

**SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON
WOMEN UNDER BINDHAVASINI SAVING
COOPERATIVE SOCIETY LTD. KHOPASI, KAVRE**

By:

LAXMAN BUDHATHOKI

Prithvi Narayan Campus

T.U. Registration No : 7-2-407-07-2003

Campus Roll No: 166/063

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त्रिभुवन विश्वविद्यालय
TRIBHUVAN UNIVERSITY

पृथ्वीनारायण क्याम्पस
PRITHVI NARAYAN CAMPUS

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चलानी नं. :

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भीमकाली पाटन, पोखरा, नेपाल
Bhimkali Patan, Pokhara, Nepal

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LAXMAN BUDHATHOKI

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KAVRE**

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

Supervisor

Head of Research Department

Name: Associate Prof. **Surendra Bahadur Bharijoo** Signature:

Signature:

Campus Chief

Signature:

Date :



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and found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for the degree of

Master of Business Studies (M.B.S.)

Viva-Voce Committee

Head, Research Department:

Member (Thesis Supervisor):

Member (External Expert):

Member:

Date:

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ABBREVIATIONS

ACCU	:	Asian Configuration Credit Union
ADB	:	Asian Development Bank.
FGD	:	Focus Group Discussion
ADBL	:	Agricultural Development Bank Limited.
ADB/N	:	Agriculture Development Bank of Nepal.
Amt.	:	Amount.
BISCOL	:	Bindhavasani Saving Cooperative Society Ltd.
BS	:	Bikram Sambat.
CBs	:	Commercial Banks
CMF	:	Centre for Microfinance.
CGAP	:	Consultative Group to Assist the Poor
Cos	:	Companies.
CSD	:	Center for Self-Development
Des.	:	Description
Eos	:	Employer's Organizations
FINCA	:	Foundation for International Community Assistance
FINGO	:	Financial Intermediaries Non-Government Organizations.
FY	:	Fiscal Year.
GB	:	Grameen Bank.
GBB	:	Grameen Bikas Bank.
GDP	:	Gross Domestic Product
Govt.	:	Government.
GBRs	:	Grameen Bank Replicators
HMG	:	His Majesty Government
IBP	:	Intensive Banking Program.
INGO	:	International Non-Governmental Organization.
LGP	:	Local Governance Program.
MCPW	:	Micro Credit Program for Women
MBA	:	Master of Business Administration
MBS	:	Master of Business Studies.
MCPW	:	Microcredit Project for Women.

MDG	:	Millennium Development Goals
MFA	:	Micro Finance Activities
MFDB	:	Microfinance Development Bank.
MFI	:	Microfinance Institutions.
MFP	:	Micro Finance Program
NBL	:	Nepal Bank Limited.
NGO	:	Non-Government Organizations.
NPC	:	National Planning Commission.
NRB	:	Nepal Rastriya Bank
PCRW	:	Production Credit for Rural Women.
PDDP	:	Participatory District Development Program.
%	:	Percentage.
PGBB	:	Paschimanchal Gramin Bikas Bank
PN	:	Prithivi Narayan.
Pos	:	Partner's organization
PSLP	:	Priority Sector Lending Program.
RBB	:	Rastriya Banijya Bank.
RMDC	:	Rural Microfinance Development Centre.
RRDB	:	Regional Rural Development Banks.
Rs.	:	Rupees
RSRF	:	Rural Self-Reliance Fund
SBP	:	Self-help Banking Program
SCC	:	Saving and Credit Cooperative.
SCCs	:	Credit Cooperative Societies.
SFCL	:	Small Farmer Cooperative Limited.
SFDP	:	Small Farmer Development Program.
SHG	:	Self Help Group.
UNCDF	:	United Nations Capital Development Fund.
UNDP	:	United Nations Development Program.
VDC	:	Village Development Committee.
WDR	:	World Development Bank
WDS	:	Women Development Section.

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Micro finance has been successfully used as developmental tool to reduce poverty in many countries. At present, micro-finance is being increasingly used in the form of development strategy for achieving the developmental goals. Microfinance is recognized as a powerful instrument for poverty reduction. The targeted groups of microfinance are small farmers and the rural poor women. Various aspects of microfinance are much discussed in development literature but one important area that always remains critical to analyze is the socio-economic impact of microfinance in case of women empowerment. Issue of women empowerment and poverty reduction through microfinance has been much discussed since it becomes further relevant when national policy and strategies are focused towards this.

Banks are the intermediaries between the saving units and investing units in the economy. Small amounts of scattered savings are pooled together which are then lent for the purpose of investments and facilitating other transactions. So a well-regulated, soundly operating and properly- directed banking system plays a catalytic role in the transformation of the economy. An efficient role of the banks in tapping the resource mobilization and investment prospects of the economy thus fosters saving, investment, employment and economic growth. Mostly the people living in urban area and sub-urban area are getting the banking services but more than 80% people live in the remote area that are out of reach of banking service or financial service. The government is a supreme representative body entrusted with the responsibility of addressing the concerns and promoting and preserving the interests of the people and the nation as whole. The government works for and on the behalf of the people while the bank works for and on behalf of its shareholders, customers, and other stakeholders. The banks have specific functions to discharge: they work in a competitive environment. The government is accountable to the people in general and in the process, would like to launch various targeted programs or schemes aimed at poverty reduction, rural development, backward area development, community

development cooperative development, self employment promotion etc. For all this financial resources should be mobilized all over country not only in the urban areas. We have found micro finance program very effective in creating self employment and poverty alleviation. But only there are 31 commercial banks, 87 development banks, 21 Micro-finance institutions, 80 finance company, 16 financial cooperatives and 45 financial intermediaries NGOs (Economic survey 2010/11) doing limited banking activities licensed by the central bank under different legal framework. There still lack to cover all the rural area providing financial services. The NRB has been conducting various microfinance programs in order to uplift the rural poor women. Microfinance institutions have been encouraged to expand their activities in the backward regions through availing credit at a concessionary rate in addition to supervising the micro finance related projects. For the rural area NGOs have found to be effective in poverty reduction through microfinance programs. There are two national level initiatives (Rural Microfinance Development Centre and Small Farmer Development Bank) have been engaged in wholesale financing for micro credit in Nepal. In addition, 16 cooperatives and 45 NGOs have been allowed to undertake the limited banking activities.

