

CHAPTER – I

INTRODUCTON

1.1 Background of the Study

With the success story of Grameen bank in Bangladesh, microfinance has spread across the world and especially in south Asia with the main objective to reduce poverty. Microfinance plays an important role in fighting the multi-dimensional aspects of poverty. Microfinance is an innovation for the developing countries. It provides self-employment opportunity for poor people who are unemployed, entrepreneurs and farmers who are not bankable because of the lack of collateral, very low level of income. It has successfully enabled poor people to start their own business generating income and often beginning to build up wealth. It has the capacity to enhance the socio-economic development of the vulnerable and marginalized people, especially women.

Microfinance is one of the best alternatives to generate self-employment. It provides services to the communities who have no collateral to offer against the loans they take but have indigenous skills and strong desire to undertake economic activities for self-employment and income generation. Micro finances are effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation. The main aim of microfinance is to empower women. Nepal is one of the developing countries in the world. As estimated in 2004, about 31 percent people (35 percent rural and 10 percent urban) are living below the poverty line.(Kafle, 2019) “Microfinance” is termed as the financial service rendered to deprived groups of people and small entrepreneurs in saving, credit, remittance, rural, insurance and etc. to help them in developing self-employment opportunities and various income generating activities.

Women who could gain access to microfinance services have been able to create self-employment opportunities and have been economically and socially empowered through increased income earning from their small projects. Many participating women have now become self-reliant both economically and socially with the acquired knowledge and skills, and the resultant income from the microfinance program. Thus, microfinance has become a strong means to reduce poverty especially of the women. Among the many developmental programs

implemented in Nepal, microfinance programs seem to be rural oriented but actually outreach is still poor.

1.2 Historical Development of Microfinance.

The origin of microfinance can be traced back to 1976, when Muhammad Yunus set up the Grameen Bank, as an experiment, in Bangladesh. Since then several microfinance institutions have come and succeeded in reaching the poorest of the poor, and have devised new groundbreaking strategies over time. Rural Financial Sector Analysis (RFSA) outlines that as of mid-July 2009, there were 547,000 group members and 436,000 borrowers were enrolled in Micro Credit Development Banks in Nepal (Asian Development Bank [ADB], 2010). Commercial banks and other financial institutions are also providing deprived sector credit to the poor, directly or indirectly, through cooperatives and NGO's, consequently, it is estimated that nearly 400,000 poor people are enjoying microcredit facilities. Microfinance clients, the loan portfolio outstanding and savings are in increasing trend, the loan outstanding in MFDB's is growing rapidly and it reached to Rs. 9,795,232 thousand in Mid-July 2010. As stated in Nepal Rastra Bank [NRB] (2008), the formal microfinance sector in Nepal started in 1974, when NRB directed Nepal Bank Limited (NBL) and Rastrya Banijaya Bank (RBB) to lend at least 5 percent of their deposits under a "priority sector credit" scheme. The target sectors under the scheme include agriculture, cottage industries and services. NRB (2008) outlined that for nearly four decades, various agencies in Nepal have been active in microfinance with the central bank of Nepal, playing a pivotal role in policymaking decisions. (Poudel 2013)

The history of formal microfinance in Nepal began during 1950s when the Government established 13 credit cooperative societies to provide financial services to the flood-affected people in Chitwan district .Microfinance has encouraged income generating activities among the rural entrepreneurs by providing small loan and saving facilities. It was acknowledged as an official poverty alleviation mechanism only in the country's Sixth Plan (1980/81-1984/85). Till date, there are a total of 41 MFIs licensed by the central bank. 1.4 billion Households are the beneficiaries with Rs.60 billion and the recovery rate is over 95 % (Microfinance in Nepal, 2016).

1.3 Microfinance in Nepal

Nepal is one of the developing countries in the world. Formal micro-finance emerged in Nepal in 1956 as co-operatives began to provide saving and credit services to their members. Recognizing the larger need for micro services, the government soon became actively involved in promoting the sector. Agriculture Development Bank of Nepal launched the Small Farmers Development Project, which was the first to introduce the concept of group guarantee as an alternative to physical collateral in Nepal. Rural based poverty alleviation programs were initiated through the SFDP on a pilot test basis in 1975 by the ADB/N. The success of the pilot test in Dhanusa and Nuwakot districts encouraged policy makers to expand formal rural based micro-finance programs. The SFDP is now being formed into several autonomous, self-help organizations called Small Farmers Co-operatives Limited. (Limbu 2008)

Today, there are three major types of micro-finance institutions in Nepal: saving and credit co-operatives, NGOs and micro-finance development banks.

Micro Finance Program in Nepal

- I. Intensive Banking Program (INB)
- II. Saving and Credit Cooperatives
- III. Small Farmer's Development Programs (SFDF)
- IV. Production Credit for Rural Woman (PCRW)
- V. Micro Credit Project for Women (MCPW)
- VI. Rural self-reliance Fund (RSRF)
- VII. Women Awareness and Income Generation Program
- VIII. Rural Development Bank
- IX. Government and Non-government sectors

All types of Microfinance services in the country are provided by Microfinance Institutions (MFIs). Nirdhan Utthan Bank Ltd., Chhimek Bikas Bank Ltd., and Swabalamban Bikas Bank are the top three Microfinance Institutions in the country. Of the total borrowers under Microfinance Institutions, government Regional Development Banks serves almost quarter of the total borrowers, Microfinance Development Banks (MFDBs) servers almost the half of the borrowers and the remaining borrowers are serviced by Financial Intermediary NGOs (FINGOs) and Cooperatives.

Preliminary data from the Central Bureau of Statistics indicate that gross domestic product (GDP) is estimated to grow by 2.3% in fiscal year 2020. Prolonged containment measures to combat the spread of corona virus disease (COVID-19), disruption in supply channel and lower agriculture yield exacerbated headwinds to growth. Agriculture, which accounts for about a fourth of GDP, will likely expand by 2.6%. (Macroeconomic update 2020)

Microfinance in Nepal has various programs targeted to women. The saving and lending products are designed in order to address the needs of women. In this study analyzed economic contribution of microfinance by invests on agriculture production.

1.4 Statement of the problem

There are various constraints of the micro-finance program to achieve its objective and development goals. The focus of micro-finance program is for ultra-poor to improve their sustainable economic condition. Converting the labor mind into business mind is difficult task. Utilization of loan is not easy in the beginning. If the loan is not utilized in proposed works, it will become a burden in future.

The common characteristics of developing countries like Nepal are mass poverty and inequality, increasing unemployment, resource constraint and high dependency in agriculture .Microfinance movement is one such a tool to improve the economic condition. So the study moves forward basing upon some statements of problems and those statements are summarizing presented in the below listed points.

1. What was the socio- economic status of the microfinance clients of Bidur Municipality?
2. How the MFP changed economic status of the microfinance clients of Bidur Municipality after join MFP?
3. What are agricultural productions of the microfinance clients of Bidur Municipality?

1.5 Objectives of the Study

The general objectives of the study are to examine and analyze the economic contribution through agriculture production of microfinance clients of Bidur Municipality ward no. 13, Nuwakot district. The specific objectives of the research are as follows:

- To present the socio-economic status of Microfinance clients.
- To identify the economic contribution of microfinance in the study area.
- To present the role of microfinance in agricultural production in the study area.

