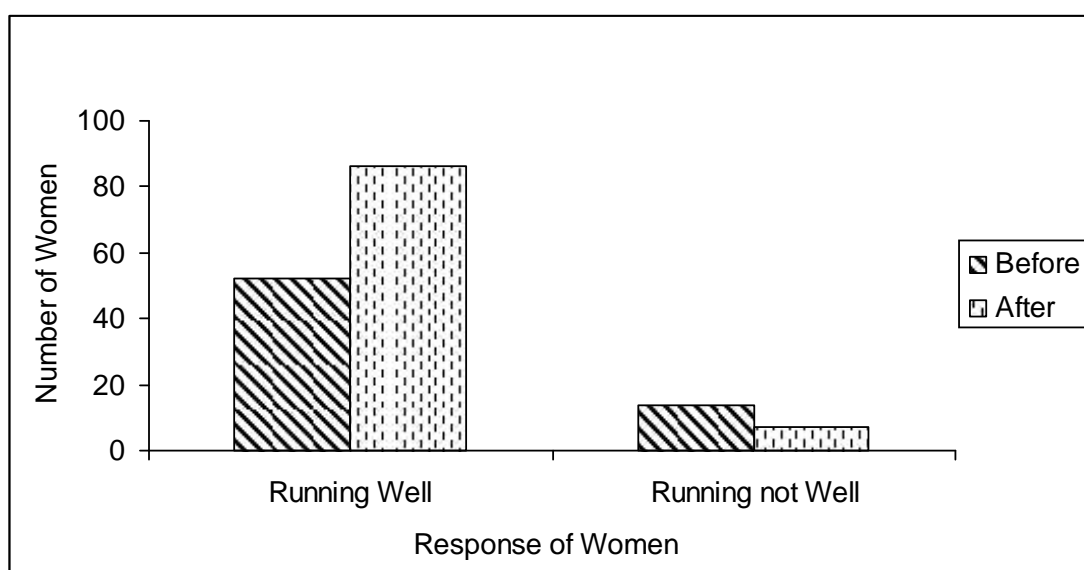
Table 4.13
Condition of Business which is running from Loan

S.N	Description	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Running well	52	78.79	86	92.47	13.68
2	Running not well	14	21.21	7	7.53	(13.68)
Total		66	100	93	100	

Source: Field Survey, 2011

Above table shows that the sample women's condition of business which is running from loan. Before involvement in PGBBL programs, 52 women's business were running well and 14 women's business were not running well. But after involvement in PGBBL programs, 86 women's business were running well and only 7 women's business were not running well. Hence there was 13.68 % increase in women's business running well and there was 13.68 % decrease in women's business running not well. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.13
Condition of Business which is running from Loan



4.4 Investment and Income

Investment is using fund to raise more funds. The fund which is generated from investment is income. So money is invested in the form of loan at certain percentage of interest. Loan is recovered with interest after certain period of time. Fund without investment is useless. This fund investment is playing greater role to increase the livelihood of PGBBL women.

4.4.1 Income from Investment

Income and investment are interrelated. Without investment there is no income and without income there is no investment. Following table shows the response of women getting income from loan investment of PGBBL and before PGBBL programs. Description is divided in to maximum, minimum and no income. Table 4.14 also makes clear about number of women and percentage of women getting income from investment.

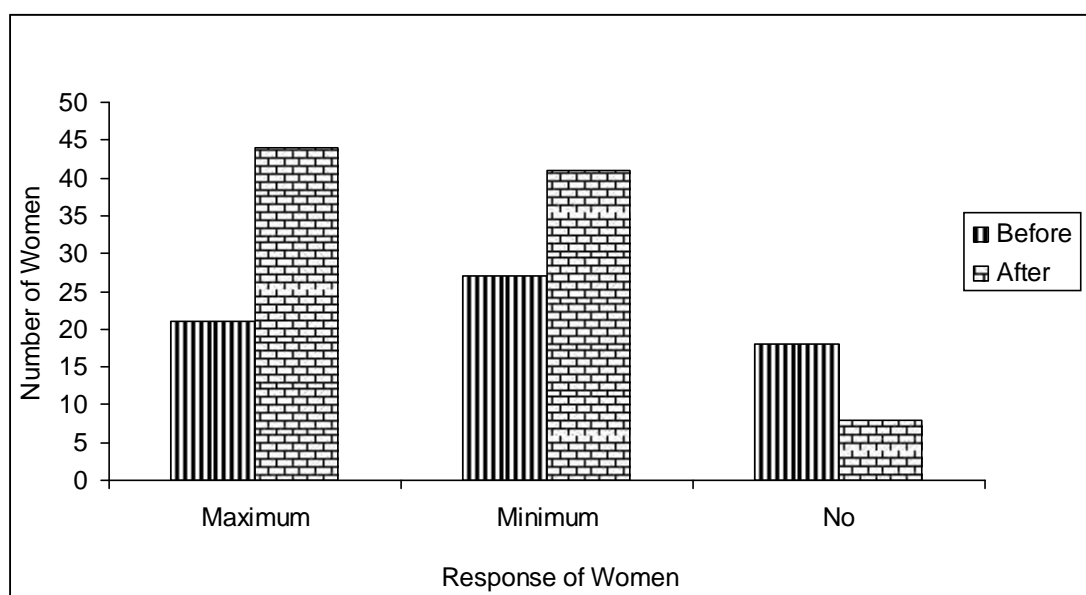
Table 4.14
Income from Investment

S.N.	Description	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Maximum	21	31.82	44	47.31	15.49
2	Minimum	27	40.91	41	44.09	3.18
3	No	18	27.27	8	8.60	(18.67)
Total		66	100	93	100	

Source: Field Survey, 2011

Above table 4.14 shows the number of women and percent of women getting income from investment. Response of women was maximum income benefit, minimum income benefit and no income. Before entering into PGBBL programs, 66 women were investing loan from different sectors. But after involvement in PGBBL programs, 93 women were investing loan from different sectors. So there was 18.67 % (15.49 %, and 3.18 %) increase in number of women who said that they were getting maximum and minimum benefits from investment. So majority of respondents were highly benefited from the PGBBL program. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.14
Income from Investment



4.4.2 Interest Recovery Situation of Loan Disbursement

The state of interest recovery situation of loan disbursement is shown in table 4.15.

Table 4.15
Interest Recovery Situation of Loan Disbursement

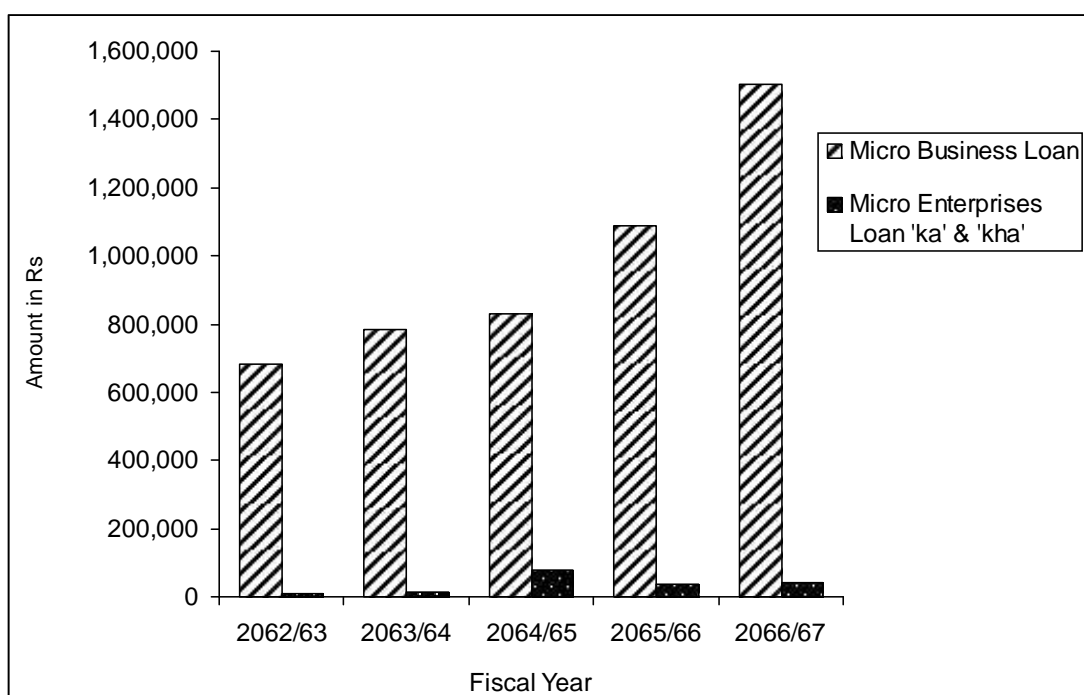
S.N.	Fiscal Year	Micro Business Loan		Micro Enterprises Loan 'ka' & 'kha'	
		Amount	%	Amount	%
1	2062/63	682,466	13.96	11,430	6.33
2	2063/64	784,758	16.05	12,965	7.18
3	2064/65	831,192	17.00	78,801	43.63
4	2065/66	1,088,408	22.25	35,159	19.46
5	2066/67	1,503,097	30.74	42,250	23.40
Total		4,889,921	100	180,605	100

Source: PGBBL, Dulegaunda Branch.

Above table shows the interest recovery in different fiscal years from micro business loan and micro enterprises loan 'ka' and micro enterprises loan 'kha' both. Total

interest recovery situation from micro business loan is Rs 4,889,921 and from micro enterprise loan 'ka' and 'kha' is Rs 180,605 in last five years. The highest percentage of interest recovery from micro business loan was 30.74 % in FY 2066/67 and from micro enterprise loan 'ka' and 'kha' were 43.63 % in FY 2064/65. Interest recovery situation was relatively favourable. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.15
Interest Recovery Situation of Loan Disbursement



4.4.3 Amount Invested by Women in Different Sectors

Loan taken by women was invested in different sectors before and after entering into PGBBL programs. The following table shows the response of sample women who invest different amounts in different sectors.

