

**ROLE OF MICRO-FINANCE FOR SOCIO-ECONOMIC
UPLIFTMENT OF WOMEN ENTREPRENEURS**

(A case study of Micro finance cooperative of Kathmandu District)

Submitted By:

RANJU HAMAL

Roll No. 801/061

TU Regd. No: 7-1-271-138-96

SHANKER DEV CAMPUS

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RECOMMENDATION
This is to certify that the thesis

Submitted by:
RANJU HAMAL

Entitled:
**ROLE OF MICRO-FINANCE FOR SOCIO-ECONOMIC UPLIFTMENT OF
WOMEN ENTREPRENEURS**

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

.....
Prof. Kishor Maharjan
(Thesis Supervisor)

.....
Prof. Bisheswor Man Shrestha
(Head of Research Department)

.....
Prof. Dr. Kamal Deep Dhakal
(Campus Chief)

VIVA-VOCE SHEET

We have conducted the viva –voce examination of the thesis presented

Submitted By:

RANJU HAMAL

Entitled:

**ROLE OF MICRO-FINANCE FOR SOCIO-ECONOMIC UPLIFTMENT OF
WOMEN ENTREPRENUERS**

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master Degree of Business Studies (M.B.S.)

Viva-Voce Committee

Head, Research Department :

Member (Thesis Supervisor) :

Member (External Expert) :

DECLARATION

I hereby declare that the work reported in this thesis entitled “**Role of Micro-Finance for Socio-Economic Upliftment of Women Entrepreneurs**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Studies (M.B.S.) under the guidance and supervision of Professor Kishor Maharjan of Shanker Dev Campus, Tribhuvan University.

.....

RANJU HAMAL

Researcher

T.U. Regd. No. : 7-1-271-138-96

Campus Roll No. : 801/061

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ABBREVIATIONS

ADB/N	Agricultural Development Bank, Nepal
ADB	Asian Development Bank
CBS	Central Bureau of Statistics
CDO	Chief District Officer
CSD	Centre for Self-help Development
DDC	District Development Committee
FINGO	Financial Intermediary Non-Government Organization
GAD	Gender And Development
IFAD	International Fund for Agricultural Development Bank
MCPW	Micro-Credit Project for Women
MFI	Micro Finance Institution
NESDO	National Educational & Social Development Organization
NGO	Non-Government Organization
NRB	Nepal Rastra Bank
PCRW	Production Credit for Rural Woman
P-GBB	Purbanchal Grameen Bikash Bank
RMDC	Rural Microfinance Development Center
SCO	Saving and Credit Co-operatives
SFDP	Small Farmers Development Program
UNDP	United Nations Development Programme
VDC	Village Development Committee

CHAPTER I

INTRODUCTION

1.1 Background of the study

Nepal is one of the poorest countries in the world and the poorest in the South Asia region. It is poor in terms of economic development and human development as well. Its poverty reduction rate is low. The main reasons for this low poverty reduction rate are: (i) low *per capita* income, (ii) concentrated urban growth, and (iii) high population growth rate. Out of a population of 23 million, 38% are below the poverty line. Agriculture is the major sector in Nepalese economy which contributes 39% of Gross Domestic Product (GDP). About 81% of Nepalese citizens depend on agriculture for their livelihood. It is noteworthy here that only about 21% of the total land area of Nepal is under cultivation. A large number of the poor families have only a small piece of land and over two-third of rural households own less than a hectare of land (NPC, 1999).

In Nepal, 30.8% of total population are still below the poverty line. They are vulnerable because they have almost no opportunity to diversify. Rural poverty is 34.6% and the urban poverty is 9.6% (Economic Survey, 2062). The extent of poverty is reflected in the per capita GNI of US \$250 (WDR 2003). The HDI of Nepal is 0.526 and its rank is 138 among 177 countries (Human Development Report, 2006).

Almost half of the world's population (around three billion people) lives on less than US\$2 per day. And according to one survey it shows that more than 40% people live on less than US\$1 a day in Nepal. Poverty reduction is one of the major objectives of the Tenth Year Plan. Access to reliable and affordable financial services is crucial for the rural poor to capture opportunities guaranteeing family income and breaking the vicious cycle of poverty. Micro-finance can be one of the effective means to provide financial assistance to rural poor and ultimately enhance their socio-economic status. To achieve this, many programs are planned and among them specific programs are focused on women and deprived groups. They

include education, health, income earning and employment generating activities based on micro finance services. Without including women and deprived groups overall national development is not possible. For this purpose social mobilization is very important for empowerment and human development; micro finance activities are linked with other components of social development. Micro-finance could help poor people who have no collateral, but a willingness to work and a desire to do some business activities, from which he/she will acquire employment as well as income.

When poor people have access to financial services, they can earn more, build their assets, and protect themselves against external shocks. Poor households use microfinance to move from everyday survival to planning for the future: they invest in better nutrition, housing, health, and education. When women earn more, they are empowered, less vulnerable, and can contribute more to decisions in the family, for example on well being and education of children.

Micro-credit refers to the provision of financial services, usually in the form of small sized credit, and can be offered, often without collateral, to people who are unable to access such services from commercial banks. They are usually the poorest members of the society. According to the Financial Intermediary Societies Act, 1998 (2055) micro-credit means a credit supplied for the operation of an income and employment oriented enterprise subject to the limit prescribed by the NRB from time to time. And income and employment oriented enterprise means an income oriented enterprise run with 10 persons or fewer, either family members or wagedworkers.

The history of financial sector of Nepal is not so old. Initially in 1937 Nepal Bank Limited was established. Then later Nepal Rastra Bank, Nepal Industrial Development Corporation, Rastriya Banijaya Bank and Agriculture Development Bank were established in Nepalese financial sector. After the liberalization policy of the government many joint venture banks was established in Nepal. Although in Nepal the financial sector was expanded and made stronger day by day, however activities of most of major financial institutions have been restricted to urban and

suburban areas. So, these banks and cooperatives have not been able to keep pace with actual demand for small credit. It was also in a way unrealistic to expect the formal credit system to address the social objective of providing credit to the rural poor, and even more particularly to women in poverty.

With rural credit there are many benefits: not only is poverty reduced, but more children benefit from education, the health of the population, particularly of women, improves, and the economy of the poorest communities in the country begins to pick up.

1.1.1 General Background of Study area

Kavresthali is situated at the north-west part of Kathmandu district. Instead of being very near to Kathmandu valley this is one of the rural and deprived areas. It is one of among VDC of Kathmandu District which has total population 4,380. Out of whole population women proportion is 44.84 % and total number of ward of Kavresthali are 8.

The economic condition of the female of the Study Area is very poor. Most of them are engaged in agriculture with livestock and household activities. They even can't involve in income generating activities to increase their socio-economic status because of poverty. Women Support Cooperative (WSC) is sole cooperative working for the upliftment of the socio economic aspect of the underprivileged women in Kavresthali. Only WSC is promoting Micro Finance in this village.

The number of women involvement in the program as this site is the highest and the willingness of more women groups to participate over the years has been encouraging. This shows that women empowerment at various aspects has been successful and is attracting more women to join the group.

1.1.2 General background of the Women Support Cooperative (WSC)

Women Support Cooperative (WSC) was registered on December 20, 1999 under the "Cooperative Act, 1992". But it has implemented micro finance programme in July 2002. It has followed the Grameen Bank model to operate the microfinance

program. The aim of the program is to uplift socio-economic condition of the poor mainly women. Poor women of Kathmandu district have been benefited from this program.

The number of women involvement in the program is 2,930 in 16 VDC and 1 Metropolitan and it is gradually increasing both at rural and urban area. The group is formulated by the WSC and each group consists of minimum 15 to 40 members. The member should be married and below 50 years.

WSC has its 3 branches in Balaju, Manamaiju and in Mahadevstan. The centres have been established at ward level in VDCs and Kathmandu Metro Nepal to facilitate the Microfinance Program. The main activities of WSC is Micro Finance, training and education program.

The main objective of WSC is:

-) To empower and strengthen the poor women through social mobilization and promotion of income generating activities;
-) To create employment opportunities by mobilizing local resources, improving skills and entrepreneurship and supporting with possible external resources; and
-) To provide saving and credit facilities and technical supports to the target group.

1.1.3 Nepal's Financial Sector – Demand and Supply

Over the past 20 years Nepal's financial sector has become deeper and the number and type of financial intermediaries have grown rapidly. But still, access to financial services remains limited for many people in many parts of Nepal and in recent years has been declining.

The Demand Side

Banks dominated in urban areas and among the wealthiest. Different Researches and studies has confirmed that use of banks is limited, financial NGOs and

cooperatives play a large role in providing both deposit accounts and loans, and informal borrowing far exceeds formal borrowing. One of the surveys conducted by The World Bank on access to financial services concluded that only 26 percent of Nepalese households have bank accounts, and banks' procedures are perceived as being the most cumbersome among institutions.

Financial NGOs and cooperatives run a close second as largest provider of deposit accounts, serving 18 percent of households. Microfinance and a regional rural development banks are a distant third provider of deposit accounts, serving only 4 percent of households-mainly poor, rural ones. About 38 percent of Nepalese households have an outstanding loan exclusively from the informal sector, 16 percent from both the informal and formal sector, and 15 percent from only the formal sector. Family and friends are by far the largest informal providers of loans to households and, contrary to common belief, family and friends often charge interest. Most households who borrow from informal providers do not bother trying to borrow from financial institutions, mainly because formal institutions cannot meet their financial needs on time.

The Supply Side

For much of the past 50 years Nepal's government has tried to increase access to formal financial services for small businesses and low-income households. The government has introduced directed lending programs for small businesses and low-income households, required banks to open branches outside the Kathmandu valley, created specialized wholesale and retail institutions, and lowered market entry requirements to foster the development of different types of financial institutions. Despite government efforts, access to formal financial services is declining. Financial intermediation is stagnating, the numbers of bank deposit and loan accounts per inhabitant is falling, and lending targets for low-income households have generated excess liquidity among microfinance institutions without significantly increasing their outreach. And despite 40 years of government mandates to lend to small businesses, banks have been withdrawing from this segment as these requirements have been lowered.

1.1.4 Nepal's Micro Finance Sector

In Nepal agriculture based co-operatives were initiated in the 1950s as a first step in micro-finance. Poverty alleviation rural based programs were initiated through the small farmers development program (SFDP) on a pilot test basis in 1975 by the ADB/N. The success of the pilot tests in Dhanusa and Nuwakot districts encouraged policy makers to expand formal rural based micro-finance programs. Now, micro-credit programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment.

The most prominent financial institutions that deal with the micro-finance services in Nepal are listed below which are classified into three categories namely: *Formal, Semi-Formal, and Informal*:

Formal

-) Commercial Banks: Commercial Banks in Nepal have very small business in micro-finance. But Government is encouraging commercial Banks to enter into micro-finance sector more actively.
-) Development Banks: There are 11 development banks but among these only Agriculture Development Bank provides micro-finance services to poor households.
-) Rural Micro-finance Development Banks (RMFDB): There are 11 RMFDBs including five Regional Rural Development Banks (RRDBs). RRDBs are operating mostly in Terai of five development regions of Nepal one set up in each development regions. All these banks are mostly trying to be the replicas of Grameen bank model of Bangladesh. However, some of them have done substantial modification in the financing systems to adapt to the local situations. All these banks provide microfinance services to the rural poor including to women entrepreneurs.

) *Finance Companies (FCs)*: FCs focus more in Urban areas in the country and provide services in finance sector but very few are oriented towards micro-finance services.

) Rural Micro-finance Development Centre (RMDC)

Semi-Formal

) Savings and Credits

) It Cooperatives (SCCs): There are more than 2,800 SCCs scattered all over the country for providing micro-finance services mostly in the rural areas of Nepal.

) Financial Intermediary Non Governmental Organizations (FINGOs): There are more than 44 FINGOs in Nepal. One of the components of activities of these FINGOs is to provide micro-finance services to the rural poor of Nepal.

Informal

) Savings and Credit Organizations (SCOs): There are more than 12,000 SCOs, some of which are registered and others not, but all of them provide micro-finance services.

) Shelf-Help Groups (SHGs): There are many SHGs operating in Nepal and there are no such authentic records of such groups. They provide micro-finance services mostly getting fund from the donors and their own savings.

) Dhukuti, Guthi (Trust), Dharma Bhakari, Bheja, etc: The numbers cannot be estimated and these are also non-formal financial institutions operating in a particular community for credit operation not necessarily the micro-finance services.

) Local Money Lenders, Landlords, Merchants, Traders, Goldsmiths, Friends and Relatives: Their numbers cannot be estimated but these are the most common sources of credit not necessarily the microfinance to enterprises.

1.2 Statement of the problems

Poverty is an obstacle for the development of the nation and also one of the major barriers for the social and economic upliftment of deprived and poor people. In Nepal most communities, particularly from rural areas, have low income, and because of low income they have low savings and low capital formation. There is always a vicious circle of poverty; therefore no single action can be effective to reduce the overall poverty of backward people.

The Nepalese government has shown its concern for poverty reduction from the very beginning by formulating and implementing various plans, although the result is not satisfactory. According to the Interim Plan 2063/064, in Nepal, 30.8% of total population are still below the poverty line and there is a target to reduce to this to 24%. If these statistics are true, Nepal is moving close to achieving the goal of reducing poverty.

