

**ECONOMIC CONTRIBUTION OF AGRICULTURAL  
PRODUCTION THROUGH WOMEN  
EMPOWERMENT**

**(A Case Study of Microfinance Clients of Bharatpur Metropolitan City)**

**A Thesis**

**Submitted to the Department of Economics,  
Faculty of Humanities and Social Science, Birendra  
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in ECONOMICS**

**BY**

**PAMPHA DHAKAL**

**Symbol No.: 190053**

**T.U. Regd. No.: 9-2-43-408-2003**

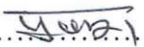
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**Bharatpur, Chitwan**

**September, 2023**

## DECLARATION

I hereby declare that the thesis entitled **Economic Contribution of Agricultural Production through Women Empowerment : A Case Study of Microfinance Clients of Bharatpur Metropolitan City** submitted to the Department of Economics, Tribhuwan University is entirely my work done under the guidance and supervision of Mr. Shib Shankar Timalsina. I have made due acknowledgement to all ideas and information burrowed from various sources in the course of preparing this thesis. The result of this thesis have not been submitted or presented anywhere else for the award of any degree or for any other purpose. I assure that no part of this thesis has been published in any forms before.

..........

**Pampha Dhakal**

Date:



त्रिभुवन विश्वविद्यालय  
TRIBHUVAN UNIVERSITY

(520253  
:056 520689  
526159  
Fax:056-520253

वीरेन्द्र बहुमुखी क्याम्पस

BIRENDRA MULTIPLE CAMPUS

भरतपुर, चितवन  
Bharatpur, Chitwan



मिति:

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संख्या:

नं. (Ref.):

### LETTER OF RECOMMENDATION

This thesis entitled **Economic Contribution of Agricultural Production through Women Empowerment :A Case Study of Microfinance Clients of Bharatpur Metropolitan City** has been prepared by **Ms. Pampha Dhakal** under my supervision. I hereby recommend this thesis for approval by the thesis committee as a partial fulfillment of the requirements for **MASTER of ARTS in ECONOMICS**.

Mr. Shib Shankar Timalina

Thesis Supervisor

Lecturer, Department of Economics

Date: 20 Aug 2023





त्रिभुवन विश्वविद्यालय  
TRIBHUVAN UNIVERSITY

520253  
:056 { 520689  
526159  
Fax:056-520253

वीरेन्द्र बहुमुखी क्याम्पस

BIRENDRA MULTIPLE CAMPUS

भरतपुर, चितवन  
Bharatpur, Chitwan



संख्या:  
(Ref.):

APPROVAL SHEET

मिति:  
Date:

We certify that the thesis entitled **Economic Contribution of Agricultural Production through Women Empowerment :A Case Study of Microfinance Clients of Bharatpur Metropolitan City** submitted by Ms. Pampha Dhakal, to Department of Economics, Birendra Multiple Campus, Bharatpur, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfilment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS has been found satisfactory in the scope and quality. Therefore, we accept this thesis as a part of the above mentioned degree.

**Thesis Committee**

.....  
Mr. Shib Shankar Timalsina  
Thesis Supervisor

.....  
Mr. Omkar Poudel  
External Examiner  
Birendra Multiple Campus

.....  
Assoc. Prof. Deepak Regmi  
Head of Department

Date: 8 Sept 2023

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## ABSTRACT

A study Economic Contribution of Agricultural Production through Women Empowerment : A Case Study of Microfinance Clients of Bharatpur Metropolitan City has been conducted to analysis the socio-economic status of Microfinance clients and to analysis the role of microfinance in agricultural production in the study area.

This research draws upon both primary and secondary data pertaining to microfinance. The methodology employed in this study is historical and explanatory. The study uses both qualitative and quantitative techniques. Similarly, the study was based upon both primary and secondary type of data and information. The study area comprises five Microfinance Institutions (MFIs). Of particular focus was the Janautthan Samudayik MFIs. In total, there were 225 females constituting the entire study population. From this population, 80 percent i.e. 180 participants was chosen for the study.

From the study, it is evident that the highest proportion of participants (37.75 percent) falls within the age group of 30-40. The study also reveals that a significant portion of participants belongs to other ethnicities group and others. A notable percentage (93.3 percent) of participants are married women, whereas a smaller percentage (6.67 percent) are widows. The shift in income distribution ranges from 11.11 percent to 42.22 percent, indicating that many individuals adhere to the rules and plans outlined by microfinance initiatives. Based on a comprehensive analysis of the data and the resulting outcomes, it becomes apparent that a substantial portion of participants engaged in the microfinance program (MFP) have encountered favorable changes. Despite this, the majority of participants expressed contentment with the MFP. Female participants experienced more substantial economic transformations compared to their male counterparts, while married individuals were more susceptible to income-related hurdles in contrast to unmarried individuals.

Effective awareness campaigns and motivation efforts are necessary to acquaint individuals with the microfinance program's objectives. This approach would encourage the participation of both married and unmarried women in the initiative. Strengthening collaboration among organizations, field operatives, personnel, and the local populace within the targeted region is imperative to enhance the program's reach and impact.

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## **LIST OF ABBREVIATIONS/ACRONYMS**

ADB	Asian development Bank
FINGOs	Financial Intermediary NGOs
GDP	Gross Domestic Product
INB	Intensive Banking Program
MCPW	Micro Credit Project for Women
MFDBs	Microfinance Development Banks
MFI	Microfinance Institutions
MFP	Microfinance Program
MOF	Ministry of Finance
MP	Municipality
NBL	Nepal Bank Limited
NGO	Non- government Organization
NRB	Nepal Rastra Bank
OCSSCOo	Oromia Credit and Saving Share Company
PCRW	Production Credit for Rural Woman
RBB	Rastriya Banijaya Bank
RFSA	Rural Financial Sector Analysis
RFSA	Rural Financial Sector Analysis
RSRF	Rural self-reliance Fund
SFDF	Small Farmers Development Finance
SFDP	Small Farmers Development Project
SME's	Small and Medium Enterprise
SPSS	Statistical Package for Social Science
VDC	Village Development Comity
WSC	Women support cooperative

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Microfinance represents a groundbreaking concept tailored to the needs of developing nations. This novel approach creates avenues for self-employment, benefiting individuals without jobs, entrepreneurs, and farmers who lack collateral or have minimal income. The result has been the empowerment of impoverished individuals, enabling them to establish income-generating businesses and initiate the accumulation of assets. Notably, this strategy holds the potential to uplift socio-economic progress among disadvantaged and underserved groups, with a particular focus on women.

Microfinance serves as a straightforward yet highly effective credit tool that empowers the most impoverished individuals to lift themselves out of destitution. This approach involves providing modest loans to those in the working class who are struggling financially. These loans, typically under \$200, are extended by local entities known as microfinance institutions (MFIs). By utilizing microfinance, individuals from the working class are able to establish or expand small enterprises, resulting in supplementary earnings for their families. This additional income enables impoverished households to secure nourishment, access healthcare, educate their children, save money, and establish a basis for a more promising future.

Notably, microfinance presents itself as a prominent solution for generating self-employment. It caters to communities lacking collateral for their loans, but who possess inherent skills and a strong aspiration to engage in economic pursuits for self-sufficiency and income generation (Shrestha, 2009).

Inspired by the accomplishments of the Grameen Bank in Bangladesh, microfinance has gained global traction, particularly in South Asia, with a primary goal of mitigating poverty. This approach plays a pivotal role in addressing the multifaceted dimensions of poverty. Functioning as an innovation for developing nations, microfinance extends self-employment opportunities to the underprivileged—unemployed individuals, aspiring entrepreneurs, and farmers hindered by their absence of collateral and meager earnings. The outcomes have been significant, enabling the less fortunate to establish

their own income-generating enterprises and gradually accumulate wealth. Importantly, microfinance possesses the potential to bolster the socio-economic progress of marginalized and vulnerable populations, with a particular focus on women.

The notion of micro-credit was formulated to gather modest savings from economically disadvantaged individuals, creating a fund that could potentially be accessed by those who are typically difficult to reach and deemed ineligible for traditional banking, particularly women. The study has underscored that microfinance serves as an effective instrument, yielding positive effects on the financial standing of the participants and their families. It has effectively generated supplementary earnings for both family support and personal use. This additional income enables the families of the respondents to afford nourishing meals, access contemporary healthcare services, and provide education for their children.

Women who have been able to avail themselves of microfinance services have achieved the ability to establish opportunities for self-employment, resulting in enhanced economic and social empowerment due to increased income garnered from their small-scale endeavors. A significant number of participating women have now achieved self-sufficiency both financially and socially, thanks to the knowledge, skills, and resulting income obtained through the microfinance program. As a result, microfinance has emerged as a potent tool for alleviating poverty, particularly among women. Despite microfinance programs in Nepal and similar areas appearing to be oriented towards rural development, their actual reach remains limited.

The economic contribution stemming from agricultural production by microfinance clients in Bharatpur Metropolitan, or any specific region, can fluctuate based on several factors such as the size of the agricultural sector, the scope of microfinance operations, the level of financial inclusivity, and the broader economic conditions.

1. **Microfinance and Enhancing Financial Access:** Microfinance institutions (MFIs) offer financial solutions to individuals and households with limited entry to formal banking systems, particularly those with lower incomes. By providing credit and other financial offerings, MFIs enable clients to partake in income-generating endeavors, including agriculture. As a result, this contributes to fostering inclusivity in financial services and alleviating poverty.

2. **Contribution of the Agricultural Sector:** Agriculture holds pivotal significance in numerous developing economies, including regions like Bharatpur Metropolitan in Nepal. The agricultural sphere plays a role in generating employment, ensuring food security, and advancing overall economic progress. Individuals involved in agriculture and linked with microfinance can utilize credit to invest in essential resources such as seeds, fertilizers, equipment, and irrigation systems, thereby enhancing productivity and elevating agricultural outcomes.
3. **Generating Income and Enhancing Livelihoods:** Microfinance loans offer modest-scale farmers the means to obtain capital for agricultural endeavors, enabling them to augment their productivity and earnings. Access to financial services empowers microfinance clients to expand their agricultural undertakings, adopt contemporary farming methods, and diversify their cultivation or animal husbandry, consequently boosting their financial prosperity and means of living.
4. **Local Economy and Value Chain Impact:** Agricultural production facilitated by microfinance clients can yield positive ripple effects on the local economy. Heightened agricultural output can lead to surplus produce, which can be sold within local markets. This, in turn, generates revenue for farmers and other participants within the agricultural value chain, encompassing transporters, processors, and traders.
5. **Advancing Rural Progress:** Given Bharatpur Metropolitan's anticipated substantial rural population engaged in farming, the availability of microfinance services to rural residents serves to empower these communities. This empowerment fuels economic advancement and narrows the gap between rural and urban areas. By fostering agricultural development and entrepreneurial pursuits, microfinance contributes to the progress of rural areas and the holistic well-being of the region.

