

**IMPACT OF MICRO FINANCE ON WOMEN UNDER
SHREEJANA DEVELOPMENT CENTER
IN POKHARA, KASKI**

A Thesis

Submitted to the Department of Economics, Prithvi Narayan Campus,
Faculty of Humanities and Social Sciences of Tribhuvan University,
in Partial Fulfillment of the Requirements for the Degree of

MASTER OF ARTS

in

ECONOMICS

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This thesis entitled "Impact of Microfinance on Women under Shreejana Development Center in Pokhara, Kaski" has been prepared by Pushpa Nidhi Amgain under my supervision. I hereby recommend this thesis for approval by the thesis committee.

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ABSTRACT

Microfinance is not a new development. Its origin can be traced back to 1976, when Muhammad Yunus set up the Grameen Bank, as experiment, on the outskirts of Chittagong University campus in the village of Jobra, Bangladesh. Since then several microfinance institutions came up and have succeeded in reaching the poorest of the poor and have devised new ground-breaking strategies with time for the fulfillment of their vision. These included the provision of collateral free loans to poor people, especially in rural areas, at full-cost interest rates that are repayable in frequent installments. Borrowers are organized into groups and peer pressure among them, which reduced the risk of default. Microfinance is now being considered as one of the most important and an effective mechanism for poverty alleviation. These are also effective mechanism through which to disseminate precious information on ways to improve the health, education, legal rights, sanitation and other living standards, which are of relevant concerns for the poor. Above all, many micro-credit programs have targeted one of the most vulnerable groups in society-women, who live in households with little or almost no assets. By providing opportunities for self-employment, many studies have concluded that these programs have significantly improved women's security, autonomy, self-confidence and status within the household.

This thesis is to assess the impact of micro-finance on women under SDC with the main focus in Pokhara, Kaski. The objective of this study is to assess the impact on the poorest of the poor women's financial condition, to assess mode of loan, loan disbursement and repayment practice in SDC, to analyze contribution of savings and its mobilization pattern of women, to examine the relationship between investment and income and to examine the relationship between loan disbursement and recovery.

The most important aspects of microfinance are main principles of microfinance, savings, investment and loan disbursement and microfinance emphasis on poorest of poor women, which are discussed in the conceptual review. Review of related studies and research gap are under an empirical study.

This study covers SDC program from FY 2063/064 to 2067/068. This study has been used descriptive and analytical research design. The researcher has been chosen our

sample based on the simple random sampling method for the selection of sampled women. This study is based on primary and secondary data in Pokhara, Kaski. The researcher interviewed the people who are involved in microfinance SDC programs.

From the analysis of data, the researcher found that microfinance has the positive impact on women under SDC in Pokhara, Kaski. The majority of sample women are medium poor which occupies 78.32 percent. The literate respondents are getting high benefit after entering SDC programs and age structure of sample women where improving their economic conditions 36.91 percent of sample women prefers education as priority sector. The economic condition of sample women is improving after entering SDC programs. The loan recovery rate is more than that of outstanding rate. The highest numbers of women were taking loan for RB and the lowest number for APB. Loan repayment rate of sample women is not satisfactory level. The mobilization of collected savings fund is 15.82 percent increase in sample women after entering SDC programs. The recovery condition of lending fund shows the satisfactory after entering into SDC programs. The average investment by sample women in different sectors after SDC program is increase to Rs. 31554 from Rs. 22036 which gives the positive impact. The average monthly income of sample women after entering SDC program is increased to Rs. 14102 from Rs. 9287 which shows the positive impact of microfinance during the study period. From the appendix H, the coefficient of correlation is +0.998, between loan disbursement and recovery. A high loan disbursement rate is associated with a higher recovery rate. The value of $\beta = 0.86$ indicates the rate of loan disbursement per unit change in loan recovery is a positive fraction and hence it is increasing. The value of $\beta = - 7.22$ indicates the negative value of loan disbursement when the loan recovery is zero.

The researchers have been made the various suggestions for improvement and effective implementation of microfinance program to the targeted women. Education facility should be broadly extended to the targeted women. SDC should regularly supervise saving activities of area and also gives an essential directions and suggestions. The participating women should be educated about the proper utilization and mobilization of saving reaches to the poorest of the poor women. Productive investment should be focused which may promote the capacity of loan recovery and repayment.

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LIST OF ABBREVIATIONS

ADB	=	Asian Development Bank
ADB/M	=	Agriculture Development Bank / Manila
ADB/N	=	Agriculture Development Bank / Nepal
CBS	=	Central Bureau of Statistics
CIDA	=	Canadian International Development Agency
DSCP	=	Deprived Sector Credit Program
GBBs	=	Grameen Bikas Banks
GDP	=	Gross Domestic Product
GTZ	=	German Technical Services
IFAD	=	International Fund Agriculture Development
INGOs	=	International Non-Government Organizations
IRWDP	=	Integrated Rural Women Development Program
MC	=	Micro Credit
MF	=	Micro-Finance
MFD	=	Micro Finance Development
MFDBs	=	Microfinance Development Banks
MFI	=	Micro-Finance Institutions
MFPs	=	Micro-Finance Programs
MOF	=	Ministry of Finance
NBL	=	Nepal Bank Limited
NRB	=	Nepal Rastra Bank.
NUBL	=	Nirdhan Utthan Bank Limited
PFI	=	Project Financial Institutions
RMP	=	Rural Microfinance Project
SDC	=	Shreejana Development Centre
SDR	=	Standard Dollars Right
SMBK	=	Shreejana Mahila Bikas Kendra
SPO	=	Sub-Project Office
UNCDF	=	United Nations Capital Development Fund
UNDP	=	United Nations Development Program
VDCs	=	Village Development Committees
WTO	=	World Trade Organization