

**ROLE OF MICROFINANCE ON OVERALL  
DEVELOPMENT OF WOMEN**  
(A Case Study of Hemja VDC, Kaski District)

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## RECOMMENDATION

This is to certify that the thesis

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## DECLARATION

I hereby declare that the work reported in this thesis entitled "**Role of Microfinance on Overall Development of Women**" submitted to Shankar Dev Campus, Faculty of Management, Tribhuvan University is my original work done for the partial fulfillment of the requirements for the Master's Degree of Business studies (M.B.S.) under the supervision and guidance of **Shree Bhadra Neupane** and **Binod Kumar Pandey** of Shankar Dev Campus, Putalisadak, Kathmandu.

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## ABBREVIATIONS

ADB/M	=	Agriculture Development Bank Manila
ADB/N	=	Agriculture Development Bank Nepal
CBS	=	Central Bureau of Statistics
CECI	=	Central For International Studies and Co-operation
CMF	=	Center Microfinance
CV	=	Coefficient Variance
EPR	=	Employment Population Ratio
FY	=	Fiscal Year
GBB	=	Grameen Bikash Bank
GDP	=	Gross Development Product
GNI	=	Gross National Income
ILO	=	International Labor Organization
MF	=	Microfinance
MFI	=	Microfinance Institution
MFPs	=	Microfinance Programmers
MFS	=	Microfinance Sectors
MoF	=	Ministry of Finance
NBL	=	Nepal Bank Limited
NGO	=	Non-government Organization
NPC	=	Nepal Planning Commission
NRB	=	Nepal Rastra Bank
PCI	=	Per Capital Income
PGGB	=	Paschimanchal Grameen Bikash Bank
RRDB	=	Regional Rural Development Bank
RSC	=	Royal Saving and Co-operative
RUPP	=	Rural Urban Participatory Program
SNA	=	Systems of National Accounts
SSC	=	Saving and Cooperative Societies
UN	=	United Nation
UNDP	=	United Nation Development Program
VDC	=	Village Development Committee

# CHAPTER - I

## INTRODUCTION

### 1.1 Background of the Study

Nepal is a small land locked and largely mountainous country is among the world's 50 least developing countries. Sluggish economic growth, a low level of industrialization, underdeveloped production structure with limited commodities to export, high concentration of labor force in agriculture etc are some of its characteristics. It has a population of 28.6 million. Thirty-one percent of the population lives below poverty line. Out of total population 85% live in rural areas and dependency in agriculture is 80% people consume around 88% of Gross Domestic Product (GDP). Gross domestic saving and investment is around 12% and 27.3% of GDP respectively. Saving and investment gap is around 16%. Such a huge gap implies that Nepal has depended on foreign assistance to meet its investment requirement. So lack of self dependency is clearly seen. This clearly indicates the necessity of some concrete measures for the sustainable development of the nation.

Organized financial sector in Nepal Bank Limited is the first bank of Nepal. Which was established in 1937. After that, Nepal Rastra Bank, Aastha Banijya Bank, Agriculture Development Bank and Nepal Industrial Development Bank. The country has now a number of commercial banks, development banks, financial banks, credit and saving cooperatives rural development bank non-government organization etc. One of the rural development bank is Paschimanchal Grameen Bikas Bank (PGGB).

PGGB has been contributing since 1994 in the field of micro finance. The bank has been operating under the financial evidence 2061. Head office by the bank is its Butwal. It has 36 branch in 13 districts of Western development region of Nepal. It had 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.

Nepal being a mountainous country, micro finance 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 village like "Amma Samunha". On the other hand, the self-help groups pay attention only for institutional development rather than the beneficiaries.

Hemja VDC lise in Kaski district of Western Development Region of Gandaki Zone. The economic condition of the people of this VDC is not bad. Most of the people depended upon agriculture and other are engage in public services, small business/trade and other works. The main occupation of small land holders and landless farmers is agriculture labor.

Women of this area involved in agriculture. It will be beneficial for women if they some 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, Swalamban Bikas Kendra etc. They form a group of women, ranging mostly from 4-5 women. They collect some fund themselves within the group and invest. Organization it self 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 uses to invest Farming Small Women group. Hemja VDC is also implementing a Rural Urban Participatory Program (RUPP) with assistance of United Nation Development Program (UNDP). Now it is organizing in only 4 wards in VDC. Garmeen Bikas Bank is doing micro finance activities in whole district.

## **1.2 Focus of the Study**

In every society poverty has a burning problem. A country can now achieve sustainable economic progress without tackling it. Since Nepal's 31% of people are under poverty, government has also laid emphasis on poverty alleviation. In this context micro finance is a major way out to address poverty. It is an effective tool is

raising the standard of living of rural poor, especially the women and granting them socio-economic study in the society. However, there is a need to undertake study on the impact of micro finance on women in raising their socio-economic status. For the purpose the role of PGBB in Hemja VDC, Kaski in alleviating poverty among women has been studied as a case. The present study mainly concentrated on exploring how PGBB had 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 a poor women's financial condition through micro finance activities.

### **1.3 Statement of the Problem**

Women of Nepal are poorest than men because they lack access to health, education and economic resources. Most of the women of the women 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 Programs (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 district and five urban areas.

Although Kaski is one of the educational district 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 issue may be pored. Problem in relation to the study within Hemja VDC, Kaski the following questions need to be addressed:

- ) How is saving and its mobilization pattern of women is Group?
- ) How is the mode of loan, loan disbursement and repayment practice in the women Group?
- ) 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?

Above questions are really pertinent if we are serious in helping poor women.

#### **1.4 Objectives of the Study**

The general objective of the study is to assess the role of microfinance in the development of women in Hemja VDC of Kaski district.

Specific objective of the study are:

- ) To analyze saving and its mobilization pattern of women.
- ) To analyze the relationship between investment and income and in between loan disbursement and recovery.
- ) To assess the impact of microfinance on the poorest of the poor women's financial condition.

#### **1.5 Significance of the Study**

In Nepalese prospective, majority of people live in village. They are suffering from malnutrition, lack of schooling and other human necessities. They are unable to start new venture due to lack of financial problem. 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. Significant of the study is to find out problem and prospects in near future. The present study has practical relevance. It attempts to find out the ways it is trying to find out women's condition in Nepalese society not only supports the economic condition of women but also has positive impacts on their social life through better standard of living with greater access to education and health facilities and empowerment to participate in decisions of the society.

## **1.6 Limitation of the Study**

Main objectives of the study are to analyze impact of microfinance on women. It is also required to fulfill the academic requirement of Master of Business studies. No any research escapes from limitation:

- ) This study is confined within Hemja VDC of Kaski.
- ) The study covers Grameen Bikas Bank's program between 2062/63 to 2066/67.
- ) The study is confined to women's only
- ) Sample is taken from among the women involved in micro enterprise program.

## **1.7 Organization of the Study**

This study has been organization in to five chapters:

### **Chapter I: Introduction**

Major issues to investigate along with the objectives, significance, focus and limitation of the study and organization of the study have been personated in the chapter.

### **Chapter II: Review of Literature**

This chapter consists of theoretical framework of microfinance and review of related studies.



### **Chapter III: Research Methodology**

The methods followed by us in analyzing the objectives listed above have been outline in the third chapter. In includes research design, sources of information, sample selection and the statistical tool used for the purpose of analysis.

### **Chapter IV: Presentation and Analysis of Data**

Chapter four deal 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: Summary, Conclusion and Recommendation**

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

## CHAPTER - II

### REVIEW OF LITERATURE

#### 2.1 Conceptual Framework

It is difficult to find and 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 B.S.: 23*)

First of all potential characters (Women poor back warded 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 group are passed through next five step which are information, participation, partnership, ownership, agree. The first step of second phase is in formation 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.

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 increase the quality of their lives and those of their dependents.

### **2.1.1 Microfinance and Women**

In our context, generally women are dependent on man. So women are mostly poor access to finance. In village areas, they are involved in household and agricultural activities. To collect and raise small fund, they can involve in different groups and community. For this microfinance is an effective tool. The main objective is to investigate the impact of microfinance in particular the self help group Bank linkage program on women empowerment. 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 there to promote gender equality and empower women. For microfinance to show an impact on women's empowerment, it needs to be supplemented by microfinance plus or other non-financial services, like training, awareness creation programs, education etc.

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

ADB (2000), country studies, the earliest initiatives for establishing micro finance services in Nepal can be dated back to the 1950s when the first credit cooperatives were established. These were primarily intended to provide credit to the agricultural sector. A well-structured and specialized program to cater to the financial needs of the poor was provided further impetus with the launching of the Small Farmer Development Program (SFDP) in 1975 within ADB/N. 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. In 1981, to strengthen the priority sector program, 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-one for the eastern region and another for 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.

Besides these, NGO's and cooperatives have also had on increasing role in microfinance. Center for Microfinance in Nepal (CMF) was established in July 21, 2000 with main activities of providing trainings, technical assistance consultancy services and undertaking studies, research, documentation and publications etc.

### **2.1.3 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 follow:

- ) MFIs are able to know their markets 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.

Three major principles are considered in microfinance. Those are:

- ) 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.

#### **2.1.4 Microfinance In terms of Saving, Investment and Loan Distribution**

Microfinance is targeted to poor and low-income people. It includes loans, savings, insurance, transfer services and financial services. Providers of microfinance include non-government organizations (NGOs), self-help groups, cooperatives, credit union, and commercial bank. Insurance and credit card companies and other points of sale. The poor already save in ways that we may not consider as “normal” saving-investing in assets, for example, that can be easily exchanged to cash in the future. After all, they face the same series of sudden demands for cash we all face: illness, school fees, needs to expand the dwelling, burial, and weddings. It is hard to cut off one leg of a goat that represents a family’s savings mechanism when the sudden need for a small amount of cash arises, or, if poor women has loaned her “saved” funds to a family member in order to keep them safe from theft, they may not be already available when the women need them. The poor need saving services that are both safe and liquid. These savings services must be adapted to meet the Poor’s particular demand and their cash flow cycle. Thus to maximize the savings propensity of the poor, institutions must provide flexible opportunities- both in terms of amounts deposited and the frequency of pay ins and pay outs. This represents important challenges for the microfinance industry that has not yet made a concerted attempt to profitably capture tiny deposits.

Saving and investment are two parts of same coin. If people save they are encourage investing also. Women in the rural village area are interested to invest in gold and other small profitable sector. They cannot invest in large area because their saving is low. The main objectives to save are that either to invest or to provide service to poor people. So from the microfinance activities some women are saving and other poor women are getting benefit from loan services at low rate.

From newsletter of RMDC (2006). Prof. Yunus’s long-term vision is to make the world free of poverty. He argued that loans to the poor without physical collateral had once appeared to be an impossible idea. He also showed that micro credit is a strong instrument to alleviate poverty in the developing countries. Loan clients are the most valuable agents in MFI operation. Income of MFI depends on loan client’s willingness to receive financial services on continuous basis. For efficiency MFI

requires that their entire client borrow and make disciplined transaction. Mobilization and recovery of loan should be impartial. Loan can be in the form of individual loan; group loan etc. individual loan should be mobilized on the collateral of real assets where as in group loan also more emphasis is given on group guarantee.

### **2.1.5 Microfinance Emphasis on Poorest of Poor Women**

Women are behind man in Nepalese society. They are lacking access to financial services. They should depend on man for financial services. Most of women are staying in rural areas. They are poor and illiterate also. It is necessary to uplift their livelihood. So microfinance is such an effective tool, which will bring change in their life, and they will be easily access to financial services. In Nepal, there are micro credit programs for poor women both in the public sector and in the non-governmental sector. The majority credit programs in the public sector are the women development program of the small farmers development program (WDP/SFDP), production credit for Rural Women (PCRW) Program and Regional Rural Development Banks (RRDBs). Apart from numerous non-registered NGOs, there are a lot of registered NGOs, which primarily operate as welfare organizations but may include saving-credit activities for poor women.

### **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 industry (MFI), each playing a significant role in its development. However their roles have to respond to emerging requirements. According to Bashyal (2008), following models are 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 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 is the last century are the example 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. So 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.
- ) 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 and which are legally registered are informal type.

**D 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.

**e. 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.

**f. Role of the Government**

It is necessary to have a perspective plan on microfinance- the plan well integrated with the nations economic development perspective plan with the clear out 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.

**2.1.7 Micro Credit Programs in Nepal**

The unit describes the historical background of Nepalese financial system, microfinance systems. It also includes different programs which are working in the field of microfinance. These microfinance programs are playing great role from their side to uplift livelihood of poor Nepalese women as well as other people in remote areas of Nepal.

**2.1.8 Microfinance System in Nepal**

The formal sector micro lending activities began in 1956 with the establishment of credit cooperatives in the Rapti Vally 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, the cooperative bank was established in 1959. As a result, 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. The role of Grameen Bikas Banks (GBBs) in rural micro financing has increased recently but their share in total outstanding rural institutional credit was less



than 2 %. Microfinance practice formally started in 1974 since the Nepal Rastra Bank's (NRB) direction 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.

### **2.1.9 Microfinance Programs**

The three largest banking institutional 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 the alleviation 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 which was redefined as the 'Priority Sector' in 1976 and lending target was raised to 7%. The objectives of NRB was to direct some portion of the farmers and entrepreneurs in the priority sector credit program, as this initial stage had to face several constraints and barriers. NBL, RBB and the Nepal Arab Bank Ltd. Are financing their priority sector credit under the Intensive Banking Program and the remaining 10 commercial banks are financing the 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.

#### **b. Small Farmer Development Program (SFDP)**

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: 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.

