

# CHAPTER – I

## INTRODUCTION

### 1.1 Background of the Study

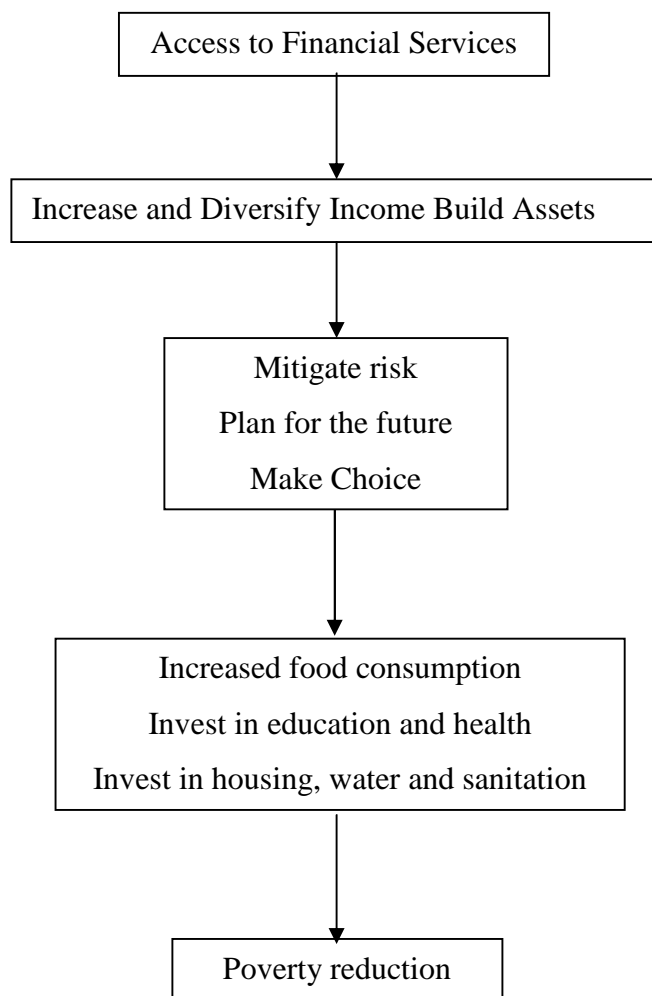
Organized financial sector in Nepal starts with the establishment of Nepal Bank Limited, a joint sector commercial bank in 1937. Central Bank by other name of Nepal Rastra Bank came into existence only in 1956. Later some financial institutions like Nepal Industrial Development Corporation (1959), Rastriya Banijya Bank (1966) and Agriculture Development Bank (1968) were established. The term ‘Microfinance’ is the latest version of the generally used term ‘Rural finance’, ‘ Education finance’ and ‘Small scale finance’ long practiced by many financial institutions of Nepal. Formally the financing on ‘small sector’ was initiated in the year 1974, when NRB, Central Bank of the country, had instructed the commercial banks to invest 5 % of its total deposits in this sector. Prior to 1984, the financial sector was not open for foreign investment. Later under the structural adjustment programmed of IMF, Nepal opened its door for investment in the financial sector. In 1984, Nepal Arab Bank Limited (Nabil) was opened under the joint venture. On account of liberalization policy of government Nepalese financial system has widened. The country has now a number of commercial banks, development banks, financial companies, credit and saving cooperatives, rural development banks, non-government organizations etc. (Maskey, 2012, p. 23).

Total deposit with the financial system has increased by 20-fold in a decade and half from less than RS.10 billion in 1985 to RS. 200 billion in 2001. The credit extended by the financial institutions has been up by 24- fold from RS 8 billion in 1985 to RS 2975 billion in July 2012. Since then it has tremendously increased in recent years. In 1976 Securities Exchange Centre was established. It was converted to Nepal Stock Exchange in 1993 (Maskey, 2012, p. 24).

Since the beginning of planning era in 1956, Nepal has been emphasizing on poverty alleviation. However from the Fifth Plan (1975-1980) onwards, major thrust has been laid upon it. Consequently microfinance has come into forefront. Government recognized microfinance as official poverty alleviation program in Sixth Plan (1980-1985). Various programs to ensure particularly poor women and disadvantaged groups and access to financial services from organized sector were

designed and implemented during that period. The sector gained further momentum after the restoration of democracy in 1991 with the establishment of Grameen Bikas Bank and other forms of MFIs. The relationship between poverty and financial services is made clear from the following chart:

**Figure 1.1**  
**Relationship between Poverty and Financial Services**



(Sources: Dhakal, 2004, p.34)

### **1.1.1 Women Microfinance in Nepal**

Women in Nepal are extensively engaged in agricultural activities. Women constitute more than half of the potential labour force in Nepal and contribute extensively to the Nepalese agricultural in terms of both labour input and decision-making roles. Women have to work either on their husband's farm or on their father's farm to be economically productive. They lack any other kind of productive assets (Improving Access of Women to Formal Credit Facilities in Nepal, 1997, p.63)

A large number of micro-credit programs have focused on expanding micro loans or support economic activities of the poor and disenfranchised groups in the society mostly women. It is generally an accepted fact that women are the poorest of the poor. The possibility of women development through microfinance program was realized and women's access to credit was given emphasis at the first international women's conference held in Mexico in 1975. Government of Nepal had no policy and objectives specifically directed to women development before the Sixth Plan (1980-1985). Few policy guidelines were effectively formulated in the Eighth plan (1992-1997) for maintaining women in economic development with the interpenetration of credit programs like the PCRW and SFDP and expansion of Grameen rural development banks. In 1992, the NPS created the Children and Women Development Section under the population division. In 1994, the National Council for Women and Child Development was formed, followed by the establishment of the Ministry of Women and Social Welfare in 1995 to coordinate and monitor all activities directed towards enhancing women's status. The plan also undertook other important actions like elimination of discrimination against women and enforcement of the revised Muluki Ain (Inheritance law) to remove the legal constraints related to equitable access to resources. The Ninth Plan (1997-2000) as well as the Tenth Plan (2002-2007) also considered women as its major target group to fulfill the goals of human resources development and poverty alleviation in the country. Nepal being a mountainous country, microfinance services program need to be designed according to topographical differences. In populated area, modified Grameen model through federated "Credit agent" is suggested as an appropriate model. The saving and credit organizations can be mobilized to provide door-to-door services to the poor people. There are many community-based organizations in the villages like "Aama Samunha". On the other hand, the self-help groups pay attention only for institutional development rather than the beneficiaries.

Among the MFIs under operation in Nepal, Paschimanchal Grameen Bikas Bank (PGGB) has been contributing since 1994 in the field of microfinance. Head office of the Bank is In Butwal. It has 36 branches in 13 districts of Western Development Region of Nepal. It started its operation on 13<sup>th</sup> July 1995, from Gorusinge branch located in Kapilvastu district. The Bank is established to alleviate the poverty of western region. The main vision of the bank is to uplift the socio-

economic condition of the rural poor through micro finance services within the Western Development Region of Nepal.

### **1.1.2 Objectives of PGBB**

The objectives of PGBB are as follows:

- ) To provide banking facilities and services to the poorest of the poor people in the country.
- ) To uplift socio-economic status of the poor people through community based programs.
- ) To create income generating opportunities through credit and alleviate poverty prevailing among the poor people.

### **1.1.3 Operating Mechanism of PGBB**

The bank has adopted the following operational mechanism:

- ) Each group consists of 5 members of different household.
- ) Each group select a chair person and secretary who monitor its own group member's 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 PGBB 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 instalment per week within a year.
- ) Member deposits compulsory saving of RS 5 and voluntary saving Re. 1 into the bank.

There is a area office of PGBB. This area office works as branch office. Under this branch office there are eight VDCs namely, Hemja, Kahun, Purunchaur, Lamachaur, Dhital, Sarangkot, Armala and Arvavijaya. This branch also operates in Pokhara metropolitan city. In this branch office there are 50 centers, 459 groups and 2082 group members.

#### **1.1.4 Introduction of Study Area**

Western Development Region (WDR) consists of 3 Zones- Gandaki, Lumbini and Dhaulagiri and 16 districts. Kaski is one of the district of Gandaki Zone. The Kaski district consists of 43 village development committees (VDCs) and 1 municipality and 1 sub-municipality. Hemja VDC is one of the VDC of Kaski district. Hemja VDC is located 14 kilometers north west to Pkhara sub-municipality, on 'Bhupiserchan highway'. It is surrounding by Sarangkot VDC to the west. Lamachaur VDC and Pokhara Sub-municipality to the east-south or Lahachok VDC to the north. Literacy rate of Hemja VDC is 73 %. Out of this 58 % male and 42 % female are literate. There are one campus, 5 secondary schools and 7 primary schools (Hemja V.D.C., 2068). It is found that around 5 % of people go for further study mostly Australia, America, UK and Singapore. The economic condition of the people of this VDC 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, small 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. Some people go to other countries (such as India, Malaysia, Dubai, Saudi Arab, Korea etc) in search of employment. Livestock (goat, buffalo, farm, pig) and high volume of crops and vegetables are other sources of income. Thus the major source of income of the people of this VDC is basically agriculture.

#### **1.1.5 Women Microfinance in Hemja VDC, Kaski**

Women of this area are involved in agriculture. It will be beneficial for women if they save small amount of money in a group and invest that in some profitable sector. To make this sector effective different organizations and banks are established within VDC. Some of them include Nirdhan Bank, Swabalamban Bikas Kendra etc. They form a group of women, ranging mostly 4-5 women. They collect some fund themselves within the group and invest. Organization itself can also invest some fund according to priority sector. Some sectors of investment are Buffalo Keeping, Goat Keeping, Poultry Farming, Retail Business and others etc. It also forms small women

group. Hemja VDC is implementing a Rural-Urban Participatory Program (RUPP) with assistance of UNDP. It is currently being organized in only 4 wards of the VDC. Grameen Bikas Bank is undertaking microfinance activities in whole district.

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, though absolute figure is increasing. 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 this purpose, the role of PGBB in Hemja VDC, Kaski, in alleviating Poverty among women has been studied as a case. The present study is mainly concentrated on exploring how PGBB 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.

## **1.2 Statement of Problem**

Women of Nepal are poor 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 type of programs is being launched for women development in Nepal. Some of them are Priority Sector Program (PSCP), 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 Kaski is one of the educational districts 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. It is thus, difficult for them to invest in business activities.

Women microfinance in Nepal has been facing many problems. Some issues may be posed. In relation to the program within Hemja VDC Kaski, the following questions need to be addressed:

- ) What is saving pattern of women?
- ) What are the mode of loan and repayment practice?
- ) What type of relationship exists in between investment and income, and in between loan disbursement and recovery?
- ) What is the impact of this program on the poorest of the poor women's financial condition?

### **1.3 Objective of the Study**

The objective of the study is to assess the impact of microfinance on women in Hemja VDC Kaski. Specifically we would like :

- ) To Analyse saving and its mobilization pattern of women.
- ) To Explore mode of loan, loan disbursement and repayment practice
- ) To Analyze 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.

### **1.4 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 support. 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. PGGB is the apex institution working for the rural poor through microfinance. So there is great importance of PGGB for smooth development of rural areas. The study will find out the problem and prospects in near future. It has the practical relevance. It will make an effort to find out the ways to raise women's condition in Nepalese society .Thus the study will be highly relevant to the Hemja inhabitants in general and the decision-makers of PGGB in particular. The concerned authorities of the government especially the policy-makers and the decision makers would also be benefited from the study.

### **1.5 Limitation of the study**

This study has the following limitations:

- ) This study is confined to Hemja VDC of Kaski
- ) The study covers Grameen Bikas Bank's program for the last 5 years.
- ) The study is confined to women only.
- ) Sample is taken from among the women involved in micro- enterprise program.

### **1.6 Organization of Study**

This study has been organized into five chapters:

**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. 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:** Major findings, summary and conclusion together with recommendation have been presented in last chapter.

## **CHAPTER – II**

### **REVIEW OF LITURATURE**

#### **2.1. Concept/theoretical Review**

It is difficult to find an universal definition of micro finance due to its variation on the basis of implementing location, institution and program as well. In simplest term 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 Capital. Micro finance as a program serves large number of clients focusing on women and whole world from the very grass roots level with financial sustainability (Shrestha, 2058, p23).

First of all potential characters (Women, poor, and back ward communities) are involved in group to fight against the poverty through MFSs. In second step various employment, self reliance related skills are presented to the group to create capacity for betterment of own self. In third step they are provided micro capital to utilize their capacity and to generate income. After completing this first step of three Cs, MF adopted groups are passed through next five step which are information, participation, partnership, ownership and agree. The first step of second phase is information where MFSs adopted groups get information about raw material, production technology, market and complementary services through MFIs. After that they are forced to participate on education, health, sanitation, water supply and personality building etc. related activities. Then after they realize the whole network is for their own shake and want to work in group which creates their partnership concept, such activities which are conducted in communities by them, become valuable for them and they think the entire their 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 back warded communities for their empowerment and poverty reduction. (NRB, 2063, "PARSHIKSHAN", Role of MF to achieve MDG, Dahal, p. 4)

Micro credit refers to small-scale credit (up to Rs 30,000) 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 MFs. 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 MFs can help low income people, reduce risk, improve management, raise productivity, obtain higher return on investment, increase their incomes and raise the quality of their lives and those of their dependents. (Thakur, 2058, pp 52-53)

### **2.1.1 Microfinance and Women**

In our context, generally women are dependent on man. They are mostly poor with no access to finance. In village areas, they are involved in household and agricultural activities. To collect and raise small fund, they can involve themselves in different groups and community. For this, microfinance is an effective tool. 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, promoting gender equality and empowering women. For women's empowerment, microfinance needs to be supplemented other non-financial services, like training, awareness creation programs, education etc.

### **2.1.2 Historical Background of microfinance in Nepal**

The earliest initiatives for establishing micro finance services in Nepal can be traced back to the 1950s when the first credit cooperatives were established. These were primarily intended to provide credit to the agricultural sector. In 1975, ADB/N initiated a well-structured and specialized program by the name of Small Farmer Development Program (SFDP) to cater to the financial needs of the poor. 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 to strengthen the priority sector program. In 1981, NRB introduced the Intensive Banking program (IBP).

The next main step is 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 (Regional Rural Development Bank)-one for the eastern region and another for the far western were established with government and NRB funds as replications of 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.

Further,, NGOs 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 training, technical assistance, consultancy services and undertaking studies, research, documentation and publications, etc.

### **2.1.3 Trends of Microfinance in Nepal**

Microfinance is growing into population for several reasons.

- ) Microfinance has promise of reaching the poor. Its activities can support income generation 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.

#### **2.1.4 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:

- ) MFIs are able to know that the major services needed by the poor are savings and credit for liquidity and working capital with one-year loan terms.
- ) The successful MFIs keep administrative cost as low as possible.
- ) They are able to ensure high portfolio quality.

Basically, MFIs involve themselves in:

- ) Buying of money means collection of domestic saving.
- ) Selling of money means investment of the collected domestic financial resources
- ) Earning of money means receiving the interest and other income from borrowers and other.

#### **2.1.5 Importance of microfinance for women**

In Bangladesh, since 1970s, tens of thousands of poor women have started their own business-often with sewing machine-using loans of as little as \$100 from organizations like Grameen Bank and the Washington, D.C.-based Foundation for International Community Assistance(FINCA), which has been active in Latin America. The results have been eye-opening: women turned out to be reliable debtors, and since many who received micro loans squirreled away their earnings to send their children to school and buy more food for their families , the positive impact has rippled through communities ([hppt://web.ebscohost.com/ehost/detail.](http://web.ebscohost.com/ehost/detail), May 21:2008)

In the context of Nepal, too, microfinance is of utmost importance. It is specially, important for women in rural areas. They lack financial assess in rural areas. To engage women in small fund raising program and making them self-department, microfinance is as 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 (Bashyal, 2008, pp.74-75). The important impacts of microfinance for women include:

- ) Increased role of women in making decision.
- ) Empowered to run their daily household need.
- ) Empowered on deciding the marriage of their daughters and social activities at home.

In social sector, awareness development is found to be one of the major outcomes of this program. In this respect, many MFIs members started joining literacy center, schooling of their children including daughters, participating in the village level election, etc. They have also been elected as ward members, VDC chairperson and vice chairperson. They are also 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 imparting the momentum for poverty endeavour.

Majorities of women are not accessing the credit easily 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 and market potentialities. Microfinance enables the poor especially the women in raising self-confidence, decision-making capacity, bargaining strength and uplifting their socio-economic status. Microfinance framework, if properly designed and Implemented can thus attain the objectives of poverty alleviation in the developing countries like Nepal.

#### **2.1.6 Role of Different Models in Women Microfinance**

The government along with public and private sector financial institutions contributes to the development of microfinance institution (MFI), each playing a significant role in its development. However their roles have to respond to emerging requirements.

The following models are found to be effective in saving, credit and investment mobilization of women as well as rural people.

##### **a) Rural Credit Union Model**

Credit union is a cooperative financial institution owned and run by its members, who agree to save their money together and extend loans to each other at a reasonable rate of interest. The early Raiffeisen's Rural Union and Herman Schulze-Delitzsch's Urban Credit Union model that provided microfinance services to the German farmers in the last century are the examples of credit union model. Today this model is playing greater role to encourage village women for their saving and credit activities and maintaining standard livelihood.

**b) Cooperative Model**

Cooperative provides microfinance in the form of credit to individual and groups with limited resources. Saving are the strong bases of cooperative model, which fulfill both the economic and social needs of rural people. In Nepal, cooperative department was established in 1953. The true philosophy and principles of cooperative is that it should be mutually owned, controlled and managed by people themselves. This model is effective for rural women to uplift their financial access.

**c) Individual and Peer Lending Model**

According to the study of CMF, lending modalities are divided into

- ) Individual lending and
- ) Peer lending.

Individual lending are village money lenders. Specialized development banks and commercial banks where as in peer lending a gradual modification is operated from different countries in the form of informal source of finance.

**d) Formal and Informal type**

There are different organized and legally operated MFIS, which are based on legal rules and regulations are formal type. But transaction with individual are legally registered are informal type.

**e) Grameen Bank Model**

Grameen which comes from the word village, provides credit to poor women to acquire assets for self-empowerment, Muhammad Yunus propounded this model as a simple act of trust in lending with collateral with minimal conditions. The very poor clients often don't have the capacity to manage fund and to repay the loan resulting negative impact but these days, most of the Grameen type Institutions have changed the weekly meeting arrangements into fortnightly transactions.

#### **f) Village Banking Model**

This model can be described as an informal bank for non-collateral loan to members in a community and the community will be responsible in handling the credit directly to individuals.

#### **g) Self-reliant Village Banking Model**

Self-reliant Village Banking model was developed in Africa, where population density is low, similar to hills of Nepal; Self-reliant Village Banks are established managed by a rural village community. This model differs from village banks only on one ground that it meets the needs of village as a whole and not just a group of 25 to 50 people.

#### **h) Association**

In association type, the target community such as youth or women form as association regarding political, religious or cultural issues through which, microfinance activities are initiated. Associations, the community-based organizations are also informal systems:

- ) Banks Guarantees
- ) Self-Help Group Model.

#### **i) Banking With The Poor Model**

Banking with the Poor (BWTP) model, came into existence at the first regional workshop in Manila in 1991. This model gives emphasis on domestic financial development by linking between self-help groups of the poor and commercial financial institutions with NGOs performing a range of intermediary functions.

The role of other different players in the field of Microfinance is as follows:

#### **a) Role of the Government**

It is necessary to have a perspective plan on microfinance- the plan well integrated with the nation's economic development perspective plan with clear cut objectives, targets and policies and strategies. The perspective plan considers expanding outreach to the poor and providing quality services as the two important elements of the overall microfinance policy, apart from strengthening microfinance institutions.



**b) Role of RMDC**

RMDC has been established as an apex microfinance organization, it became operational since 2000 only. It started with the objective of contributing to improve socio-economic condition of the poor and their accessing to resources for productive undertaking and employment.

**c) Role of NRB**

Nepal Rastra Bank would have to regulate, monitor and supervise the operation of the RMDC and MFIs to make these competent, professional, result-oriented microfinance organizations. The role of NRB is to ensure that the MFIs operate autonomously in the professional manner.