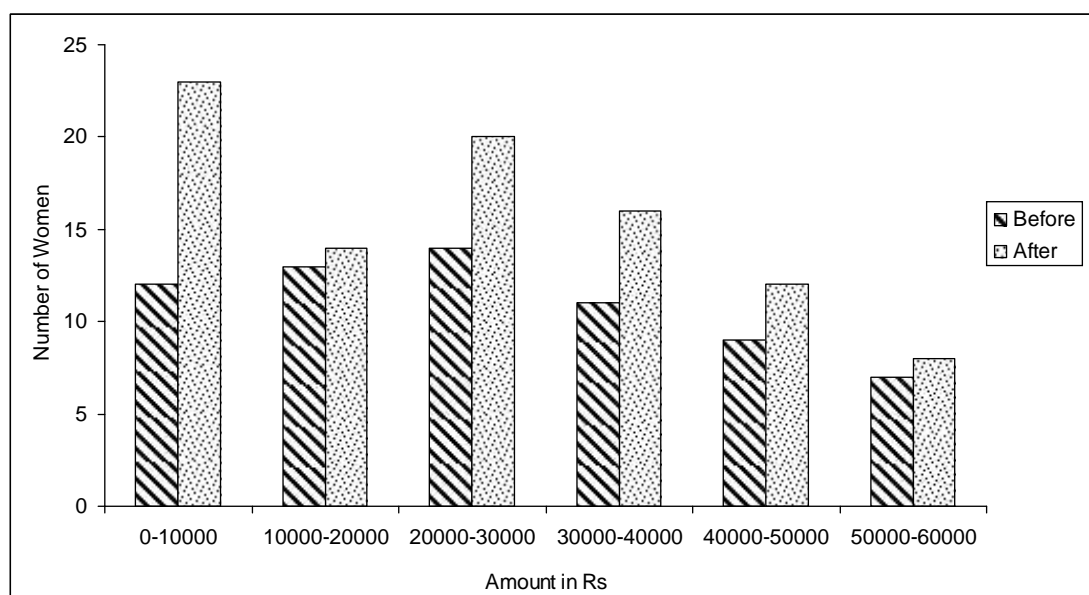
Table 4.16
Amount Invested by Women in Different Sectors

S.N	Amount in Rs	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	0-10,000	12	18.19	23	24.74	6.55
2	10,000-20,000	13	19.70	14	15.05	(4.65)
3	20000-30000	14	21.22	20	21.50	0.28
4	30,000-40,000	11	16.66	16	17.21	0.55
5	40,000-50,000	9	13.63	12	12.90	(0.73)
6	50,000-60,000	7	10.60	8	8.60	(2.00)
Total		66	100	93	100	

Source: Field Survey, 2011

Above table shows the positive impact. Mean Investment by sample in different sectors after PGBBL program is increased to RS 23,416 from RS 17,624 .Which gives positive result to us. It means increased investment is more consistent then previous investment. Their economical condition is improving after PGBBL program. This is because more women involve in this program and can earn a certain income after entering the program. It seems women were highly encouraged to mobilize their saving fund. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.16
Amount Invested by Women in Different Sectors



4.4.4 Monthly Income of Women

Income of women was varying in PGBBL, Dulegaunda. Some women were rich and some were poor. The following table shows the monthly income of the women before and after involvement in PGBBL programs.

Table 4.17
Monthly Income of Women

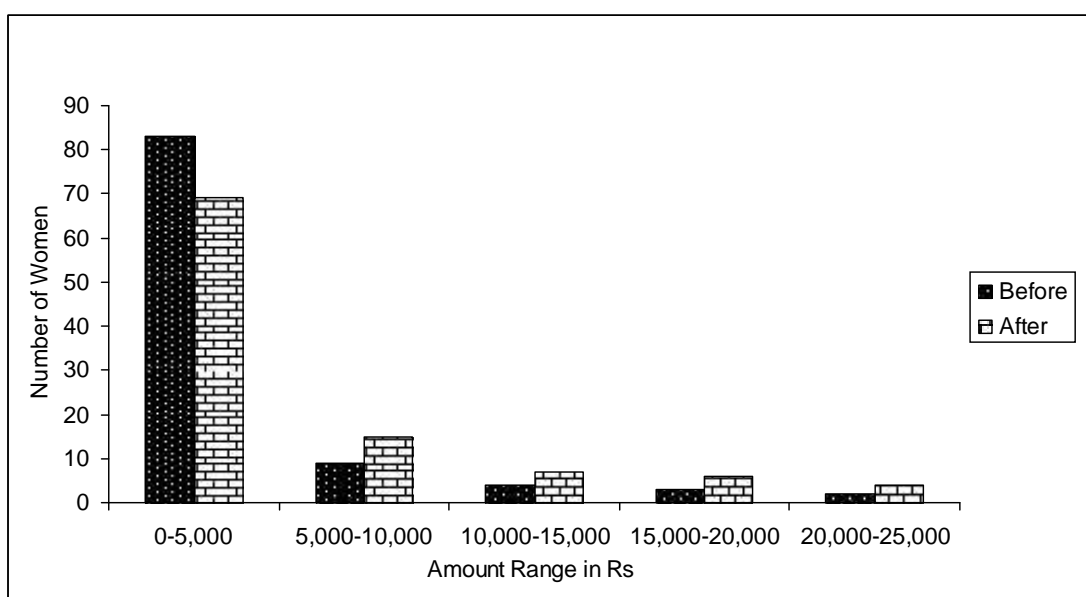
SN	Income Range in Rs.	Before		After		% Increase / Decrease
		Numbers	%	Numbers	%	
1	0-5,000	83	82.18	69	68.32	(13.86)
2	5,000-10,000	9	8.91	15	14.85	5.94
3	10,000-15,000	4	3.96	7	6.93	2.97
4	15,000-20,000	3	2.97	6	5.94	2.97
5	20,000-25,000	2	1.98	4	3.96	1.98
Total		101	100	101	100	

Source: Field Survey, 2011

Above table shows the positive impact. Mean income of respondent after PGBBL is increasing to Rs 5,619 from Rs 4,183 which gives positive result to us. It means

increased income is more consistent than previous income. Their economical condition is improving after PGBBL program. There were 82.18 % of members earning up to Rs 5,000 and only 1.98 % of them earned between Rs 20,000-25,000. After intervention of program 68.32 % was earning less than Rs 5,000 and 3.96 % of members earned between Rs 20,000-25,000. The women who had entrepreneurship skills earned more. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.17
Monthly Income of Women



4.5 Response of Poorest Women

Poverty is deep-rooted in Nepalese society. Especially women are always doing household activities and far from out door fund raising activities. So these activities of PGBBL are benefited for the women to raise and save small money. Poor women who are lack of food, shelter and money will be benefited if they join PGBBL programs. Because collateral is not necessary to take loan from PGBBL. They should be in group members and can take loan. After investing that money they will be benefited.

4.5.1 Category of Women

There is different level of women in every society. Some are very poor, some are medium range and some are rich in this research study the category of women are categorized on the basis of women's response, field observation, asking questionnaire, observing their economic condition etc. Women who have little land to cultivate crops

and monthly income is less than Rs. 5,000 are categorized as poor women. Women who have monthly income around Rs. 5,000-10,000 are categorized as Medium women. Women who have sufficient land, more sources of income, monthly income of more than Rs. 10,000 are categorized as rich women. The field survey shows the following level of PGBBL women in Dulegaunda. Following table shows the status of women in the field survey.

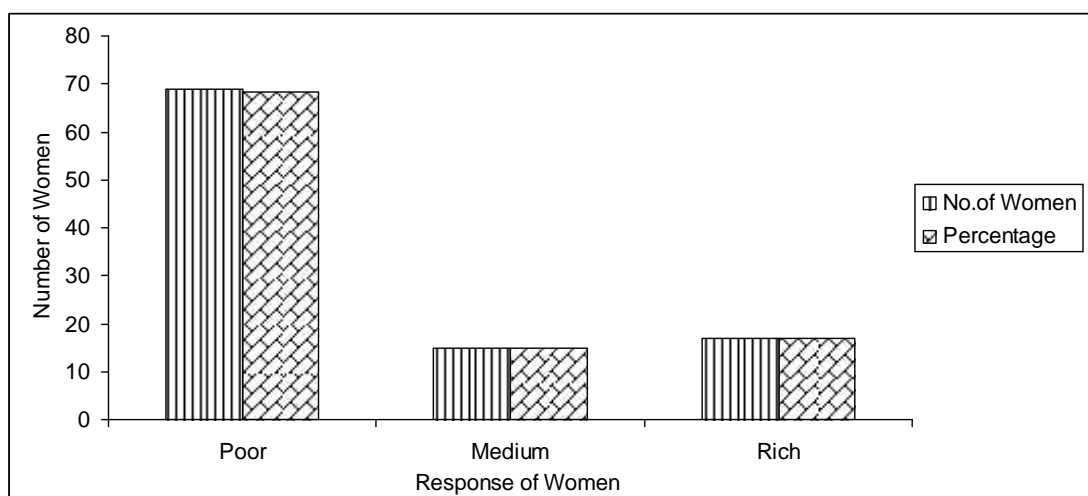
Table 4.18
Category of Women

S.N	Description	No. of Women	Percentage
1	Poor	69	68.32
2	Medium	15	14.85
3	Rich	17	16.83
Total		101	100

Source: Field Survey, 2011

Table 4.18 shows the number and percentage of women have different economic status. Out of 101 sample women there were 69 women poor, 15 women medium and 17 women rich. Majority of the sample women is poor. However PGBBL programs should focused on poorest of the poor women. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.18
Category of Women



4.5.2 Future Program Needed to Uplift the Livelihood of Poor Women

There are some programs which are needed to uplift the livelihood of poor women. There are different perceptions of women about different programs which are needed for them. Following table 4.19 shows the different facilities needed for poor women.

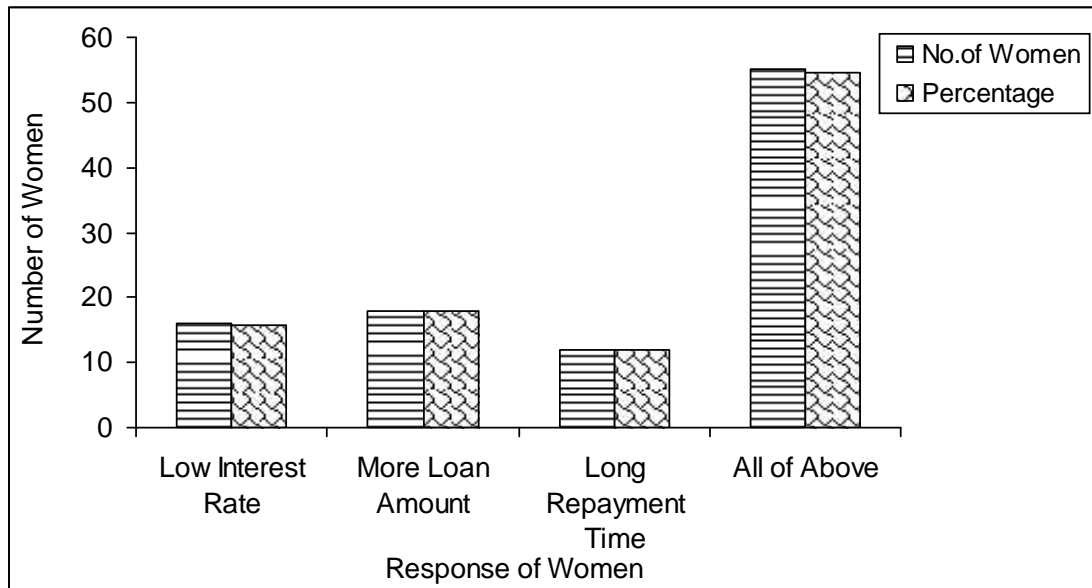
Table 4.19
Future Programs for Poor Women

S.N	Description	Number of Women	Percentage
1	Low Interest Rate	16	15.84
2	More Loan Amount	18	17.82
3	Long Repayment Time	12	11.88
4	All of Above	55	54.46
Total		101	100

Source: Field Survey, 2011

Table 4.19 shows the number and percentage of women which have needed different facilities from PGBBL to run their livelihood. Out of 101 sample women there were 16 women prefer low interest rate, 18 women prefer more loan amount, 12 women prefer long repayment time and 55 women prefer all of above. Similarly the percentage of women who prefer low interest rate was 15.84 %, more loan amount was 17.82 %, long repayment time was 11.88 % and all of above was 54.46 %. So the women who prefer all of above programs were more than 50 %. Most of the women prefer more loan amount, low interest rate and long repayment time to improve their living standard. Thus majority of respondents prefer better term and condition about the loan repayment. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.19
Future Programs for Poor Women



4.6 Profile of the Respondent

From the profile of the respondent it has been found that the program has benefited to all the borrowers. For the purpose of study, perception of the sample women towards the program with respect to education level, age structure, ethnic group, priority sector, confidence of women etc are shown.