1.6 Limitations of the Study

The study is concentrated on Bidur municipality 13 of Nuwakot District. The studies trying to represent the true picture of whole economic activities of women. The study can be beneficial to microfinance institutions to revise their products and services such that stronger impact can be produced. The study also can serve as a basis for further research in the field of microfinance for beginner researchers.

The limitations are listed as below:

1. This study has only confined to the activities of microfinance in Bidur M.P 13, Nuwakot.
2. This study may or may not be applicable to macro level because it does not cover the situation of whole Nepal.
3. The study is mainly based on primary and secondary data.
4. The study is mostly concerned about micro finance programs run by different institution focus to farmers.
5. The study focused on Mirmire Microfinance only.

1.7 Significance of the Study

Micro finance empowers women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities. Micro finance activities can give them a means to climb out of poverty. Thus it is hoped that the research findings will provide a wider ground for further research in the field of women. The study is carried the rural areas test of MFIs. This is beneficial to know the perception of rural

women and small farmers on MFIs activities. How rural peoples are participating on MFIs? How they get services from there and what types of activities are done through such services?

Are interpreted is a least developing country in the South Asian region. Most of the people under this country are guided by vicious circle of poverty. Specially, rural women are more victim of this problem. So, women are searching to escape from the Problems Nepal in that time microfinance is only one way to solve the women's economic problems.

1.8 Organization of the study

This study will be divided into five chapters. First chapter deals with the introduction of the study. It includes the general background of the study, statement of the problem, objective of the study, significance of the study, limitation of the study and organization of the study. Second chapter covers the review of literature it includes the general concept of micro finance, national and international concept of micro finance. Third chapter deals with research methodology. It includes study area, nature and source of data, data collection procedure, data processing and analysis. Fourth chapter deals with data presentation, analysis and interpretation. Last chapter includes the summary conclusion and recommendation.

CHAPTER - II

REVIEW OF LITERATURE

Review of literature is one of the most important parts of any thesis. Literature review includes review of old theses, dissertations, newspapers, , related website and studies on micro-finance programs and institutions undertaken nationally and globally, magazines and suggestions of experts .This chapter concern on the past event that has be done in the research problem. Literature review is an important topic of the research dissertation. It supported to the researcher to define the problem and choose the appropriate methodology and also give the guide lines for collecting information.

2.1 Reviews at International Context

The micro finance was first set up in the form of Grameen Bank in 1976 by Bangladeshi economist Prof. Muhammad Yunus as micro loans. He started with few pounds upwards, which were used for income, generating activities such as buying rice to husk and sell, or to protect a borrower form having no pay extortionate rates to money lenders for essential needs, such as house repairs weeding and funerals. The loan given at an interest rate is higher than the Bank rates, to cover the high costs of administrating small loans, but lower than money lenders rates. Saving are also crucial to micro finance both institutionally in that make up much of the loan capital and also as a safe place for deposit their money. (www.micro-finance-gate-way.org)

Chomen(2021), Conducted the research for “The role of microfinance institutions On poverty reduction in Ethiopia: the case of Oromia Credit and Saving Share Company at Welmera district.” This study points out that the intervention of OCSSCo in the study area helped the beneficiaries improve their level of living conditions. The study discovered that after the beneficiaries joined the institution, their income increased, nutrition intake improved, and most beneficiaries could buy necessary items and materials to educate their children. Besides these, the bulk of the beneficiaries argued that they developed the habit of voluntary savings after they joined the institution. This implies that the microfinance institutions made efforts to increase the beneficiaries’ income by putting proper monitoring and follow an up system in place. However, regardless of these achievements, most of these microfinance beneficiaries in the study area strongly disagree with the institution’s rate of interest when they take loans’.

Khan (2020) analyzed of the data carried out show that there is awareness of microfinance bank program/funding and a good number of sole proprietors in Damaturu source fund from the bank. Therefore, this study concludes that microfinance banks promote the growth and development of small-scale enterprises. The study also concludes that the strict borrowing condition of the bank has a significant effect on the development of SME's as it discourages them to apply for the loan, instead they keep raising funds from insignificant source. It is added that thus tactics and properties should address the most important factors of development in focal sub-sectors. The study also suggests that the enterprises supported by Microfinance institutions ought to be allied up with a larger financing window like the Small and Medium Enterprises Equity Investment Scheme fund and planned allied for extension and expansion fund after survival. The businesspersons may well also be allied up with other profitable groups who will service the businesspersons through the microfinance banks based on public investment.

Bein (2017), analyzed the relationship between micro finance (loan, deposit, investment, and contribution) bank to agricultural production and economic growth in Nigeria. From the study concluded that the place of the microfinance institutions in stimulating economic growth through improvement in the livelihood of the poor was empirically examined. It is shown that the impact of microfinance on economic growth can be determined by the time period - strong in the short run and weak in the long run. The empirical analyses in this study have helped to address the objectives of the study. The level of penetration of the banks through loan disbursement is shown to be rather weak but growing in the country. On the impact of microfinance banks on economic growth, the analysis has shown that microfinance loans have a positive impact only in the short run while investment has the long run impact. Other measures such as boosting agricultural production and taking appropriate steps in enhancing per capita income will equally help in great dimension in boosting the Nigerian economic growth.

Alimukhamedova (2013) analyzed that the theory and anecdotic country level studies suggest that microfinance could have significant effect on banking sector and growth and vice versa; while financial sector development and microfinance relationship is build on improved access to finance. In an attempt of addressing the lack of research on microfinance and growth interaction, this paper first, identifies transmission channels and second, defines appropriate empirical methodology to test the direction of causality, which to date remains ambiguous. The model

choice is also justified by the limitations of the microfinance data obtained from MIX as on average 7-8 years data is available for majority of the country's leading to the unbalanced panel problems that Arellano-Bond (1991) technique cope with. As a result of estimation procedures we expect to obtain a robust answer whether microfinance matters, particularly for developing countries where formal financial intermediation is immature leaving significant space for alternative means such as microfinance.

Tenaw & Islam (2009) indicates the vital role of financial services and micro finance in maintaining and improving livelihoods of rural people in Bangladesh and Ethiopia. Local based financial systems created by the local people in rural and urban areas are useful vehicles in promoting self-help and independency since the management and administration policy and rules are in the hands of the initiators. Agricultural sector in Bangladesh and Ethiopia are characterized by the adoption of poor technology, dependent on unreliable climate, poor infrastructure, small and fragile market, and precarious income flows that denies the access of many rural households. So, efforts can be made to develop the rural financial systems of these countries to ensure its smooth operations and thereby contributing to agricultural productivity and tackling the poverty. The transmission of knowledge and experience gained from the operations of such institution like Grameen Bank in Bangladesh can be replicated in several developing countries including Ethiopia.

Yunus (1976) Microfinance was first set up in the form of the Grameen Bank 1976 by Bangladeshi economist Professor Muhammad Yunus Microloans. He started which may be anything from a few pounds upwards, are used for income generating activities such as buying rice to husk and sell, or to protect a borrower from having to pay extortionate rates to moneylenders for essential needs such as house repairs, weddings or funerals. The loan is given at an interest rate higher than bank rates, to cover the high costs of administering small loans, but lower than the lenders' rates. Savings are also crucial to microfinance, both institutionally in that they make up much of the loan capital, and also as a safe place for people to deposit their money.