It's important to note that the specific economic contribution of microfinance clients engaged in agriculture production in Bharatpur Metropolitan would require detailed data and analysis from local sources. The local government, agricultural authorities, or microfinance institutions operating in the region may have more specific information on the impact of microfinance on agriculture and the economy.



## **1.2 Historical Development of Microfinance.**

The inception of microfinance dates back to 1976 when Muhammad Yunus initiated the Grameen Bank as an experimental venture in Bangladesh. Since then, numerous microfinance institutions have emerged and effectively reached the most economically disadvantaged individuals, continually devising innovative strategies. Rural Financial Sector Analysis (RFSA) reveals that as of mid-July 2009, around 547,000 individuals were part of group memberships, and 436,000 borrowers were engaged with Micro Credit Development Banks in Nepal (Asian Development Bank [ADB], 2010). Commercial banks and other financial entities also extend credit to underserved sectors, directly or indirectly through cooperatives and NGOs. This has led to an estimated 400,000 impoverished individuals benefiting from microcredit opportunities. The utilization of microcredit facilities, the outstanding loan portfolio, and savings are all on an upward trajectory. The outstanding loan total within MFDBs exhibited rapid growth, reaching Rs. 9,795,232 thousand by mid-July 2010. According to Nepal Rastra Bank [NRB] (2008), Nepal's formal microfinance sector commenced in 1974 when NRB directed Nepal Bank Limited (NBL) and Rastriya Banijya Bank (RBB) to allocate at least 5 percent of their deposits to a "priority sector credit" initiative. This scheme focused on sectors like agriculture, cottage industries, and services. NRB (2008) also noted that over almost four decades, various entities in Nepal have been actively engaged in microfinance, with the central bank playing a pivotal role in shaping policies (Poudel 2013).

The history of formal microfinance in Nepal traces back to the 1950s when the government established 13 credit cooperative societies to furnish financial services to those affected by floods in the Chitwan district. Microfinance has spurred income-generating activities among rural entrepreneurs by offering small loans and savings options. It gained official recognition as a mechanism for poverty alleviation during the country's Sixth Plan (1980/81-1984/85). Currently, there are a total of 41 MFIs authorized by the central bank, benefiting around 1.4 billion households with Rs. 60 billion, and showcasing a recovery rate exceeding 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 Chitwan 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 cooperatives, 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) serves 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**

The microfinance program encounters several limitations in attaining its objectives and developmental aims. The central focus of the microfinance initiative is to enhance the sustainable economic state of the extremely impoverished. Transforming a labor-oriented mentality into a business-oriented mindset is a challenging endeavor. In the initial stages, effectively utilizing loans can be complex. Should the loans not be put towards their intended purposes, they could evolve into future liabilities.

Developing countries such as Nepal share common characteristics including widespread poverty, inequality, mounting unemployment, limited resources, and heavy reliance on agriculture. Microfinance serves as a tool to uplift economic circumstances in this context. The study proceeds by addressing specific problem statements, which are summarized as follows:

1. What was the socioeconomic condition of microfinance clients in Bharatpur Metropolitan City?
2. How can microfinance help to increase agricultural production?

### **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 Bharatpur Metropolitan City ward no. 15, Chitwan district. The specific objectives of the research are as follows:

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

### **1.6 Limitations of the Study**

The research centers its attention on Mangalpur, which is situated in Chitwan District's Bharatpur Metropolitan City Ward 15. The primary aim of the study is to accurately depict the comprehensive economic endeavors of women. The findings from this study could offer valuable insights to microfinance institutions, prompting them to revise their offerings to create a more robust impact. Additionally, this study could establish a foundation for novice researchers to delve deeper into the realm of microfinance. The constraints of this study are outlined as follows:

1. The scope of this study is limited to exploring microfinance activities specifically within Mangalpur, located in Bharatpur Metropolitan City Ward 15, Chitwan.
2. The applicability of the findings at a broader, macro level remains uncertain since the study doesn't encompass the entirety of Nepal's situation.
3. The research relies primarily on both primary and secondary data sources.
4. The study predominantly focuses on microfinance programs aimed at farmers, conducted by various institutions.
5. The study's focus is centered exclusively on Janautthan Samudayik Microfinance.

### **1.7 Significance of the Study**

Microfinance refers to a financial service that extends modest loans, savings options, and other financial offerings to individuals and communities with limited incomes. Its significance lies in its ability to empower women, granting them access to capital and financial tools that would otherwise be beyond their reach.

Microfinance stands as a potent means to enhance women's empowerment. It facilitates the initiation of women-owned enterprises, enhances household earnings, and fosters greater authority over their financial circumstances. Additionally, it contributes to elevating women's societal standing and their involvement in decision-making processes within their families and communities.

The mentioned study significantly enriches the discourse on microfinance and its impact on women's empowerment. It offers valuable insights into the involvement of rural women and small-scale farmers in Nepal with microfinance initiatives. It delves into the types of activities they engage in through microfinance and the resulting changes in their lives.

The study's conclusions indicate that microfinance holds substantial potential for bolstering women's empowerment in Nepal. It serves to elevate their economic status, social stature, and influence in decision-making spheres. The study also identifies certain challenges linked to implementing microfinance in Nepal, such as limited access to financial education and the requirement for more adaptable loan terms.

In essence, the study contributes insightful perspectives on how microfinance can serve as a catalyst for women's empowerment in Nepal. It is anticipated that the findings of this study will be utilized to guide the formulation and execution of microfinance programs not only in Nepal but also in other nations.

### **1.8 Organization of the Study**

This research is structured into five distinct chapters. The initial chapter introduces the study, encompassing the broader context, the problem statement, research objectives, the study's significance, limitations, and the organization of the research. The second chapter delves into a comprehensive review of the relevant literature, encompassing the overarching concept of microfinance and its manifestations both on a national and international scale.

The third chapter outlines the research methodology adopted. This includes an exploration of the study area, details regarding the nature and origin of the data, the procedures employed for data collection, as well as the strategies for data processing

and subsequent analysis. The fourth chapter is centered on the presentation, analysis, and interpretation of the gathered data.

Lastly, the concluding chapter encapsulates a summary of the findings, draws conclusions based on the study's outcomes, and provides recommendations based on the research's insights.



## **CHAPTER II**

### **REVIEW OF LITERATURE**

The examination of existing literature constitutes a vital component within any thesis. This process involves analyzing past theses, dissertations, newspapers, pertinent websites, and research on microfinance programs and institutions, both on a national and international scale, in addition to insights from experts and relevant magazines. This chapter centers on previous occurrences relevant to the research issue. The literature review holds significance within the research dissertation as it assists the researcher in framing the problem, selecting the fitting methodology, and offering guidance for information collection.

#### **2.1 Reviews at International Context**

In 1976, the concept of microfinance took shape with the establishment of the Grameen Bank by Bangladeshi economist Prof. Muhammad Yunus. This initiative focused on providing micro loans, commencing with small amounts that were directed towards income-generating activities. These activities ranged from purchasing rice to husk and sell, to safeguarding borrowers from resorting to exorbitant money lenders' rates for essential needs such as home repairs, weddings, and funerals. The loans, although carrying an interest rate higher than standard bank rates, were set lower than those imposed by traditional money lenders. The rationale behind this was to offset the considerable administrative expenses associated with managing small loans. Additionally, savings played a pivotal role in the microfinance landscape. They served not only as a significant component of loan capital but also as a secure avenue for individuals to deposit their money. ([www.microfinancegateway.org](http://www.microfinancegateway.org))

Yunus (1976) pioneered the concept of microfinance through the establishment of Grameen Bank in 1976. This microloan initiative aimed to support income-generating activities such as rice husking and selling. The loans provided by Grameen Bank carried interest rates higher than those of traditional banks but lower than those of moneylenders. Savings played a crucial role in microfinance, both institutionally as a significant portion of loan capital and as a secure deposit location for individuals.

Tenaw & Islam (2009) emphasized the importance of financial services and microfinance in improving rural livelihoods in Bangladesh and Ethiopia. The study suggested that local-based financial systems created by local communities can promote self-help and independence. Given the challenges faced by the agricultural sector in these countries, efforts to develop rural financial systems could contribute to agricultural productivity and poverty reduction. Lessons from institutions like Grameen Bank in Bangladesh can be applied to other developing countries like Ethiopia.

Alimukhamedova (2013) explored the complex relationship between microfinance and financial sector development and their impact on growth. The paper aimed to clarify the direction of causality through empirical analysis. The study justified the chosen empirical methodology and acknowledged the limitations of available microfinance data. The research aimed to shed light on whether microfinance significantly matters, especially in developing countries where formal financial intermediation is underdeveloped.

Bein (2017) analyzed the relationship between microfinance banks and agricultural production and economic growth in Nigeria. The study found that microfinance institutions play a role in stimulating economic growth by improving the livelihoods of the poor. The impact of microfinance on economic growth was found to be stronger in the short run compared to the long run. The study also emphasized the significance of enhancing agricultural production and per capita income to boost Nigeria's economic growth.

Khan (2020) analyzed data to explore microfinance bank programs and funding. The study revealed that awareness of these programs is present, and a significant number of sole proprietors in Damaturu source funds from microfinance banks. The study concluded that microfinance banks contribute to the growth of small-scale enterprises. It also highlighted that the stringent borrowing conditions of the bank have a significant impact on the development of small and medium enterprises (SMEs), often deterring them from applying for loans. Instead, SMEs tend to seek funds from less significant sources. The study suggested addressing pivotal developmental factors and aligning enterprises supported by microfinance institutions with larger financing options like the Small and Medium Enterprises Equity Investment Scheme fund.

Chomen (2021) conducted research on the impact of microfinance institutions in poverty reduction in Ethiopia, with a focus on the Oromia Credit and Saving Share Company (OCSSCo) in Welmera district. The study found that OCSSCo's intervention led to improved living conditions for beneficiaries. After joining the institution, beneficiaries experienced increased income, better nutrition, and the ability to afford essential items and children's education. Many beneficiaries also adopted voluntary savings habits due to their association with the institution. This highlights the efforts made by microfinance institutions to enhance beneficiaries' income through effective monitoring and support. However, despite these positive outcomes, many microfinance beneficiaries in the study area expressed dissatisfaction with the institution's loan interest rates.

## **2.2 Reviews at National Context**

Adhikari and Shrestha (2013) conducted an economic impact study on the microfinance program of Women Support Cooperative Limited (WSC) in Manamaiju VDC of Kathmandu district. The study aimed to examine and compare the conditions of respondents (those who received loans and those who did not) of the microfinance program before and after becoming members of WSC. The economic status of loan recipients had improved significantly since they began small businesses with loans. Furthermore, their socio-economic status was found to be higher than that of non-loan recipients. The study revealed that loan recipients were advocating for an increase in loan sizes and the development of effective means to identify and target the poor for loans. They emphasized the importance of training and regular follow-ups. The institution's outreach needed enhancement, and the application of modern technology could improve efficiency and extend services to remote areas. The study indicated that women's economic status had risen due to income-generating activities, and they had gained social empowerment through the group solidarity fostered by the microfinance program. This empowerment had enabled them to speak out against gender discrimination.