4.6.1 Education Level

Education is most important thing all over the world. Therefore it is lamp of the world. Following table shows the education level and their perception of sample women.

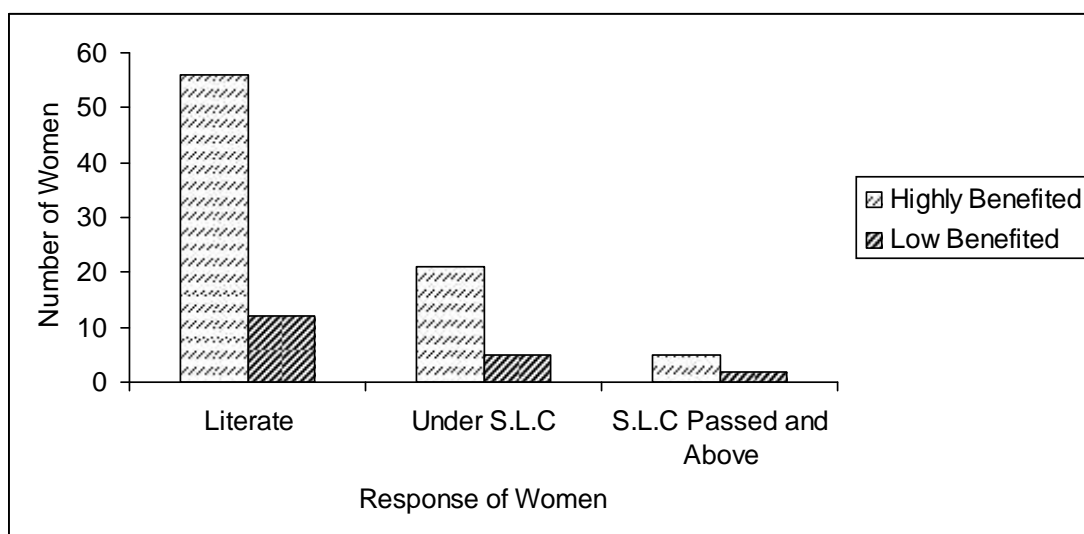
Table 4.20
Response on the Education Level of Sample Women

S.N	Education level	Perception toward the program		Total
		Highly Benefited	Low Benefited	
1	Literate	56	12	68
2	Under S.L.C	21	5	26
3	S.L.C Passed & Above	5	2	7
Total		82	19	101

Source: Field Survey, 2011

Above table shows perception toward the program at different level of education of the respondents. Out of 101 sample women 82 respondents were highly benefited and rest low benefited. Most of the clients are literate. They know how to keep their account of income, consumption, saving and so on. They are getting high benefit from the PGBBL programs. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.20
Response on the Education Level of Sample Women



4.6.2 Age Structure

In the research study it has been found that the age structure of women was in between 20 to 65 years. It has been shown in the following table.

Table 4.21
Response on the Age Structure of Sample Women

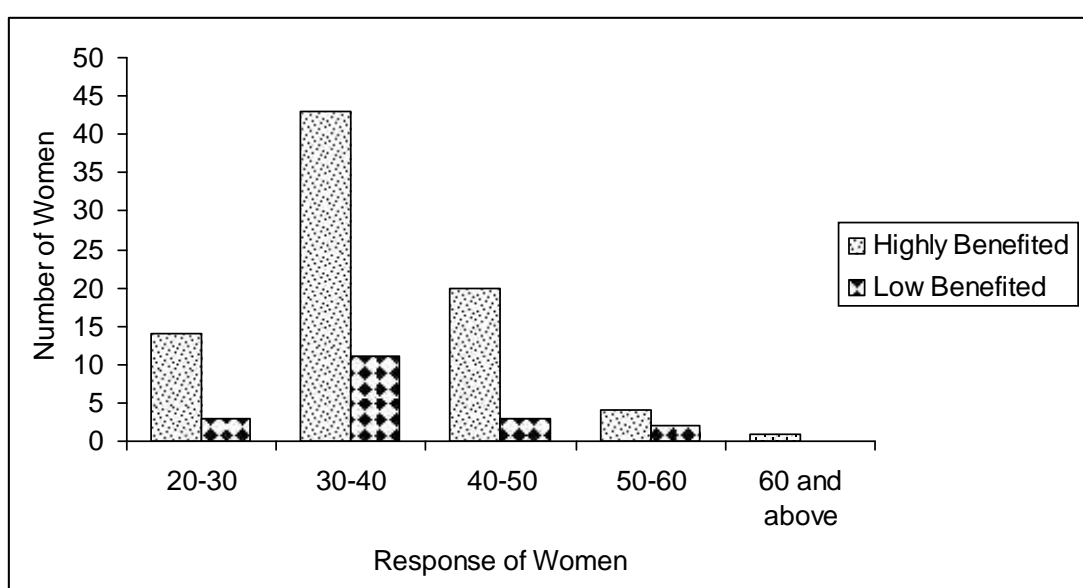
S.N	Age Structure	Perception toward the Programs		Total
		Highly Benefited	Low Benefited	
1	20-30	14	3	17
2	30-40	43	11	54
3	40-50	20	3	23
4	50-60	4	2	6
5	60 & above	1	0	1
Total		82	19	101

Source; Field Survey, 2011

Above table shows among 101 respondents 17 were in between 20-30 years range. 54 were in between 30-40 years range. 23 women were in 40-50 years range. 6 women were in between 50-60 years range and 1 was in 60 and above. Above table shows 82 women were highly benefited and rest 19 were low benefited. Out of 101 respondents 54 women were benefited in 30-40 years class. Normally 20-70 years class women were involve in economic activities and benefited. PGBBL program seems satisfactory. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.21

Response on the Age Structure of Sample Women



4.6.3 Ethnic Group

Generally high class, middle class and low class of women were found on field survey according to their caste status. The following table shows the class of women and their perception toward benefit.

Table 4.22
Response on the Ethnic Group of Sample Women

S.N	Ethnic	Perception toward the Program		Total
		Highly Benefited	Low Benefited	
1	Higher Class	26	5	31
2	Middle Class	47	8	55
3	Lower Class	9	6	15
Total		82	19	101

Source: Field Survey, 2011

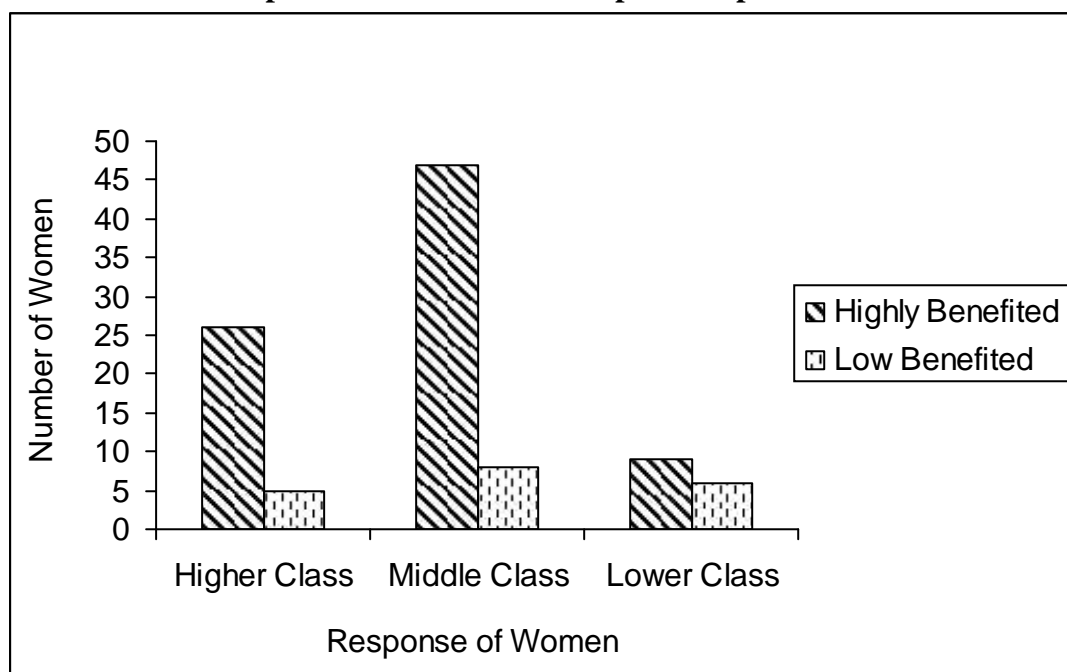
Higher Class: Brahman and Chhetri

Middle Class: Gurung, Magar, Newar, Bhujel, Lama and Tamang

Lower Class: Kami, Damai and Muslim

Above table shows that 31 participating women are involved from higher class, 55 from middle class and only 15 from lower class. Out of 101 respondents 26 higher class respondents are benefited by the program whereas 47 middle class women are benefited and only 9 lower class respondents. The field survey report shows that the number of middle class group cover the high share and higher class group is also hopeful in the MFPs. Low class (Indigenous deprived groups) has least involvement in the MFPs. During the survey it is being found lack of confidence of client and illiteracy is the major cause besides these the limitation factor is the land. High operation cost and lack of advertisement are the causes to held the deprived behind. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.22
Response on the Ethnic Group of Sample Women



4.6.4 Priority Sector after Improvement in Economic Condition

Every people have their own interest and future plan. Like this, these PGBBL women also have their own future plan to give priority in different sectors after improvement in their economic condition which is shown in the following table 4.23.

Table 4.23

Priority Sector after Improvement in Economic Condition

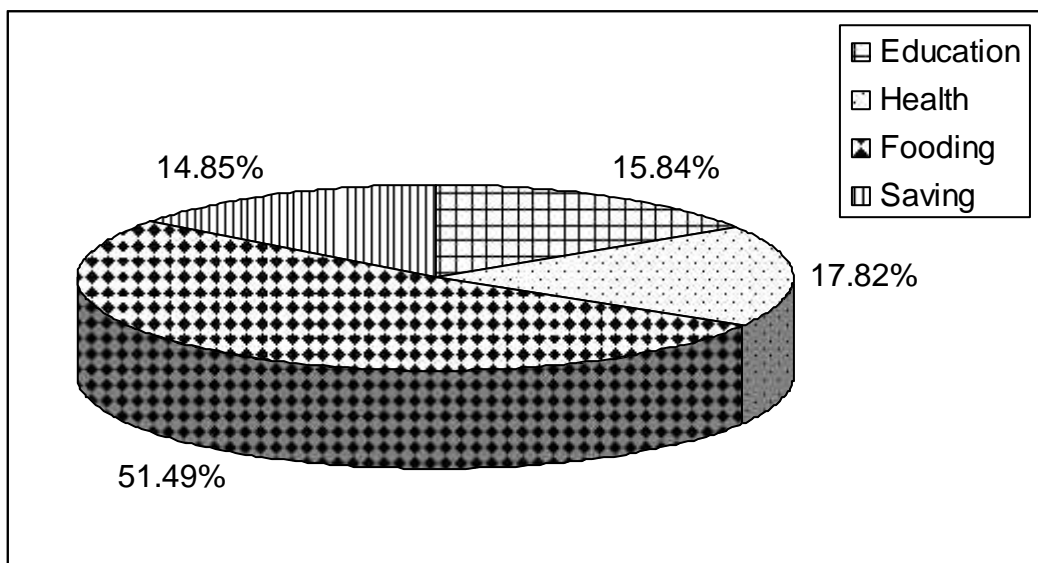
S.N	Description	Number of women	Percentage
1	Education	16	15.84
2	Health	18	17.82
3	Fooding	52	51.49
4	Saving	15	14.85
Total		101	100

Source: Field Survey, 2011

Above table shows the priority sector of participatory women. Main priority sector of women were education, health, fooding, saving. Out of 101 respondents 16 prefer education, 18 prefer health, 52 prefer fooding and 15 prefer saving after improvement in their economic condition, in percentage, highest perception of women prefer fooding i.e. 51.49 % and lowest perception of women prefer saving i.e.14.85 %. It shows majority of the respondents given high perception to fooding pattern after the improvement on their economic activities. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.23

Priority Sector after Improvement in Economic Condition



4.6.5 Confidentiality of Participating Women

In the research study it has been found that some participating women have maximum confidentiality, some has minimum and some have no confidentiality of becoming successful entrepreneur in future. This status is shown in the following table 4.24.