**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 to 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 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. Govt.'s Women Development Section (WDS) staff identifies the target groups and motivates them to form a group of 4 to 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 the staffs of banks and WDS monitor and supervise 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.

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 and
- ) 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.

- J Lack of appropriate technology and raw materials.
- J Inadequacy opportunities i.e. skill development training and marketing of product and services.
- J Opportunity for free movement of trained bank and WDS staff out of program.
- J Improper coordination between bank and WDS staffs to implement the program.

**e. Micro Credit Project for Women**

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 govt. in 1993 and project loan completion date as March 2000 (Bashyal, 2008: 51). This project has properly utilized the lesson learned from PCRW. MCPW is fully committed to develop and involved 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:

- i. Improvement of the socio economic status and condition of women.
- ii. Provision of financial and non-financial services to women in integrated way.
- iii. Provision of necessary institutional supports to NGOs.
- iv. Institutionalization of NGOs as financial intermediaries and
- v. 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.

- i. Social mobilization of women.
- ii. Skill development training to borrowers.
- iii. Financial and non-financial services to NGOs.
- iv. 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 and 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 in the Nepalese microfinance sector in other developing countries. These banks cater to the credit needs of the poor women who had limited access to institutional credit services at their doorstep. Under this banking system a woman with less than 0.6 hectare of land in the hills can participate in a group, which is comprised of five women.

#### **g. Other Microfinance Programs**

There are other microfinance programs operated in Nepal. These are

- ) Rural self-Reliance Fund (RSRF):
- ) Cooperative Societies and NGOs:
- ) Banking with poor:
- ) Rural Microfinance Development Center:
- ) Sana kisan Bikas Bank (SKBB):

#### **2.1.10 Socio-economic Background of Women in Nepal**

Although education skills and formal opportunities are limited, majority of women in Nepal are primarily involved in self-employed activities as a means of supporting their families. Women lack technical know-how capital, managerial skills, and access to credit, market and resources to make any significant improvement in their economic condition.

ADB (1999), women's economic activity rates even by conventional definitions are estimated to be much higher than those reported in the census data. A scrutiny of regional data clearly indicates a persistent reporting bias in economic activity rates. While the overwhelming majority of mountain (73.6%) and hill (57.9%) women were reported as economically active only about 27% of the Terai women were so

reported. Another point of concern is the declining economic activity rate of women in urban areas, shown to have fallen from 31.5% in 1981 to 20.3% in 1991.

Asian Development Bank (2004), Nepal had a population of 24.8 million people with an annual growth rate of 2.3%. The Nepal Standard of living survey report from 2004 revealed that the population living on less than US\$ 1 per day has decreased to 31%, compared with 42% eight years ago. The unemployment rate in the country was 2% in rural areas and 7% in urban locales. However, the International Labour Organization reports that 73.3% of the working age population is employed by informal sectors of Nepal's economy.

Bashyal (2008) stress that a large number of micro credit programs have focused on expanding micro loans to support economic activities of the poor and disenfranchised groups in the society mostly women poorest the poor. Data have proved that 19.3 million women in the world falls under this category, of which only 14.2 million have access to financial services according for nearly 74% of those poorest women. Women manage day-to-day household budgets, and are more likely to save money from any increase in income from any resources for family welfare. They proved themselves to be much better credit risks than male counter-parts.

In Nepal, the percentage of economically active female and male population is 43.7 and 62.6 percentage respectively. An estimated national level unemployment is 5.1 percent. The labour force participation rate of population for 16-49 years of age for female and male is 67.6% respectively. The unpaid women workers are 12.9% where as male are 5.7%. Approximately, 70 % of women working outside the domestic sphere. Women occupy only 8.1% of the professional workforce in agriculture and natural resource management (*Bashyal, 2008:74*).

### **2.1.11 Regulatory and Legal Environment of Nepal**

The law in Nepal doesn't actively restrict the foundation of microfinance for women. It is necessary, however to obtain an operating license from the central bank that coordinates the licensing with relevant government, ministers. Commercial banking institutions are also free to undertake microfinance lending. There is a lack of

restrictive legislation when it comes to credit unions in Nepal. The 2004 bank and Finance ordinance are responsible for overseeing a regulating any issues pertaining to the microfinance sector in the country.

International Trade administration of the United States (ITA) stressed that, the most significant foreign investment laws are:

- J The Foreign Investment and One window policy of 1992
- J The foreign Investment and Technology Transfer Acts of 1992 and 1996
- J The Finance Act of 2002 and most recent Finance Ordinance 2004 ( and annual budget act)
- J The immigration Rules of 1994 and the Customs Act of 1997
- J The Industrial Enterprises Act of 1997
- J The Electricity Act of 1992 and
- J Patent, Design and Trademark Act of 1965.

The government recently unveiled the national microfinance policy intended at enhancing the capacity for microfinance. The latest rural loan survey shows that only 20 % of the demand of loans from the rural areas is met. The research carried out by ADB states that there is a shortfall of RS. 13 billion between the supply and demand of rural loans. Analysis said boosting microfinance could be a greater tool to cut poverty in Nepal.

#### **2.1.12 Definition of Key Terminology**

##### **a. Management of Saving and Credit for Women**

Saving facilities will help household risk management the most when women are safe and accessible to the depositors, and when the poor can deposit small amounts on a frequent basis. Credit is only one kind of financial service. Credit has gained wide acceptable as a key strategy for poverty alleviation and women empowerment. Loan can be disbursed with collateral and sometimes without collateral also.

**b. Concept of Group and Center**

Beneficiaries are organized into group. There is certain number of members in a group. Group includes one group leader, one secretary and other few members and functions at the center level only. One group leader elects in a group. Group is the idea in Grameen Bikas Bank for loan demand processing, saving, weekly of 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.

**c. Credit with and without Collateral Securities**

GBB are in operation one each in all development regions to provide credit without collateral; to deprived rural people especially from GBB on the basis of Collateral also.

**d. Loan Demand and Processing of Loan**

As the whole process of loan demands and collections is based on group and collateral; accountability, the group decided the amount of the loan requires to members either in case of collateral base on 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

**e. Saving of Members**

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



**f. 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. There is no compulsory to save for women in this saving program.

**g. 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 Rs 1 as centre fund collection in every week.

**h. Fine Fund**

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

**i. 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.

**2.2 Review of Related Studies**

In Nepal, over half a dozen MFI has been in operating since the early 1990s. Although a lot of research have been done on microfinance. This financial role of microfinance on women is new topic for MBS. There are a lot of papers and views related to microfinance activities which were presented in different seminars and functions. Several research works has been collected through different books, dissertation, papers, journals, articles and electronic devices.

### 2.2.1 Review of Journals and Articles

This part includes the major related studies which are taken from articles, journals, electronic devices etc.

ADB (1999) organized a regional workshop program on "*The Role of Central Bank's in Microfinance in Asia Pacific*". A paper was presented by working group three on 'Researching the Poorest'. This paper describes that many MFIs have been successful in reaching the poor. Substantial challenges remain for researching 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-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.

Shrestha (2007), published an article "*Microfinance: A Tool to fight with poverty*" is concerned with reviews the targeted institution 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 household 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 of rural women and microcredit program for woman, Rural Development Banks and others 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) published an article on '*Microfinance and women Empowerment*'. The study 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 tarai 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 tarai 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 tarai women's income control as compared to hills. Tarai shows a relatively greater change in family relationship and domestic violence.

### **2.2.2 Review of Thesis**

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) undertook a study on *"Impact of Grameen Bikas Bank on Poverty Alleviation Among the Women of the Far Western Development Region"*. The specific objectives of this study were:

- ) To find out the impact of micro credit given by the Grameen Bikas Bank 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.
- ) Micro finance 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 improved accordingly.

Lekhak (2004) the study on *"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.

Poudyal (2005), under the title of "*Micro Finance and its 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) undertook a study on "*Micro Finance in Nepal and Role of RMDC in Micro Credit Development*" along with specifying the following objectives:

- 1 To examine the Micro finance performance of RMDC
- 2 To examine RMDC's contribution to microfinance development in Nepal.

This 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.

Poudel, (2007) has conducted a study 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.

Timilsina, (2010) under took a study on “*Impact of Microfinance on Financial Empowerment of Terai Dalit Women*” on the objective of to analyze empowerment of Dalit women. The study found that micro saving and credit scheme is being popular in the community and they are get in profitable position. They have succeeded to utilize income and investment for generate profit. These studies conclude that the gender disparity has remarkably decreased. Women’s confidence level has been raised from their personal level to the community level.

Gyawali, (2011) stressed that on “*Impact of Microfinance Program in Socio-Economic Empowerment of Women in Nepal.*” The main objectives of the study was impact of socio-economic empowerment of women through the microfinance program has made participating client women more disciplined and conscious on time management. Further, awareness on enterprises handing, trading and local economic scenario has upgraded. Their social interaction and community level harmony, mutual cooperation is magnificently increased however at the same time the treat of having social conflict has raised because of group liability to repay loan. Domestic level violence and discrimination has also been reduced and their role on household level economic activities and participation on decision making process.

### **Research Gap**

Research is a regular process, so it can’t be complete. So many studies have presented in microfinance in different heads. These studies have own objectives. Most of the studies have concluded that microfinance can substantially contribute in economic and social empowerment of women. But these studies represent the saving and it’s mobilization by poor women through microfinance program.

Most of previous studies were specific on special issues of financial empowerment like income generation, loan utilization, credit repayment and others. These studies differ from those studies as different aspect such as utilization of loan and getting income then generate investment.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

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.

#### **3.1 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 and analytical approach has been used mainly for conceptualization of the research objectives and research problem of the study.

#### **3.2 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.

#### **3.3 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 containing 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.



### 3.4 Nature and Source of Data

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

- ) Questionnaire.
- ) Annual reports from PGBB.

### 3.5 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.

Analysis is the careful study of available facts so that one can understand and draw conclusion on the basis of established principles and sound logic. 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.
- ) Some statistical tools such as Mean, standard deviation, coefficient of variation and z-test also used.

#### Statistical Tools

Following statistical tools are used in this study.

##### 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,

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

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

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

$\Sigma x$  = 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, 2009: 323). The small value of s. d. implies the high degree of uniformity and homogeneity of the distribution and vice versa.

Symbolically,

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

Where,  $\Sigma$  = Standard Deviation

$\Sigma (x - \bar{x})^2$  = 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,

$$C. V. = \frac{s}{\bar{x}}$$

Where, C.V. = Coefficient on Variation

$s$  = Standard Deviation

$\bar{x}$  = Arithmetic mean

#### 4. 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;

- ) If sample size is 30 or more then 30
- ) Then sample have been drawn from 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 =  $X_2/n_2$

$$Z = \frac{P_1 Z P_2}{\sqrt{\hat{P}\hat{Q} \frac{1}{n_1} \Gamma \frac{1}{n_2}}}$$

**Where,**  $\hat{P} X \frac{X_1 \Gamma X_2}{n_1 \Gamma n_2}$

$$\hat{Q} X \hat{Z} \hat{P}^A$$

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

Data are present on the basis of saving, mobilization, loan, investment and income and response of sample women. Data are presented as follows:

#### 4.1 Presentation and Analysis of Secondary Data

##### 4.1.1 Saving By Group Members under Saving Programs

The status of saving by women under different saving program is presented in:

**Table 4.1**  
**Saving by group Members in Different Saving Programs**

*(In Rs.)*

S. N	Fiscal year	Group saving		Centre fund saving		Individual saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2062/63	3,811,269	92.36	32,246	0.78	282,960	6.86	4,126,475	100
2	2063/64	4,165,487	92.61	34,854	0.77	297,643	6.62	4,497,984	100
3	2064/65	4,337,491	92.43	36,773	0.78	318,288	6.79	4,692,552	100
4	2065/66	4,835,017	86.78	369,690	6.64	366,788	6.58	5,571,495	100
5	2066/67	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
Standard deviation		483,760.235		197,805.574		43,307.483		713,751.902	
C.V		0.109		1.108		0.131		0.145	

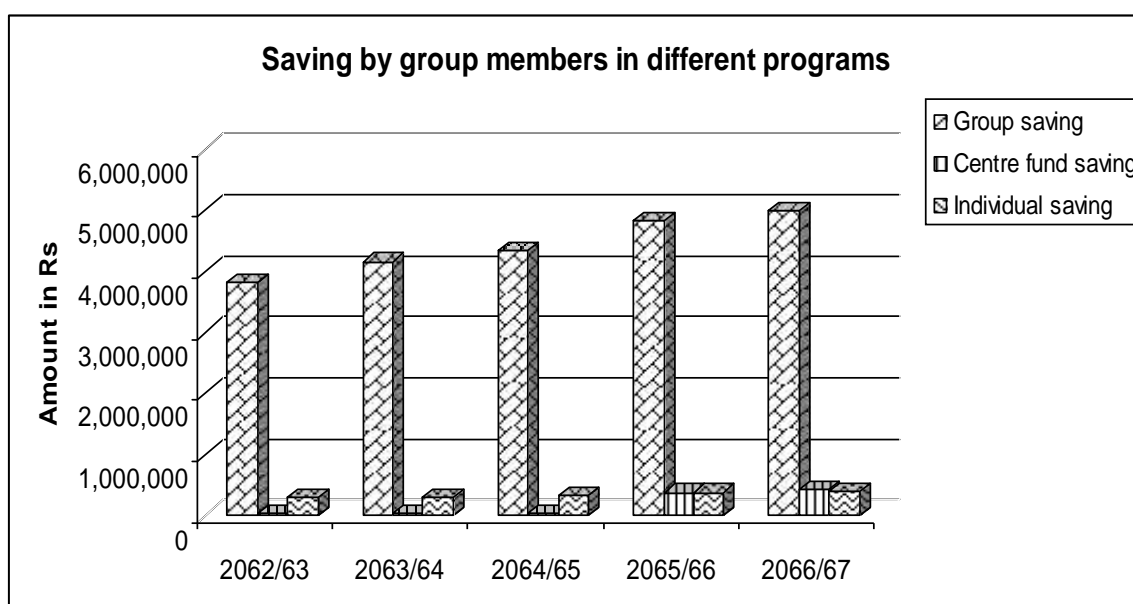
Source: Annual Report of PGBB, 2010.