**d) Role of ADB**

ADB is also playing an important role in the field of microfinance. On the other hand World Bank and CMF are also playing an important role in the field of microfinance. Now in the ensuing sections we would present the microfinance system in Nepal.

### **2.1.7 Microfinance System in Nepal**

The formal sector micro lending activities began in 1956 with the establishment of credit cooperatives in the Rapti Valley 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, a cooperative bank was established in 1959. 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. Later Cooperative Bank was merged with ADB/N. The role of Grameen Bikas Banks (GBBs) in rural micro financing has increased recently but their share in total outstanding rural institutional credit is less than 2 %. Microfinance practice formally started in 1974 after Nepal Rastra Bank's (NRB) directive 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. (Devkota, 2011: pp. 61)

### **2.1.8 Microfinance Programs**

The three largest banking institutions of the country NBL, RBB and ADB/N has initiated several innovative microfinance programs since 1974/75. The Small Farmers Development Program (SFDP), the Intensive Banking Program (IBP), the Production Credit for Rural Women (PCRW) Program, the Cottage and Small Industries (CSI) Project, the Educated Unemployment Credit Program, the Lead bank scheme, the Micro- credit Project for women, the Priority sector credit, and the deprived Sector Credit Program, the Rural Self-reliance Fund etc. are the different microfinance credit programs developed to alleviate of the poverty in rural Nepal. The different microfinance program will be separately dealt in the following paragraph.

#### **a. Priority Sector Credit Program (PSCP)**

The two Nepalese commercial banks, NBL and RBB were directed by NRB to invest 5 % of their deposit liabilities in the “small sector” in 1974. It was redefined as the ‘Priority Sector’ in 1976, and lending target was raised to 7%.The commercial banks are financing their priority sector under their separate individual credit program. Since 1990, all the commercial banks are directed to finance at least 12% of their total loans and advances under the priority sector program out of which 3% is required to be financed in the deprived sector. Failing this mandatory requirement, the commercial banks are penalized for the shortfall amount. (Devkota, 2011: pp.62)

#### **b. Small farmer development program**

To fulfill the demand for microfinance in rural areas, ADB/N initiated the Small Farmers Development Programs (SFDP) in 1975 through two pilot projects to support self-help oriented development of small and marginal farmers and landless people. It had a total loan outstanding of Rs. 823.49 million with 357 sub-projects offices comprising a total of 165,679 members by mid-July 2004 (Bashyal, 2008:p.48). it is considered as the first poverty focused credit programs of the country. It is also the first group based credit program. The group is comprised of 5-50 members. It provides them credit and other supports to start income generating activities. (Devkota, 2011: pp. 63)

#### **c. Intensive Banking Program**

Intensive Banking Program (IBP) is a redefined name of priority sector credit program mandated by Nepal Rastra Bank in 1974 for two state-owned and one joint

venture bank- Rastriya Banijya Bank (RBB), Nepal Bank Ltd. (NBL) and Nepal Arab Bank Ltd. (NABIL) to deliver loan in priority sectors including three percent loan to deprived sectors (Bashyal, 2008:p.48-49). Both the low income and lower middle income clients are served under the program. The three sectors covered under IBP are the agriculture, cottage and small industries and service sector. Even the borrowers who cannot offer physical collateral can be availed credit by forming them into a group of 4-10 persons. IBP follows the 'credit plus' approach. It has integrated the credit program with the other support services. The community and social activities and group saving scheme are the other feature of IBP. The recovery of loan is very poor because of the lack of proper monitoring and supervision, absence of reward and punishment and low participation of women borrowers in the program.

**d. Production Credit for Rural Women (PCRW)**

It is the first women-focused credit program in Nepal. NBL, RBB and ADB/N were three participating banking institutions. Initially it was started in 5 districts and by end of 1998; it had covered 67 districts of the kingdom. PCRW was implemented in IBP and SFDP branches. Government's Women Development Section (WDS), staff identifies the target groups and motivates them to form a group of 4 -10 poor women. They also assist group member to select the viable project. They recommended the newly formed groups to IBP and SFDP offices. Both staff of Banks and WDS monitors and supervises the credit projects.

The recovery performance of PCRW is not satisfactory. Its recovery was found 64 percent in 1995/1996. The operating cost was around 27% whereas PCRW loan was distributed at 14 to 15 %. If we combine even the costs of social intermediation, the operating cost would be much higher and the program would be unviable an unsustainable at the present circumstances. (Devkota, 2011: pp. 63-64)

The impact evaluation study conducted by the Women Development Division of the ministry of Local Development has revealed that PCRW has greatly contributed for the socio-economic upliftment of the rural poor women of the project area in the following ways:

- ) Improvement in the role of women in the decision making process within and outside their household.
- ) Increase in income and thereby in consumption, saving and investment.
- ) Increase in group solidarity and cohesiveness.

- ) Improvement in the living conditions of children with as emphasis on school going children.
- ) Improvement in the social environment and status of women in the society.
- ) Improvement in social awareness among women.
- ) The study has further revealed that some of the PCRW project credit groups have already graduated and converted their groups into viable Savings and Credit Cooperatives (SCCs) and have started to manage on their SCCs effectively and efficiently. For this they have created a SCC out of a few credit groups. They have even registered these saving and credit to cooperatives and some of them are in the process of registration.

The impact evaluation study has further highlighted the following problems in the implementation of PCRW.

- ) Inadequacy of trained bank and WDS staffs in the project.
- ) Inadequacy supply of rural and agricultural support services to borrowers.
- ) Little efforts to make the program cost effective and financially viable.
- ) Lack of appropriate technology and raw materials.
- ) Inadequacy opportunities i.e. skill development training and marketing of product and services.
- ) Opportunity for free movement of trained bank and WDS staff out of program.
- ) Improper coordination between bank and WDS staffs to implement the program.

**e. Micro credit Project for Women (MCPW)**

Government introduced micro credit project for women with some different modality using NGOs and self-help groups as credit agents for linking clients to commercial banks. Loan was collaborated between ADB/N with central Bank and government in 1993 and project loan completion date as March 2000. This project has properly utilized the lesson learned from PCRW. MCPW is fully committed to develop and involved NGOs. It is the first project in which financial intermediaries are involved in a public sector credit program. The borrowers of the project are women from both urban and rural areas of Nepal.

The main objectives of MPCW are followings:

- ) Improvement of the socio-economic status and condition of women.
- ) Provision of financial and non-financial services to women in integrated way.

- ) Provision of necessary institutional supports to NGOs.
- ) Institutionalization of NGOs as financial intermediaries and
- ) Development of NGOs as cooperative associations.

ADB/N has funded the project. It provides 80% of the total loan able funds. The project design involves following stages.

- ) Social mobilization of women.
- ) Skill development training to borrowers.
- ) Financial and non-financial services to NGOs.
- ) Transformation of NGOs in suitable financial intermediaries.

**f. Grameen Banking Replication (GBR)**

There are five Grameen Bikas Banks (GBB) in five-development region, which were established between 1992-1996. These Banks have been replicating the Grameen Banking Model of Bangladesh which is an innovative outreach model. It is a unique model implemented separately by both the government and the local NGOs in Nepal. Nirdhan, Swabalamban Bikas Bank (SBB), Chhemeki Bikas Bank and Deprose Development Bank are the NGO-promoted microfinance development banks. Transformation of NGOs into development banks is the recent development in the Nepalese microfinance sector as in other developing countries. These banks cater to the credit needs of the poor women in rural areas. The poor women had limited access to institutional credit services at their doorstep. Under this banking system, rural women with less than 0.6 hectare of land in the hills can participate in a group, which is comprised of five women.

**g. Rural self-Reliance Fund (RSRF)**

RSRF was initiated in 1991 for providing financial assistance to deprived people in rural areas. The fund has been managed by the NRB since its introduction and also managed by the government to meet long term capital requirements for the prioritized sectors in agriculture. It provides loans to that borrowers who have less than 10 ropani of land in plain and 10 ropani of land in the hills and mountains to those who cannot maintain his/her livelihood from own earnings.

**h. Cooperative Societies and NGOs**

Cooperative societies in Nepal have a history of more than 42 years. Most of the credit cooperatives funds are missing managed and effective. Though the history of cooperatives goes back to 1953 with opening of Cooperative Department, the

Savings and Credit Cooperatives (SCCs) have become more active. The total number of cooperatives registered under this union is 404 comprising 63,585 members ( about 15,000 female and about 48,000 male) collecting total savings of RS 732.7 million with RS.83.3 million shares capital up to mid-July 2004 (Bashyal, 2008: p.60). So it seems that mostly women are involved in cooperative societies.

**i. Banking With Poor**

With the linkage-banking program, NRB has initiated “Banking with the Poor” program since 1991. It is a program in which NGOs and the association of self-help groups are being extended loan to on lend it to locally formed groups. The SHGs lend without collateral.

**j. Rural Microfinance Development Center**

The Rural Microfinance Development Center (RMDC) is an apex MFI established in 2000 under the company Act 1995 with an authorized capital of RS 160 million issued and paid up capital RS 80 million. To implement this project the Rural Micro Finance Development Center (RMDC), the Apex Development Banking Institution, has already been established with the equity participation of NRB, all commercial banks and other few other financial institutions an NGO. RMDC will operate as the wholesale financial institution and will on lend ADB/N funded loan to all the Grameen Bank Replicates, SCCs and financial intermediary NGOs who fulfill its eligibility conditional ties for funding.

As of 17<sup>th</sup> October 2006, RMDC has approved loan amounting to RS. 1589.08 million For 47 MFIs, and disbursed RS 1165.7 million to 44 institutions. Among the 47 partner MFIs, 6 are microfinance development banks, 2 development banks, 24 financial–intermediary NGOs and 15 saving and credit cooperatives. On 16<sup>th</sup> September 2006, the outstanding loan with RMDC was RS. 691.5million. RMDC has maintained 100 percent loan recovery rate from the very beginning of its operation. Altogether the partner-MFIs of RMDC are providing microfinance services to about 400,000 women of the poor households (RMDC newsletter, 2006).

**k. Sana Kisan Bikas Bank (SKBB)**

Sana Kisan Bikas Bank is a specialized wholesale microfinance development bank established with the aim of promoting and strengthening the gross – roots level Small Farmer Cooperative Ltd. (SFCLs) in particular a similar other MFIs in general.

Mostly women are involved in SKBB, so this bank is effective for women's upliftment.

## **2.2 Review of Related Studies:**

In Nepal, over half a dozen MFI has been in operating since the early 1990s. Although a number of researches have been done on microfinance, there are very few on the microfinance on women. It is relatively a new topic. In this section an attempt has been made to review the existing studies.

ADB (1999) organized a regional workshop program on bank's microfinance development strategy, in Philippines. A paper was presented by working group on 'Researching the Poorest'. This paper described that many MFIs have been successful in reaching the poor. Substantial challenges remain for reaching more of the poorest with MF services. The challenges are great for areas such as resource poor, low population density, and are remote as marginal. So there remains a need for new cost effective methods of reaching the poorest. The requirements are:

- ) Conducting policy for removal of interest rate restrictions.
- ) Enabling financial infrastructure that will allow MFIs to raise resource for the poorest.
- ) Development of pro-poor innovations.
- ) Building of MFI capacities to reach the poor.

The requirements can be fulfilled by:

- ) ADB must enhance its own in-house capacity in MF by, i.e. recruiting specialists, conducting training for staff, and creating specialized unit for MF.
- ) A conducive policy environment and in building an enabling financial infrastructure for reaching the poorest.
- ) ADB should provide technical assistance for developing effective targeting methodologies for reaching the poorest, women and disadvantaged groups in society.
- ) ADB could serve as financier and initiate the establishment of one or more special funds that could be used for equity participation in MFIs technical assistance and research.

Baumann (2001) published a research article on '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 government has begun to emphasize the importance of saving as part of the nation's overall economic health. Finance minister, Trani 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 thereof, 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. Government 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 appropriate livelihood strategies. The micro credit orthodoxy in South Africa must be explored, critiqued, and challenged.

A study was done by Robyn Cornford of The Foundation for Development Cooperation on 'Microcredit', The conclusion drawn by report is that the provision for financial services to poor people has evolved from credit to micro credit to microfinance. Saving is important in microfinance. The true innovations in the provision of financial products and services to poor clients usually occur when those products and services meet the needs of poor clients as determined by careful market analysis. Financial needs of poor people cannot be implied; they are not a



homogenous group. The access to financial services is valuable to all people not just the poor.

A report was presented by United Nations Capacity Development Fund (UNCDF) (2004) which is based on case studies in Haiti, Kenya, Malawi 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 are 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.

A research article published by Sharma (2004), about '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 tries to find out the answers to such questions: 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 are not 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.

A research paper on microfinance entitled, informal finance and empowerment of the poor: Lessons form a case study of the SHG- bank linkage program in a backward district in India by R. Sunil (2004) discusses the process of access to finance, primarily credit, and the resultant empowerment of the rural poor, especially women, facilitated by the SHG- bank linkage program in India. This case study argues uncertainties, credit demands and usage pattern of the poor could differ from general theoretical assumptions. The perceived positive link between credit empowerment of women and the wider empowerment of the poor becomes weak and unpredictable.

The main objectives of this research paper are to identify the process of credit empowerment of women, to identify the intra-household debt pattern of the household and to identify whether the emerging debt patterns correspond with the declared and documented pathways of empowerment of the poor through microfinance, especially micro-credit. From the study it is found that local moneylenders prefer to lend money to women rather than men, men took fewer loans than women. Women maintain a wider, more diversified loan portfolio than men. There has been a clear shift in credit liability towards women. The average annual interest rate hovered at around 24% for SHGs, 30% for local moneylenders and 18% for institutional credit. This study observed that SHGs are emerging as potential sources of credit for women, participation in the SHG has enhanced their financial credibility in the local money market and they are, therefore able to contact more credit from sources than the SHGs.

Baral (2004), published a research article in 'Baniya Sansar' on microfinance: good portfolio and management of delinquency'. 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

institutions do not have to face much more problem relating to delinquency. He identified two kinds of irregularities both MFIs and borrowers.

On the part of MFIs the irregularities were commonly found on selection of target area, identification of target group, irregularities in formation of group, mobilization of loan on the basis of securities and emphasis on investment and recovery of loan. Similarly following irregularities has been found from the side of borrowers such as misuse of loan, loan non-repayment of due instalment, and repayment of loan from different sources.

He has suggested and argued that target groups are not properly identified in remote areas borrowers may not be able to repay the loan in time due to same sources of the family. It is easily said that micro-credit is out of the access of the ultra-poor. NGO have not taken the use of loan for the very purpose into consideration. The considered institution doesn't create care about even through loan is misused. It has been also found that micro entrepreneur has shown the enterprise already in existence as a new one and decamped with the loan at cheaper interest rate and invested at higher rate to others borrowers. Borrowers could not repay the due instalment of loan because of the same income source of different borrowers. Micro-credit programs have protected the borrowers from the costly interest rate of indigenous bankers, but it has added more burden of loan. He suggested the target area should be selected according to priority of district development plan, an effective monitoring mechanism should be developed, loan should not be provided only on the securities both group and real assets. The concerned project and institution should not consider only the target of investment and recovery of loan.

Shrestha (2007) published an article in an 'Agriculture Credit' journal on a topic '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.

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.

According to the article which was published by Collins. 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.

According to the article which was published by Collins.D. (2008), on investigating the Financial Lives of the poor about financial diaries method which is downloaded from internet on 21th may,2008. in this research article a case study of a 50 years old single women, Mambongo is shown. She lives with her three children and one grandchild in a crowded flat, in South Africa. Her main source of income is a small business cooking sheep intestines. Govt. also sponsored some grant. Her primary financial concern is making ends meet on a daily basis, and making sure her

family enjoys a good Christmas in a year. How does Mambongo manage her money and try to meet these financial goals? The financial diaries, a data collection method answer such questions by tracking household's cash flows over the course of a year. With its rich set of data, the financial diaries aims to help policymakers, the financial industry and donor agencies understand financial management practices of the poor so they can strategize, on how to increase financial access for these household. The success or failure of financial management: this can only be assessed by observing a build up of savings or how quickly a loan is paid off overtime.

### **2.2.1 Review of 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.

Kharel (1998) has carried out a study on entitled "Impact of Grameen Bikas Bank on Poverty alleviation among the Women of the far Western Development region." The objectives of the study were as follows:

- ) To find out the impact of micro credit given by the Grameen Bikas Bgank on the living standard and income generation capacity of women.
- ) To find out the extent to which poverty alleviation has been achieved.
- ) To find out the impact on the status of women especially with regard to their role in decision making

Thus this study was undertaken to identify the impact of micro credit extended by Sudur Paschimanchal Grameen Bikas Bank on Socio-economic status of women. Likewise, this study also carries the objectives of measuring the degree of achievements towards poverty alleviation and women support. The major findings of this study were:

- ) MFs are very much supportive to enhance the socio-economic status of women and on poverty alleviation. The study further says that increasing per capita income of MF client's justifies the fact.
- ) MF activities are not very much supportive towards the women support. Even though, there has been significant improvement in the women's education, health and employment situation, the decision making power of women has not been improve accordingly.

Like wise, another research was carried out by Bindeswor Prasad Lekhak in 2004 and the title was "Micro Finance in Nepal and the case study of SFCL Anandvan, Rupandehi, ADB/N". This study was designed the following objectives;

- ) To study the financial sustainability and viability of SFCL.
- ) To know the improvement in socio-economic status of SFCL clients;
- ) To know the major problems of SFCL Anandavan.

The research carried out by Lekhak has drawn the following findings:

The organization is financially viable and sustainable as well. It is because, the cost is effective, repayment is satisfactory, profit is reasonable and resource utilization is optimum.

SFCL's Programs are effective to enhance the socio-economic status of its clients. After implementation of the SFCL's programs, clients have been started to earn more, awareness about development, sanitation and education has been enhanced.

However organization has faced different problems like lack of alternative leadership, lack of support from agencies, political interference and lack of professionalism.

The next research was undertaken by Surenjena Poudyal in 2005 under the title of "Micro Finance and It's Impact on Economic Upliftment of Women ". It was case study of Baluwa VDC of Kathmandu District. The study outlined the followings objectives:

- ) To evaluate the impact of micro finance on the economic upliftment of women.
- ) To examine the enhancement in the status of women by micro finance program in Baluwa VDC.
- ) To suggest appropriate measure to improve micro finance on the basis of economic upliftment of women.

According to her, MFs are so much important on the economic upliftment of poor women of Baluwa VDC. It is because access to the MFs makes women able to generate income to support their poor households. Likewise, the study also shows that MFs are playing significant role in the enhancement of social status of women in the VDC. It is because; women have achieved self sufficiency which ultimately support them to make a place for themselves in the society. They have been more socialized.

And now they are started to involve in social activities and decision making process actively. For the improvement of MFs of SFCL, she has suggested following measures:

- ) Government or concerned organization should support to micro entrepreneurs to seek the market for their product.
- ) Proper monitoring of loan mobilization is essential to ensure the loan extended is employed on productive sector.

Shrestha (2005), has carried out a study on entitled "Micro finance in Nepal and Role of RMDC in Micro Credit Development" along with specifying the following objectives:

- ) To examine the Micro finance performance of RMDC
- ) To examine RMDC's contribution to microfinance development in Nepal.
- ) Her research work has drawn the following conclusions;
- ) RMDC's recovery rate is less than 50%. This could be a major problem as a wholesale provider.
- ) Small holders do not have easy access to financial services of RMDC. It is because it provides its financial services to only its big partners not to other.
- ) Agricultural lending is a fast and recoverable lending for reducing poverty. Most of them have got the idea about agricultural field. So, they can easily used and repayment these kind of lending at time.
- ) Only soft loan is not a way to reduce poverty. Other things like technical assistance and training to specific field should be supplied along with soft loan.
- ) Training to the MFIs should be provided to the MFIs for capacity building and systematic working.

Aryal (2007), who did research for MBS degree on the topic 'microfinance under rural development program; a case study of Khilung deurali VDC shyanja. 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 VDC 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.

Poudel (2007) has carried out 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.

Acharya, Tara Prasad (2010), has carried out a research entitled "Impact of Microfinance on Women." The objective of the study is to assess the impact of microfinance on women.

Following are the specific objectives:

- ) Analyse saving and its mobilization pattern of women.
- ) Explore mode of loan, loan disbursement and repayment practice.
- ) Analyze the relationship between investment and income, and in between loan disbursement and recovery.