Limbu (2014) conducted an analysis of the substantial role played by the Microfinance program in enhancing the economic status of women. This program has led to their social and economic empowerment. Women have contributed economically to their families, communities, and the nation at large, thanks to this initiative. Despite these

positive achievements stemming from their involvement in the Microfinance Program (MFP), it has been recognized that these women should be provided with essential and skill-focused training by MFPs. Additionally, loans should be extended to microfinance clients at favorable and reduced interest rates, with a focus on timely disbursement. The creation of income-generating employment opportunities for female clients is essential for improving their living standards and economic standing. Regular awareness programs should also be organized to keep the female clients informed. Microfinance programs have proven pivotal in advancing the economy and empowering women. Many women have gained the ability to be self-sufficient and have actively engaged in economic pursuits through the assistance of microfinance programs. To attract and empower more female members, microfinance institutions should enhance their effectiveness in implementing programs.

Rakhal (2015) delved into the transformation of women's social interactions following their involvement in entrepreneurial endeavors. The study revealed that a significant proportion of women were engaged in income-generating activities. Providing loans to economically disadvantaged women is crucial for enabling income generation through entrepreneurship. Microfinance grants access to financial services, which can contribute to poverty reduction by creating financial avenues for the underserved, especially women. Consequently, microfinance initiatives have notably improved the lives of many impoverished individuals by fostering income-generating activities. The study also highlights that extending credit to women not only enhances the economic status of families but also augments social relationships. In this context, microcredit programs are intertwined with efforts to advance capitalist ideologies, promote private entrepreneurship, capitalism, and social mobilization based on various social identities.

Gnawali (2018) explored the interplay between the functions of Microfinance Organizations (MOFs) and women's economic empowerment while analyzing differences in women's empowerment levels across various MFIs. The study's results indicate that respondents hold a favorable view of the services rendered by MFIs, expressing satisfaction with their offerings.

Kafle (2019) investigated the constructive role of Microfinance Institutions (MFIs) in promoting the economic empowerment of women. The study revealed that MFIs play a commendable and effective role in empowering women within the study area. The

provision of training and diverse loan products has facilitated the adoption of improved farming techniques and microenterprises. This transition has allowed members to move away from traditional agriculture toward more lucrative endeavors like crop production and animal husbandry, leading to higher returns.

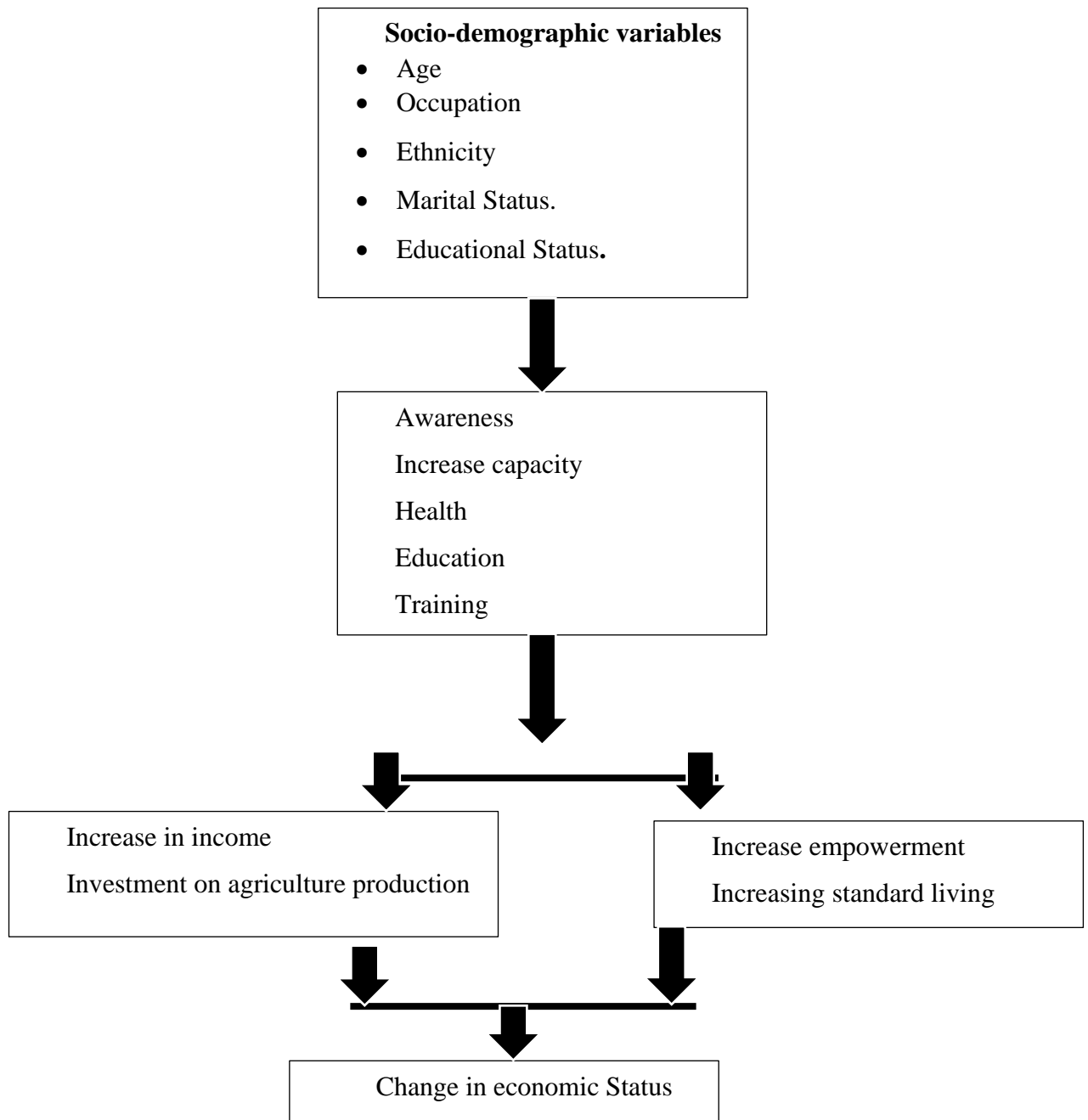
Guvaju and Sherpa (2020) conducted research to address the necessity for enhancing the efficacy of microfinance and its influence on the evolving lifestyle of women entrepreneurs, subsequently contributing to women's empowerment. Overall, the independent variable displayed a positive impact on the dependent variables. Numerous women are embracing entrepreneurship to support their families, finding inspiration from microeconomist Muhammad Yunus, who believes in women's inherent skills and their capacity to elevate their living standards comparable to men. Through effective changes in their lifestyle, women are gaining financial strength and making substantial strides socially and economically.

All the findings collectively emphasize the positive influence of MFIs on the economic impact of microfinance within the study region. The empowerment status of rural women in Ramechhap Municipality is significantly improved by shifting from traditional agricultural occupations to income-generating activities through financial support and skillful training provided by MFIs. The overarching conclusion drawn from this study is that women's empowerment at the household level is satisfactory.

### **2.3 Conceptual Framework**

Within the context of Nepal, with a particular emphasis on Bharatpur Metropolitan City, this study seeks to investigate the financial participation of individuals availing microfinance services, particularly centering on the economic standing of women. Prior scholars have already recognized several elements that can offer insights into the economic influence of microfinance beneficiaries.

The conceptual framework for this study can be visually represented using the following diagram:



**Figure 1 : Conceptual Framework on Economic Contribution through Agriculture Production of Microfinance Clients**

The conceptual framework may include the following components:

1. **Variables:** These are the factors that have been identified by previous researchers and are likely to affect the economic contribution of microfinance



users. Examples could include access to credit, financial literacy, entrepreneurial skills, social capital, and other relevant variables.

2. **Microfinance Services:** This refers to the range of financial services offered by microfinance institutions, such as microloans, savings accounts, insurance products, etc. These services play a crucial role in influencing the economic status of microfinance users.
3. **Economic Contribution:** This is the central focus of the study, representing the economic outcomes and impact of using microfinancial services. It could include measures such as income levels, business growth, employment generation, poverty reduction, etc.
4. **Women's Economic Status:** As a specific area of interest, this component highlights the economic well-being of women who are utilizing microfinance services. It may encompass factors like women's empowerment, income equality, women's participation in economic activities, and their socio-economic mobility.
5. **Mediating Factors:** These are factors that may act as intermediaries or influences between the independent variables and the economic contribution outcomes. For example, financial literacy may mediate the relationship between access to credit and business growth.
6. **Contextual Factors:** This component acknowledges the unique context of Bharatpur Metropolitan City in Nepal, considering specific social, cultural, and economic conditions that may influence the results.

The conceptual framework visually demonstrates the relationships and interactions between these elements, guiding the research design and data analysis process. It helps researchers to systematically study and understand the economic status of women through microfinance in the context of Bharatpur Metropolitan City, Nepal.

## 2.4 Research Gap

Research is an ongoing and perpetual endeavor, involving the continuous exploration of novel insights. Based on the aforementioned review of existing literature, it can be deduced that numerous studies have been conducted on the subject of Microfinance programs both within Nepal and in foreign countries. Many of these prior research endeavors focus on assessing the impact of microfinance on poverty reduction through

microcredit initiatives in various Nepalese districts, as well as exploring women's empowerment within diverse microfinance programs.

This particular research distinguishes itself from the others due to its specific focus on investigating the economic involvement of the residents of Bharatpur Metropolitan City 15 through the avenue of microfinance programs. It is challenging to locate documented instances that scrutinize the economic contributions stemming from agricultural production via microfinance programs in this specific urban area. Moreover, the research holds significance in its pursuit to ascertain the current circumstances of women within the microfinance program operating within the study area. This study strives to delve into the economic contributions facilitated by Microfinance Financial Services, with a particular emphasis on its impact on women.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

This section offers a concise outline of the techniques employed during the data analysis phase. Research involves a methodical approach to uncovering solutions to issues, and research methodology encompasses the sequential measures embraced by a researcher to investigate a problem with particular goals in sight.

In essence, research methodology steers researchers in executing their investigations in a systematic and orderly fashion, guaranteeing that data is gathered, scrutinized, and comprehended proficiently to fulfill the research aims. The methods selected by the researcher exert a pivotal influence on the caliber and dependability of the findings and deductions.

#### **3.1 Research Design**

This research draws upon both primary and secondary data pertaining to microfinance. The methodology employed in this study is historical and explanatory. The central emphasis of this investigation is on dissecting the financial contribution, particularly within the realm of microfinance. To attain this goal, the researchers employed diverse models and methodologies.

In the course of analysis, the study leverages financial and statistical instruments to scrutinize the data. These tools are pivotal in extracting insights, recognizing patterns, and formulating meaningful inferences from the collected data.

In summary, the overarching objective of this study is to provide a comprehensive comprehension of the economic influence of microfinance. This is accomplished through historical examination and elucidative evaluation of the data, utilizing appropriate modeling and statistical approaches.