Micro-finance mainly focuses on poor and low income people living in remote areas with less access to basic amenities and education, water, electricity, banking services, health services, market facilities etc. The poor people do not have enough land for farming. Opportunities of off-farming employment are few and need to be generated. They lack affordable and appropriate financial services to create small business of self and to improve their economic and social status. In this condition micro-finance practitioners around the world have found very effective tool for bringing up their economic and social status thereby assisting in poverty reduction because micro-finance credits to the poor which creates small business opportunities that help to improve the socio-economic condition of deprived communities especially in rural areas and empower the rural women socio-economically. (Dulal 2010)

In the least developed country like Nepal, micro-finance is an important and powerful tool for gradual reduction of poverty and it is must to uplift the poor women and to make them independent and make them feel they can also do something for their family and the community besides their household work. Microfinance enables poor

and encourages them to take advantages of the existing opportunities by providing them affordable and appropriate financial services. It helps to generate self employment avenues, develops micro enterprises, and raises income level, builds up self confidence, empowers women and provides opportunities to the poor, under privileged caste and inequality. The clients of microfinance are typically self employed and household based entrepreneurs. Microfinance can help poor people to increase income, build viable business. It can also be a powerful instrument for self empowerment by enabling the poor,, especially women to become economic agent of change. The worldwide micro-credit institutions and agencies have targeted poor women for their program. It is estimated that about 75% of microfinance clients are women. Commercial banks as well other existing and forthcoming financial institutions and NGOs should give high focus on microfinance. . (Dulal 2010)

Nepal has an experience of about three decades in micro-finance. It is recognized as a powerful instrument for poverty reduction and socio-economic development. Nepal Rastra Bank has done an effort for expediting various rural financial programs since 1970's aimed at poverty alleviation drive though the assistance of different rural development banks NGO's, micro finance institutions etc. there are many programs organized for poverty alleviation but only the micro finance programs have found to be pro-poor and rural cantered.

With the conclusion of Microfinance Summit 2008 and the 7th National Steering Committee held on September 11th, 2009, new issues in the microfinance sector have been identified and will be addressed in the upcoming Microfinance Summit 2010. These issues include:

- a) How to increase funding for the microfinance sector so as to improve client retention for microfinance services while simultaneously improving the livelihood of existing clients with entrepreneurial skills;
- b) How to make microfinance more inclusive towards excluded groups, the formal financial sector, and the macroeconomic framework of Nepal;
- c) How to properly govern Microfinance institutions so that they can not only reach their intended target markets in rural areas, but also provide them with sustainable microfinance practices;

- d) How to eradicate the burdens of poverty such as a lack of access to healthcare and education through the incorporation of savings and insurance schemes with microfinance practices;
- e) How to improve credit schemes and creating a model for value chain finance in microfinance in cooperation with commercial banks so as to improve the sustainability of the microfinance sector. (www.microfinancesumitnepal.org.)

1.1.1 A Brief Introduction of BISCOL

Bindavasini Savings Co-operative Society Ltd (BISCOL) established in 2050 Poush 12 at Panauti municipality -12, Khopasi, Kavre with the founder member of 55 with the objective of providing the micro finance to the member. This institute received authority from Nepal Rastra Bank in 2050 Ashad 7 to perform limited banking transactions.

BISCOL plays an important role in social and economical development of the society as it provides different micro services targeting the social people. This institution has established with the mission to make a best, future oriented co-operative society, with the vision to social and economical development of the member from the competitive and quality services based on international co-operative principal and standard. Its main objectives are to minimize poverty from the means of micro finance. To achieve this objective it performs various functions. Such as micro saving, micro credit, micro training, and other functions.

It is estimated that about 10 million people in Nepal needs micro finance (MF) services. MF services have reached only 18% of target population. Therefore, there it is necessary to accelerate the pace of expansion of microfinance services to unreached households.

Terai region (plain of Nepal) is largely well served by MFIs, the remote and mountainous regions continue to lack MF services. Government and donor support should be mobilized to help expand MF services in these areas. The existing models and technologies available do not seem to be appropriate for these difficult regions. External support is required to conduct in depth research studies to discover appropriate and effective microfinance methodology. SFCLs and SCCs operate in a limited way in these regions. Expansion of SFCLs and SCCs services by providing wholesale funding on lending purposes and providing needed technical support has

the potential of expanding MF services in these regions. With the objectives of providing microfinance services in mountain region of Kavre district BISCOL manage various programme from its four branches, which covers total population of 4,71,000 in its services area. The total member of this institution is 11,385 out of which it is providing microfinance services to 5,750 members. Because of its outstanding performance it has achieved different awards and prizes. The steps of success of this institution are presented in Table. 1.1 below.

Table 1.1: Steps of Success of BISCOL

Awards and Prizes		Institution Provides
1	CUMI Innovative Performance award 2010	Association of Asian Confederation of Credit Union
2	Excellent National Co-operative Enterprises Award 2010 (3rd July 2010)	National Federation of Co-operative Union.
3	Excellent National Co-operative Award 2009 (19th Dec. 2009)	Nepal Federation of saving and credit Co-operative unions ltd.
4	First prize in the Occasion of 53 rd National Co-operative Day 2010.(2nd May.2010)	District Co-operative Union, Kavre
5	Five Diamonds	Mix Market

Source: Annual Report 2012, BISCOL

1.2 Focus of the Study

In every society Poverty has become a burning problem. A country cannot achieve sustainable economic progress without tackling it. Since Nepal's 31% of people are under poverty, government has also laid emphasis on poverty alleviation. In this context Microfinance is a major way out to address poverty. It is an effective tool in raising the standard of living of rural poor, especially the women and granting them socio-economic status in the society. However there is a need to undertake study on the impact of microfinance on women in raising their socio-economic status. For the purpose the role of BISCOL, Khopasi, in alleviating Poverty among women has been studied as a case. The present study mainly concentrated on exploring how BISCOL has helped mobilization of their saving, distribution of loan and its repayment policy. The study also incorporates to analyze the relationship between investment and

income, and between loan disbursement and recovery and emphasis on poorest of poor women's financial condition through microfinance activities.