- ) Assess the impact on the poorest of the poor women's financial condition.
- ) Major findings of the study are:
  - ) Most of the sample women were involved in different kinds of saving program such as regular and optional saving. The number of women which are saving more amounts is increased after entering into PGBB 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 pig keeping. The number of sample women and percentage of saving from agriculture, retail business and bio-gas was in increase after entering PGBB program.
  - ) More women were paying the lending amount on time. It was increased by 2.96% after entering PGBB program. But it was in decreasing trend in women which weren't paying in time and paying beyond time.
  - ) The percentage of sample women who have taken loan after entering PGBB program was increased to 92.08 % from 85.15 %.
  - ) There was no big change in sectors of taking loan before and after entering PGBB program. More women were taking loan for agriculture purpose and fewer women for pig keeping.

Rijal, Teknath (2010), has conducted a study on “The Role of Madhya Paschimanchal Grameen Bikas Bank on Poverty Alleviation: Case Study of Gulariya Branch, Gulariya Municipality, Bardiya, Nepal.” The general objective is to study the role of MPGBB on poverty alleviation with special reference to Gulariya Municipality Bardiya.

Following are the specific objectives of the study:

- ) To study GBB and its organization system.
- ) To analyze the economic status of rural poor after MPGBB's intervention in the study area.
- ) To suggest appropriate measures for more effective implementation of the MPGBB program.

Following are the major findings of the study:

- ) The study has found that the people engaged in the GBB's program are very conscious people in the study area, i.e. 68.6% of the people having small size

family whereas 31.4% of the people having large family. This indicates that they have understood the problems of managing the large family.

- ) Educational condition of the study area before GBB is not satisfactory because most of the people (about 42.9%) are illiterate and only 5.7% people have studied higher (campus) level.
- ) 50% people are engaged in agricultural sectors (like animal husbandry, Goat farming etc), 40 percent people have business occupations (like retail/fancy shop, tailoring, hotel etc) and 10% are involved in other works as labor. The data indicate that people are gradually avoiding their traditional occupations and being attracted towards extra income generating activities.
- ) Income effect after the micro-finance intervention has been positive on the borrowers in the study area. The correlation between loan and income has positive relation. Obviously, there were at least 70% of the borrowers who had income less than Rs.1000 but after program intervention it has reduced to 41.4%. It means income source has increased of the borrowers.
- ) Before borrowing, there were at least 54.3% of the borrowers having saving less than Rs. 300 per month. But it has reduced to 28.6% after the program intervention. Now a day, their saving rate is increasing i.e. more than Rs. 300. Besides this, the saving and income of the people in the study area has increased significantly.
- ) Khanal, Gopal Prasad (2012) has carried out a research on “Economic Impact of Microfinance on Income Generation: A Case Study of Arghakhanchi District: With Reference to Paschimanchal Gramin Bikas Bank (P-GBB).” The overall objective of this study is to explore economic impact of microfinance program to the targeted group on poverty reduction prospects, conducted by Pashimanchal Grameen Bikas Bank (P-GBB) in Arghakhanchi District.
- ) Following are the specific objectives of the study:
  - ) To illustrate the change in existing economic status of microfinance clients with reference to P-GBB.
  - ) To assess the impact of microfinance program on income generation in the study area.
  - ) To suggest appropriate measures for more effectively implementation of MFP.

- ) Following are the major findings of the study:
- ) Lack of prevalence of P-GBB branch in the mountains and remote hill districts.
- ) Low coverage of the program in the hill districts and interior parts of the terai districts.
- ) Heavy concentration of the program in accessible areas, particularly municipalities and accessible VDCs
- ) Overlapping of the program in terms of geographical space and clients.
- ) Coverage of the program not being strictly confined to the poor.
- ) Selection of relatively credit worthy clients bypassing the target groups.
- ) Limited information to the households on the availability of micro-credit, particularly in the remote and inaccessible areas.
- ) Supply based approach of the program on the presumption that supply creates its own demand.
- ) Inadequacy of skill training and support activities for generating demand for credit and its productive use
- ) Lack of entrepreneurship for undertaking income generating activities on commercial
- ) Khati, Krishna (2012) has conducted a study on “Impact of Microfinance on Economic Upliftment of Women: A Case Study of Chapagaun VDC, Lalitpur District.” The general objective of this study is to assess the impact of Microfinance (MF) Program for women in the study area.

Following are the specific objectives of the study:

To evaluate the impact of microfinance on income level of women.

To examine the enhancement in the status of women by microfinance program in the study area.

To assess the financial sustainability of the program in the study area.

Following are the major findings of the study:

- ) The group activities, regular saving and investment, high rate of repayment and utilization of loan found to be satisfactory. This shows financial sustainability and viability of the program in Chapagaun VDC is guaranteed. However, there is still room for improvement with regard to management of misuse of loan.

- ) The positive correlation between investment and changed is income level of the participants shows that the capability of the entrepreneurs for the repayment of the loan in due time is good.
- ) Saving on the basis of the investment is found to be highly effective aspect of the program upon which income generating activities are based.
- ) The study shows that once the women are involved in the program, they have able to achieve some kind of benefits in one form or other.
- ) The overall impact of the program is found to be satisfactory. Most of the participants of the sample survey have been able to increase their income and the program intervention has brought changes in status of women. Increase in income along with empowering process increased in standard of living of women's family which endeavored change in livelihood.
- ) In this way different papers which are related to this research paper gives the conclusion that only microfinance success to reduce the poverty alleviation of country especially for women.

### **2.3 Research Gap**

Different scholars and researcher has given their different findings and conclusion in the field of microfinance and women microfinance. In the concern of impact of microfinance on women is not done by other in our selected area. However this study is conceptually new, so, for the researcher have the idea on it. This research study is different from others in the case that is trying to find out the impact of microfinance on women of Hemja VDC, Kaski under PGBB. This research is trying to discuss about impact in case of saving activities, loan activities, loan disbursement and its recovery as well as investment and income. It is also trying to discuss about different profiles of respondents. This study is trying to discuss on the poorest of the poor women's financial condition.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The main objective of the study is to analyze impact of microfinance on women in Hemja VDC, Kaski under Paschimanchal Grameen Bikas Bank (PGBB). 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 six sections; research design, study area, population and sample, nature and source of data, data collection techniques and data analysis.

#### **3.2 Research Design**

Analytical and descriptive approach has been adopted for the purpose of present research. Analytical approach has been 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.

#### **3.3 Study Area**

The study area is limited within Hemja VDC, Kaski. 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.

#### **3.4 Population and Sample**

As per the objective of the study, study should cover the whole picture of VDC regarding micro finance of PGBB. The total numbers of women involved in PGBB program are 2082 and are divided into 48 centers consisting of about 50 members for each centre. Again, there are 459 groups and each group contains 4-5 members. The total women groups under PGBB within Hemja VDC, Kaski are considered as the population of the study. However due to time and resource constraints, only 101 women have been selected as sample for this study using random sampling method.

### **3.5 Nature and Source of Data**

This study is mainly based on primary data. These primary data are both qualitative as well as quantitative. Secondary data used in this study have been collected from different sources such as;

- ) Various research studies, dissertation and article related to the study;
- ) Annual reports of PGGBB.

### **3.6 Data collection Technique**

This study is basically based on primary data. Primary data are collected using different primary data collection techniques.

#### **a) Primary Data**

Primary data were collected from actual field, using;

##### **Questionnaire**

Questionnaire used to get qualitative information. But some important quantitative information is also collected from the sampled respondents and the group managers of the program.

##### **Personal Interview**

This is used to get qualitative information. But some important quantitative information is also collected from the respondents of questionnaire survey. Questionnaire has been appended at the end.

##### **Field Observation**

In this technique direct observation on field is done. Women's condition about economy and other facilities are considered.

#### **b) Secondary Data**

Secondary information were collected from the reports of PGGBB, journals of microfinance, published books, unpublished books, thesis, and newspaper and other related published journals and articles.

### **3.7 Data processing and Analysis**

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

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 conclusion, summary and recommendations based on the analyzed data.
- ) Data itself give no meaning. They should be analyzed and interpreted by using different tools and techniques. These tools and techniques may either be statistical or may be other. As for as this study is concerned, two kinds of tools arithmetic and statistical tools are used. As arithmetic tool, percentage analysis, mean, coefficient of variation are used and as statistical tool Z-test is used to draw inference.

**Arithmetic Tools**

**1. 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.

Symbolically,

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

i.e.,  $\bar{x} = \frac{x}{N}$

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

$x$  = Sum of Observations

$N$  = Total no. of Observations

**2. 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 (Gupta, 1998:380).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 (Pant, 2013: 323). The small value of s. d. implies the high degree of uniformity and homogeneity of the distribution and vice versa.

Symbolically,

$$\text{Standard Deviation } (\Xi) = \sqrt{\sum (x - \bar{x})^2 \frac{1}{N}}$$

Where,  $\Xi$  = Standard Deviation

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

N = Total number observations.

### 3. Coefficient of Variations (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 (Gupta, 1998:415-416) and vice versa.

Symbolically,

$$\text{C. V.} = \frac{\Xi}{\bar{x}}$$

Where, C.V. = Coefficient on Variation

$\Xi$  = Standard Deviation

$\bar{x}$  = Arithmetic mean

### Statistical tools

#### Z- Test (Two Proportion test)

Z-Test is used to test the significance of parametric test for sampling of attributes.

Z- Test is used under the following assumptions;

When sample size is 30 or more then 30

Then sample have been drawn form normal population.

Then sample are independent

It is a significance test of great practical utility is the test of significance of proportion or percentage in which the population is divided in to two mutually disjoint classes representing the qualitative characteristics in such a way that one possesses a particular attribute and other does not possess that attribute. The same method is use



for testing of significance of sample proportion or percentage as is used for testing of sample mean except in respect of finding the standard error of proportion which is used in place of standard error of sample mean for computation of test statistics used for decision making.

Same time in statistical investigation, a problem arise in respect of determining whether the two sample proportion could have been drawn from the same parent population or whether two sample proportions differs significantly or not. To verify this assumption, we use Z-Statistics.

Let  $n_1$  and  $n_2$  denote the size of large sample and Let  $X_1$  and  $X_2$  which denote the observed number of one event.

Now,  $P_1$ = observed sample proportion of event A before MFP=  $X_1/n_1$

$P_2$ = observed sample proportion of event A after MFP=  $X_2/n_2$

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Where,  $\hat{P} = \frac{X_1}{n_1}$  and  $\hat{Q} = \frac{X_2}{n_2}$

$$\hat{Q} = 1 - \hat{P}$$

In this study we have used this test to test preoperational change in various elements of socio-economic impact. All the tests are based on the critical value at 5% level of significance.

## **CHAPTER - IV**

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

This chapter attempts to analyze the information generated from the questionnaire, observation, case study, informal discussions with women and other stakeholders. Especially analysis process and contents are determined as per set of objective for the study. It consists of management of saving and credit for women, savings, investments, repayment pattern of loan, income from loan, impact on income, consumption, health, education, changes in custom and society.

#### **4.1 Management of Saving and Credit for Women**

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

GBB are operating in each of the development regions to provide credit with/without collateral to deprived rural people.

##### **4.1.1 Loan Demand and Processing of Loan**

As the whole process of loan demand and collection is based on group and collateral, the group decides the amount of loan required to members either in case of collateral base or in case of without collateral. Maximum loan disbursed from GBB is Rs 60,000. There is rule of 2+2+1 in GBB i.e. two members can get loan on fifth week. The loan of Rs.60,000 can get the following way.

First year	Rs 20,000.00
Second year	Rs 30,000.00
Third year	Rs 40,000.00
Fourth year	Rs 50,000.00 / 60,000.00

#### **4.1.2 Saving of Members**

There is no compulsory saving in GBB members. PGBB members have to collect RS 1 in central fund. The type of savings is.

#### **4.1.3 Group saving**

This saving is common for all women who are involved in GBB activities. They can save small amount of money in group. This will help to raise their saving activities. They save some money in every week. It is not compulsory to save for women in this saving program.

#### **4.1.4 The center fund**

In this centre fund saving programs, women have to save certain fixed money as centre fund collection. This is a kind of compulsory saving. This is not big money. Generally women save Re 1 as centre fund collection in every week.

#### **4.1.5 Fine Fund**

This is the money which is collected from punishment. They pay fine if they are late in paying loan amount in time.

#### **4.2 Saving activities of PGBB and women**

Saving is postponement of present consumption for the future. People are required to save something for the future unforeseen contingences. PGBB has provisioned for three kinds of saving. They are group fund saving, individual saving, and centre fund saving. In group fund saving, groups save on weekly basis. Women collect Re 1 weekly and 5 % of loan in first year, 4 % of loan on second year and 3 % of loan in over the three year in group saving. In case of individual saving, they collect more than RS 100 exceptionally. There is compulsory saving of RE 1 per week in centre fund saving.

#### 4.2.1 Saving By Group Members under Saving Programs

The status of saving by women under different saving program is presented in table 4.1.

**Table: 4.1**  
**Saving by group members under saving programs**

S.N	Fiscal year	Group saving		Centre fund saving		Individual saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2063/64	3,811,269	92.36	32,246	0.78	282,960	6.86	4,126,475	100
2	2064/65	4,165,487	92.61	34,854	0.77	297,643	6.62	4,497,984	100
3	2065/66	4,337,491	92.43	36,773	0.78	318,288	6.79	4,692,552	100
4	2066/67	4,835,017	86.78	369,690	6.64	366,788	6.58	5,571,495	100
5	2067/68	4,987,440	86.16	419,007	7.24	382,465	6.6	5,788,912	100
Total		22,136,704		892,570		1,648,144		24,677,418	
Average		4,427,341	89.71	178,514	3.62	329,629	6.67	4,935,484	100

*Source: PGBB, Kaski*

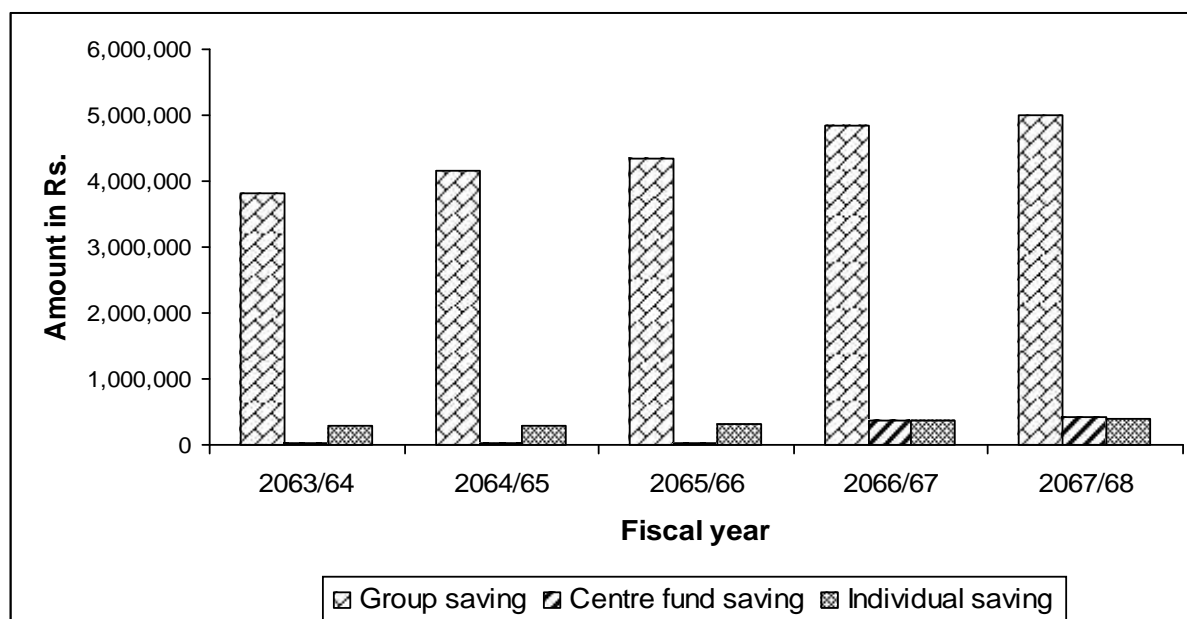
Above table shows the saving of members of PGBB under different saving programs during the last five years. There are different saving amounts under different headings. The overall saving from different saving programs stands at RS 24,677,418. In average Group saving stood at the highest percentage of 89.71 % followed by individual saving 6.67 % and centre fund saving 3.62 %.

The table shows that the total saving is increasing every year but the group saving seem decreased than in later years. However women seem to be attracted towards centre fund saving. As a result it is increasing. Again almost consistency is seen in individual saving. 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 in different saving programs**



Above diagram clearly shows the domination of group saving in the total saving of PGBB, Kaski. It means members in the group are prepared to take higher initiatives than the individual ones.

**4.2.2 Regular Saving of Sample Women**

Regular saving represents saving collected regularly is presented in table 4.2

**Table: 4.2**

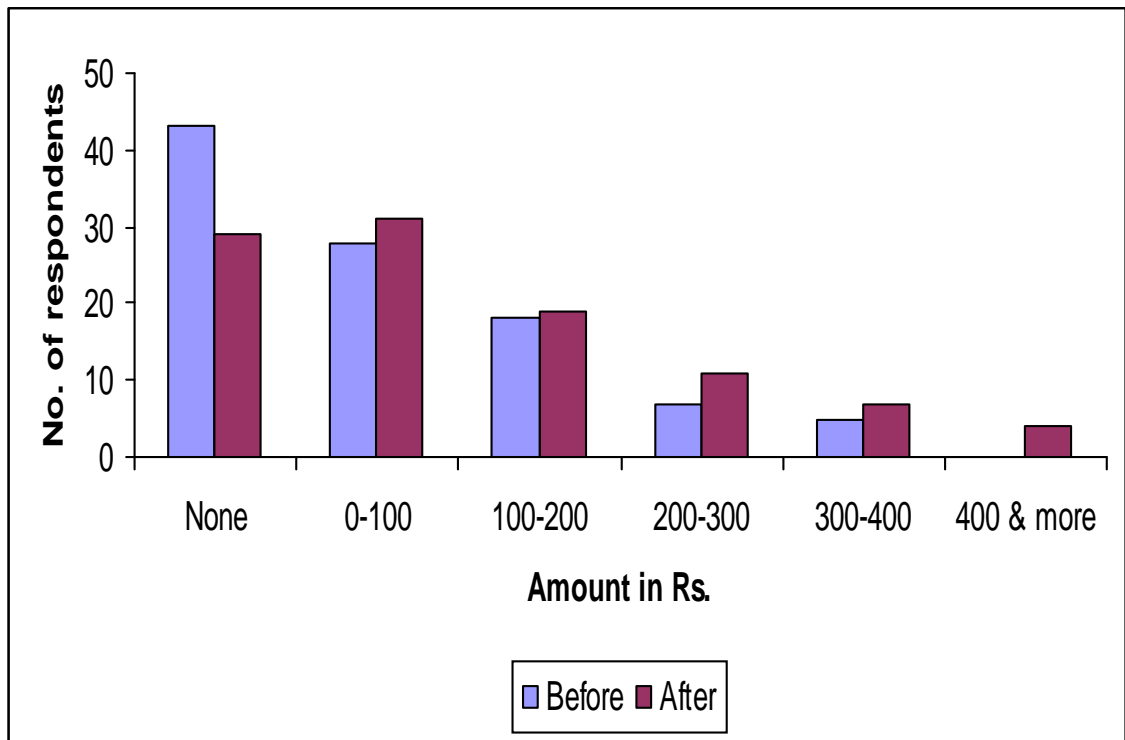
**Monthly Regular Saving of Sample Women**

S.N	Amount in Rs	Before		After		Increase/decrease
		Numbers	%	Numbers	%	
1	None	43	42.57	29	28.71	(13.86)
2	0-100	28	27.72	31	30.69	2.97
3	100-200	18	17.82	19	18.81	.99
4	200-300	7	6.93	11	10.89	3.96
5	300-400	5	4.96	7	6.94	1.98
6	400 & more	-	-	4	3.96	3.96
Total		101	100	101	100	

*Source: Field Survey, 2013*

Above table shows the regular saving of sample women in both number and amounts. It shows the saving of sample women before and after involvement in GBB programs and percentage change in saving. Forty three women were not saving regularly before their involvement in GBB programs but after involvement the number is twenty nine with 13.86 % decrease. There were no women who are saving Rs 400 and more before involvement in GBB programs but after the number are four with 3.96% increase. Monthly regular saving of sample women has increased. They are able to generate more income after entering PGBB program so they save regularly. To make it clear, meaningful and understandable above data is presented in the graphical form:

**Figure: 4.2**  
**Monthly Regular Saving of Sample Women**



Thus, PGBB has made a positive impact on the saving of women as they started saving after being members.