2.2 Reviews at National Context

Guvaju & Sherpa (2020) investigated that there is the need to improve the effectiveness of microfinance and changing lifestyle of women entrepreneur on women empowerment. Overall, the independent variable has the positive impact on dependent variables. Many women are turning into entrepreneurs helping their husband to fulfill the needs of the children. Women are getting inspiration through the micro economist Muhammad Yunus who think that the women have the better skills and can improve their standard of living related to men. Women are becoming financially strong by bringing change in their life style effectively, socially and economically

Kafle (2019), investigated that MFIs have created positive role on economic empowerment of women. Therefore, MFI plays desirable and effective role to empower the women in study area. Training and various loan products supports for improving farming techniques and micro-enterprises has helped members to shift from traditional agriculture to income generating crop production, animal keeping which yields higher return.

All the result shows that positive role of MFI on economic impact of microfinance in study area. The empowerment status of rural women in Ramechhap Municipality can be significantly by changing their traditional occupation agriculture to income generating activities by the support of MFI on financial support and skillful training. The overall conclusion of this study is that the level of women empowerment is satisfactory at the household.

Gnawali (2018), examine the relationship between function of MOF and women economic empowerment and difference in women empowerment condition across MFIs. From the study, it can be concluded that respondents have positive response and satisfaction towards the services provided by MFIs.

Furthermore it can be concluded that respondents were agreed with the statement of credit facility. As well as respondents have positive response and satisfaction toward income status.

The regression equation from the study is:

$WE = 3.411 + 0.187(CF) + 0.081(IS) + 0.024(SF) + 0.126(CB) + 0.022(IS) + S.E.$ The regression analysis measures the dependency of variables. From the study, it can be concluded that dependency of independent variable is higher on dependent variables. The variable women empowerment is more dependent on credit facility.

Rakhal (2015), explore the women's social relation changed after joining the entrepreneurial activities. From this study, it is found that majority of women are running income generating activities. The access of loan to the poor women is essential for income generation through entrepreneurship. Microfinance provides access to financial services that can help to decrease poverty by promoting opportunities in financial access to the poor including women. Therefore, microfinance program has improved the life of many poor through income generating activities. This study also points out that the credit access to women not only improves the economic condition of the family but also increases the social relations. Therefore, microcredit schemes have been linked to capitalists' efforts to search for new approaches to advance the liberal ideology of private entrepreneurship, capitalism and social mobilization based on multiple social identities.

Limbu (2014), analyzed the Microfinance program has been playing vital role for the upliftment of economic status of women. Due to this program, women have been socially and economically empowered. They are providing economic contribution towards their family, society and towards their nation as well. In spite of their good achievement due to their involvement in MFP, it has been realized that different necessary and skillful trainings should be given to them by such MFPs and loan should be provided to MF clients at low and favorable rate of interest. Besides this, loan should be provided at demanded time. Women clients should be provided with income generating employment opportunities due to which they can uplift their living standard and economic status. Furthermore, different awareness related programs should also be frequently held in order to make women clients aware. Microfinance program has been playing crucial role in upliftment of economy and empowerment of women. Many women have become able to stand on their own and have started to engage in economic activities actively through the assist of microfinance programs. Microfinance institutions should conduct its work and program more effectively in order to attract more female members towards it and to empower them.

Adhikari and shrestha (2013), examines an economic impact study of microfinance program of Women Support Cooperative Limited (WSC) in Manamaiju VDC of Kathmandu district. The study has been conducted to examine and compare the conditions of respondents (loonies and non-loonies) of the microfinance program before and after being a member of WSC. The economic status of loonies has improved consequently than when they started small business

with loan in the earlier days. Moreover, it was found that their socio-economic status was higher than that of non-loonies. The study, the loonies were demanding that the loan size should be increased; effective means should be developed to identify the poor and target them for loan, training, and regular follow up should be conducted. The outreach of the institution should be enhanced. Modern technology should be applied to increase the efficiency and to provide service in remote areas. The study reveals that economic status of women has risen due to income generating activities and they were socially empowered due to group solidarity created by microfinance program. They can raise voice against gender discrimination

.2.3 Research Gap

Research is a never ending process. It is the process of finding out something new again and again. From the above literature review we can conclude that there are various studies on the topic of Micro finance programs in Nepal and foreign countries. Most of the above research studies identify about the impact analysis of microfinance and poverty reduction for micro credit programmed in different districts of Nepal and women empowerment through microfinance in different places of different microfinance programs.

This research paper is different from others in the sense that it is trying to find out the economic contribution of peoples of Bidur Municipality 13 through microfinance program. It is hard to find real cases studying on economic contribution by agricultural production through microfinance program in Bidur Municipality 13. The Importance of study is also to identify the present situation of women through microfinance program of at study area. This research is trying to discuss about the Economic contribution of Microfinance Finance Services on women.

CHAPTER - III

RESEARCH METHODOLOGY

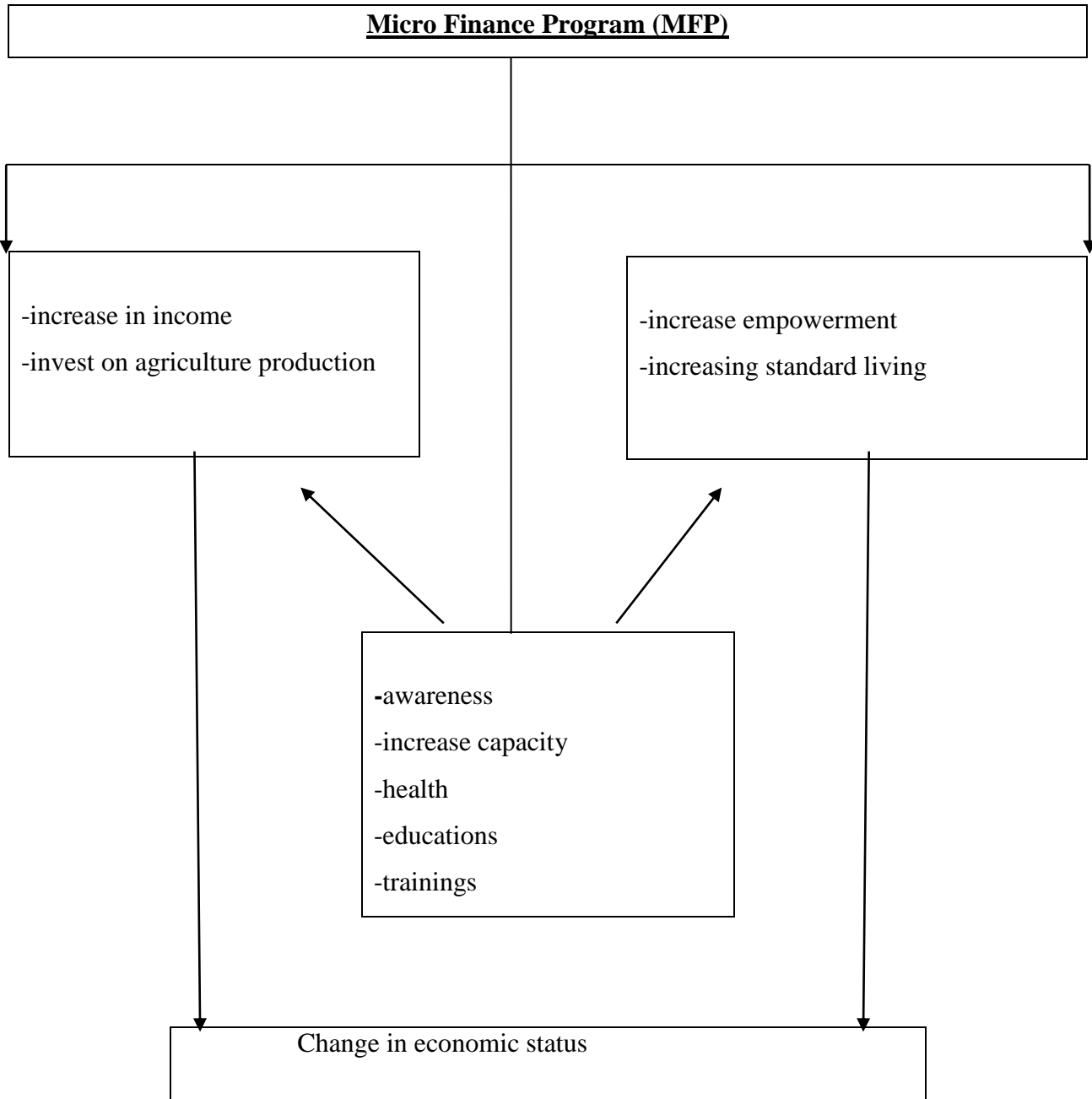
This chapter presents the short outline of the methods applied in the process of analyzing the data. Research is a systematic method of finding out solution to a problem whereas research methodology refers to the various sequential steps to adopt by researcher in studying a problem with certain objective in view.

