

CHAPTER I

INTRODUCTION

1. Background of the study.

The Himalayan kingdom of Nepal, landlocked between India and China occupies the area of 147181 sq. km. Nepal is one of the poorest countries in the world, according to the World Development Report 2006; it has \$ 260 GNP per capita. Most indicators reflect dismal performance on the gender aspect of human development. Nepalese women are extensively involved in agriculture activities. They are involved in triple work responsibilities i.e. reproduction, household chores and employment. However household chores and family care are not considered productive jobs. Due to limited educational skills and lack of opportunity, majority of women are self-employed in manual agricultural activities in rural areas.

Women play vital roles in family institutions in recent years in our society. Women's legal status has changed with new laws moving towards participation in political and economic sectors. A large number of women are working as doctors, engineers, lawyers, pilots and scientists. But the other reality is that most of the Nepalese women with limited educational skills and few formal opportunities are primarily involved in self-employed activities as a means of supporting their families. Most of these activities do not provide them sufficient income to reduce their poverty. Women lack of technical knowledge and managerial skills are out of access to credit market resources. In this way they are less able to make significant improvement in their economic condition.

The importance of women participation in the development process has been growing in many countries in recent years. Consequently numerous national and international organizations have been established and carried out the program and targeted towards enabling women and creating awareness about their roles and rights.

The provision of credit is regarded as one of the potentially strongest focus towards achieving the goals. Nepalese women who comprise half of the population of the country have always been involved in national development, although deprived of control over economic resources as property income employment as well as other resources. Nepalese women are underprivileged and disadvantaged in terms of socio-economic status in comparison to their male counterparts.

Kaski district is the one of the historical important district. According to population census of 2058 BS, there are 380527 populations and it occupied 2017 sq area. Pokhara submetropolitcity and Lakhanath municipality are in there. Also there are 43 VDCs. among them Nirmal Pokhari is one. There are 4729 population where male 2175 and female 2229. The population growth rate of Nirmal Pokhari is 0.75 which is very lower than the district population growth rate 2.62. VDP (village development programme) is working as social mobilization for alleviation of poverty through micro finance in here (VDC Profile 2007).

Nepal government has lunched many programmes in rural area for development. Among them village development programme is crucial one. According to the district bulleting of Kaski 2062, V.D.P. is running in 23 VDCs in kaski district. Now the LDF at district level monitors and provide the financial resources to mobilization all VDC in Kaski. Nirmal pokhari is the one of the VDC where the VDP is working. VDP helps to people by providing funds to them for various purposes. People are organized in varies groups, they are male CO (community organization), female CO and mixed CO. CO members collect their saving and invest it as loan to generate enterprises for the member of the community organization .VDP also provide the loan to entrepreneur with out any collateral. Village development programme gives more priority for women, dalit and pro-poor (DDC Bulleting Kaski,2062).

2. Statement of the problem:

The expectation and need of the people are increasing day to day, whether they live in rural area or in urban area. In the previous period most of people were not aware about the facilities provided by village development programme. Being the limited sources of VDCs, it can't meet public expectation.

According to the district bulleting of Kaski 2062, the VDP programme is operating in Nirmal Pokhari VDC since 1996. During this period, what was the impact of the programme on income and saving of the people was the great concern for all. Therefore this study is tried to study the impact of VDP on women enterprises, loan repayment, loan utilization, and impact of micro-credit of group members. Moreover the problem of the study can be point out as bellow:

1. What is the situation of women enterprises?
2. What is the status of repayment of loan amount?
3. What is the socio-economic impact of micro credit to different groups?
4. What is the situation of loan utilization?

3. Objectives of the study:

The general objective of the study will is to explore the role of microfinance and women enterprises development in Nirmal pokhari VDC Kaski. Other specific objectives are as follows:

1. To analyze the situation of the women enterprises.
2. To explore the repayment status of the loan.
3. To analyze the socio-economic impact of micro credit to different groups.
4. To evaluate the effective utilization of loan amount.

4. Significance of the study:

The socio- economic situation of the population in general and women in particular, is quite grim. The approach is to provide micro credit to the poor women to enable to undertake their enterprises under their interest. The stagnant agriculture sector could achieve a boost in production if women are engaged in income generation. Their engagement will enhance their status. They will be able to participate as economically active in the main stream development of country.

The study is important because in Nepal government has initiated micro-credit programmes where the government agency not only organized groups of women but also like them are provided commercial credit. The study is significant because, for the first time, the programme is promoting local government to work as social mobilization linking with micro credit to community organization.

The village development programme has invariably involved for many different kind of people and agencies. In this way it has faced many challenges. The impact of the programme on its intended beneficiaries depend on the qualities of its performance which is tern depend on the integration of all related factors. So through the study, the impact of programmes could be assessed and attempts could be made to rectify possible defects and strengthen these programmes. The findings may also reveal target group members perceptions, desires and problems, the knowledge of which could enable officials concerned to modify the programme activities accordingly.

On the other hand this study is importance for the researcher to fulfill the academic requirement of Masters' degree.

5. Delimitation of the study:

This study is focus for analyzing the microfinance and women enterprises. It is required to fulfill the academic requirement of Master of Business Studies Degree. This study has delimitations which are as follows:

1. This study is limited within Nirmal Pokhari VDC of Kaski.
2. The study has been taken into consideration only the village development programme in Nirmal Pokhari VDC since 5 years.
3. The study has covered all the nine wards of VDC.
4. The sample is based on the selection from the group of women people.
5. Sample of women people is taken who are involved in micro-enterprises.

6. Organization of the Study:

The study is organized in different chapters and sub-chapters as given below:

Chapter: 1. Introduction:

This chapter includes background, management of saving and credit for women, focus of the study, statement of the problem, objective of the study, significance of the study, delimitations of the study and organization of the study.

Chapter: 2. Review of the Literature:

This chapter consists of conceptual framework about meaning, history, trends, importance, principles, loan, saving, investment, role of different players, programs of microfinance in Nepal. This chapter also consists socio-economic background of women in Nepal. On the other hand it consists empirical studies of research articles and dissertations. Lastly it includes research gap.

Chapter: 3. Research Methodology:

In this chapter the research design, its methodology has been explained. This study mainly focused on primary data as well as secondary data, for the analysis purpose, obtained by the official records, published in journal and magazines, books and booklets published by the organization.

Chapter: 4. Presentation and Analysis of Data:

In this chapter presentation and analysis of relevant data and applying various statistical tools are used. Tables and graphs are also interpreted to accomplish the objective of the study.

Chapter: 5. Summary of Findings, Conclusions and Recommendations:

This final chapter is the major consideration of this study. Findings, conclusions and recommendations are mentioned in this chapter.

CHAPTER- II

REVIEW OF LITERATURE

In this chapter review of studies done so far has been carried out the studies on women micro- finance (village development program) have by many institutions, bank and researchers. Attempts have been made to review of the published and unpublished reports available in different libraries.

2.1 Conceptual Review

This section of this chapter focuses on the theoretical background of village development program. This includes project origin, objectives of this project, activities of this project and problem of this project in Nirmal Pokhari VDC Kaski.

2.1.1 Introduction

“Microfinance is” often defined as financial service for poor and low-income clients. In practice, the term is often used more narrowly to refer loans and other services from providers that identify themselves as “microfinance institutions” MFIs. These institutions commonly tend to use new methods developed over the 30 years to deliver very small loans to unsalaried borrowers, taking little or no collateral. These methods includes group lending and liability, pre-loan saving requirements, gradually increasing loan sizes and an implicit guarantee of ready access to future loans if present loans are repaid fully and promptly. More broadly, micro finance refers to a movement that envisions a world in which low income households have permanent access to arrange of high quality financial service to finance their income-producing activities, build assets, stabilize consumption, and protect against risks. These services are not limited to credit, but include saving, insurance, and money transfers. ”(<http://www.microfinancegateway.org/section/faq.html>.2010: Nov 03).

Microfinance is playing greater and important role to uplift the living standard of poor people. “In case of Nepal, the poverty reduction rate is slower. If proper model is used to the hill and Terai region, poor people’s life standard could be raised very fast. Diversify of regulatory act shows that it is necessary to carter all the MFIs under one act for licensing, regulating, and supervising and needs to make national policy on microfinance”(Sharma, 2004 : p.70). This microfinance means providing small loans to very poor families to help them engage in production activities. “Typical microfinance clients are poor & low income people that do not have access to other formal financial institutions. Microfinance clients are usually self- employed, household based entrepreneurs. Their diverse “micro enterprises” include small retail soaps, street vending, artisinal manufacture & service provision. In rural areas, micro entrepreneurs often have small income-generating activities such as food processing &trade some but far from all are farmers”
(<http://www.microfinacegateway.org/section/faq.html>.2009: march 17).

Micro finance is a part of development finance of rural or urban, targeted towards specific groups of people, male or female, falling in the lower class of society. It refers to the provision of the board range of financial services such as deposits, loans payment services, money transfers, and insurance to the poor and low incomes households and their micro enterprises (ADB,2000).MFIs are related to small saving from group members. Financial service includes credit and other services such as micro money transfer and micro-insurance. This service is differential by different types of service employment and income oriented target groups, target community, target area and credit at home.

Micro-credit programmes are important institutional devices for providing small credit to country poor in order to improve poverty. These programmes, first developed and initiated in Bangladesh in the late seventies and later replicated in many other countries including the south and Southeast Asian and some African countries, have now been recognized as useful instrument for poverty alleviation in Nepal too. The Grameen bank is the pioneer among the micro finance institutions (MFI) to introduce micro credit programmes. During the last two decades or so the number of such MFIs, including Government and Non-government organizations (GOs and NGOs) operating at national or various local level in Bangladesh, has increased to well over 850 (Latif : 2001 , 52).

Under the micro credit programmes collateral free loans are provided to the rural poor who do not have assets to offer collateral and have limited access to the formal financial institutions like the commercial banks. The prime objectives of these micro-credit programmes is to create credit market and thereby create self employment and increase the productivity and earning of the poor.

Micro-credit can influence saving in number of ways. First, there are compulsory saving schemes associated with micro credit programmes. For most MFIs, the persons seeking membership and qualifying for getting loans are required to form a small co-operative group among themselves and deposit regularly a certain amount of cash to the saving fund for a short periods, prior to becoming members. When they became regular members and receive loans, small proportion of granted loan amount is deducted by deposit as saving to client's accounts. Second the utilization of micro credit in productive activities increase employment and income, which is likely to have direct positive income effect on saving. And third, besides the direct income effect, there is indirect effect as well. As the income rises resulting from investment of loans in productive activities the borrowers get incentives for voluntary saving out of their current income in order to make reinvestment of such saving in further productive activities"(<http://www.microfinancegateway.org/section/faq.html>.2010: Nov 10).

2.1.2 Evolution of Micro-Finance

The earliest initiatives for establishing micro-finance in Nepal date back to the 1950s, when the first credit cooperatives were established. For providing rural financial services, this was first step. These cooperatives primarily intended to provide credit only to the agriculture sector. The next milestone was small farmer development programme (SFDP) in 1975 within ADB/N. This programme covers the entire country and aims to organize farmers into small groups to provide credit without collateral. In 1981, the chief monetary body of the country, Nepal Rastra Bank (NRB) introduced to the commercial bank to finance at 7 percent on the priority sector, which was further increased 12 percent in 1990. Now this compulsion is being phased out gradually.