### 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	.99
Total		101	100	101	100	

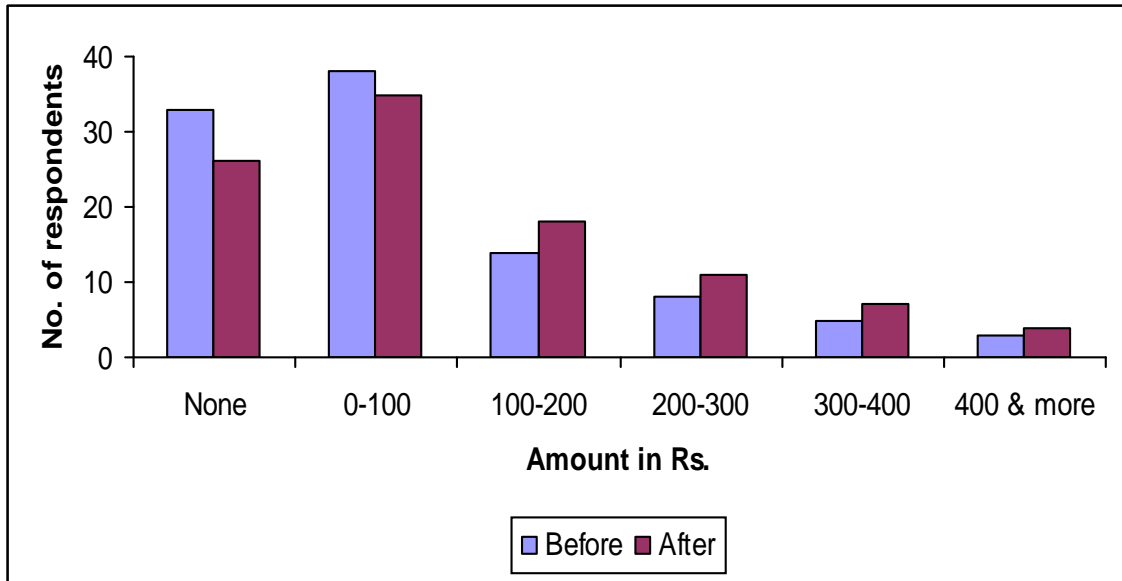
*Source: Field Survey, 2013*

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 GBB programs and percentage change in saving. 33 women were not saving optionally before involvement in GBB programs but after the number was 26 with 6.93% decreased.

Before entering PGBB program respondents could hardly earn a little money and save little. After entering PGBB program they are involved in different economic activities and generate more income. So they freely save more money in different ranges. It seems that they are benefited from the program. During our discussion with them was revealed that they are highly encouraged from the program.

To make clear, meaningful and understandable, above data has been presented in the following graphical form:

**Figure: 4.3**  
**Monthly Optional Saving of Sample Women**



Thus, after being the members optional savings have increased. This is really a positive impact on women.

#### 4.2.4 Sector-wise saving

Most of the women were saving small amount of money from agriculture, buffalo keeping, goat keeping, poultry farming, retail business, bio gas, pig keeping etc. At this point, we would like to know the sector-wise saving in order to know the sector-wise benefit.

The status of women saving is shown in following table:



**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)
4	Poultry farming	18	17.82	16	15.84	(1.98)
5	Retail business	15	14.85	16	15.84	.99
6	Bio Gas	3	2.97	2	1.98	(.99)
7	Pig keeping	5	4.95	3	2.97	(1.98)
		101	100	101	100	

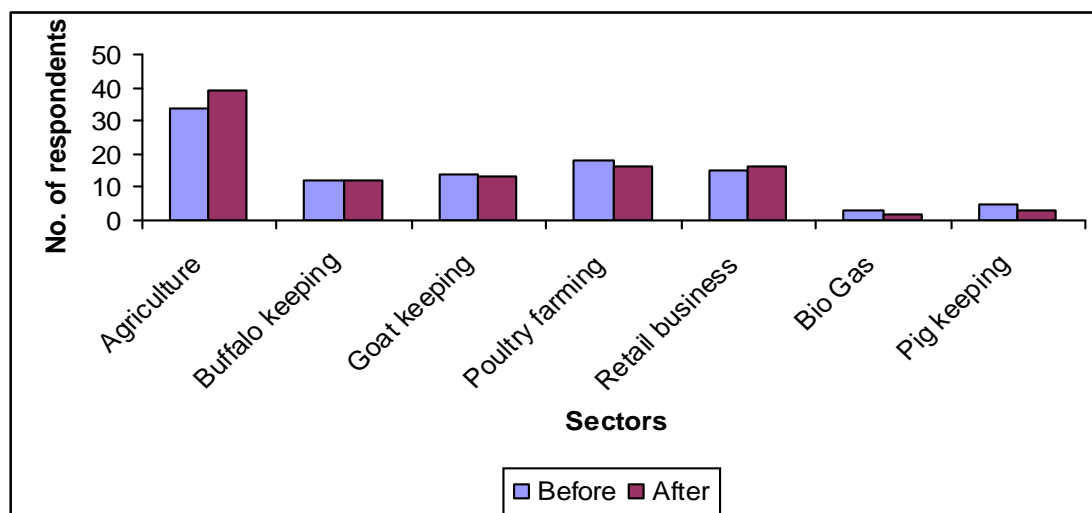
*Source: Field survey, 2013*

The above table shows that the sample women involved in different types of economic activities to save money before and after entering GBB programs. Out of total savers of sample survey, about one-third was involved in agriculture and rest in others. It is quite natural in a country where 80 % people are engaged in agricultural activities.

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.

The above table can be presented by following graphical presentation:

**Figure: 4.4**  
**Sectors of Women Saving**



Thus, respondents are able to generate more income from agriculture so more women save from this sector comparing to other sectors.

#### 4.2.5 Mobilization of collected Saving Fund

Saving and investment are two important aspects. When people save they will be motivated to invest that money to earn more. Women involved in PGBB programs and saving small amount are lending that money to other people in community. From this community is benefited. Investor earns interest and borrower can utilize that money to meet his/her needs.

Following table shows the lending activities of women who are involved in GBB programs.

**Table: 4.5**  
**Mobilization (lending) 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	

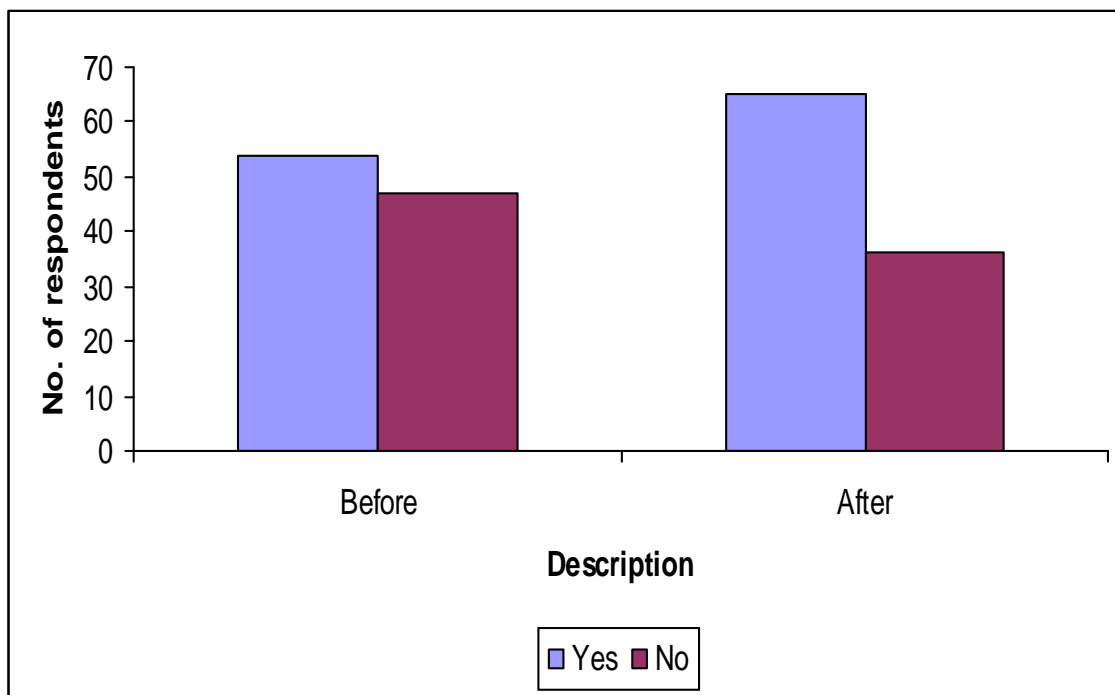
*Source: Field Survey, 2013*

Above table shows that the sample women involved in mobilization of saving. Before involvement in GBB programs, 54 women were mobilizing their money and

47 women were not mobilizing their small save money. But after involvement in GBB 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. The following figure also shows the change in women who were lending and were not lending:

**Figure: 4.5**

**Mobilization of Collected Saving Fund**



After entering PGBB program, women are motivated to mobilize (lend) their saving fund. PGBB program provide an opportunity to earn more by utilizing their fund. So, more respondents mobilize their fund.

**4.2.6 Recovery status of Lending Fund**

Recovery of lending is necessary. But due to various reasons it is sometimes difficult to recover loans. It is thus necessary to find out the recovery position. Following table shows the status of recovery of loan.

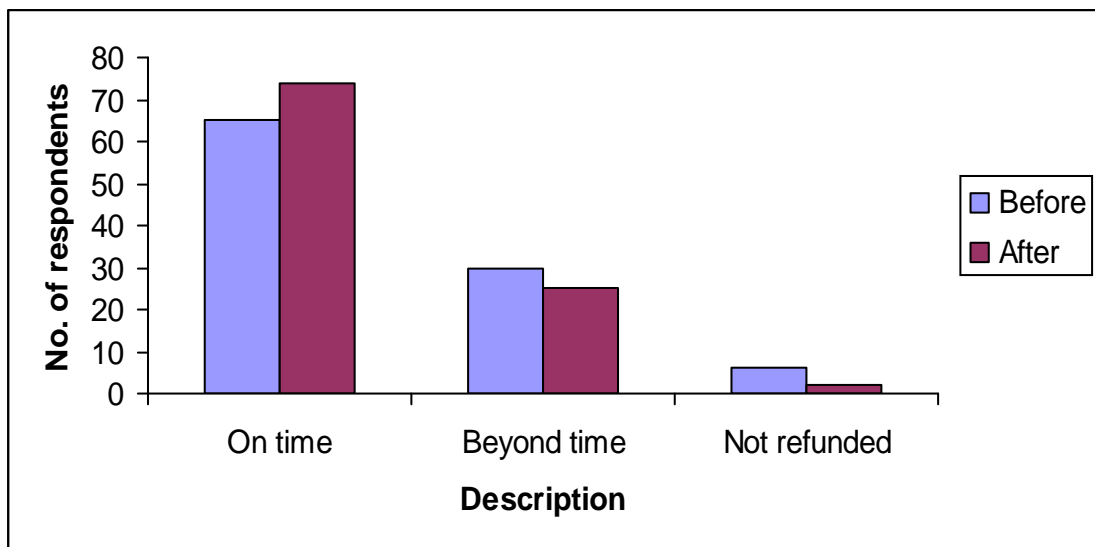
**Table: 4.6**  
**Recovery Status of Loans**

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, 2013*

Above table shows the recovery position of loans. The position is quite encouraging. After entering the PGBB program the recovery position has much improved. It shows the satisfactory result of recovery of women's lending amount after entering into PGBB's programs. Repayment of loan on time is in increasing trend after entering PGBB program. Whereas number of women who have not refund the lending fund is in decreasing trend. Following figure also makes clear about the recovery of lending amount:

**Figure: 4.6**  
**Recovery Status of Lending Fund**



Thus, number of women who repay the lending fund on time is increasing and not refunded the lending fund by number of women is decreasing trend after entering PGBB program so loan recovery pattern seems sound.

#### 4.2.6 Interest Expenses on savings

When there is investment. After investment, saved money is charge by interest. GBB collects some small money from women. For this they will get interest. The interest is expenses of PGBB

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

**Table: 4.7**

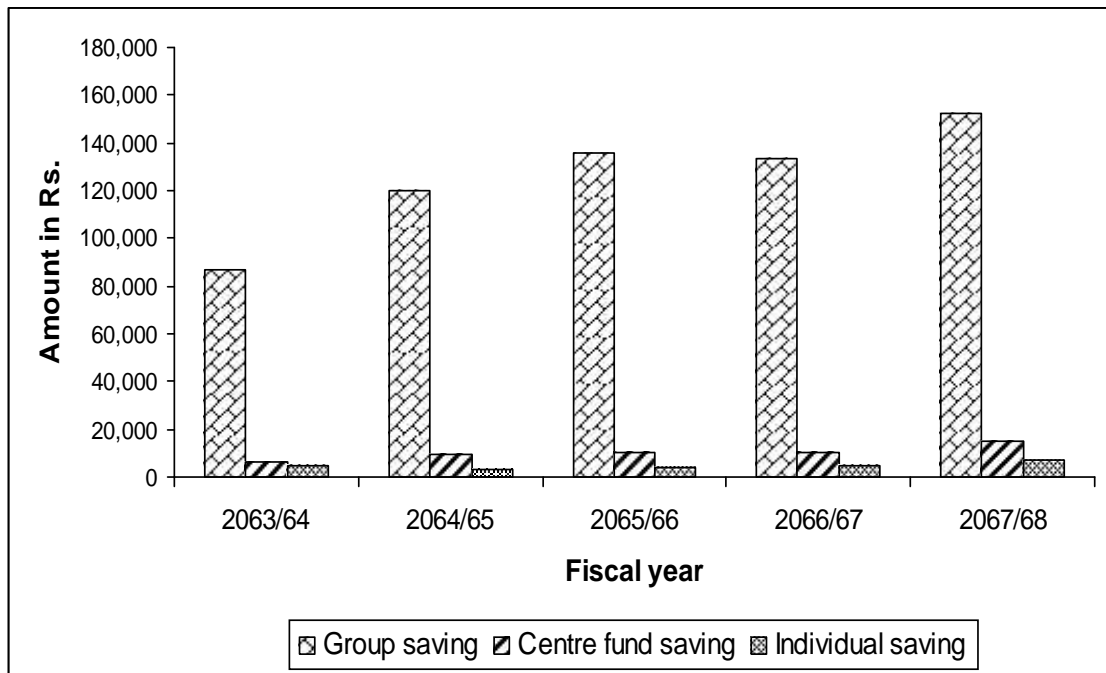
#### **Interest Expenses on Savings**

S.N	Fiscal year	Group saving		Centre fund saving		Individual saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2063/64	86,830	88.42	6,459	6.58	4,904	5.0	98,193	100
2	2064/65	120,208	90.62	9,190	6.93	3,253	2.45	132,651	100
3	2065/66	135,525	90.72	10,272	6.88	3,589	2.40	149,386	100
4	2066/67	133,148	89.54	10,564	7.0	4,996	3.36	148,708	100
5	2067/68	152,423	87.20	15,217	8.71	7,153	4.09	174,793	100
Total		628,134		51,702		23,895		703,731	

*Source: PGBB, Kaski*

The above table shows the interest expenses on saving of group members of PGBB in last five years. The overall total interest expenses on different saving programs were Rs.703731. the total interest expenses on group saving was RS 628,134, centre fund saving was RS 51,702 and individual saving was RS 23,895. There was greatest interest expenses on group saving. The overall greatest interest expenses is 90.72 %, 8.71% and 5% on group saving, centre fund saving and individual saving respectively. The interest expenses on saving are decrease in 063/64-064/65 and slightly increase from last three years. This is because women have save more funds from last three years

**Figure: 4.7**  
**Interest Expenses on Different Program**



Thus, overall interests expenses are increasing due to more women have save more funds after entering PGBB program.

### 4.3 Lending Activities

Loan disbursement repayment, outstanding etc are related to lending activities. Loan disbursement to the targeted women is significant for raising their status. The PGBB selects an appropriate enterprise for the targeted women according to their choice, and recommends 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 PGBB. However the capacity of loan repayment depends on the performance of women and the income earning from the programs of PGBB.

The main loan activities of PGBB 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 sometimes. Both of these activities consist of retail business, agriculture, industry, foreign employment, bio-gas, buffalo keeping, goat keeping, poultry farming etc. According to survey of PGBB Kaski, almost all the loan is recovered on time.

### 4.3.1 Loan disbursement in different programs

PGGB kaski, distributes loan on different programs. The state of the loan disbursement by PGGB kaski in last five fiscal years is shown in table 4.8

**Table: 4.8**

#### **Loan Disbursement by PGGB**

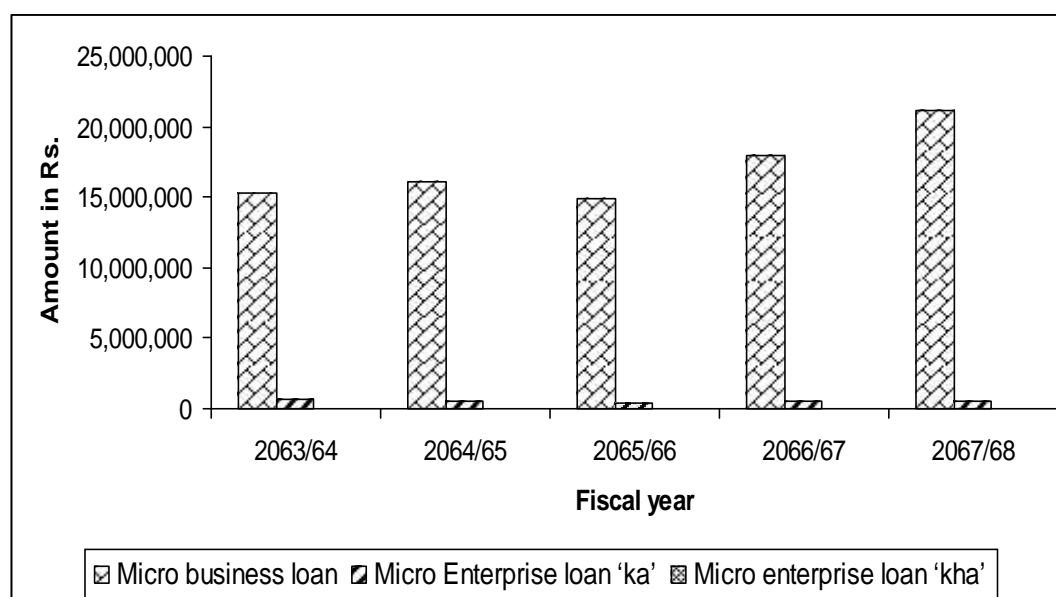
S.N	Fiscal year	Micro business loan		Micro Enterprise loan 'ka'		Micro enterprise loan 'kha'		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2063/64	15,307,430	95.46	727,533	4.54	0	0	16,034,963	100
2	2064/65	16,147,895	96.58	572,096	3.42	0	0	16,719,991	100
3	2065/66	14,883,890	97.21	426,790	2.79	0	0	15,310,680	100
4	2066/67	17,961,679	97.34	467,316	2.54	23,000	0.12	18,451,995	100
5	2067/68	21,203,280	97.46	524,116	2.41	28,000	0.13	21,755,396	100
Total		85,504,174		2,717,851		53,000		88,273,025	

*Source: PGGB, Kaski*

The upper table shows the distribution of loan to the women of PGGB in fiscal years from 2063/64 to 2067/68. There are three kind of loan. They are micro business loan, micro enterprise loan ka and micro enterprise loan kha. Micro enterprise loan ka is distributed without collateral but collateral is needed for micro enterprise loan kha. The overall loan distribution during the last five years was Rs 88,273,025. Out of this RS 85,504,174 was distributed for micro business; Rs 2,717,851 was distributed for micro enterprise 'ka' and Rs 53,000 for micro enterprise 'kha'. The overall highest percentage of loan distribution in fiscal year 2067/68 and smallest percentage of loan distribution in fiscal year 2065/66 amounting Rs 88,273,025 and Rs 15,310,680 respectively. Loan disbursement rate overtime has increased.

