ASSESSMENT OF IMPACT OF MICROFINANCE ON WOMEN EMPOWERMENT: A CASE STUDY OF NIRDHAN UTTHAN BANK LIMITED IN DARECHOWK V.D.C. CHITWAN

By:

Pramod Rayamajhi **Prithvi Narayan Campus**

T.U. Registration Number: 8237-93

A Thesis Submitted to:

Office of the Dean Faculty of Management Tribhuvan University

In Partial fulfillment of the requirements of the degree of Masters of Business Studies (M.B.S.)

Pokhara April, 2012

RECOMMENDATION

This is to certify that the thesis:

Submitted by:

Pramod Rayamajhi

Entitled

Assessment of Impact of Microfinance on Woman Empowerment:

A Case Study of Nirdhan Utthan Bank Limited
in Darechowk V.D.C. Chitwan

has been prepared as approved by this department in the prescribed format of Faculty of Management. This thesis is forwarded for examination.

<u>Supervisor</u>	Head of Department
Name: Dr. Puspa Raj Sharma	Signature:
Signature:	Campus Chief:
	Signature:

Date:

VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

Pramod Rayamajhi

Entitled

Assessment of Impact of Microfinance on Woman Empowerment: A Case Study of Nirdhan Utthan Bank Limited in Darechowk V.D.C. Chitwan

and found the thesis to be the original work of the student and written according to the prescribed format. We recommended the thesis to be accepted as partial fulfillment of the requirements for Master's Degree in Business Studies (M.B.S.)

Viva-Voce Committee

Chairperson, Research Committee
Member (Thesis Supervisor)
Member (External Expert)
Member:
Date:

ACKNOWLEDGEMENT

It is the matter of great pleasure and contentment for me to have an opportunity to undertake this thesis in prescribed format of Tribhuvan University for partial fulfillment of the requirement for the degree of Master of Business Studies under the faculty of management. First of all, I would like to acknowledge Tribhuvan University and Prithvi Narayan Campus, Pokhara for providing this opportunity.

I wish to express my intense gratitude to my thesis supervisor, Associate Professor Dr. Puspa Raj Sharma, Head of the Faculty of Management Research, P.N.C., Pokhara, for his proper guidance to complete this research work. His constant inspiration and support since beginning has resulted in the completion of this thesis. Without his valuable suggestions, it would not be possible for me to complete the thesis. I am appreciative to all my teachers and friends who gave their precious time, valuable advice, and continuous support to have the research done.

I would like to convey my profound appreciation to the Staffs of Western Regional Library, P.N.C., Pokhara who let me easy access to all the required materials which made me enriched with information for completion of this thesis.

I wish to offer my special thanks to Mr. Raju Tamang, branch manager of NUBL, Mugling, and all other staffs of the branch for their kind cooperation for provision of required data. Above all, I am grateful to the respondents who filled up the questionnaires despite of their busy schedule.

I am grateful to my brother Mr. Binod Rayamajhi for his strong support to perform final computer work of the thesis. It is my great fortune to have such a helpful, friendly, loving, and motivating wife, Mrs. Laxmi Kunwar who always gave me courage and back-up to complete my research. I am highly indebted to my respected parents and sister-in-law, as well, for their unconditional love, motivation and encouragement in preparing this thesis. Finally, I wish to thank Mr. Rajendra Prasad Adhikari of Prabha Computer & Photocopy Center for taking care of printing, binding and other computer works.

I am solely responsible for any typing errors or omissions in this thesis.