In 1992, Grammen Bikas Bank were initiated by the Government sector, crossing a milestone in rural micro-financing in Nepal and NGOs started grameen (rural) banking activities in certain areas. Governments run MF programmes – Bisheswor with the poor, Women's Awareness programme, Government Peace Movement, etc. are also there to provide financial relief and help the poor rural people.

2.1.3 Micro Credit Policy

The MFIs are providing the micro finance to the ultra poor even without collateral, guarantees and requirement they need to fulfill for credit eligibility. Even at aggravating situation in the country due to present on going conflict, the MFIs are consistently providing such services to the ultra poor communities. NRB is gradually reducing the priority sector loan program within 5 years as this priority sector loan is assumed against the liberal and pro market economy policy. Due to the policy the MFIs are more active to delivering the micro credit to the poor and ultra poor. After the implementation of Financial Intermediation Institution Act (First Amendment), 1999, the numbers of financial institutions are mushrooming in micro credit operation.

Various types of MFIs are implementing micro finance program to provide self employment opportunities and income generation through extending the micro credit to ultra poor in the community. However, the microfinance service is not adequate to fulfill the increasing demand of poor people. It is desirable to expand institutional micro finance services and to increase the access of poor and ultra poor to the institutional micro finance services and unify services. Government of Nepal has announced to formulate the micro credit policy, 2052 and enact in the beginning of the current fiscal year, no concrete policy has not been sought and implemented in order to flow the micro credit to the poor. This year too, the budget speech announced by ministry of finance could not get a clear point and no new policy on micro credit to the poor and no new policy on the micro credit was realized. Rather, it continued to stick on the old issues of formulating the credit policy.

BAFIA 2063 is expedient to amend and consolidate forthwith the prevailing legislation relating to banks and financial institutions and make it timely in order to promote the trust of the general public in the overall banking and financial system of the country and protect and promote the rights and interests of depositors, provide quality and reliable banking and financial intermediary services to the general public through healthy competition among banks and financial institutions, minimize risks relating to the banking and financial sector, boost and consolidate the economy of the State of Nepal by liberalizing the banking and financial sectors and make necessary legal provisions relating to the establishment, operation, management and regulation of banks and financial institutions; Banks and Financial Institutions Act, 2063

2.1.4 Micro Finance Claims

Typical micro finance clients are poor and low income people that do not have access to other formal financial institutions. Microfinance clients are usually self-employed, household-based entrepreneurs. Their diverse “microenterprises” include retail shop, street vending, artisanal manufacture, and service provision. In rural areas, micro entrepreneurs often have small income-generating activities such as food processing and trade; some but from all are farmers.

Hard data on the poverty status of clients is limited, but the tends to suggest that micro finance clients fall near the poverty line, both above and below. Household in the poorest 10 % of the population, including the destitute, are not traditional micro credit clients because they lack stable cash flows to repay loans. Most clients below the poverty line are in the upper half of the poor. It is clear, however, the some MFLs can serve clients at the higher end of bottom half. Women often comprise the majority of clients. Over the past decade, a few MFLs have started developing a range of products to meet the needs of other clients, including pensioners and salaried workers. Although little is known about the universe of potential clients, the number of households without effective access to financial services is enormous.

2.1.5. Micro-Finance in Nepal

Within Nepal there are a wide range of institutions activities in the micro-finance sector, each with its own way of going about the task of making financial services accessible to the poor. Some writers distinguish between the so-called informal and formal sectors, given that many of the informal organization are in fact registered societies, the preferred terms to use are community based sector and institutional.

a. Nepal Rastra Bank (NRB)

NRB is the central bank and an apex institution of the financial system. It has placed various efforts to develop the micro-finance system in Nepal. It introduced the priority sector (small sector) lending programme in 1975 and the intensive banking programme in 1981. Further in 1992, NRB participated in equity and management to develop the Grameen banking system by introducing regional rural banks as a replication of Bangladesh Grameen Banking model. NRB plays the vital role to develop the micro-finance system in Nepal through introducing policy, systems and institutions as well. It has the authority in determining, controlling and policies of the financial institutions of the country.

b. Rural Self Reliance Fund (RSRF)

In 1990 the Government of Nepal introduced a fund of NRs. 10 million to provide the wholesale fund for small cooperatives and rural based NGOs to lend the micro entrepreneurs. Further in 1999, Government provided additional support of NRs 10 million to the RSRF. Since the beginning, the fund has been handled by NRB. Up to mid July 2002, RSRF sanctioned loans to 48 NGOs and 129 cooperatives amounting to NRs 18.15 million and 34.21 million respectively.

c. **Small Farmer Development Program:**

A great majority of the world's population still resides in rural isolation confronted by problems such as poverty, disease, illiteracy, inadequate resources and such others. About 900 million people of the Asia and the Pacific region are poor. Poverty is still rampant in South Asian region where about half billion people fall under the acute poverty line. In the context of Nepal, it is estimated that about two million household (about 38 percent of the total population) are below poverty line. Incidence of poverty is higher in rural area as compared to the urban and semi-urban area of Nepal. Therefore, reduction of poverty is the main challenge for the development of Nepal, and hence has been the main focused program in the past as well as present national development plan of the government.

To conquer the problem, the Small Farmers Development Program (SFDP) was initiated in 1975. It was, the outcome of the FAO/UNDP joint regional project named “Asian Survey of Agrarian Reform and Rural Development” (ASARRD), which recognized the fact that special efforts were needed to support the poor and disadvantaged groups. As a pilot project in Nepal, it was first tested at Mahendranagar in Dhanusha District (Terai/plain region) in 2032 Bhadra (August 1975) and at Tupche in Nuwakot (Hill region) Districts in 2032 Falgun (February 1976). The Agricultural Development Bank of Nepal (ADBN) was entrusted with the responsibility of executing the project (Adhikari, 2008).

The main objective of the program is to raise the socio-economic status of the small farmers, land less labors including women by bringing them into the mainstream of the development process and by institutional development of their own grass-root level organizations. However the specific objects are to:

-) Raise the income level of small farmers by increasing their production and productivity of on-farm as well as off-farm activities.
-) Raise their social status by empowering and involving them in social and community activities.
-) Create additional opportunity for employment generation by mobilizing their skill, labor, locally available resources in meaningful and productive manner.

-) Adopt the local delivery mechanism of government agencies and other institutions to the needs of the small farmers.
-) Develop self-reliance and independent grass-root level organization of the small farmers so that they would be able to organize themselves to plan and carry out the activities for their own development.
-) Enable small farmers to develop their own institutions and formulate plan and programs and implement them accordingly at grass roots level.

In order to achieve the above objectives a systematic procedure is followed based on the group approach involving various development agencies, local agencies and small farmers.

The program comprises of various essential socio-economic development program together and is the first target oriented program for the overall development of small farmers. The main features are as follows:

-) The small farmers are identified and categorized on the basis of income and expenditure i.e. annual income up to Rs 2500.00 (at 1987/88 prices) per capita. However, to bring the ultra-poor in the mainstream of development, more priority is provided. Ultra-poor is considered as those whose per capita annual income is less than Rs 1200.00
-) Program implementation on the basis of group approach.
-) Group formation and income bracket. SFDP organizes groups of men and women.
-) No discrimination among any community and religion: The small farmer of any community is eligible for group membership.
-) Enhanced knowledge and skill of small farmers by organizing different training/workshop.
-) Implements saving and credit program together.
-) Group liability and group guarantee.
-) Loan on the basis of capacity and capability of the small farmers.
-) More priority for women groups.
-) Implementation of essential social and Community development program with the involvement of small farmers and other potential agencies.
-) Non-small farmers are also benefited from social and community development program (such as drinking water, community irrigation, repair and

maintenance of village road and construction of local village to village and link road).

-) Empowerment and leadership development in small farmers.
-) Service package to women small farmers by the women SFDP (where group organizer is women and only women small farmer is eligible).
-) Holistic approach (implementation of economic, social and community development activities together).
-) Participatory (involvement of small farmers in planning, programming, project identification, appraisal, project implementation, supervision, follow-up, monitoring and evaluation).
-) Have take up (beginning as SFDP) and landing (exit as Small Farmers Cooperative Limited) system.
-) Pioneer in poverty alleviation program and world wide appreciation.

d. Production Credit for Rural Women (PCRW)

PCRW program was initiated in fiscal year 1981/81 as a first women-focused credit program in Nepal. NBL, RBB and ADB/N were three participating banking institutions. Initially it was started in 5 districts and by the end of 1998; it had covered 67 districts of the kingdom. PCRW was implemented in IBP and SFDP branches. Govt.'s Women Development Section (WDS) staff identifies the target groups and motivates them to form a group of 4 to 10 poor women. They also assist group member to select the viable project. They recommended the newly formed groups to IBP and SFDP offices. Both the staff of banks and WDS monitors and supervises the credit projects.

The recovery performance of PCRW is not satisfactory. Its recovery was found 64 percent in 1995/1996. The operating cost was around 27 percent whereas PCRW loan was distributed at 14 to 15 percent. The impact evaluation study conducted by the Women Development Division of the ministry of Local Development has revealed that PCRW has greatly contributed for the socio-economic uplift for the rural poor women of the project area.

e. Micro Credit Project for Women:

Government introduced micro credit project for women with some different modality using NGOs and self-help groups as credit agents for linking clients to commercial banks. Loan was collaborated between ADB/N with central bank and govt. in 1993 and project loan completion date as March 2000 (Bashyal, 2008: p.51). The main objectives of MPCW are improvement of the socio economic status and condition of women, Provision of financial and non-financial services to women, institutional supports to NGOs, development of NGOs as cooperative. This Project has properly utilized the lesson learned from PCRW. MCPW is fully committed to develop and involved NGOs. It is the first project in which financial intermediaries are involved in a public sector credit program. The borrowers of the project are women from both urban and rural areas of Nepal.

2.2 Review of Related Studies

A. Review of Major Journals and Articles

This part includes major empirical studies such as: Baral's study, P.R.Sharma's study, Pradhan & Shrestha's study, so on.

a. Baral's study

The research work done by Baral (2004) is "microfinance: Good Portfolio and Management of Delinquency". He has made some important improvements in the field of Microfinance. He has conducted that loan recovery rate is a measure of quality of loan. The finding of the study shows that the recovery rate of loan mobilized under different programme on Kaski is found to satisfactory. He has also clarified "the term delinquency is use to imply the situation when over due loan is remaining unpaid. In the context of Nepal, high loan recovery rate indicates that microfinance institutions do not have to face much more problem relating to delinquency". He identified two kinds of irregularities committed by both MFIs and borrowers. On the part of MFIs the irregularities were commonly found on selection of target area, identification of target group, irregularities in formation of group, mobilization of loan on the basis of securities, and emphasis of investment and recovery of loan. Similarly following irregularities has found from the side of borrowers such as misuse of loan, non repayment of due installment, and repayment of loan from different sources. He has suggested that the MFIs should not select the target area on the convenience of the project or employees serving for it, and on the basis of vested interest. He has also suggested that there should be a mechanism in concerned project and institution to monitor the target group or as per the operation manual of the concerned project and institution. He has further suggested that the concern project and institution should not consider only the target of investment and recovery of loan but also consider the effectiveness of the mobilized loan.

b. P. R. Sharma's Study

Sharma (2004) conducted the empirical work "Microfinance: A powerful Tools for Social Transformation, it Challenges, and Principle". He performed his study on private, public and non-governmental institution to assess sustainability and financial efficiency. He has also focused on delivering microfinance service to the poorest of the poor. He has found that MFIs were not being able to reach the poorest of the poor due to inability of proper identification of the poor at the lack of commitment and clear vision of their action. He has mentioned that they were suffering from the problem such as inadequacy of resources, inappropriate regulations, lost of confidence of depositors, narrow level and area of operation, excessive overhead and ineffectiveness of activities. In addition to these, peace and security situation of the country, strategic planning, operation cost and interest rate, delinquency management etc. are equally challenging for its sustainability.