Following figure 4.8 also clear about the loan disbursement by PGGB Kaski in different years in different programs.

**Figure: 4.8**  
**Loan Disbursement in Different Programs**



Thus, it implies that women want more funds to invest in productive sectors. It is positive a signal for the program. The diagram makes it clear that the micro business loan dominates the total loans. Micro enterprise loan 'ka' is very negligible and hence not visible in the diagram.

#### 4.3.2 Loan recovery and outstanding

Since loan is distributed in different programs and recovery is also from different programs. According to PGBB report overall recovery is shown. The state of loan recovery and outstanding is shown in table 4.8

**Table: 4.9**  
**Loan recovery and outstanding**

S.N	Fiscal year	Recovery		Outstanding		Total	
		Amount	%	Amount	%	Amount	%
1	2063/64	15,347,744	95.71	687,219	4.29	16,034,963	100
2	2064/65	16,303,674	97.51	416,317	2.49	16,719,991	100
3	2065/66	14,541,749	94.98	768,931	5.02	15,310,680	100
4	2066/67	18,083,409	98.00	368,586	2.00	18,451,995	100
5	2067/68	21,571,817	99.16	183,579	0.84	21,755,396	100
Total		<b>85,848,393</b>		<b>2,424,632</b>		<b>88,273,025</b>	100
Average		17,169,679	<b>97.07</b>	484,926	<b>2.93</b>		



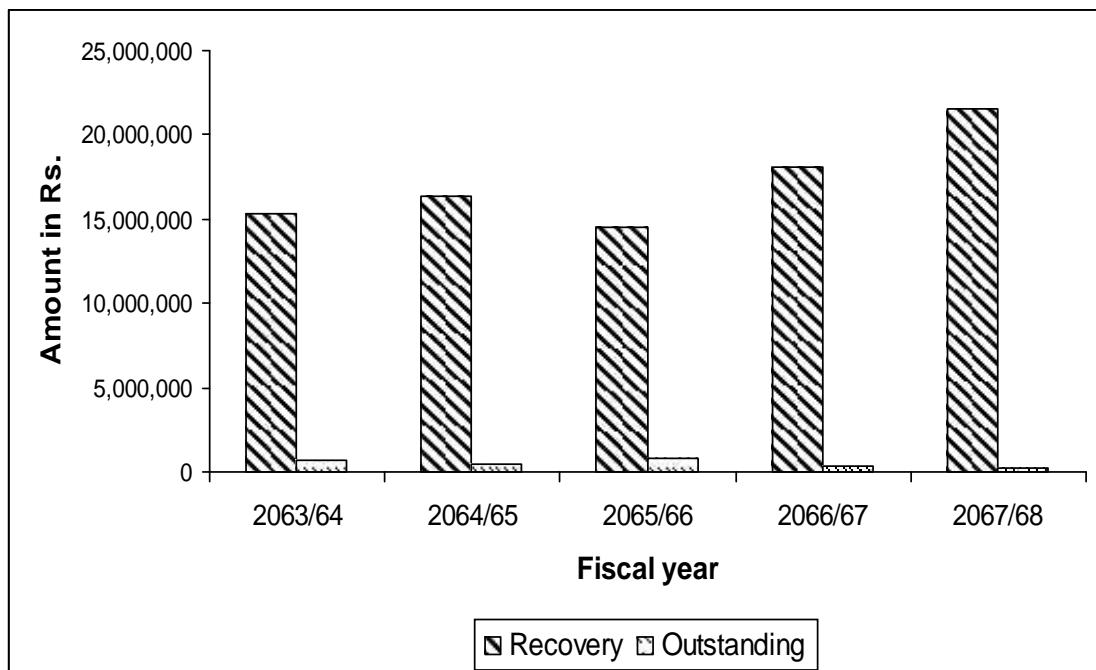
Source: PGBB, Kaski

Above table shows the amount and % of loan recovered by PGBB from groups of women in different fiscal years. It also shows the outstanding loan of PGBB in different fiscal years. The total loan recovery on last five year was Rs 85,848,393 and outstanding was RS 2,424,632. Highest amount and percentage of loan recovery was in fiscal year 2067/68 amounting to 21,571,817. The smallest amount loan recovery was in fiscal year 2065/66 amounting to Rs 14,541,749. Out of total disburse loan, 97.07 % loan was recover during the years and only 2.93 % loan 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. There is no chance of bad debts.

The table can also present by following graphical form:

**Figure: 4.9**

**Loan Recovery and Outstanding**



It is clear from the diagram that the outstanding loan is very low where as recovery rate is higher. So PGBB program seems able to recover their lending fund timely.

**4.3.3 Sectors of loan mobilization**

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

**Table: 4.10**  
**Sectors of Loan Mobilization**

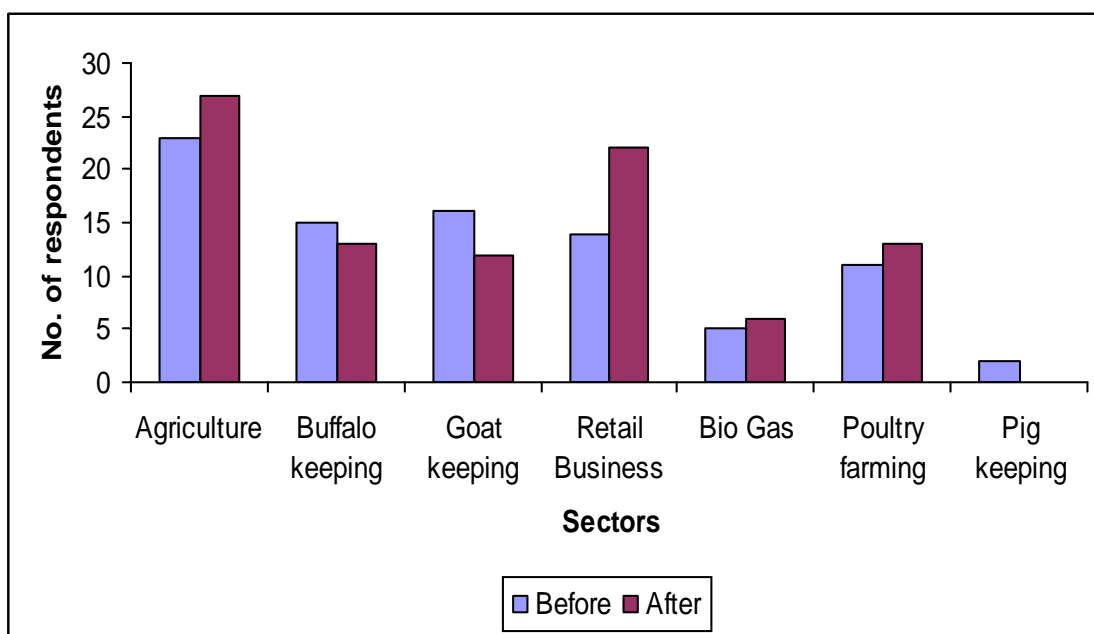
S.N	Sectors	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Agriculture	23	26.74	27	29.03	2.29
2	Buffalo keeping	15	17.45	13	13.98	(3.47)
3	Goat keeping	16	18.6	12	12.9	(5.7)
4	Retail Business	14	16.27	22	23.66	7.39
5	Bio Gas	5	5.82	6	6.45	.63
6	Poultry farming	11	12.79	13	13.98	1.19
7	Pig keeping	2	2.33	0	0	(2.33)
<b>Total</b>		<b>86</b>	<b>100</b>	<b>93</b>	<b>100</b>	<b>-</b>

*Source: PGBB, Kaski*

Above table shows that the sample women involved in different types of economic activities before and after entering into PGBB 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 PGBB, 23 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 PGBB programs 27 women were in agriculture and no one in pig keeping. In overall there was 7.39 % increase in Retail borrowers and 5.7 % decrease in poultry farming. Women were interested to involve in retail business. The graphical representation of above table is below:

**Figure: 4.10**  
**Sectors of loan mobilization**



Thus it seems that more women mobilize their fund on agriculture.

#### 4.3.4 Women's Response on Repayment of taken Loan

The following table shows the women's response on repayment pattern of loan which was taken by women before and after entering into PGBB programs.

**Table: 4.11**  
**Number of Women's Response on Repayment of Loan**

S.N	Description	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Both principle & interest	63	73.26	72	77.42	4.16
2	Interest only	23	26.74	21	22.58	(4.16)
<b>Total</b>		<b>86</b>	<b>100</b>	<b>93</b>	<b>100</b>	

*Source: Field survey, 2013*

**Hypothesis test,**

Null Hypothesis (Ho):  $P_1=P_2$  there is no significant improvement in the proportions of women population in the concern of response on repayment of taken loan after involving PGBB program.

Alternative Hypothesis (H1)=  $P_1>P_2$ : there is significant improvement in the proportions of women population in the concern of response on repayment of taken loan after involving PGBB program.

Calculated Value of  $Z= 10.02$  (From Appendix-2)

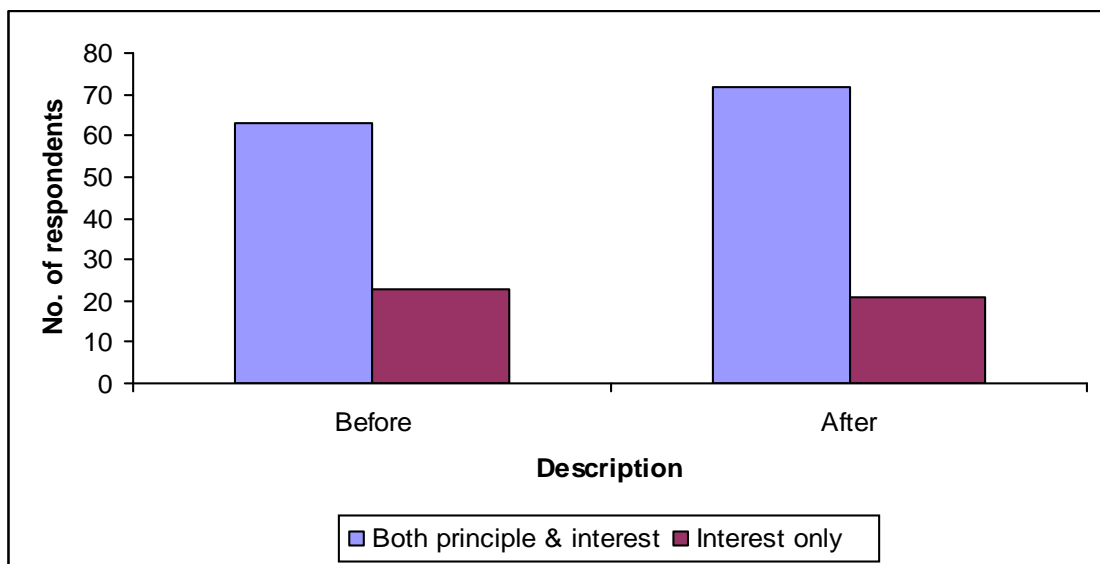
Critical value, of  $Z$  at 0.05 level of significant for one tail test is 1.960

**Result:**

Since, calculated value of  $Z$  is higher then tabulated value of  $Z$  so alternative hypothesis is accepted. So, there is significant improvement in the proportions of women population in the concern of response on repayment of taken loan after involving PGBB program..

In overall there was 4.16% of women increase in paying both principle and interest after entering into PGBB programs. To make it clear, meaningful and understandable above data presented in the graphical form:

**Figure: 4.11**  
**Response of Repayment of Loan**



Thus, after entering PGBB program, women involve in more economic activities and can generate more income. So the number of women is increase in paying both principle and interest.

### 4.3.5 Condition of Business run from Loan

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

**Table: 4.12**

**Condition of Business Which is Running From Loan**

S.N	Description	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Running well	72	83.72	81	87.09	3.37
2	Running not well	14	16.28	12	12.91	(3.37)
<b>Total</b>		<b>86</b>	<b>100</b>	<b>93</b>	<b>100</b>	

*Source: Field survey, 2013*

#### **Hypothesis test:**

Null Hypothesis (Ho):  $P_1=P_2$  there is no significant improvement in the proportions of women population in the concern of condition of business which is running from loan after involving MFPs.

Alternative Hypothesis (H1)=  $P_1>P_2$ : there is significant improvement in the proportions of women population in the concern of condition of business which is running from loan after involving MFPs.

Calculated Value of Z= 12.12 (From Apendix-3)

Critical value, of Z at 0.05 level of significant for one tail test is 1.960

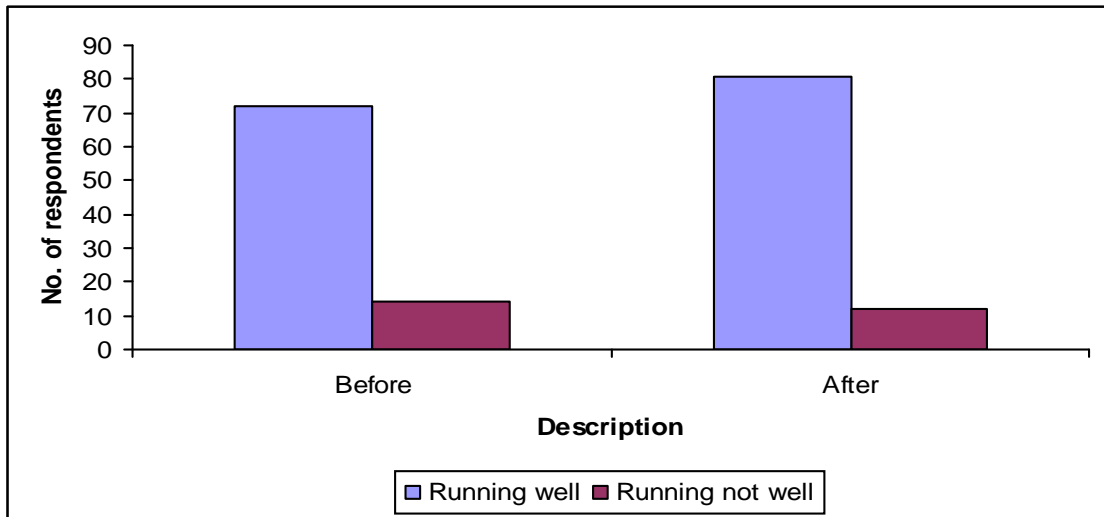
#### **Result:**

Since, calculated value of Z is higher then tabulated value of Z so alternative hypothesis is accepted. So, there is significant improvement in the proportions of women population in the concern of condition of business which is running from loan after involving MFPs.

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

**Figure: 4.12**

**Condition of Women Which is Running From Loan**



Thus, it is found that more women say their business now running well from loan provided by the PGBB.

#### **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 PGBB 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 PGBB and before PGBB 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: 4.13**  
**Income From Investment**

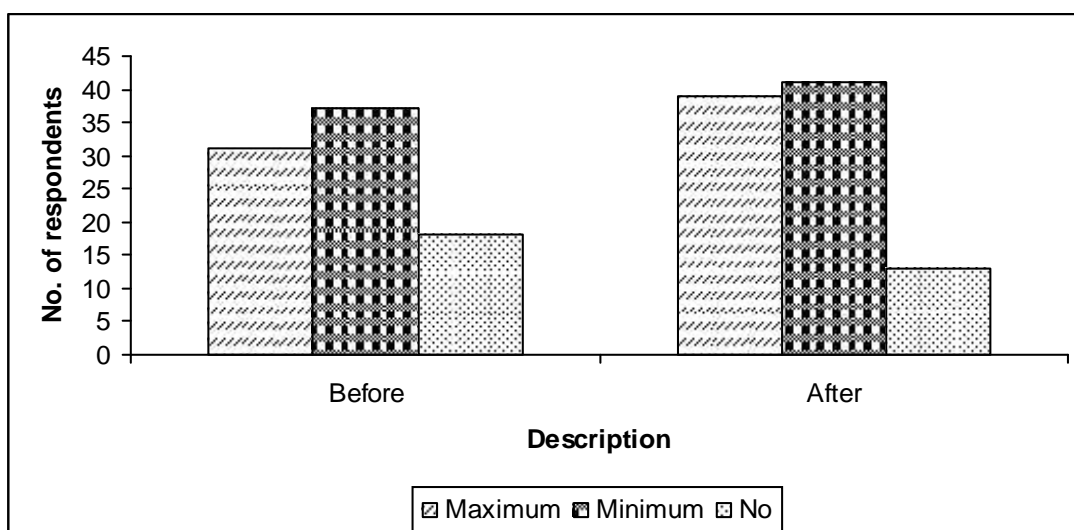
S.N	Description	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Maximum	31	36.05	39	41.93	5.88
2	Minimum	37	43.02	41	44.08	1.06
3	No	18	20.93	13	13.99	(6.94)
<b>Total</b>		<b>86</b>	<b>100</b>	<b>93</b>	<b>100</b>	

*Source: Field survey, 2013*

Above table 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 PGBB programs, 86 women were investing loan from different sectors. But after involvement in PGBB programs, 93 women were investing loan from different sectors. So there was 6.94 % (5.88 %, and 1.06 %) increase in number of women who said that they were getting maximum and minimum benefits from investment.

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

**Figure: 4.13**  
**Income From Investment**



Above figure clearly shows that most of the respondents have benefited highly and minimum after entering PGGB and number of respondents who says no income from investment is decrease. So majority of respondents were highly benefited from the PGGB program.

#### 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: 4.14**

#### Interest Recovery Situation of Loan Disbursement

S.N.	Fiscal Year	Micro Business Loan		Micro Enterprise Loan 'kha' & 'kha'		Total	
		Amount	%	Amount	%	Amount	%
1	2063/64	1,301,131	96.49	47,289	3.59	1,348,420	100
2	2064/65	1,344,328	97.34	36,797	2.66	1,381,125	100
3	2065/66	1,242,804	97.85	27,267	2.15	1,270,079	100
4	2066/67	1,486,149	97.87	32,360	2.13	1,518,509	100
5	2067/68	1,764,312	98.09	34,302	1.91	1,798,614	100
<b>Total</b>		<b>7,138,724</b>		<b>178,015</b>		<b>7,316,739</b>	
<b>Average</b>		<b>1,427,744.80</b>	<b>97.57</b>	<b>35,603</b>	<b>2.43</b>	<b>1,463,347.80</b>	<b>100</b>

Source: PGGB, Kaski

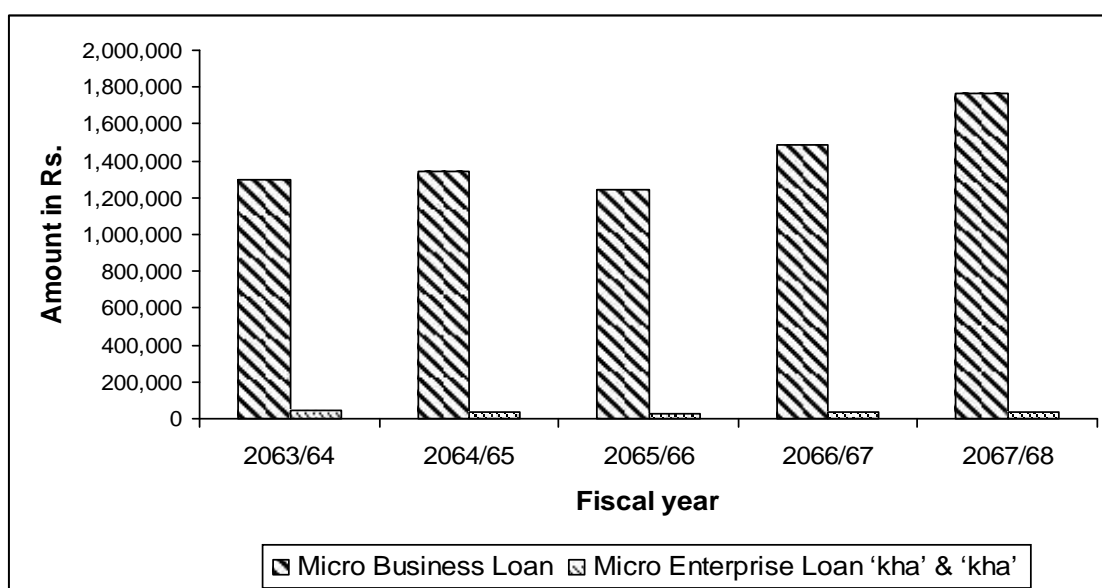
Above table shows the interest recovery in different years from micro business loan and micro enterprise loan 'ka' and micro enterprise loan 'kha' both. Total



interest recovery situation from micro business loan is Rs 7,138,724 and from micro enterprise loan 'ka' and 'kha' is Rs 178,015 in last five years. Out of total interest recovery, 97.57 % from micro business loan and rest 2.43 % form micro enterprise loan 'ka' and 'kha'. Interest recovery situation was relatively favourable.