1.3 Statement of the Problem

Women of Nepal are suffering more than men due to complex social cultural, traditional, geographical and economic characteristics. They lack access to health education and economic characteristics. Nepalese women are underprivileged and disadvantaged in term of their socio-economic status in comparison to their male counterparts. The contribution of women in agriculture production is 60.5%, (CBS 2009) which is not considered as productive economy. There is vast discrimination of wage between male and women. Since the long time, women have been suppressed by the male dominating society in every aspect.

Agriculture is the backbone of the country. Out of total population 80% people are involving in agriculture and it is providing employment opportunities to the 70.6% (CBS 2009) people of the country and it covers 35% (CBS 2009) of GDP. Out of total area only 18% land is useful for the cultivation and out of which only 45% (CBS 2009) land has irrigation facilities rest has to depend in the water of rain. Government is not able to provide irrigation facilities, improved seeds, subsidy in fertilizer, loan facilities in the nominal rate of interest, counseling services about the agriculture product, technical and specialist services. Till the period farmer are receiving 21% loan from institution rest from traditional sources. Because of all above reason farmer socio-economic condition of the farmer is not increased. According to report of World Bank (WDR 2008), "agriculture is proving one of the main effective tools to minimize poverty"

Poverty reduction has been receiving high priority in the periodic development of five years plans in Nepal. Different micro-finance program are focused on women, small farmers and backward people. So, micro-finance is one effective tool in improving their status. It is therefore, expected that overall household welfare is likely to be higher when micro-finance is provided to them. Different studies show that welfare impacts on the household are significantly better when micro finance program was implemented. Considering the factors, present study aimed to assess the socio-economic impact of micro-finance. They face different type of problems. So, this research paper deals with the following issues.

- a) What is the economic Impact of the microfinance program in women empowerment?
- b) What is the social impact of the microfinance program in women empowerment?
- c) What type of constraints faced by the women clients because of the competitive microfinance services?

1.4 Objectives of the Study

Micro-finance is emerging concept in Nepal. The value of Micro-Finance in Nepal is rising day-to-day. Now through Micro-financing activities in Nepal is success to reduce poverty of country. This study aims to briefly survey the micro finance world of Nepal. And try to examine BISCOL achievement of woman and farmer development activities, which is one of the pioneer micro credit institutions of Nepal, The objectives of the study are as follows:

- a) To find out the economic Impact of the microfinance program in women empowerment.
- b) To analyze the social impact of the microfinance program in women empowerment.
- c) To explore the constraints faced by the women clients because of the competitive microfinance services.

1.5 Importance of the Study

Women participation is essential in each stage of development for which economic progress counts the most important. Women Empowerment is the major issue of South Asian Country and Nepal also focus such a major issue.

Women occupy the half sky of the world but in every step of development, also they are considered as backward. Similarly, Micro finance becomes one of the major actions for poverty reduction which mobilizes money and also a saving mobilization. Women in Micro finance get success in poverty alleviation and also empower the economic development of the women. By it, Nepal gets its success in poverty alleviation and also empowers the women. Poverty alleviation helps rural development, increase the life standard of people and also give socio-economic status of people in society. Similarly, Women empowerment motivates women to speak in their home for their self rights and duties, increase their life style and being

independent from their family. So, this study of micro finance is important in our country.

1.6 Limitation of the Study

This study will be only for the partial fulfillment of MBS Degree. So this purposed study will have certain limit. This study will be related only analyzing the socio-economic impact of micro finance. Following points are major shortcomings:-

- i. Concentrating only on service area of BISCOL the study may not represent the actual picture of other areas of the country.
- ii. Collecting information from all members is not possible. So the study is based on sampling method.
- iii. Due to time and budget constraint, overall impact of microfinance in all aspect cannot be studies thoroughly.
- iv. All direct and indirect impact of the micro finance cannot be studied due to time and budget limitation.
- v. This purpose study is partial fulfillment of MBS degree and will prepare in limit time and format.
- vi. The purposed study will covered to the analysis of micro finance functions of BISCOL.

1.7 Organization of the Study

The whole study is divided into five chapters and the chapters are organized systematically as follows for the effective study.

Chapter- I: Introduction

It is introduction chapter which consists of general background of the study, statement of problem, objectives, significance of the study, focus of the study, and limitations of the study and chapter organization.

Chapter- II: Review of Literature

After selecting an appropriate topic for research its introduction is given as in first chapter. For the further process of finding it is very much important to review the literature regarding the topic. Review of literature consists of review of related books, journals, previous study, and research paper, review of unpublished various research of student, updated magazines, daily newspapers and internet search. So the second

chapter deals with the review of literature which includes theoretical review, conceptual review of socio economic empowerment of women through microfinance, critical review of women empowerment through microfinance, evolution of microfinance in Nepal and profile of BISCOL.

Chapter- III: Research Methodology

The third chapter is about the research methodology used for the findings of the study. Review of literature from the various sources helps in research design. This chapter consists of research design, sources of data, population and sample, procedure of data collection and analysis of data.

Chapter-IV: Data Presentation and Analysis

This chapter is the analytical presentation of the collected data regarding the topic. It consists of analysis, interpretation and major findings of the study which is presented in the form of charts, graphs and tables. It is the most important body of the whole study. This chapter analyzes the socio-economic impacts of microfinance, women empowerment at household level, social capital and external level, benefits and constraints faced by women clients. Furthermore this chapter has encapsulated the critical issues of women focused microfinance and wrap up with findings.

Chapter-V: Summary, Conclusion and Recommendations

The fifth chapter is the last chapter of the study which summarizes, conclude and recommend the analyzed major findings and sometime suggest the related group for their betterment.

CHAPTER-II

REVIEW OF LITERATURE

In earlier chapter, something about MFIs in the context of Nepal has been already highlighted. Now, in this chapter what others have stated and written regarding MFIs, they are available from libraries documents collection centers and others information managing bureaus. So, I have made an attempt to review useful literature relevant to my study as they provide Ideas, Policies and Data inputs to my analysis. This helped me to avoid duplication and provide guidelines to update and improve my study. This chapter includes review of the following relevant literature.

a) Conceptual review

b) Review of Previous study, thesis and project report.