#### **3.2 Source of Data**

This research was grounded in both primary and secondary data gathered from diverse study locations. Furthermore, supplementary data was obtained through interactions

with relevant finance personnel, shareholders, and members, involving discussions with managers and members, as well as observations and telephonic inquiries conducted via email. The primary data sources comprised materials such as finance brochures, reports issued by the Department of Finance, economic surveys, and websites associated with the pertinent finance entities.

### **3.3 Selection of the Study Area**

Bharatpur is a city in southern central Nepal. It is the third most populous city of Nepal after Kathmandu and Pokhara with 369,377 inhabitants in 2021. It is also the second largest metropolitan city in Nepal by area. It is the district headquarter of the Chitwan District.

Bharatpur is one of the fastest-growing cities in Nepal. It lies on the western bank of the Narayani River and serves as a commercial center of the Chitwan district and the central region of Nepal. Most of the shopping area lies in the area of Narayangadh, while government offices, hospitals and colleges are situated in other parts of the city, including Nepal's premier cancer hospital, B.P Koirala Memorial Cancer Hospital.

In March 2017, Bharatpur was declared a metropolitan city after Narayani Municipality, Chitrawan Municipality and Kabilas Village were merged into it. This study area is on the basis of researchers and familiarity with the area.

### **3.4 Nature and Sources of Data**

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

### **3.5 Universe and Sample of the Study**

This research centered around women within the populace of Bharatpur Metropolitan Ward No. 15, specifically in Mangalpur within the Chitwan district, who have been utilizing Microfinance (MF) services. The study area comprises five Microfinance Institutions (MFIs). Of particular focus was the Janautthan Samudayik MFIs. The selection process for these MFIs was based on their member count and transaction volume. In total, there were 225 females constituting the entire study population. From this population, 80 percent was utilized as the sample size, encompassing those who

have been consistently engaged with MF for at least five years. From the overall respondent pool, a sample of 180 participants was chosen for the study.

### **3.6 Methods of Data Analysis**

Primarily, financial techniques were employed for the execution of this study's goals. The data was displayed using diverse formats and units, aligning with its characteristics, to facilitate thorough analysis that addressed the objectives. Several statistical measures including tabulation, percentage calculations, and graphical representations were utilized as tools for analysis. The data and information were depicted through tables, pie charts, bar diagrams, and similar formats. To analyze the data, both MS Excel and SPSS were utilized.

## **CHAPTER IV**

### **DATA ANALYSIS AND PRESENTATION**

The objective of this section is to present and assess the gathered data in relation to the established aims. Within this chapter, the researcher examines the accumulated data under different categories and subcategories to meet the study's specified objectives. The central element concerning the economic contribution of women through the microfinance program encompasses their societal engagement, improvements in living standards, and the promotion of obligatory savings and agricultural production.

Bharatpur is a city in southern central Nepal. It is the third most populous city of Nepal after Kathmandu and Pokhara with 369,377 inhabitants in 2021. It is also the second largest metropolitan city in Nepal by area. It is the district headquarter of the Chitwan District. This research centered around women within the populace of Bharatpur Metropolitan Ward No. 15, specifically in Mangalpur within the Chitwan district, who have been utilizing Microfinance (MF) services. The study area comprises five Microfinance Institutions (MFIs). Of particular focus was the Janautthan Samudayik MFIs. The selection process for these MFIs was based on their member count and transaction volume. In total, there were 225 females constituting the entire study population.

#### **4.1 Demographic Status of Respondents**

This part of the survey encompassed inquiries about the participants' age, family composition, loan history, perceived usefulness of training, participation in family decision-making, familial relationships, crop cultivation, and engagement in social activities. These aspects contribute to the individual identification of the respondents. The inclusion of personal information facilitated the discovery of findings and the development of pertinent recommendations for the study.



## 4.2 General Information of the Respondents

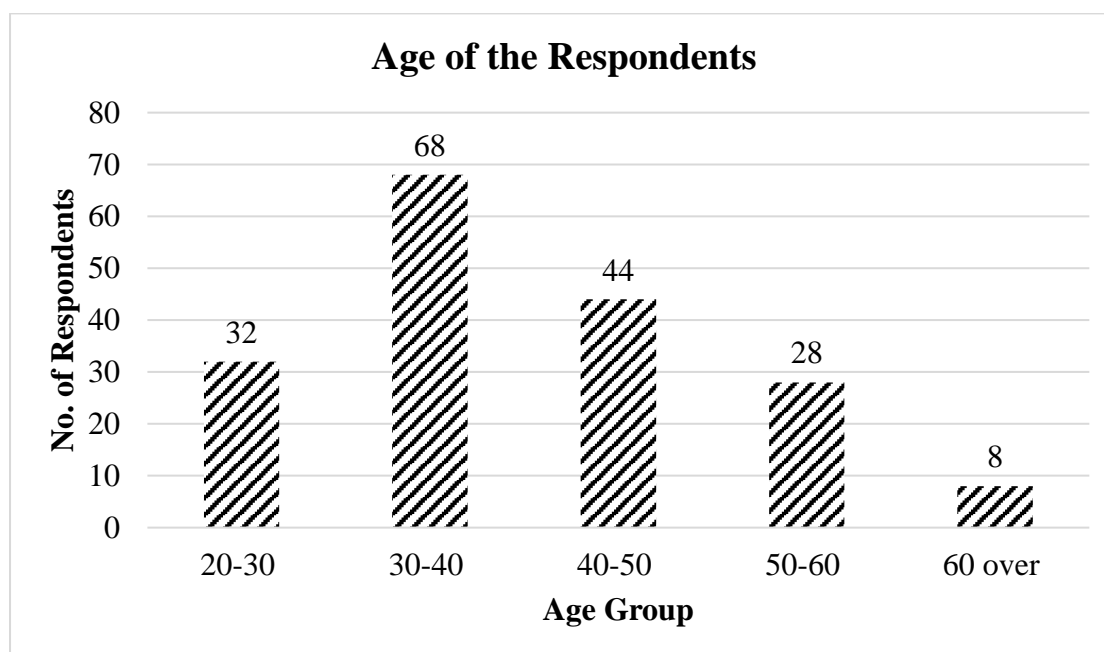
### 4.2.1 Age of Respondents

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

**Table 1 : Age of of the Respondents**

Age Group	No. of Respondent	Percentage
20-30	32	17.78
30-40	68	37.78
40-50	44	24.45
50-60	28	15.56
60 over	8	4.44
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*



**Figure 2 : Age of of the Respondents**

Above table 1 and figure 2 illustrates that 17.78 percent of the total respondents in the study belong to the 20-30 age bracket. Similarly, 37.78 percent of the participants are within the 30-40 age range. The 40-50 age group consists of 24.45 percent of the respondents. Moreover, individuals falling within the 50-60 age category constitute

15.56 percent of the respondents, while those aged 60 and over make up 4.44 percent. The majority of individuals associated with Microfinance Institutions are over 20 years old, indicating that a significant portion of the population is capable of engaging in income-generating activities and employment.

#### 4.2.2 Ethnic Composition

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

**Table 2 : Ethnic Compositions of Respondents**

<b>Ethnic Groups</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Brahmin	24	13.33
Chhetri	48	26.67
Newar	4	2.22
Tamang	32	17.78
Magar	12	6.67
Gurung	4	2.22
Sunar	40	22.22
Other	16	8.89
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

As depicted in Table 2, the various ethnic compositions within the MFI are distributed among 180 respondents. Among them, 13.3 percent are Brahmins, 26.67 percent are Chhetri, 2.22 percent are Newar, 17.78 percent are Tamang, 6.67 percent are Magar, 2.22 percent are Gurung, 22.22 percent are Sunar, and 8.89 percent belong to other castes who participate in the MFI.

### 4.2.3 Marital Status

Table 3 show that percent of marital status of all respondents.

**Table 3 : Marital Statuses of Respondents**

<b>Marital status</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Married	168	93.3
Unmarried	0	0.00
Widow	12	6.67
Divorced	0	0.00
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Displayed in Table 3 is the breakdown of the chosen 180 MFI participants. Among them, 93.33 percent are in a married status, none are unmarried, 6.67 percent are widowed, and none are divorced.

### 4.2.3 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.

**Table 4 : Educational Statuses of Respondents**

<b>Educational Status</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Illiterate	28	15.55
Literate:	28	15.55
Primary	24	13.33
Lower Secondary	36	20
Secondary	20	11.11
Higher Secondary	44	24.44
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Table 4 illustrates the varying percentages that represent the educational backgrounds of the MFI respondents. Among the 180 participants chosen from the MFI, 37.78 percent are unable to read or write (illiterate), while 62.2 percent are educated. Within

the literate category, 37.78 percent have completed primary education, 15.56 percent have completed lower secondary education, 4.44 percent have completed secondary education, and another 4.44 percent have completed higher secondary education. The data suggests that a majority of the individuals possess a level of literacy.

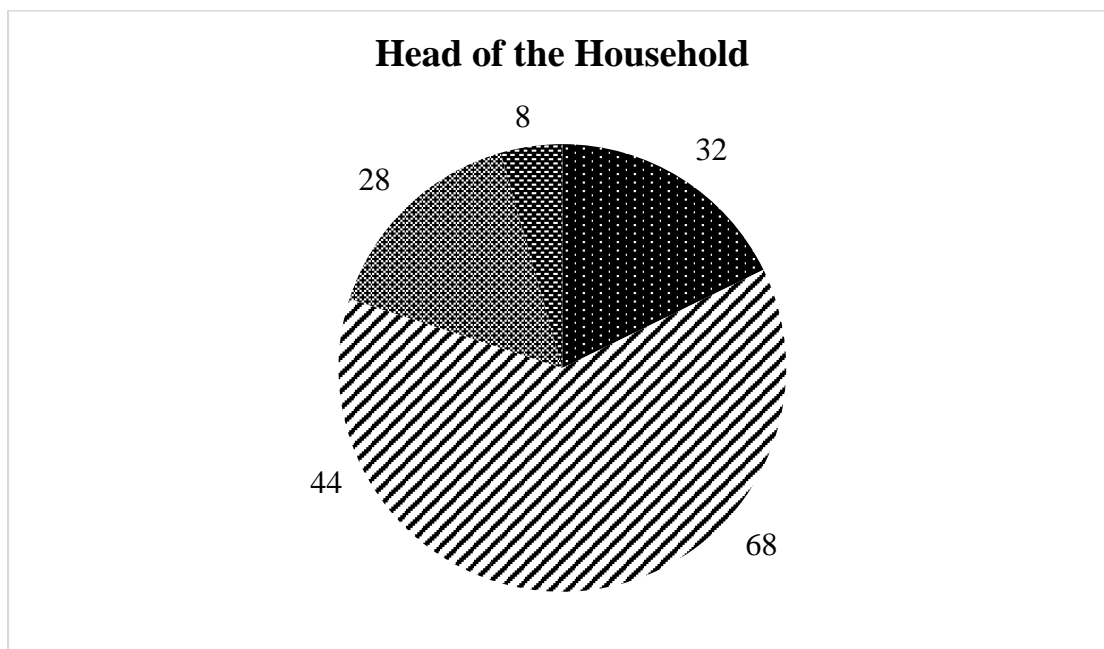
#### 4.2.4 Head of the Households

Head of the Households percentage of respondents of MFI in the field survey is presented in table 5.