3.1 Research Design

This study is based primary and secondary data of the microfinance and approach of this study is historically as well as descriptive. This study analyzed the economic contribution of finance. For this propose, we will estimated some models and techniques. The financial and statistical tools are used to analyze the data.

3.2 Conceptual Framework

Previous researchers have identified different factors that could reflect the economic contribution of people who use micro financial services. This research however will focus on some of them considering the context of Nepal with the reference of Bidur Municipality. The Study concerned about economic status of women through microfinance. Furthermore conceptual framework can be shown with the help of following diagram:



The conceptual frame work consists of the five indicators (awareness, increase capacity, health, education, and training) of MFP. From these indicators direct affect on increase in income, agriculture production, empowerment and standard living of respondent. At last upgrading these indicators shows big change in economic status of respondent of MFP.

3.3 Source of data

This study will be based on the primary and secondary data collected from the different study area. In addition, some information will be collected from the visit of the concerned finance, shareholder and membership with the Manager and membership and the observation of concerned the membership, telephonic inquires by e-mail etc. The major sources of primary data and secondary will: Brochure of concerned finance, published reports from Department of finance, economic surveys, and websites of concerned finance. The basic sources of data will be used as follows:

1. Questionnaire.
2. Annual Reports.
3. Published Materials of related finance.
4. Concerned economic survey.
5. Related Books and journals.

3.4 Selection of the Study Area

Bidur is a small municipality located on the banks of Trishuli River in Nuwakot district of Central Development Region. The Pasang-Lahmu highway joins Bidur municipality with Kathmandu. The municipality was established in 2044 BS. There is total 13 ward number. This study is based on concerned microfinance of Bidur municipality, ward no.13 only in Nuwakot District. This study area is on the basis of researchers and familiarity with the area.

3.5 Nature and Sources of Data

The study uses both qualitative and quantitative techniques. Similarly, the Study is based upon both primary and secondary type of data and information.

3.6 Universe and sample of the study

The study is based upon the female populations who have been using MF in Bidur Municipality wards no.13 of Nuwakot district. There are about seven MFIs in the study area. Specially, the study is based upon Mirmire MFIs. The selection of these MFIs has been done by their number of members and size of transaction. Involving number of total female populations are 225 till now from their stabilization date. So, the total universe of the study is female number of 225.

The study uses 20 percent of total universe for the sample size who are involving continuously before at least five years. 45 individuals were selected as the sample population through the study.

3.7 Methods of Data Analysis

Mainly financial methods will be applied for the purpose of this study. Data will be represented in various unites and forms depending on its nature to conduct through analysis on it to fulfill the set objectives. A number of statistical such as tabulation, percentage, and other graphical presentation will be employed as analytical tools. The data and information will also be presented in table; pie-chart bar diagram etc .For the analysis of data the computer software MS-Excel and SPSS will be used. Appropriate statistical tools will also be used. Hence, statistical tools used in the study will be as follows:

1. Sampling
2. Pie-chart
3. Diagram

CHAPTER - IV

DATA ANALYSIS AND PRESENTATION

This chapter is aimed to display and evaluate the collected data regarding the objectives. In this chapter researcher analyzes the collected data in various headings and sub headings to fulfill the stated objectives of study. The main component of economic contribution of women through micro-finance program is to social involvement of women and enhance living standard as well as to encourage them for compulsory saving and agriculture production.

4.1 Demographic Status of Respondents

This section of the questionnaire covered the respondents' age, family structure, loan taking, training helpfulness, decision making role in family, family relationship, crops production and social involvement which are belongs to respondents individual identification. The personal data helped to findings and the formulation of appropriate recommendations of the study.

4.2 General Information of the Respondents

4.2.2 Age Structure

In the field survey, the respondents of different age group which is presented in following table.

Table: 4.1 Structure of Age

Age Group	No. of Respondent	Percentage
20-30	8	17.78
30-40	17	37.78
40-50	11	24.45
50-60	7	15.56
60 over	2	4.44
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.1 show that, 17.78 percent of the total respondent in the study are of 20-30 age groups. In the same way, 37.78 percent respondents are in 30-40 age groups at. In the age group 40-50 has, 24.45 percent of respondents are in group respectively. Furthermore, 15.56 percent of respondents fall under the 50-60 age group and 4.44 percent of respondents are fall under 60 over age group. The major portion of the people of the Microfinance Institutions are above the age of 20 years which means that most of the people can participate in income generating activities and can work.

4.2.3 Ethnic Composition

In the field work, different respondents have been found which is presented in table.

Table: 4.2 Ethnic Compositions of Respondents

Ethnic Groups	No. of Respondent	Percentage
Brahmin	6	13.33
Chhetri	12	26.67
Newar	1	2.22
Tamang	8	17.78
Magar	3	6.67
Gurang	1	2.22
Sunar	10	22.22
Other	4	8.89
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.2, shows that, different ethnic composition of MFI from out of 45 respondents 13.3 percent Brahmins, 26.67 percent Chhetri, 2.22 percent Newar, 17.78 percent Tamang, 6.67 percent Magar, 2.22 percent , Gurung, 22.22 percent Sunar, 8.89 percent others casts are involve in MFI

4.2.4 Marital Status

Table: 4.3 show that percent of marital status of all respondents.

Table: 4.3 Marital Statuses of Respondents

Marital status	No. of Respondent	Percentage
Married	42	93.3
Unmarried	-	-
Widow	3	6.67
Divorced	-	-
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.3 shows that among the selected 45 respondents in MFI, the respondents 93.33 percent are married, zero percent are unmarried, 6.67 percent are widows and zero percent are divorce.

4.2.5 Educational Status

Respondents having different educational status have been found while doing the field survey of respondents. Educational status of the respondents is presented in table: 4.4

Table: 4.4 Educational Statuses of Respondents

Educational Status	No. of Respondent	Percentage
Illiterate	17	37.78
Literate:	28	62.22
Primary	17	37.78
Lower Secondary	7	15.56
Secondary	2	4.44
Higher Secondary	2	4.44
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.4 present different percent of educational status of respondents from MFI. Out of selected 45 respondents from MFI, 37.78 percent of respondents are illiterate and 62.2 percent of respondents are literate where, the respondents 37.78 percent are in primary level, 15.56 percent are in lower secondary level, 4.44 percent are in secondary level and 4.44 percent are in higher secondary level. The figure shows that the majority of the people are literate.