2.1 Conceptual Review

2.1.1 Historical Background of Microfinance

Micro credit today we called that microfinance -has been there for a very long time when people started to borrow small amount of capital to use on something, may it be productive or unproductive.

The way of putting some amount of capital you borrowed from somebody to an activity that produces results is micro credit or micro financing. But when and where this concept of microfinance started is hard to tell.

Some references traced back the history of micro financing in the middle of the 1800s when the theorist Lysander Spooner was writing over the benefits of small loans to entrepreneurs and farmers as a way of getting some people out of poverty. But it was only at the end of World War II that the concept had a big impact.

The word 'microfinance' today has its roots in 1970s when some organizations started to engage actively in giving micro loans to some pre-qualified people. One of the prominent organizations that institutionalized the word 'microfinance' was Grameen Bank of Bangladesh grounded by the man we called 'microfinance pioneer'

Muhammad Yunus. There are also some claims attribute to Akhtar Hameed Khan who promoted participatory rural development in Pakistan.

During the 1970s, there were so many programs - showing that people can be relied on to repay their loans and that it was possible to provide financial services- through an enterprise- to some poor people without even having subsidies.

Micro credit also could be traced back to Friedrich Wilhelm Raiffeisen's village bank in Germany which he started in 1864. This bank is generally known today as Raiffeisen Bank.

Timothy Guinnane , a Yale University scholar, asserted that by 1901-while studying the Raiffeisen's model-micro credit is effective in helping the poor and could withstand two tests concerning payback moral and the possibility of providing financial services to poor people.(wikipedia.org)

Today, there are more than 7000 microfinance institutions all over the world. And there are also more than half a billion families benefited or are benefiting from these small loans provisions.

As a result of Yunus pioneering work, he was awarded a Nobel Peace Prize in 2006. Indeed, microfinance has been proven as a tool in alleviating poverty.

Mohammed Yunis, the 2006 winner of the Nobel Peace Prize, as a young Economics professor in the late 70s was the was the Head of the Rural Economics Program at the University of Chittagong in Bangladesh. During that time the country was going through a famine. He found this quite frustrating as after all of his education he had no tools that enabled him to help solve the situation.

He went out and made a list of all the very people he knew. He had 42 people on his list and after talking to them he determined that for all of them put together they needed at total of \$27 to improve their situation. So he loaned them each the money they needed out of his own pocket. They each paid the money back and improved their life.

One person was a lady who made bamboo chairs. She did not have the few cents need to buy the materials to make her chairs each day. So she borrowed the money from a money lender who required that that she sell her chairs to him at a drastic discount to

the market. This kept her in a poverty trap of never being able to earn enough money to buy her own materials and sell her chairs at market price and thus earn a much more livable wage. Dr. Yunis loaned her the money to buy the materials herself and from the profits she made by selling her chairs at the market price she was able to pay back her loan and break out the poverty trap. This was the beginning of GRAMEEN BANK which was founded by Dr. Yunis (<http://www.grameen-info.org/>)

In Nepal agriculture based co-operatives were initiated in the 1950s as a first step in micro-finance. Poverty alleviation rural based programs were initiated through the small farmers development program (SFDP) on a pilot test basis in 1975 by the ADB/N. The success of the pilot tests in Dhanusa and Nuwakot districts encouraged policy makers to expand formal rural based micro-finance programs.

The SFDP is now being transformed into several autonomous, self-help organizations called Small Farmers Cooperatives Limited (SFCLs), which are managed by farmers themselves, other micro-finance development programs, such as Priority Sector Lending Program (PSLP), Intensive Banking Programme (IBP), Production Credit for Rural Women (MCPW) and Rural Self-Reliant Fund (RSF) have been implemented. After studying the pros and cons of various microfinance development programs, government began to rethink the delivery mechanisms of micro-finance.

In 1992, government set-up two Grammen Bikash Banks as a replication of the Bangladesh Grameen model of micro-finance delivery. Government also created a situation to encourage participation in the micro-finance by the private sector. Subsequently Nirdhan, CSD, Chhimek and other organizations came into existence. RMDC was also established to support micro-finance institutions by giving wholesale credit, initiating training and other necessary support to the MFOs. Some Government directed have been implemented in coordination with NRB.

MFIs are dependent in small savings from group members. As a definition Micro-finance is, as a part of development finance, rural or urban, targeted towards specific groups of people, male or female, falling in the lower bracket of society. Financial services include savings, credit and other services such as micro money transfer and micro-insurance. This service is differentiated by types of service employment and income orientated objectives, target group, target community, target area and credit at home.

In the past decade, micro-finance has been recognized as a particularly effective development intervention for three basic reasons.

- a) The services provided can be targeted specially at the poor and poorest of the poor.
- b) These services can make a significant contribution to the socio-economic status of the targeted community.
- c) The institutions that deliver these services can develop, within a few years, into sustainable organizations with steadily growing outreach. (<http://www.adb.org>)

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 the first step. These cooperatives primarily intended to provide credit only to the agriculture sector. The next milestone was SFDP in 1975 within ADB/N. This program covers the entire country and aims to organize farmers into small groups to provide credit without collateral.

In 1981, NRB introduced the Intensive Banking Program (IBP) and compelled to the commercial bank to finance at least 7 % on the priority sector, which was further increased to 12% in 1990. Now this compulsion is being phased out gradually.