Women Population comprises half of the total population of the country. Though, Gender equality and equity has always been one of the prime agendas of the country over last couple of years, women are dominated and exploited from many sides in many aspects in the society. Though the world is moving from patriarchy society to more balanced society, old values to treat women as dependent sex on male are still at large. Quite often Women cannot take any decisions (personal/family) without the permission of males (father/brother/husband/son). In our country most of the women are engaged in household work which is still uncounted as an economic activity. To achieve the broad goal of poverty alleviation and to uplift women population economically and socially, Women should be encouraged to engage themselves in income generating activities. Lack of capital, awareness and skills has always been major constrains for women to be entrepreneurs. In our country most financial institutions need collateral to lend capital but poor women have no assets for collateral. Due to the lack of access on the property and poor economic condition of women, they cannot start their own business. Access to micro-finance services can be the only feasible mean for women to start their business. Most of the microfinance institutions provide micro-credit

services to poor women without collateral by following different modalities, solidarity group methodology being the most common one.

The limited ability of the microfinance sector to provide adequately to low income households is reflected in narrow outreach, sluggish growth, high liquidity, and low profitability. Microfinance Institutions themselves has to sustain and survive, this study will also assess problems MFIs are facing from its Micro-credit programs to poor women.

1.3 Importance of the study

The total population of economically active women is more than six million, which is around 70% of the female population. Out of the economically active women, 85% are engaged in the informal sector and 63 % can be termed as home based labour. It has been estimated that less than 5 % of women are involved in administrative jobs (Women Entrepreneurship Development Committee).

Traditionally, women of ethnic communities in Nepal such as Newars, Gurungs, Sherpas and Thakalis have a long tradition of involvement in business activities beside taking care of the household and supporting the farm work. Women from these communities are relatively empowered and have some entrepreneurship skills running small-scale businesses at local levels.

In most of the underdeveloped countries like Nepal, women have lack of access in economic activities so they are facing many problems in their livelihood. In those countries micro-credit can play a vital role to uplift their socio-economic status in the initial stage of development. Government has brought many programs to reduce poverty, one of which, micro-credit program is being launched through different agencies, such as government banks, private banks, NGO and social organization. There are many researches done through different agencies and individual about the impact of micro-credit to uplift the socio-economic condition of poor people but there is not any research about the role of micro-credit programs of Women Support Cooperative (WSC).

At present, women employment in Nepal has been largely confined to the informal sector. Nowadays, government, local bodies, many donors or social organizations have lunched specially women focused income generating activities as well as micro-credit programs so that, women gets opportunities to start economic activities. In most of the area poor people are bound to take loan from the informal sector for their fulfilment of the minor needs which creates them more dependent. Nepali women in the rural areas are mostly engaged in agro-based activities. Cultivation, poultry, dairy, small retail shops and handicraft work from agro-products (bamboo mat, basket) are the main sectors of employment. Educated women prefer teaching or nursing as a profession.

Microfinance institutions play a key role in the delivery of financial services to low income households, and yet many microfinance clients still prefer to save from and borrow with the informal sector. MFIs clients/members have mobilized their savings mainly into two purposes

1. Household consumption including personal emergency use and,
2. Income generating activities while the credit received from revolving fund is used for micro-enterprises/income generating activities.

Micro finance service from MFIs have not only supported women to take up enterprises but also empowered them through their exposure to outside environment, education and technology. Many of such successful entrepreneurs then become a source of inspiration to others.

Study has shown that on average, women in Nepal work 10.55 hours per day that is considerably higher than 7.51 hours by men. Despite the higher workload women are paid less than their male counterparts for varied reasons. Existing hierarchy, market access and lack of information are some primary reasons that deprive women from their rightful remuneration. Change in mindset, attitude, beliefs and value systems is fundamental. What is really needed is to make more women view the option of enterprise or career as a positive and achievable aspiration. Of course,

it will take some time. Women need to set up and running their own businesses or taking up careers.

So, this study will be helpful for the government, different social organization, researcher and also Women Support Cooperative (WSC) to analyze the impact of micro-credit program launched by private bank.

1.4 Objectives of the study

The general objective of the study is to analyze the socio-economic upliftment of the women entrepreneurs (beneficiaries) through micro-finance in Kavresthali, the program area of Women Support Cooperative (WSC). The specific objectives of the study are;

-) To assess number of women entrepreneurs /women groups benefiting from Micro-Finance Services of the Microfinance Institution.
-) To analyze social awareness level of Women clients after taking micro-financial services.
-) To analyze and compare socio-economic status of Women entrepreneurs before and after using Micro-Finance Services.
-) To analyze critically problems of both clients and institution itself are facing for accessing Micro-Finance services.
-) Evaluate the business situation of women clients of the Microfinance Institution.

1.5 Scope and limitations of the study

The study aims to identify the upliftment of socio-economic status of women in Kathmandu particularly in Kavresthali Area, through Women Support Cooperative (WSC). The study include socio economic change at the individual and family level such as the family income and saving, living and nonliving assets, living standard, health care, children education, participation of social and political events.

The research will be conducted in ward no 1, 3, & 5 of Kavresthali area; the study may not represent the whole micro-finance program.

1.6 Delimitation of the study

The study has been delimited to Kavresthali, which is the north - western Part of Kathmandu and 3 pilots inclusive ward have been selected for the study.

The surveys were conducted with only those women clients who have participated in the microfinance programme. The results reported are based on the response of the respondent. Hence, the reliability of the results derived is based on the quality of their response.

The study is focused on the women entrepreneur in Kavresthali. Though WSC is working in ward no 1,3,5,8 & 9 of Kavresthali area, due to the time factor and geographical reason other ward have not been mentioned

1.7 Focus of the Study

The major activities of MFIs are providing wholesale credit, institutional strengthening and capacity building supports to clients, and necessary training supports to their clients for strengthening their groups and improving their entrepreneurial and income-generating skills. The training programs includes: adult literacy and non-formal education, group development, leadership development, entrepreneurial and occupational skills development, etc. A few MFIs have also introduced micro insurance products in a limited scale. The Nirdhan Utthan Bank, currently the biggest MFI in Nepal, has planned to provide micro insurance services to all of his women clients beginning this year. But this study has indicated about the service offered from MFIs to their borrowers: loan to group members without any collateral with a provision of members guaranteeing timely repayment of other member's loan and savings products for upliftment of socio economic power of women entrepreneurs. This has focused only the women entrepreneur.

Women contribution to the national economy through their business in support with Microfinance Institutions and other sector is estimated at 40% of the GDP. Industrial development in Nepal is at emerging stage where manufacturing industries contributes not more than 10% of the GDP and provides employment to

not more than 4% of the labour force. In this scenario, small and medium scale enterprises leading by women entrepreneurs become the chief source of employment and a major contributor to the economy.

So, this study will assess the role of microfinance has played to uplift socio-economic status of women entrepreneur from those microfinance members who are involve in this programmes. And also will help to identify the major problems of women entrepreneur and what is really needed to make their work easier so that they can independently work without any obstacles and can contribute more for national economy for the country.

CHAPTER II

REVIEW OF LITERATURE

2.1 Conceptual Review

2.1.1 Introduction

1. Meaning of microfinance:

Traditionally, microfinance was focused on providing a very standardized credit product. The poor, just like anyone else, need a diverse range of financial instruments to be able to build assets, stabilize consumption and protect themselves against risks.

Simply, microfinance means providing very poor families with very small loans (micro credit) to help poor people to get them engage in productive activities or grow their small businesses. Now, microfinance has come to include a broader range of services (credit, savings, insurance, etc.) as we have come to realize that the poor and the very poor that lack access to traditional formal financial institutions require a variety of financial products. (Cohen & Sebstad, Microfinance: Risk Management and Poverty)

2. Clients of microfinance:

The typical microfinance clients are low-income persons who do not have to access formal financial institutions. Microfinance clients are typically self-employed, often household-based entrepreneurs. In rural areas, they are usually small farmers and others who are engaged in small income-generating activities such as food processing and petty trade. In urban areas, microfinance activities are more diverse and include shopkeepers, service providers, artisans, street vendors, etc. Microfinance clients are poor and vulnerable non-poor who have a relatively stable source of income. (Cohen & Sebstad, Microfinance: Risk Management and Poverty)

3. Importance of microfinance:

Experience shows that microfinance can help the poor to increase income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a

powerful instrument for self-empowerment by enabling the poor, especially women, to become economic agents of change.

Poverty is multi-dimensional. By providing access to financial services, microfinance plays an important role in the fight against the many aspects of poverty. For instance, income generation from a business helps not only the business activity expand but also contributes to household income and its attendant benefits on food security, children's education, etc. Moreover, for women, who, in many contexts, are secluded from public space, transacting with formal institutions can also build confidence and empowerment. (Cohen & Sebstad, Microfinance: Risk Management and Poverty)

Yunus (1980): Microfinance encompasses the management of small amount of money through a range of products, and a system of intermediary functions that circulates money in an economy. It is small in value amounts targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial services. Providers of microfinance include non- government organizations (NGOs), self-help groups, cooperatives, credit union, commercial bank, insurance and credit card companies and other points of sales. Microfinance is unique among development interventions: it can deliver a number of social benefits on an ongoing, permanent basis and on a large scale. Many well managed microfinance institutions throughout the world provide financial services in a sustainable way. (www.virtuallibrary.org)

The practice of extending small loans to poor people for income generating self-employment projects allowing them to improve their standard of living. (www.unitus.com)

The policy research working paper of World Bank for "the graduating the poorest into microfinance linking safety nets and financial services" give explanation on microfinance, that the Microfinance (formal financial services for the poor) helps people fight poverty on their own terms, in a sustainable way. Poor people use loans, deposits, and other financial services to reduce their vulnerability, seize

opportunities, and increase their earnings. Indirectly, microfinance improves schooling, health, and women's empowerment. (Graduating the poorest into microfinance: linking safety nets and financial services - Policy research working paper of World Bank)

Ojha Kiran (2002) says in his book, that Micro finance is one of the components of the finance. Basically, it has been emphasizing to poverty reduction through focusing multidisciplinary and multifaceted activities such as collection of domestic saving and investment of small loan in micro enterprises while micro credit emphasizes only the investment of small loan. The outcome of various programs on poverty alleviation and development of micro enterprises does exhibit in weaker performance. Micro finance/credit project for the resources less especially ethnic and deprived group is one of the foremost programs in the harmony of poverty alleviation and micro enterprise development.

Panta Harihar Dev said "Micro-Credit/Finance schemes give women financial independence and decision making power within and outside their household. Not only these have helped women to diversify income but also the economic gap between men and women has lessened to some extent. Thus, Micro-Credit/Finance programmes must be expended and more and more women must be involved."

Mathema Vijaya Ram (2008) address in his book "Microfinance in Nepal" that Microfinance is a small collateral free loan provided under the basis of group guarantee by banks and financial institutions. Microfinance is indeed a source of fund to address the challenge on poverty alleviation particularly for a developing economy.

Imad A. Hamze (2001), in his research paper " The Role of Micro credit in Poverty Alleviation: Profile of the Micro Credit Sector in Lebanon" says: The importance of micro credit programmes and their role in community development is the driving force behind this study. Micro credit can mobilize the economy, decrease unemployment, alleviate poverty, empower women, help in the resettlement of the displaced, and help farmers introduce appropriate crops. In other words, it is

believed that a well organized, properly managed micro credit programme can help those marginalized groups in society start their own business, and allow established micro-enterprises to expand to become small scale formal production units.

The Virtual Library of Micro Credit explains micro credit as the extension of small loans. It has proven an effective and popular measure in the ongoing struggle against poverty, enabling those without access to lending institution on borrow at banks rates, and small business. But with current explosion of interest on micro credit issues, several importance is that of savings- as an end in it self and as a guarantee for loans. Micro credit has been uses as an inducers' in many other community development activities or as an ingredient in larger education training exercise. www.virtuallibrary.org/mcredit.html

Micro-Credit Macro>Returns (1997), During the last few years it has become increasingly clear that the existing formal credit delivery system in the rural areas- the banks and co-operatives- has not been able to keep pace with actual demand for small credit. It was also, in a way, unrealistic to expect the formal credit system to be fully cognizant of the social objectives of providing credit to the rural poor, and even more particularly to women in poverty. Understanding the needs of this clientele had to transcend the misconception that they were beneficiaries. It also required an intensive involvement in the grassroots, to identify potential borrowers and to follow up on utilization and repayment of the loan.

2.1.2 Microfinance Program in Nepal

Microfinance programs have grown rapidly in Nepal during the last decade. Though the program of micro-finance for the poor was first initiated in 1950s through cooperatives and continued in various forms such as SFDP, PCRW, MCPW, etc. but the operation of micro-finance its true sense was started with the establishment of Grameen Bikas Bank in 1992. Prior to adoption of liberal financial policies starting from 1991 and intensified in later years, micro finance program was exclusively under the government control. However, with the initiation of liberal policies after 1991, private sector and NGOs have also been involved in micro-finance programs

following Bangladesh Grameen Bank model. Microfinance programs are implemented by government, semi-government and non-government financial institutions such as commercial banks, Grameen banks, and microfinance development banks, NGOs and savings and credit cooperatives. Status of the There are 5 regional Grameen Bikas Banks one each in five development regions in the government sector, 12 micro finance development banks in the private /NGO sector, 143 Small Farmers' Cooperatives Limited, 47 FINGOs and 34 savings and credit cooperatives (NRB 2008).