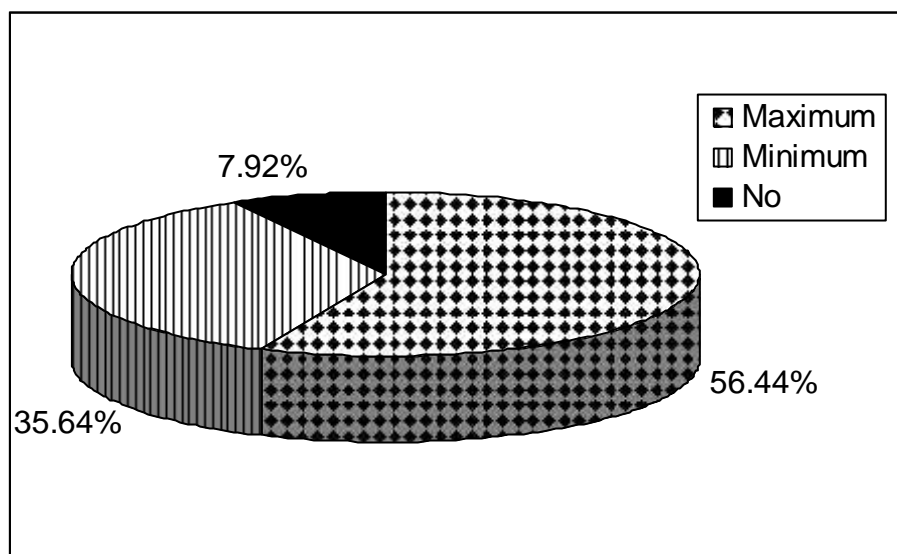
Table 4.24
Response on the confidentiality of the participants to stands themselves as successful entrepreneur in future

S.N	Description	Number of women	Percentage
1	Maximum	57	56.44
2	Minimum	36	35.64
3	No	8	7.92
Total		101	100

Source: Field Survey, 2011

Above table reveals that in totality 56.44% respondent women have maximum confidentiality and 35.64 % and 7.92% respondent have minimum and low confidentiality of becoming successful women entrepreneur in future. It shows majority of women respondents' confidence to be successful entrepreneur. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.24
Confidentiality of Participating Women



4.6.6 Improvement in Living Standard of Women after Joining PGBBL

Following table 4.25 shows the improvement in living standard of women after participating PGBBL program activities.

Table 4.25

Response on Improvement in Living standard of Women

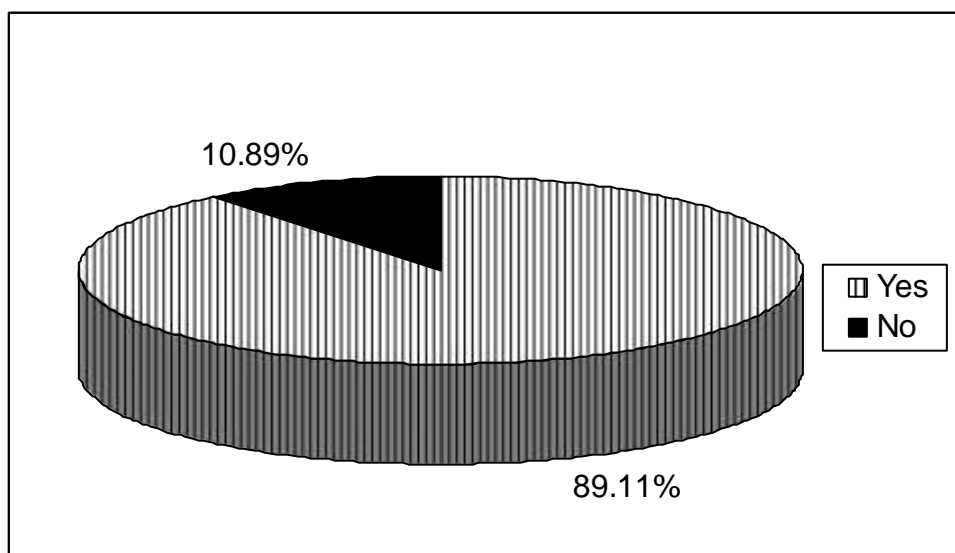
S.N	Description	Number of Women	Percentage
1	Yes	90	89.11
2	No	11	10.89
Total		101	100

Source: Field Survey, 2011

Above table reveals that the response of participating women about their life standard after participating in PGBBL program. In totality, 89.11 % of women said that their life standard has change after entering into PGBBL program and 10.89 % of women said that there is no change in their life style. Thus it seems that majority of sample women has improved their living standard after joining PGBBL program. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.25

Improvement in Women's Life-Style



4.6.7 Response of Women as Continuing their Business in Future

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

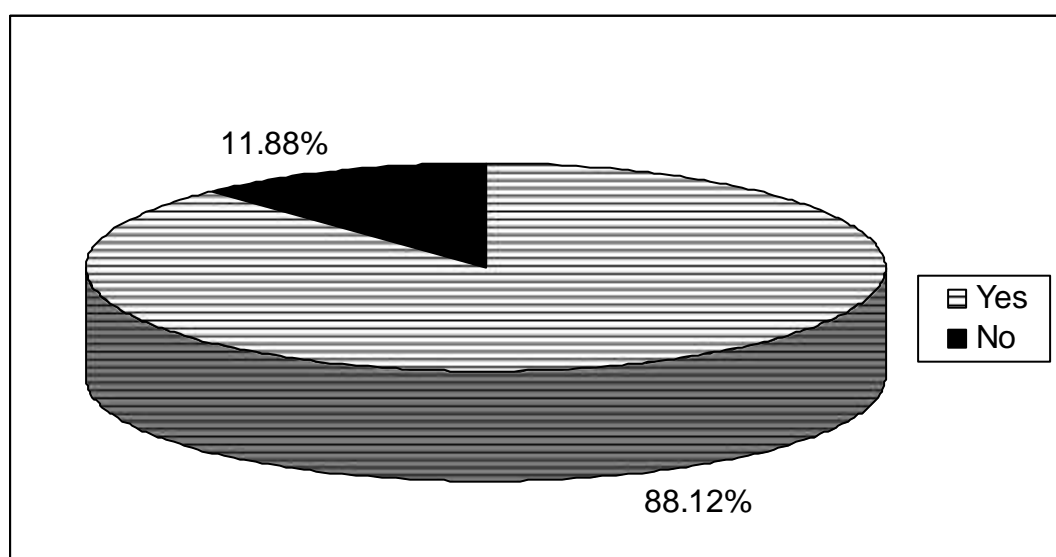
Table 4.26
Response of Women as Continuing their Business in Future

S.N	Description	Number of women	Percentage
1	Yes	89	88.12
2	No	12	11.88
Total		101	100

Source: Field Survey, 2011

Above table reveals about the women's response of continuing their present business in future, in this research survey, out of 101 sample women, 89 women have intension of continuing their business in future but 12 sample women have no intension of continuing their business in future. So this field study shows that maximum number of women was interested to continue their business in future also. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.26
Response of Women as Continuing their Business in Future



4.7 Major Findings of the Study

The major findings of the overall study of Pashchimanchal Grameen Bikas Bank Limited, Dulegaunda Branch could be addressed as follows.

- Most of the sample women were involved in different kinds of saving programs such as group saving, centre fund saving and individual saving. The number of women that are saving more amount is increased after entering into PGBBL program.
- More women were involved in agriculture to save small money. Other sectors to generate saving were buffalo keeping, goat keeping, poultry farming, retail business, bio-gas, pig keeping etc. Lower percentage of women was saving from bio gas. The number of sample women and percentage of saving from agriculture and retail business were increased after entering PGBBL program.
- The saving money was properly utilized. It was invested in different areas. The total saving of last 5 years was Rs. 14,852,088 in different saving programs. The highest saving was in group saving with amounting Rs. 12,249,302 which was 83.02%. In later years centre fund saving and individual saving both were increasing.
- PGBBL has been facilitating the women in areas of agriculture, buffalo keeping, goat keeping, poultry farming, retail business, bio-gas, pig keeping etc.
- PGBBL did pay some interest expenses to women who saved money. The total interest expenses on different saving programs were Rs. 396,945. The highest interest expenses was in group saving with amounting Rs. 331,600.
- Loan disbursement headings are 'micro business', 'micro enterprises' 'ka' and 'kha'. The overall loan disbursement in micro business loan was Rs 75,256,100 in last five years of total loan disbursed amounting Rs. 82,375,700. Highest loan disbursed was in FY 2066/67 and lowest was in FY 2062/63.
- Loan recovery trend was in average 85.46%.
- Highest numbers of women were taking loan for agriculture and lowest number for pig keeping. Like wise more women were taking loan ranging between Rs 0-10,000. Similarly rise in productive activities and income causes to create saving. The saving is the most effective component in the process of supplying credit for investment. In an overall situation the saving deposit was significant.