4.2.6 Head of the Households

Head of the Households percentage of respondents of MFI in the field survey is presented in table: 4.5

Table: 4.5 Head of the Households of Respondents

Head	No. of Respondent	Percentage
Respondent	17	37.78
Husband	24	53.33
Other	4	8.89
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.5 shows that among the 45 respondents from MFI where, 37.78 percent respondents are head of the house, 53.33 percent husbands are heading of the household and 8.89 percent other family member are head of the household.

4.2.7 Family size of the Respondents

Table 4.6 Family Size of the Respondents

No. of family members	Respondent	Percentage
1-3 members	6	13.33
4-6 members	34	75.56
7-9 members	4	8.89
10over members	1	2.22
Total	45	100.00

Sources: Field Survey, 2021.

Table 4.6 shows the increasing preference towards nuclear family 13.33 percentages of the member served belongs to small sized households with 1-3 members. However, 75.56 percentages come from medium sized households with 4-6 members. Similarly, negligible percentage 8.89 and 2.22 big and had large sized family member with 7-9 members and 10 over members respectively.

4.2.8 Time period of join MFP of these Respondents.

Table: 4.7 Time period of join MFP

Year	Respondents	Percentage
1-2	6	13.33
3-4	21	46.67
5 above	18	40.00
Total	45	100.00

Sources: Field survey, 2021.

Table 4.7, Time period of join MFP among these 45 respondent following year. 13.33 percentage members are joining MFP in 1-2 year. However 46.67 percentage members are joining MFP in 3-4 year. Similarly, 40 percentage members are joining MFP in 5 above year.

4.3 Economic Background

4.3.1 Land Having Respondents

Table: 4.8 shows that different percent of respondents having land in MFP

Table: 4.8 Responding Having Land of Respondents

Having	Respondent	Percentage
Yes	41	91.11
No	4	8.89
Total	45	100.00

Source: Field Survey, 2019.

According to field survey, table: 4.8 shows that out of total 45 selected respondents in MFP where, 91.11 percent respondents have land and 8.89 percent do not have land.

4.3.2 Respondents Having Land Ownership

Percentage of having land ownership is presented in table: 4.9

Table: 4.9 Respondents Having Land Ownership

Land ownership	No. of Respondent	Percentage
Respondent	12	26.67
Husband	26	57.78
Other	7	15.56
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.9 shows that out of total 45 selected respondents having land ownership in MFP where, 26.67 percent respondents having land ownership with self, 57.78 percent husband having landownership and 15.56 percent other member having land ownership.

4.3.3 The main occupation before join MFP.

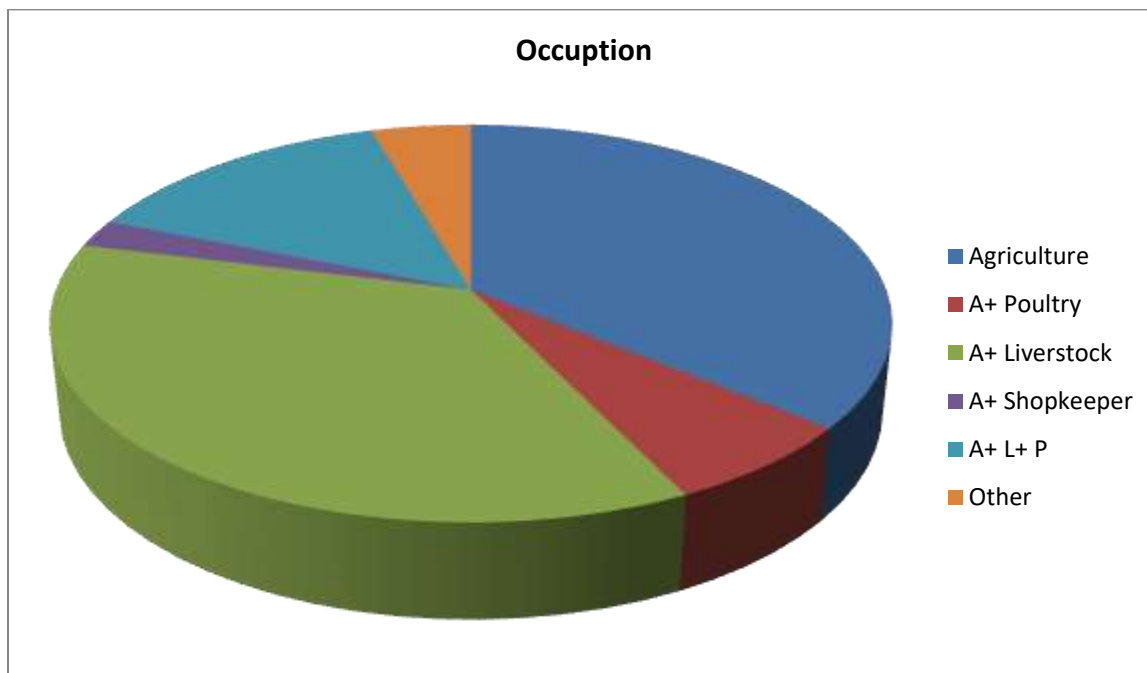
Table: 4.10 The Respondents are Before Joining MFP Occupation.

Occupation	No. of Respondent	Percentage
Agriculture	16	35.56
A+ Poultry	3	6.67
A+ Livestock	16	35.56
A+ Shopkeeper	1	2.23
A+L+ P	6	14.2
Other	2	4.45
Total	45	100.00

Source: Field Survey, 2021.

Above table shows the main occupation before joined MFP. There almost half of the sample has engaged in agriculture occupation. They have some sorts of other occupation. The figure shows that the majority of the respondents dose agriculture occupation.

Figure no. 1



4.3.4 Respondents are using cultivate land.

Table: 4.11 Cultivate Land

Land (Ropani)	No. of Respondents	Percentage
0-2	6	13.33
3-5	20	44.44
6-8	12	26.67
9 above	7	15.56
Total	45	100.00

Source: Field Survey, 2021.

The table 4.11 shows the demographic profile of the respondents. They have categorized under four groups as 0-2, 3-5, 6-8, and 9 above. The highest number of respondents falls under the 3-5 (ropani) land with 44.44% of total respondents followed by the 6-8, 9 above, 0-2, (ropani) land with 26.67%, 15.56%, and 13.33%.

4.3.5 The respondents are selling cultivate product.

Table: 4.12 Product Cultivate

Sell	No. of Respondents	Percentage
Yes	29	64.44
No	16	35.56
Total	45	100.00

Source: Field Survey, 2021.

Above table total of 29 respondents sell cultivate product that amounts to 64.44% of total sample. The respondents sell cultivate product are 35.56% of total sample.

4.4 Information of respondents related to MFP.

4.4.1 Purpose of Join in Micro-finance Programs.

Table: 4.13 Purpose of Join in Micro-finance Programs

Purpose of join	No. of Respondent	Percentage
To be self-dependent	12	26.67
To improve family condition	14	31.11
To earn more income	17	37.78
Other	2	4.44
Total	45	100.00

Sources: Field Survey, 2021,

Table 4.13 shows, the main purpose of join in Micro-finance programs. Normally they join for three purpose, many of them 37.78 percent join for to earn more and increase their life standard. 31.33 percentage of them were join for improve family condition. Rest 26.67 percentages were joining for self-dependent. They wanted to run own microenterprise. This program helps for fulfillment of their purpose although they were different.