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 stand at RS 24,677,418. 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 being increasing yearly but the group saving seems little decreased than past year's proportion. However women seem too 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:

**Figure 4.1**  
**Saving by Group Members in Different Saving Programs**



#### 4.1.2 Loan Disbursement in Different Programs

PGBB Kaski, distributes loan on different programs. The state of the loan disbursement by PGBB Kaski in last five fiscal years is shown in table 4.2

**Table 4.2**  
**Loan Disbursement by PGBB**

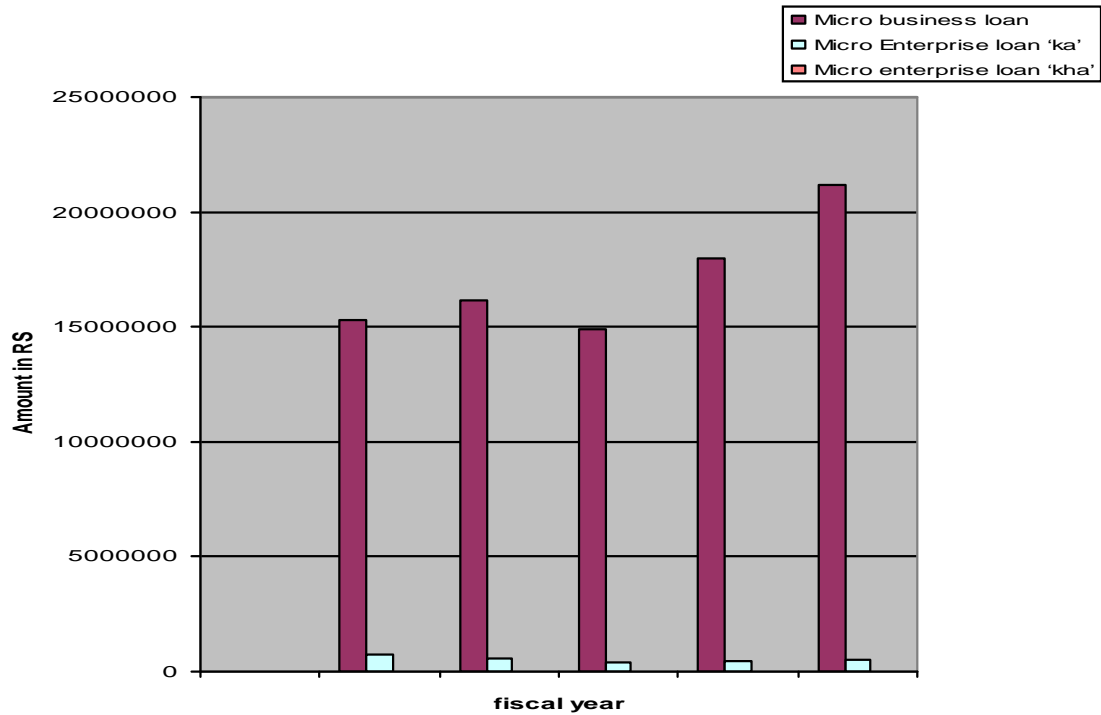
S.N	Fiscal year	Micro business loan		Micro Enterprise loan 'ka'		Micro enterprise loan 'kha'		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2062/63	15,307,430	17.90	727,533	26.77	0	0	16,034,963	18.16
2	2063/64	16,147,895	18.86	572,096	21.06	0	0	16,719,991	18.94
3	2064/65	14,883,890	17.41	426,790	15.70	0	0	15,310,680	17.34
4	2065/66	17,961,679	21.03	467,316	17.19	23000	45.1	18,451,995	20.91
5	2066/67	21,203,280	24.8	524,116	19.28	28000	54.9	21,755,396	24.65
Total		85,504,174	100	2,717,851	100	53000	100	88,273,025	100

*Source: Annual Report of PGBB, 2010.*

The upper table shows the distribution of loan to the women of PGBB in fiscal years from 2062/63 to 2066/67. 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 in last five fiscal years was Rs 88,273,025. Out of this RS 85,504,174 was distributed for micro business loan, Rs 2,717,851 was distributed for micro enterprise loan 'ka' and Rs 53,000 was distributed for micro enterprise loan 'kha'. The overall highest percentage of loan distribution was 24.65 % in fiscal year 2066/67 and smallest percentage of loan distribution was 17.34% in fiscal year 2064/65 amounting Rs 88,273,025 and Rs 15,310,680 respectively. Loan disbursement rate is increased. It implies that women want more funds to invest in productive sectors. It is positive signalling for the program.

Following figure 4.2 also clear about the loan disbursement by PGBB Kaski in different years in different programs.

**Figure 4.2**  
**Loan Disbursement in Different Programme**



#### 4.1.3 Loan Recovery and Outstanding

Since loan is distributed in different programs and recovery is also from different programs. But according to PGBB report overall recovery is shown. So the state of loan recovery and outstanding is shown in table 4.3

**Table 4.3**  
**Loan Recovery and Outstanding**

S.N	Fiscal year	Recovery		Outstanding		Total	
		Amount	%	Amount	%	Amount	%
1	2062/63	15,347,744	95.71	687,219	4.29	16,034,963	100
2	2063/64	16,303,674	97.51	416,317	2.49	16,719,991	100
3	2064/65	14,541,749	94.98	768,931	5.02	15,310,680	100
4	2065/66	18,083,409	98	368,586	2	18,451,995	100
5	2066/67	21,571,817	99.16	183,579	0.84	21,755,396	100
Total		85,848,393		2,424,632		88,273,025	
Average		17,169,679	97.07	484,926	2.93		100

*Source: Annual Report of PGBB, 2010.*

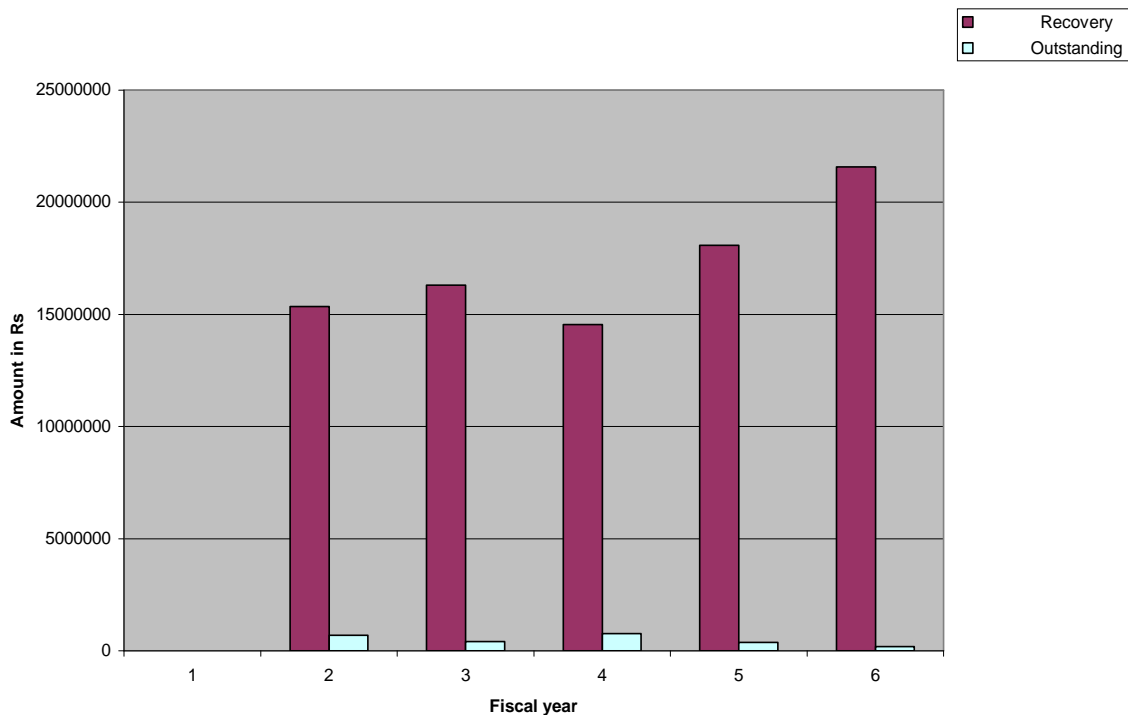


Above table shows the amount and % of loan recovered by PGGB from groups of women in different fiscal years. It also shows the outstanding loan of PGGB in different fiscal years. The total loan recovery on last five year was Rs 85,848,393 and outstanding was RS 2,424,632. Highest amount and percentage of loan recovery was in fiscal year 2066/67 mounting to 21,571,817. The smallest amount loan recovery was in fiscal year 2064/65 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. PGGB program seems able to recover their fund. There is no chance of bad debts.

The table 4.3 can also present by following graphical form:

**Figure 4.3**

**Loan recovery and outstanding**



#### 4.1.4 Interest Recovery Situation of Loan Disbursement

The state of interest recovery situation of loan disbursement is shown in table 4.4

**Table 4.4**  
**Interest Recovery Situation of Loan Disbursement**

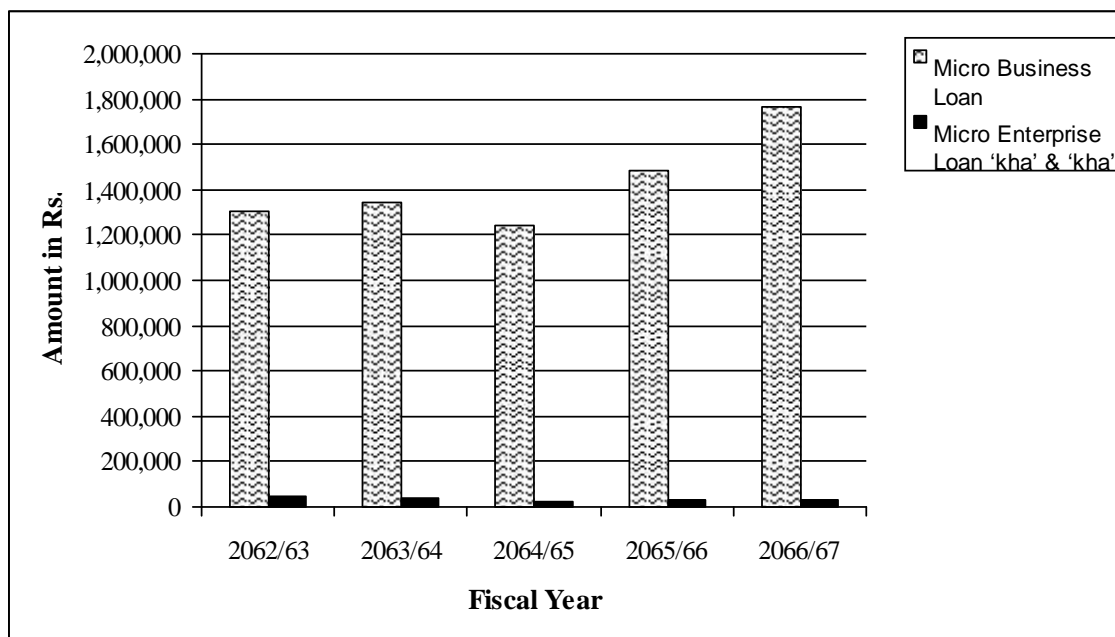
S.N.	Fiscal Year	Micro Business Loan		Micro Enterprise Loan 'kha' & 'kha'	
		Amt	%	Amt	%
1	2062/63	1,301,131	18.23	47,289	26.56
2	2063/64	1,344,328	18.83	36,797	20.67
3	2064/65	1,242,804	17.14	27,267	15.32
4	2065/66	1,486,149	20.82	32,360	18.18
5	2066/67	1,764,312	24.71	34,302	19.27
Total		7,138,724	100	178,015	

*Source: Annual Report of PGBB, 2010.*

Above table shows the interest recovery in different fiscal 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. The highest percentage of loan recovery from micro business loan was 24.71 % in FY 2066/67 and from micro enterprise loan 'ka' and 'kha' was 26.56 % in FY 2062/63. Interest recovery situation was relatively favourable.

