

**CONTRIBUTION OF VILLAGE SAVING AND LOAN PROGRAM**  
**(A Study Among Selected Village Saving and Loan Groups in Syangja, Nepal)**

**A Dissertation Submitted to the Faculty of Humanities and Social  
Sciences, Department of Sociology/Anthropology, for the  
Partial Fulfillment of Master Degree  
in Sociology**

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## LETTER OF RECOMMENDATION

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**Date:**

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**Hari Prasad Dhakal**

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## LIST OF ABBREVIATION

ASK	:	Apasi Sahayog Kendra
CFUG	:	Community Forest User Group
DDC	:	District Development Committee
DFID	:	Department for International Development
DLA	:	District Line Agency
GA	:	General Assembly
GO	:	Government Organization
HHs	:	Households
IGA	:	Income Generation Activities
INGO	:	International Non Government Organization
LIP	:	Livelihood Improvement Plan
LRP	:	Local Resource Person
MDB	:	Microfinance Development Banks
MFI	:	Micro Finance Institutions
MIS	:	Management Information System
NGO	:	Non Government Organization
PVSE	:	Poor, Vulnerable and Socially Excluded
SCC	:	Savings and credit Cooperatives
SFCL	:	Small Farmers Cooperatives Limited
SHG	:	Self Help Group
SL	:	Sustainable livelihood
UCP	:	Underline causes of Poverty
UNDP	:	United Nation Development program
VDC	:	Village Development Committee
VSL	:	Village Saving and Loan
VSLA	:	Village Saving and Loan association
VSLG	:	Village Saving and Loan Group

## ABSTRACT

*This study 'Contribution of Village Savings and Loan Program' is conducted among selected VSLGs in Phaparthum Village Development Committee ward no one and two of Syangja districts, Nepal. The general objective of this study is to assess the impact of village savings and loan groups on livelihood of the rural poor, where ASK-NEPAL is implementing Village Saving and Loan Program. Similarly, the specific objectives of the study are to observe managerial practices of village saving and loan group, to find out the contribution of village savings and loan program to the rural poor and examine the relationship between access of livelihood assets and socio-economic category.*

*During the study, primary and secondary data are collected by using both quantitative and qualitative methods of data collection. Qualitative methods applied several Participatory Rural Appraisal (PRA) tools. While quantitative information is collected using questionnaires. The unit of analysis is livelihood of rural poor. The total sample size is 84 households (100%). The data of the study are analyzed using both quantitative and descriptive methods.*

*After summarized the study, it is found that the managerial practice is good for the sustainability of the VSLG. The entire target VSLG prepared the policy of fines and disciplinary action for late arrival in the meeting so all members were regular participated. The VSLG have pro-poor policy and gave the priority to take the loan for IGAs for poor, vulnerable, marginalized members. The interest rate within village saving and loan groups is 12% per annum and benefit was shared among the saving members only. The project created base to improve the livelihoods of poor rural population groups in selected areas of Syangja mainly through village saving and loan program activities. The village saving and loan group model is highly relevant in rural area where access to finance to the poor and disadvantaged groups is a challenge. It is found that all members found happy and changing their livelihood in better way.*

*The awareness level is increasing day by day because almost households are able to get the basic rights. Literacy level is high; all the children attend in schools that are in school going age. Some of the villagers are not taking the birth registration and citizenship so which shows to increase about the importance of birth registration and citizenship. It has to increase the household and personal sanitation status because it is on the process of improvement. Household hygiene status is very good because the program is giving the awareness about the environment sanitation as well as social responsibility. Most of the households are using the vegetables from their own kitchen garden. So, the condition of livelihood is improving.*

*Women and poor's awareness level also have increased. But their participation in different committees/organizations has not improved. Some elite men are still influencing and dominating women and poor's in various factors; for example the groups are still leading by the elite men. Without participation with any positions in different organizations it is difficult to make improvements regarding their livelihood, empowerment and gender equity. The study also shows that 33.83% women are capable for their own decision in different fields. 31.80% men decide without asking the other members and 34.52% of households are jointly made the decision within family which is indicated the increment of women in decision making in different sectors.*

*Land ownership of women is increasing. Land also purchased by jointly (Women and man). All households have drinking water facility, toilet and animal shed. The study also found most of the households sell the livestock assets to fulfill the immediate cash requirement. The study area located in rural areas so; the villagers are always in risk from natural disasters such as floods, landslides, affected by wildlife etc. To minimize and mitigate the risks, the current vulnerability status of houses and land should be taken into consideration. This type of assessment helps the groups to create an emergency fund for immediate responses within members.*

*Agriculture sector and foreign employment in target area is the major source for employment and economic activities. Therefore, occupations are ranked in farming/agriculture, animal husbandry, wages/labor, job, business and others. The study shows the households apply two or more sources of income for livelihood. Average gross income of per household is NRs. 207228.57 was found. Food scarcity*

*is one of the most problems facing by people in target area. Natural disaster such as landslides and affected by wildlife are major risk factors for them. Nearly 83% households are found the below 12 month foods sufficient. The deficit food is managed by impact groups from wages, borrow, business, employment and other income sources. The group members have taken loan from different sources to maintain the over expenditure. The saving is the most critical part of the livelihoods assessment and the program is encouraging to people for regular saving. The persons who took loan from different institutions are investing in income generating activities. It shows that the people are fully aware for the improvement of their living stander.*

*All household members are involved in community forest which is very much important to utilize the forest resources for livelihood. 100% households have accessed the resources from the community forest. 71.43% households reported that the community forest user committee has been listen and addressed their voice for the improvement of the livelihood.*

*The program Village Savings and Loan found which support to fulfill the small local pools of capital to satisfy households' cash-management needs of rural poor. It provides sustainable and profitable savings as well as the support to the villager for sustainable livelihood. Contribution of Village Savings and Loan Program to Uplift the Livelihoods of Rural Poor: A Case Study Among Selected VSLGs in Syangja districts is measured by the different statements or queries related to livelihood. It is deduced that there is the positive response of participants towards livelihood in all indicators. This also proves that the livelihood of rural poor is significantly improved and the impact of village saving and loan program also in positive trend.*

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