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

**Figure: 4.14**  
**Interest Recovery Situation of Loan Disbursement**



Above figure shows that interest recovery situation from micro business loan is higher. It is because respondents take more loans for business. Due to higher principle, they must pay high interest in business loan and vice versa.

**4.4.3 Amount invested by women in different sectors**

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

**Table: 4.15****Amount Invested by Women in Different Sectors**

SN	Amt in Rs	Before		After		% increase/ decrease
		Number	%	Number	%	
1	0-10,000	22	25.58	24	25.81	0.23
2	10,000-20,000	17	19.76	13	13.97	(5.79)
3	20000-30000	16	18.62	23	24.73	6.11
4	30,000-40,000	13	15.12	16	17.26	2.09
5	40,000-50,000	11	12.79	12	12.90	0.11
6	50,000-60,000	7	8.13	5	5.38	(2.75)
Total		86	100	93	100	

*Source; Field survey, 2013*

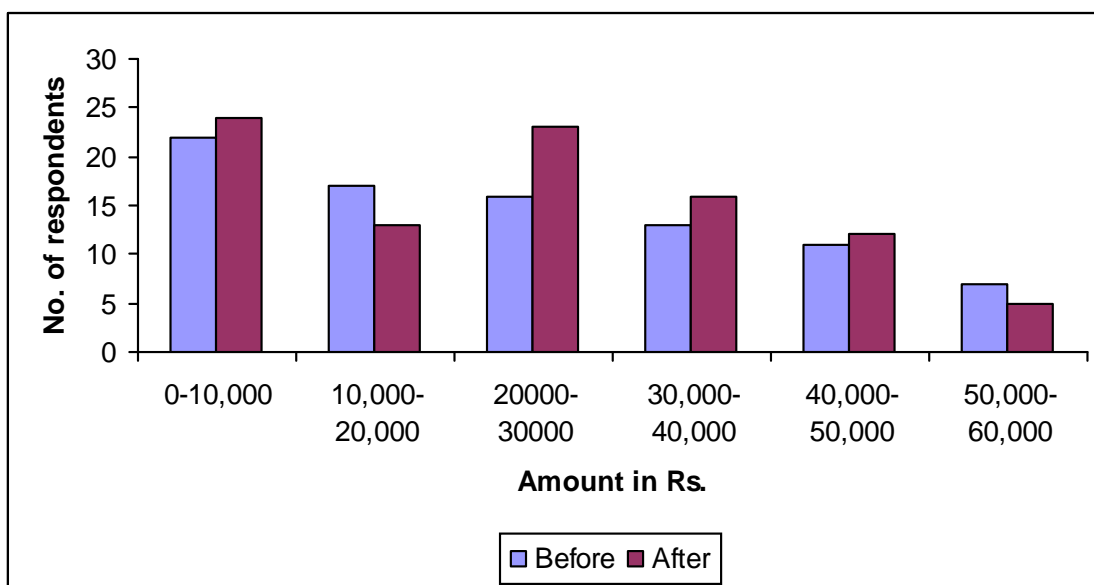
	Before	After	Result
Mean income	24,070	24,354	Increased
C.V	19.84 %	18.76 %	Decreased

(From Appendix 4)

Above figure shows the positive impact. Mean Investment by sample in different sectors after PGBB program is increased to RS 24,354 from RS 24,070 and C.V is decreased to 18.76 % from 19.84 %. Which gives positive result to us. It means increased investment is more consistent then previous investment. Their economical condition is improving after PGBB 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: 4.15****Amount Invested by Women In Different Sectors**



Above figure shows that more women were invested loan between Re o to RS 10,000. There was increase in number of women who were investing high loan amount after entering PGGB programs except in RS 50,000- 60,000. This is because more women involve in this program and can earn more money after entering the program.

#### 4.4.4 Monthly Income of the women

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

**Table: 4.16**

#### Monthly Income of Women

SN	Income range in RS	Before		After		% Increase/ decrease
		Numbers	%	Numbers	%	
1	0-5,000	36	35.65	32	31.69	(3.96)
2	5,000-10,000	28	27.72	26	25.74	(1.98)
3	10,000-15,000	17	16.83	21	20.79	3.96
4	15,000-20,000	12	11.88	13	12.87	0.99
5	20,000 & more	8	7.92	9	8.91	0.99
Total		101	100	101	100	

*Source: Field survey, 2013*

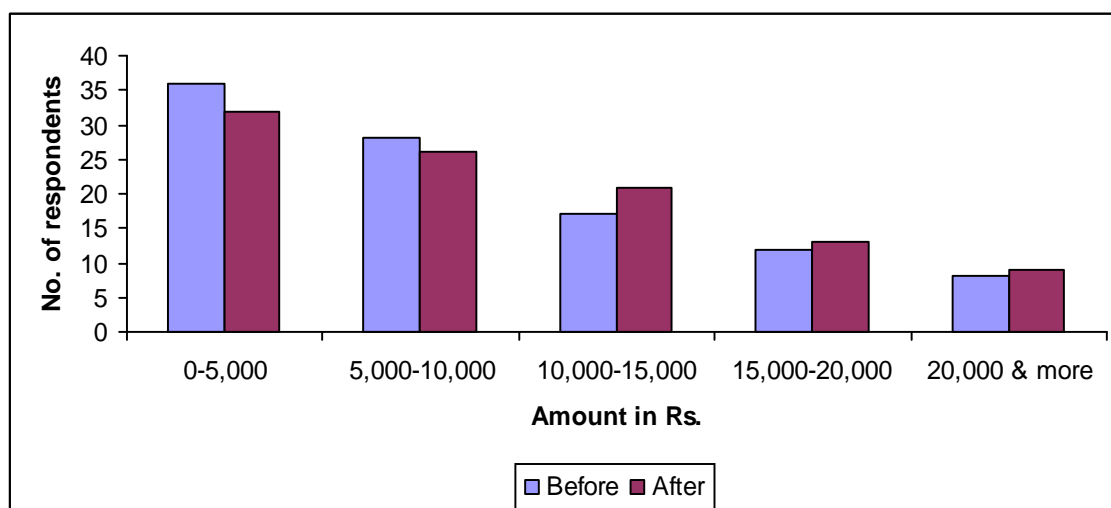
	Before	After	Result
Mean income	9,133	9,801	Increased
C.V	21.24	19.16	Decreased

(From Appendix 5)

Above figure shows the positive impact. Mean income of respondent after PGBB is increased to RS 9,801 and C.V is decreased to 19.16 % which gives positive result to us. It means increased income is more consistent than previous income. Their economical condition is improving after PGBB program.

There were 35.65 % of members earning up to RS 5,000 and only 7.92 % of them earned more than RS 20,000. After intervention of program 31.69 % was earning less than RS 5,000 and 8.91 % of members earned more than RS 20,000. To make it clear, meaningful and understandable above data presented in the graphical form

**Figure: 4.16**  
**Monthly Income of Women**



Above figure shows that numbers of women are in increasing from low income to high income class. The women who had entrepreneurship skills earned more. Some of members were engaged in hotel business. During field survey, it was

found that there was good income in hotel business because they used to sell meat items and alcohol which was in high demand.

#### 4.5 Response of poorest women

Poverty is deep-rooted in Nepalese society. Women are specially doing household activities. Now after joining PGBB women are able to raise and save small money. Poor women who lack food, shelter and money will also be benefited if they join GBB programs, because collateral is not necessary to borrow from PGBB. 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 and some are medium range. In this 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 very limited with no property are categorized as very poor. Women who have little land to cultivate crops with a monthly income of around RS 1,500 are categorized as poor women. Women having monthly income of around RS 5,000 are categorized as rich. Women who possess sufficient land, other sources of income, and having a monthly income of more than RS 15,000 are categorized as very rich. Field survey shows the following level of PGBB women in Kaski. But from the survey the numbers of very rich women were not found. Field survey shows the following position:

**Table: 4.17**  
**Category of Women**

SN	Description	No of women	Percentage
1	Very Poor	14	13.86
2	Poor	63	62.37
3	Rich	24	23.77
Total		101	100

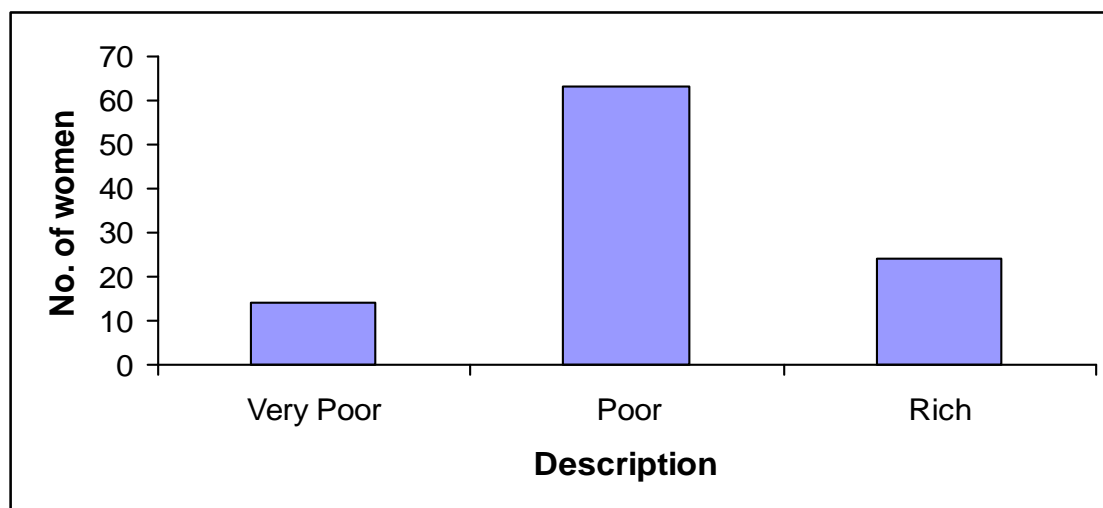
*Source: Field Survey, 2013*

Table 4.18 shows the number and percentage of women having different economic status. Out of 101 sample women there were 14 women very poor, 63

women poor and 24 women rich. But no women were found to be very rich in sample survey. Majority (76.23%) of the sample women is poor. Thus, PGBB program should focus on poorest of the poor.

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

**Figure: 4.17**  
**Category of Women**



#### 4.5.2 Future Program needed to uplift the livelihood of poor women

Programs 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 shows the different facilities needed for poor women.

**Table: 4.18**

**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

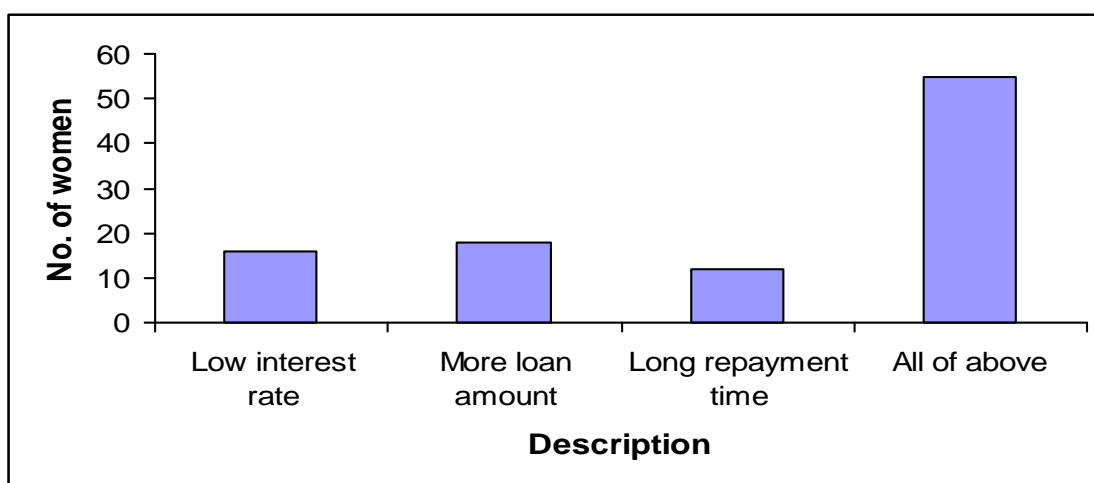
*Source: Field Survey, 2013*

Above table shows the number and percentage of women which have needed different facilities from PGBB 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 %.

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

**Figure: 4.18**  
**Future Programmes For Poor Women**



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

#### 4.6 Profile of the respondent

Profile of the respondents also makes a substantial impact on the activities and participation. For the purpose of study, perception of the sample women towards the program with respect to education, age structure, ethnic group, priority sector, confidence of women etc have been explored.

##### 4.6.1 Education level

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

**Table: 4.19**

**Response on the Education Level of Sample Women**

S.N	Education level	Perception toward the program	Total
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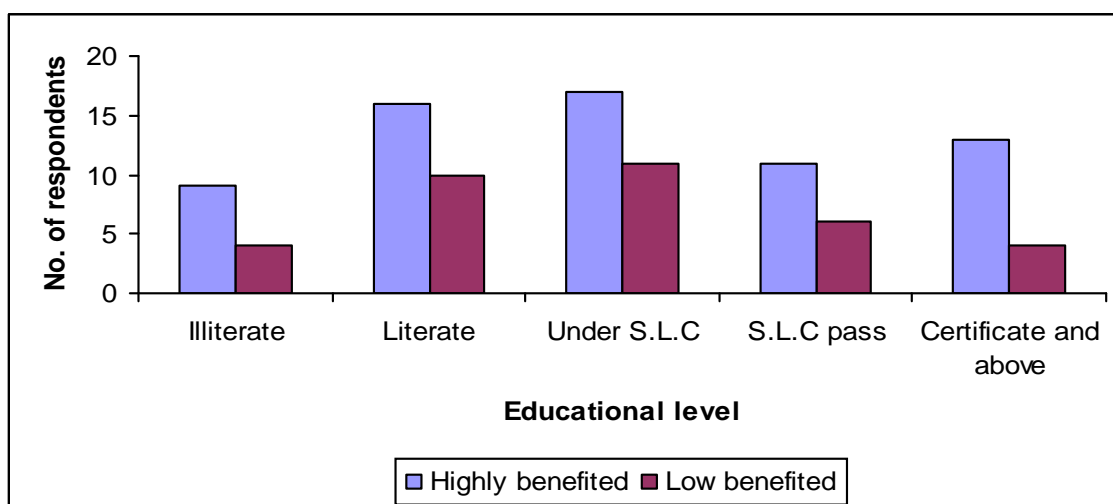
		Highly benefited	Low benefited	
1	Illiterate	9	4	13
2	Literate	16	10	26
3	Under S.L.C	17	11	28
4	S.L.C pass	11	6	17
5	Certificate and above	13	4	17
Total		66	35	101

Source: PGBB, Kaski

Above table shows perception toward the program at different level of education of the respondents. Out of 101 sample women 66 respondents were highly benefited and rest low benefited.

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

**Figure: 4.19**  
**Educational Level**



Above figure shows that 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 PGBB program.



#### 4.6.2 Age structure

In the research study it has been found that the age structure of women was in between 20 to 70 years and all were married. It has been shown in the following table.

**Table: 4.20**  
**Response on the Age Structure of Sample Women**

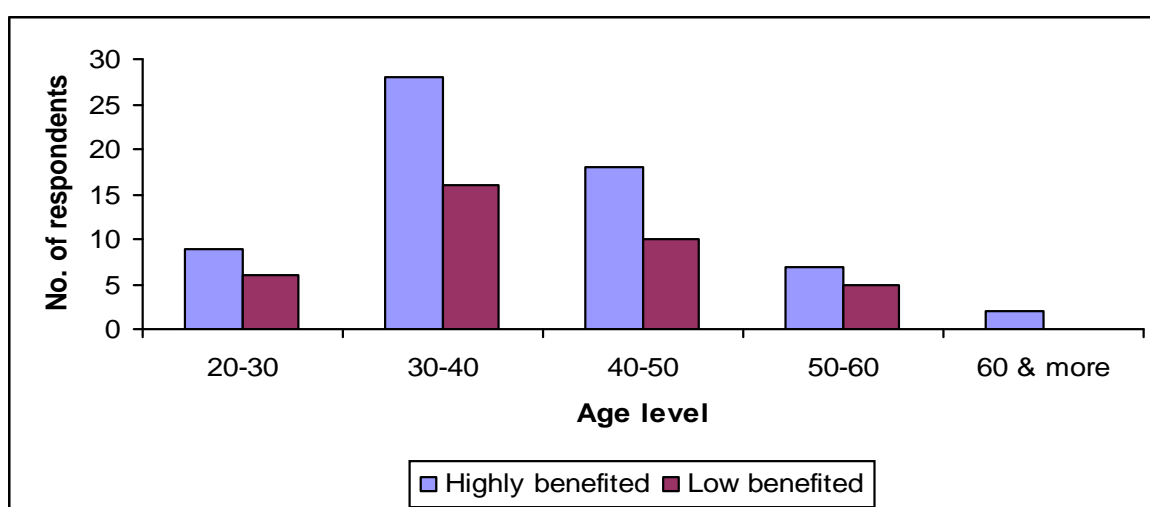
S.N	Age structure	Perception toward the program		Total
		Highly benefited	Low benefited	
1	20-30	9	6	15
2	30-40	28	16	44
3	40-50	18	10	28
4	50-60	7	5	12
5	60 & more	2	0	2
<b>Total</b>		<b>64</b>	<b>37</b>	<b>101</b>

*Source: Field survey, 2013*

Above table shows 64 women were highly benefited and rest 37 were low benefited. Out of 101 respondents 44 women were benefited in 30-40 years class. Normally 20-70 years class women were involve in economic activities and benefited. PGBB program seems satisfactory.

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

**Figure 4.20**  
**Age Structure**



Above figure shows that age between 20 to 70 years women have benefited by the program. The highly and low benefited number of women is higher between 20-30 years.

#### 4.6.3 Ethnic group

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

**Table: 4.21**  
**Response on the Ethnic Group of Sample Women**

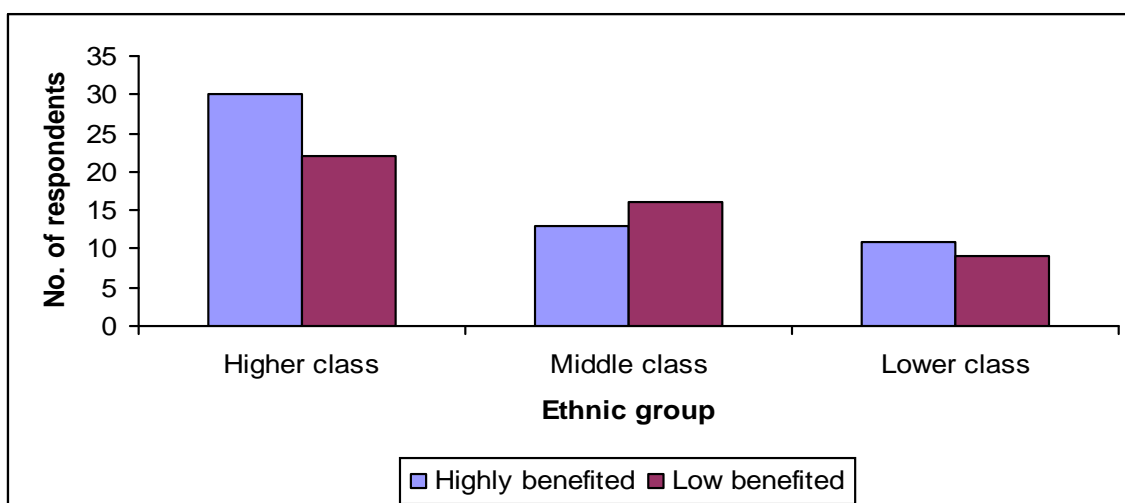
S.N	Ethnic	Perception toward the program		Total
		Highly benefited	Low benefited	
1	Higher class	30	22	52
2	Middle class	13	16	29
3	Lower class	11	9	20
Total		54	47	101

*Source: Field survey, 2013*

Above table shows that out of 101 respondents 52 higher class respondents are benefited by the program whereas only 20 lower class respondents. The field survey report shows that the number of higher class group cover the high share and middle 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: 4.21**  
**Ethnic Group**



Above figure shows that most of higher and middle class respondents get benefit by the program but out of 101 only 20 respondents hardly benefit by program. It seems that PGBB program should focused the low economic class.