In 1990, Grameen Bikash Banks were initiated by the government sector, crossing a milestone in rural micro-financing in Nepal and NGOs started grameen banking activities in certain areas. The evolution of the micro-finance sector in Nepal is;

- Credit co-operative were established in the 1950s
- Co-operative bank was established in 1963.
- Small farmer groups were established under SFDP (1970s).
- Commercial banks began to follow priority sector lending directives (1974)
- SFDP was established under ADB/N (1975)
- The IBP program tries to involve commercial banks in micro-credit (1981)
- Gender based micro-credit-PCRW (1982)
- Gender programs refined - MCPW (1994)
- Replication of Grameen Banking Model (1992)

- Government runs MF programs-Bisheswor with the poor, women's Awareness program,
- Government peace movement, etc. (www.hotelnepal.com/nepal_news.php)

2.1.3 Overview on the Rural Microfinance System of Nepal

- a) Over the past 28 years, the Government introduced a number of programs to extend financial services to the rural people focusing on the poor and women. These include mainly, the Small Farmers Development Program (SFDP) implemented by the Agriculture Development Bank (ADB), Intensive Banking Program (IBP) implemented by two national level commercial banks (CBs) and one joint-venture private commercial bank, Production Credit for Rural Women (PCRW) implemented by the CBs and ADB in partnership with Women Development Department of the Government, Regional Rural Development Banks namely Grameen Bikas Banks (GBBs), and the Micro-Credit Project for Women (MCPW) implemented through the CBs. Evidences indicate that these programs have not been able to substantially outreach the poor households in the country. Less than 20% of the total poor population has been estimated to come under the fold of institutional micro-credit.
- b) The Small Farmers Development Program (SFDP), incepted in 1975, has reached out about 200,000 small farmers throughout the country. But even after more than two and half decades of its operation, it failed to attain desired result. Its efficiency and loan recovery rate are found to be very low. As a result, ADBN made a strategy of stopping further expansion of the program and transforming SFDP offices into Small Farmers Cooperative Limited (SFCLs). Now, there are about 180 SFCLs throughout the country, and each has about 500 members. The program could not reach the real poor families, as it requires physical collateral for providing a loan. A Small Farmers Development Bank has also been recently established to cater services to the SFCLs. Under the framework of Intensive Banking Program, PCRW program was initiated in 1982 and has provided loans to about 70,000 women members in 55 districts. Micro-Credit Project for Women (MCPW) program, begun in 1994 has provided loan to around 25,000 women in 17 districts (12 districts and 5 towns). As both PCRW and MCPW programs did not have prudent targeting approach, they could reach only a merger number of the poor women although they could reach the women in general. All the above

programs have also been suffered from very low loan recovery, which is in the range of 50% - 80% and have failed to attain financial self-sufficiency in their operations. Besides, the current Maoist movement has seriously affected most of the aforesaid programs.

- c) The five Grameen Bikash Banks (GBBs) have been established in regional basis under the sponsorship of the Government and the Nepal Rastra Bank (NRB) with a view to provide microfinance services targeting specially to the poor households. Of these five, two (the Far- Western & the Eastern) were established in 1992, two (the Mid-Western & the Western) in 1995 and one (the Central) in 1996. Two NGOs namely the Nirdhan and the Centre for Self-help Development (CSD) began their microfinance operation in 1993 and 1994 respectively, and recently their microfinance operations have been converted into microfinance development banks namely Nirdhan Utthan Bank Ltd. and Swablamban Bikash Bank Ltd. respectively. Similarly, two other private development banks – Chhimek Bikas Bank Ltd. and Deprosc Development Bank Ltd. have also been licensed by NRB for conducting microfinance operations. All of them are following Grameen model of microfinance system, and are in general called Grameen Bank Replicators (GBRs). They have altogether covered 37 districts mostly in the plain area and provided services to about 270,000 poor rural households till Mid-July 2004. Majority of them belong to the poorest of the poor. The average loan recovery rate of the banks is over 97%. Some of the GBRs have also started their operation in accessible areas of the hills.
- d) There are also a large number of NGOs and cooperatives in the country, which have been embracing savings and credit activities as one of their major activities. The NGOs, because of their social orientation, seem motivated to deliver the services to the poor and women, but their institutional capacity particularly to operate microfinance services is extremely low. There are a number of rural cooperatives throughout the country, but they have not been targeted to the poor households and women as their clients. Their size of operation is also small, which is in the range of 30 – 150 members per cooperative. And only a very few of them have got license from NRB for limited banking operations. NRB, from its "Rural Self reliance Fund", has also provided wholesale loan to over 100 NGOs and cooperatives for on lending to their clients. However, their outreach is very limited.

- e) In general, the outreach (in both depth and scale) of most MFIs is very low compared to what needs to be done. The major reasons are the lack of adequate institutional capacity of the institutions, limited access to wholesale funds, lack of location specific appropriate model of microfinance operation, lack of conducive policy and legal environment, poor socio-economic infrastructures and somewhere difficult geographical terrain in the country. But, presently, microfinance operations of most MFIs have been slackened off due to the fragile law and order situation in the country.
- f) It was long felt that a separate apex organization should be created to play a lead role for the promotion and development of microfinance sector and provide wholesale funds to MFIs in need of fund for on lending to the poor clients. Towards this end, the Rural Microfinance Development Centre Ltd. (RMDC) was established as an apex microfinance organization with the initiative of NRB and the Asian Development Bank (ADB). It was registered in 1998 as a public limited company and has got license from the central bank to operate as a development bank. It has been operational since January 2000. Its promoter shareholders are the Nepal Rastra Bank (the central bank) and 20 commercial banks including the joint venture. (Subedi, 2011)

2.1.4 Concept and Definition of Micro Finance

“Microfinance has proved its value in many countries, as a weapon against poverty and hunger, It really can change peoples’ lives for the better, especially the lives of those who need it most”. Kofi Annan,

a) Finance

Finance is a monetary promises that exchanging into cash in the present for a promise of future reciprocity. Credit creates value in the form of loan in the present that is exchanged for promises pay in the future. Finance has special characteristics and it differentiates from the good and services produced by the non-financial sectors of the economy. It relates to social activities, intangible and interchangeable. By its nature it can use in various purposes and be easily politicized (Micro Finance Development of Nepal Bank Samachar, 2058: 37).

Finance is one of the products of the society. It categorizes into three aspects

- Promises power to in commerce

- Over the allocation of goods and services to consumers and
- Over the use of land, labor and capital for production.

Finance has plenty of risk and it can be minimized only with enhancing the confidence level. Confidence is the opposite of the risk. However, confidence level depends on society's general view of the future, social structure, required efforts to achieve and maintain consensus, legal structure, cost gaining the access and social handicaps etc. Confidence in the investment project is important. In this regard, lenders should be known about three "c" i.e. capacity, capital and character of the clients (Micro Finance Development of Nepal Bank Samachar, 2058: 37).