- The percentage of sample women who have taken loan after entering PGBBL program was increased to 92.08% from 65.35 %.
- There was big change in sectors of taking loan before and after entering PGBBL program. More women were taking loan for agriculture purpose and fewer women for bio gas.
- Loan repayment rate of women is satisfactory. Both interest and principle repayment rate was increased by 13.25 % after entering PGBBL program.
- More women were paying the lending amount on time. It was increased by 8.91% after entering PGBBL program.
- The condition of business which was running by taking loan was found running well after PGBBL programs. It was increased by 13.68%.
- Women were earning more after entering PGBBL program. The number and percentage of women who were earning high amount were increasing after entering PGBBL programs.
- More women i.e. 55 sample women said that they preferred low interest rate, more loan amount and long repayment time to uplift their livelihood from poor women.
- Age structure of sample women were in range of 20 to 65 years.
- The participants were from different ethnic groups. Out of 101 sample 31 from higher class, 55 and 15 from middle and lower class respectively. Around 82 respondents are highly benefited by PGBBL program and rest low benefited.
- Literate and educated women were found. There were high numbers of women who were highly benefited from PGBBL in case of education level.
- After improving their economic condition, more than 51.49% of women preferred fooding as priority sector than other sector.
- The percentage of women have maximum confidentiality of standing themselves as a successful entrepreneur in future was 56.44% and only 7.92% of women did not have any plan.
- Around 90 sample women i.e. 89.11% of women said that there was improvement in their living standard after joining PGBBL.
- Out of 101 sample women 89 (88.12%) of women said that they would continue their present business in future also.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Poverty alleviation has been the major concern of debate in developing world. In Nepal, the women comprising of the total population are relatively back warded in terms of opportunities to participate in the main stream of development. Men and women are said to be two wheels of a cart. But proportion of women as parliament, bureaucrats and professional are quite small. Majority of women are illiterate and engaged in agriculture for their livelihood. In recent years, there has been a growing realization of the importance of women's participation in the development. Globally around one billion people are living below one dollar per capita income per day. The most challenging task for the policy maker and practitioner is to reduce the world's poverty and improve the life standard of those billion faces. The hope is that poverty can be alleviated and economic and social structure can be transformed fundamentally by providing financial services to low income households. Poor people use loans, deposits and other financial services to reduce their vulnerability. Definitely micro finance improves quality of life, reduces poverty level, women's empowerment and create awareness. Nearly 31% of Nepalese are below the extreme poverty line. The population is increasing day by day and resources are limited .Eradicating poverty and maintaining quality of life is the main issue of modern world .Microfinance is a tool which has the potential to transfer power relation, and empower poor people who have less access to resources. Even to our many donor agencies, government and community micro finance has become a central component. However, simply throwing financial resources to the hands of poor people is not enough for empowering and improving small farmers. Small farmers access to financial resources and services could provide greater decision making power, provide confidence and enhance dependency. This power may have significant implication on families and communities. As a result small farmers can promote nutrition, health and literacy within their families. The access of microfinance has improved farmers' skills, mobility, and access of knowledge. It has also supported for making their own networks. Status of small farmers in the community for decision support and idea

generation has also been enhanced. These changes are reinforced by group formation, leading to wider movements for social and political change.

In this situation, Microfinance has come out as a tool of development. Mohammad Yunus, who is pioneer in this field and winner of Nobel prize for contribution of economic revolution as microfinance in Bangladesh. In Nepal, there was mandatory provision to commercial bank to provide certain percentages of loan to deprived sector.

Tanahun is hilly district of Nepal. There is one municipality and 47 V.D.Cs. Dulegaunda V.D.C. is one of the most. There are 9 wards within this V.D.C. Women of this V.D.C. are unprivileged and low socio-economical background and poverty among the women population is high. To reduce this poverty, make women self-dependent and economically strong, different microfinance institutions are working here. Pashchimanchal Grameen Bikas Bank is one of them. Pashchimanchal Grameen Bikas Bank was established in 2054 B.S. in Dulegaunda as branch office. The general objectives of the study is to analyze the impact of microfinance on women in case of Dulegaunda V.D.C. This study focuses only activities of saving (deposit), loan disbursement and its recovery as well as impact on women etc.

Under the literature reviews, the theoretical and research reviews have been done. In theoretical reviews the origin and activities have been launched by the NGOs and INGOs which are still working in rural areas. The other programs launched by that organization are several books related to poverty reduction, rural development and related to several article, newspapers and dissertations. Analytical research design has been used in this study. This study is based on primary and secondary data. Most of the data are collected from field survey. On the basis of discussions started is presented in the following points.

- The highest amount of saving is in group saving and lowest amount is in individual saving in last five years. The total saving amount is increasing up to FY 2066/67.
- The interest expenses on saving were decreased in FY 2064/65 and were slightly increasing from last two years.
- The main sectors of saving by women are agriculture, buffalo keeping, goat keeping, retail business, bio-gas, poultry farming, pig keeping etc.

- Mainly women are involved in group saving, regular saving and optional saving. The percentage of women who are involved in regular and optional basis is in increasing trend after entering PGBBL programs. This shows women's saving power is increasing.
- Mobilization of saved money by women is in increasing trend.
- Repayment of loan on time is in increasing trend after entering PGBBL programs.
- Loan outstanding is increased up to FY 2066/67 rapidly.
- Majority of women are interested to pay loan on time, the numbers of women who are paying more have increased to 87 from 53. So more loan repayment rate is satisfactory after entering PGBBL.
- Majority of women's income from investment is maximum. Women who are earning more are increasing after entering PGBBL. So the percentage of women who are earning maximum from investment is increasing in comparison to women who are earning less.
- Interest recovery on loan is satisfactory in every year from women who are paying interest on time.
- Monthly income of women is increasing after entering PGBBL programs.
- The category of poor women is substantially higher.
- Most of the poor women prefer low interest rate, more loan amount and long repayment time to improve their living standard.
- Most of the women are literate.
- Most of the women are found in middle age.
- The sample women are mixed in ethnic class i.e. higher class, middle class and lower class.
- More than half of women prefer fooding facilities after improving their economic condition.
- Around 56.44% of women have maximum confidentially of being successful entrepreneur among participating women.
- Improvement of living standard of women increased more from PGBBL programs.89.11% of women have high living standard.
- Around 88.12% of women will continue their business in future also.

5.2 Conclusions

Microfinance is a tool for empowerment of the poorest. It has potential to have a powerful impact especially on rural people. Microfinance mainly focuses on poor and disadvantaged and marginalized people because they lack access to resources. This study has raised issue about Impact of Microfinance on Women Under Pashchimanchal Grameen Bikas Bank Ltd. in Dulegaunda V.D.C., Tanahun. So the whole study is based on women. The whole needed data are taken from PGBBL. To find out the Impact of Microfinance on Women, the respondent's before and after various conditions are taken from primary sources and tested by using various tools. On the basis of the finding of this study, the following conclusions are drawn.

Pashchimanchal Grameen Bikas Bank Ltd is a women participating microfinance institution. So it is organizing different fund rising programs such as saving, loan disbursement etc within participating women. In the PGBBL program saving and its mobilization and skill enhancement are the main instruments to raise the economic growth and human resource development.

Saving is the basis of investment and loan disbursement. PGBBL is actively involved in saving programs of women. Women are also interested and motivated to save more with PGBBL programs. With saving they are encouraged to mobilize that saving in terms of loan. This shows that it is helping to solve the financial problem of women in society to some extent.

Loan disbursement and on time payment is an essential part of the program. PGBBL can slowly meet the required criterion of loan repayment with increasing trend in recovery and still the amount of outstanding remained to the required criterion. Loan is disbursed in different sectors and PGBBL is still focusing more on loan disbursement to poor women. Interest recovery from loan investment is satisfactory and it is in increasing trend. It shows that women believe in loan and are interested to invest that loan in profitable sector.

Majority of the women are involved in agriculture. The status of loan investment and income of women is found satisfactory and they are earning slowly higher with involvement of PGBBL programs. Instead of this, business which is running by taking loan is found as running satisfactory. Poor women are found more and some of them

have high confidentiality of standing themselves as a successful entrepreneur in future. Majority of women believe that involvement in PGBBL program initiates to increase their living standard.

Participants in PGBBL programs are from different ethnic groups. Some of women prefer low interest rate, long repayment time, and more loan amount to increase their living standard more. Women prefer more fooding program after improving their economic condition.

The overall study shows that the program has made positive impact on the women's living standard by generating employment and increasing productivity. The most important and effective program is to the basis to uplift the economic condition of rural women. Most of the sampled women are under farmer's category and the major source of income of women is agriculture.

5.3 Recommendations

On the basis of the study, the following suggestions are recommended for further improvement and effective implementation of microfinance program to the targeted women.

- PGBBL should regularly supervise the saving activities of groups and give them essential directions and suggestions.
- The participating women should be educated about the proper utilization and mobilization of saving so that it can reach to the poorest of the poor women also.
- The priority order to the participating women should be found out. So that it might be helpful to tackle the problem of major requirements and assist to resolve it. It may help to raise business activities and profitability.
- Loan disbursement should be made on targeted women and activities of awareness program is needed to them for raising saving and repay the due loan in right time.
- The lending should be made on the basis of the requirement of the stated project but not on the basis of achieving target.
- The lending sectors should be supervised regularly and suggested to address the problem as soon as possible.
- The participating women should be educated about the proper utilization and mobilization of loan disbursement.

- If the borrowers did not repay the loan in due time, they should be motivated to repay on time by adopting different mechanisms.
- The implementing organization should encourage the participating women to maintain the record of income and expenditure. For this necessary trainings should be provided within the entrepreneurs themselves.
- Productive investment should be emphasized, which may promote the capability of loan recovery and repayment.
- Priority to poorer women's demand should be given while mobilizing saving lending.
- Education facilities should be widely extended to the poor people.
- Arrangement should be made for the participating women to visit similar other successful projects. So that they might be able to gain practical experience.
- Regarding rule and regulations, information and knowledge should be transferred among the members.
- Training should be provided according to the profession of staffs and member.
- Women's contribution and their multiple roles in the society need to be understood by the state.
- PGBBL program should be reached to the poorest of the poor women.

BIBLIOGRAPHY

- Acharya, Meena (2006). *"Development of the Financial System and its Impact on Poverty Alleviation in Nepal"*. Economical Review: Occasional Paper.no.16 Kathmandu, Nepal.
- Ale, Hum Bahadur (2007). *"Diagnosis of Financial Health of Pashchimanchal Grameen Bikas Bank Limited in the Frame Work of PEARLS"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Aryal, H.N.(2007). *"Micro-finance Under Rural Development Program: A Case Study of Khilung Deurali V.D.C., Syangja"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Bajracharya B.C. (2067). *"Business Statistics"*. M.K. Publishers and Distributors, Kathmandu.
- Baral, Keshar J. (2004). *"Microfinance: Good Portfolio and Management of Delinquency"*. A Journal of Management Baniya Sansar: A Journal of Management.
- Bastola, Amrit Raj (2007). *" Impact of Paschimanchal Grameen Bikas Bank On Rural Poverty"*. Master Diss., Central Department of Management, T.U., Kritipur, Kathmandu.
- Baumann, P. (2001). *"Microfinance and Poverty Alleviation in South Africa"*. Muizenberg: Bay Research and Consultancy Services.
- CBS (2001). *"Population Census of Nepal 2001"*: Population Report, Central Bureau of Statistics, Kathmandu, Nepal.
- CMF (2010). *"An Overview of the Microfinance Sector in Nepal"*. Kathmandu: Center for Micro-finance, www.cmfnepal.org.
- Ghimire, Narayan (2005). *"Impact of Microfinance: A Case Study of Micro Credit Programme for Women in Kahun VDC,Kaski"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Gyanwali, Srijan (2000). *"A Case Study on the Micro Credit Project for Women in Pokhara"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Government of Nepal, Ministry of Finance.*"Economic Survey: Fiscal Year 2066/067"*. Kathmandu, Nepal.
- Karki, Laxmi Kumari (2003). *"Micro Credit Project for Rural Women: A Case*