4.3.2 Sources of income before and after joining MFP

Source of income of different respondents is presented in table before and after joining Micro-finance program

Table: 4.14 Sources of Income of Respondents

	Before	Percentage	After	Percentage
Agriculture	31	68.89	4	8.89
Agro & Business	5	11.11	19	42.22
Business	2	4.44	3	6.67
Agro & Govt. Job	2	4.44	3	6.67
Agro & Others	5	11.11	16	35.56
Total	45	100.00	45	100.00

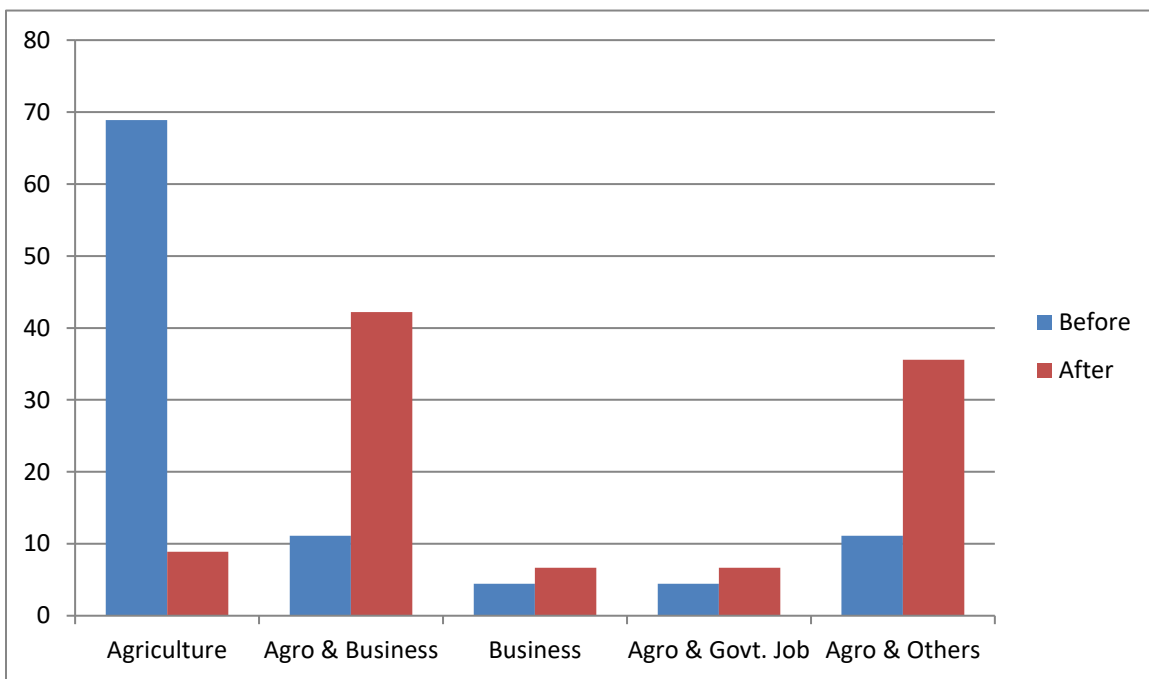
Source: Field Survey, 2021.

Table: 4.14 show that different source of income percent of respondents at before and after joining MFP. Agriculture is the main source of income for respondent before joining MFP Where, 68.89 percent of respondents have agriculture for the source of income and 11.11 percent

have both agriculture & business and agriculture & others are the source of income. Similarly, 4.44 percent of respondents have business and agriculture & government job for the source of income in respectively.

Like as agriculture & business is main source of income for respondent after joining MFP where, 42.22 percent of respondent have agriculture & business. Then, 35.56 percent respondents are engage in agriculture & others and 8.89 percent respondents are engage in agriculture only. Similarly 6.67 percent respondents have business and government job & Agriculture for source of income respectively. At last from the table find before and after percentage of respondents have big gap on agriculture because all respondent want to do agriculture and other occupation also for increase income.

Figure no. 2
Source of Income



4.3.3 Income and Saving Status of the Respondents.

Table: 4.15 Yearly Incomes and Saving of Respondents Before and After Joining the MFP.

Income				Income and saving in year(000)NRs.	Saving			
Before & After Join MFP					Before & After Join MFP			
No of Respondent		Percentage			No. of Respondent		Percentage	
Percent	After	Percent	Before	Before	Percent	After	Percent	
-	-	2.22	1	1-5	8	17.78	-	-
-	-	13.33	6	5-10	13	28.89	2	4.44
4.44	2	24.44	11	10-15	9	20	3	6.67
8.89	4	22.22	10	15-20	9	20	3	6.67
20	9	22.22	10	20-25	4	8.89	8	17.78
33.33	15	11.11	5	25-30	2	4.44	17	37.78
33.33	15	4.44	2	30 above	-	-	12	26.67
100.00	45	100.00	45	Total	45	100.00	45	100.00

Source: Field Survey, 2021.

According to field survey from table: 4.15 shows that yearly income and saving before and after joining MFP of respondents have some change. From above table 2.22, 13.33, 24.44, 22.22, 22.22, 11.11, and 4.44 percent respondents had income before joining MFP in rang (NRs) 1-5, 5-10, 10-15, 15-20, 20-25, 25-30, and 30 above respectively. Similarly, 4.44, 8.89, 20, 33.33, and 33.33 percent respondents have income after joining MFP in range (NRs) 10-15, 15-20, 20-25, 25-30 and 30 above respectively. In range (NRs) 1-5 and 5-10 haven't any respondents for income in MFP.

Like as yearly saving before joining MFP 17.78, 28.89, 20, 20, 8.89, and 4.44 percent respondents had save in range (NRs) 1-5, 5-10, 10-15, 15-20, 20-25, and 25-30 respectively. In (NRS) 30 above had not any respondents for saving in MFP. Similarly 4.44, 6.67, 6.67, 17.78, 37.78 and 26,67 percent respondents have saving after joining MFP in range (NRs) 5-10, 10-15, 15-20, 20-25, 25-30 and 30 above respectively. In range (NRs) 1-5 have not any respondents for saving in MFP.

4.3.4 Loan Status in MFP

Table: 4.16 show that different purpose of taking loan to all respondent in MFP.