Micro finance is one of the components of the finance. Basically, it has been emphasizing to poverty reduction through focusing multidisciplinary and multifaceted activities such as collection of domestic in micro enterprises while micro credit emphasizes only the investment of small loan as well (Devkota, 2001: 37).

b) Micro-Finance

It is difficult to find a universal definition of micro-finance due to its variation on the basis of location, Implementing institution and program as well. In simplest term, micro-finance is defined as the financial service provided to the deprived group of people and small entrepreneurs to help them in developing self-employment opportunities and income generating activities. Small size loan, compulsory saving, small-scale entrepreneurs, diversified utilization and simple and flexible terms and conditions are the determining characteristics of its definition. Micro-finance comprises of three 'Cs', its character, capacity and capital. Micro-finance as a program serves large number of clients focusing on woman and works on grass roots level with financial sustainability. Micro finance is based on the principal of low service cost, simplicity, commitment and long-term sustainability. Furthermore, it is a system at grass-roots development finance, which deals with the poor, low-income, the asset less, the marginalized, and the exploited and desperate people and provides them small loans to meet their diverse needs with simple procedures. Micro-finance, according to World Bank, is "the provision of financial services to low income clients including self-employed. It includes both financial and social intermediation. It is not banking, it is a development tool" (Micro Finance Development of Nepal Bank Samachar, 2058: 23).

Microfinance operations frequently depend for their success on mobilizing and organizing the poor so that they can develop sufficient confidence to save, borrow, and invest. Because an acute lack of confidence is a common corollary of poverty, sensitive and trusted agencies must be used for this task; in a few situations, this can be tackled by staff from government agencies or banks. On the positive side, investment in social preparation yields long-term benefits in terms of social and human capacity building. Organizing women and then involving them in microfinance are effective ways to assist and empower poor women. The formation and operation of savings and borrowers groups likewise builds confidence, trust, and social capital to most, microfinance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny businesses. Over time, microfinance has come to include a broader range of services (credit, savings, insurance, etc.) as we have come to realize that the poor and the very poor that lack access to traditional formal financial institutions require a variety of financial products. Traditionally, microfinance was focused on providing a very standardized credit product. The poor, just like anyone else, need a diverse range of financial instruments to be able to build assets, stabilize consumption and protect themselves against risks. Thus, we see a broadening of the concept of microfinance--our current challenge is to find efficient and reliable ways of providing a richer menu of microfinance products (Datta, 2005).

c) Micro Finance and Micro Credit

Microfinance refers to loans, savings, insurance, transfer services and other financial products targeted at low-income clients. Micro credit refers to a small loan to a client made by a bank or other institution. Micro credit can be offered often without collateral, to an individual or through group lending. Micro credit came to prominence in the 1980s, although early experiments date back 30 years in Bangladesh, Brazil and a few other countries. The important difference of micro credit was that it avoided the pitfalls of an earlier generation of targeted development lending, by insisting on repayment, by charging interest rates that could cover the costs of credit delivery, and by focusing on client groups whose alternative source of credit was the informal sector. Emphasis shifted from rapid disbursement of subsidized loans to prop up targeted sectors towards the building up of local, sustainable institutions to serve the poor. Micro credit has largely been a private (non-profit) sector initiative that avoided

becoming overtly political, and consequently, has outperformed virtually all other forms of development lending. (Agriculture Credit Annual Journal, 2007: 27).

Referring to the distinction between the two terms, micro credit and micro finance, used almost interchangeably in Nepal, Kunwar (2003) suggests that the latter, i.e. microfinance is broader in scope than the former in that it also includes savings. He then elaborates that microfinance includes group formation of the members. Regular savings by the members and availing collateral-free micro credit based on group responsibility including promoting literacy among people. He also maintain that due to the micro credit being collateral-free, it should be short –term, spanning not more than a year, and income earned from it should be enough to repay the principle and monthly interest.

Lidgerwood (1999) has also highlighted the issues of sustainability and access. He maintains that the accessibility of microfinance to the poor people is more important than subsidized credit. The poor too can pay high interest rate to cover the transaction cost of the financial institutions. Therefore, financial institutions should consider the cost recovery and make some profit to make the institutions not only financially viable and sustainable but also for scaling up the loan size (Agriculture Credit Annual Journal, 2007: 27).

The typical microfinance clients are low-income persons that do not have access to formal financial institutions. Microfinance clients are typically self-employed, often household-based entrepreneurs. In rural areas, they are usually small farmers and others who are engaged in small income-generating activities such as food processing and petty trade. In urban areas, microfinance activities are more diverse and include shopkeepers, service providers, artisans, street vendors, etc. Microfinance clients are poor and vulnerable non-poor who have a relatively stable source of income. Access to conventional formal financial institutions, for many reasons, directly related to income: the poorer you are the less likely that you have access. On the other hand, the chances are that, the poorer you are, the more expensive or onerous informal financial arrangements. Moreover, informal arrangements may not suitably meet certain financial service needs or may exclude you anyway. Individuals in this excluded and under-served market segment are the clients of microfinance. As we broaden the notion of the types of services microfinance encompasses, the potential market of

microfinance clients also expands. For instance, micro credit might have a far more limited market scope than, say, a more diversified range of financial services, which includes various types of savings products, payment and remittance services, and various insurance products. For example, many very poor farmers may not really wish to borrow, but rather, would like a safer place to save the proceeds from their harvest as these are consumed over several months by the requirements of daily living. (<http://www.rmdcnepal.com>)

Twentieth century witnessed large-scale conscious efforts of social change to "improve the quality of life of the disadvantaged. The concept of micro-Finance emerged from the experiences of these efforts. It was recognize that making financial services available to the poor is a necessary, though not sufficient, condition for improving the quality of their life. However, it was also observe that in spite of establishment of a large network of financial outlets a large majority of the Disadvantaged had no access to formal financial systems. Therefore, thinkers concerned with development, in different parts of the world, made efforts to make financial services, including savings and credit, available to the disadvantaged. Micro-Finance is a result of the work of such social innovators.