Number of Banks and Financial Institutions						
	Mid-July					Mid-March
	2003	2004	2005	2006	2007	2008
Commercial Bank Branches	379	375	375	390	552	574
Development Banks	11	14	26	29	38	58
Microfinance Development Banks	11	11	11	11	12	12
Finance Companies	57	58	60	70	74	79
Financial Cooperatives*	20	20	20	19	17	16
Financial NGOs*	39	43	46	47	47	47
Insurance Companies	17	17	19	21	21	22

* NRB Licensed

Source: Nepal Rastra Bank web site: www.nrb.org.np

Microfinance programs that have evolved in Nepal over the years can be categorized into 6 groups: Co-operative Programs, Priority Sector Lending Program, Intensive Banking Program, Specific Target Group Programs, Grameen Bank Replication Programs, Microfinance Development Banking (refer to Appendix 2 for the existing outreach of major microfinance programs). The outreach of microfinance is gradually increasing. Besides the microfinance institutions stated by Nepal Rastra Bank, a number of community base organizations, saving credit cooperatives, small farmer cooperatives are delivering their services in the rural area. However, the poorest of the poor is still out of the program. The main reasons are: 1) *self sufficiency approach of MFIs.* 2) *geographical location of the country* 3)

lack of education and awareness 4) recovery rate based rating of the MFI from Apex institution and others.

2.1.3 General Features of Microfinance in Nepal

The main feature of the Microfinance is to eradication of poverty, are as follows.

- (a) Sustainable microfinance ensures greater outreach to the economically deprived people and a lasting impact the reduction of poverty and the social and human development process.
- (b) Microfinance helps empower the economically deprived people by increasing their options and building their self- confidence through the greater economic participation.
- (c) Microfinance facilitates the inclusion of poor people in economic flows, supporting the growth of local markets and extending economic opportunities through new jobs, investments and infrastructure.
- (d) Microfinance is an integral part of a well- functioning financial sector.
- (e) Nearly half the people in the world do not have access to basic financial services- not because they can't afford them but because they are not available to them. Microfinance positively affects individuals and households and strengthens economies by investing in the productive capacity of local communities.

2.1.4 Regulatory Framework

Nepal Rastra Bank (NRB) mandate incorporates supervision, regulation and monitoring of all commercial banks, development banks, finance companies, and licensed NGOs and cooperatives engaged in microfinance. More specifically, the microfinance department of NRB supervises microfinance organizations, manages development finance projects and operates a refinancing window for MFIs. NRB imposes 'priority sector' lending to commercial banks, which entails lending a certain percentage of their deposit / loan portfolio to an underserved population, including typical microfinance clients. NRB has recently decided to phase out its priority sector credit policy by 2007, but the 3% deprived sector credit requirement will stay in place, and include microfinance.

Under the priority sector lending agenda, the central bank led different initiatives, such as the Intensive Banking Program, which introduced group guarantee mechanisms instead of formal collateral, the Production Credit for Rural Women (PCRW) and Micro-Credit for Women (MCPW), which targeted low-income women, and were supported by donor agencies such as IFAD and the ADB.

In Nepal, microfinance activities are regulated under the newly promulgated “Bank and financial ordinance 2004”, which covers category D ‘Microfinance Development Banks’, not allowed to perform regular development bank activities, and category E. ‘NGOs as financial intermediaries’. The ordinance includes the two specific acts promulgated by the parliament in recent years.

J **Development Bank Act 1996:** supervises development banks involved in microfinance, the five public Regional Rural Development Banks and the four private development banks created from the transfer of the microfinance portfolio of NGOs such as Nirdhan and CSD.

J **Financial Intermediary Societies Act 1998,** amended in 2002. This law after the first amendment in 2002 enables NGOs to collect savings from their group members. It is less restrictive than it was before the amendment. In addition, NGO directors must provide a personal guarantee for the loans taken by their NGOs from commercial banks. The Chief District Officer at the local government level has the power to take punitive action against NGOs. The transformation of NGOs into development banks was a protection for NGOs staff and directors.

2.2 Best Practices in Nepal and Regional Standards in Microfinance

The leading microfinance organizations in Nepal follow international best practices, sometimes adapted to local circumstances such as: conflict, disparity of population, and hilly and mountainous landscapes. The following are key best practices adopted in Nepal, as reported by microfinance practitioners.

- J Client and poverty focus, through customized financial products
- J Sound management practices, including cost control, risk management, commercial interest rates on lending, resulting in efficiency and sustainability.
- J Strong institutional development, in systems and controls (finance and MIS), capacity building of staff, and a strategy for expansion
- J Mobilization of local savings and access to domestic sources of commercial funding.
- J Participation to network organizations and events. (Suni Khanal:2004)

2.3 Challenges and Recommendation for Micro Credit Delivery in Nepal

1. Redesigning existing programs of the formal MFIs to better target the poorest and high lending rates of MFIs.
2. Unsustainable delivery mechanism of government initiated MFIs and programmes.
3. Another challenges to implement microfinance in Nepal is, poor people think debt is more likely to hurt rather than help them. If they have no reliable income source, they may feel that a regular weekly or monthly payment will make them more vulnerable rather than less. Although their investments of the loan proceed in a new micro business may raised and stabilize their income, this investment is a risky proposition given that a large percentage of micro business start ups fail.
4. The next reason for arising challenges to implementation of the MF in Nepal is lack of confident on poor people. The poor people's life is already risky enough without taking on debt. Arguably, some of these fears may be more about confidence than reality, but the poor are usually the best judges of their own situations.
5. The country's rural and urban poverty gap is widening. Most of microfinance institutions prefer to urban rather than rural and core poor. In the urban area duplication problem is facing by all MFIs, which is very danger for their survival in the long run. HMG/Nepal should integrate a number of activities in coming plan also. Skill oriented program for the poor should be initiated through coordination in the local levels including financing from MFIs.

6. Existing outreach of MFIs is very limited, which can not be expanded immediately without establish permanent peace and security in the country. The concept of commercialization of MFIs is emphasized so it is very difficult to deliver the services of MFIs to poorest of the poor. Special program should launch by the government through existing network of the MFIs. And hope that after the constituent assembly (CA) election possibly will brings sustainable peace and security in the country.
7. About the economic sectors, non agriculture sector like trade, transport, communication, finance and real estate etc, are very much urban-centric and that with too low trickle down effect. It also poses a challenge to spread the effects of tertiary sector to the rural areas and poorest of the poor. By using microfinance a number of people gradually changing their occupation but it is not sufficient. Only credit/money is not sufficient to reduce the poverty. Poverty itself is a very complex aspect.

Source: Millennium Development Goals and International Year of Microfinance 2005 in Nepal, Paper Presented by Puspa Raj Sharma, and interaction with different MFIs Staffs.

2.4 Review of Major Empirical Studies

Review of related studies:

i) Review from MF related articles:

- ☞ *A Political and Business Weekly* (edition of 10th-16th Feb, 2000) "Role of Micro Finance Highlighted", according to **Dr. Tilak Rawal**- "The MF sector is gaining around in the rural areas of Nepal as a situation to the economic problems of the rural Masses". Highlighting the importance of MF, he further says "MF is the key to poverty alleviation and lot of opportunities are open to the rural masses because of proper resource mobilization under this concept"
- ☞ *A Political and business weekly* (edition 10th-16th Feb, 2000), "Role of Micro Finance Highlighted" **Stuart Furtherford**, founder chairperson of SAVE, Bangladesh says- "The Success of MF sector depends very much on the

management of money. The extremely low saving rates on South Asian Region is because of the presence of a large number of money lenders”

- ☞ ***The Raising Nepal*** (20th April, 2000) “Microfinance lends support to rural economy” **Staff Reporter** - “In Nepal, over half a dozen MFIs have been in operating since the early 1990s. These institution now serve a total 2,23,521 poor household with the total cumulative loan disbursement of Rs. 6.69 billion”

- ☞ ***The Rising Nepal*** (29th January, 2003) “Micro Finance lends support rural economy”, according to **Indra Adhikari**- “It has been proved in many countries that investments in rural development have been successful and has enriched the country in due course of time. The economy and prosperity of countryside are developed properly; what we call rural finance the country’s economy would surely receive a boost.”

- ☞ ***The Himalayan Times*** (12th April, 2004) “Micro Finance Can Help Reduce Poverty.” according to **Nimal Fernando**, Rural Finance Specialist, says - “There has been uneasiness among promoters of MF about failure to reach the poorest defined as those in the bottom half below the poverty line. The core issue is whether it is realistic to expert that MF can be provided to the poorest on a sustainable and large scale basis”.

ii) Review of related Thesis

Although Nepal has long experience (more then three decades) of Micro Financing, only a few researches are undertaken. Therefore very few dissertations are available in the libraries, which are briefly reviewed below.

Research study entitled “Impact of Grameen Bikash Bank on Rural Poor Women” was carried out by Bishal Shapkota in 2000. It was case study of Purbanchal Grameen Bikash Bank. The study outlined the following objectives;

-) To study whether the woman taking services from the P-GBB were really poor before taking services;
-) To study the impact of P-GBB on rural women in every field of society;
-) To examine the changes made by the program before and after of its implementation;
-) To study different aspects related to performance of P-GBB.

The major findings of the study are:

Most of the families are nuclear, there is still need of awareness, maximum numbers of the borrowers are married women (30-40 aged women) high demand of micro credit on rural, women are better borrowers than male etc. MFs are so much important on the economic upliftment of poor women. Likewise, the study also shows that MFs are playing significant role in the enhancement of social status of women.

Arpan Paudel undertook the research study entitled; "Impact of Micro Finance on Women Empowerment" in August 2007. It was case study of micro finance project of Dhaulagiri Zone through NESDO (NESDO is MFIs). The study enclosed the following objectives;

-) To examine the socio-economic impact of MF project on rural women in operational areas of MFIs;
-) To analyze the political impact of MF project on rural women in operational areas of MFIs;
-) To evaluate out the perception of women about MFIs.

He has drawn the following findings;

-) Women are becoming, self dependent, self a warned, and self-motivated to become as dynamic as of their male partners.
-) Being economically self-dependent or getting easily MFIs women are slowly changing their traditional occupation. This is positive impact of micro lending of MFIs.

) In aggregate socio-condition of women seems better than their perception of past. It means they are getting credit and awareness as well.

Another research entitled "The role of Grameen Bikas in alleviation of poverty" was carried out by Bijaya Ram Acharya in 2000 by taking Purbanchal Grameen Bikash Banks case study, along with specifying the following objectives:

-) To find out the changes in financial condition of women before and after participation in the program of Grameen Bikash Bank.
-) To identify the motivation of peoples toward Grameen Bikash Bank.
-) To analyse the financial position of Purbanchal Grameen Bikash Bank over the period of 5 year i.e. Fiscal year 2049/50 to 2053/54.

Bijaya Ram Acharya finds followings from his research study;

-) Borrowed loan has significantly diverted the rural women from traditional sector to non traditional sector.
-) Income level of borrower is raised, satisfactory incensement in self-employment.
-) Motivation of people toward bank is positively. Women are uplifted and become conscious in their socio-economic status.

The next recent research was undertaken by Mahesh Kumar Shrestha in December 2007 under the title of "Micro Finance in Pokhara" It was case study of Kahun VDC at Pokhara. The study outlined the following specific objectives:

-) To analyse the position of existing credit of the Kahun VDC.
-) To measure the relationship between investment and income
-) To assess the effect of training on standard of living of the Kahun VDC people.
-) To measure the perception of users group towards the programme.

His research work has drawn the followings:

-) After women involvement in MF programme they attracted towards poultry farming and retail business which was economically stabilized them
-) Increased in standard of living due to MF programme.
-) It is found that must of participant women (85% out of 100%) repay their loan in due time. But it was also found that some participant (nearly 15%) misuse their loan to pay their old debt and household expenses.

The next research was undertaken by Mahesh Kumar Shrestha under the title of "Micro Finance in Pokhara" in December, 2007. It was case study at Kahun VDC of Pokhara. The study outlined the following objectives;

-) To analyses the position of existing credit of the Kahun VDC.
-) To measure the relationship between investment and income.
-) To assess the effect of training on standard of living of the Kahun VDC people.

Some of the major findings of the research study of Mr. Shresthas' are;

-) After involvement in the MF programme, women are especially attracted towards business that made them economically stabilized.
-) Change in living standard.
-) Most of member (nearly 85%) repay loan on time and it has found 25% of member did not pay loan on time.
-) It was found that some member misused their loan by using to pay old debt and household expenses. Only around two third of the respondents used loan for very purposed.

UN Finds: Micro-Loans Not Enough to Lift Women Out of Poverty

Low income is now recognized as only part of how poverty is defined. There are many other deprivations that condemn millions to a perennial life of bare subsistence, among them poor health, a lack of education, low social status or

discrimination. Since 1990 these have been measured in the United Nations Development Programme's annual Human Development Report.

"Micro-credit programs can raise living standards particularly for women and their households, but microfinance should not be the sole instrument for poverty reduction," says the World Bank in the most recent of a series of studies by international organizations. (www.womensnews.org)

2.5 Research Gap

The study by the student on micro finance in Nepal is perceived as the topic of out of course or as social sector, and tough. Although some studies are conducted they are not available for public use. These types of studies are done by related microfinance organization for their own self. In the concern of socio economic upliftment of women entrepreneurs through micro finance has not done by other in this selected area. In fact not any kind of micro finance related research studies have done in the Kavresthali. However, the study is entirely new which accomplishes by the researcher's.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

The study is descriptive and analytical in nature and gives emphasis to both qualitative and quantitative phenomena. This study is describing the role of micro credit for the upliftment of socio economic status of women with the help of data from the study area (i.e. different wards from Kavresthali). The present study has also tried to find out income pattern of female and sector of income distribution in the study area.

3.2 Universe and Sample

The universe for this study was conducted in ward no. 1, 3 & 5 of Kavresthali Area. It was difficult to take all members in the study area. Therefore, sampling method was adopted for the study. Sampling method was taken only on member from one group out of 15-40 members. All the respondents were female of different age group that were chosen by deliberate to purposive sampling technique.