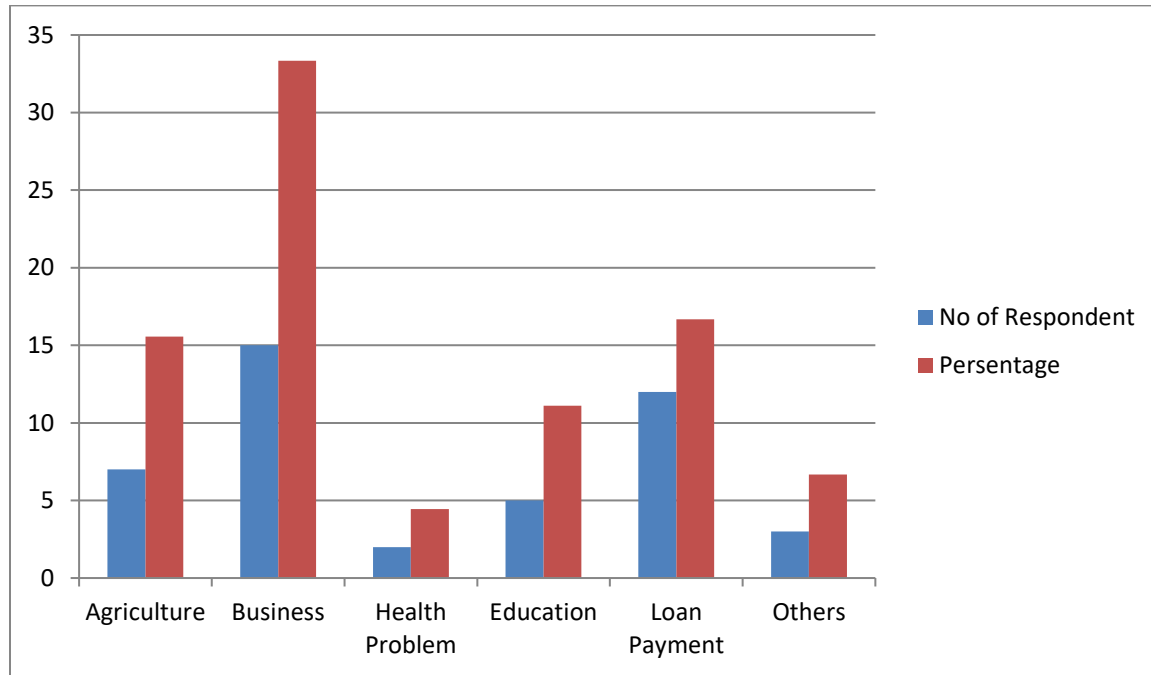
Table: 4.16 Purpose of Taking Loan of Respondents

Purpose	No. of Respondent	Percentage
Agriculture	7	15.56
Business	15	33.33
Health Problem	2	4.44
Education	5	11.11
Loan Payment	12	16.67
Others	3	6.67
Total	45	100.00

Source: Field Survey, 2021.

Table 4.16 according to field survey almost respondents have taken loan for the business where, 33.33 percent and 15.56 percent of respondents have taken loan for agriculture form in MFP respectively. Similarly,16.67 percent respondents have taken lone for loan payment purpose.11.11 percent of respondents have taken lone for education and 4.44 percent respondents are take lone for health problem purpose respectively .At last 6.67 percent respondents have taken lone for different others purpose.

Figure no. 3
Loan Status



4.5 Growth production in agriculture sector throws facility by MFP.

4.5.1 Main farming status

Given table shows that main farm status of all respondents who have in MFP. Table: 4.17 Main Farming

Main Farm Production	No. of Respondent	Percentage
Rice	6	13.33
Millet & Maize	7	15.56
Rice, Maize, Mustard, Wheat & Vegetables	26	57.78
Vegetables	5	11.11
Other	1	2.22
Total	45	100.00

Source: Field Survey, 2021

According to survey, main farming status of all respondents in MFP where, 13.33 percent respondent main farming is rice. Millet and maize product respondent has 15.56 percent in MFP. Similarly, 11.11 percent respondent engages in vegetables farming in MFP. All rice, maize, mustard, wheat and vegetables growing respondents have in huge percent where 57.78 percent in MFP. At last only 2.22 percent respondents are engaged other farming in the MFP.

4.5.2 Type of seed to use for farming

Table 4.18 shows that type of to use for farming of all respondent that joins in MFP.

Table: 4.18 Seeds type

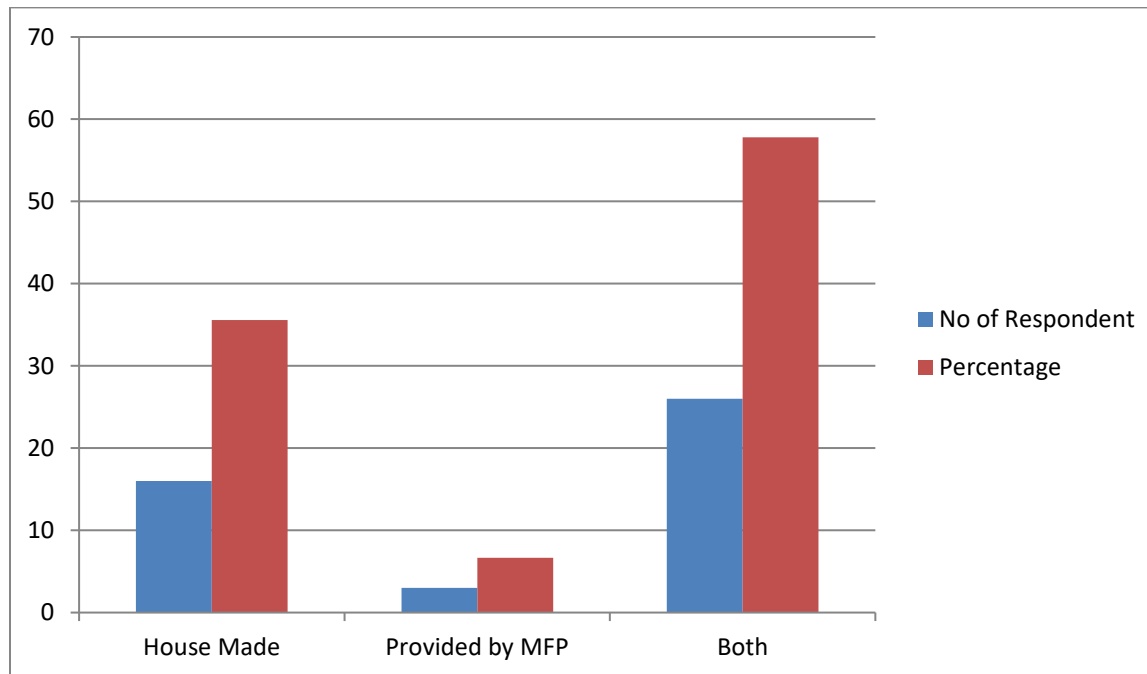
Type of seed	No. of Respondent	Percentage
House made	16	35.56
Provided by MFP	3	6.67
Both	26	57.78
Total	45	100.00

Source: Field Survey, 2021.

Table: 4.18 types of seed to use of farming, some respondent use house made seeds and some provided by MFP seeds for growing product. Huge percent respondent use both type of seeds. Whereas 35.56 percent respondent use house made seeds, 6.67 percent respondent use MFP provide seeds and 57.78 percent respondent use both type of seed. From this facility the main aim of MFP wants to increase the agriculture production of all respondent by providing qualitative seeds.

Figure no.4

Type of Seed



4.5.3 Chemical fertilizer

The MFP starts provide chemical fertilizer also for all respondents farmer. Status of provided chemical fertilizer by MFP shows given table.

Table: 4.19 Status of Chemical Fertilizer

Provide chemical fertilizer	No. Of Respondent	Percentage
Yes	36	80.00
No	9	20.00
Total	45	100.00

Source: Field Survey, 2019.

According to survey from above table 80 percent respondent get chemical fertilizer from MFP to use farming but just 20 percent respondent not get chemical fertilizer due to MFP have developing condition in urban areas but these areas also will be fast getting all MFP providing facilities.

4.5.4 Training Received

Table: 4.20 shows that training received percentage of respondent provide by MFP related to increase agriculture production.

Table: 4.20 Training

Training Received	No. of Respondent	Percentage
Yes	39	86.66
No	6	13.34
Total	45	100.00

Source: Field Survey, 2021.