He has suggested that MFIs should need to enter in a new paradigm of financial market and develop business planning practice and efficient management of human resources with in the situation. He has further suggested that strategic approach should be adopted in order to address management challenges, controlling and monitoring mechanism, effort to link formal and informal sector involved in micro-financing programme, and flexibility in financial management regulation.

c. Pradhan and Shrestha's study

Pradhan and shrestha (2004) has conducted the study of "The Microfinance and Women in Nepal". They concluded that most of the MFIs are facing the serious problem of sustainability due to high administrative and overhead cost, heavy service delivery cost, absence of self-regularity mechanism and fully committed professionalism. They further concluded that the role of the central bank in microfinance development is still important in Nepal where private sector institutions are just involving. They have mention that many activities have to be

coordinated new skill and technology should be added, and micro-credit programme should be expanded to reduce the role of poverty.

d. P. R. Sharma's Study

Sharma (2007), who published an article on 'The Journal of Nepalese Business Studies' about 'Microfinance and Women Empowerment'. The studies paper examines effect of women's participation in group-based microcredit programs on a large set of qualitative responses to questions that characterize women's autonomy and gender relations within the household. The data were taken from a special survey carried out in hill and terai in 2004-2006 of Nepal. In this paper, analysis were done on women's involvement in decision making, changes in self-confidence, women's status in gender equity, changes in social and political participation, changes in control over income, changes in awareness of social issues and problems, and family relationships and domestic violence. From the study the result was taken out those similar changes in making decision was noticed in both hills and terai. There is a significant change in self-confidence of women after the program. By ecologically belt hills showed relatively higher proportion of men's involvement in cooking as compared to terai, but in childcare, fetching water, washing clothes, cleaning house and utensils, men's involvement is relatively higher in terai belt than the men in hills. It also shows that there is a significant change in social and political participation of women after the program. MFI program has substantial impact on terai women's income control as compared to hills. Terai shows a relatively greater change in family relationship and domestic violence.

e. P. R. Sharma's Study

Sharma (2007), has been conducted a study about the "Micro-Finance Practices and Their Sustainability in Nepal". Main objectives are to assess rural poverty alleviation efforts, policies and programs initiated in Nepal through micro-finance, to analyze the role of the micro-finance in women empowerment and to identify the problems of micro-finance in Nepal in general and western and central region in particular. His study found that

micro- finance leads to social & economic changes in the borrowers after participating in the program. Women empowerment should positive change in decision making, change in occupational structure, participating in social activities, gender equity, high level of self confidence, awareness in social issue and control of income. He recommends that the government should formulate a national policy of micro-finance setting the vision, objectives, strategies, and specifying implementation modalities to direct the micro-finance program to accomplish the stipulated objective.

B. Review of Master Thesis

This chapter includes review of major thesis or dissertations which are conducted in Nepal in the topic of micro finance and Micro credit. It is consulted the library of Prithvy Narayan Campus for the study of thesis or dissertations related to micro finance.

1. Khadka's study

Khadaka (1998) carried out a study on “micro credit project for women : A Case Study of Pokhara”. The objectives of his study were to find out sectoral nature of investment and loan. He had used both primary and secondary data for the purpose of study. The major finding his study evidenced that group loan is more effective than individual-loan, the share of retail shop sector is significant, Nepal Bank Ltd. Located at Bagar disbursed among the upper cast people. Similarly the study concluded that participant's monthly income and employment level have been increased after implementation of the project, loan distribution varied in different wards, and employment and income is generated significantly. He has suggested that loan should be provided in the productive sector, time and area of program should be extended, loan should be provided in equal proportion in each ward, and loan should be provided to lower caste to raise their living standard.

2.Acharya's study

Acharya (May 2001) had studied the impact of small farmers development project at Kahun-Bharam of Kaski district in western Nepal. The main objective of the study were to analyze the target and actual performance of SEDP loan disbursement,

study the changes in level of income of small farmers in the project area and study the SFDP loan recovery position. The study was based on primary and secondary data. The random sampling method had been used to select the farmers for the study. For this he had taken altogether 15% of total participating farmer 157 of 383 as the sample. His study shows that SEDF credit was effective to raise the firm income in rural area. Both the target of loan repayment as well as the actual repayment was increased. Furthermore, this study shows that there was a positive relationship between the loans and various activities of the farmers.

3. Gyanwali's study

Mr.Gyanwali (March, 2003) described about the “micro credit project for women in Pokhara”. Main objective of his studies is the performance evaluation of NGOs. His study has tried to investigate how far NGOs have applied project implementation procedures and how they have selected the site, involved target women and formed the women group. His major finding is that the activities of micro credit project for women (MPCW). NGO has successfully imported overall idea about MCPW project to participating women during the introducing meeting. 71% participating women did not accept conflict among group member, the participation rate of one member, from a family is 95%, 75% participating women are involving in the group from same locality. So NGOs formed women group as per set criteria MCPW guide.

4. Poudel's study

Mr poudel (2006) has written a dissertation entitled, “Small Farmer Development Project in Parbhat District” A case study of Naglibang VDC, Parbhat. His objective was to find out weather the loan investment of the project has been properly utilized or not and to find out in which sector loan has been mobilized. Simple random sampling technique has been used. Out of 507 populations, 152 have been used in sample. After preparation of major-sheet data, classification and tabulation were done manually. Description research design has been used. His major finding was that the project has provided loan for different sectors cereal crop, cash crop, livestock, bio-gas, cottage industry, horticulture etc. The project has invested from FY 2056/2057 to FY 061/2062 Rs. 23.87 million in various sectors during the

study period. Out of 152 farmers 41 (26.97 %) have used for the very purpose of the loan and 80 farmers have misused it. Among the 121 farmers 40 farmers have increased their income by undertaking the various purposes and 81 have not able to increase their income.

5. Gita Acharya' study

Gita Acharya (2007), who did research for MBS degree on the topic, 'Impact of Microfinance: A Case Study of Microcredit program for Women in Bahadaure Tamagi VDC, Kaski'. The main objective of the study is to explore the role of microcredit program for women of Bhadaure Tamagi VDC Kaski. Other specific objectives of this study are; to analyze the position of existing credit; to analyze the relationship in between investment and income; to measure the perception of users group towards the program; to assess the effect of microcredit program on living standard of the people; to assess the financial sustainability of the program. From this research study she found that the overall impact of microcredit program for women's earning beneficiaries and living standard is positive. It has positive impact on clothing and sheltering facility after the intervention of the program. The condition of loan recovery has a positive impact up on the regularity of loan payment. Among the sample women, 4% could not repay both the principal and interest, 28% could repay only interest and not principal and 18% could repay only principal and not interest regular. Since all the respondents of the program have taken loan at least one time from the program. Out of the total investment of microcredit program, the highest proportion of investment is made on poultry farming (35.95%), and the lowest is made on goat keeping (18.21%). The main sectors of taking loan were poultry farming, buffalo keeping, retail business and goat keeping

6. Hum Nath Aryal's study

Hum Nath Aryal (2007), who did research for MBS degree on the topic 'Microfinance under Rural Development program: A case study of Khilung Deurali VDC Syangja'. The basic objective of the study is to examine the effective activities and effectiveness or rural development program and is to carry out the detail study of rural development program in khilung Deurali VDC o Syangaja. The other specific objectivities are; to know the activities operated under rural development program; to

analyze the mode of loan disbursement, repayment, outstanding and overdue; to analyze the state of saving, deposit and its mobilization interms of loan disbursement; to find out the problems faced by the women in obtaining the loan. From this study he found and concludes that the program has made positive impact of the women living standard by generating employment and increasing productivity. Most of the women's income is sufficient for one year living or less. The performance of the project interms of achievement of loan disbursement and recovery has been found very well in study period. So the repayment of loan was very satisfactory in the following years. It was 100 percent successful. The identification encouragement and training of local leadership saving and its mobilization, loan disbursement and its recovery should be a basic objective in any program.

In this way different papers which are related to this research paper gives the conclusion that only microfinance success to reduce the poverty alleviation of country especially for women.

6. Poudel' study

Poudel, (2007) has done a research on "Microcredit in Leknath Municipality : A Case Study of Paschimanchal Grameen Bikas Bank (PGBB)". The main objective of this study is to assess microcredit phenomenon of Paschimanchal Grameen Bikas Bank in Leknath Municipality. Other specific objectives of this study were; to identify the sectors and types of investment on microcredit; to study the role of microcredit in employment generation; to study the state of microcredit in terms of distribution, repayment and investment sustainability; to study the fruitfulness of microcredit in terms of income generation pursuing poverty alleviation; to study the bank's performance on target group identification and accessibility of microcredit to the target group. Form the study he found that the investments were mainly of three types i.e. investment of loan to support existing business/ occupation, expenditure. Out of 97 new employment, the highest contribution in new employment generation was from small business and lowest was from animal keeping sector. The highest amount of loan was borrowed for the purpose of small business. It is also seemed that investment of the bank loan to the members who have existing business/ occupation is not fruitful for poverty alleviation. It is also proved that the performance of bank to identify target group is also poor.

8. Baral's study

Shiva Datta Baral (2008) has been conducted a study about the “Micro credit program for women: A Case Study of Prithvi Narayn Municipality in Gorkha District”. His main objectives are to analyze the position of existing credit, the relationship between investment and income, the effect of training on standard of living of the people, the perception of user groups towards the program and the financial situation of the program.

His study had been carried out in Prithvi Narayan municipality covering all 18 wards. The total participants of the program are 1207. Out of this 100 women are sampled for the purpose of the study. The study is generally based on primary data. To conduct the study descriptive, cross-sectional and analytical approach had been adopted. The study found that the participant women have significantly increased their economical income, social status and awareness after involving the program. The value of investment and saving are positively increased in each year. The study shows that there no association to the perceived benefit from the program towards the age group, educational level and ethic group of the participants. The result of the investment found to be positive upon the earning of the respondent. The study shows that most respondent has repaid loan and interest in due time and majority of the participant has utilized their investment properly. He concluded that the women empowerment showed positive change specially involvement in decision making, participating in social activities, gender equality, awareness in social issue and control of income.

9. Thapa's study

Dool Bahadur Thapa (2008) has been conducted a study on the “Impact of Microfinance on Women: A Case Study of Putalibazar Municipality Shyanja under German Bikas Bank. The main objectives of his study are to analyze saving and its mobilization pattern of women, explore mode of loan, loan disbursement and repayment practice, the relationship between investment and income, and in between loan disbursement and recovery and assess the impact on the poorest of the poor women's financial condition. His study shows that the women of this municipality are unprivileged and low socio-economically background and poverty among the women population is high. To reduce this poverty and make women self-dependent,

economically strong different microfinance institutions are working. Among them Grameen Bikas Bank was established in 2056 B.S. in Syangja as branch office. This study focuses only activities of saving (deposit), loan disbursement and its recovery as well as impact on poor women etc. Grameen Bikas Bank is a practical model to microfinance program. Grameen Bikas Bank, Syangja is a women participating microfinance institution. In the GBB program saving and its mobilization and skill enhancement are the main instruments to raise the economic growth and human resource development. GBB is actively involved in saving programs of women. Loan is disbursed in different sectors and GBB is still focusing more on loan disbursement to poor women.