3.3 Type and Nature of Data

Both primary and secondary data was used in the study from selected respondents. Different literatures including previously conducted relevant studies were reviewed. Primary data was collected from direct field survey with the help of structured and semi structured questionnaires. Similarly, Secondary data was collect from relevant book, published and unpublished materials of different I/NGOs, library, and internet.

3.4 Techniques of Primary Data collection

The primary data was collected using the following techniques.

3.4.1 Household Survey

Total sample households were surveyed with the help of questionnaire prepared to the visit of field. Both structured and unstructured questionnaire was used during field survey.

3.4.2 Key Informant Interview

Socially active and educated people, social mobilizers and staff of Women Support Cooperative (WSC) in the study area was taken as key informant and was interviewed to find out position of the people under the program.

3.4.3 Observations

Different activities of the sample groups were observed during the field visit.

3.5 Tool of Primary Data Collection

3.5.1 Structured Questionnaire

All necessary information was collected through a structured questionnaire. The questionnaire was focused on the objective of the study. The structured questionnaire was prepared to collect the realistic and correct data from the study area. In the case of literate respondents, respondents was requested to fill up the questionnaire, and in the case of illiterate respondents, answers was fill up by the data collector by asking them structured questions.

3.5.2 Semi structured interview

This is an open discussion with open ended questions. This tool used for generate valuable information. In addition the facts those have possibly over looked during formal interview, which is focused on the objective of the study.

3.5.3 Observation Checklist

Different modes of activities of targeted people were directly observed during the field visit. During the field visit, a checklist was prepared and used for the guide line in field survey what to be observed for fulfil objectives.

3.6 Secondary Data Collection

The secondary data was collected form published and unpublished books, journals, various research paper, case studies and literatures, CBS report, DDC report, and other agencies documents related to study. A resource checklist was prepared before the study listing relevant publications to be reviewed.

3.7 Data Analysis and Presentation Techniques

After the completion of data collection both sources should be interpreted. Because data itself gives no meaning, it should be analyzed and interpreted by using different tools and techniques. Quantitative data was analyzed and interpreted with the help of simple statistical tools. Mainly two kinds of tools are used to manipulate the data they are arithmetic and statistical tools. As an arithmetic tools; percentage analysis, mean and coefficient of variation are used. And as statistical tool Z-test and X²-test are used to draw inference.

3.7.1 Arithmetic Tools

i) Percentage Analysis

Percentage is a proportion stated in terms of one hundredth that is calculated by multiplying by fraction. It is a way of expressing numbers as fraction of 100 and is often signifying by using % sign. It presents the inference or result in absolute terms. I used this tool, in this study, to measure the proportion of respondent which are depended on their male partners, number of savers, general information about respondents etc. This tool helps us to compare the proportion of different unit in carious issues.

ii) Mean (Average)

A mean of a set of observation (which is also the sum of all observations) is divided by the number of observations. Here a 'N' represent the number of observation. When the number of observations is too large and when the size of the variety values is very big, we find their arithmetic mean by taking the deviations of the items from any arbitrary number. We calculate mean by using following tool:

$$(\bar{x}) = \frac{x}{n} =$$

Where,

\bar{x} = Mean

n = no. of respondent

In this study, I used this tool to calculate the change in income after the respondents join Micro Finance.

iii) Coefficient of variation (C.V.)

The coefficient of variation is the relative measure of dispersion, comparable across distribution, which is defined as the ratio of the standard deviation to the means expressed in percent. The small value of C.V means high degree of consistency in the observed distribution and vice versa. It shows the per unit risk associated with per unit extra income.

It is calculated by using

$$C.V = \frac{\sigma}{\bar{X}} \quad C.V = \frac{\sigma}{\bar{X}}$$

σ = Standard Deviation

Where,

$$\sigma = h \times \sqrt{\frac{\sum f d'^2}{N} - \left[\frac{\sum f d'}{N} \right]^2}$$

h = Class-Size

$$d' = \frac{X - a}{h}$$

a = assumed mean

$$X = \text{midpoint OR } X = \frac{\text{lower limit} + \text{upper limit}}{2}$$

C.V. is independent of unit. So, two distribution can be compared with the help of C.V. for their variability. Less the C.V. more will be the uniformity, consistency etc and vice versa. In this study we have used C.V. to test the consistency of income of respondent after involving MFP.

3.7.2 Statistical Tools

i) Z-test (Two proportion test)

The Z-test is a statistical test used in inference which determines if the difference between a sample mean and the population mean is large enough to be statistically significant, that is, if it is unlikely to have occurred by chance. It is normally used in case of large samples size. In order for the Z-test to be reliable, certain conditions must be met. They are:

1. When sample size is 30 or more (i.e. $n \geq 30$)
2. Samples have been drawn from normal population and
3. The samples are independent.

First calculate the standard error (SE) of the mean. The formula for calculating the Z score for the Z-test is as follows:

Finally, the Z score is compared to a Z table, a table which contains the percent of area under the normal curve between the mean and the Z score. Using this table will indicate whether the calculated z score is within the realm of chance or if the z score is so different from the mean that the sample mean is unlikely to have happened by chance.

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

Where,

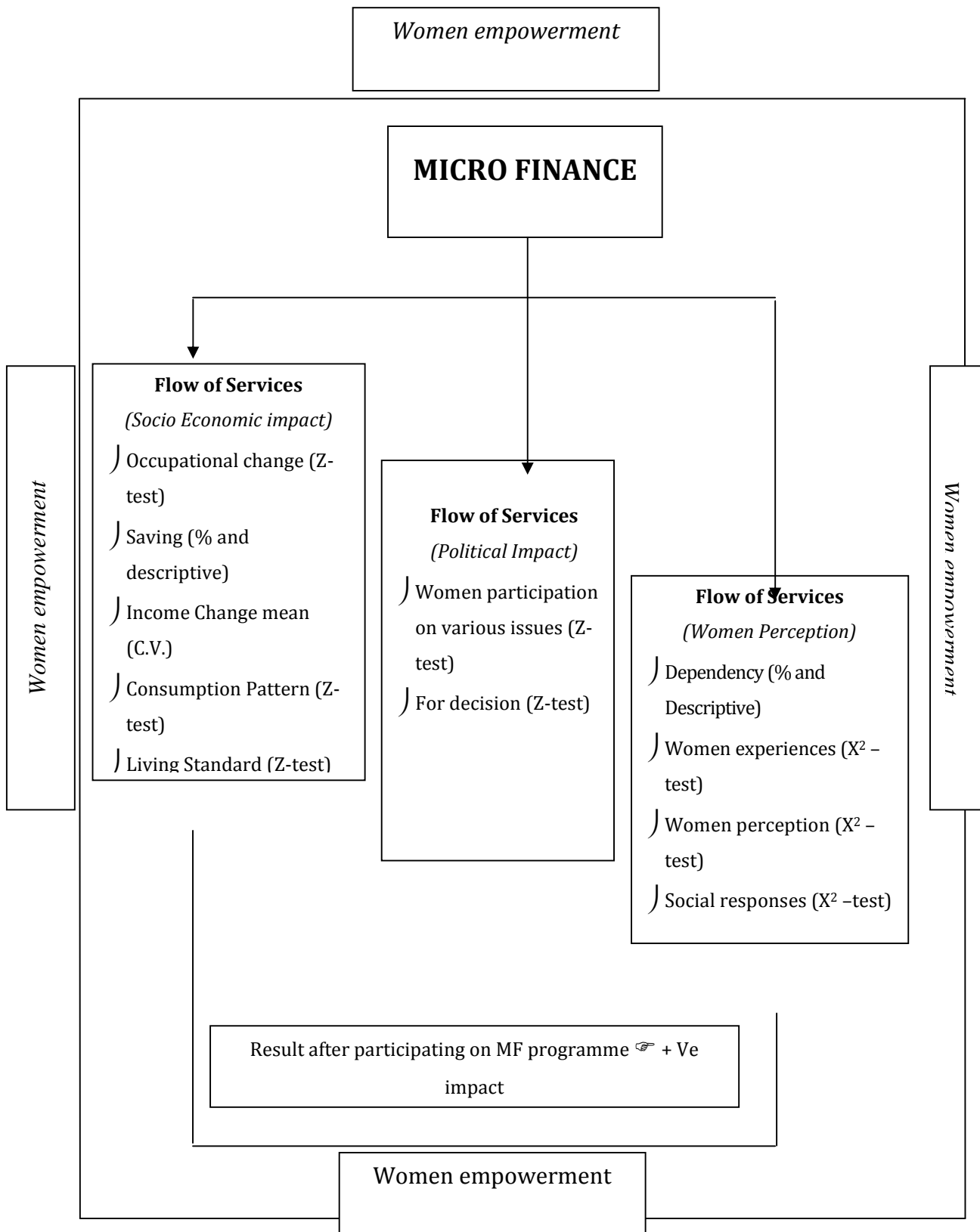
$$\hat{P} = \frac{X_1 + X_2}{n_1 + n_2}$$

$$Q = (1 - P^{\wedge})$$

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.

3.7.3 Data, Methodology, and its application to justify objectives of the study.

Data, methodology and justification of objectives



CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

In this chapter gathered data are analyzed by using various tools and techniques are represented either in the form of qualitative or quantitative form. This chapter starts with the general background of respondent thereafter respectively and women perceptions on MFPs are also presented thereafter.

4.2 General information of Respondent

This section consists various information like as educational status, marital status, and distribution of respondents by cast/ ethnicity. No of respondent are shown and percentage analysis is done.

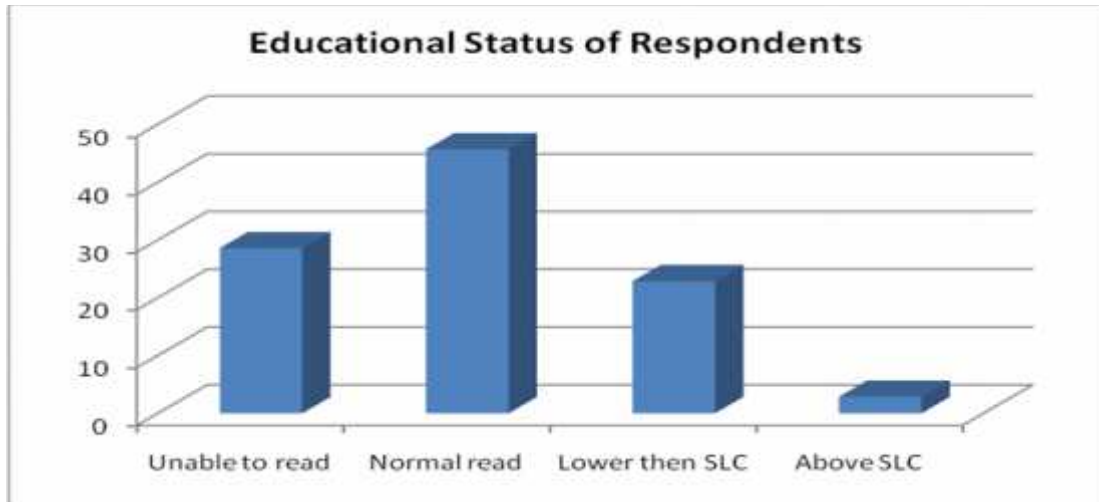
We have studied total 35 women respondent out of them, we find their educational status is scattered in following term.

Table-4.1
Educational Status of respondent

	Unable to read	Normal read	Lower then SLC	Above SLC	Total
No. of Respondent	10	16	8	1	35
% of Respondent	28.57	45.71	22.86	2.86	100

Source: Field Survey 2009

Figure-4.1
Educational Status of respondent



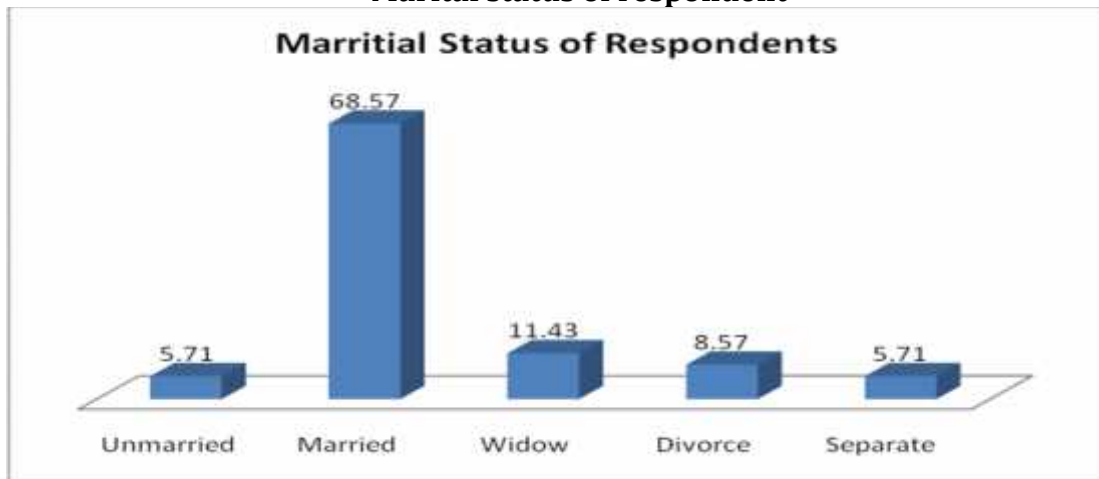
Our study area consists of only 6.36 percent of education population who are above S.L.C education and those who are literate are 26.36% majority of the respondent are belongs to normal reading category, *lower then S.L.C* education is received by only 13.64%. So we can say that most part of our study area is covered by uneducated person in aggregate.