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

**Figure 4.4**  
**Interest Recovery Situation of Loan Disbursement**



## 4.2 Presentation and Analysis of Primary Data

### 4.2.1 Regular Saving of Sample Women

The regular saving of sample women is presented in table 4.5

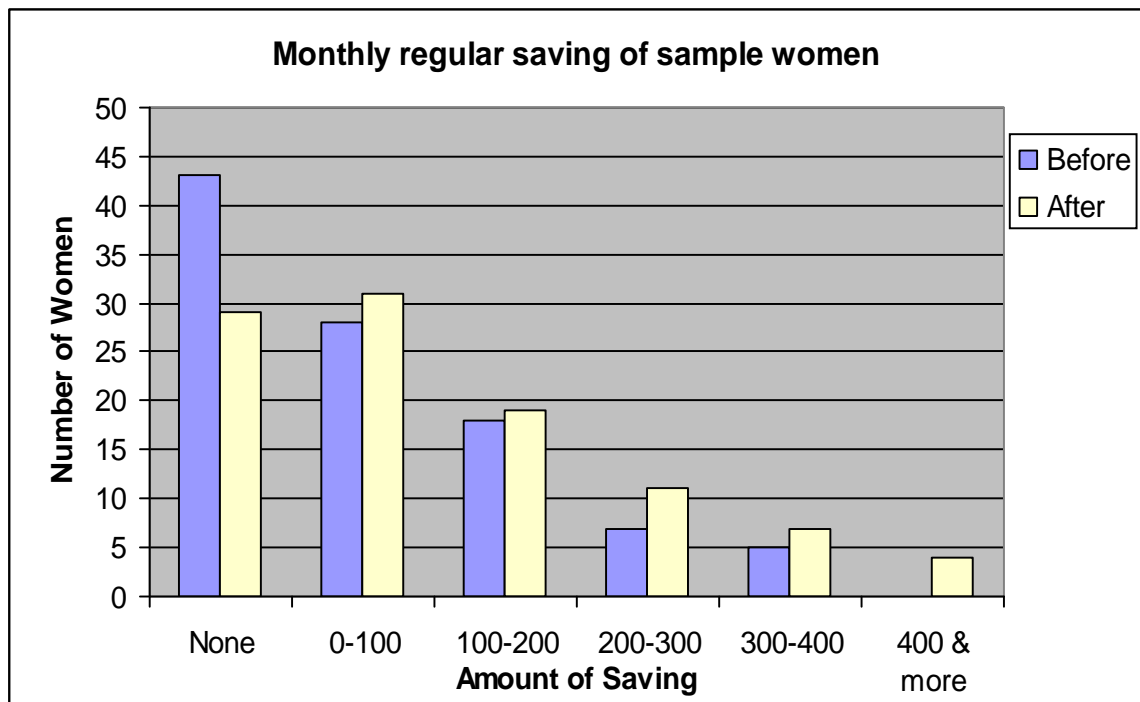
**Table 4.5**  
**Monthly Regular Saving of Sample Women**

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, 2011.

Above table shows the regular 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. 43 women were not saving regularly before involvement in GBB programs but after the number are 29 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 4 with 3.96% increase. Monthly regular saving of sample women is gone to save more amount than Non-saving or little. 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 4.5**



#### 4.2.2 Optional Saving of Sample Women

The Optional Saving of sample women is shown in table 4.6

**Table 4.6**  
**Monthly Optional Saving of Sample Women**

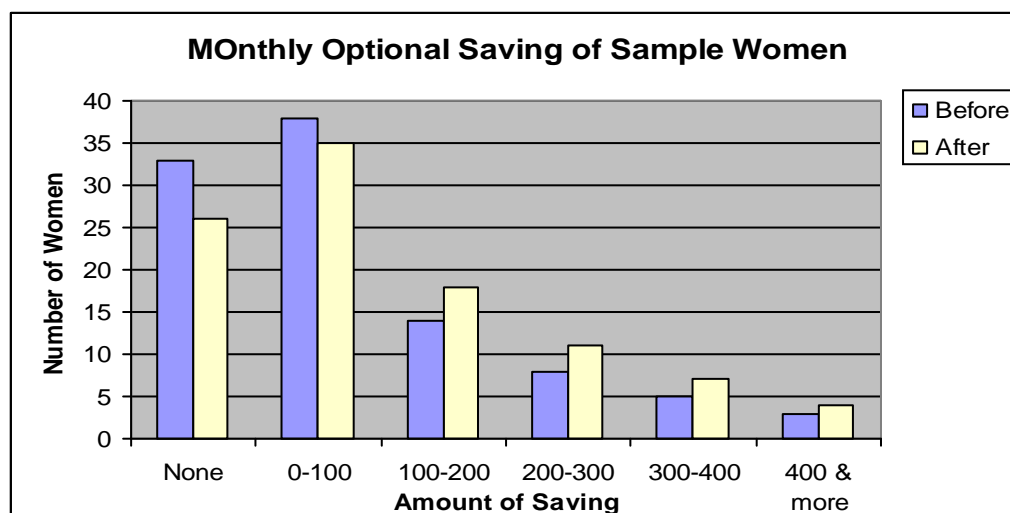
S.N	Amount in Rs	Before		After		Increase/decrease
		Numbers	%	Numbers	%	
1	None	33	32.67	26	25.74	(6.93)
2	0-100	38	37.62	35	34.66	(2.96)
3	100-200	14	13.86	18	17.82	3.96
4	200-300	8	7.93	11	10.89	2.96
5	300-400	5	4.95	7	6.93	1.98
6	400 & more	3	2.97	4	3.96	0.99
Total		101	100	101	100	

*Source: Field Survey, 2011.*

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 can hardly earn a little money and save little also, after entering PGBB program they are involving in different economic activities and generate more income. So they freely save more money in different ranges. It seems that program is able to benefit them.

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

**Figure 4.6**



### 4.2.3 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. The status of women saving is shown in following table 4.7.

**Table 4.7**  
**Sector Wise Saving**

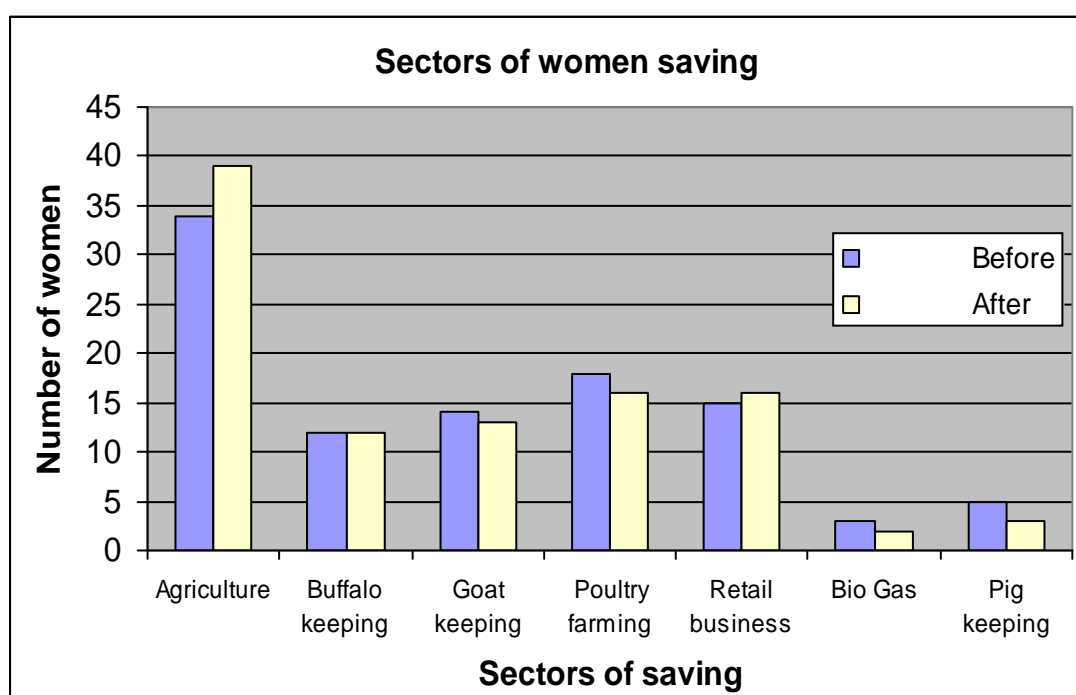
S.N	Sectors	Before		After		Increase/ decrease
		Numbers	%	Numbers	%	
1	Agriculture	34	33.66	39	38.62	4.96
2	Buffalo keeping	12	11.88	12	11.88	-
3	Goat keeping	14	13.87	13	12.87	(1)
4	Poultry farming	18	17.82	16	15.84	(1.98)
5	Retail business	15	14.85	16	15.84	.99
6	Bio Gas	3	2.97	2	1.98	(.99)
7	Pig keeping	5	4.95	3	2.97	(1.98)
Total		101	100	101	100	

*Source: Field Survey, 2011.*

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.

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. Respondents are able to generate more income from agriculture so more women save from this sector comparing to other sectors. The above table 4.7 can be presented by following graphical presentation.

Figure 4.7



#### 4.2.4 Mobilization of Collected Saving Fund

Saving and investment are two alternative parts. When people save they will be motivated to invest that money to earn more. Women involving in GBB programs and saving small money are lending that money to other people in community. Doing this both people are benefited. Investor can get interest and borrower can utilize that money in appropriate area.

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

Table 4.8  
Mobilization of Collected Saving Fund

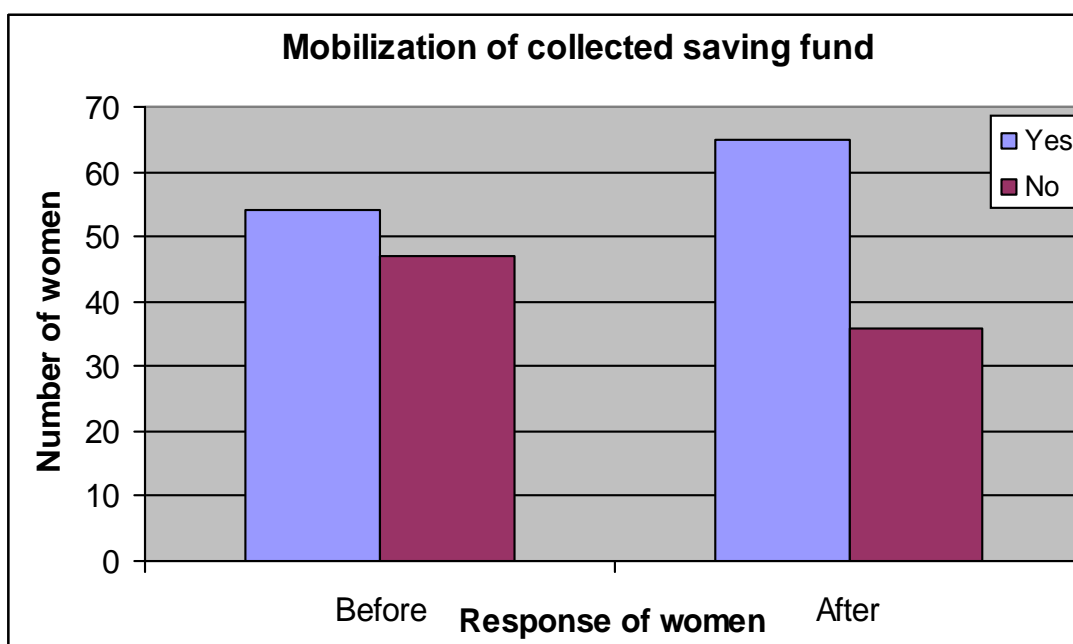
S.N	Description	Before		After		% increase/ decrease
		Numbers	%	Numbers	%	
1	Yes	54	53.47	65	64.35	10.88
2	No	47	46.53	36	35.65	(10.88)
Total		101	100	101	100	

Source: Field Survey, 2011.

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

The following figure also shows the change in women who were lending and were not lending:

**Figure 4.8**



#### **4.2.5 Recovery Status of Lending Fund**

Recovery is necessary for lending amount. But sometimes due to different reasons it can be difficult to recover lend amount. The following table shows the status of recovery of lending amount.



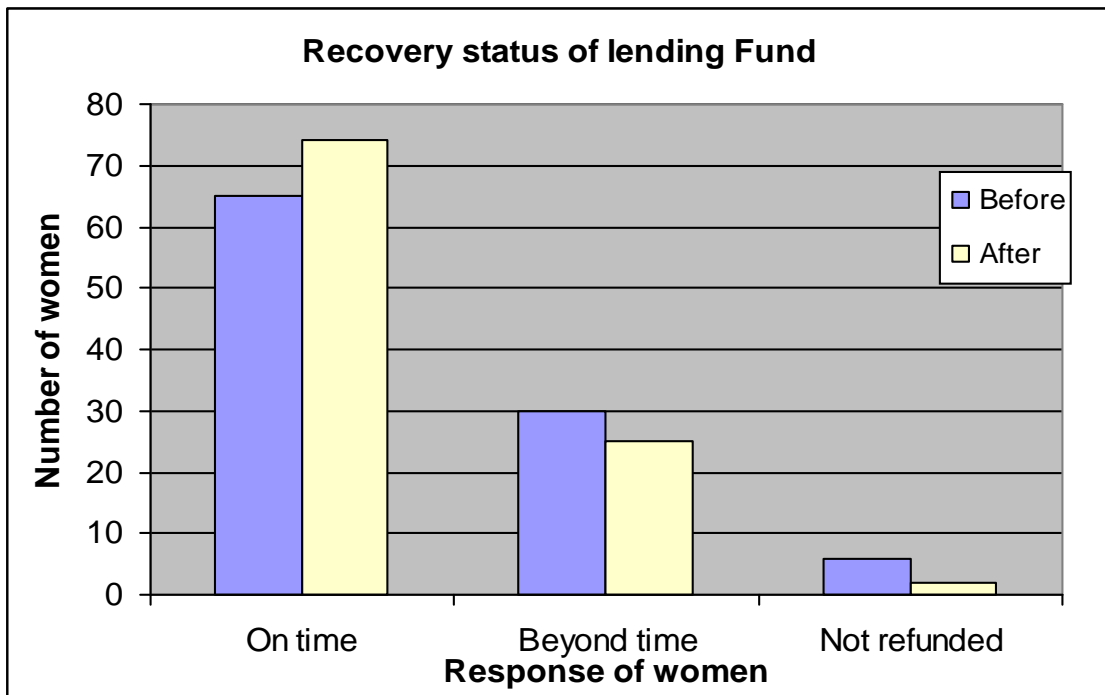
**Table 4.9**  
**Recovery Status of Lending Fund**

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, 2011.*

From the above table it is shown that recovery of money which was mobilized by women. The survey shows the satisfactory result of recovery of women's lending amount after entering into GBB's programs. Repayment of loan on time is in increasing trend after entering PGBB so loan recovery pattern seems sound. Following figure also makes us clear about the recovery of lending amount of women's.