It shows that women believe in loan and interested to invest that loan in profitable sector. The status of loan investment and income of women is found satisfactory and they are earning slowly higher with involvement of GBB programs. Instead of this, business which is running by taking loan is found as running satisfactory. Poor women are found more and some of them have high confidentiality of standing themselves as a successful entrepreneur in future. Majority of women believe that involvement in GBB program initiates to increase their living standard. The overall study shows that the program has made positive impact on the women living standard by generating employment and increasing productivity. The most important and effective program is to the basis to uplift the economic condition of rural women.

2.2.3 Research Gap

According to above literature review there are various studies has been done in the topic of micro credit/finance program. They are focusing in the site of women empowerment in micro finance but they are not studying about women enterprises through micro finance. All of the above research study are identified about effectiveness of micro credit /finance program in some topics and areas in other district in Nepal.

However this study is related micro credit program of Nirmal Pokhari VDC in Kaski district. The total population of this VDC according to census 2058 is 4729 among them 2575 female and 2154 male. The program covered 928 household among 1068 household. Among them 703 member of VDP are women. So here is studying women enterprises through micro finance who are taking loan from VDP. There are 332 female member are taking loan for enterprises in this Nirmal Pokhari VDC. There are Braman, Chhetri, Thakuri, Sannami, Newar, Rai, Magar, Damai, Kami, Sharki, Sunar and Gharti living in this study area. The main economic source of this village is agriculture and it famous for oranges.

There are several micro credit groups in operation though we can find research studies about the importance of microfinance program in some topic and areas of Nepal. There are very limited studies about the effectiveness of micro credit program in Kaski district. Available limited studies in this subject can not examine the situation of women enterprises, effective utilization of loan, repayment status of loan and impact of credit in different groups of the village development program. This study is important for fulfilling the gap in current situation of people and organizations of micro credit programs. The importance of the study is also to identify the present situation of micro credit program in Kaski district and to suggest feedback of there cooperatives. It also put forward some guidelines to micro credit groups in future.

CHAPTER III

RESEARCH METHODOLOGY

The main objective of the study is to analyze impact of microfinance on women in Nirmal Pokhari under VDP. This study aims to recommend necessary suggestions to achieve the targeted objectives. Research methodology is the most important part of the study. This chapter has been divided in to six sections: research design, study area, population and sample, nature and source of data, data collection techniques, data analysis.

3.1 Research Design:

A research design is a plan for the collection and analysis of data. It is an organized approach and not a collection of loose, unrelated parts. The research design serves instruments to be utilized and the sampling plan to be followed. It presents a series of guide posts to enable to researcher to progress in the right direction in order to achieve goal. The design may be a specific presentation of the various steps in the research process. The steps include the selection of a research problem, formulation of hypothesis, conceptual clarity, and methodology, survey of literature and documentation, bibliography, data collection, testing of hypothesis, interpretation, presentation and report writing.

To conduct this study analytical and descriptive approach has been adopted. Analytical approach has been utilized mainly to analyze the relationship between income, investment and other variables. Descriptive approach has been used mainly for conceptualization of the research objectives and research problem of the study.

3.2 Study Area:

This study area is limited within VDP in Nirmal Pokhari VDC. The sample is selected from groups of Women. The study covers only five years of data. The study is analyzed on the basis of the performance of participating people from microenterprise groups.

3.3 Population and Sample:

Population refers to the entire group of peoples, events or things of interest that the researcher wishes to investigate. A sample is a collection of items or elements from a

population. Hence, a sample is only a portion of subset of the population. It comprises some observation selected from the population. The 20 COs among 38 COs of VDP with in Nirmal Pokhari VDC is considered as the size of the population. This study covers some sample women members for the purpose of study because of the limitation of area, budget and time. Only 70 women have been selected as sample for this study using a random as well as judgmental sampling method which is as follows in table 3.1.

Table 3.1

Name List of Sample Women Groups of VDP in Nirmal Pokhari.

S.N	Name of Groups	Ward No.	Sample No.
1	Sundhar Shanti CO	1	5
2	Jana kalyan CO	1	4
3	Pragati Mahila CO	1	4
4	Bishow Shanti CO	2	3
5	Gaun Kalyan CO	2	3
6	Hima Jyoti CO	3	3
7	Laliguras CO	3	3
8	Buddha CO	4	3
9	Jalakanya CO	4	3
10	Samajik Utthan CO	5	4
11	Baji Pokhari CO	5	2
12	Raghaichaur CO	5	2
13	Manakamana CO	6	4
14	Dibya Jyoti CO	6	3
15	Prakarti Premi CO	7	5
16	Unnatisil CO	8	5
17	Lalupate CO	8	5
18	Lagansil Bhandari CO	9	3
19	Dafe Kala Mahila CO	9	3
20	Janajargati CO	9	3
	Total Sample Women		70

3.4 Nature and Source of Data:

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

- Various research studies, dissertation and article related to the study.
- Annual reports of VDP.

3.5 Data Collection Techniques:

This study basically based on primary data. Primary data are collected from the different primary data collection techniques.

(a) Primary Data:

Primary data were collected from actual field using:

- Questionnaire:

Questionnaire is used to get qualitative information. But some important quantitative information is also collected the respondents of questionnaire survey are the sample numbers and group managers of the program.

- Personal Interview:

This is also called direct interview. It is used to collect the information related to investment, credit, saving interest collection, repayment rate and so on.

- Field Observation:

In this technique direct observation on field is done. Women's condition about economy and other facilities is considered.

- Case Study:

If some related cases about women's economic condition arrive they are discussed.

(b) Secondary Data:

Secondary data were collected from reports of VDP, Journals of microfinance, published books, unpublished books, thesis, and newspaper and other related published journals and article.

3.6 Data Processing and Analysis:

The available data have been edited, classified and tabulated in appropriate form. Processing of data have been done by the computer using Microsoft excel.

Analysis is the careful study of available facts so that one can understand and draw conclusion on the basis of established principles and sound logic. Various analysis tools are used. The following techniques are followed in analyzing the data:

- Collection of relevant information.
- Identification of data suited to fulfill the purpose of the study.
- Classification and tabulation of data.
- Use of percentage charges, average, ratios.
- Drive conclusion, summary and recommendations based on the analyzed data.

Some statistical tools such as mean are used. Mean is the central value on an average. A simple arithmetic mean is determined by dividing the sum of values by number of the observations.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation and Analysis

This chapter attempts to analyze the information received from the questionnaires, observations, case study, field survey and informal discussions with women. Especially analysis process and contents are determined as per set of objectives for the study. It consists of savings, investments, repayment pattern of loan, income from loan, socio economic impact of micro credit, utilization of loan, decision making, consumption, health, education, changes in custom and society.

4.1.1 Nature of Women Enterprises

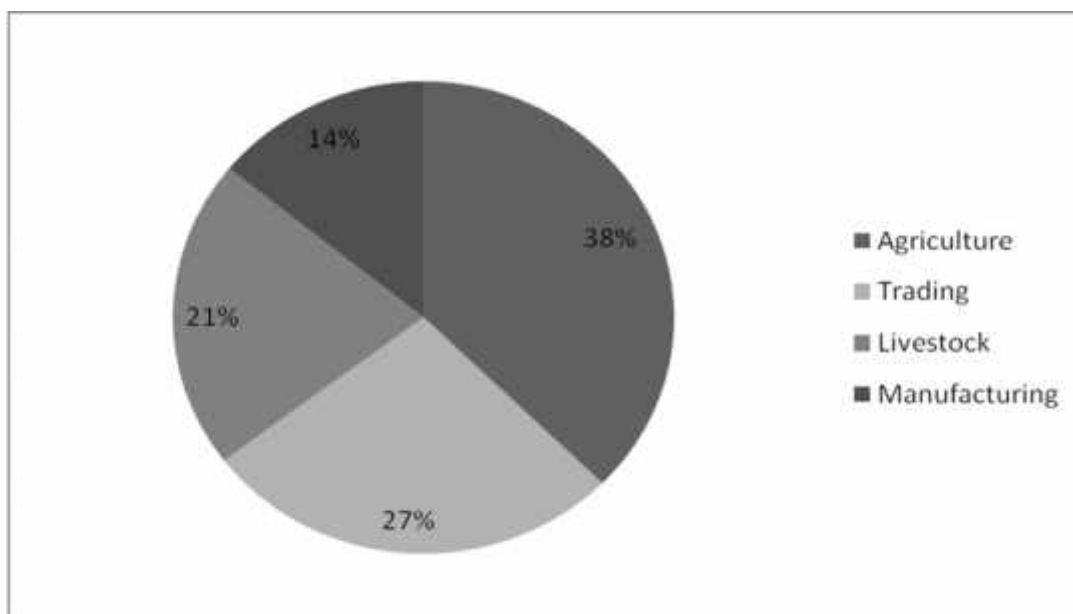
Table 4.1

S no	Enterprises	No of Enterprise	%
1	Agriculture	26	37
2	Trading	19	27
3	Livestock	15	21
4	Manufacturing	10	14
Total		70	100

Source: Field Survey 2067

Fig. 4.1

Nature of Women Enterprises



The table and pie chart 4.1 shows that enterprises of sample taken, among them 38% of agriculture, 27 % of trading, 21% of livestock and 14 % of manufacturing enterprises are found.

4.1.2 Sector Wise Loan Investment in Years

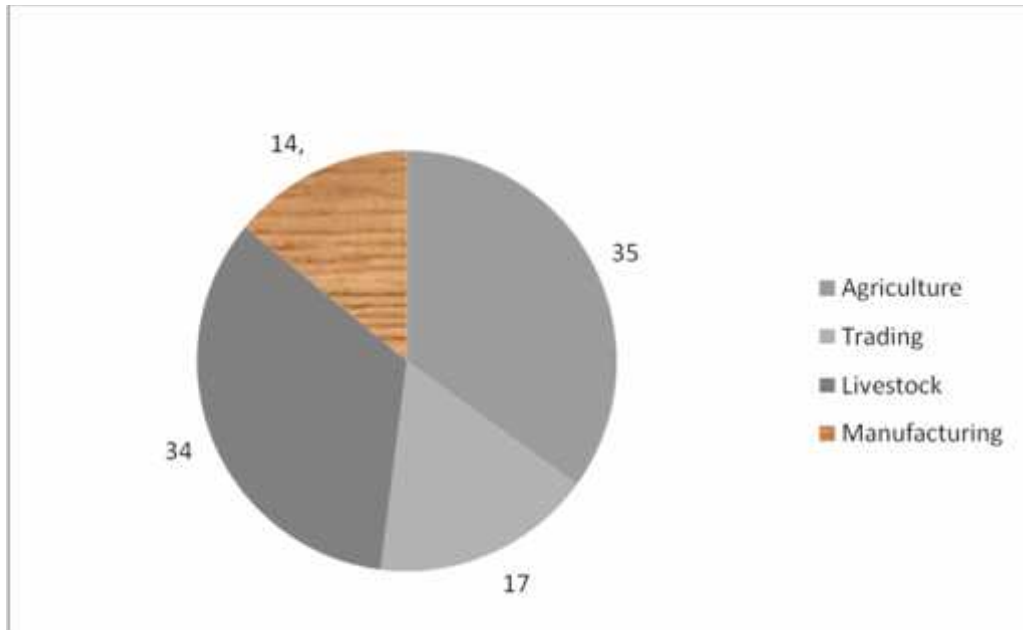
Table – 4.2

Sector Wise Loan Investment in Different Years

(Rs.in Thousand)