- Study of IRWDP, Badahari, Syanghanri, Lekhnath Municipality*". Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Khadka, Tej Bahadur (1998). *"Micro Credit Project for Women in Nepal: A Case Study of Pokhara Sub-Metropolitan City"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Manandhar, S.K. (2007). *"A Study on the Financial Impact of Child Labor Projects Micro-Credit Program on Women"*. Master Diss., T.U., Kritipur, Kathmandu.
- NRB (2008). *"Macro Economic Indicator of Nepal"*. NRB Research Department, Kathmandu.
- Ojha, Narayan Raj (2002). *"Microfinance in Practice: Loan Recovery Approach to the performance Assessment of Micro Credit Project for Women in Pokhara"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Paudel, Rajendra Prasad (2006). *"Small Farmer Development Project in Parbat District: A Case Study of Naglibang VDC, Parbat"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Poudel, Rabindra Nath (2007). *"Microcredit in Lekhnath Municipality: A Case Study of Pashchimanchal Grameen Bikas Bank"*. Master Diss., Faculty of Management, Prithvi Narayan Campus, Pokhara.
- Pradhan, Bindiya and Shrestha, Sita (2004). *"Micro Finance and Women Development in Nepal"*. Annual Report Nepal Rastra Bank, Kathmandu.
- Sainju, M.K.(2006). *"A Study of Investment Policy of Pashchimanchal Grameen Bikas Bank"*. Master Diss., Tribhuvan University, Kritipur, Kathmandu.
- Sharma,Puspa Raj (2004). *"Microfinance: A Powerful Tools for Social Transformation it's Challenges and Principles"*. Journal of Nepalese Business Studies.
- Sharma, Puspa Raj (2004). *"Micro-finance Programs and its Sustainability in Nepal"*. Paper presented in a Seminar organised by SAP-Nepal, Pokhara July 5.
- Sharma, Puspa Raj (2004). *"Micro-finance: A powerful Tools for Social Transformation, its Challenges and Principles"*. The Journal of Nepalese Business Studies Vol 1 No.1 pp.69-74, P.N. Campus, Pokhara.
- Sharma,Puspa Raj (2005). *"Millennium Development Goals and International Year*

- of Microfinance*". The Journal of Nepalese Business Studies.
- Sharma, Puspa Raj (2006). "*Micro-finance and its Service Development – Challenges and opportunity in Nepal*". Banijya Sansar Issue 12, Central Department of Management, T.U., Nepal.
- Sharma, Puspa Raj (2007). "*Micro Finance Practices and Their Sustainability in Nepal*". Ph.D. Thesis,T.U., Kritipur, Kathmandu.
- Sharma, Puspa Raj (2007). "*Research Methodology with SPSS*". Resunga Computer, Kritipur, Kathmandu.
- Sharma, Puspa Raj (2007). "*Microfinance and Women Empowerment*". The journal of Nepalese Business Studies.
- Sharma, Puspa Raj (2008). "*Financial Sustainability of Selected MFIs of Nepal*". The Journal of Nepalese Business Studies.
- Shrestha, B. (2007). "*Microfinance: A Tool to Fight with Poverty.*". Agricultural Credit, 40: 54-61.
- Shrestha, M. (2006). "*Grameen Bikas Bank in Nepal: An Appraisal*". Agricultural Credit,39: 49-53
- Shrestha, Minu (2005): "*Microfinance in Nepal and Role of RMDC in Micro Credit Development*". Masters Dissertation, Public Youth Campus, T.U., Kathmandu.
- Shrestha, Prem Bahadur (2001). "*Microfinance Development in Nepal, Challenge of Management in Nepalese Microfinance Institutions for their Sustainable Development*". Master diss., T.U. Kritipur, Kathmandu.
- United Nations Capital Development Fund (2004). "*Microfinance Program Impact Assessment*". 2003: UNCDF.
- Uprety, T.P. (2003). "*Microfinance in Nepal*". Nepal Rastra Bank Samachar.
- Wolff, H. K. and Pant, Prem Raj (2005)."*Social Science Research and Thesis Writing*". 4th ed., Buddha Academic Publishers and Distributors Pvt.Ltd.,Kathmandu.
- Yunus, M. (1987): "*Group Credit, A means to Improve Information Transfer and Loan Repayment Performance*". Economic Review journal.

Websites for Micro-Financing Reading

<http://www.accion.org>

<http://www.adb.org>

<http://www.calmeadow.com>

<http://www.cmfnepal.com>

<http://www.econ.org>

<http://www.imf.org>

<http://www.gdrc.org>

<http://www.grameenbanknepal.org>

<http://www.microfinance.com>

<http://www.mof.gov.np>

<http://www.nrb.org.np>

<http://www.nepjol.info>

<http://www.rmdcnepal.com>

<http://www.skbbbl.com.np>

<http://www.uncdf.org>

<http://www.undp.org>

<http://www.worldbank.org>

APPENDIX-1

म दुलेगौडा गा.वि.स. वडा नं. ७, तनहुँ निवासी लाल बहादुर श्रेष्ठले आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघु वित्त सम्बन्धी केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव, सल्लाह र जानकारी नितान्त गोप्य गरिनेछन् । उक्त कुराहरू अनुसन्धानको प्रयोजन बाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ, तपाईंहरूले निम्न प्रश्नावलीको उपयुक्त उत्तर दिनु भई मेरो अनुसन्धान (Research) कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

IMPACT OF MICROFINANCE ON WOMEN UNDER PASHCHIMANCHAL GRAMEEN BIKAS BANK LIMITED IN DULEGAUNDA V.D.C. , TANAHUN

संस्थागत प्रश्नहरू

नाम, थर : कार्यालय: पद :

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

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

२. बचत अन्तर्गत व्याजदर निर्धारण गर्नुभएको छ वा छैन ? यदि छ भने कति व्याजदर निर्धारण गर्नुभएको छ ?

(क) छ (ख) छैन

३. कुन कुन कार्यक्रम अन्तर्गत ऋण प्रदान गर्नुहुन्छ ?
- (क).....
- (ख).....
- (ग).....
- (घ).....
४. यस कार्यालयको कार्यक्षेत्र अन्तर्गत कुन-कुन गा.वि.स हरु पर्दछन् ?
- (क)..... (घ)..... (छ).....
- (ख)..... (ड)..... (ज).....
- (ग)..... (च)..... (झ).....
५. ऋण रकम किस्ताबन्दी र व्याजदर समयमा नै फिर्ता भएको छ ?
- क) छ ख) छैन
६. ऋण रकम र व्याज संकलनमा कुनै समस्या भएको छ वा छैन? यदि छ भने के मा?
- क) ऋण रकम ख) व्याज ग) समय घ) सर्तहरू
७. यस कार्यालयले लघुवित्त कार्यक्रम संचालन गरेको छ वा छैन ?
- क) छ ख) छैन
८. यस कार्यालयको लघुवित्त कार्यक्रमबाट महिलाहरू कति मात्रामा लाभान्वित भएका छन् ?
- क) धेरै ख) थोरै
९. यस कार्यालयबाट संचालन भएका समूहहरू वढी मात्रामा सफल वा असफल के छन् ?
- क) सफल ख) असफल
१०. असफल समूहमा विशेषताहरू के के हुन् ?
- क) जाति अन्तर्गत असफलता ख) आर्थिक स्तर अन्तर्गत असफलता
- ग) संस्कृति अन्तर्गत असफलता घ) अन्य अन्तर्गत असफलता

११. समुह भंग हुनुका मुख्य कारणहरु के के हुन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१२. असफल समूहका लागि केही नयाँ कार्यक्रम सोच्नु भएको छ ? यदि छ भने ति के के हुन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१३. यस संस्थाको विकासको लागि के के समस्याहरु छन् ?
 क) संचार ख) संरचना ग) मानवस्रोत घ) अन्य केही भए
१४. यी समस्याहरु कसरी समाधान गर्न सकिन्छ ? बुंदागत रुपमा लेख्नुहोस् ?
 (क)..... (ख)
 (ग)..... (घ)
१५. यस कार्यक्रमका सकारात्मक पक्षहरु के के छन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१६. यस कार्यक्रमका नकारात्मक पक्षहरु के के छन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१७. यस कार्यक्रममा सुधार गर्नुपर्ने कुराहरु के के छन् ?
 (क).....(ग).....
 (ख).....(घ).....
१८. तपाईंको विचारमा यस कार्यक्रमले गरिवी निवारणमा कस्तो भूमिका खेलेको छ ?
 क) सकारात्मक ख) नकारात्मक

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

क) छ

ख) छैन

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

(क)..... (ख).....

(ग)..... (घ).....

फिल्ड कर्मचारीहरु संग लिइएको विवरण

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

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

APPENDIX - 2

म दुलेगौडा गा.वि.स. वडा नं. ७, तनहुँ निवासी लाल बहादुर श्रेष्ठले आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघु वित्त सम्बन्धी केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव, सल्लाह र जानकारी नितान्त गोप्य गरिनेछन् । उक्त कुराहरू अनुसन्धानको प्रयोजन वाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ, तपाईंहरूले निम्न प्रश्नावलीको उपयुक्त उत्तर दिनु भई मेरो अनुसन्धान (Research) कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

IMPACT OF MICROFINANCE ON WOMEN UNDER PASHCHIMANCHAL GRAMEEN BIKAS BANK LIMITED IN DULEGAUNDA

V.D.C. , TANAHUN

प्रश्नावली

- | | | | |
|-----------------|--|--------------------------|----------------|
| नाम, थर : | | शैक्षिक योग्यता : | |
| वडा नं. : | टोल : | संस्था : | सदस्य संख्या : |
| परिवार संख्या : | | उमेर: | समूह : |
| १. | तपाईं कुनै बचत समूहमा आवद्ध हुनुहुन्छ ? | | |
| | क) छु | ख) छैन | |
| २. | तपाईंको समूहको बैठक नियमित रूपमा हुन्छ ? | | |
| | क) हुन्छ | ख) हुँदैन | |
| ३. | तपाईंको समूहका सदस्यहरूको आर्थिक स्थिति कस्तो छ ? | | |
| | क) समान | ख) केही मात्रामा फरक | ग) बढी फरक |
| ४. | अहिले समूहबाट नियमित बचत गर्नुभएको छ ? | | |
| | क) छ | ख) छैन/यदि छैन भने किन ? | |
| ५. | तपाईं समूहमा आवद्ध भएर राम्रो बचत गरे जस्तो लाग्छ वा लाग्दैन ? | | |
| | क) लाग्छ | ख) लाग्दैन | |
| ६. | तपाईं कुन बचत कार्यक्रममा संलग्न हुनुहुन्छ ? | | |
| | क) समूह बचत | ख) व्यक्तिगत बचत | |
| | ग) केन्द्र बचत | घ) अन्य बचत कोष | |

७. मासिक सरदर कति रकम बचत गर्न सक्नुभएको छ ?

पहिला :

क) नियमित ख) ऐच्छिक

अहिले :

क) नियमित ख) ऐच्छिक

८. कुन कुन स्रोतबाट रकम बचत गर्नुभएको छ ?

पहिला			अहिले		
सि.नं.	क्षेत्र/उद्देश्य	रकम	सि.नं.	क्षेत्र/उद्देश्य	रकम
१.	कृषि		१.	कृषि	
२.	भैसीपालन		२.	भैसीपालन	
३.	बाखापालन		३.	बाखापालन	
४.	कुखुरापालन		४.	कुखुरापालन	
५.	खुद्रा व्यापार		५.	खुद्रा व्यापार	
६.	वायोग्याँस		६.	वायोग्याँस	
७.	बगुंरपालन		७.	बगुंरपालन	
८.	अन्य		८.	अन्य	

९. तपाईंले पश्चिमान्चल ग्रामिण विकास बैंकबाट ऋण लिनुभएको छ ?

क) छ ख) छैन

१०. यदि लिनुभएको छ भने कुन उद्देश्यको लागि कति रकम लिनुभएको छ ?