**Figure 4.9**



#### 4.2.6 Number of Women Taking Loan

Most of the women were not financially sufficient. So they were taking loan to run their livelihood and also to earn some money. Following table shows the numbers of women taking loan before and after involvement in PGBB activities.

**Table 4.10**  
**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	

Source: Field Survey, 2011.

#### Hypothesis Test,

##### Null Hypothesis (H<sub>0</sub>): P<sub>1</sub>=P<sub>2</sub>

There is no significant improvement in the proportions of women population in the concern of number of women taking loan after involving PGBB program.

**Alternative Hypothesis (H<sub>1</sub>) = P<sub>1</sub>>P<sub>2</sub>:** there is significant improvement in the proportions of women population in the concern of number of women taking loan after involving PGBB program.

Calculated Value of Z= 34.65 (From Appendix-1)

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

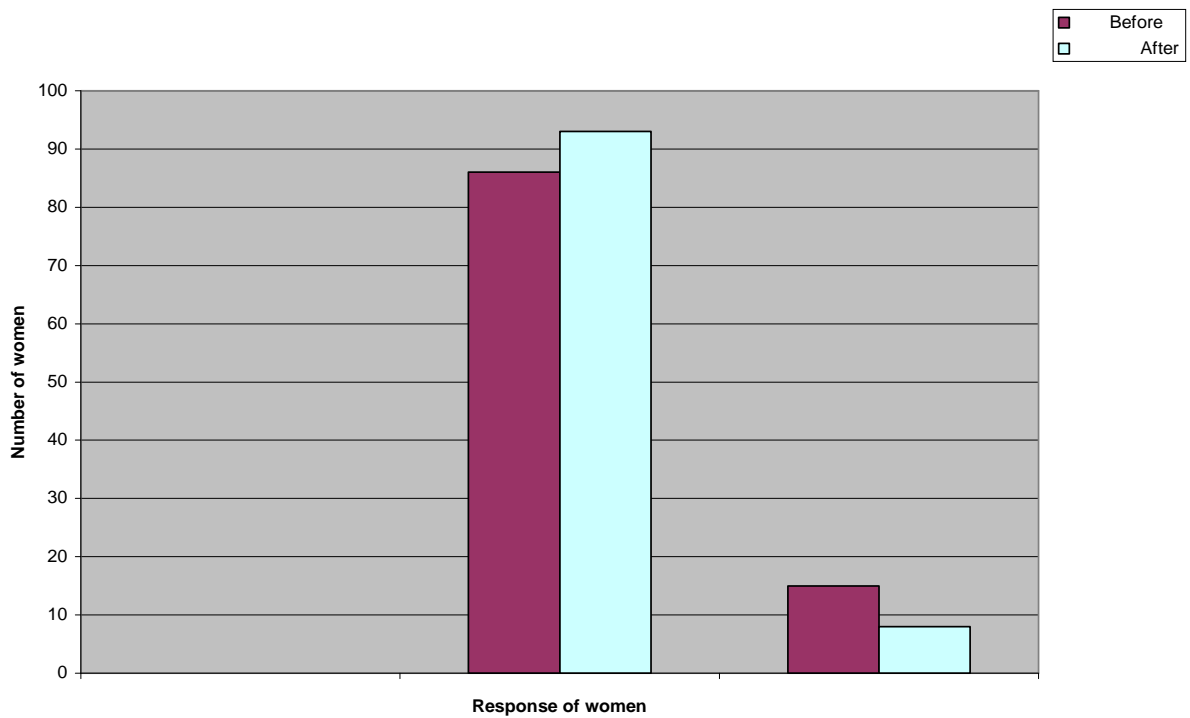
#### Result

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 number of women taking loan after involving PGBB program.

The graphical presentation of above data is given below

**Figure 4.10**

Number of women taking loan



**4.2.7 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 4.11**  
Sectors of Loan Mobilization

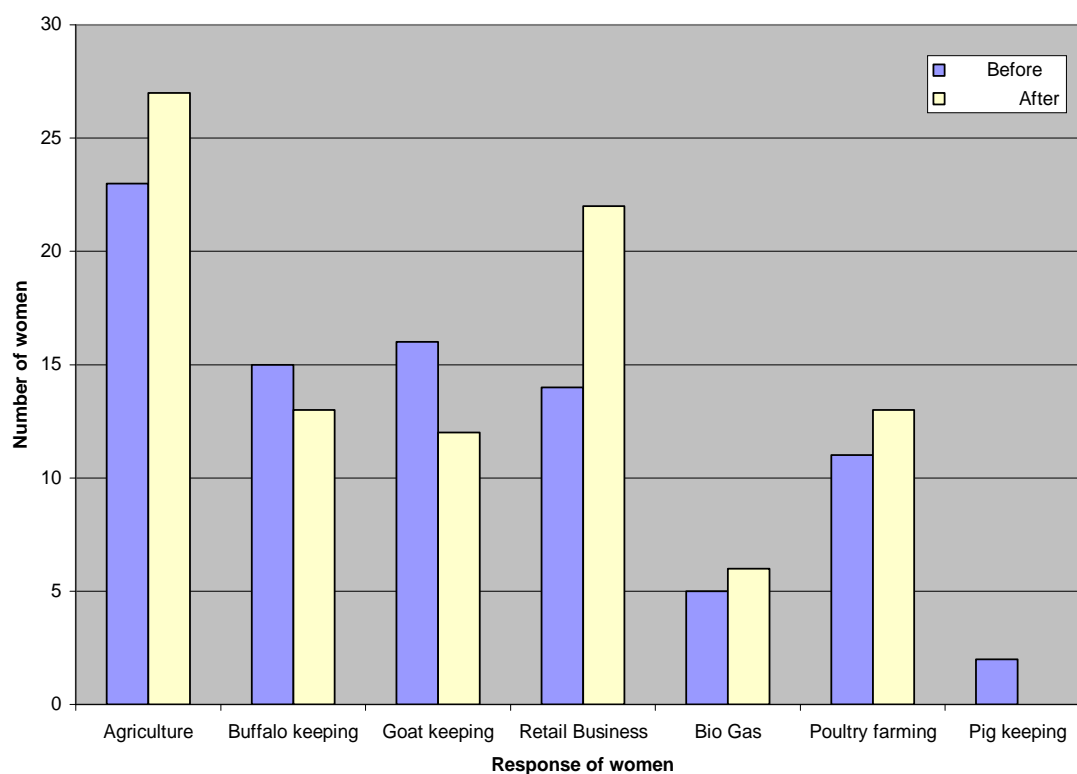
S.N	Sectors	Before		After		% Increase/ decrease
		Number	%	Number	%	
1	Agriculture	23	26.74	27	29.03	2.29
2	Buffalo keeping	15	17.45	13	13.98	(3.47)
3	Goat keeping	16	18.6	12	12.9	(5.7)
4	Retail Business	14	16.27	22	23.66	7.39
5	Bio Gas	5	5.82	6	6.45	.63
6	Poultry farming	11	12.79	13	13.98	1.19
7	Pig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

Source: Field Survey, 2011.

Above table shows that the sample women involved in different types of economic activities before and after entering into PGGB 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 PGGB, 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 PGGB 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 4.11**  
Sectors of loan mobilization



#### 4.2.8 Women’s Response on Repayment of Taken Loan

Sample of women were taken loan who are involved in borrowing of loan for repayment pattern. The following table 4.12 shows the women’s response on

repayment pattern of loan which was taken by women before and after entering into PGBB programs.

**Table 4.12**  
**Women's Response on Repayment of Taken 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, 2011.*

### **Hypothesis Test,**

#### **Null Hypothesis (Ho): P1=P2**

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)= P1>P2:**

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

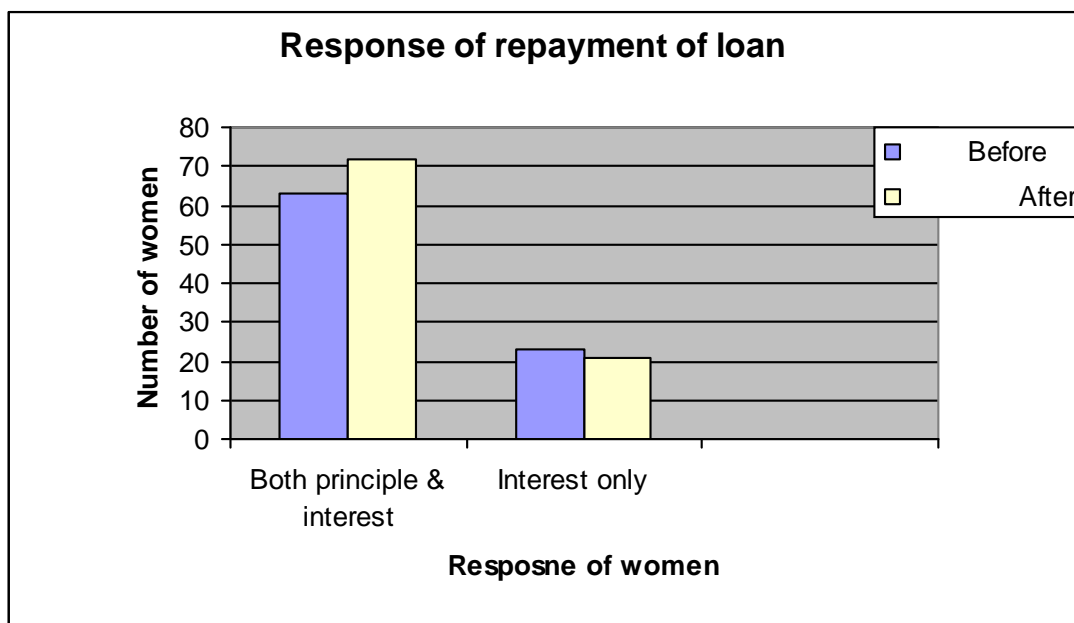
### **Result**

Since, calculated value of Z is higher than 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. After entering PGBB program, women involve in more economic activities and can generate more income. So the number of women is increase in paying the both principle and interest.

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

**Figure 4.12**



#### 4.2.9 Condition of Business which is Running 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 4.13**

**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, 2011.*

## 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 Appendix-3)

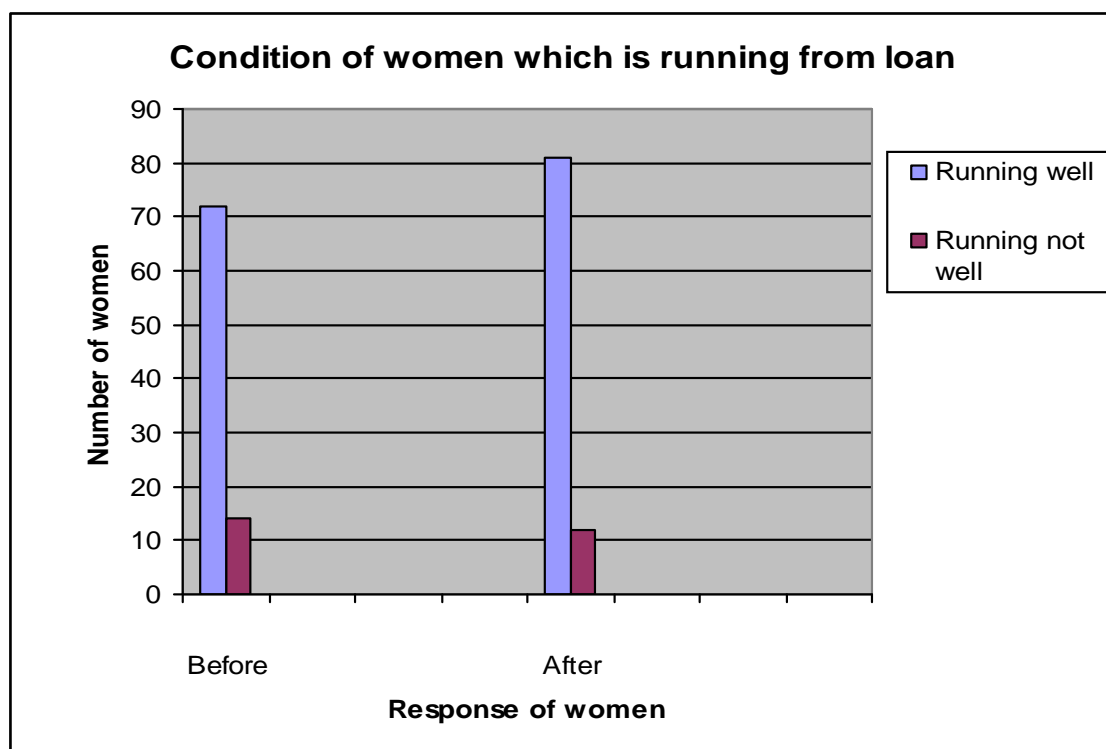
Critical value, of Z at 0.05 level of significant for one tail test is 1.960

## 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 4.13**



### 4.3 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.

#### 4.3.1 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 4.14**  
**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)
Total		86	100	93	100	

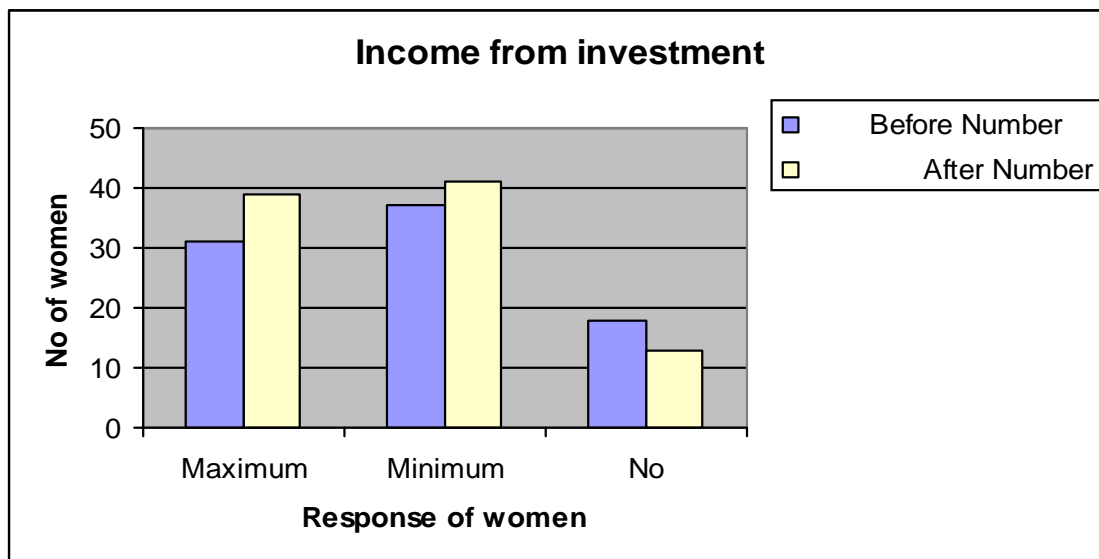
*Source: Field Survey, 2011.*

Above table 4.14 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.