**Table 5 : Head of the Households of Respondents**

Head	No. of Respondent	Percentage
Respondent	68	37.78
Husband	96	53.33
Other	16	8.89
<b>Total</b>	<b>180</b>	<b>100.00</b>

Source: Field Survey, 2023



**Figure 3 : Head of the Households of Respondents**

Table 5 and figure 3 displays the distribution of roles within the households of the 180 MFI respondents. Among them, 37.78 percent are identified as the head of the

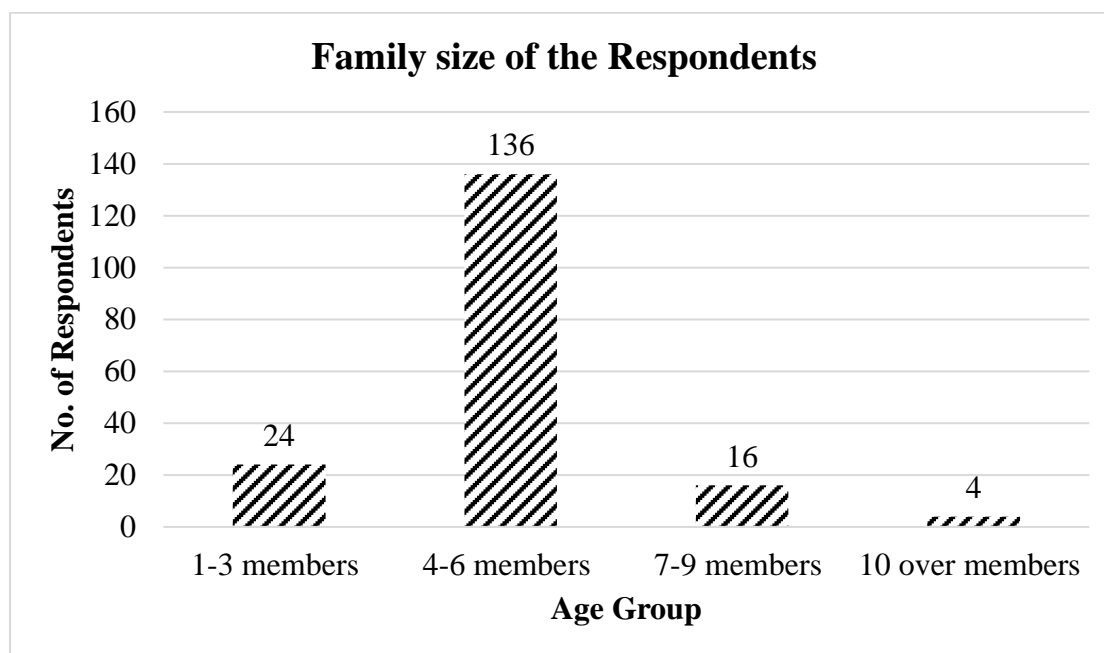
household, 53.33 percent have their husbands as the head, and 8.89 percent have other family members assuming this role.

#### 4.2.5 Family size of the Respondents

**Table 6 : Family Size of the Respondents**

No. of family members	No. of Respondent	Percentage
1-3 members	24	13.33
4-6 members	136	75.56
7-9 members	16	8.89
10 over members	4	2.22
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*



**Figure 4 : Family Size of the Respondents**

Above Table 6 and figure 4 illustrates a growing inclination towards nuclear families. Around 13.33 percent of the sampled members are from small households consisting of 1-3 members. A larger proportion, comprising 75.56 percent, belongs to medium-sized households containing 4-6 members. Conversely, a minor 8.89 percent and 2.22 percent hail from larger households with 7-9 members and more than 10 members, respectively.

#### 4.2.6 Time Period of join MFP of these Respondents

**Table 7 : Time period of join MFP**

<b>Year</b>	<b>No. of Respondent</b>	<b>Percentage</b>
1-2	24	13.33
3-4	84	46.67
5 above	72	40.00
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Table 7 presents the duration of MFP participation among the 180 respondents in various years. Around 13.33 percent of the members joined MFP within the initial 1-2 years. In contrast, a significant proportion, constituting 46.67 percent, became part of MFP between the third and fourth year. Similarly, 40 percent of the members joined MFP five years or more ago.

#### 4.3 Economic Background

##### 4.3.1 Land Having Respondents

Table 8 shows that different percent of respondents having land in MFP.

**Table 8 : Responding Having Land of Respondents**

<b>Having</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	164	91.11
No	16	8.89
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Based on the field survey, as depicted in table 8, among the total of 180 chosen respondents in MFP, 91.11 percent of the respondents possess land, while 8.89 percent do not possess any land.

### 4.3.2 Respondents Having Land Ownership

Percentage of having land ownership is presented in table 9.

**Table 9 : Respondents Having Land Ownership**

<b>Land ownership</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Respondent	48	26.67
Husband	104	57.78
Other	28	15.56
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Table 9 illustrates that among the 180 respondents selected from MFP who possess land ownership, 26.67 percent have land ownership in their own name, 57.78 percent have land ownership in their husband's name, and 15.56 percent have land ownership in the name of another family member.

### 4.3.3 The Main Occupation before Join MFP

**Table 10 : The Respondents are Before Joining MFP Occupation**

<b>Occupation</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Agriculture	64	35.56
A+ Poultry	12	6.67
A+ Livestock	68	35.56
A+ Shopkeeper	4	2.23
A+L+ P	24	14.2
Other	8	4.45
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

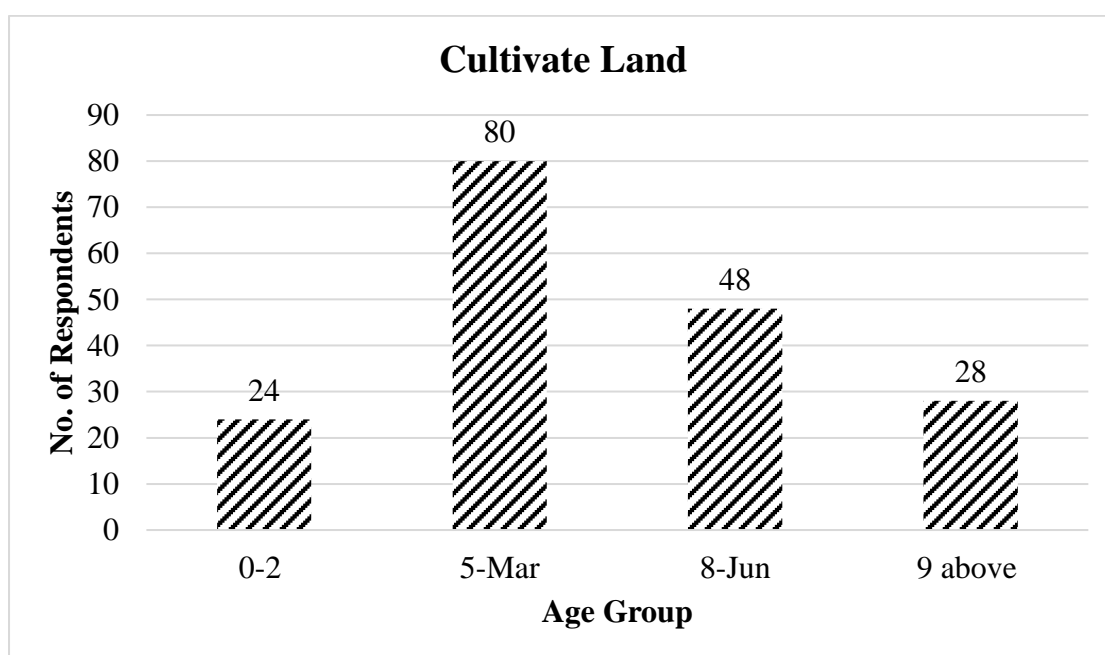
The table presented above depicts the primary occupation of respondents before joining MFP. It can be observed that nearly half of the sampled individuals were involved in agricultural activities, alongside various other occupations. The data indicates that a significant portion of the respondents were engaged in agriculture as their main occupation.

#### 4.3.4 Respondents are using Cultivate Land

**Table 11 : Cultivate Land**

Land (Ropani/kattha/Dhur)	No. of Respondent	Percentage
0-2	24	13.33
3-5	80	44.44
6-8	48	26.67
9 above	28	15.56
<b>Total</b>	<b>180</b>	<b>100.00</b>

Source: Field Survey, 2023



**Figure 5 : Cultivate Land**

Above table and figure provides an overview of the respondents' demographic characteristics, categorized into four groups based on land ownership: 0-2 ropani, 3-5 ropani, 6-8 ropani, and 9 ropani and above. The majority of respondents, accounting for 44.44% of the total, belong to the 3-5 ropani land category, followed by 26.67% in the 6-8 ropani category, 15.56% in the 9 ropani and above category, and 13.33% in the 0-2 ropani category.

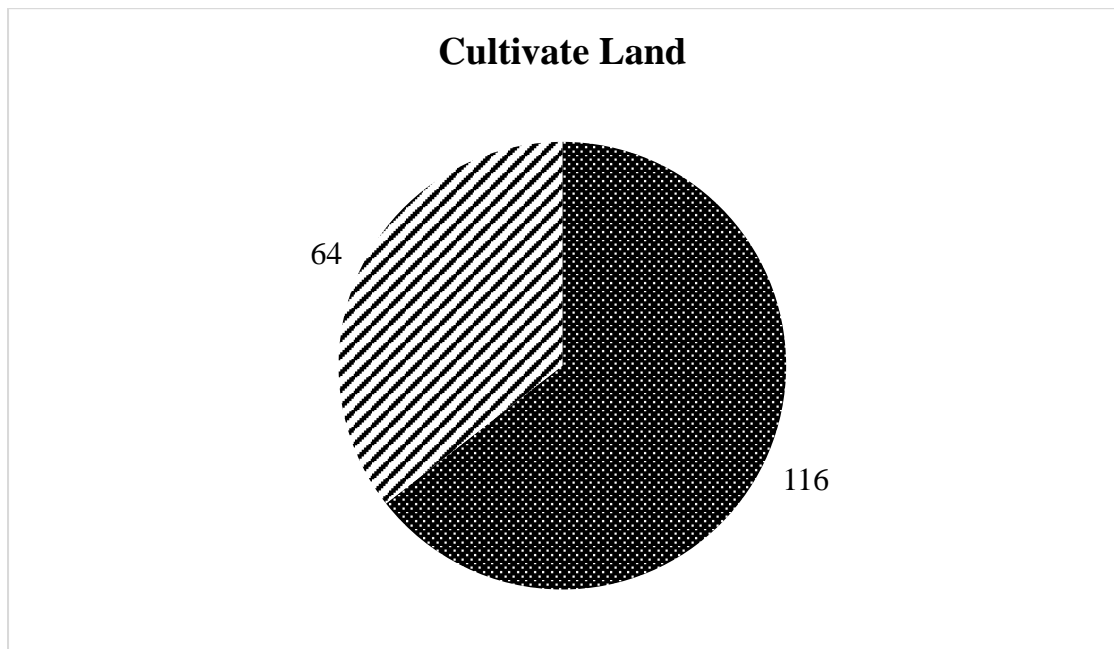


#### 4.3.5 The respondents are Selling Cultivate Product

**Table 12 : Product Cultivate**

<b>Sell</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	116	64.44
No	64	35.56
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023.*



**Figure 6 : Product Cultivate**

The data presented in Table 12 and figure 6 indicates that a combined total of 29 respondents engage in selling cultivated products, accounting for 64.44% of the entire sample. Among the respondents, those involved in selling cultivated products make up 35.56% of the total sample.