Evolution of the concept of micro-finance is route in the development efforts. Different approaches were adopt to ameliorate the conditions of living of the disadvantaged people, which included efforts like land redistribution, organizing the poor, building economic and political awareness, technology transfer and delivery of a variety of services. With these experiences, it was recognize that increase in the income level of the poor measured in terms of the purchasing power, is a necessary, though not sufficient, condition for improving the quality of their life in the complex economy today. The word "micro credit" did not exist before the seventies. Now it has become a buzzword among the development practitioners. In the process, the word has imputed to mean everything to everybody. No one now gets shocked if somebody uses the term "micro credit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, from credit unions, or from moneylenders. When someone claims micro credit has a thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information. (<http://www.rmdcnepal.com>)

2.1.5 Key Principles of micro Finance (From CGAP)

a) The Poor Need a Variety of Financial Services, Not Just Loans

Just like everyone else, poor people need a wide range of financial services that are convenient, flexible, and reasonably priced. Depending on their circumstances, poor people need not only credit, but also savings, cash transfers, and insurance.

b) Microfinance is a Powerful Instrument Against Poverty

Access to sustainable financial services enables the poor to increase incomes, build assets, and reduce their vulnerability to external shocks. Microfinance allows poor households to move from everyday survival to planning for the future, investing in better nutrition, improved living conditions, and children's health and education.

c) Microfinance Means Building Financial Systems That Serve the Poor

Poor people constitute the vast majority of the population in most developing countries. Yet, an overwhelming number of the poor continue to lack access to basic financial services. In many countries, microfinance continues to be seen as a marginal sector and primarily a development concern for donors, governments, and socially responsible investors. In order to achieve its full potential of reaching a large number of the poor, microfinance should become an integral part of the financial sector.

d) Financial Sustainability is Necessary to Reach Significant Numbers of Poor people

Most poor people are not able to access financial services because of the lack of strong retail financial intermediaries. Building financially sustainable institutions is not an end in itself. It is the only way to reach significant scale and impact far beyond what donor agencies can fund. Sustainability is the ability of a microfinance provider to cover all of its costs. It allows the continued operation of the microfinance provider and the ongoing provision of financial services to the poor. Achieving financial sustainability means reducing transaction costs, offering better products and services that meet client needs, and finding new ways to reach the unbanked poor.

e) Microfinance is about Building Permanent Local Financial Institutions

Building financial systems for the poor means building sound domestic financial institutions, which can provide financial services to poor people permanently. Such institutions should be able to mobilize and recycle domestic savings, extend credit,

and provide a range of services. Dependence on funding from donors and governments including government-financed development banks will gradually diminish as local financial institutions and private capital markets mature.

f) Micro Credit is Not Always the Answer

Micro credit is not appropriate for everyone or every situation. The destitute and hungry that have no income or means of repayment need other forms of support before they can make use of loans. In many cases, small grants, infrastructure improvements, employment and training programs, and other non-financial services may be more appropriate tool for poverty alleviation. Wherever possible, such non-financial service should be couple with building savings.

g) Interest Rate Ceilings Can Damage Poor People's Access to Financial Services

It costs much more to make many small loans than a few large loans. Unless micro lenders can charge interest rates that are well above average banks loan rates, they cannot cover their costs, and their growth and sustainability will be limit by the scarce and uncertain supply of subsidized funding. When governments regulate interest rates, they usually set them at levels too low to permit sustainable micro credit. At the same time, micro lenders should not pass on operational inefficiencies to clients in the form of prices (interest rates and other fees) that are far higher than they need to be.

h) The Government's Role is as an Enabler, not as a Direct Provider of Financial Services

National governments play an important role in setting a supportive policy environment that stimulates the development of financial services while protecting poor people's savings. The key things that a government can do for microfinance are to maintain macroeconomic stability, avoid interest-rate caps, and refrain from distorting the market with unsustainable subsidized, high-delinquency loan programs. Governments can also support financial services for the poor by improving the business environment for entrepreneurs, clamping down on corruption, and improving access to markets and infrastructure. In special situations, government funding for sound and independent microfinance institutions may be warrant when other funds are lacking.

i) Donor Subsidies Should Complement, not Compete with Private Sector capital

Donors should use appropriate grant, loan, and equity instruments on a temporary basis to build the institutional capacity of financial providers, develop supporting infrastructure (like rating agencies, credit bureaus, audit capacity, etc.), and support experimental services and products. In some cases, longer-term donor subsidies may be required to reach sparsely populated and otherwise difficult-to-reach populations. To be effective, donor funding must seek to integrate financial services for the poor into local financial markets; apply specialist expertise to the design and implementation of projects; require that financial institutions and other partners meet minimum performance standards as a condition for continued support; and plan for exit from the outset.

j) The Lack of Institutional and Human Capacity is The Key Constraint

Microfinance is a specialized field that combines banking with social goals, and capacity needs to be build at all levels, from financial institutions through the regulatory and supervisory bodies and information systems, to government development entities and donor agencies. Most investments in the sector, both public and private, should focus on this capacity building.

k) The Importance of Financial and Outreach Transparency

Microfinance leads to social and economic changes in the borrowers after the participation in the programs. Increasing income among borrowers results increase in food sufficiency, consumption of nutrient food, good caring of children health, health awareness and preventive measures of health, good education of the children, repair and maintenance of home (Sharma, 2007: p.10).

Accurate, standardized, and comparable information on the financial and social performance of financial institutions providing services to the poor is imperative. Bank supervisors and regulators, donors, investors, and more importantly, the poor who are clients of microfinance need this information to adequately assess risk and returns (www.cgap.org).