So majority of respondents were highly benefited from the PGBB program. To make it clear, meaningful and understandable above data presented in the graphical form

**Figure 4.14**



#### 4.3.2 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, 2011.

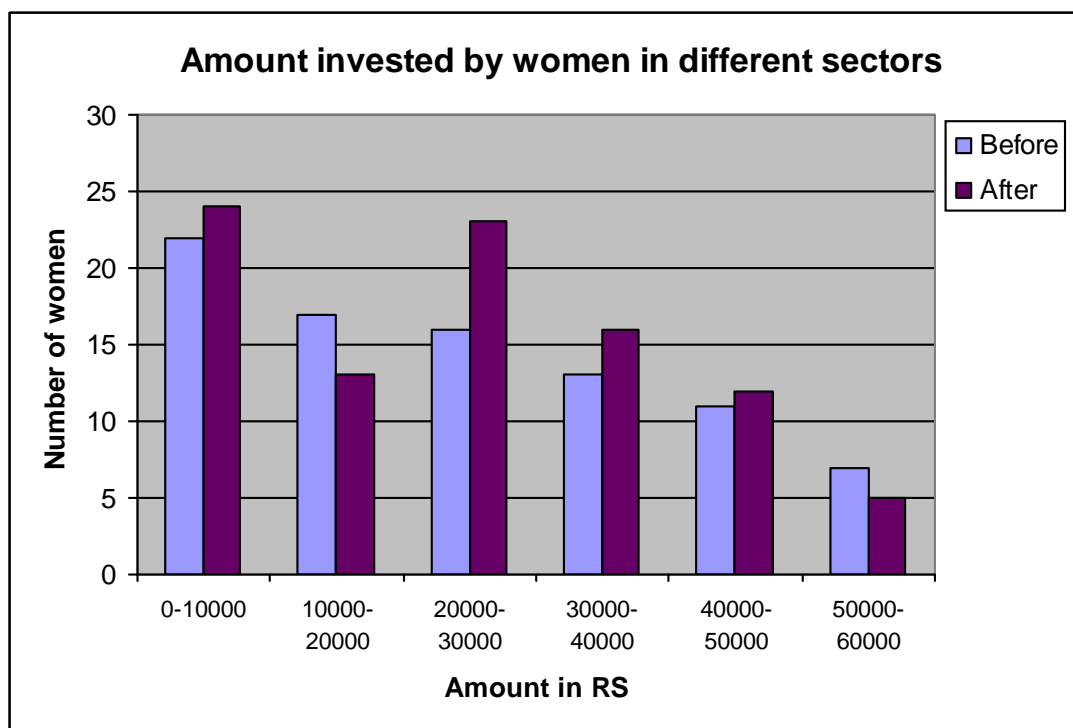
	<b>Before</b>	<b>After</b>	<b>Result</b>
Mean income	20,792	22,425	Increased
C.V	22.74 %	20.30 %	Decreased

(From Appendix - 4)

Above figure shows the positive impact. Mean Investment by sample in different sectors after PGBB program is increased to RS 22,425 from RS 20,795 and C.V is decreased to 20.30 % from 22.74 %. Which gives positive result to us. It means increased investment is more consistent than 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**



### 4.3.3 Monthly Income of the Women

Income of women was varying in PGBB Kaski. Some women were rich and some were poor. The following table shows the monthly income of the women before and after involvement in PGBB 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, 2011.

	Before	After	Result
Mean income	8,936	9,579	Increased
C.V	19.32%	17.17%	Decreased

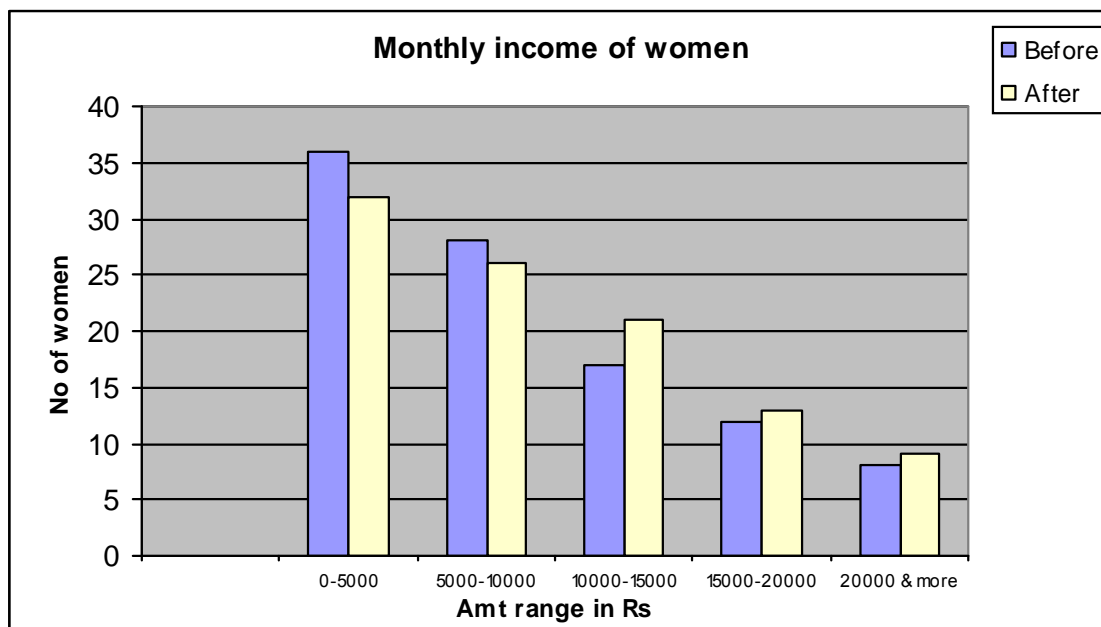
(From Appendix - 5)

Above figure shows the positive impact. Mean income of respondent after PGBB is increased to RS 9,579 and C.V is decreased to 17.17 % which gives positive result to us. It means increased income is more consistent then 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. 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.

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

**Figure 4.16**



#### **4.4 Response of Poorest Women**

Poverty is deep-rooted in Nepalese society. Especially women are always doing household activities and far from out door fund raising activities. So these activities of PGBB are benefited for the women to raise and save small money. Poor women who are lack of food, shelter and money will be benefited if they join GBB programs. Because collateral is not necessary to take loan from PGBB. They should be in group members and can take loan. After investing that money they will be benefited.

##### **4.4.1 Category of Women**

There is different level of women in every society. Some are very poor and some are medium range, in this research 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 few source in income and few monthly are categorized as very poor women. Women who have little land to cultivate crops and monthly income of around RS 1,500 are categorized as poor women. Women which have monthly income around RS 5,000 are categorized as rich women. Women who

have sufficient land, more sources of income, monthly income of more than RS 15,000 are categorized as very rich women. The field survey shows the following level of PGBB women in Kaski. But from survey the numbers of women which are very rich were not found. Following table shows the status of women in field survey.

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

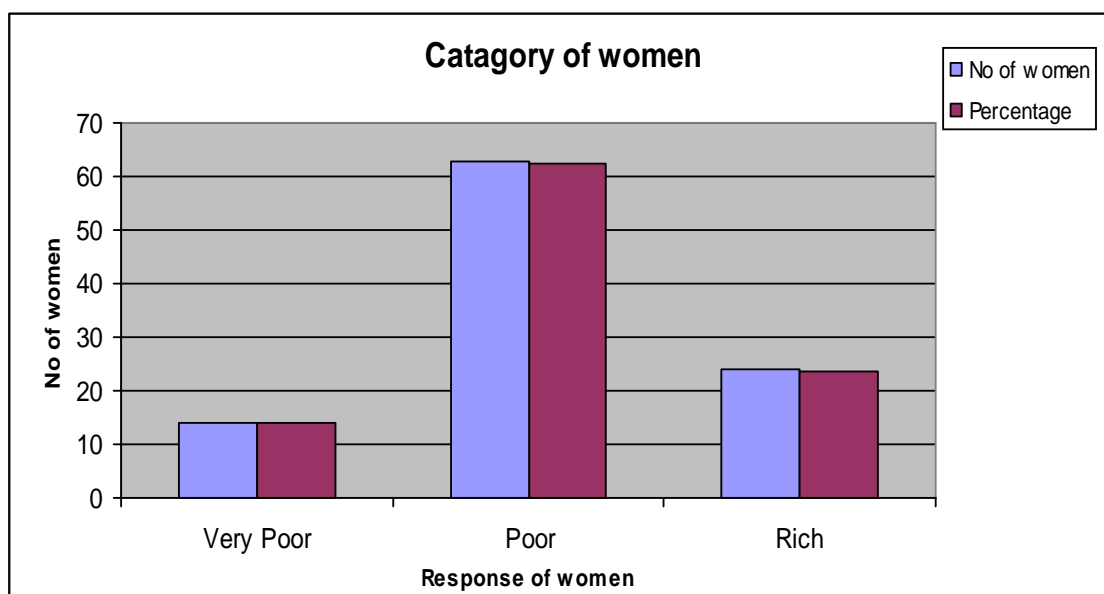
SN	Description	No of women	Percentage
1	Very Poor	14	13.86
2	Poor	63	62.37
3	Rich	24	23.77
Total		101	100

Source: Field Survey, 2011.

Table 4.17 shows the number and pc of women have 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 who said that they are very rich in sample survey. Majority of the sample women is poor. However PGBB program should focused on poorest of the poor women.

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

**Figure 4.17**



#### 4.4.2 Future Program needed to uplift the Livelihood of Poor Women

There are some programs which 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 4.18 shows the different facilities needed for poor women

**Table 4.18**  
**Future Programs for Poor Women**

SN	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

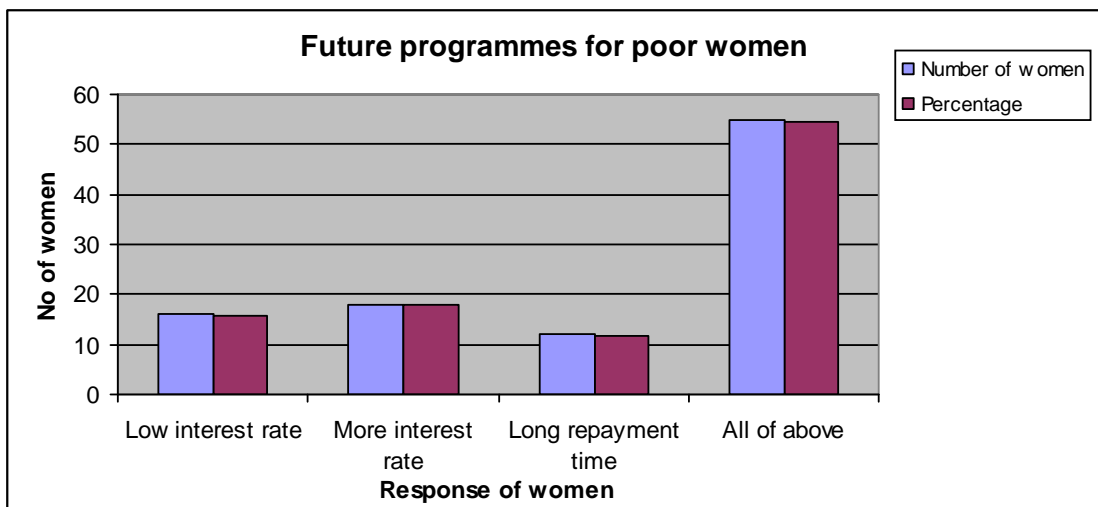
*Source: Field Survey, 2011.*

Table 4.18 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 %.

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.