#### 4.6.4 Priority sector after improvement in Economic condition

Every people have their own interests and future plan. Like this, these PGBB 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: 4.22**

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

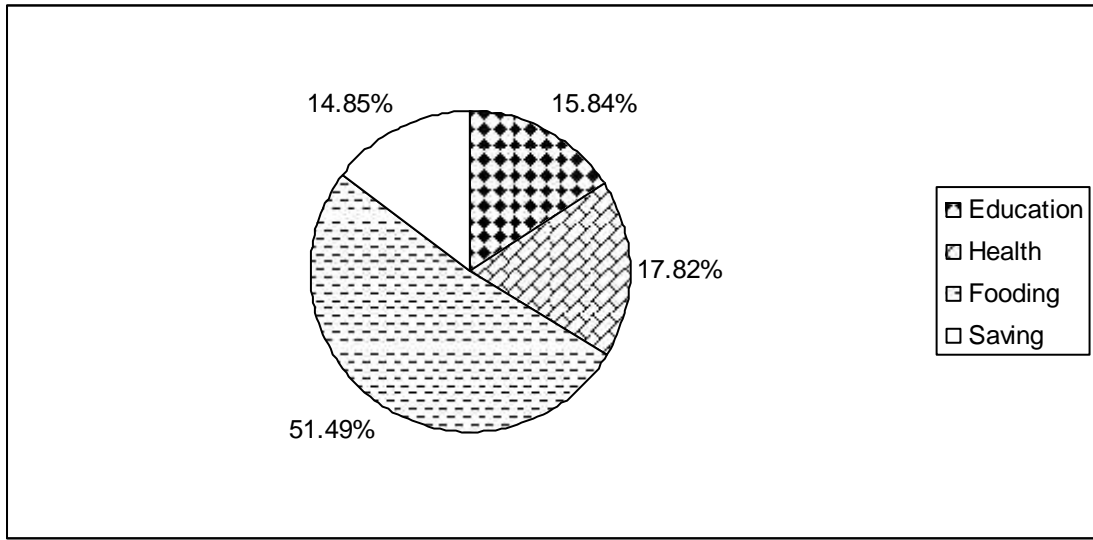
S.N.	Description	Number of women	Percentage
1	Education	16	15.84
2	Health	18	17.82
3	Fooding	52	51.49
4	Saving	15	14.85
Total		101	100

*Source: Field Survey, 2013*

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, higher perception of women prefer fooding i.e. 51.49 % and lower perception of women prefer saving i.e.14.85 % . To make it clear, meaningful and understandable above data presented in the graphical form:

**Figure: 4.22**  
**Priority Sector Area**



Above figure shows majority of the respondents given high perception to fooding pattern after the improvement on their economic activities.

#### 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:

**Table: 4.23**  
**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

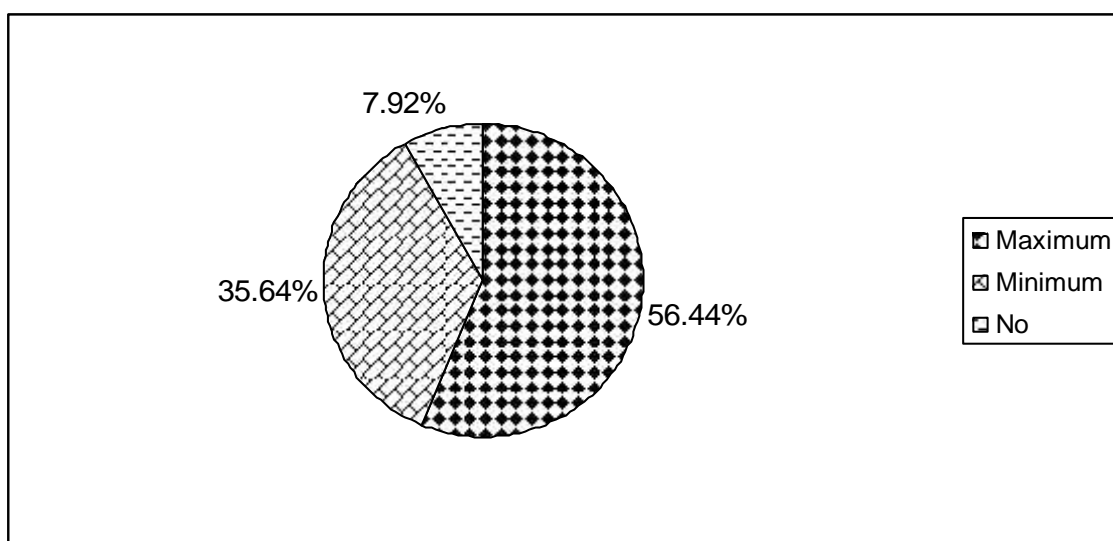
Total	101	100
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Source: Field Survey, 2013

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

**Figure: 4.23**

**Confidentiality of Women**



It shows majority of women respondents' confidence to be successful entrepreneur.

**4.6.6 Improvement in living standard of women after joining PGBB**

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

**Table: 4.24**

**Response on Improvement in Living Standard of Women**

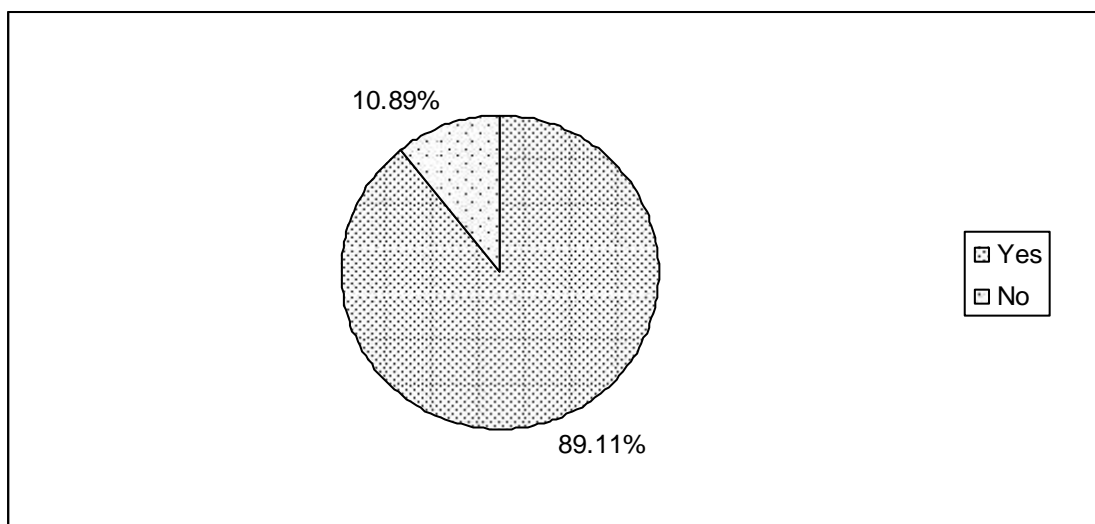
S.N	Description	Number of women	Percentage
1	Yes	90	89.11
2	No	11	10.89
Total		101	100

Source: Field Survey, 2013

Above table reveals that response of participating women about their life standard after participating in PGBB program. In totality, 89.11 % of women said that their life standard has change after entering into PGBB program and 10.89 % of

women said that there is no change in their life style. To make it clear, meaningful and understandable above data presented in the graphical form:

**Figure: 4.24**  
**Improvement in Women's Life-style**



Thus it seems that majority of sample women has improved their living standard after joining PGBB program.

#### 4.6.7 Response 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 PGBB 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: 4.25**  
**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

*Source: Field Survey, 2013*

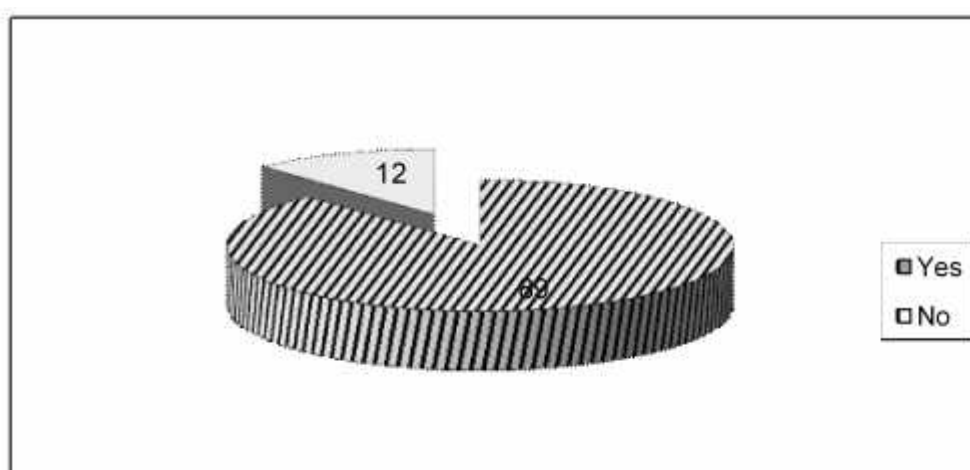
Above table reveals about the women's response of continuing their present business in future, in this research survey, out of 101 sample women, 89 women have intension

of continuing their business in future but 12 sample women have no intention of continuing their business in future.

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**



Above figure shows that maximum number of women was interested to continue their business in future.

#### **4.7 Findings of the Study**

The major findings of the study are addressed in two types i.e. overall and the study of sample women.

##### **4.7.1 The Major findings of the overall Study:**

The major findings of the overall study of Paschimanchal Grameen Bikas Bank could be addressed as follows:

- ) Grameen Bikas Bank has been facilitating the women in areas of agriculture, buffalo keeping, goat keeping, retail business, bio-gas, poultry farming, pig keeping etc.
- ) The saving money was not idle; it was invested in different areas. The total saving of last 5 years was RS 24,677,418 in different saving programs. The highest saving was in group saving with amounting RS 22,136,704 which was 89.71 %.

- ) PGBB have to pay some interest expenses to women who save money. The total interest expenses on different saving programs were RS 703,731. The highest interest expenses was in group saving with amounting RS 628,134.
- ) Loan disbursement headings are micro business, micro enterprise ka and Kha. The overall loan disbursement in micro business loan was RS 85,504,174 in last five years of total loan disbursed amounting RS 88,273,025. Loan was not disbursed in micro enterprise loan kha in FY 2063/64-2064/65 and loan disbursed rate was increased. Highest loan disbursed was in FY 2067/68 and lowest was in FY2065/66
- ) Loan recovery trend was in increasing starts up to FY 2066/67. 97.25 % of loan is recovery and rest 2.75 outstanding.
- ) Highest numbers of women were taking loan for agriculture and lowest number for pig keeping. Like this more women were taking loan ranging between RS 0 to 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.

#### **4.7.2 The Major Findings of the Study of Sample Women**

The major findings of the study of sample women could be addressed as follows:

- ) Most of the sample women were involved in different kinds of saving program such as regular and optional saving. The number of women which are saving more amounts is increased after entering into PGBB 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 pig keeping. The number of sample women and percentage of saving from agriculture, retail business and bio-gas was in increase after entering PGBB program.
- ) More women were paying the lending amount on time. It was increased by 2.96% after entering PGBB program. But it was in decreasing trend in women which weren't paying in time and paying beyond time.



- ) The percentage of sample women who have taken loan after entering PGBB program was increased to 92.08 % from 85.15 %.
- ) There was no big change in sectors of taking loan before and after entering PGBB program. More women were taking loan for agriculture purpose and fewer women for pig keeping.
- ) Loan repayment rate of women is satisfactory. Both interest and principle repayment rate was increased by 4.16 % after entering GBB program
- ) The condition of business which was running by taking loan was found running well after PGBB programs. It was increased by 3.37 %.
- ) The percentage of women who were earning maximum income from investment was increased to 41.93% from 36.05 %.So there was 6.94 % increase in women who earned maximum and minimum income after entering PGBB.
- ) More women were invested loan between RS 0 to 10,000. There was increase in number of women who were investing big loan amount after entering GBB programs except in RS 50,000 to 60,000.
- ) Women were earning more after entering GBB program. The number and percentage of women who are earning high amount were in increase after entering GBB programs.
- ) More women i.e. 55 sample women said that they prefer low interest rate, more loan amount and long repayment time to uplift their livelihood from poor women.
- ) Most of the participating women were married and the age structure of sample women were in range of 20 to 70 years.
- ) The participants were from different ethnic groups. Out of 101 sample 52 from higher class, 29 and 20 from middle and lower class respectively. 54 respondents are highly benefited by PGBB program and rest low benefited.
- ) Literate and well educated women were found more than illiterate. There were high numbers of women who are highly benefited from GBB in case of education level.
- ) After improving their economic condition, more than 51.49 % of women prefer fooding as priority sector then 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 have no any plan.
- ) 90 sample women i.e. 89.11 % of women said that there is improvement in their living standard after joining GBB.
- ) Out of 101 sample women 89 (88.12 %) of women said that they will 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 half of the total population are relatively backward in terms of opportunities to participate in the mainstream of development. Man and women are said to be two wheels of a cart. But proportion of women as member 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.

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

Kaski is a hilly district of Nepal. There are two municipalities and 43 VDCs. Hemja VDC is the one of them. There are 9 wards within this VDC. Women of this VDC are unprivileged with low socio-economic background, and poverty among the women is high. To alleviate this poverty and make women self-dependent, economically strong microfinance institutions are working. Grameen Bikas Bank is one of them. Grameen Bikas Bank was established in 2056 B.S. in Kaski as branch office. The general objective of the study is to analyze the impact of microfinance on women in case of Hemja VDC. 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 has been lunch by the NGOs and INGOs which are still working in rural areas. The other programs lunched by that organization and 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.

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 2067/68

The interest expenses on saving are decrease in FY 2063/64-2064/65 and slightly increase from last three 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 regular and optional saving; the percentage of women who are involved in regular and optional basis is in increasing trend after entering GBB programs. But there is decrease in percentage of women who are not saving more. This shows women's saving power is increasing.

Mobilization of save money by women is in increasing trend while the percentage of women who are not mobilized saved money is in slightly decreasing.

Repayment of loan on time is in increasing trend after entering GBB programs.

Loan outstanding is increase up to FY 2065/66 rapidly but after that is decreasing. In some years recovery is more than outstanding and in some years outstanding is less.

Majority of women are interested to pay loan on time, the numbers of women who are paying more increase to 74 from 65 so more loan repayment rate is satisfactory after entering PGBB.

Majority of women' income from investment is Maximum women who are earning more are increase after entering GBB. So the percentage of women who are earning maximum from investment is increasing comparing to women who are earning less.

Interest recovery on loan is satisfactory in every year women who are paying interest on time.

## **5.2 Conclusions:**

Group saving plays the vital role as sources of financing.

Majority of clients have interested in agriculture.

Saving capacity and habit has increased after the program intervention.

Proper utilizing of fund has changed the saving capacity of the clients but the fund not invested in productive sector dilute the saving capacity.

Loan recovery pattern seems sound.

The outstanding amount has decreased in the later year.

Majority of clients are aware about the terms and conditions of the saving and lending.

Percentage of women who are earning maximum from investment is increasing comparing to women who are earning less.

So the programs are effective. Regular payment of interest can be observed. The percentage of rich women seems lower in proportion.

Majority of clients prefer better terms and condition in interest rate, duration of loan and size of loan. Majority of respondents falls in middle aged.

The program has included all the ethnic class.

Majority of respondents confident to be an entrepreneur.

Majority of the client has improved their living standard and they have shown the full commitment over the program.

The overall performance of implementing PGBB program signify that the record of household survey, target group identification, group formulation, women participation, loan disbursement, repayment, outstanding and saving and its mobilization shows a good achievement of women development program.

The women's status of increasing income from investment is higher after entering GBB program. Also repayment pattern of disbursed loan shows a significant increase after GBB program.

In later years centre fund saving is increasing and individual saving seems consistence.

Monthly income of women is increasing after entering PGBB 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 low class.

More than half of women prefer fooding facilities after improving their economic condition. 56.44 % of women have maximum confidentiality of being successful entrepreneur among participating women.

Improvement of living standard of women increased more from GBB programs. 89.11% of women have high living standard. 88.12 % of women will continue their business in future also.

### **5.3 Recommendation**

The lending should be made on the basis of the requirement of the clients and not on the basis of achieving target. Loan amount have to increase. Due to rising of price in market, small amount isn't enough for starting enterprise. Due to competition of bank, interest rate is decreasing. So interest on loan should be managed as market demand. Productive investment should be emphasized, which may promote the capability of loan recovery and repayment. If the borrowers did not repay the loan in due time, they should be motivated to repay on time by offering cash discount and rebate in interest. It could be introduced fine or penalties to motivate to pay on time. Poorest of the poor women should be focused by the program by providing self income generating activities. The bank should be located in Hemja VDC instead of Pokhara valley. Due to this clients were suffering from traveling expenses and they also have devoted unnecessary time. National microfinance fund should be established by giving top priority in the national level. National microfinance policy should be formulated to increase outreach to the poorest of the poor and deprived women. Cost recovery approach should be introduced to widen the outreach.

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## Appendix 1

### Number of women taking loan

S.N	Description	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Yes	86	85.15	93	92.08	6.93
2	No	15	14.85	8	7.92	(6.93)
Total		101	100	101	100	

Hypothesis test,

Let  $n_1$  and  $n_2$  denote the size of large sample and Let  $X_1$  and  $X_2$  which denote the observed number of one event.

Now,  $P_1$  = observed sample proportion of event A before MFP =  $X_1/n_1$

$P_2$  = observed sample proportion of event A after MFP =  $X_2/n_2$

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}} \quad \text{Where, } \hat{P} = \frac{X_1}{n_1} \text{ and } \hat{Q} = \frac{X_2}{n_2}$$

$$\text{Or, } \hat{P} = \frac{86}{101} = 0.8515 \quad \text{Or, } \hat{Q} = \frac{93}{101} = 0.9208$$

$$\hat{Q} = 1 - \hat{P} = 1 - 0.8515 = 0.1485$$

Therefore,

$$Z = \frac{0.8515 - 0.9208}{\sqrt{0.8515 * 0.1485 \left(\frac{1}{101} + \frac{1}{101}\right)}}$$

$$Z = \frac{-0.0693}{0.002} = -34.65$$

Calculated Value of Z = -34.65

## Appendix 2

### Women Response to Repay of Loan

S.N	Description	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Both principle & interest	63	73.26	72	77.42	4.16
2	Interest only	23	26.74	21	22.58	(4.16)
Total		86	100	93	100	

**Source: Field survey, 2009**

Hypothesis test

Let  $n_1$  and  $n_2$  denote the size of large sample and Let  $X_1$  and  $X_2$  which denote the observed number of one event.

Now,  $P_1$  = observed sample proportion of event A before MFP =  $X_1/n_1$

$P_2$  = observed sample proportion of event A after MFP =  $X_2/n_2$

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q} \left( \frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where,  $\hat{P} = \frac{X_1}{n_1}$  and  $\hat{Q} = \frac{X_2}{n_2}$

Or,  $\hat{P} = \frac{63}{86}$  and  $\hat{Q} = \frac{72}{93}$

Or,  $\hat{P} = \frac{135}{179} = 0.7542$

$\hat{Q} = \frac{21}{93} = 0.2258$

$\hat{Q} = 1 - 0.7542 = 0.2458$

Therefore,

$$Z = \frac{0.7326 - 0.2258}{\sqrt{0.7542 * 0.2458 \left( \frac{1}{86} + \frac{1}{93} \right)}}$$

$$Z = \frac{0.7326 - 0.2258}{\sqrt{0.7542 * 0.2458 \left( \frac{1}{86} + \frac{1}{93} \right)}}$$

$$Z = \frac{0.0416}{0.004148} = 10.02$$

Calculated Value of Z = 10.02

### Appendix – 3

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

S.N	Description	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Running well	72	83.72	81	87.09	3.37
2	Running not well	14	16.28	12	12.91	(3.37)
Total		86	100	93	100	

**Source: Field survey, 2009**

Hypothesis test

Let  $n_1$  and  $n_2$  denote the size of large sample and Let  $X_1$  and  $X_2$  which denote the observed number of one event.