Table-4.2
Marital status of respondent

	Unmarried	Married	Widow	Divorce	Separate	Total
No of Respondent	2	24	4	3	2	35
% of Respondent	5.71	68.57	11.43	8.57	5.71	100

Source: Field Survey 2009

Figure-4.2
Marital status of respondent



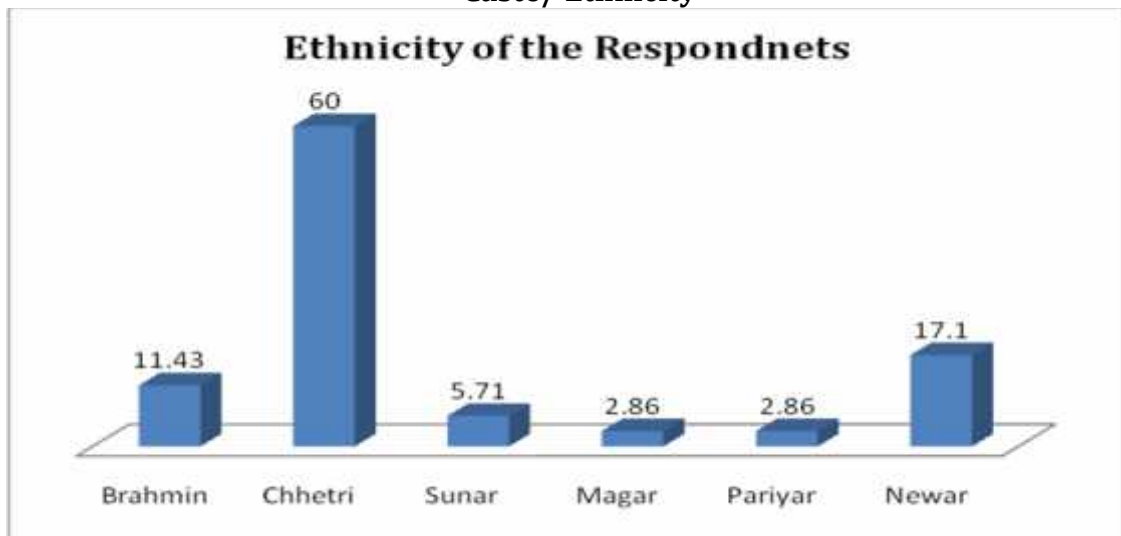
On our study area 5.71% of the women are unmarried, 68.57% of women are married, 11.43% of women are widow. Similarly, 8.57% of women are divorce and 5.71% of women are separate. We can say that majority of respondents belongs to married category, also we can say that majority of our study belongs to married women.

Table-4.3
Caste/ Ethnicity

Cast Group	Brahmin	Chhetri	Sunar	Magar	Pariyar	Newar	Total
No of respondent	4	21	2	1	1	6	35
No of respondent	11.43	60	5.71	2.86	2.86	17.1	100

Source: Field Survey 2009

Figure -4.3
Caste/ Ethnicity



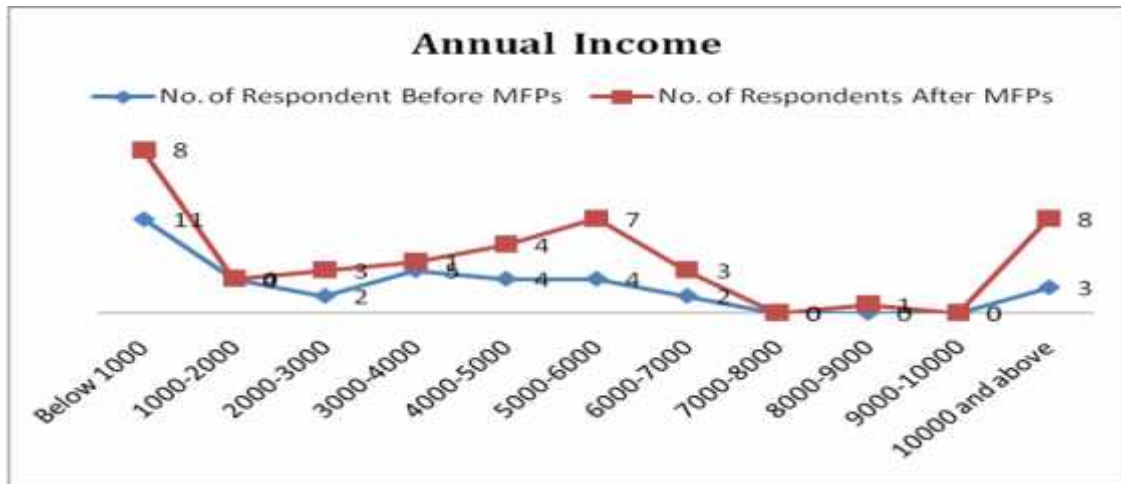
In this portion of the study, we see 11.43% of women are brahmin, 60 are chhetri, 5.71% of women are sunar, 2.86% of women are magar, 2.86% of women are pariyar and 17.1% of women are newar. We can say that our study on average consider the chhetri women the most.

Table-4.4
Income level of respondent before and after joining MFPs

Annual income (Nrs)	No. of Respondent Before MFPs	No. of Respondents After MFPs
Below 1000	11	8
1000-2000	4	0
2000-3000	2	3
3000-4000	5	1
4000-5000	4	4
5000-6000	4	7
6000-7000	2	3
7000-8000	0	0
8000-9000	0	1
9000-10000	0	0
10000 and above	3	8
Total Respondent	35	35

Source: Field report 2009

Figure-4.4
Income level of respondent before and after Joining MFPs



The table 4.4 shows the income level of the respondent before and after MFPs it shows that the income levels of respondents have increased on an average.

Table-4.5
Summary of before and after joining Income level of respondent

	Before	After	Result
Mean Income (Nrs)	2971	5086	Increase
(C.V) (%)	98.01	81.81	Decrease

Source: Field report 2009 and Appendix

Table 4.5 is the further calculation of table 4.5. It shows the mean income of respondents before MFPs is Rs. 2971 and after MFPs it is Rs. 5086. It has increased after this programme. The C.V. of mean income of respondents before MFPs is 98.01% and the programme is 81.81%. There is decrease in C.V., it shows the MFPs programme have worked for respondents (from Appendix I)

Table-4.6
Loan Amount Taken

Loan (Rs) (X)	No. of Respondent (f)	Percentage	f.X		
0	5	14	0	-11414	130285788
2,000	1	3	2000	-9414	88628667.9
3,000	1	3	3000	-8414	70800107.9
4,500	1	3	4500	-6914	47807267.9
5,000	6	17	30000	-6414	41142987.9
6,000	2	6	12000	-5414	29314427.9
10,000	10	28	100000	-1414	2000187.92
12,000	1	3	12000	585.72	343067.918
15,000	1	3	15000	3585.7	12857387.9
16,000	1	3	16000	4585.7	21028827.9
20,000	4	11	80000	8585.7	73714587.9
25,000	1	3	25000	13586	184571788
1,00,000	1	3	100000	88586	7847429788
Total	35	100	$\Sigma f.X=399500$		8549924883
Mean	11414.28	6	15629.6		
C.V	1.37				

Source: Field Survey 2009

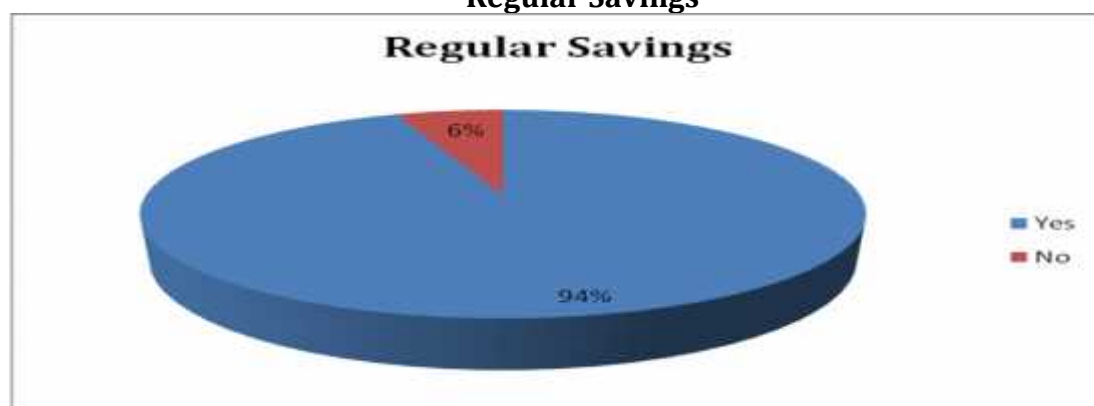
The Table 4.6 shows the amount of loan taken for MFPS, the mean amount of loan taken by the respondents is Rs. 11414.28. The standard deviation of loan is Rs. 15629.57. The C.V. of the loan amount 1.37. In total we can say that the loan had improve the living standard of respondents.

**Table-4.7
Regular Savings**

Regular Saving	No. of respondents	Percentage
Yes	33	94
No	2	6
Total	35	100

Source: Field Survey 2009

**Figure -4.5
Regular Savings**



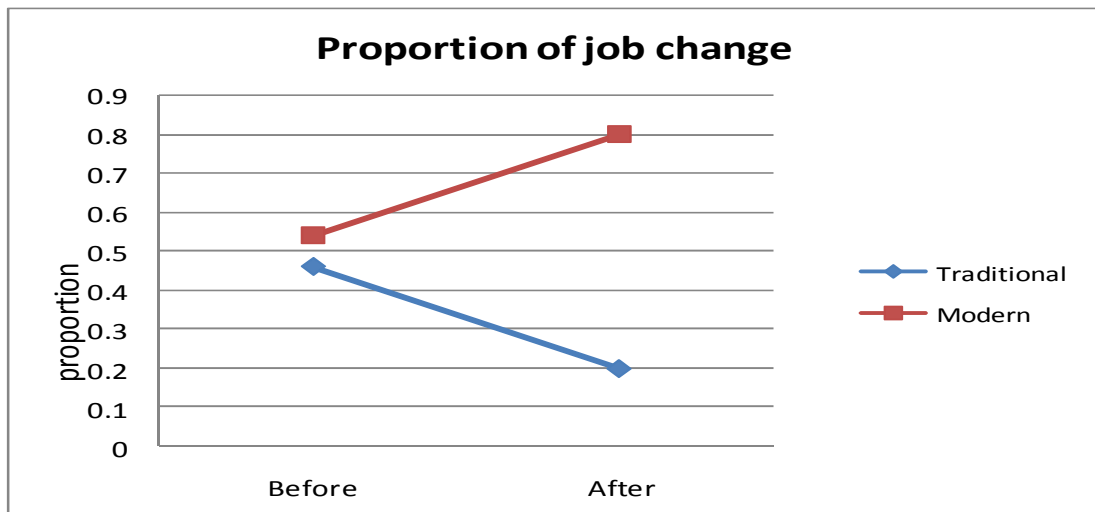
The amount of loan taken by the respondents for MFPs have increased the living standard of those women because as in table 4.7, the regular savings of the respondents have increased because 94% of women say there is the regular saving and only 6% of women say the regular saving have not increased. In total regular saving have been increased.

**Table-4.8
Occupational Change of Respondents**

Occupation	Before	Proportion (p1)	After	Proportion (p2)
Traditional(agriculture, buffalo keeping, wage)	16	0.46	7	0.2
Modern (goat keeping, poultry forming, small business, hotel)	19	0.54	28	0.8
Total	n1=35	1	n2=35	1

Source: Field Survey 2009 and Appendix

Table-4.6
Occupational Change of Respondents



Hypothesis test,

Null Hypothesis (Ho): $P_1 = P_2$: there is no significant change in proportion of respondent, whose main occupation was traditional before involving MFPs.

Alternative Hypothesis (H1): $P_1 > P_2$ there is significant decreased in proportion of respondent, whose main occupation is traditional after involving MFPs.

Tabulated value of $Z = 2.31$ (from Appendix II)

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

Result:- In above analysis of Z - test, we test the proportion of occupational change of respondents from traditional to modern before and after MFPs. The calculated value of Z is 2.31 and tabulated value of Z at 0.05 level of significant is 1.960. Since tabulated value of Z is lower than calculated value so null hypothesis is rejected and alternative hypothesis is accepted. So proportion of house hold whose main occupation is traditional before involving MFPs has been decreased significantly.

Table -4.9
Minimum Requirements fulfil by MFPs

	Very Good	Good	Enough	Not Enough	Total
No. of Respondent	8	10	15	2	35
% of Respondent	22.86	28.57	42.86	5.71	100

Source: Field Report 2009

Figure -4.7
Minimum Requirements fulfil by MFPs



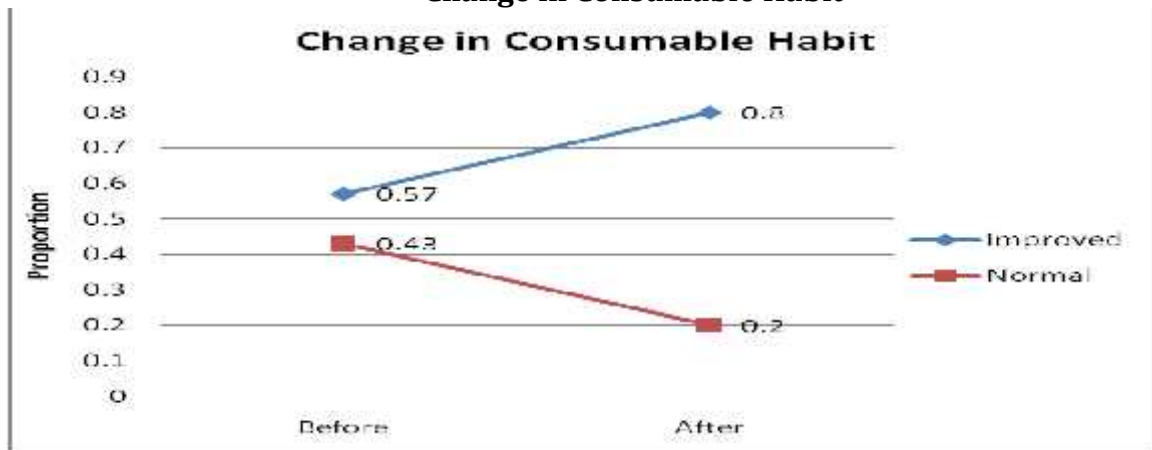
The table 4.9 shows that the percentage of minimum requirement fulfil by MFPs. After joining microfinance programme. The percentage of Very Good is 22.86%, Good 28.57%, Enough is 42.86% and not enough is 5.71%. On an average we can say that there is enough minimum requirement fulfil by this programme.