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

**Figure 4.18**



## 4.5 Profile of the Respondent

From the profile of the respondent it has been found that the program has benefited to all the borrowers. 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 are shown;

### 4.5.1 Education Level

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

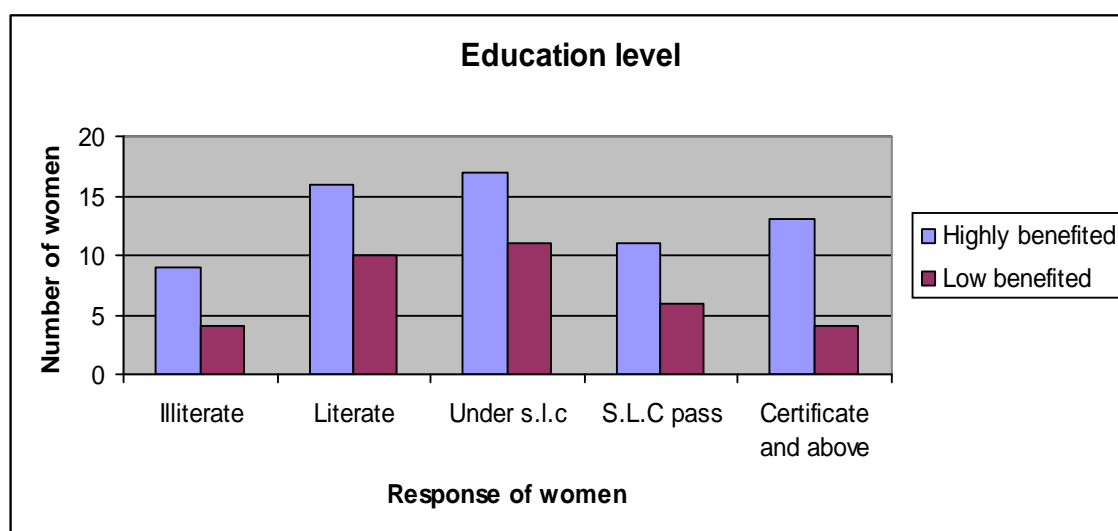
**Table 4.19**  
**Education Level**

S.N	Education level	Perception toward the program		Total
		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: Field Survey, 2011.

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

**Figure 4.19**



#### 4.5.2 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
Total		64	37	101

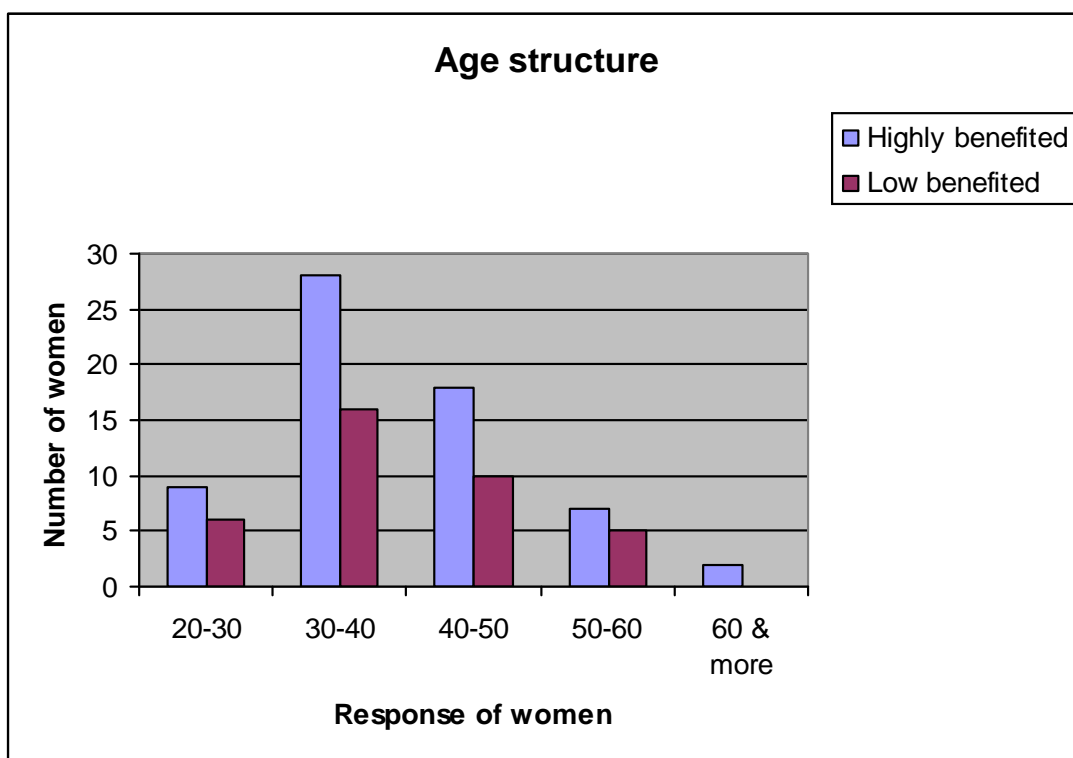
Source: Field Survey, 2011.



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**



### 4.5.3 Ethnic Group

Generally high class, middle class and low class of women were found on 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**

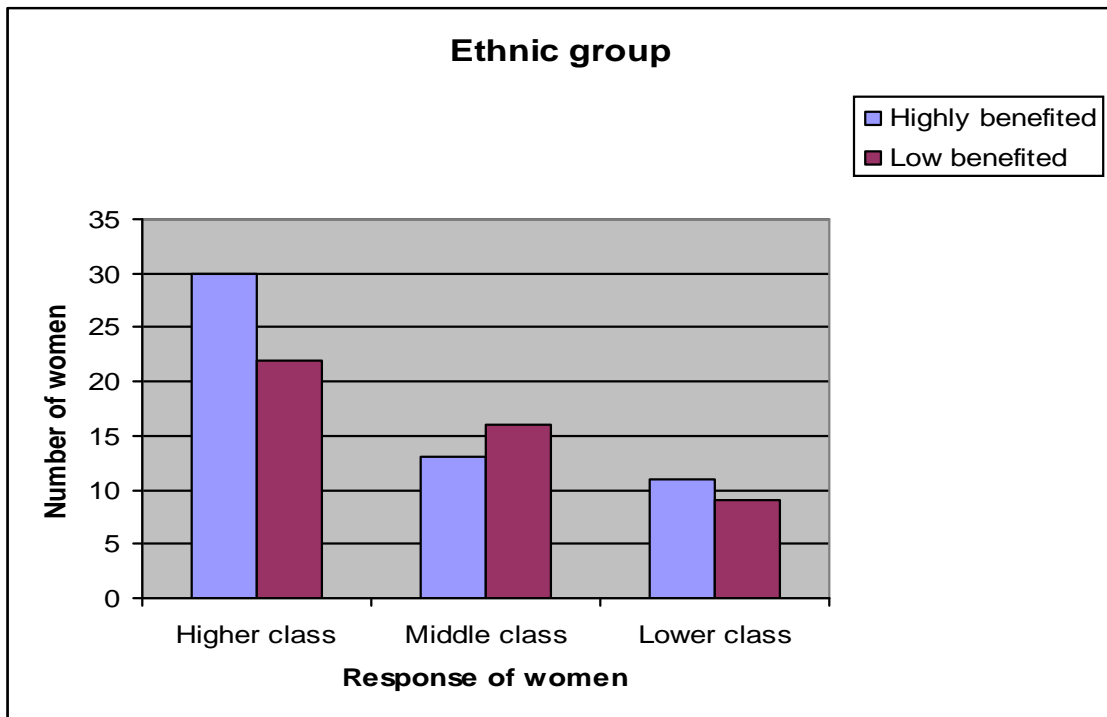
S.N	Ethnic	Perception toward the program		Total
		Highly benefited	Low benefited	
1	Higher class	30	22	52
2	Middle class	13	16	29
3	Lower class	11	9	20
Total		54	47	101

*Source: Field Survey, 2011.*

Higher class:            Brahmin and Chetry  
Middle class:            Magar and Newar.  
Lower class :            Sarki, Damai, and Gaiene.

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**



#### 4.5.4 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 4.22

**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

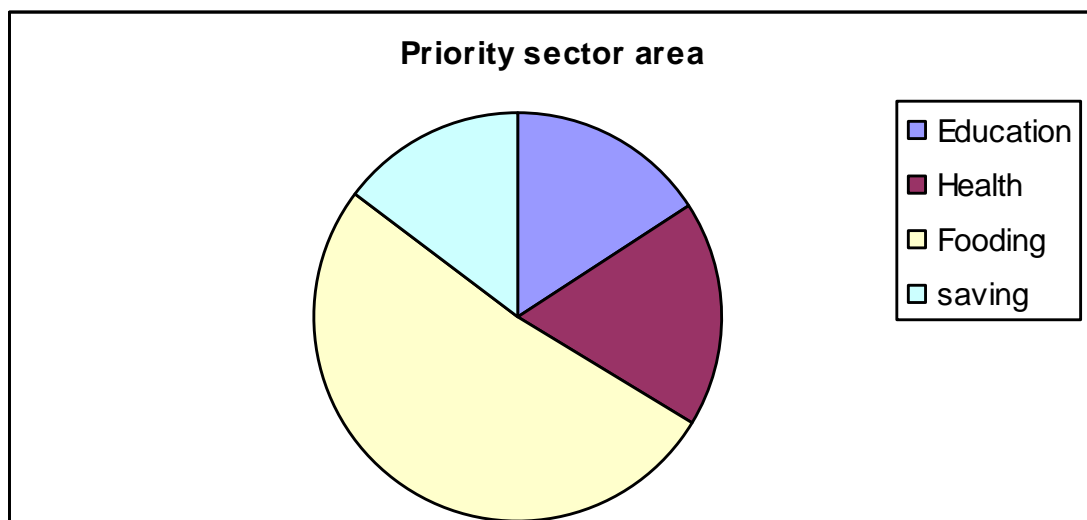
*Source: Field Survey, 2011.*

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

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

**Figure 4.22**



#### 4.5.5 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 4.23.

**Table 4.23**

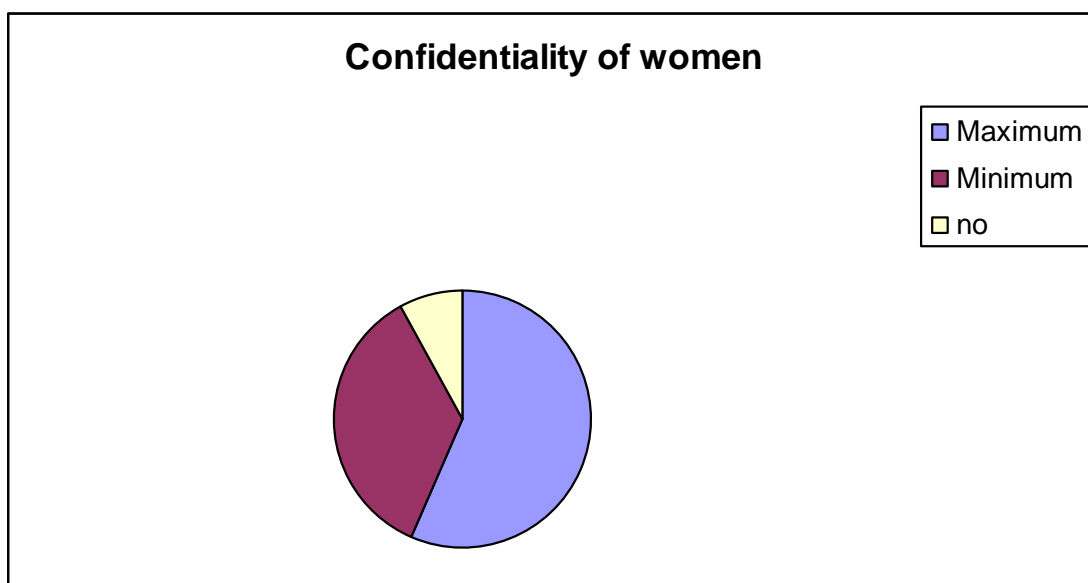
**Response on the Confidentiality of the Participants to Stands Themselves as Successful Entrepreneur in Future**

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

*Source: Field Survey, 2011.*

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. It shows majority of women respondents' confidence to be successful entrepreneur. To make it clear, meaningful and understandable above data presented in the graphical form:

**Figure 4.23**



#### 4.5.6 Improvement in Living Standard of Women after Joining PGBB

Following table 4.24 shows the improvement in living standard of women after participating PGBB program activities.