पहिला			अहिले		
सि.नं.	क्षेत्र/उद्देश्य	रकम	सि.नं.	क्षेत्र/उद्देश्य	रकम
१.	कृषि		१.	कृषि	
२.	भैसीपालन		२.	भैसीपालन	
३.	बाखापालन		३.	बाखापालन	
४.	कुखुरापालन		४.	कुखुरापालन	
५.	खुद्रा व्यापार		५.	खुद्रा व्यापार	
६.	वायोग्याँस		६.	वायोग्याँस	
७.	बगुंरपालन		७.	बगुंरपालन	
८.	अन्य		८.	अन्य	

११. तपाईंले लिएको ऋण रकम उद्देश्य अनुसार लगानी गर्नुभएको छ ?
पहिला :
क) छ ख) छैन
अहिले :
क) छ ख) छैन
१२. यदि छैन भने कुन कामका लागि खर्च गर्नुभएको छ ?
पहिला :
क) पुरानो ऋण तिर्न ख) घरायासी खर्च चलाउन ग) अन्य
अहिले :
क) पुरानो ऋण तिर्न ख) घरायासी खर्च चलाउन ग) अन्य
१३. लिएको ऋण समयमा नै तिर्नुभएको छ ?
पहिला :
क) दुवै सावाँ/व्याज ख) साँवा मात्र
ग) व्याज मात्र घ) कुनै पनि तिरेको छैन ।
अहिले :
क) दुवै सावाँ/व्याज ख) साँवा मात्र
ग) व्याज मात्र घ) कुनै पनि तिरेको छैन ।
१४. ऋण रकम प्राप्त गर्नमा कुनै समस्या भएको छ ? छ भने के मा ?
पहिला :
क) ऋण रकम ख) व्याज ग) शर्तहरु घ) समय
अहिले :
क) ऋण रकम ख) व्याज ग) शर्तहरु घ) समय
१५. यदि ऋण लिएर कुनै व्यवसाय संचालन गर्नुभएको छ भने उक्त व्यवसाय विस्तार हुँदै गएको छ ?
पहिला :
क) छ ख) छैन
अहिले :
क) छ ख) छैन

१६. तपाईले ऋण किस्ता भुक्तानीमा कुनै कठिनाई भोग्नु परेको छ ?
 पहिला अहिले
 क) छ भने के कारणले क) छ भने के कारणले
 ख) छैन ख) छैन
१७. तपाईले गरेको लगानीबाट कतिको आम्दानी गर्न सफल हुनुभएको छ ?
 पहिला :
 क) अधिकतम ख) न्यूनतम ग) छैन
 अहिले :
 क) अधिकतम ख) न्यूनतम ग) छैन
१८. व्यावसायिक लागनी र आम्दानीको विवरण :
 पहिला :
 तपाईको सम्बन्धित व्यवसायमा लगानी रु.
 वार्षिक सरदर आम्दानी रु. व्यावसायिक खर्च रु.
 अहिले :
 तपाईको सम्बन्धित व्यवसायमा लगानी रु.
 वार्षिक सरदर आम्दानी रु. व्यावसायिक खर्च रु.
१९. तपाईको आर्थिक अवस्थामा सुधार भएपछि कुन क्षेत्रलाई बढी प्राथमिकता दिनुहुन्छ ?
 क) शिक्षा ख) स्वास्थ्य ग) खाना घ) बचत
 ङ) अन्य
२०. तपाई समूहमा आवद्ध हुनु अघि र पछाडिको मासिक आम्दानी कति जति छ ?
 क) हुनुअघि लगभग रु..... ख) भएपछाडी लगभग रु.....
२१. तपाईहरुले केही आधारभूत तालिम लिनु भएको छ ?
 पहिले :
 क) यदि लिनुभएको छ भने के सीपमुलक, व्यवस्थापन, अभिमुखिकरण, आधारभूत, अन्य
 ख) छैन
 अहिले :
 क) यदि लिनुभएको छ भने के सीपमुलक, व्यवस्थापन, अभिमुखिकरण, आधारभूत, अन्य
 ख) छैन

२२. पश्चिमान्चल ग्रामीण विकास बैंकको कार्यबाट कति सन्तुष्ट हुनुहुन्छ ?
 क) अधिकतम ख) न्यूनतम ग) छैन
२३. पश्चिमान्चल ग्रामीण विकास बैंकले तपाईंको जीवनस्तरमा सुधार गर्नमा भूमिका खेलेको महसुस गर्नुभएको छ ?
 क) छ ख) छैन
२४. तपाईं आफूलाई कुन वर्गको महिलाको रूपमा वर्गीकरण गर्न चाहनुहुन्छ ?
 क) अति गरिव ख) गरिव ग) मध्यम घ) धनी
२५. अति गरिव महिलाको आर्थिक अवस्था सुधारको लागि ग्रामीण विकास बैंकले के गर्नुपर्ला ?
 क) कम व्याजदर ख) बढी ऋण रकम प्रदान गर्नु
 ग) लामो समयको लागि ऋण प्रदान गर्नु (घ) माथिका सबै
२६. भविष्यमा एउटा सफल उद्यमी हुने कुरामा कतिको विश्वस्त हुनुहुन्छ ?
 क) धेरै ख) थोरै ग) छैन
२७. पश्चिमान्चल ग्रामीण विकास बैंकको कार्यक्रमले तपाईंको जीवनस्तरमा सुधार भएको छ ?
 क) छ ख) छैन
२८. तपाईंले गरिरहनु भएको व्यवसायलाई भविष्यमा पनि निरन्तरता दिनुहुन्छ ?
 क) दिन्छु ख) दिने छैन

APPENDIX-3
List of Respondents for the Study

S.N.	Name of Respondents	Ward No.	Age	Education	Ethnic Group	Regular Saving	Name of Centre
1	Aminun Miya	8	63	Literate	Muslim	No	Galchhina Mahila Samaj.
2	Sakura Miya	8	51	Literate	Muslim	No	Galchhina Mahila Samaj.
3	Nasira Khatun	8	52	Literate	Muslim	No	Galchhina Mahila Samaj.
4	Phatuma Khatun	8	58	Literate	Muslim	Yes	Galchhina Mahila Samaj.
5	Aaisha Khatun	8	25	Under SLC	Muslim	No	Galchhina Mahila Samaj.
6	Safeda Begam	8	42	Literate	Muslim	No	Galchhina Mahila Samaj.
7	Sabina Khatun	8	23	Under SLC	Muslim	No	Galchhina Mahila Samaj.
8	Mahimuda Khatun	8	30	Literate	Muslim	No	Galchhina Mahila Samaj.
9	Rupa Gurung	7	40	Literate	Gurung	No	Shanti Suraksha Mahila Samaj
10	Gyanu Maya Gurung	7	23	Under SLC	Gurung	Yes	Shanti Suraksha Mahila Samaj
11	Purnima Gurung	7	33	Under SLC	Gurung	Yes	Shanti Suraksha Mahila Samaj
12	Sita Sunar	7	45	Literate	Kami	No	Shanti Suraksha Mahila Samaj
13	Gaumati Gurung	7	52	Literate	Gurung	Yes	Shanti Suraksha Mahila Samaj
14	Buddhi Maya Rana	7	37	Literate	Magar	Yes	Shanti Suraksha Mahila Samaj
15	Bel Maya Gurung	7	57	Literate	Gurung	Yes	Shanti Suraksha Mahila Samaj
16	Rekha Sunar	9	42	Literate	Kami	Yes	Shanti Suraksha Mahila Samaj
17	Bihisara Thapa	7	43	Literate	Magar	Yes	Shanti Suraksha Mahila Samaj
18	Manju Khadka	7	32	Under SLC	Chhetri	Yes	Shanti Suraksha Mahila Samaj
19	Kumari Sunar	7	35	Under SLC	Kami	No	Shanti Suraksha Mahila Samaj
20	Bal Kumari Thapa	7	26	Under SLC	Magar	Yes	Shanti Suraksha Mahila Samaj
21	Durga Thapa	7	22	SLC Pass	Chhetri	Yes	Shanti Suraksha Mahila Samaj
22	Juna Malla	7	23	SLC Pass	Newar	Yes	Shanti Suraksha Mahila Samaj
23	Tara Bhandari	7	42	Literate	Chhetri	No	Nawa Jyoti Mahila Samaj
24	Shanti Gurung	7	38	Literate	Gurung	Yes	Nawa Jyoti Mahila Samaj
25	Krishna Kumari Thapa	7	37	Literate	Magar	No	Nawa Jyoti Mahila Samaj
26	Jyoti Thapa	7	30	Under SLC	Magar	Yes	Nawa Jyoti Mahila Samaj
27	Dhan Kumari Shrestha	7	35	Under SLC	Newar	Yes	Nawa Jyoti Mahila Samaj
28	Shiva Kumari Shretha	7	39	Literate	Newar	Yes	Nawa Jyoti Mahila Samaj
29	Manna B.K.	7	41	Literate	Kami	No	Nawa Jyoti Mahila Samaj
30	Mina Sunar	7	36	Litereate	Kami	Yes	Nawa Jyoti Mahila Samaj
31	Birsana Shrestha	7	32	SLC Pass	Newar	Yes	Nawa Jyoti Mahila Samaj
32	Srijana Shrestha	7	32	Under SLC	Newar	Yes	Nawa Jyoti Mahila Samaj

33	Bhim Kumari Gurung	7	35	Literate	Gurung	Yes	Nawa Jyoti Mahila Samaj
34	Milan Khanal	7	30	Under SLC	Brahman	Yes	Nawa Jyoti Mahila Samaj
35	Parbati Gurung	7	27	SLC Pass	Gurung	Yes	Nawa Jyoti Mahila Samaj
36	Renu Shrestha	7	35	Under SLC	Newar	Yes	Gachhepani Mahila Samaj
37	Parbati Poudel	7	35	SLC Pass	Brahman	Yes	Gachhepani Mahila Samaj
38	Gita Lamichhane	7	36	Under SLC	Brahman	Yes	Gachhepani Mahila Samaj
39	Kumari Gurung	7	37	Under SLC	Gurung	Yes	Gachhepani Mahila Samaj
40	Ram Maya Shrestha	7	34	Literate	Newar	No	Gachhepani Mahila Samaj
41	Kamala Shresha	7	32	Under SLC	Newar	Yes	Gachhepani Mahila Samaj
42	Laxmi Shrestha	7	35	Literate	Newar	No	Gachhepani Mahila Samaj
43	Aarati Sharma	7	32	SLC Pass	Brahman	Yes	Gachhepani Mahila Samaj
44	Bal Kumari Thapa	7	30	SLC Pass	Magar	Yes	Gachhepani Mahila Samaj
45	Devi Bhujel	2	43	Literate	Gharti	No	Eklekhet Mahila Samaj
46	Devi Dhakal	2	36	Literate	Brahman	No	Eklekhet Mahila Samaj
47	Sabita Bhujel	2	21	Under SLC	Bhujel	No	Eklekhet Mahila Samaj
48	Pabitra Panthi	2	32	Literate	Brahman	Yes	Eklekhet Mahila Samaj
49	Parbati Khanal	2	43	Literate	Brahman	No	Eklekhet Mahila Samaj
50	Kamala Dhakal	2	42	Literate	Brahman	No	Eklekhet Mahila Samaj
51	Maya Pun	2	40	Literate	Magar	No	Eklekhet Mahila Samaj
52	Indra Maya Godar	2	38	Literate	Chhetri	No	Eklekhet Mahila Samaj
53	Bhagirathi Adhikari	2	45	Literate	Brahman	No	Eklekhet Mahila Samaj
54	Bhagawati Bhujel	2	28	Under SLC	Bhujel	No	Eklekhet Mahila Samaj
55	Menuka Khati	2	41	Literate	Chhetri	Yes	Eklekhet Mahila Samaj
56	Yamuna Dhakal	2	35	Literate	Brahman	Yes	Eklekhet Mahila Samaj
57	Laxmi Khanal	2	38	Literate	Brahman	No	Eklekhet Mahila Samaj
58	Narayani Thapa	7	37	Literate	Chhetri	Yes	Srijana Mahila Samaj
59	Saraswoti Bhandari	7	49	Literate	Chhetri	No	Srijana Mahila Samaj
60	Pabitra Shrestha	7	35	Literate	Newar	No	Srijana Mahila Samaj
61	Sunita Gurung	7	30	Under SLC	Gurung	Yes	Srijana Mahila Samaj
62	Sansari Gurung	7	38	Under SLC	Gurung	Yes	Srijana Mahila Samaj
63	Moti Gurung	7	39	Literate	Gurung	No	Srijana Mahila Samaj
64	Jarina Banu	7	35	Literate	Muslim	No	Srijana Mahila Samaj
65	Nara Maya Gurung	3	40	Literate	Gurung	Yes	Prativa Mahila Samaj
66	Saraswoti Shrestha	3	35	Under SLC	Newar	No	Prativa Mahila Samaj
67	Nir Maya Ale	3	37	Literate	Magar	No	Prativa Mahila Samaj