Table-4.10
Change in Consumable Habit

	Before	Proportion (p1)	After	Proportion (p2)
Improved	20	0.57	28	0.8
Normal	15	0.43	7	0.2
Total	n1=35	1	n2=35	1

Source: Field Survey 2009 and Appendix

Figure -4.8
Change in Consumable Habit



Hypothesis test,

Null Hypothesis (H₀): $P_1 = P_2$ there is no significant improvement in the proportion of women population in the concern of consumption patterns after involving MFPs.

Alternative Hypothesis (H₁) = $P_1 > P_2$: there is significant improvement in the proportion of women population in the concern of consumption patterns after involving MFPs.

Calculated Value of $Z = 1.62$ (From Appendix-III)

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

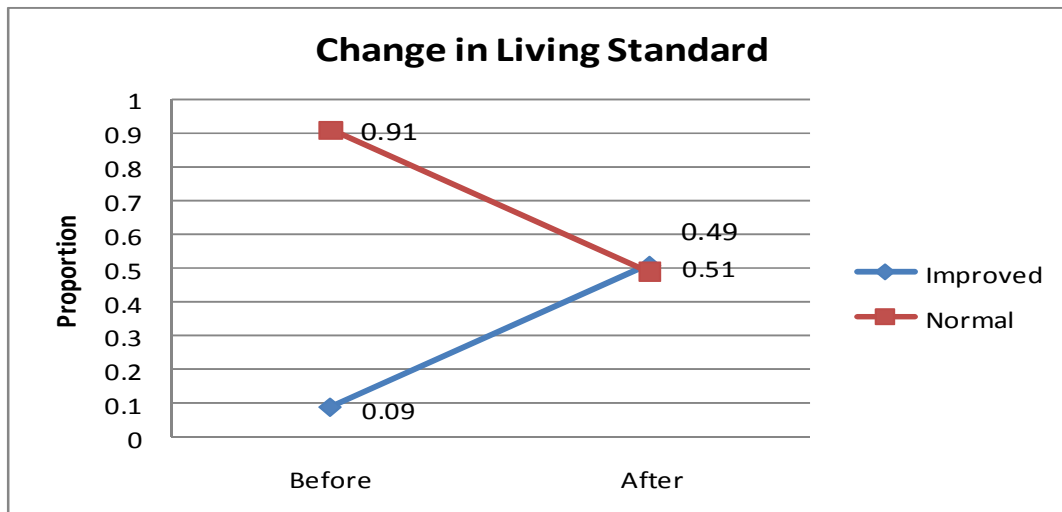
Result: In above analysis of Z - test, we test the proportion of change in consumable habit of respondents from improved to normal. The calculated value of Z is 1.62 and tabulated value of Z at 0.05 level of significant is 1.960. Since tabulated value of Z is lower than calculated value so null hypothesis is rejected and alternative hypothesis is accepted. So proportion of house hold in the concern of consumption pattern after involving MFPs has been improved significantly.

Table-4.11
Change in Living Standard

	Before	Proportion (p1)	After	Proportion (p2)
Improved	3	0.09	18	0.51
Normal	35	0.91	17	0.49
Total	n1=35	1	n2=35	1

Source: Field Survey 2009 and Appendix

Figure -4.9
Change in Living Standard



Hypothesis test,

Null Hypothesis (H0): $P_1=P_2$ there is no significant improvement in the proportion of women population in the concern of living standard after involving MFPS.

Alternative Hypothesis (H1) = $P_1>P_2$: there is significant improvement in the proportion of women population in the concern of living standard after involving MFPS

Calculated Value of Z= 3.83 (From Appendix IV)

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

Result: In above analysis of Z- test, we test the proportion of change in living standard of respondents from improved to normal. The calculated value of Z is 3.83 and tabulated value of Z at 0.05 level of significant is 1.960. Since tabulated value of Z is more than calculated value so null hypothesis is accepted and alternative hypothesis is rejected. So there is no significant improvement in the proportion of women population in the concern of living standard after involving MFPs.

Table-4.12
Numbers of Members in a Group

Members	No. of Respondent	Percentage
0	4	11
5	9	26
7	1	3
30	11	31
34	2	6
35	2	6
36	5	14
37	1	3
Total	35	100

Source: Field Survey 2009

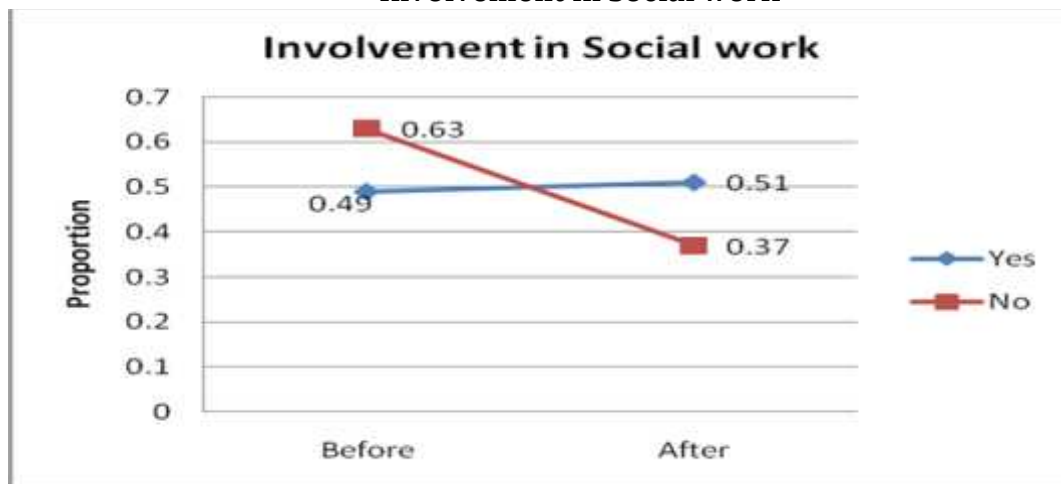
In the table 4.12, we look at the percentage of women working in the group. We found the group having 30 members have 31% and group having 36 members have 14%. It shows that the women's are comfortable in working in groups.

Table-4.13
Involvement in Social work

	Before	Proportion (p1)	After	Proportion (p2)
Yes	17	0.49	22	0.63
No	18	0.51	13	0.37
Total	n1=35	1	n2=35	1

Source: Field Survey 2009

Figure -4.10
Involvement in Social work



Hypothesis test,

Null Hypothesis (H₀): $P_1=P_2$ there is no significant improvement in the proportion of women population in the concern of involvement in social work after involving MFPs.

Alternative Hypothesis (H₁) = $P_1>P_2$: there is significant improvement in the proportion of women population in the concern of involvement in social work after involving MFPs.

Calculated Value of Z= 1.18 (From Appendix V)

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

Result: In above analysis of Z- test, we test the proportion of involvement in social work before and after MFPs. The calculated value of Z is 1.18 and tabulated value of Z at 0.05 level of significant is 1.960. Since tabulated value of Z is more than calculated value so null hypothesis is accepted and alternative hypothesis is rejected. So there is no significant improvement in the proportion of women population in the concern of involvement in social work after involving in MFPs.

Table-4.14
Involvement in community society (like mother's group, women's group)

	No. of respondents	Percentage
Yes	27	77
No	8	23
Total	35	100

Source: Field Survey 2009

Figure -4.11
Involvement in community society (like mother's group, women's group)

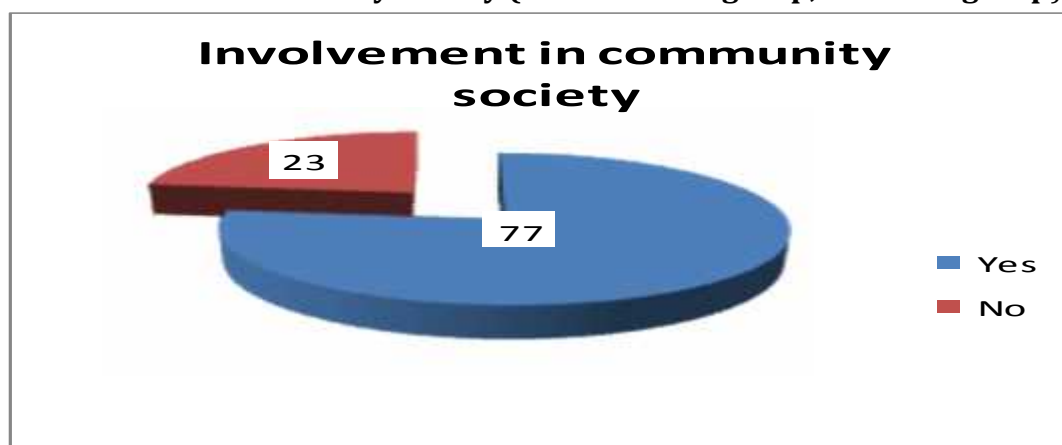


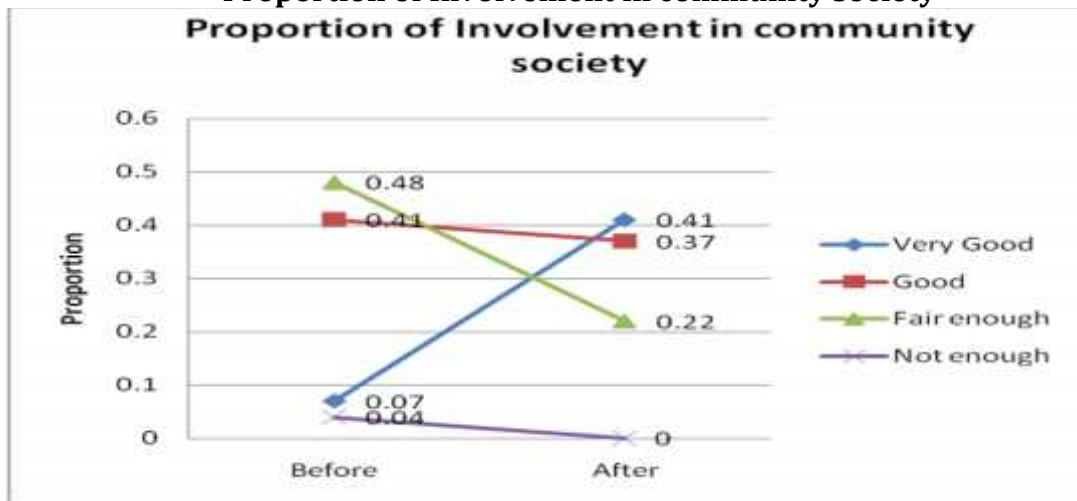
Table 4.14 shows the women's involvement in community society after entering in MFPS. It shows 77% of the women are involving in such society and 23% are not involved. It means the high percentage of women are working in group and sharing their ideas and trying to find out solution.

Table-4.15
Proportion of Involvement in community society

	Before	Proportion (p1)	After	Proportion (p2)
Very Good	2	0.07	11	0.41
Good	11	0.41	10	0.37
Fair enough	13	0.48	6	0.22
Not Enough	9	0.04	8	0.07
Total	35	1	35	1

Source: Field Survey 2009

Figure - 4.12
Proportion of Involvement in community society



Hypothesis test,

Null Hypothesis (H₀): P₁=P₂ there is no significant improvement in the proportion of women population in the concern of very good involvement in community society after involving MFPs.

Alternative Hypothesis (H₁) = P₁>P₂: there is significant improvement in the proportion of women population in the concern of very good involvement in community society after involving MFPs.

Calculated Value of Z= 2.92 (From Apendix-VI)

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

Result: In above analysis of Z- test, we test the proportion of involvement in community society before and after MFPs. The calculated value of Z is 2.92 and tabulated value of Z at 0.05 level of significant is 1.960. Since tabulated value of Z is less than calculated value so alternative hypothesis is accepted and null hypothesis is rejected. So there is significant improvement in the proportion of women population in the concern of very good involvement in community society after involving MFPs.

Table-4.16
Frequently Occurrence of Meeting of Community Society

	No. of respondents	Percentage
Yes	35	100
No	0	0
Total	35	100

Source: Field Survey 2009

Table 4.16 shows the percentage of frequently occurrence of meeting for those women who are involved in community society. It shows there is 100% frequently occurrence of meeting. It means these women are sharing their different ideas and views regularly which help to sort out the problem.