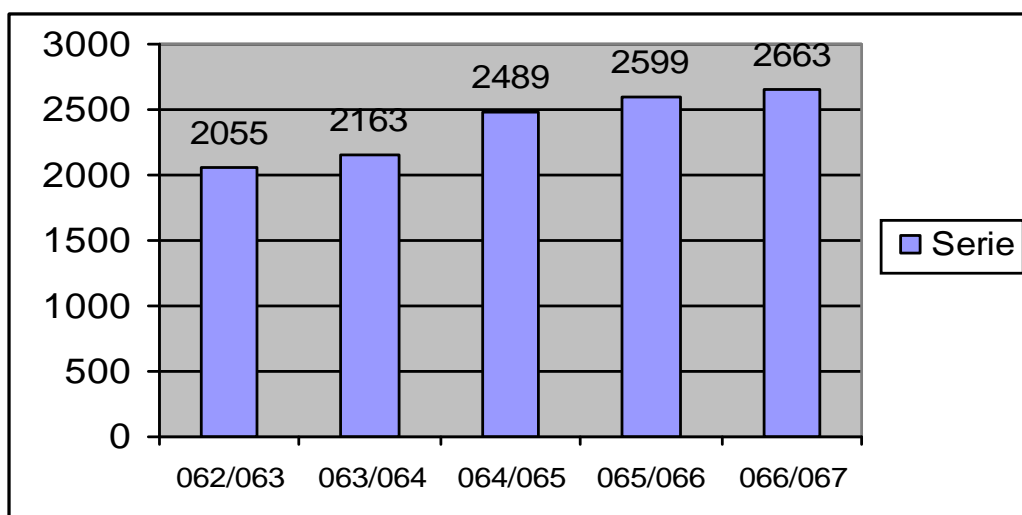
S No	Year→ Investment Sector ↓	062/063	063/064	064/065	065/066	066/067	Total	%
1	Agriculture	740	797	846	886	902	4171	35
2	Trading	321	338	427	453	469	2008	17
3	Livestock	742	759	848	877	893	4119	34
4	Manufacturing	252	269	368	383	399	1671	14
Total		2055	2163	2489	2599	2663	11969	

Fig. 4.2
Sector Wise Loan Investment in Different Years



The table and pie chart 4.2 show that out of total investment of loan, 35% in agriculture, 17 % in trading, 34 % in livestock and 14 % in manufacturing are being made. Similarly the total investment of Rs. 11969 thousand is made in different years 2062/063 to 2066/067 respectively. The table 4.2 shows that highest investment in agriculture and lowest amount investment in manufacturing enterprises. The same shows in graph also in below here.

Fig. 4.3
Sector Wise Loan Investment in Different years



4.1.3 Loan Disbursements

Table – 4.3
Loan Disbursement to the Borrowers

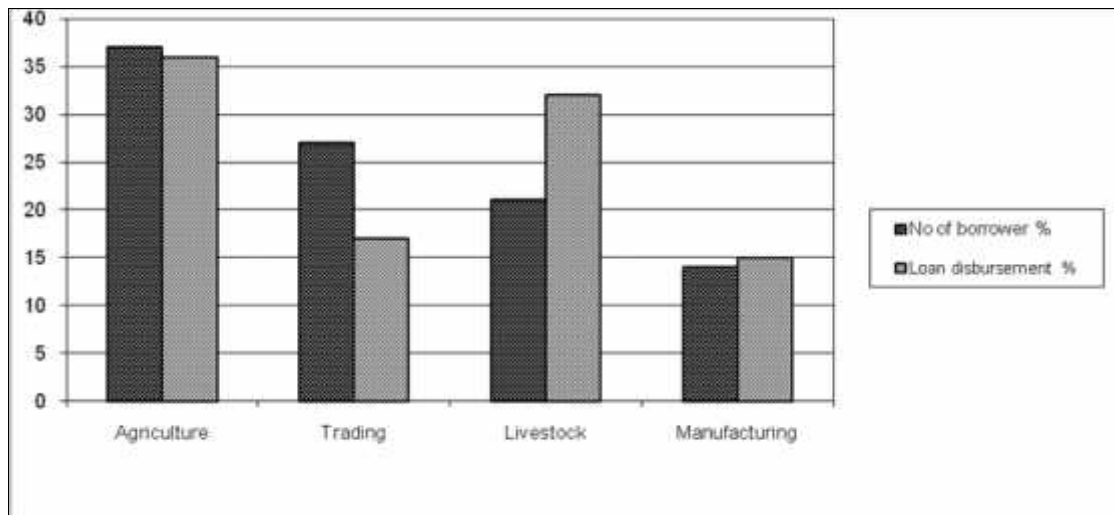
(Rs.in Thousand)

S no	Enterprises	No of borrowers	%	Loan disbursement	%
1	Agriculture	26	37	4130	36
2	Trading	19	27	2008	17
3	Livestock	15	21	3719	32
4	Manufacturing	10	14	1679	15
Total		70	100	11536	100

Source: Field Survey 2067

Fig. 4.4

Loan Disbursement to the Borrowers



The table 4.3 and Fig. 4.4 shows that out of 70 borrowers sample survey, 37 % women received loan in agriculture, 27% women received loan in trading, 21 % women received loan in livestock and 14 % women received loan in manufacturing enterprises. We can see from the above table that Rs. 11536 thousand received loan and invested 36% in agriculture, 17 % in trading, 32 % in livestock and 15 % in manufacturing enterprises. The figure shows that higher loan invested in agriculture and lower in manufacturing enterprises.

4.1.4 Loan Amount to the Borrowers

Table – 4.4
Loan Amount and Borrowers

S no	Loan Amount	No of Borrowers	% of Borrower
1	0-10,000	4	6
2	10,000 – 20,000	8	11
3	20,000 – 30,000	14	20
4	30,000 – 40,000	12	17
5	40,000 – 50,000	12	17
6	50,000 – 60,000	9	13
7	60,000 – 70,000	5	7
8	70,000 above	6	9
Total		70	

Source: Field Survey 2067

Fig. 4.5
Loan Amount and Borrowers

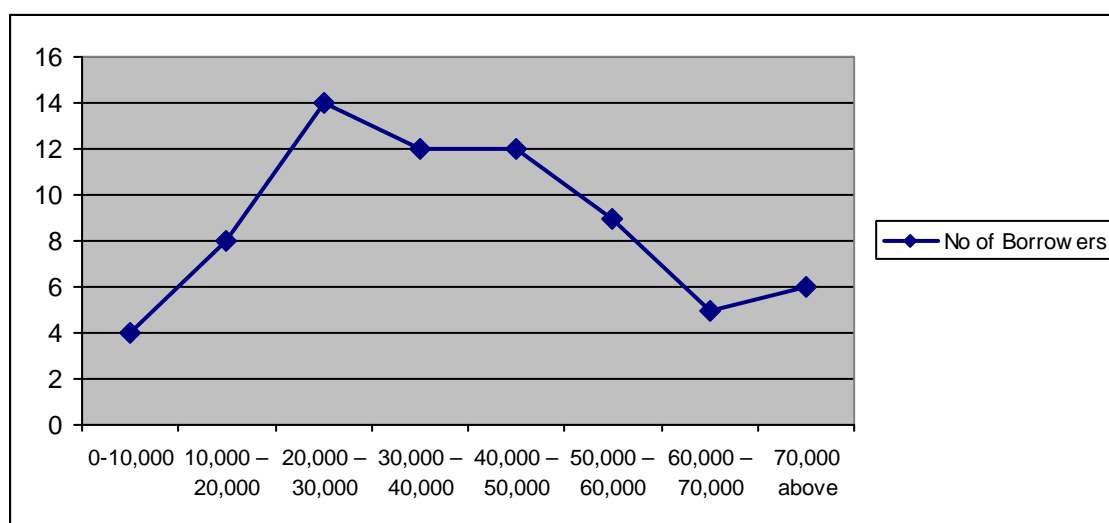


Table 4.4 and Fig. 4.5 show the scenario of loan amount and the percentage of the total borrowers. Out of 70 sample taken women, higher 20 % women borrower are in the range of 20 to 30 thousand and lower 6 % borrower are in the range of 0 to 10 thousand.

4.1.5 Age Structure of Sample Women

Table – 4.5
Age Structure of Sample Women

S no	Age	High Beneficial	Low Beneficial	Total
1	20-30	5	4	9
2	30-40	16	10	26
3	40-50	11	5	16
4	50-60	6	4	10
5	60 above	7	7	9

Source: Field Survey 2067

In the research survey it was taken different age structure of married women. Among them higher 26 women are benefited in the age group of 30 to 40 years. It also found that lower 9 and 9 women are benefited in the age group of 20 to 30 and above 60.

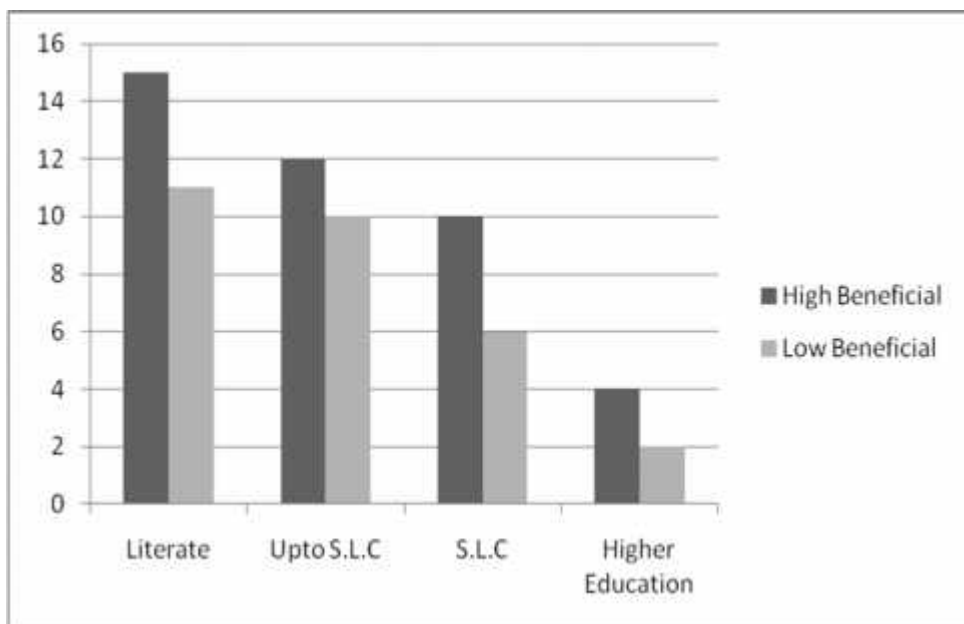
4.1.6 Education Level

Table – 4.6
Educational Level of Sampled Women

S no	Educational level	High Beneficial	Low Beneficial	Total
1	Literate	15	11	26
2	Upto S.L.C	12	10	22
3	S.L.C	10	6	16
4	Higher Education	4	2	6
	Total	42	29	70

Source: Field Survey 2067

Fig. 4.6
Educational Level of Sample Women



As shown in the table and Fig. 4.6 among 70 sample women highest 26 women are literate and lowest 6 women are highest educated. It shows that 26 women are literate, 22 women are up to S.L.C. 16 are S.L.C and 6 women are higher educated.