68	Durga Rana	3	35	Literate	Magar	Yes	Prativa Mahila Samaj
69	Yam Maya Acharya	3	42	Literate	Brahman	Yes	Prativa Mahila Samaj
70	Pashupati Shrestha	3	39	Literate	Newar	Yes	Prativa Mahila Samaj
71	Bishnu Maya Rana	3	42	Literate	Magar	No	Prativa Mahila Samaj
72	Bishnu Maya Bhandari	3	45	Literate	Chhetri	Yes	Prativa Mahila Samaj
73	Sarita Bhandari	3	27	Under SLC	Chhetri	No	Prativa Mahila Samaj
74	Bishnu Maya Karki	3	36	Literate	Chhetri	No	Prativa Mahila Samaj
75	Sarita Acharya	3	32	Literate	Brahman	No	Prativa Mahila Samaj
76	Gau Maya Gurung	3	45	Literate	Gurung	No	Prativa Mahila Samaj
77	Rita Thapa	3	30	Under SLC	Magar	Yes	Prativa Mahila Samaj
78	Jhalak Maya Gurung	3	50	Literate	Gurung	Yes	Prativa Mahila Samaj
79	Suku Khadka	8	42	Literate	Chhetri	Yes	Janakalyan Mahila Samaj
80	Rupa Lama	8	27	Under SLC	Lama	Yes	Janakalyan Mahila Samaj
81	Nani Maya Tamang	8	22	Literate	Tamang	No	Janakalyan Mahila Samaj
82	Maya Gautam	8	53	Literate	Chheti	Yes	Janakalyan Mahila Samaj
83	Man Maya Ale	8	42	Literate	Magar	Yes	Janakalyan Mahila Samaj
84	Rita Kunwar	8	23	Under SLC	Chhetri	Yes	Janakalyan Mahila Samaj
85	Devi Gurung	8	23	Literate	Gurung	Yes	Janakalyan Mahila Samaj
86	Aaiti Maya Tamang	8	28	Literate	Tamanag	Yes	Janakalyan Mahila Samaj
87	Kumari Parbati Thapa	9	42	Literate	Magar	Yes	Jana Chetana Mahila Samaj
88	Mithu Poudel	9	39	Literate	Brahman	Yes	Jana Chetana Mahila Samaj
89	Lalita Shrestha	9	37	Literate	Newar	No	Jana Chetana Mahila Samaj
90	Puja Gurung	9	34	Literate	Gurung	Yes	Jana Chetana Mahila Samaj
91	Nisha Shrestha	9	35	Literate	Newar	Yes	Jana Chetana Mahila Samaj
92	Chandra Kala Shrestha	9	30	Under SLC	Newar	Yes	Jana Chetana Mahila Samaj
93	Hira Maya Timilsina	9	32	Under SLC	Brahman	Yes	Jana Chetana Mahila Samaj
94	Saraswoti B.K	9	35	Literate	Kami	No	Jana Chetana Mahila Samaj
95	Tili Maya Thapa	3	37	Literate	Magar	Yes	Chuhunemuda Mahila Samaj
96	Parbati Thapa	3	32	Literate	Magar	Yes	Chuhunemuda Mahila Samaj
97	Sarada Dhungana	3	41	Literate	Brahman	Yes	Chuhunemuda Mahila Samaj
98	Seti Maya Prajuli	3	39	Literate	Brahman	No	Chuhunemuda Mahila Samaj
99	Pampha Kharel	3	34	Literate	Brahman	Yes	Chuhunemuda Mahila Samaj
100	Misang Tamanag	3	28	Literate	Tamang	Yes	Chuhunemuda Mahila Samaj
101	Bishnu Maya Thapa	3	27	Literate	Magar	Yes	Chuhunemuda Mahila Samaj

APPENDIX - 4

Saving by Group Members under Saving Programs

Table 4.1

S.N	Fiscal Year	Group Saving		Centre Fund Saving		Individual Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2062/63	2,215,354	86.44	273,491	10.67	74,097	2.89	2,562,942	100
2	2063/64	2,207,765	86.07	314,602	12.26	42,557	1.67	2,564,924	100
3	2064/65	2,089,847	82.24	353,604	13.92	97,669	3.84	2,541,120	100
4	2065/66	2,479,602	82.13	396,374	13.13	143,016	4.74	3,018,992	100
5	2066/67	3,256,734	78.21	450,966	10.83	456,410	10.96	4,164,110	100
Total		12,249,302		1,789,037		813,749		14,852,088	
Average		2,449,860	83.02	357,807	12.16	162,749	4.82	2,970,418	100
Standard Deviation		423,124		38,320		150,444		623,221	
C.V		0.1727		0.1071		0.9244		0.21	

Source: PGBBL, Dulegaunda Branch

$$(1) \text{ Arithmetic Mean } (\bar{x}) = \frac{x_1 + x_2 + x_3 + \dots + x_n}{n}$$

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

Where, \bar{x} = Arithmetic Mean

$\sum x$ = Sum of Observations

n = no. of Observations

Group Saving	Centre Fund Saving	Individual Saving	Total
12,249,302/5=2,449,860	1,789,037/5=357,807	813,749/5=162,749	14,852,088/5=2970418

$$(2) \text{ Standard Deviation } (\sigma) = \sqrt{\frac{\sum (x - \bar{x})^2}{n}}$$

Where

σ = Standard Deviation

$\sum (x - \bar{x})^2$ = Sum of the square of deviation taken from mean.

n = no. of observations.

In '00,000'

Group Saving			Centre Fund Saving			Individual Saving			Total		
X ₁	(X ₁ - \bar{x}_1)	(X ₁ - \bar{x}_1) ²	X ₂	(X ₂ - \bar{x}_2)	(X ₂ - \bar{x}_2) ²	X ₃	(X ₃ - \bar{x}_3)	(X ₃ - \bar{x}_3) ²	X ₄	(X ₄ - \bar{x}_4)	(X ₄ - \bar{x}_4) ²
22.15354	-2.34506	5.4993	2.73491	-0.84316	0.71092	0.74097	-0.88652	0.78592	25.62942	-4.07476	16.60367
22.07765	-2.42095	5.8610	3.14602	-0.43205	0.1867	0.42557	-1.20192	1.44461	25.64924	-4.05494	16.44254
20.89847	-3.60013	12.9609	3.53604	-0.04203	0.00177	0.97669	-0.6508	0.42354	25.41120	-4.29298	18.42968
24.79602	0.29742	0.0885	3.96374	0.38567	0.14874	1.43016	-0.19733	0.03894	30.18992	0.48574	0.23594
32.56734	8.06874	65.1046	4.50966	0.93159	0.86786	4.56410	2093661	8.62368	41.64110	11.93692	142.49006
$\sum (x_1 - \bar{x}_1)^2 = 89.5134$			$\sum (x_2 - \bar{x}_2)^2 = 1.91599$			$\sum (x_3 - \bar{x}_3)^2 = 11.31669$			$\sum (x_4 - \bar{x}_4)^2 = 194.20189$		
S.D. = $\sqrt{\frac{\sum (x_1 - \bar{x}_1)^2}{n}}$		423,115	S.D. = $\sqrt{\frac{\sum (x_2 - \bar{x}_2)^2}{n}}$		38,320	S.D. = $\sqrt{\frac{\sum (x_3 - \bar{x}_3)^2}{n}}$		150,444	S.D. = $\sqrt{\frac{\sum (x_4 - \bar{x}_4)^2}{n}} = 623,221$		
C.V = S.D/Mean		0.1727	0.1071			0.9244			C.V = S.D. / Mean = 0.21		

3) Coefficient of Variation (C. V.)

Symbolically,

$$C. V. = \frac{\sigma}{\bar{x}} \times 100\%$$

Where, C.V. = Coefficient of Variation

σ = Standard Deviation

\bar{x} = Arithmetic mean

APPENDIX-5

Table 4.16

Amount Invested By Women in Different Sectors

S.N	Amount in Rs	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	0-10,000	12	18.19	23	24.74	6.55
2	10,000-20,000	13	19.70	14	15.05	(4.65)
3	20000-30000	14	21.22	20	21.50	0.28
4	30,000-40,000	11	16.66	16	17.21	0.55
5	40,000-50,000	9	13.63	12	12.90	(0.73)
6	50,000-60,000	7	10.60	8	8.60	(2.00)
Total		66	100	93	100	

Source: Field Survey, 2011

Amount	Mid value (X)	Before		After	
		Number (f)	Total (fX)	Number <i>f_i</i>	Total (X x <i>f_i</i>)
0-10,000	5,000	12	60,000	23	115,000
10,000-20,000	15,000	13	195,000	14	210,000
20,000-30,000	25,000	14	350,000	20	500,000
30,000-40,000	35,000	11	385,000	16	560,000
40,000-50,000	45,000	9	405,000	12	540,000
50,000-60,000	55,000	7	385,000	8	440,000
Total		66	1,780,000	93	23,65,000

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

Where, \bar{x} = Arithmetic Mean,

f = Frequency

$\sum x$ = Sum of Observations

n = no. of Observations

	Before	After
Mean	17,624	23,416

APPENDIX-6

Table 4.17

Monthly Income of Women

SN	Income Range in Rs.	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	0-5,000	83	82.18	69	68.32	(13.86)
2	5,000-10,000	9	8.91	15	14.85	5.94
3	10,000-15,000	4	3.96	7	6.93	2.97
4	15,000-20,000	3	2.97	6	5.94	2.97
5	20,000 -25,000	2	1.98	4	3.96	1.98
Total		101	100	101	100	

Source: Field Survey, 2011

Amount	Mid value (X)	Before		After	
		Number (f)	Total (X x f)	Number (f ₂)	Total (X x f ₂)
0-5,000	2,500	83	207,500	69	172,500
5,000-10,000	7,500	9	67,500	15	112,500
10,000-15,000	12,500	4	50,000	7	87,500
15,000-20,000	17,500	3	52,500	6	105,000
20,000 -25,000	22,500	2	45,000	4	90,000
Total		101	422,500	101	567,500

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

Where, \bar{x} = Arithmetic Mean,

f = Frequency

$\sum x$ = Sum of Observations

n = no. of Observations

	Before	After
Mean	4,183	5,619