**Table 4.24**

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

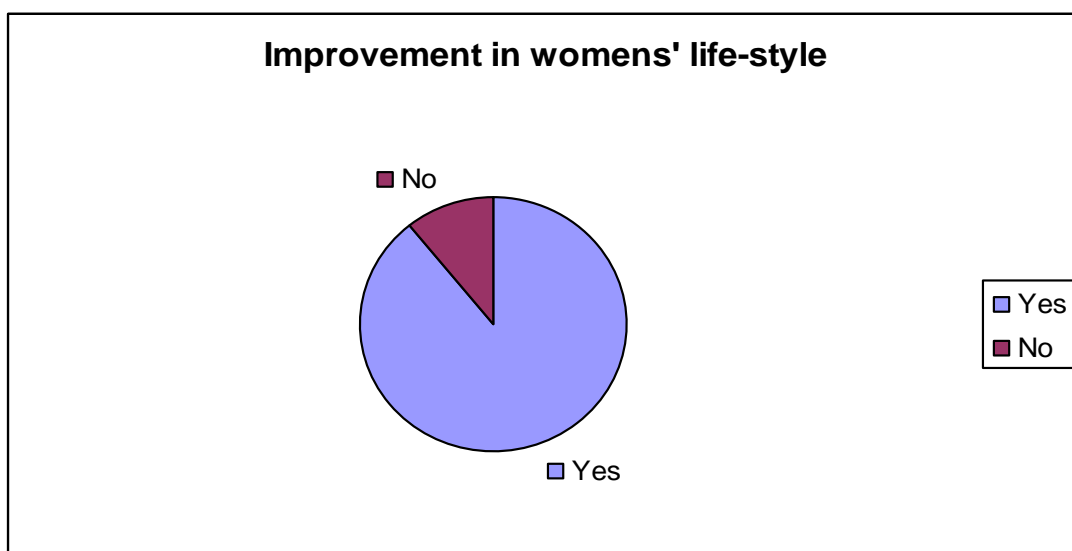
S.N	Description	Number of women	Percentage
1	Yes	90	89.11
2	No	11	10.89
Total		101	100

*Source: Field Survey, 2011.*

Above table reveals that the 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. Thus it seems that majority of sample women has improved their living standard after joining PGBB program. To make it clear, meaningful and understandable above data presented in the graphical form:

**Figure 4.24**



#### **4.5.7 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**

<b>S.N</b>	<b>Description</b>	<b>Number of women</b>	<b>Percentage</b>
1	Yes	89	88.12
2	No	12	11.88
<b>Total</b>		<b>101</b>	<b>100</b>

*Source: Field Survey, 2011.*

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 .So this field study shows that maximum number of women was interested to continue their business in future also.

## **4.6 Findings of the Study**

The major findings of the study are addressed in two type's i.e. secondary and primary study.

### **4.6.1 The Major Findings from Secondary Data Analysis**

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 %. In later years centre fund saving is increasing and individual saving seems consistence.
- ) 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 FY2062/63-2064/65 and loan disbursed rate was increased. Highest loan disbursed was in FY 2065/66 and lowest was in FY2064/65
- ) Loan recovery trend was in increasing starts up to FY 2065/66. 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.

#### 4.6.2 The Major Findings from Primary Data Analysis

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 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. structure of sample women were in range of 20 to 70 years

## 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 of the total population are relatively back warded 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 parliament, burocrats 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, who are pioneer in this field and winner of Nobel prize for contribution of economic revolution as microfinance in Bangladesh. In Nepal, there was mandatory provision to commercial bank to provide certain percentages of loan to deprived sector.

Kaski is hilly district of Nepal. There are two municipalities and 43 VDCs. Hemja VDC is the one of the most. There are 9 wards within this VDC. Women of this VDC are unprivileged and low socio-economically background and poverty among the women population is high. To reduce this poverty and make women self-dependent, economically strong different microfinance institutions are working here. Grameen Bikas Bank is one of them. Grameen Bikas Bank was established in 2056 B.S. in kaski as branch office. The general objectives of the study are 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 women's are involved in saving programs ie regular and optional saving, they are attractive to group saving than individual saving. Main sectors of saving by Women who are agriculture, buffalo keeping, goat keeping etc. there saving is increasing day by day after entering GBB programs. So the women's saving power is increasing.

Mobilization of save money by women is in increasing and the repayment of loan on time is in increasing after entering GBB programs. Loan outstanding is increase up to FY 2064/65 rapidly but after that is decreasing in same years recovery is more than outstanding and in some years outstanding is less. Majority of women income from investment is maximum women are earning more after entering GBB. Interest recovery on loan is satisfactory in every year women who are paying interest on time.

Most of the women are poor, literate, middle age and their monthly income is increasing after entering PGBB Programs. Most of the poor women prefer low interest rate, more loan amount and long repayment time to improve their living standard. 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, they have maximum confidentially of being successful entrepreneur among participating women and improvement of their living standard increased from GBB programs. 89% of women have high living standard. 88.12% of women will continue their business in future also.

## **5.2 Conclusions**

The following conclusions can be made from the study:

Saving capacity and habit has increased after the program intervention. Group saving plays the vital role as sources of financing. Proper utilizing of fund has changed the saving capacity of the clients but the fund not invested in productive sector dilute the saving capacity. Majority of clients have interested in agriculture.

Majority of clients are aware about the terms and conditions of the saving and lending. Loan recovery pattern seems sound. The outstanding amount has decreased in the later year. Percentage of women who are earning maximum from investment is increasing comparing to women who are earning less. So the programs are effective.

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 and majority of respondents confident to be an entrepreneur.

### **5.3 Recommendation**

As per study findings, some idea is recommended which is presented as follows:

- ) 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.

This research was carried out to fulfill the partial requirement of master Degree. So there are various resources constraints. Due to, microfinance programs designed for the uplift of poorest of the poor of the society those who are deprived, socially backward, economically weak and from the indigenous groups. Here I can cover only surface status of respondents. There may be study about the current status of minority and socially backward groups (Kami, Damai, Sarki and Gaiene) involving in microfinance program and what should be done to uplift them.

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## APPENDIXES

### Appendix - 1

**Table 4.10**  
**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	

*Source: Field Survey, 2011.*

### 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  $\hat{P} = \frac{x_1}{n_1}$

Or,  $\hat{P} = \frac{86}{101}$

Or,  $\hat{P} = 0.8861$

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

$$\hat{Q} = (1 - 0.8861) = 0.1139$$

Therefore,

$$Z = \frac{P_1 Z P_2}{\sqrt{\hat{P}\hat{Q} \frac{1}{n_1} \Gamma \frac{1}{n_2}}}$$

$$Z = \frac{0.8515 Z 0.9208}{\sqrt{0.8861 | 0.1139 \frac{1}{101} \Gamma \frac{1}{101}}}$$

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

Calculated Value of Z = 34.65

## Appendix - 2

**Table 4.12**  
**Women's Response on Repayment of Taken 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, 2011.

### 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  $\hat{P} = \frac{x_1}{n_1}$

Or,  $\hat{P} = \frac{63}{86}$

Or,  $\hat{P} = 0.7326$

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

$$\hat{Q} = (1 - 0.7326) = 0.2674$$

Therefore,

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

$$Z = \frac{0.7326 Z^{0.7742}}{\sqrt{0.7542 \left| 0.2458 \frac{1}{86} \Gamma \frac{1}{93} \right|}}$$

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

Calculated Value of Z = 10.02

### Appendix - 3

**Table 4.13**  
**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, 2011.

#### 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  $\hat{P} = \frac{x_1 + x_2}{n_1 + n_2}$

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

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

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

$$\hat{Q} = (1 - 0.8547) = 0.1452$$

Therefore,

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

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

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

Calculated Value of Z = 12.13

**Appendix - 4**

**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, 2011.*

Amount	Mid Value (X)	Before		After		$(X - \bar{X}_1)^2$	$(X - \bar{X}_2)^2$
		Number (X <sub>1</sub> )	Total (X×X <sub>1</sub> )	Number (X <sub>2</sub> )	Total (X×X <sub>2</sub> )		
0-10,000	500	22	110,000	24	120,000	$(-15,792)^2$	$(-17,425)^2$
10,000-20,000	15000	17	255,000	13	195,000	$(-5,792)^2$	$(-7425)^2$
20000-30000	25000	16	400,000	23	575,000	$(4208)^2$	$(-2575)^2$
30,000-40,000	35000	13	455,000	16	560,000	$(14,208)^2$	$(12,573)^2$
40,000-50,000	45000	11	495,000	12	540,000	$(24,208)^2$	$(22,575)^2$
50,000-60,000	55000	7	385,000	5	275,000	$(34,208)^2$	$(32,575)^2$
<b>Total</b>		<b>86</b>	<b>21,00,000</b>	<b>93</b>	<b>2,265,000</b>	<b>2258,723,584</b>	<b>2094,283,750</b>

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

i.e.  $\bar{X} = \frac{X}{N}$

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

X = Sum of observation

N = Total No. of observation

$$\text{Now, } \bar{X}_1 = \frac{\sum x_1}{N} = \frac{2100000}{101} = 20792$$

$$\bar{X}_2 = \frac{\sum x_2}{N} = \frac{22,65,000}{101} = 22425$$

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

Where,  $\sigma$  = Standard Deviation

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

N = Total number observations.

$$\text{Now, } \sigma_1 = \sqrt{\frac{2258723584}{101}} = \sqrt{22363600} = 4729$$

$$\sigma_2 = \sqrt{\frac{2094283750}{101}} = \sqrt{20735482} = 4554$$

$$\text{Now C.V}_1 = \frac{\sigma_1}{\bar{X}_1} = \frac{4729}{20792} = 0.2274 = 22.74\%$$

$$\text{C.V}_2 = \frac{\sigma_2}{\bar{X}_2} = \frac{4554}{22425} = 0.2030 = 20.30\%$$

### Result,

	Before	After	Result
Mean Income	20792	22425	Increased
C.V.	22.74%	20.30%	Decreased



**Appendix - 5**

**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
<b>Total</b>		<b>101</b>	<b>100</b>	<b>101</b>	<b>100</b>	

Source: Field Survey, 2011.

Amount	Mid Value (X)	Before		After		$(X - \bar{X}_1)^2$	$(X - \bar{X}_2)^2$
		Number (X <sub>1</sub> )	Total (X×X <sub>1</sub> )	Number (X <sub>2</sub> )	Total (X×X <sub>2</sub> )		
0-5,000	2500	36	90,000	32	80,000	$(-6436)^2$	$(-7079)^2$
5,000-10,000	7500	28	210,000	26	195,000	$(-1436)^2$	$(-2079)^2$
10,000-15,000	12500	17	212,500	21	262,500	$(3564)^2$	$(2921)^2$
15,000-20,000	17500	12	210,000	13	227,500	$(8564)^2$	$(7921)^2$
20,000 & more	22500	8	180,000	9	202,500	$(13564)^2$	$(12921)^2$
<b>Total</b>		<b>101</b>	<b>902,500</b>	<b>101</b>	<b>967,500</b>	<b>313,510,480</b>	<b>292,661,205</b>

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

i.e.  $\bar{X} = \frac{X}{N}$

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

X = Sum of observation

N = Total No. of observation

Now,  $\bar{X}_1 = \frac{902500}{101} = 8936$

$$\bar{X}_2 = \frac{967500}{101} = 9579$$

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

Where, † = Standard Deviation

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

N = Total number observations.

$$\text{Now, } \dagger_1 = \sqrt{\frac{313510480}{101}} = \sqrt{3104064} = 1762$$

$$\dagger_2 = \sqrt{\frac{292661205}{101}} = \sqrt{2897635} = 1702$$

The, CV =  $\frac{\dagger}{\bar{X}}$

$$C.V_1 = \frac{1762}{8936} = 0.1972 = 19.72\%$$

$$C.V_2 = \frac{1702}{9579} = 0.1777 = 17.77\%$$

### Result,

	Before	After	Result
Mean Income	8936	9579	Increased
C.V.	19.72%	17.77%	Decreased

**Appendix - 6**

**QUESTIONNAIRE**  
**ROLE OF MICROFINANCE ON OVERALL**  
**DEVELOPMENT OF WOMEN**

**A. Respondent Background**

1. Name of Respondent:.....
2. Age:..... years,
3. Education: ..... years of schooling.
4. Address ..... VDC, Ward No:..... Tole ..... District: .....
5. Involved in economic activities .....

**Please give answer of the following questions:**

1. Are you involved in regular saving program before PGBB programs?  
a) Yes                      b) No  
If yes, How much you have saving amount (Rs) .....
2. Are you involved in regular saving program after PGBB programs?  
a) Yes                      b) No  
If yes, How much you have saving amount (Rs) .....
3. Are you involved in optional saving program before PGBB programs?  
a) Yes                      b) No  
If yes, How much you have saving amount (Rs) .....
4. Are you involved in optional saving program after PGBB programs?  
a) Yes                      b) No  
If yes, How much you have saving amount (Rs) .....
5. In which economic activities, you generate money for saving before entering PGBB programs?  
a. Agriculture              b. Buffalo Keeping              c. Goat Keeping  
d. Poultry Farming        e. Rental Business              f. Bio Gas  
g. Pig Keeping

6. In which economic activities, you generate money for saving after entering PGBB programs?
- |                    |                     |                 |
|--------------------|---------------------|-----------------|
| a. Agriculture     | b. Buffalo Keeping  | c. Goat Keeping |
| d. Poultry Farming | e. Rentail Business | f. Bio Gas      |
| g. Pig Keeping     |                     |                 |
7. Did you mobilize of collected saving fund?
- |        |       |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
8. Did your mobilization of collected saving fund before involvement in PGBB programs?
- |        |       |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
9. Did your mobilization of collected saving fund after involvement in PGBB programs?
- |        |       |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
10. If you are mobilizer of collected saving fund, should you lend the fund in recovery time?
- |            |                |                 |
|------------|----------------|-----------------|
| a. On time | b. Beyond time | c. Not refunded |
|------------|----------------|-----------------|
11. Did you take loan before involvement of PGBB programs?
- |        |       |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
- If yes, what was the loan amount ? Rs. ....
12. Did you take loan after involvement of PGBB programs?
- |        |       |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
- If yes, what was the loan amount ? Rs. ....
13. If you are taking loan before and after involvement of PGBB program, in which sector did you mobilize loan?
- Before involved in PGBB programs:.....
- After involved in PGBB programs:.....



24. Are you interested to continue your business in future?  
a. Yes                      b. No
25. Do you have any suggestion to improve the condition of women like you through PGBB program.  
a. Yes                      b. No

If yes, specify:

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**Thank You**