Table -4.17
Experiences from MFPs Programme

	Very Good	Good	Fair Enough	Not Enough	Total
No. of Respondent	8	22	2	2	35
% of Respondent	22.86	65.72	5.71	5.71	100

Source: Field Survey 2009

Figure - 4.13
Experiences from MFPs Programme

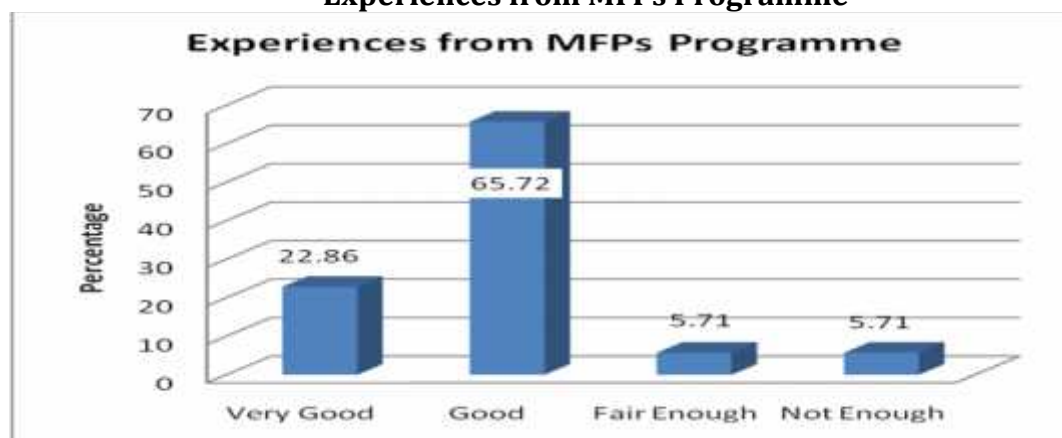


Table 4.17 shows the percentage of women who got different experiences from MFPs programme. 65.72% of respondents had good experience, 22.86% have very good experience. It shows this MFPs programme have given these women better experience.

Table-4.18
Dependency on Family for Decision Making After Joining MFPs

	No. of respondents	Percentage
Yes	21	60%
No	14	40%
Total	35	100

Source: Field Survey 2009

Figure -4.14
Dependency on Family for Decision Making After Joining MFPs

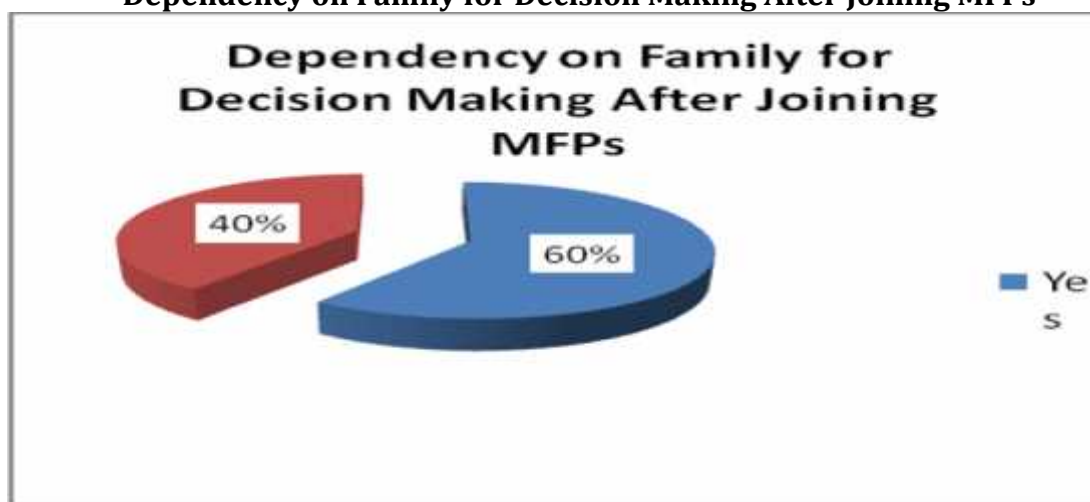


Table 4.18 shows the percentage of those respondents for dependency on family for decision making after joining MFPs. It shows 60% of women still depend upon family for decision making and 40% will not depend. It shows although MFPs have increased subsequently these respondents life style but these women have not developed confidence in them to go ahead alone, it may be due to Nepalese society also.

Table-4.19
Improvement in family life before or after MPFs with the help of others
members of family

	No. of respondents	Percentage
Yes	18	51%
No	17	49%
Total	35	100%

Source: Field Survey 2009

Figure-4.15
Improvement in family life before or after MPFs with the help of others
members of family

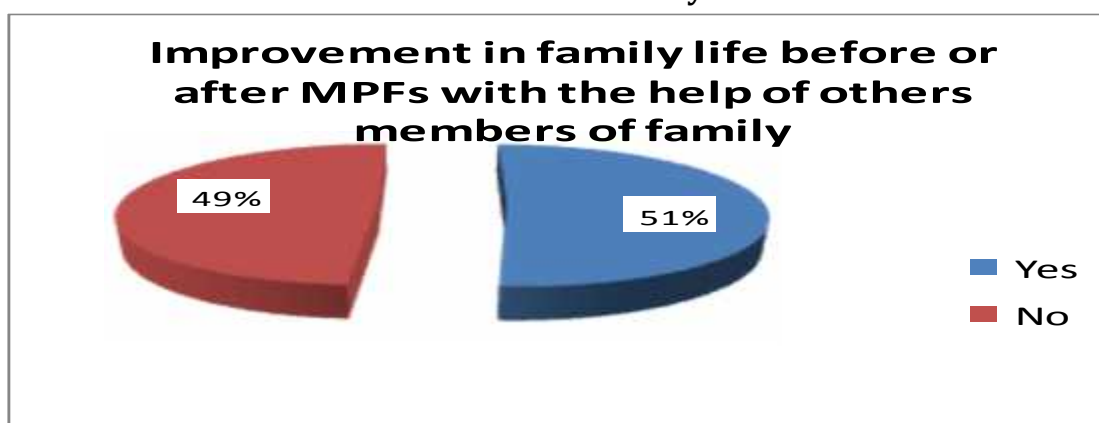


Table 4.19 shows the percentage of respondents for improvement in family life before and after MPFs with the help of other members of the family. Here, 51% of the respondents say yes and 49% say no. Although, it is quite closer but according to percentage we can say more number of respondents have improved life.

Table-4.20
Improvement in family life before or after MPFs with the help of neighbours

	No. of respondents	Percentage
Yes	23	66%
No	12	34%
Total	35	100%

Source: Field Report 2009

Figure - 4.16
Improvement in family life before or after MPFs with the help of neighbours

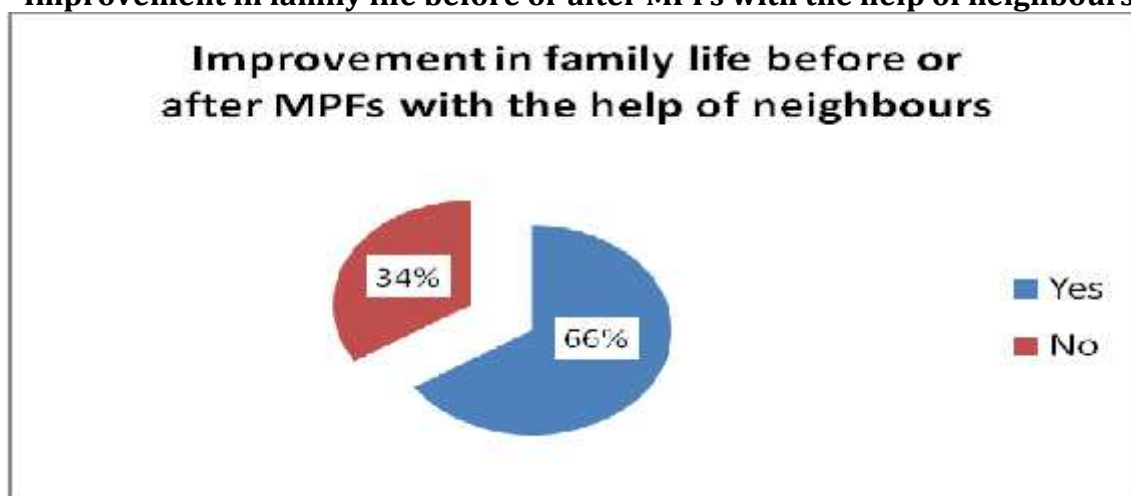


Table-4.21
Changes in neighbours view before or after MPFs

	No. of respondents	Percentage
Yes	23	66%
No	12	34%
Total	35	100%

Source: Field Report 2009

Figure - 4.17
Changes in neighbours view before or after MPFs

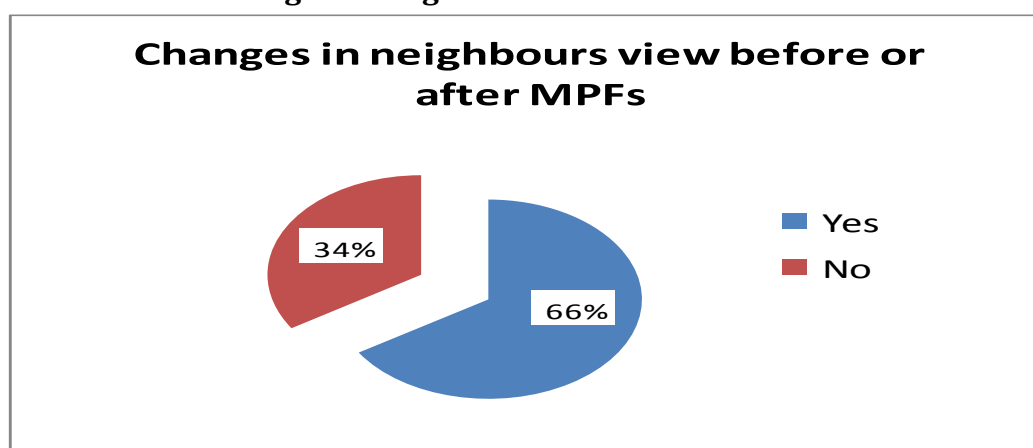


Table 4.21 shows the changes in neighbour view before and after MFPs. It shows 66% are saying yes and 34% says no. This means neighbour also accepted the changes. They like these people work.

Table -4.22
Percentage Change in neighbour view

	Very Good	Good	Fair Enough	Not Good	Others	Total
No. of Respondent	5	16	7	2	5	35
% of Respondent	14.28	65.53	20	5.71	14.28	100

Source: Field Survey 2009

Figure - 4.18
Percentage Change in neighbour view

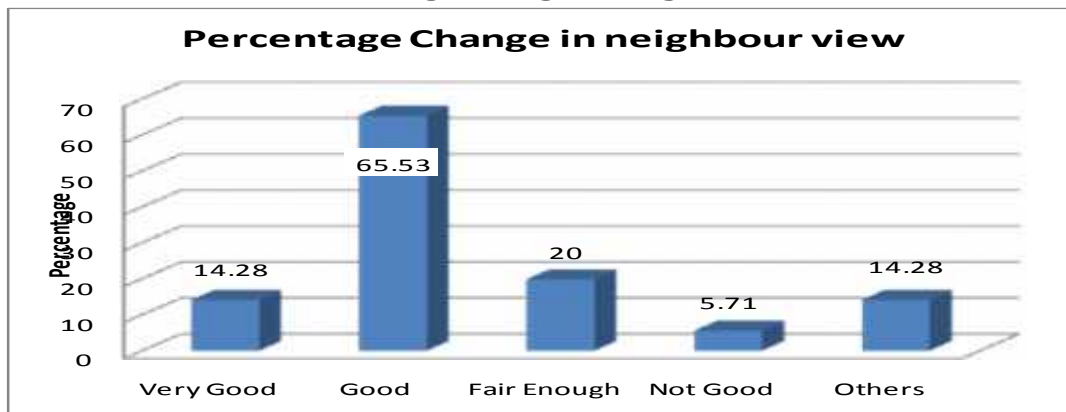


Table 4.22 shows the changes in neighbour view after involving in MPFs. Here, 14.28% says very good view towards them, 65.53% says good view, 20% says fair enough view, 5.71% says not good view and 14.28% says other view. It shows neighbours also quite appreciate their work.

4.3 Major Findings of the study

-) Most of the participant women are found illiterate. MFIs must give non formal Educational programme, before participating them in the programme. Although women are illiterate but the maximum women can at least able to read.
-) The most of the respondent's women are married. Although most of the women are married but also MFPs gives opportunity to other women also like:- Unmarried, Widow, Divorce, Separate ones etc.

- J The respondents women here are chhetri, after that there are brahmin women. The MFPs have given the opportunity to other caste also like:- Sunar, Magar, Pariyar, Newar etc.
- J The income levels of the women respondents have increase subsequently after joining the MFPs. As the mean income of these people are Rs. 2971 before joining MFPs. Afterwards it increased up to Rs 5086. The C.V. of income also decreased from 98.01% to 81.81%. This show the MFPs have provided the better income opportunity.
- J After involving these women respondents in MPFs programme, most of the women have taken loan. It means that MFPs have developed risk taking ability in these women's. As we know no risk no gain, so we can say that MPFs provides better opportunity in these women. The mean loan taken is Rs. 11144.28 and standard deviation of the loan is Rs. 15629.57 and C.V. of the loan is 1.37.
- J As the maximum women have taken the loan, we can say that their income would certainly have increased and maximum women have been saving from the income because 94% of the women say yes to on regular saving of the income and only 6% of the women respondents say no regular saving.
- J The Z-test have been done in between these respondents about occupational change of the respondents from traditional to modern. It is been found that there is significant change in the proportion of respondents from traditional occupation to modern occupation.
- J For the question asked to women respondents about minimum requirement fulfil by MFPs, it is found that 22.86% say very good, 28.57% good, 42.8^% say enough. It can be said that MFPs have certainly helped these women to fulfil minimum requirements.
- J The z-test has been done about the change in consumable habit from normal to improve after joining MFPs. It is been found that the proportion of household women in the concern of consumption pattern after involving MFPs have been improved significantly.
- J The z-test has been done about the change in living standard from normal to improve after joining MFPs. It is been found that the proportion of household

women in the concern of change in living standard after involving MFPs have not improved significantly.