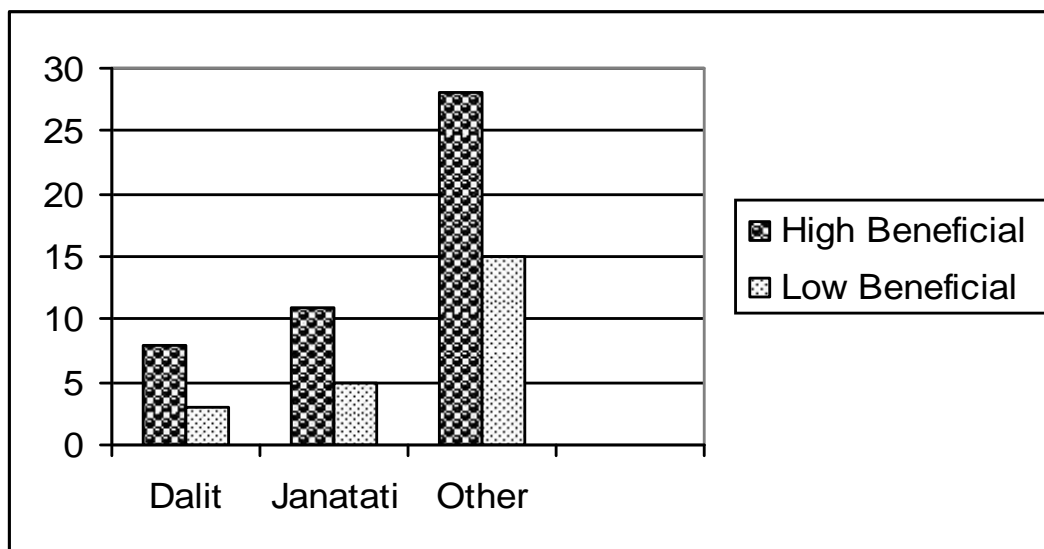
4.1.7 Ethnic Group

Table – 4.7
Ethnic Group

S no	Ethnic Group	High Beneficial	Low Beneficial	Total
1	Dalit	8	3	11
2	Janatati	11	5	16
3	Other	28	15	43
	Total	47	23	70

Source: Field Survey 2067

Fig. 4.7
Ethnic Group



The above table and bar graph show that ethnic groups in three category, they are Dalit, Janajati, and other. There are 43 women are Other, 16 women are Janajati and 11 are Dalit.

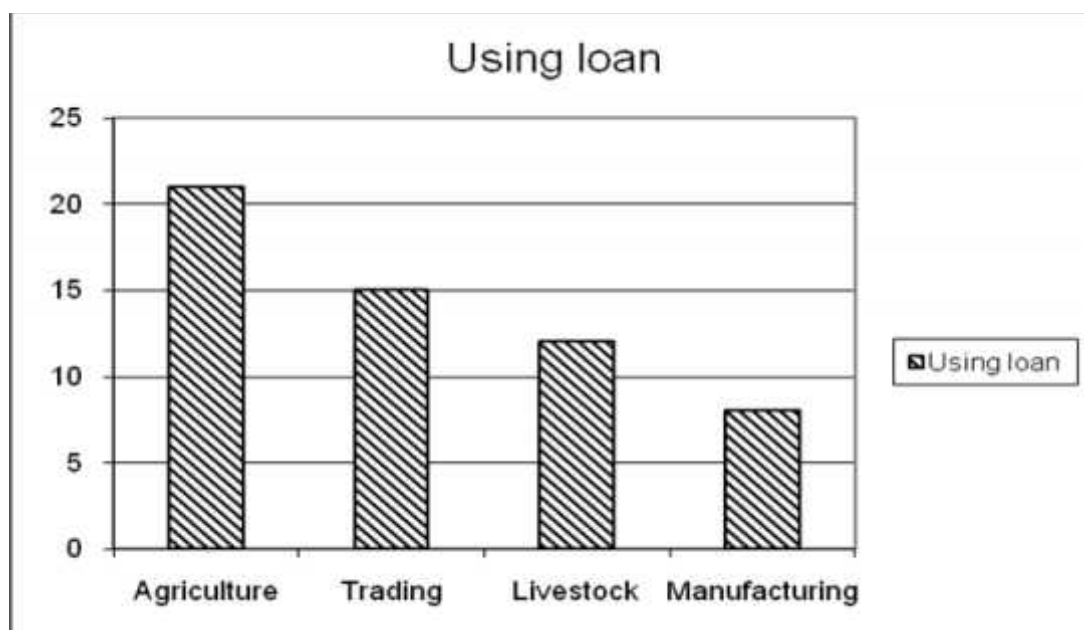
4.1.8 Utilization of Loan

Table – 4.8
Utilization of Loan

S no		Using loan	Miss Using Loan	Total
1	Agriculture	21	5	26
2	Trading	15	4	19
3	Livestock	12	3	15
4	Manufacturing	8	2	10
	Total	56	14	70

Source: Field Survey 2067

Fig. 4.8
Utilization of Loan



According to above table and figure, among 26 women of agriculture 21 women are using the loan in vary purpose and 5 women are misusing the loan. Among 19 women enterprises of trading 15 are using the loan vary purpose and 4 are misusing the loan. Among 15 women enterprises of livestock 12 are using loan very purpose and 3 are misusing loan. Among 10 women enterprises of manufacturing 8 are using loan very purpose and 2 are misusing the loan.

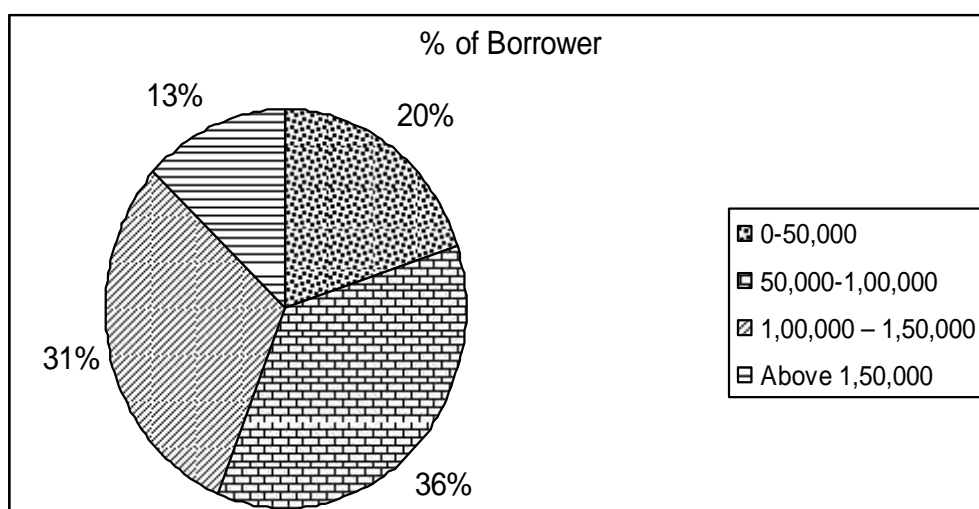
4.1.9 Income Status

Table – 4.9
Income Status of Loan Members

S no	Income	No of Borrowers	% of Borrower
1	0-50,000	14	20
2	50,000-1,00,000	25	36
3	1,00,000 – 1,50,000	22	31
4	Above 1,50,000	9	13
Total		70	100

Source: Field Survey 2067

Fig. 4.9
Income Status of Loan Members



The table and figure 4.9 represents the income status of loan taker women. Out of 70 sample women 20 % earned 0-50000, 36 % earned 50000 to 100000, 31 % earned 100000 to 150000 and 13 % earned above 150000 per year.

4.1.10 Changes in Income Level

Table – 4.10
Changes in Income Level

S no	Enterprises	No of Borrower	Net income Before Programme	Net income After Programme	Income Increase
1	Agriculture	16	768	1040	202
2	Trading	19	684	844	160
3	Livestock	15	540	712	172
4	Manufacturing	10	280	394	114

Source: Field Survey 2067

The table 4.10 shows that the income affects after launching the VDP has been positively increase in their income. It is being because of investment of the loan to their enterprises and expiation of business.

4.1.11 Training

**Table – 4.11
Training Programme**

S no	Enterprises	No of Borrowers	Trainee People	%
1	Agriculture	26	12	50
2	Trading	19	4	17
3	Livestock	15	6	25
4	Manufacturing	10	2	8
Total		70	24	100

Source: Field Survey 2067

The program of VDP is providing various types of training to their member for developing their enterprises. Mainly it provides business awareness training. Among 70 of sample women 50 % get training in agriculture, 17 % get training in trading, 25 % get training in livestock and 8 % get training in manufacturing enterprises.

4.1.12 Facility of toilet, Biogas & drinking water

**Table – 4.12
Has Facility of Toilet, Biogas & Drinking Water**

S no	Facilities	No of facilitated	%
1	Water	42	60
2	Health post	70	100
3	Bio-Gas	35	50
4	Toilet	70	100

Source: Field Survey 2067

According to above table 60 % have water facility, 100 % have health post facility, 50% have bio-gas facility and 100 % have toilet facility in sample women of 70 in Nirmal pokhari V.D.C. It shows that people have good facility of toilet and health post and poor facility in water resources and bio- gas.

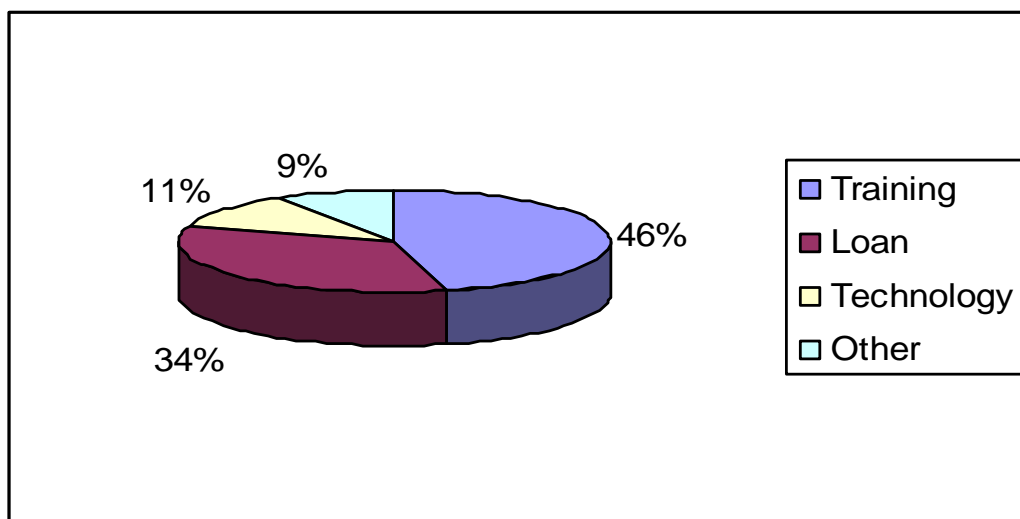
4.1.13 Development of Women Enterprises

Table – 4.13
Priority Given to Developed the Women Enterprises

S no	Particular	No of Enterprises	%
1	Training	32	46
2	Loan	24	34
3	Technology	8	11
4	Other	6	9
	Total	70	100