From above data, 86.66 percentage respondent received training from MFP for increase agriculture production. But some respondent were not received training because these respondent cannot join the training due to own problem. After needed discussion find out that respondent cannot attain training they join and take training which training fast provide from MFP.

4.5.5 Status of income generating activities

After receiving those facilities (seed, chemical fertilizer, training) from MFP of all respondent increase income generating activities show that given table 4.21

Table: 4.21 Income generating activities

Income generating activities	No. of Respondent	Percentage
Increased	41	91.11
As a same	4	00
Decreased	0	8.89
Total	45	100.00

Source: Field Survey, 2021.

In the table 4.21 depicts the fact that almost full of the sample have increased income generating activities where 41 respondents with 91.11% out of 45 respondents. Accordingly, 8.89% respondents are as a same in income generating activities out of total 45 people. This depicts that the clients of the microfinance has become more empowered economically and most of the clients doing best in increased income generating activities

CHAPTER- V

SUMMARY, CONCLUSION AND RECOMMENDATION

In this chapter, the summary of all the results obtained from the data analysis and conclusion of the study discussed furthermore, some recommendation made to the related authorities.

5.1 Summary

The study was conducted with the objectives that to explore the economic contribution of microfinance in Bidur Municipality of Nuwakot District of age group 20 above years and to evaluate the income status with influencing factors of microfinance problem based on questionnaire study in Nuwakot District.

From the study, it is seen that maximum participants (37.75 percent) age group is 30-40 and minimum participants (4.44 percent) age group is 60 years above of chhetri (26.67 percent) ethnic composition. There is show that highly affected group is 30-40 for chhetri. The study show that majority of participants is other cast like magar,sunar,gurung and other.

Furthermore around (93.3percent) participants are married women and (6.67percent) participants are window. This study shows that this programs are most affected on married women and income conditions is changed after helping microfinance program.

In addition, the majority of participants are literate (62.22 percent) and majority of family had 4-6 members (75.56 percent). There is many of the uneducated family believed this contribution given than many children.

Next, around half percentage (46.67 percent) respondent are join the microfinance program is 3-4 years. The respondent who has land is 41 out of 45 that are 91.11 percentage respondents having land. The study seen that many of people have land so, the program is easy to implement.

Moreover, among the respondent, the main occupation is this area is agriculture (35.56 percent) and agriculture with livestock (35.56 percent). The around three quarter's peoples close agriculture.

Finally after joining this MFP, agriculture and business is main sources of income for respondent. The changing income percentage in this field is (11.11 percent) to (42.22 percent) so, the many of the people follow the microfinance rules and planning.

5.2 Conclusion

From the overall data analysis and results, it is seen that maximum participants have got in MFP, almost all participants has change their life style and income sources by the help of the microfinance contribution for the economic changed of villagers.

On the other hand, this program doesn't satisfy for the educated group of the people of this area. According to respondent, most of the participants are satisfied for the program. In overall five factors (awareness, increase capacity, health, education, training) shows the significant impact on economic contribution of microfinance. The economic change among the women is significantly higher as a compare to boys. Similarly married people are more likely to have to the problems of income as compare to unmarried people.

Furthermore, the participants responded that they have easy for the loan, easy to change modern agriculture planning/system and easy feel to coordinating our society and external people. Likewise, lower income family has changed their income around 3-5 years.

At last some economic variables and some behavioral variables show significant impact an economic contribution. However, there are some other variables that are important factor of MFP do not show significant impact in this study but many research, articles, and microfinance reports claimed that are causing factor are awareness, health ,education and training.

5.3 Recommendation

The study and the outcomes of study guide to recommend same points to the related authorities, which are listed below,

- 1) People need to informed and motivated about the program of microfinance and their aim. So that most of the married and unmarried women are included in this program.
- 2) There is need to increase collaboration between organization, people, field visitor and employee who is included the targeted area.

- 3) Despite the high level of knowledge regarding the importance of contribution, the rate of income change low so need to carry out further studies in order to find out the reasons of low rate change of income.

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<http://www.microfinance.gov.com>

QUESTIONNAIRE

1. General Personal Information of Respondents.

1.1 Introduction of the respondent.

Name..... Age.....

VDC..... Locality.....

Occupation..... Ethnicity.....

1.2 Marital Status.

Married..... Unmarried.....

Widow..... Divorced.....

1.3 Educational Status.

Illiterate..... Literate.....

If literate, level of Education - Primary.....

-Lower Secondary.....

-Secondary.....

- Higher sec.....

1.4 Member of the Family.

Gender	No of Members
Male	
Female	

1.5 Time period of joining in MFP.

Year	Respondents
1-2	
3-4	
5-6	
7-8	
8 above	

1.6. Occupation

Agriculture..... Business.....

Labor..... Student.....

Other.....

1.7 Who is the head of your family? (Tick)

a) Self

b) Others (relation)

2. Economic Background of the Respondent.

2.1 Do you have land?

Yes

No

2.2 Who has land ownership?

Respondent

Husband

Others

2.3 What was your main occupation before joining micro finance program? (Tick)

a) Agriculture

b) Live Stocks

c) Poultry

d) Government Sectors

e) Business

f) Private Industry/Firm

g) Spinning

h) Selling Milk

i) Weaving Machine

j) Other

2.5 What are the products you cultivate?

.....

1.2 How much land do you cultivate?

Types of land	Ropani
Own	
Others	
Given to others	

1.3 Do you sell any product?

Yes.....No.....

If Yes, How much ‘.....’(write in Rs.)

3. Information Related to Microcredit Program

3.1 When did you join the Micro credit program?

before

3.2 Why did you join the Micro credit program?

To be self dependent

To improve family condition

To earn more income

Other

3.3 What is your source of income?

Sources	Monthly income	
	Before	After
Farming		
Business		
Service		
Others		

3.4 What is your monthly income?

Before After

3.5 What is your saving?

Before After

3.6 Have you taken any loan from the program?

Yes No

3.7 How many times have you taken loan?

3.8 What are the purposes for you took the loan?

Agriculture

Business

Daily needs

Health problem

Loan payment

Education

Others

3.9 Did you pay the loan

Yes

No

4. Growth production in agricultural sector through MFP

4.1 What is your main farming?

Rice Production

Rice and Maize production

Rice , Maize, Vegetables and Fruits

others

4.2 What type of seed you used for farming

House made

Provided by MFP

4.3 Are MFP distributed seeds?

Yes

No

If yes, in which time distribute seeds?

According to seasons

Always

4.4 Is MFP provided chemical fertilizers for farming?

Yes

No

4.5 Are you happy involving in this Micro finance? (Tick)

a) Yes b) No

c) Others (Please specify).....

4.6 Does your consumption trend changed by involving in the MFP?

Yes No

4.7 What types of agricultural production you have from this MFP

Increased decreased
As a same

5. Trainings

8.1 Have you taken any training from micro finance program? (Tick)

a) Yes b) No

8.2 How helpful has the training you received form MFI been in your enterprise operation?

(Tick)

a) Very helpful b) Helpful
c) Not helpful d) other

8.3 Has the training increased your skill? (Tick)

a) Very much increased
b) Normally increased
c) Not increased

8.4 After receiving the tra as your confidence on income generating activities increased?

(Tick)

a) Yes b) No

8.5 Do you think your employment opportunity in labor market has increased due to training you received from MFI? (Tick)

a) Increased b) Decreased
c) Constant d) don't know