#### 4.4 Information of Respondents Related to MFP

##### 4.4.1 Purpose of Join in Micro-Finance Programs

**Table 13 : Purpose of Join in Micro-Finance Programs**

<b>Purpose of join</b>	<b>No. of Respondent</b>	<b>Percentage</b>
To be self-dependent	48	26.67
To improve family condition	56	31.11
To earn more income	68	37.78
Other	8	4.44
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

As depicted in Table 13, the primary motivations behind joining Micro-finance programs are outlined. Typically, they join for three main reasons, with the majority, accounting for 37.78%, aiming to earn more and elevate their living standards. Another 31.33% joined with the objective of enhancing their family's condition, while the remaining 26.67% sought self-dependency by establishing their own microenterprises. Despite varying motivations, this program effectively assists in achieving their respective goals.

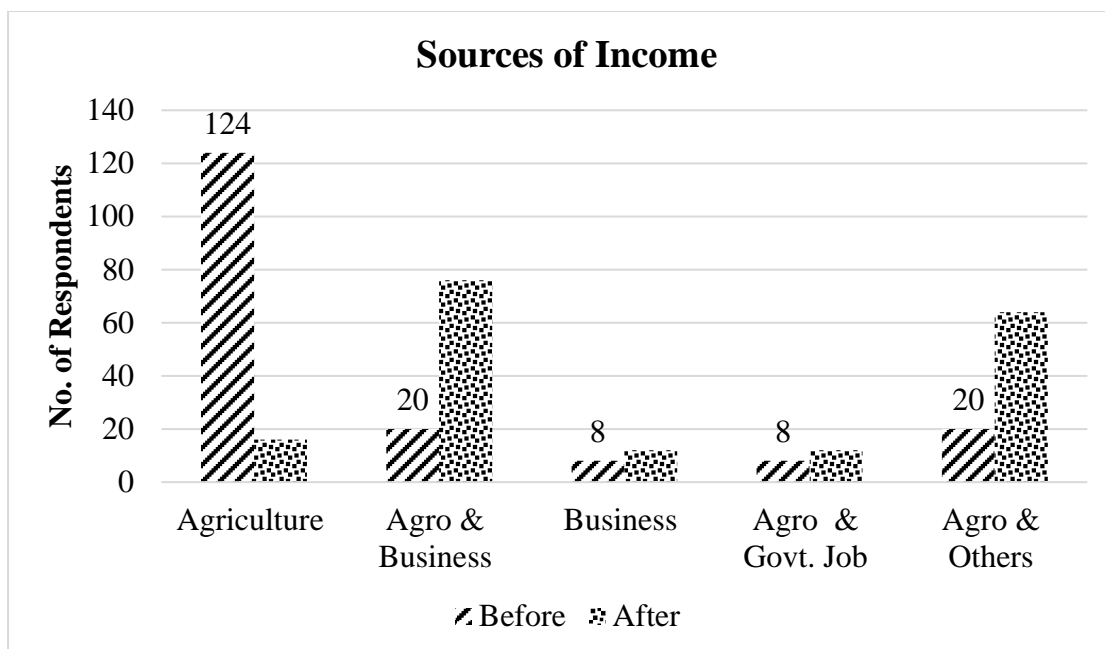
##### 4.3.2 Sources of Income Before and After Joining MFP

Source of income of different respondents is presented in table before and after joining Microfinance program.

**Table 14 : Sources of Income of Respondents**

<b>Sources of Income</b>	<b>Before</b>	<b>Percentage</b>	<b>After</b>	<b>Percentage</b>
Agriculture	124	68.89	16	8.89
Agro & Business	20	11.11	76	42.22
Business	8	4.44	12	6.67
Agro & Govt. Job	8	4.44	12	6.67
Agro & Others	20	11.11	64	35.56
<b>Total</b>	<b>180</b>	<b>100.00</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*



**Figure 7 : Sources of Income of Respondents**

Above Table 14 and figure 7 displays the distribution of respondents' various sources of income before and after joining MFP. Agriculture emerged as the primary income source for respondents prior to enrolling in MFP. Specifically, 68.89 percent of respondents relied on agriculture as their income source, while 11.11 percent reported a combination of agriculture with business or other sources. Moreover, 4.44 percent indicated business and 4.44 percent indicated a combination of agriculture with government jobs as their income sources.

Following enrollment in MFP, there was a shift in the main income source to a combination of agriculture and business, accounting for 42.22 percent of respondents. Additionally, 35.56 percent of respondents engaged in a combination of agriculture and other sources, and 8.89 percent focused solely on agriculture. A smaller proportion, 6.67 percent, pursued business or combined government jobs with agriculture for income.

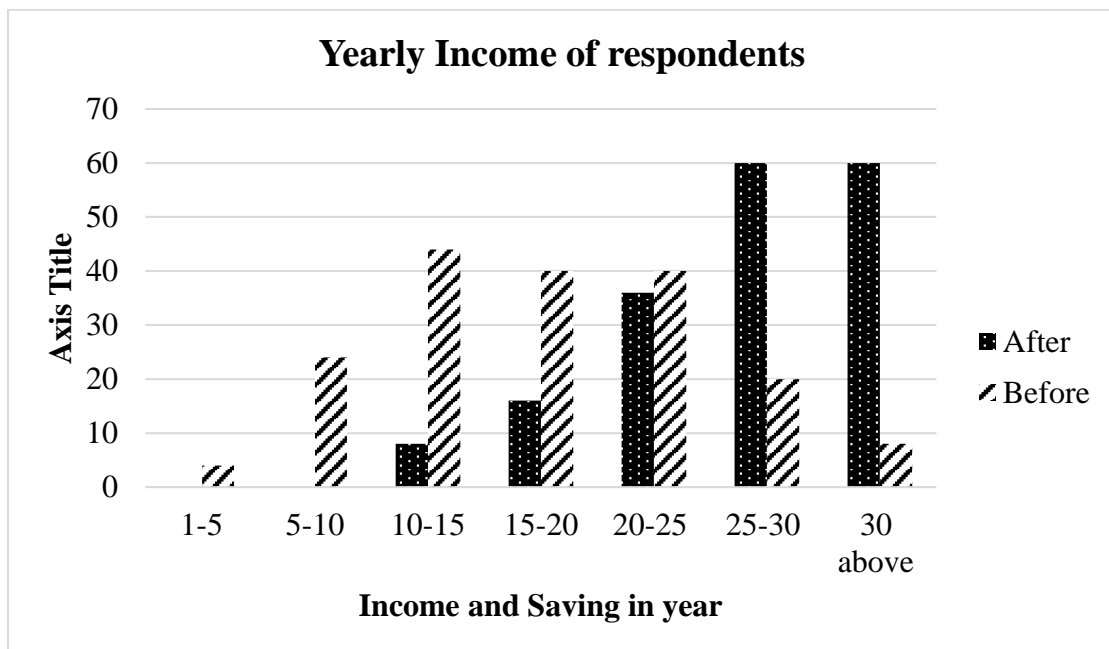
The comparison between the before and after percentages in the table highlights a significant change in the reliance on agriculture. This change underscores respondents' desire to diversify their income sources, encompassing both agriculture and other occupations, to enhance their overall earnings.

### 4.3.3 Income and Saving Status of the Respondents.

**Table 15 : Yearly Incomes of Respondents Before and After Joining the MFP.**

Income and saving in year (000)NRs.	Income Before & After Join MFP			
	No of Respondent		Percentage	
	Percent	After	Percent	Before
1-5	-	-	2.22	4
5-10	-	-	13.33	24
10-15	4.44	8	24.44	44
15-20	8.89	16	22.22	40
20-25	20	36	22.22	40
25-30	33.33	60	11.11	20
30 above	33.33	60	4.44	8
<b>Total</b>	<b>100.00</b>	<b>180</b>	<b>100.00</b>	<b>180</b>

Source: Field Survey, 2023



**Figure 8 : Yearly Incomes of Respondents Before and After Joining the MFP**

As per the field survey, the data presented in Table and figure indicates variations in the yearly income and savings of respondents before and after joining MFP. The table illustrates the distribution of respondents across different income ranges.

From the table, it is observed that 2.22 percent of respondents had income within the range of NRs 1-5 before joining MFP. Similarly, 13.33, 24.44, 22.22, 22.22, 11.11, and

4.44 percent of respondents fell into income ranges of NRs 5-10, 10-15, 15-20, 20-25, 25-30, and 30 above respectively before joining MFP. Notably, no respondents reported income within the ranges of NRs 1-5 and 5-10 after joining MFP.

**Table 16 : Yearly Saving of Respondents Before and After Joining the MFP**

Saving in year(000) NRs.	Saving Before & After Join MFP			
	No. of Respondent		Percentage	
	Before	Percent	After	Percent
1-5	32	17.78	-	-
5-10	52	28.89	8	4.44
10-15	36	20	12	6.67
15-20	36	20	12	6.67
20-25	16	8.89	32	17.78
25-30	8	4.44	68	37.78
30 above	-	-	48	26.67
<b>Total</b>	<b>180</b>	<b>100.00</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

In terms of savings, before joining MFP, respondents exhibited varying patterns. Specifically, 17.78, 28.89, 20, 20, 8.89, and 4.44 percent of respondents saved within the ranges of NRs 1-5, 5-10, 10-15, 15-20, 20-25, and 25-30 respectively. However, no respondents indicated savings exceeding NRs 30 before joining MFP.

After enrolling in MFP, changes in savings patterns emerged. 4.44 percent of respondents saved within the range of NRs 5-10, followed by 6.67 percent in the 10-15 range, and 6.67 percent in the 15-20 range. A larger proportion of 17.78 percent saved within the 20-25 range, while 37.78 percent and 26.67 percent saved within the ranges of 25-30 and 30 above respectively after joining MFP. Notably, no respondents reported savings within the range of NRs 1-5 after joining MFP.