- J The question has been asked to women respondents about involving in the group and how many members in the group. About 26% of women say there are 5 members in the group and about 31% of women say there are 30 members in the group. It shows MFPs helps women to work in the group, which certainly help them to develop their confident level.
- J The z-test has been done about the involvement in social work of these respondents after joining MFPs. It is been found that the proportion of household women in the concern of involvement in social work after involving MFPs have not improved significantly.
- J To the answer to question about involvement in community society like mother's group, women's group after joining MFPs. The 77% of the women say yes and only 23% say no. This shows that MFPs developed the habit in women to work socially. And among them also the z-test has been done about the very good involvement in community society of these respondents after joining MFPs. It is been found that the proportion of household women in the concern of very good involvement in community society work after involving MFPs have improved significantly.
- J Again the question has been asked among those women who are involved in community society about frequently occurrence of meeting. The 100% of the respondents say yes and there are no single women who say no. It means MFPs helps women to share their ideas and obstacles they get during this programme and helps to do the work more effectively.
- J To the answer of the questions among women respondents about experience from MFPs, about 65.72% say good experience, 22.86% say very good. It shows that maximum women are having good experience from it. They liked this programme very much and they are seeing change in their living standard.
- J To the answer of the questions among women respondents about dependency on family for decision making after joining MFPs. About 60% of the women say yes, and about 40% of them say no. This shows that although these women are doing well from this programme but due to culture of our society, they cannot go still further.

-) To the answer of the questions among women respondents about improvement in family life after MFPs with the help of other members of the family. About 51% say yes and 49% say no. It means that their family members are quite helpful to them, they have quite positive view toward this programme and this programme has improved their family life.
-) To the answer of the questions among women respondents about improvement in family life after MFPs with the help of neighbours. About 66% say yes and 34% say no. It means neighbour also like this programme and there are quite helpful also.
-) To the answer of the questions among women respondents about changes in neighbours view after MFPs. About 66% say yes and 34% say no. It means neighbour also like this programme and there are quite helpful also and they quite interested to this programme. And when it is asked what type of view they have, about 65.53% says good view about 14.28% say very good view. This also proves above statement.

CHAPTER-V

SUMMARY, CONCLUSION ANDRECOMMENDATIONS

5.1 Summary

The brief introduction of the study, its role importance in Nepal is presented in the introductory setting. The second chapter i.e. review of literature gives the concept of micro finance, different views of different resource scholars, writers are reviewed. Then the journals of articles published by different management experts which are available are also reviewed. Furthermore, the available dissertations in context of micro finance analysis from various researchers are been reviewed. The appropriate research methodology is presented in chapter III, with the help of methodology described; the data are presented and analyzed in chapter IV. Now, in this chapter an effort has been made to present summary of findings, and give some suggestions for future course of action. The basic objective of this study is to examine the effect of micro finance programme on deprived sector Nepalese women. To accomplish the objectives set earlier in first chapter the necessary data as from primary source are collected from set questionnaire. The primary data of questionnaire are distributed to 35 women who are involved in micro finance programme. These data has been analyzed though different ratio and with financial tools. The major ratio analysis consists of percentage analysis. In order to test, the hypothesis between the various variables of microfinance Z-test have been done. Similarly, with he help of formula described in chapter III i.e. research methodology, the different relations between variables of primary data is calculated.

5.2 Conclusion

-) The study area gives only 2.86 percent of education population who are above S.L.C education and those who are literate are 45.71%. Majority of the respondent are belongs to normal reading category, lower than S.L.C education is received by only 28.57%. So we can say that most part of our study area is covered by uneducated person in aggregate.
-) The study area consists of 5.71% of the women are unmarried, 68.57% of women are married, 11.43% of women are widow. Similarly, 8.57% of women

are divorce and 5.71% of women are separate. We can say that majority of respondents belongs to married category, also we can say that majority of our study belongs to married women.

- J In the study, we see 11.43% of women are brahmin, 60% are chhetri, 5.71% of women are sunar, 2.86% of women are magar, 2.86% of women are pariyar and 17.1% of women are newar. We can say that our study on average consider the chhetri women the most.
- J The study shows the mean income of respondents before MFPs is Rs. 2971 and after MFPs it is Rs. 5086. It has increased after this programme. The C.V. of mean income of respondents before MFPs is 98.01% and the programme is 81.81%. There is decrease in C.V., it shows the MFPs programme have worked for respondents.
- J The regular savings of the respondents have increased after entering into MFPs because 94% of women say there is the regular saving and only 6% of women say the regular saving have not increased. .
- J In the analysis of Z-test of Respondent's Occupational Change we found, the proportion of house hold whose main occupation is traditional before involving MFPs has been decreased significantly.
- J In the analysis of Minimum Requirements fulfil by MFPs , the percentage of Very Good is 22.86%, Good 28.57%, Enough is 42.86% and not enough is 5.71%. On an average we can say that there is enough minimum requirement fulfil by this programme.
- J In the analysis of Z-test of Change in consumable habit of Respondents we found, the proportion of house hold in the concern of consumption pattern after involving MFPs has been improved significantly.
- J In the analysis of Z-test of Change in living standard of Respondents we found, the proportion of house hold in the concern of change in living standard after involving MFPs has not been improved significantly.
- J In the analysis of Z-test of involvement in social work of Respondents we found, there is no significant improvement in the proportion of women population in the concern of involvement in social work after involving MFPs.
- J In the analysis of the women's involvement in community society after entering in MFPs. It shows 77% of the women are involving in such society and 23% are

not involved. It means the high percentage of women are working in group and sharing their ideas and trying to find out solution.

- J In the analysis of Z-test of involvement in community society of Respondents we find, there is significant improvement in the proportion of women population in the concern of involvement in community society after involving in MFPs.
- J In the analysis of frequently occurrence of meeting of community society 100% say yes, it means these women are sharing their different ideas and views regularly which help to sort out the problem.
- J In the analysis of Dependency on Family for Decision Making After Joining MFPs 60% say yes and 40% say no, it means although MFPs have increased subsequently these respondents life style but these women have not developed confidence in them to go ahead alone, it may be due to Nepalese society also.
- J In the analysis of Improvement in family life before or after MPFs with the help of other members of the family, 51% of the respondents say yes and 49% say no. Although, it is quite closer but according to percentage we can say more number of respondents have improved life.
- J In the analysis of Improvement in family life before or after MPFs with the help of neighbours, 66% have said yes 34% have said no. This means neighbour also accepted the changes. They like these people work.
- J In the analysis of changes in neighbour view 14.28% says very good view towards them, 65.53% says good view, 20% says fair enough view, 5.71% says not good view and 14.28% says other view. It shows neighbours also quite appreciate their work.

5.3 Recommendations

Based on findings of the analysis mentioned above, some practicable recommendation in the following section is given.

Improve the level of Literacy

Although the women have benefited by the MFPs programme, the status of literacy is very discouraging. Almost all the women are having the education below high school. They even don't have higher secondary education. Higher secondary

education can have substantial positive impact of the program, hence this is an area to focus in the future plans.

More Involvement of Women of Deprived Sector

Majority of the associated women are married with few involvement of unmarried, widow and divorced. Encouraging these group of womens can add more variety in women entrepreneurship and can involve the major section of the society. Prioritising, these dejected group can change the involving spectrum of the program, hence this is an important aspect to be thought in the future.

Positive Attitude from Society

Acceptance from the society is the key ingredient and forms the background of the whole program. Making public aware of the possible benefit of the program in bringing change in the overall socioeconomic dimension of the society can actually uplift the program in multiple.

Ethnic Women must be involved

Involvement of the more indigenous population will low socioeconomic profile, not only chhetri as the study suggests can have wider spectrum to the program. Focusing these members of the society can actually bring about the most possible positive result even with minor programs.

Positive Attitude towards Risk

Majority of the women are taking loan of minimum amount reflecting the fact that, there is some fear factor associated with the repayment of the loan as expected. Moreover, there is substantial difference on loan amount being taken at different times. A better counselling and understanding is required among the women about the possible benefit they can make out with this different magnitude of loan and its possible repayment. A pre-loan counselling and education about appropriateness of taking safety risk is recommended by the program organisers which can save the interest of both public and the stakeholders.

Interest for Modern and New Occupation

A proper understanding of the possible new income generating source rather than old methods of income generation is required for the target group. This can bring proper decision, and safeguard their investments with possibility of more benefits with less efforts.

Proper Implementation of MFPs

Major portion of the respondents don't fulfil the minimum requirement of MFP's. Proper implementation of the program need following of the set criteria, which will later be reflected by the overall benefit.

Must Change Consumable Habit

There are encouraging signs of consumable habits, among the respondents , however this is still low. A better trend of improvement is required to meet the desired goal.

Must Change living Standard

A significant improvement of living standard has been shown by the study, however there is still a room for better improvement.

Must Involve in Social work

Although it was expected that more people will involve in social work. But to our contrast, it is not statistically significant. It just highlights the fact that, more encouragement is required to achieve the desired level.

More involvement in community society

Although the involvement of some community group e.g. mother group have shown some encouraging improvement, it is not as per the expected. Others community groups also needed to be focused in this aspect.

Must be Change in Neighbour View

A neighbour misunderstanding the possibility of change one can expect from the program is other area of stigmata. Making its neighbour about the possible benefit of the program can actually increase the horizon of the participating population

Must be Change in Family's view

Decision making in women empowerment by the member of family although improving is still influenced by the other member of the family. A change in attitude of the family members in trusting its active member is still an area requiring improvement.

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APPENDIX

Appendix-I

We have,

Total Income amount (Before MFPs) (x) = Rs. 103985

No. of Respondent (n) = 35

$$\text{Mean } (\bar{x}) = \frac{x}{n} = \frac{103985}{35} = 2975$$

Similarly,

Total Income amount (After MFPs) (y) = Rs. 178010

No. of Respondent (n) = 35

$$\text{Mean } (\bar{y}) = \frac{y}{n} = \frac{178010}{35} = 5086$$

Where,

$$\text{Variance of } x = \sigma_x^2 = \frac{x^2}{n} - \frac{x}{n}^2 = 8481470$$

$$\text{Variance of } y = \sigma_y^2 = \frac{y^2}{n} - \frac{y}{n}^2 = 17306939$$

where,

$$x^2 = 605880000$$

$$y^2 = 1511000000$$

Now,

Standard deviation of $x = \sigma_x = 2912$

Standard deviation of $y = \sigma_y = 4160$

Then,

$$\text{Coefficient of variation of } x = \frac{\sigma_x}{x} \times 100\%$$

$$= \frac{2912}{2975} \times 100\%$$

$$= 97.88\%$$

$$= 98.01 \%$$

$$\text{Coefficient of variation of } y = \frac{\dagger_y}{y} | 100 \%$$

$$= \underline{4160} \times 100 \%$$

$$5086$$

$$= 81.81 \%$$

Appendix-II

Computation of test statistics:

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

(Sample size large i.e. $n = 35$)

where,

$$\hat{P} = \frac{X_1 \Gamma X_2}{n_1 \Gamma n_2} = \frac{16 \Gamma 7}{35 \Gamma 35} = 0.3285$$

$$\hat{Q} = 1 - \hat{P} = 0.6715$$

Now,

$$Z = \frac{0.46 Z 0.2}{\sqrt{0.3285 | 0.6715 \frac{1}{35} \Gamma \frac{1}{35}}} = 2.31$$

Appendix-III

Computation of test statistics:

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

(Sample size large i.e. n = 35)

Where,

$$\hat{P} = \frac{X_1 \Gamma X_2}{n_1 \Gamma n_2} = \frac{20 \Gamma 28}{35 \Gamma 35} = 0.685$$

$$\hat{Q} = 1 - \hat{P} = 0.314$$

Now,

$$Z = \frac{0.57 Z 0.8}{\sqrt{0.686 | 0.314 \frac{1}{35} \Gamma \frac{1}{35}}} = 1.62$$

Appendix-IV

Computation of test statistics:

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

(Sample size large i.e. n = 35)

Where,

$$\hat{P} = \frac{X_1 \Gamma X_2}{n_1 \Gamma n_2} = \frac{3 \Gamma 18}{35 \Gamma 35} = 0.3$$

$$\hat{Q} = 1 - \hat{P} = 0.7$$

Now,

$$Z = \frac{0.09 Z_{0.51}}{\sqrt{0.3 | 0.7 \frac{1}{35} \Gamma \frac{1}{35}}} = 3.83$$

Appendix-V

Computation of test statistics:

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

(Sample size large i.e. $n = 35$)

Where,

$$\hat{P} = \frac{X_1 \Gamma X_2}{n_1 \Gamma n_2} = \frac{18 \Gamma 13}{35 \Gamma 35} = 0.4428$$

$$\hat{Q} = 1 - \hat{P} = 0.5572$$

Now,

$$Z = \frac{0.51 Z 0.37}{\sqrt{0.4428 | 0.5572 \frac{1}{35} \Gamma \frac{1}{35}}} = 1.18$$

Appendix-VI

Computation of test statistics:

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

(Sample size large i.e. n = 35)

Where,

$$\hat{P} = \frac{X_1 \Gamma X_2}{n_1 \Gamma n_2} = \frac{2 \Gamma 11}{27 \Gamma 27} = 0.240$$

$$\hat{Q} = 1 - \hat{P} = 0.76$$

Now,

$$Z = \frac{0.07 Z 0.41}{\sqrt{0.240 | 0.76 \frac{1}{27} \Gamma \frac{1}{27}}} = 2.92$$