

**ROLE OF GRAMEEN BIKAS LAGHUBITTA BITTIYA SASTHA  
LIMITED FOR UPLIFTING INCOME OF RURAL PEOPLE IN NEPAL  
(A Case Study of Belbari Municipality, Morang)**

**A Thesis**

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## **RECOMMENDATION LETTER**

The thesis entitled **ROLE OF GRAMEEN BIKAS LAGHUTITTA BITTIYA SASTHA LIMITED FOR UPLIFTING INCOME OF RURAL PEOPLE IN NEPAL (A Case Study of Belbari Municipality, Morang)** has been prepared by **Khem Raj Rai** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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(Thesis Supervisor)

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## **APPROVAL LETTER**

The Thesis entitled **ROLE OF GRAMEEN BIKAS LAGHUTITTA BITTIYA SASTHA LIMITED FOR UPLIFTING INCOME OF RURAL PEOPLE IN NEPAL (A Case Study of Belbari Municipality, Morang)** prepared by **Khem Raj Rai** has been accepted as a Partial Fulfilment of the Requirements for the Degree of Master of Arts in Economics.

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This thesis entitled **Role of Grameen Bikas Laghubitta Bittiya Sanstha Limited for Uplifting Income of Rural People in Nepal: A Case Study of Belbari Municipality of Morang District** has been prepared for the partial fulfillment of the requirement of Master's Degree of Arts (MA) under the Faculty of Humanities and Social Sciences, Central Department of Economics, Tribhuvan University.

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## **ABSTRACT**

The study entitled Role of Grameen Bikas Laghubitta Bittiya Sanstha Limited for Uplifting Income of Rural People in Nepal: A Case Study of Belbari Municipality of Morang District has been conducted for the purpose to meet the academic requirement for MA thesis. Study tries to answer some important questions about income generation and microfinance in the periphery of rural people. More specifically and precisely, this study has picked issue of poverty reduction by microfinance through Grameen Bikas Bank (GBLBSL). The study is trying to answer impact of Grameen Bikas Program to rural people of Belbari Municipality of Morang District which is in province-1. Hundreds members have been selected as sampled and collected required data and information for the study. After analyzing those data and information, it is found that Grameen Bikas Program of GBLBSL has positive impact to most of those members. They have experienced some economic as well as social improvements after intervention of the Grameen Bikas Program. However, there are some financial literacy problems among low income group. GBLBSL needs to extend its financial coverage along with financial literacy program.

Occupational diversification of the women is one of the strong impacts of GBLBSL. Before bank intervention 24 percent engaged in "housekeeping" and 44 percent were engaged in 'agriculture' sectors. But now, most borrowers have changed their traditional occupations housekeeping and agriculture sectors and have adopted new business for higher level of income. One of the important achievements of organized GBLBSL is that it has successfully helped out rural women and increase co-operative behavior among them.

The main features of the GBLBSL are that it provides loan without taking any collateral and on the group guarantee basis through its door to door visit service or field activities work. In totally, positive role of the GBLBSL in changing socio-economic condition of rural poor women have been found from the field observation. It is also observed that some of the borrowers could not be able to take advantage by GBB program due to their bad nature.

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## **ABBREVIATIONS/ACRONYMS**

AD	Anno Domini
ADB	Asian Development Bank
ADBN	Agriculture Development Bank Nepal
CBS	Central Bureau of Statistics
DDC	District Development Committee
GB	Grameen Bank
GBB	Grameen Bikas Bank
GBFS	Grameen Bank Financial System
GBLBSL	Grameen Bikas Laghubitta Bittiya Sanstha Limited
GDP	Gross Domestic Product
GoN	Government of Nepal
HMG	His Majesty's Government
IBP	Intensive Banking Program
IFAD	International Fund for Agricultural Development
MCPW	Micro-credit Project for Women
MoFALD	Ministry of Federal Affairs and Local Development
MoLD	Ministry of Local Development
MP	Member of Parliament
NABL	Nabil Bank Limited
NBL	Nepal Bank Limited
NGO	Non-governmental Organization
NGOs	Non-governmental Organizations
NIBL	Nepal Indosuez Bank Limited
NPC	National Planning Commission
NRB	Nepal Rastra Bank

NRs	Nepalese Rupees
PCRW	Production Credit for Rural Women Program
PGBB	Purbanchal Grameen Bikas Bank
RBB	Rastriya Banijya Bank Limited
SAARC	South Asian Association for Regional Co-operation
SCBLN	Standard Chartered Bank Limited Nepal
SFDP	Small Farmer Development Project
SPGBB	Sudur-Pashchimanchal Grameen Bikas Bank
TU	Tribhuvan University
US	United States
VDC	Village Development Committee
VDCs	Village Development Committees
WDR	World Development Report