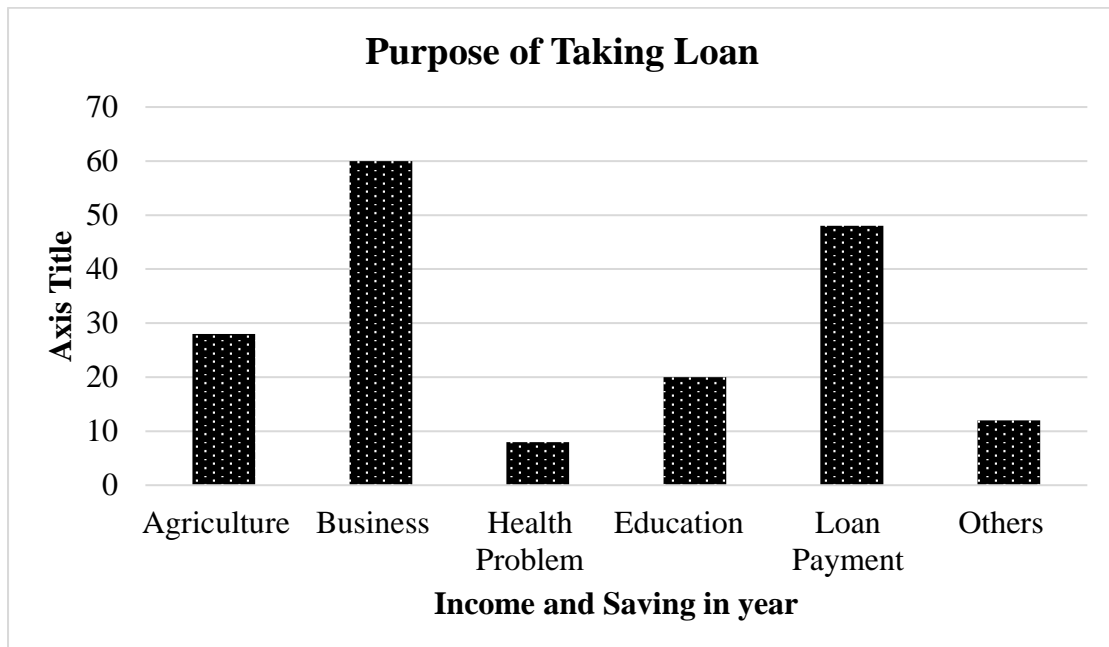
#### 4.3.4 Loan Status in MFP

Table: 16 show that different purpose of taking loan to all respondent in MFP.

**Table 17 : Purpose of Taking Loan of Respondents**

<b>Purpose</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Agriculture	28	15.56
Business	60	33.33
Health Problem	8	4.44
Education	20	11.11
Loan Payment	48	16.67
Others	12	6.67
<b>Total</b>	<b>180</b>	<b>100.00</b>

Source: Field Survey, 2023



**Figure 9 : Purpose of Taking Loan of Respondents**

From the field survey results shown in Table 17 and figure 9, it is evident that the majority of respondents have obtained loans for business purposes. Specifically, 33.33 percent of respondents have acquired loans for business endeavors, while 15.56 percent have taken loans specifically for agricultural needs through MFP. Another 16.67 percent of respondents have utilized loans to fulfill loan repayment obligations. For education purposes, 11.11 percent of respondents have availed loans, and 4.44 percent

have secured loans to address health-related concerns. Lastly, 6.67 percent of respondents have accessed loans for various other purposes.

#### 4.5 Growth Production in Agriculture Sector through Facility by MFP

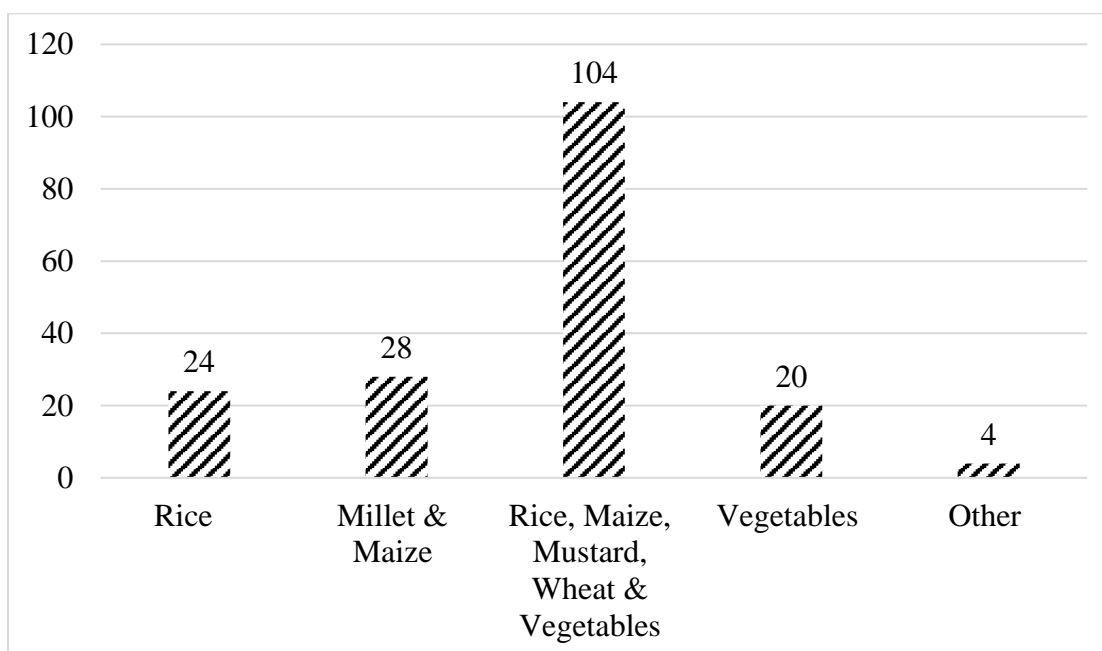
##### 4.5.1 Main Farming Status

Given table shows that main farm status of all respondents who have in MFP.

**Table 18 : Main Farming**

Main Farm Production	No. of Respondent	Percentage
Rice	24	13.33
Millet & Maize	28	15.56
Rice, Maize, Mustard, Wheat & Vegetables	104	57.78
Vegetables	20	11.11
Other	4	2.22
<b>Total</b>	<b>180</b>	<b>100.00</b>

Source: Field Survey, 2023



**Figure 10 : Main Farming Status**

Based on the survey findings, the primary agricultural activities of all respondents within the MFP context are depicted in Table and Figure. It can be observed that 13.33 percent of respondents are primarily engaged in rice cultivation. Millet and maize

cultivation constitute 15.56 percent of respondents' primary farming activities in MFP. Similarly, 11.11 percent of respondents focus on vegetable cultivation within the MFP framework. Notably, a significant portion of respondents, accounting for 57.78 percent, are involved in multiple farming activities such as rice, maize, mustard, wheat, and vegetables. Lastly, a mere 2.22 percent of respondents are engaged in other forms of farming within the MFP context.

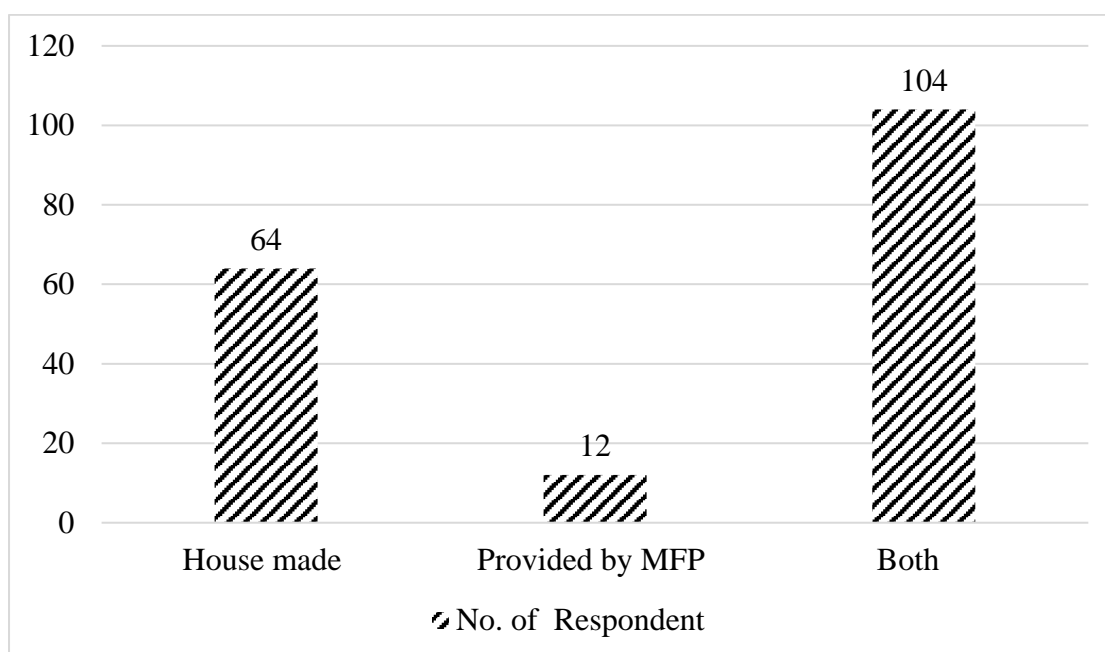
#### 4.5.2 Type of Seed to use for Farming

Table 18 shows that type of to use for farming of all respondent that joins in MFP.

**Table 19 : Seeds Type**

Type of seed	No. of Respondent	Percentage
House made	64	35.56
Provided by MFP	12	6.67
Both	104	57.78
<b>Total</b>	<b>180</b>	<b>100.00</b>

Source: Field Survey, 2023



**Figure 11 : Seeds Type**

Above table and figure illustrates the various seed choices for farming among the respondents. Some respondents utilize seeds they produce at home, while others opt for



seeds provided by the MFP. A notable portion of respondents, accounting for 57.78 percent, utilize both types of seeds. Specifically, 35.56 percent of respondents rely on home-produced seeds, 6.67 percent utilize seeds provided by the MFP, and 57.78 percent use a combination of both types of seeds. This dual seed usage demonstrates the MFP's objective of enhancing agricultural production among respondents by offering high-quality seeds.

#### 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 20 : Status of Chemical Fertilizer**

<b>Provide chemical fertilizer</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	144	80.00
No	36	20.00
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Based on the survey data presented in the above table, it is observed that 80 percent of respondents acquire chemical fertilizers from the MFP for their farming needs. However, 20 percent of respondents do not receive chemical fertilizers, primarily because the MFP's services are still in the process of development in urban areas. Nevertheless, it's anticipated that these urban areas will soon have access to all the facilities provided by the MFP.

**Table 21 : Received Agricultural Production from MFP**

<b>Provide chemical fertilizer</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	94	52.20
No	86	47.80
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Based on the survey data presented in the above table, it is observed that 52.20 percent of respondents received agricultural production from the MFP for their farming.

However, 47.80 percent of respondents do not receive any agricultural production by the MFP.

#### 4.5.4 Training Received

Table: 21 shows that training received percentage of respondent provide by MFP related to increase agriculture production.

**Table 22 : Training**

<b>Training Received</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	156	86.66
No	24	13.84
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Based on the data provided above, it can be observed that 86.66 percent of respondents have received training from the MFP to enhance their agricultural production. However, there are some respondents who did not receive training due to personal reasons. Upon further discussion, it was discovered that these respondents intend to participate in the training programs that the MFP provides as soon as they are made available.