Source: Field Survey 2067

Fig. 4.10
Priority Given to Developed the Women Enterprises



According to the above table out of 70 sample women 46 % gives priority in training, 34 % gives priority in loan, 11 % gives priority in technology and 9 % gives priority in other to develop the women enterprises

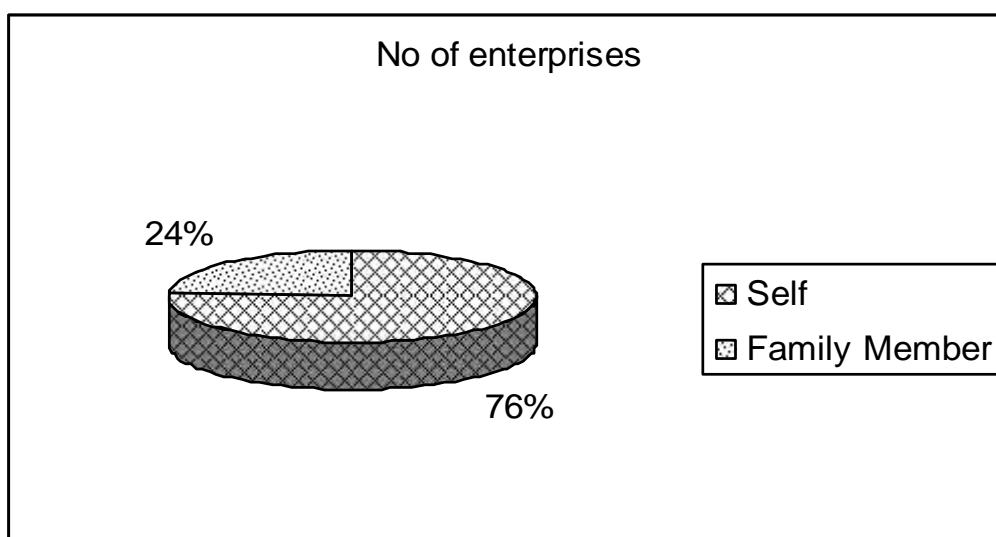
4.1.14 Role of Operating Enterprises & Decision Making

Table – 4.14
Main Role of Operating Enterprise and Decision Making

S no	Particular	No of Enterprises	%
1	Self	53	76
2	Family Member	17	24
	Total	70	100

Source: Field Survey 2067

Fig. 4.11
Main Role of Operating Enterprise and Decision Making



The above figure and pie chart show that the main role to operate women enterprises among 70 sample women 24 % of family member and 76 % self. It shows that program is supporting to developed women enterprises through micro finance by supporting loan, training, technology and other.

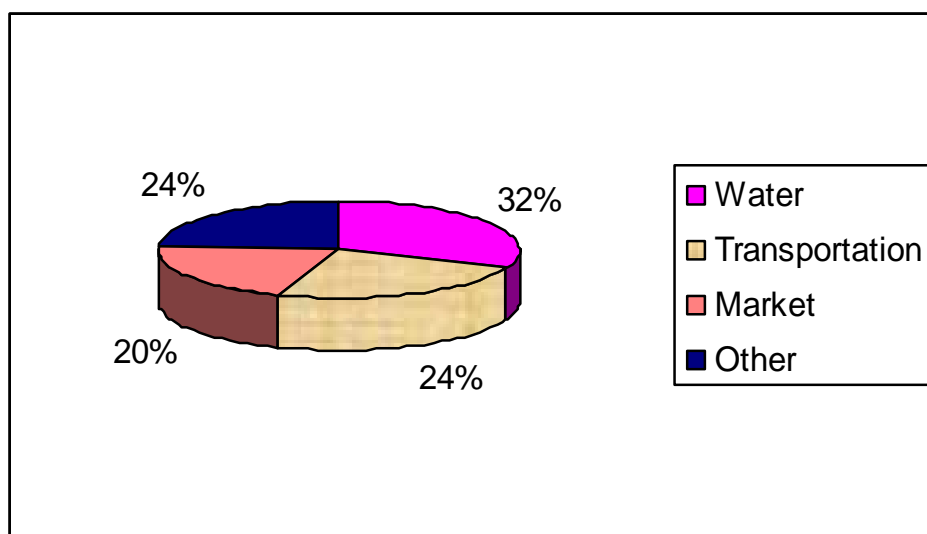
4.1.15 Problem to Operate Women Enterprises

Table – 4.15
Main Problem to Operate the Women Enterprises

S no	Particular	No of Enterprises	%
1	Water	22	31
2	Transportation	17	24
3	Market	14	20
4	Other	17	24
Total		70	100

Source: Field Survey 2067

Fig. 4.11
Main problem to operate the women enterprises



The main problem to operate the women enterprises in Nirmal Pokhari is water resources for agriculture and life stock. The table shows that 31 % enterprises have problem of water, 24% have problem of transportation, 20% have problem of market and 24 % have problem of other among out of 70 sample women.

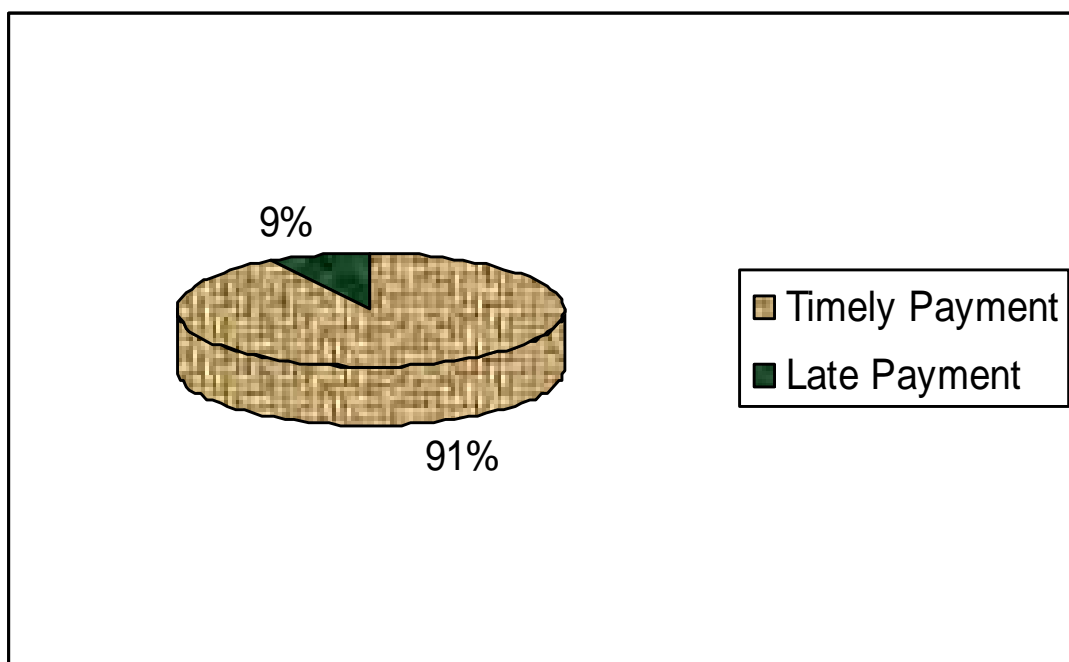
4.1.16 Repayment of Loan

Table 4.16
Repayment Status of Loan

S no	Particular	No of Enterprises	%
1	Timely Payment	64	91
2	Late Payment	6	9
	Total	70	100

Source: Field Survey 2067

Fig. 4.12
Repayment Status of Loan



The above table and figure shows that the satisfactory result of repayment of loan payment status. 91 % of loan takers are paying timely and 9% of loan takers are delay in paying the loan. It shows that the recovery of loan status is good.

4.2 The Major Findings of the Study:

The major findings of the overall study of Village Development Program in Nirmal Pokhari, Kaski are as follows:

- The respondents of the programme have taken loan on four sectors such as agriculture, trading, livestock and manufacturing. Among them, investment on agriculture is high in each year.
- The educational level of participating women is found good. According to sample survey 26 women are literate, 22 women are up to S.L.C, 16 are S.L.C passed and 6 women under higher education.
- The Problem to operate the women enterprises at Nirmal Pokhari are water sources, transportation, market and others.
- It shows that the level of income has increased due to the program by VDP.
- The income status of loan member is below Rs.50,000 is 20%, Rs.50,000 to 150,000 is 67% and above Rs.150,000 is 13%.
- Ninety one percent of borrowers are paying the loan in time whereas 9% are late in payment of the loan amount.
- The women participants are different ethnical groups. In research study, it has been found that 43 women are Others, 16 women are Janajati and 11 are Dalit as divided in to three category.
- Around 34 % women are getting training related to their enterprises.
- The study shows that the overall impact of beneficiaries and their living standard is improving because the study shows that among the sample women, majority have health post facility, 60%drinking water, 50% bio-gas facility.
- Most of the participating women in the program are involved in decision making by regularly participating in their meeting of the community organization. They have to decide about loan, training, and other issues which they are facing in the meeting of CO. Among 70 sample women 76% of women are self deciding and 24% women are dependent on the family members to operate the enterprises.
- Loan investment have increased year by year in every sector of agriculture, trading, Livestock and manufacturing.

- Loan disbursement out of 70 sample, 36% have involved in agriculture, 17% have involved in trading, 32% have involved in livestock and 15% have involved in manufacturing enterprises.
- Fifty four percent loan investments is in the range of 20-40 thousand, 6% in 0 to 10 thousand and 9% investment is in above 70 thousand.
- Most of the women have used the loan in to purpose and some have miss used loan. According sample survey, 56 women out of 70 fully utilized the loan and 14 women have misused the loan.
- The programs have encouraged all to participate without any discrimination.
- Women have given high priority to develop the women enterprises training and then to loan and then to technology and then to other.
- Most of the community organizations are investing the loan at 18 % interest rate per year to their member.
- All respondents have been taken the loan from the programme to operate their business. They are doing regular savings among the group and are investing saved money among each other as per their necessity.
- The investment shows the increasing rate in different fiscal years. The income is also positive as per the investment.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Half of the world population is covered with women. They are backward socially, economically and politically also. The economic condition of women is very poor. Majority of women are illiterate and engage in agriculture for their livelihood. It is not showing good condition for development of the country because more than half of the population in poverty and backward. Women are important source of energy for developing their society and building enterprises in rural areas. It helps them to be self employed in actively participating in income generating activities by investing through micro finance. In recent years it has been realization of the important of women's participation in developing process. So numbers of NGO and INGO are working with women for achieving the goal of poverty alleviation.

The micro credit program target to women is a recently development strategy to bring out changes in quality of life of women. It also focused to be self employed who live in rural area for reducing poverty by generating enterprises through microfinance. The strategy has adopted the poverty alleviation by providing credit, technology, training and other services of awareness in group by making community organization. This micro credit program is lunch in Nirmal Pokhari VDC as village development programme since 2054 BS by the support of DDC kaski and UNDP. The overall goal of VDP is to enhance the effective participation of people in the local governance process by ensuring improved access to socio-economic service by rural poor particularly women, Dalits and disadvantaged groups. VDP provides link between capacity building at the grass roots level and central government deliberations on local governance policies and the provision of services to the rural people.