Now,  $P_1$  = observed sample proportion of event A before MFP =  $X_1/n_1$

$P_2$  = observed sample proportion of event A after MFP =  $X_2/n_2$

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Where,  $\hat{P} = \frac{X_1}{n_1}$  and  $\hat{Q} = \frac{X_2}{n_2}$

Or,  $\hat{P} = \frac{72}{86}$  and  $\hat{Q} = \frac{81}{93}$

Or,  $\hat{P} = \frac{153}{179} = 0.8547$

$\hat{Q} = \frac{12}{93} = 0.1452$

$\hat{Q} = \frac{12}{93} = 0.1452$

Therefore,

$$Z = \frac{0.8372 - 0.8709}{\sqrt{0.8547 * 0.1452 \left(\frac{1}{86} + \frac{1}{93}\right)}}$$

$$Z = \frac{0.8372 - 0.8709}{\sqrt{0.8547 * 0.1452 \left(\frac{1}{86} + \frac{1}{93}\right)}}$$

$Z = \frac{0.0337}{0.0028} = 12.13$

Calculated Value of Z = 12.13

#### Appendix -4

##### Amount Invested by Women in Different Sectors

SN	Amt in Rs	Before		After		% increase/decrease
		Number	%	Number	%	
1	0-10,000	22	25.58	24	25.81	0.23
2	10,000-20,000	17	19.76	13	13.97	(5.79)
3	20000-30000	16	18.62	23	24.73	6.11
4	30,000-40,000	13	15.12	16	17.26	2.09
5	40,000-50,000	11	12.79	12	12.90	0.11
6	50,000-60,000	7	8.13	5	5.38	(2.75)
Total		86	100	93	100	

Source; Field survey, 2009

Amount	Mid value(X)	Before		After		$(X - \bar{x}_1)^2$	$(X - \bar{x}_2)^2$
		Number( $x_1$ )	Total( $X * x_1$ )	Number( $x_2$ )	Total( $X * x_2$ )		
0-10,000	5,000	22	110,000	24	120,000	$(-19,070)^2$	$(-19,354)^2$
10,000-20,000	15,000	17	255,000	13	195,000	$(-9,070)^2$	$(-9,354)^2$
20,000-30,000	25,000	16	400,000	23	575,000	$(930)^2$	$(646)^2$
30,000-40,000	35,000	13	455,000	16	560,000	$(10,930)^2$	$(10,646)^2$
40,000-50,000	45,000	11	495,000	12	540,000	$(20,930)^2$	$(20,646)^2$
50,000-60,000	55,000	7	385,000	5	275,000	$(30,930)^2$	$(30,646)^2$
Total		86	2100,000	93	2265,000	1,960,989,400	1,941,263,896

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

$$\text{Before entering PGBB program } \bar{x} = \frac{x}{N} = \frac{2100,000}{86} = 24,070$$

$$\text{After entering PGBB program } \bar{x} = \frac{x}{N} = \frac{2265,000}{93} = 24,354$$

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

$x$  = Sum of Observations

$N$  = Total no. of Observations

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

$$\text{Before entering PGBB program } (\Xi) = \frac{\sqrt{1,960,989,400}}{86} =$$

$$\sqrt{22,802,202.33} = 4,775.16$$

$$\text{After entering PGBB program } (\Xi) = \frac{\sqrt{1,941,263,896}}{93} = \sqrt{20,873,805.33}$$

$$= 4,568.78$$

Where,  $\Xi$  = Standard Deviation

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

$N$  = Total number observations.

$$\text{Before entering PGBB program C. V.} = \frac{\Xi}{\bar{x}} = \frac{4,775.16}{24,070} = 0.1984 = 19.84\%$$

$$\text{After entering PGBB program C. V.} = \frac{\Xi}{\bar{x}} = \frac{4,568.78}{24,354} = 0.1876 = 18.76\%$$



**Appendix-5**  
**Monthly Income of Women**

SN	Income range in RS	Before		After		% Increase/decrease
		Numbers	%	Numbers	%	
1	0-5,000	36	35.65	32	31.69	(3.96)
2	5,000-10,000	28	27.72	26	25.74	(1.98)
3	10,000-15,000	17	16.83	21	20.79	3.96
4	15,000-20,000	12	11.88	13	12.87	0.99
5	20,000 & more	8	7.92	9	8.91	0.99
Total		101	100	101	100	

Source; Field survey, 2009

Amount	Mid value(X)	Before		After		$(X - \bar{x}_1)^2$	$(X - \bar{x}_2)^2$
		Number( $x_1$ )	Total( $X^* x_1$ )	Number( $x_2$ )	Total( $X^* x_2$ )		
0-5,000	2,500	36	90,000	32	80,000	$(-6,633)^2$	$(-7,301)^2$
5,000-10,000	7,500	28	210,000	26	195,000	$(-1,733)^2$	$(-2,301)^2$
10,000-15,000	12,500	17	212,000	21	262,500	$(3,367)^2$	$(2,699)^2$
15,000-20,000	17,500	12	210,000	13	227,000	$(8,367)^2$	$(7699)^2$
20,000 and more	25,000 (assume)	8	200,000	9	225,000	$(15,867)^2$	$(15,199)^2$
Total		101	922,500	101	990,000	380,105,045	356,168,005

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

$$\text{Before entering PGBB program } \bar{x} = \frac{x}{N} = \frac{922,500}{101} = 9,133$$

$$\text{After entering PGBB program } \bar{x} = \frac{x}{N} = \frac{990,000}{101} = 9,801$$

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

$\Sigma x$  = Sum of Observations

N = Total no. of Observations

$$\text{Standard Deviation } (\Sigma) = \sqrt{\frac{\Sigma (x - \bar{x})^2}{N}}$$

$$\text{Before entering PGBB program } (\Sigma) = \frac{\sqrt{380,105,045}}{101} = \sqrt{3,763,416.287} = 1,939.95$$

$$\text{After entering PGBB program } (\Sigma) = \frac{\sqrt{356,168,005}}{101} = \sqrt{3,526,415.891} = 1,877.87$$

Where,  $\Sigma$  = Standard Deviation

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

N = Total number observations.

$$\text{Before entering PGBB program C. V.} = \frac{\Sigma}{\bar{x}} = \frac{1,939.95}{9,133} = 0.2124 = 21.24 \%$$

$$\text{After entering PGBB program C. V.} = \frac{\Sigma}{\bar{x}} = \frac{1,877.87}{9,801} = 0.1916 = 19.16 \%$$

## Appendix -6

S.N	Name of respondents	Address	Centre number	Group
1	Dhan maya Sapkota	Hemja-4, Milanchok	3	Annapurna mahila samuha (samuha number 1)
2	Gita Shrestha		3	(samuha number 1)
3	Tika Baral		3	(samuha number 1)
4	Gita Pariyar		3	Samuha number 5
5	Bishnu Paruyar		3	Samuha number 5
6	Anju Shrestha		3	Samuha number 2
7	Balkumari Paudel		3	Samuha number 2
8	Mina Shrestha		3	Samuha number 2
9	Rajkumari Kuwar		3	Samuha number 3
10	Parbati Gurung		3	Samuha number 3
11	Budha Bajracharya		3	Samuha number 6
12	Narayani Bastola		3	Samuha number 6
13	Bishnu Paudel		3	Samuha number 4
14	Ran Kumari Nepali		3	Samuha number 4
15	Seti Paudel		3	Samuha number 7
16	Sita Darja		3	Samuha number 7
17	Lila Pariyar		3	Samuha number 7
18	Rita Pariyar	Hemja-2, Tallo hemja	13	Milan mahila samuha( samuha number 10)
19	Sushila Budhathoki		13	( samuha number 10)
20	Sushila Bastola		13	Samuha number 1
21	Saraswoti Bastola		13	( samuha number 10)
22	DurgaBhandari		13	Samuha number 2
23	Saruma nepali		13	( samuha number 10)
24	Chandra Gurung (dawadi)		13	Samuha number 9
25	Kamala Pun		13	Samuha number 9
26	Mamata Pariyar		13	Samuha number 3

27	Kalpana Nepali		13	Samuha number 3
28	Mina K.C	Hemja-7, Milan Chok	14	Samuha number 8
29	Muna Thapa		14	Samuha number 8
30	Kumari Thapa		14	Samuha number 6
31	Devi Thapa		14	Samuha number 6
32	Mina Paudel		14	Samuha number 7
33	Bishnu Nepali 'ka'		14	Samuha number 11
34	Bishnu Nepali 'kha'		14	Samuha number 11
35	Sita gharti		14	Samuha number 9
36	Sapana Nepali		14	Samuha number 9
37	Putali Chhetri		14	Samuha number 10
38	Laxi kuwar		14	Samuha number 10
39	Gita Nepali		14	Samuha number 3
40	Basanti Bhandari		14	Samuha number 3
41	Gyanu Thapa		14	Samuha number 3
42	Manu dumjan		14	Samuha number 5
43	Goma Pariyar		14	Samuha number 5
44	Rebati Pariyar		14	Samuha number 6
45	Ramkumari Nepali		14	Samuha number 6
46	Santa Kumari Shrestha		14	Samuha number 7
47	Mina Kumari Thapa		14	Samuha number 7
48	Reshamdevi(maiya) Kunwar		14	Samuha number 8
49	Ganga Sapkota		14	Samuha number 8
50	Deurupa Pariyar		14	Samuha number 4
51	Chandrakala Pariyar		14	Samuha number 4
52	Dalli Pariyar		14	Samuha number 4
53	Budhimaya Gurung	Hemja-9, Phedi	30	(Masina Bagar Mahila Samaj) samuha number 1
54	Renu paudel		30	samuha number 1

55	Chiya Gurung		30	Samuha number 2
56	Basmaya Gurung		30	Samuha number 2
57	Tara Gurung		30	Samuha number 4
58	Chinmaya Gurung		30	Samuha number 4
59	Balmaya Gurung		30	Samuha number 6
60	Maya Gurung		30	Samuha number 6
61	Dhan kumari Gurung		30	Samuha number 6
62	Mina Gurung		30	Samuha number 3
63	Harimaya Chhantyal		30	Samuha number 3
64	Sukmaya Gurung		30	Samuha number 7
65	Pajong Gurung		30	Samuha number 7
66	Kali Giri		30	Samuha number 7
67	Harimaya Lama		30	Samuha number 8
68	Sita Bharati		30	Samuha number 8
69	Usha kumari Gurung		30	Samuha number 8
70	Kuli Gurung		30	Samuha number 3
71	Dhanmaya Gurung	Hemja-1, Sukumbasi tole	25	Samuha number 3
72	Anita tamang		25	Samuha number 5
73	Kumari Gurung 'ka'		25	Samuha number 5
74	Saraswoti Giri		25	Samuha number 5
75	Krishna maya Gurung		25	Samuha number 9
76	Kumari Gurung 'kha'		25	Samuha number 9
77	Radha Gurung		25	Samuha number 10
78	Rumi Tamang		25	Samuha number 10
79	Radha Bhandari		25	Samuha number 10
80	Anju Gurung	Hemja-1, Yamdi	2	(Jaleshor mahila samuha) Samuh number 5
81	Maya Gurung		2	Samuha number 5
82	Somati Gurung		2	Samuha number 5

83	Jayanti Paudel		2	Samuha number 1
84	Kalpana sunar		2	Samuha number 1
85	Nanda kumari tamang		2	Samuha number3
86	Shiva Kumari Jyala		2	Samuha number3
87	Bishnu maya Gurung		2	Samuha number 6
88	Rashmi Gurung		2	Samuha number 6
87	Maya Gharti		2	Samuha number 4
88	Santu kami		2	Samuha number 4
87	Durga Karki		2	Samuha number 7
88	Gaumaya shrestha	Hemja-1, Tallo hemja	1	(Bishnu paduka mahila samaj) Samuha number 7
89	Raj kumari kunwar		1	Samuha number 1
90	Padma B.k`		1	Samuha number 1
91	Sita shrestha		1	Samuha number 5
92	Shova karki		1	Samuha number 5
93	Shiva kumari shrestha		1	Samuha number 3
94	Suvadra shrestha	Hemja-8, Sapkota Chok	8	(Sapkota Mahila Samaj) Samuha number 3
95	Urmila tamang		8	Samuha number 3
96	Pratima paudel		8	Samuha number2
97	Laxmi karki		8	Samuha number2
98	Tulasi Shrestha		8	Samuha number 4
99	Sarita Nepali		8	Samuha number 9
100	Juthi Jalari		8	Samuha number 7
101	Binu Jalari		8	Samuha number 7

## Questionnaire

म, हरि चापाई, पृथ्वीनारायण बहुमुखी क्याम्पस, स्नातकोत्तर तहको शोधपत्र 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, हजुरहरूले निम्न प्रश्नावलीको उपयुक्त उत्तर भरि दिई मेरो अनुसन्धानको कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

### IMPACT OF PASHCHIMANCHAL GRAMEEN BIKAS

#### BANK ON WOMEN

##### प्रश्नावली

नाम, थर :                      शैक्षिक योग्यता :

वडा नं. :            टोल :    संस्था :            सदस्य संख्या :

परिवार संख्या :                      समूह :

१. तपाईंको उमेर कति होला ?

क) २०-३० वर्ष    ख) ३०-४० वर्ष            ग) ४०-५० वर्ष

घ) ५०-६० वर्ष    ड) ६० वर्षभन्दा माथि

२. तपाईंको क्षेत्रमा घरधुरी सर्वेक्षण भएको छ ?

क) छ    ख) छैन

३. तपाईंको घरमा पिउने पानीको धारा छ ?

क) छ    ख) छैन

४. तपाईंको घरमा शौचालय छ ?

क) छ    ख) छैन

५. स्वास्थ्य सुविधा कति मात्रामा प्राप्त गर्नुभएको छ ?

क) पर्याप्त    ख) ठिक्कै            ग) थोरै                      घ) छैन

६. तपाईं कुनै बचत समूहमा आवद्ध हुनुहुन्छ ?

क) छु    ख) छैन

७. तपाईंको समूहको बैठक नियमित रूपमा हुन्छ ?

- क) हुन्छ ख) हुँदैन
८. निर्णय पुस्तिकामा बैठकको निर्णय लेख्नुहुन्छ ?
- क) छ ख) छैन
९. साधारणतया बैठकको समयमा तपाईंको समूहका सदस्यहरु बिच मनमुटाव हुन्छ ?
- क) हुन्छ ख) हुँदैन
- यदि मनमुटाव हुन्छ भने कसरी सुल्झाउनु हुन्छ ?
१०. तपाईंको समूहका सदस्यहरुको आर्थिक स्थिति कस्तो छ ?
- क) समान ख) केही मात्रामा फरक ग) बढी फरक
११. अहिले समूहबाट नियमित बचत गर्नुभएको छ ?
- क) छ ख) छैन/यदि छैन भने किन ?
१२. तपाईं समूहमा आवद्ध भएर राम्रो बचत गरे जस्तो लाग्छ वा लाग्दैन ?
- क) लाग्छ ख) लाग्दैन
१३. तपाईं कुन बचत कार्यक्रममा संलग्न हुनुहुन्छ ?
- क) समूह बचत ख) व्यक्तिगत बचत
- ग) वालशिक्षा बचत ग) अन्य बचत कोष
१४. मासिक सरदर कति रकम बचत गर्न सक्नुभएको छ ?
- पहिला ..... क) नियमित ..... ख) ऐच्छिक .....
- अहिले ..... क) नियमित ..... ख) ऐच्छिक .....
१५. के के स्रोतबाट रकम बचत गर्नुभएको छ ?

पहिला			अहिले		
सि.नं.	क्षेत्र/उद्देश्य	रकम	सि.नं.	क्षेत्र/उद्देश्य	रकम
	कृषि			कृषि	
	भैसीपालन			भैसीपालन	
	बाखापालन			बाखापालन	
	माछापालन			माछापालन	
	खुद्रा व्यापार			खुद्रा व्यापार	
	वायोग्याँस			वायोग्याँस	
	उद्योग			उद्योग	
	अन्य			अन्य	



१६. समूह बचत रकम कसैलाई सापटी वा ऋण दिनुभएको छ ?  
 पहिला क) छ ख) छैन  
 अहिले क) छ ख) छैन
१७. बचत रकम कति समयसम्मका लागि ऋण दिनुहुन्छ ?  
 पहिला .....  
 अहिले .....
१८. कति समयमा ऋण र किस्ताबन्दी फिर्ता हुन्छ ?  
 पहिला .....  
 अहिले .....
१९. सापटी दिएको रकम उठेको छ ?  
 पहिला क) उठेको छैन ख) आंशिक रुपमा उठेको छ ग) पुरै उठेको छ  
 अहिले क) उठेको छैन ख) आंशिक रुपमा उठेको छ ग) पुरै उठेको छ
२०. यदि समूहमा आवद्ध नभएको भए बचत गर्न सक्थे जस्तो लाग्छ वा लाग्दैन ?  
 क) लाग्छ ख) लाग्दैन
२१. अहिले तपाईंले कुनै समूहबाट ऋण लिनुभएको छ ?  
 क) छ ख) छैन
२२. यदि लिनुभएको छ भने कुन उद्देश्यको लागि कति रकम लिनुभएको छ ?

पहिला			अहिले		
सि.नं.	क्षेत्र/उद्देश्य	रकम	सि.नं.	क्षेत्र/उद्देश्य	रकम
	कृषि			कृषि	
	भैसीपालन			भैसीपालन	
	बाखापालन			बाखापालन	
	माछापालन			माछापालन	
	खुद्रा व्यापार			खुद्रा व्यापार	
	वायोग्याँस			वायोग्याँस	
	उद्योग			उद्योग	
	अन्य			अन्य	

२३. तपाईले लिएको ऋण रकम उद्देश्य अनुसार लगानी गर्नुभएको छ ?  
 पहिला क) छ ख) छैन  
 अहिले क) छ ख) छैन
२४. 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
२५. 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 ।
२६. 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
२७. 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
२८. 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
२९. तपाईले गरेको लगानीबाट कतिको आम्दानी गर्न सफल हुनुभएको छ ?  
 पहिला क) अधिकतम ख) न्यूनतम ग) छैन  
 अहिले क) अधिकतम ख) न्यूनतम ग) छैन
३०. 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. ....

३१. तपाईंले यस लगानीलाई भविष्यमा निरन्तरता दिएर अझ अघि बढी लगानी गर्ने उद्देश्य छ ?  
क) छ ख) छैन
३२. तपाईं समूहमा आवद्ध भएपछि तपाईंको आर्थिक अवस्थामा सुधार भएको छ ?  
क) छ ख) छैन
३३. तपाईंको आर्थिक अवस्थामा सुधार भएपछि कुन क्षेत्रलाई बढी प्राथमिकता दिनुहुन्छ ?  
क) शिक्षा ख) स्वास्थ्य ग) खानेपानी घ) बचत ङ) अन्य
३४. तपाईं समूहमा आवद्ध हुनु अघि र पछाडिको मासिक आम्दानी कति जति छ ?  
क) हुनुअघि लगभग ख) भएपछाडी लगभग
३५. तपाईंहरुले 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
३६. ग्रामीण विकास बैंकको कार्यबाट कति सन्तुष्ट हुनुहुन्छ ?  
क) अधिकतम ख) न्यूनतम ग) छैन
३७. तपाईंले आफूलाई महिला उद्यमीको रूपमा खडा गर्ने कतिको आत्मविश्वास छ ?  
क) बढी ख) कम ग) छैन
३८. ग्रामीण विकास बैंकले तपाईंको जीवनस्तरमा सुधार गर्नमा भूमिका खेलेको महसुस गर्नुभएको छ ?  
क) छ ख) छैन
३९. तपाईं आफूलाई कुन वर्गको महिलाको रूपमा वर्गीकरण गर्न चाहनुहुन्छ ?  
क) अति गरिव ख) गरिव ग) धनि घ) अति धनी
४०. 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