Date: April, 2012 Pramod Rayamajhi

TABLE OF CONTENTS

Recommendation
Viva-Voce Sheet
Acknowledgement
Table of Contents
List of Tables
List of Figures
Abbreviation

Chap	Chapter	
I	INTRODUCTION	1-7
	Background of the Study	1
	Focus of the Study	4
	Statement of the Problem	4
	Objectives of the Study	5
	Significance of the Study	6
	Delimitations of the Study	6
	Organization of the Study	7
II	REVIEW OF LITERATURE	8-34
	Conceptual Framework	8
	Review of Related Studies	25
	Research Gap	34
III	RESEARCH METHODOLOGY	35-39
	Research Design	35
	Study Area	36
	Population and Sample	36
	Nature and Sources of Data	37
	Data Collection Techniques	37
	Data Processing, Analysis and Presentation	38
IV	PRESENTATION AND ANALYSIS OF DATA	40-61
	Data Presentation and Analysis	40
	Major Findings of the Study	58
\mathbf{V}	SUMMARY, CONCLUSION AND RECOMMENDATIONS	62-65
	Summary	62
	Conclusion	64
	Recommendations	64

BIBLIOGRAPHY APPENDICES

LIST OF TABLES

Table	No. Table Title	Page No.
2.1	Name of Class 'D' Micro Credit Development Banks	20
2.2	Name of Saving and Credit Co-operatives	22
2.3	Name of Non-Government Organizations	23
3.1	Distribution of Sample Women of NUBL in Darechowk	37
4.1	Number of women According to Age	40
4.2	Number of Women according to Educational Status	42
4.3	Marital Status of Sample Women	43
4.4	Number of Women According to Cast and Ethnicity	44
4.5	Change in Decision Making Power of Women	45
4.6	Change in Self Confidence Level of Women	47
4.7	Change in Gender Equality Status of Women	48
4.8	Change in Social and Political Participation of Women	49
4.9	Change in Women Control over Income	50
4.10	Change in Awareness Level of Women of Social Issues and Problem	ms 51
4.11	Change in Family Relationship and Domestic Violence of Women	52
4.12	Saving of NUBL in Different Saving Programs	53
4.13	Collateral Free Loan of NUBL in Different Loan Programs	55
4.14	Collateral Based Loan of NUBL in Different Loan Programs	57

LIST OF FIGURES

Figure	No. Figure Title	Page No.
4.1	Number of Women According to Age	41
4.2	Number of Women According to Educational Status	42
4.3	Marital Status of Women	43
4.4	Number of Women According to Cast and Ethnicity	44
4.5	Total Saving in Different Years	54
4.6	Collateral Free Loan in Different Years	56
4.7	Collateral Based Loan in Different Years	57

ABBREVIATION

ADBN : Agriculture Development Bank Nepal

B.S. : Bikram Sambat

BAFIA : Banking and Financial Institution Act

BPFA : Beijing Platform for Action

CEDAW : Convention on the Elimination of Discrimination Against women

CGISP : Community Ground Water Irrigation Sector Project

CIDA : Canadian International Development Agency

CO : Community Organization

DLGSP : Decentralized Local Governance Support Program

Dr. : Doctor

FINCA : Foundation for International Community Assistance

FINGO : Financial Intermediary Non-Governmental Organization

G.N. : Government of Nepal

GBB : Grameen Bikas Bank

GBBR : Grameen Bikas Bank Replicators

HDI : Human Development Index

INGO : International Non-Governmental Organization

LDC : Least Developed Countries

Ltd. : Limited

MFI : Microfinance Institution

NGO : Non-Governmental Organization

NRB : Nepal Rastra Bank

NUBL : Nirdhan Utthan Bank Limited

NWCN : National Women's Commission of Nepal

PAF : Poverty Alleviation Fund

PAPWT : Poverty Alleviation Project for Western Terai

PCRW: Production Credit for Rural Women

PDDP : Participatory District Development Program

Ph.D. : Doctor of Philosophy

PO : Partner Organization

RMDC : Rural Microfinance Development Centre

RMP : Rural Microfinance Project

RSRF : Rural Self Reliance Fund

SACCO : Saving and Credit Co-operative

SFCL : Small Farmer's Cooperative Limited

SFDP : Small Farmer's Development Program

SHG : Self Help Group

SKBBL : Sana Kisan Bikas Bank Limited

SLC : School Leaving Certificate

SME : Small and Medium Enterprises

SPO : Sub-Project Offices

TLDP : Third Livestock Development Project

UNDP : United Nations Development Programme

VDC : Village Development Committee

VDP : Village Development Programme

\$: Dollar

% : Percentage