This program aiming at reducing poverty by taking three Mantras: organization, saving and skill development strategies. Kaski is one of the leading districts in social

mobilization. Nirmal Pokhari is one of the 43 VDCs in Kaski District where this poverty reduction program was launched fourteen years before. Micro- finance has been a major means of mobilize the local peoples saving, however, some funds also allocated from the Local Development Fund.

This is has been done in Nirmal Pokhari VDC by covering all 9 wards. The objectives of this study are; to analyze the situation of women enterprises; to explore the repayment status of loan; to analyze the socio- economic impact of the micro credit to different groups and; to evaluate the effective utilization of loan amount in Nirmal Pokharai VDC, Kaski.

In order to find the above objectives the research work was done in Nirmal Pokhari VDC, Kaski by taking representative sample to the CO's members. VDP program has actually been an effective tool to mobilize the people and is leading towards better life there. It is found that different groups have been formed in Nirmal Pokhari VDC Kaski. Female groups are also doing pretty good exercise in saving and credit mobilization. In a mix group both male and female are engaging in a discussion on credit mobilization. The study shows that there is no association to the perceived benefit from program towards the age group, educational level and ethnic groups of the participants.

This study has done on the study of investing of the women enterprises of loan in various sectors such as agriculture, trading, life stock and manufacturing enterprises. Vegetable farming, orange firm, coffee planting, potato farming, tomato farming etc are taken as sample in agriculture sector. Kirana shop, tea shop, fancy shop, cosmetic shop etc are taken as sample in trading sector. Goat keeping, buffalo keeping, chicken firm, cow keeping etc are taken sample as life stock sector. Sewing centre, furniture, fingers smith, etc are taken as sample in manufacturing sector. All together 70 sample women enterprises are studied. The study has found that the participant women have increasing their economical income, social status and awareness after involving in the program. The leadership of women and decision making power is also increasing smoothly. The women investment and income are positively increased in each year. Most of the enterprises are using the loan in very purpose. Some of the participant are got training to development their enterprises. Most of the respondent has repaid loan

and interest in due time. The standard of living is satisfactory because all of sample have toilet and health post facility and most of respondent have facility of drinking water and bio gas. Most of the enterprises are based on local product and they are selling their product in cash. They can easily sell their product in pokhara city. Thus VDP is forcing women to overall development by mobilizing them through community organization.

5.2 Conclusion

Micro- finance program has been a very effective tool in reducing poverty and generating enterprises. The VDP has initiated this program by taking three “Mantras” as a program motto: Organization, Saving and Skill. Looking in to the amount of credit mobilized in Nirmal Pokhari VDC, it is found that this program has been able to generate savings from the groups. Moreover, it has provided credit from the Local Development Fund from the Cos for income generation activities to meet the demand of the small loan seekers.

The levels of income of the members have positively changed during the period. Both male and female were found actively engaged in the social mobilization activities which are indeed very important for the human development perspective. These members are discuss about immunization program, make their own rules and regulations collectively, participate in a decision making and also involve in the benefit sharing. COs are also active in infrastructural development work such as road construction, drinking water and the other project. For these activities, VDP Micro-finance initiatives are only playing a facilitating role. Micro- finance has been an important and effective tool for poverty reduction in Nepalese Villages. It has the potential to have a powerful impact on social mobilization. We can generate more and more money from saving and use the saving for small investment through this program. People have felt safe in community organization.

This study concludes that women are interested in agriculture and trading enterprises rather than livestock and manufacturing enterprises. Most of the women are literate and few are only educated who are running the enterprises. Main problem to operate the enterprises are water, transportation and market. The change of income level is increasing and most of enterprises are earning in the range of 100,000 to 150,000 per year. Loan recovery status is positive but it is not 100 % recovered in time. Dalit people are less in number to operate the enterprises and other people are higher in number in operating the enterprises. Few enterprises have got training but

more are still out of getting training facility. It is found that health post facility is good, biogas facility is positive and water facility is poor. Most of the women take decision themselves to run the enterprises but still few are dependent on their family member. Loan investment is higher in agriculture and livestock than trading and manufacturing enterprises. More number of women are taking loan in agriculture and trading but more amounts are disbursed in agriculture and livestock sector. Most of the enterprises have taken the loan in the range of 20 to 50 thousand. Most of the enterprises are using the loan for the same purpose while some are misusing it.

After studying about the program in Nirmal pokhari we can conclude that, women are active in group activity, regular meeting of CO, regular saving, utilization of loan, utilization of training skill, and visiting other villagers for study. They are getting loan with out any collateral of personal property. They are improving their living standard day by day. The investment on enterprises is increasing. Women are also utilizing time in income generating activities because of the awareness of VDP.

5.3 Recommendation

On the basis of this research study, some suggestions have been forwarded here. The researcher believes that it would be helpful to uplift the present living standard and it would also provide guidelines for further planning and implementation of micro credit practice in Nepal in the sector of women enterprises.

- 1) Programs should focus women in related to agriculture and trading enterprises because they are interested in these sectors.
- 2) Program should initiate for educated women for enterprises and it should build up the capacity of literate women.
- 3) The programs should be initiated the seed grant money for water resources and road infrastructures.
- 4) Women should expand the program to strengthen the existing enterprises.
- 5) There should be re-investment from earning in their enterprises for its expansion and development.
- 6) Program payback period should be made longer by looking in to the nature of business enterprises.
- 7) The program should reward successful Dalit women enterprises in yearly basis to encourage for them.
- 8) Training should be to all women as per the needs of enterprises.
- 9) Extra resources should be generated to build water and road infrastructures.
- 10) All women should take decision themselves so program should lunch capacity build up program for women.
- 11) Investment should be increased in trading and manufacturing enterprises and micro insurance facility should start for secure investment in agriculture and livestock.
- 12) The loan limit on trading should be expanded.
- 13) Awareness program to initiate new business to women should be encouraged.
- 14) Regular monitoring and follow up is necessary for effectiveness of the program.

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प्रश्नावली

१. समुहगत विवरण :

समुहको नाम :

समुहको प्रकार : महिला, पुरुष, मिश्रीत

कुल सदस्य संख्या :

महिला :

पुरुष :

वडा नं. :

२. व्यक्तिगत विवरण

नाम थर :

उमेर :

शिक्षा :

धर्म :

पेशा :

वैवाहिक स्थिति : विवाहित वा अविवाहित

३. समुहमा सहभागी हुनुभन्दा पहिलाको आम्दानी लगभग कति थियो ?

मासिक रु.....

४. समुहमा सहभागी भएपछी तपाइको आम्दानी लगभग कति छ ?

मासिक रु.....

५. तपाइको वार्षिक आम्दानिले कति समय खान पुग्छ ?

क) ० देखि ३ महिना

ख) ३ देखि ६ महिना

ग) ६देखि ९ महिना

घ) ६देखि १२ महिना

६. वार्षिक बचत कति गर्नुहुन्छ ?

समुहमा सहभागी हुनुभन्दा पहिला रु.....

समुहमा सहभागी भएपछी रु.....

७. आफुले चाहेजति ऋण प्राप्त गर्नुभएको छ ?

क) छ

ख) छैन

८. ऋण के कामका लागि लिनुभएको छ ?

क) कृषि

ख) पशुपालन

ग) व्यापार

घ) उत्पादनमुलक व्यवसाय

९. सरदर ऋण कति लिनुभएको छ ?

रु.

१०. ऋणको रकम उदेस्य अनुरूप प्रयोगमा ल्याउनु भएको छ ?

क) छ

ख) छैन

यदि छैन भने किन

११. ऋणको रकम समयमा नै तिर्नुभएको छ ?

क) छ ख) छैन

यदि छैन भने किन

१२. ऋणलगानी बाट भएको आम्दानीले ऋणको रकम तिर्न पुग्छ ?

क) पुग्छ ख) पुग्दैन

१३. समुहमा सहभागी हुन कुनै समस्या छ ?

क) छैन ख) छ

१४. समुहमा सहभागी भएपछि तपाइको जीवनस्तर बढेको छ ?

क) छ ख) छैन

१५. समुहमा समावेस भएपछि तपाईंलाइ समाजको हेर्ने दृष्टिकोण कस्तो छ ?

क) सकारात्मक ख) नकारात्मक ग) पुरानै

१६. समुहको बैठकमा नियमित सहभागी हुनुहुन्छ ?

क) छु ख) छैन ग) छैन भने किन

१७. समुहमा समावेस हुनुभन्दा पहिला ऋण काहाँ बाट लिनुहुन्थ्यो ?

क) साहु महाजन ख) बैंक वा वित्तीय संस्था ग) इष्टमित्र घ) अन्य

१८. समुहमा समावेस हुनुभन्दा पहिला व्याज कति प्रतिशतले तिर्नुहुन्थ्यो ?

प्रतिशतमा.....

१९. समुहमा समावेस भएपछि ऋण काहाँ बाट लिनहुन्छ ?

क) साहु महाजन ख) बैंक वा वित्तीय संस्था ग) इष्टमित्र घ) समुह

२०. समुहमा समावेस भएपछि व्याज कति प्रतिशतले तिर्नुहुन्छ ?

प्रतिशतमा.....

२१. समुहमा नियमित बचत गर्नु भएको छ ?

क) छ ख) छैन किन

२२. तपाइको आम्दानीको मुख्य स्रोत के हो ?

क) कृषि ख) व्यापार ग) जागिर घ) ज्यालादारी

ड.) अन्य

२३. कार्यक्रम बाट कुनै तालिम प्राप्त गर्नु भएको छ ?

क) छ ख) छैन

छ भने कुन विषयमा

२४. तालिम बाट प्राप्त ज्ञानको प्रयोग गर्नु भएको छ ?

क) छ ख) छैन

छैन भने किन

२५. समुहमा समावेस भएपछि आम्दानी बढेको छ ?

क) छ ख) छैन

छ भने रु.....

२६. तपाईंको घरमा पिउने पानीको धारा छ ?

क) छ ख) छैन

२७. तपाईंको घरमा शौचालय छ ?

क) छ ख) छैन

२८. स्वास्थ्य सुविधा कति मात्रामा प्राप्त गर्नुभएको छ ?

क) प्रयाप्त ख) ठिक्कै ग) थोरै घ) छैन ।

२९. तपाईंको घरमा गोबर ग्यासको सुविधा छ ?

क) छ ख) छैन

३०. तपाईंले गरेको लगानीबाट कतिको आम्दानी गर्न सफल हुनुभएको छ ?

क) अधिकतम ख) न्यूनतम ग) छैन

३१. ब्यवसायिक लगानी र आम्दानीको विवरण :

तपाईंको सम्बन्धित ब्यवसायमा लगानी रु

वार्षिक सरदर कुल आम्दानी रु ब्यवसायिक खर्च रु

३२. महिलाहरुको आर्थिक अवस्था सुधार्नको लागि गाउ विकास कार्यक्रमले के गर्नुपर्ला ?

क) कम व्याजदर ख) बढि ऋण रकम प्रदान गर्नु

ग) लामो समयको लागि ऋण प्रदान गर्नु

घ) माथिका सबै

३३. महिला उद्यमिको विकास गर्न के लाइ प्राथमिकता दिनुपर्ला ?

क) तालिम ख) ऋण प्रदान ग) प्रविधि घ) अन्य भए

३४. तपाइको ब्यवशाय संचालनमा मुख्य भुमिका कसको छ ?

३५. तपाइको ब्यवशाय संचालनमा मुख्य असुविधा के छ ?

३६. तपाइको ब्यवशाय संचालनमा मुख्य निर्णयहरु कसले गर्दछ ?