**Table 23 : Effect of Training**

<b>Training Received</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Very much increased	59	37.80
Normally increased	62	39.80
Not increased	35	22.40
<b>Total</b>	<b>156</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Above table 23 shows that, 39.80 percent agreed that their training was effect as normally. Among them 37.80 percent of the respondents has very satisfied after receiving training because their training was very much increased in their business as well as life style. Only 22.40 percent of the respondents feel that training is not effect to their lifestyle.

#### 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 22.

**Table 24 : Income Generating Activities**

<b>Income generating activities</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Increased	164	91.11
As a same	16	0.00
Decreased	0	8.89
<b>Total</b>	<b>180</b>	<b>100.00</b>

*Source: Field Survey, 2023*

Table 24 illustrates that a substantial portion of the sample, comprising 91.11% or 41 out of 180 respondents, has shown an increase in income-generating activities. Conversely, 8.89% of respondents have maintained the same level of involvement in income-generating activities out of the total 180 individuals. This indicates a notable economic empowerment among microfinance clients, with a majority of them effectively engaging in expanded income-generating endeavors.

## CHAPTER V

### SUMMARY, CONCLUSION AND RECOMMENDATION

Within this chapter, a comprehensive overview of all the findings extracted from the data analysis is presented, alongside a thorough discussion of the study's conclusions. Additionally, several recommendations are put forth to the relevant authorities based on the study's outcomes.

#### 5.1 Summary

The study was executed with the objectives of examining the economic influence of microfinance in Ward No. 15, Mangalpur, Chitwan district within the age group of 80 and above, and assessing the income status while considering factors affecting microfinance issues through a questionnaire-based investigation in the Chitwan District.

- i. Among the total respondents 17.78 percent of the total respondents in the study belong to the 20-30 age bracket. Similarly, 37.78 percent of the participants are within the 30-40 age range. The 40-50 age group consists of 24.45 percent of the respondents. The majority of individuals associated with Microfinance Institutions are over 20 years old, indicating that a significant portion of the population is capable of engaging in income-generating activities and employment.
- ii. Various ethnic compositions within the MFI are distributed among 180 respondents. Among them, 13.3 percent are Brahmins, 26.67 percent are Chhetri, 2.22 percent are Newar, 17.78 percent are Tamang, 6.67 percent are Magar, 2.22 percent are Gurung, 22.22 percent are Sunar, and 8.89 percent belong to other castes who participate in the MFI.
- iii. The varying percentages that represent the educational backgrounds of the MFI respondents. Among the 180 participants chosen from the MFI, 37.78 percent are unable to read or write (illiterate), while 62.2 percent are educated. Within the literate category, 37.78 percent have completed primary education, 15.56 percent have completed lower secondary education, 4.44 percent have

completed secondary education, and another 4.44 percent have completed higher secondary education. The data suggests that a majority of the individuals possess a level of literacy.

- iv. Around 13.33 percent of the sampled members are from small households consisting of 1-3 members. A larger proportion, comprising 75.56 percent, belongs to medium-sized households containing 4-6 members. Conversely, a minor 8.89 percent and 2.22 percent hail from larger households with 7-9 members and more than 10 members, respectively.
- v. The duration of MFP participation among the 180 respondents in various years. Around 13.33 percent of the members joined MFP within the initial 1-2 years. In contrast, a significant proportion, constituting 46.67 percent, became part of MFP between the third and fourth year. Similarly, 40 percent of the members joined MFP five years or more ago.
- vi. Among the 180 respondents selected from MFP who possess land ownership, 26.67 percent have land ownership in their own name, 57.78 percent have land ownership in their husband's name, and 15.56 percent have land ownership in the name of another family member.
- vii. After enrolling in MFP, changes in savings patterns emerged. 4.44 percent of respondents saved within the range of NRs 5-10, followed by 6.67 percent in the 10-15 range, and 6.67 percent in the 15-20 range. A larger proportion of 17.78 percent saved within the 20-25 range, while 37.78 percent and 26.67 percent saved within the ranges of 25-30 and 30 above respectively after joining MFP. Notably, no respondents reported savings within the range of NRs 1-5 after joining MFP.
- viii. Distribution of respondents' various sources of income before and after joining MFP. Agriculture emerged as the primary income source for respondents prior to enrolling in MFP. Specifically, 68.89 percent of respondents relied on agriculture as their income source, while 11.11 percent reported a combination of agriculture with business or other sources. Moreover, 4.44 percent indicated business and 4.44 percent indicated a combination of agriculture with government jobs as their income sources.
- ix. In terms of savings, before joining MFP, respondents exhibited varying patterns. Specifically, 17.78, 28.89, 20, 20, 8.89, and 4.44 percent of respondents saved within the ranges of NRs 1-5, 5-10, 10-15, 15-20, 20-25, and 25-30 respectively.

However, no respondents indicated savings exceeding NRs 30 before joining MFP.

- x. It can be observed that 13.33 percent of respondents are primarily engaged in rice cultivation. Millet and maize cultivation constitute 15.56 percent of respondents' primary farming activities in MFP. Similarly, 11.11 percent of respondents focus on vegetable cultivation within the MFP framework. Notably, a significant portion of respondents, accounting for 57.78 percent, are involved in multiple farming activities such as rice, maize, mustard, wheat, and vegetables. Lastly, a mere 2.22 percent of respondents are engaged in other forms of farming within the MFP context.
- xi. It is evident that the majority of respondents have obtained loans for business purposes. Specifically, 33.33 percent of respondents have acquired loans for business endeavors, while 15.56 percent have taken loans specifically for agricultural needs through MFP. Another 16.67 percent of respondents have utilized loans to fulfill loan repayment obligations. For education purposes, 11.11 percent of respondents have availed loans, and 4.44 percent have secured loans to address health-related concerns. Lastly, 6.67 percent of respondents have accessed loans for various other purposes.
- xii. It is observed that 80 percent of respondents acquire chemical fertilizers from the MFP for their farming needs. However, 20 percent of respondents do not receive chemical fertilizers, primarily because the MFP's services are still in the process of development in urban areas. Nevertheless, it's anticipated that these urban areas will soon have access to all the facilities provided by the MFP.
- xiii. Primary occupation of respondents before joining MFP. It can be observed that nearly half of the sampled individuals were involved in agricultural activities, alongside various other occupations. The data indicates that a significant portion of the respondents were engaged in agriculture as their main occupation.
- xiv. The primary motivations behind joining Micro-finance programs are outlined. Typically, they join for three main reasons, with the majority, accounting for 37.78%, aiming to earn more and elevate their living standards. Another 31.33% joined with the objective of enhancing their family's condition, while the remaining 26.67% sought self-dependency by establishing their own microenterprises. Despite varying motivations, this program effectively assists in achieving their respective goals.

- xv. Based on the data provided above, it can be observed that 86.66 percent of respondents have received training from the MFP to enhance their agricultural production. However, there are some respondents who did not receive training due to personal reasons. Upon further discussion, it was discovered that these respondents intend to participate in the training programs that the MFP provides as soon as they are made available.

## **5.2 Conclusion**

Based on a comprehensive analysis of the data and the resulting outcomes, it becomes apparent that a substantial portion of participants engaged in the microfinance program (MFP) have encountered favorable changes. Many respondents have witnessed enhancements in their living standards and income streams, owing to the contributions from microfinance initiatives, leading to notable economic shifts in the lives of local residents.

Nevertheless, it's important to acknowledge that the program might not completely meet the expectations of the educated demographic within the region. Despite this, the majority of participants expressed contentment with the MFP. Among the five factors scrutinized (awareness, skill enhancement, health, education, and training), each was found to exert a significant influence on the economic impact of microfinance. Female participants experienced more substantial economic transformations compared to their male counterparts, while married individuals were more susceptible to income-related hurdles in contrast to unmarried individuals.

Moreover, respondents conveyed that they encountered ease in accessing loans, adopting modern agricultural practices, and fostering connections with the community and external entities. Lower-income families experienced alterations in income over a span of 3-5 years.

Throughout the study, certain economic and behavioral variables emerged as impactful contributors to economic changes. However, several other pertinent aspects tied to the MFP did not exhibit a significant impact within the scope of this specific study. It's worth acknowledging that other research, articles, and microfinance reports have

recognized awareness, health, education, and training as noteworthy factors influencing the success of microfinance endeavors.

On the whole, the findings propose that the microfinance program has indeed positively influenced the financial circumstances of participants, with diverse factors playing a role in its efficacy. Nonetheless, certain aspects such as education and awareness could warrant further exploration and attention to enhance the program's overall effectiveness and reach.

### **5.3 Recommendation**

The study and its findings provide the basis for proposing several recommendations to the relevant authorities, which are detailed below:

1. Effective awareness campaigns and motivation efforts are necessary to acquaint individuals with the microfinance program's objectives. This approach would encourage the participation of both married and unmarried women in the initiative.
2. Strengthening collaboration among organizations, field operatives, personnel, and the local populace within the targeted region is imperative to enhance the program's reach and impact.
3. Despite a high level of awareness about the significance of contributions, the observed rate of income transformation remains relatively modest. Thus, further investigations should be conducted to identify the factors contributing to the limited rate of income change.



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## APPENDIX

### 1. General Personal Information of Respondents.

#### 1.1 Introduction of the respondent.

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

Address:

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

#### 1.2 Marital Status.

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

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

#### 1.3 Educational Status.

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

If literate, level of Education:

#### 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?

- a. Yes
- b. No

2.2 Who has land ownership?

- a. Respondent
- b. Husband
- c. 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	.....
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?

- a. Before [     ]
- b. After [     ]

3.5 What is your saving?

- a. Before [     ]
- b. After [     ]

3.6 Have you taken any loan from the program?

- a. Yes [     ]
- b. No [     ]

3.7 How many times have you taken loan?

3.8 What are the purposes for you took the loan?

- a. Agriculture [     ]
- b. Business [     ]
- c. Daily needs [     ]
- d. Health problem [     ]
- e. Loan payment [     ]
- f. Education [     ]
- g. Others [     ]

3.9 Did you pay the loan

- a. Yes [     ]
- b. No [     ]

**4. Growth production in agricultural sector through MFP**

4.1 What is your main farming?

- a. Rice Production [     ]
- b. Rice and Maize production [     ]
- c. Rice , Maize, Vegetables and Fruits [     ]

d. others [ ]

4.2 What type of seed you used for farming

a. House made [ ]

b. Provided by MFP [ ]

4.3 Are MFP distributed seeds?

a. Yes [ ]

b. No [ ]

If yes, in which time distribute seeds?

a. According to seasons [ ]

b. Always [ ]

4.4 Is MFP provided chemical fertilizers for farming?

a. Yes [ ]

b. 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?

a) Yes [ ]

b) No [ ]

4.7 What types of agricultural production you have from this MFP

a) Increased [ ]

b) decreased [ ]

c) 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 training, has your confidence on income generating activities increased?

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 [     ]