2.1.6 Microfinance Institution (MFI)

Quite simply, a microfinance institution is an organization that offers financial services to low-income populations. Almost all of these offer micro credit and only take back small amounts of savings from their own borrowers, not from the general public. Within the microfinance industry, the term microfinance institution has come to refer to a wide range of organizations dedicated to providing these services: NGOs, credit unions, cooperatives, private commercial banks and non-bank financial institutions (some that have transformed from NGOs into regulated institutions) and parts of state-owned banks, for example. The image most of us have when we refer to MFIs is of a “financial NGO”, an NGO that is fully and virtually exclusively dedicated to offering financial services; in most cases micro credit NGOs are not allowed to capture savings deposits from the general public. This group of a few hundred NGOs has led the development of micro credit, and subsequently microfinance, the world over. Most of these constitute a group that is commonly referred to as "best practice" organizations, ones that employ the newest lending techniques to generate efficient outreach that permit them to reach down far into poor sectors of the economy on a sustainable basis. A great many NGOs that offer micro credit, perhaps even a majority, do many other non-financial development activities and would bristle at the suggestion that they are essentially financial institutions. Yet, from an industry perspective, since they are engaged in supplying financial services to the poor, we call them MFIs. The same sort of situation exists with a small number of commercial banks that offer microfinance services. For our purposes, we refer to them as MFIs, even though only a small portion of their assets may actually be tied up in financial services for the poor. In both cases, when people in the industry refer to MFIs, they are referring only to that part of the institution that offers micro-finance. There are other institutions, however, that consider themselves to be in the business of microfinance and that will certainly play a role in a reshaped and deepened financial sector. These are community-based financial intermediaries. Some are membership based such as credit unions and cooperative housing societies. Others are owned and managed by local entrepreneurs or municipalities. These institutions tend to have a broader client base than the financial NGOs and already consider them to be part of the formal financial sector. It varies from country to country, but many poor people do

have some access to these types of institutions, although they tend not to reach down market as far as the financial NGOs.

2.1.7 Importance of micro Finance Program

Concepts and perceptions of the provision of microfinance have evolved greatly over the past two decades. While it was initially seen as an informal fragmented activity, there is now an increasing realization of the importance of microfinance as a component of the overall financial system, serving a huge portion of a country's population. From providing micro credit to micro entrepreneurs, microfinance entities are expanding into other high-demand services such as micro saving facilities. With the growth of institutional scale and the trend in microfinance to take voluntary deposits from the poor, Despite its rather recent emergences an instrument of national development, particularly for poverty reduction in poor countries, the term, microfinance, has been defined in a wide variety of ways One of the major players in the field, the Asian Development Bank (2002), Has defined microfinance as "the provision of a broad range of financial services such as deposits, loan, payment services, money transfer, and insurance to poor and low income households and their micro enterprises. One of the earlier authorities on the subject, Robinson (1935) has elaborated the subjects as " small scale primary credit and savings provided to people who farm or fish or herd; who operate small enterprises where goods are produced; recycled; repaired, or sold; who provide services, who work for wages or commission; who gain income renting out small amount of land, vehicles, craft, animals or machinery and tools at the local level both rural and urban."

More recently, Lidgerwood (1999) has referred to microfinance as an "Economic Development Approach" consisting of "the provision of financial services to low income clients" including women in the society. To that end, microfinance, for him is a kind of service products such as savings, credits, and insurance and payment services, and social intermediation services such as group formation, development of self confidence, training in financial literacy and management capabilities among members of group (Agriculture Credit Annual Journal,).

The main aim of micro-finance program is to provide quality service to the large number of deprived populaces of the country and to ensure the availability of such services to their doorsteps. It is envisaged that Nepalese micro-finance program has

not been able to gain momentum towards its sustainable growth due to management challenge being faced by the mushrooming micro-financing institution (MFIs) of Nepal as a result of financial sector liberalization policy of government. Moreover, it tries to provide creative thoughts in order to address the aforesaid challenges. In addition, it presents its significance in poverty reduction Endeavour of the government.

Because of these special attributes, microfinance has been a rapidly expanding industry in the world. Based on the compilation of worldwide inventory of MFIs undertaken by the Sustainable Banking with poor project, it is reported that there were about 1000 MFIs in 1995 having been in operation for at least year, and with an outstanding loan of about US \$ 7 billion provided to more than 13 million individuals and groups. To paraphrase (Lidgerwood 1999), the special attributes and advantages of Microfinance as an approach to poverty reductions are as follows:

- Micro finance can promote and support the income generation initiatives of the poor.
- It generally promotes the building of financially self- sufficient and locally managed institutions.
- It can provide saving and credit services with greater flexibility and at more affordable prices, a condition necessary for meeting the widely diverse individual-specific needs of the poor people in the communities.
- It can lead on to the emergence of formal financial institutions such as saving and credit cooperatives by expanding the markets for saving credit as well as ensuring profitability.
- Under this approach group liability based on social and peer pressure can substitute the need for physical collateral which normally made credit inaccessible to the asset less poor even as it provide saving services to meet the need of the small savers.
- The methods of microfinance also ensure the maintenance of repayment discipline (Agriculture Credit Annual Journal Vol 40 January 2007).

Thakur (1999) "SFDP the Pioneer of Microfinance Institution" gives importance of micro financing project are as follows (Micro Finance Development in Nepal Bank Samachar, 2058: 58):

- To increase the outreach and coverage.
- To provide services in easy and quicker manner.
- To obtain financial viability and sustainability.
- To cover the large chunk of poor community who have to still depend on informal credit market where interest rate is exorbitantly high.

2.1.8 Role of Different Players

The government along with all the public and private sector financial institutions contributes to the development of micro finance industry (MFI), each playing a significant role in its development. However, their roles have to undergo changes and modifications to be able to respond to emerging requirements.

A) Role of Government

Governments have a complicated role when it comes to microfinance. Until recently, governments generally felt that it was their responsibility to generate development finance, including credit programs for the disadvantaged. Twenty years of insightful critique of rural credit programs revealed that governments do a very bad job of lending to the poor. Short-term political gain is just too tempting for politically controlled lending organizations; they disburse too quickly (and thoughtlessly) and they collect too sporadically (unwillingness to be tough on defaulters). In urban areas, governments never really got into the act, and subsidized micro enterprise credit is still relatively rare when compared to its rural counterpart. Now that microfinance has become quite popular, governments are tempted to use savings banks, development banks, postal savings banks, and agricultural banks to move micro credit. This is not generally a good idea, unless the government has a clear acceptance of the need to avoid the pitfalls of the past and a clear means to do so. Many governments have set up apex facilities that channel funds from multilateral agencies to MFIs. Apex facilities can be quite complicated and there are few successful examples in microfinance. Successful apex organizations in microfinance tend to be built on the backs of successful MFIs, not the other way around. Finally, governments can also get involved in microfinance by concerning themselves with the regulatory framework that impinges on the ability of a wide range of financial actors to offer financial services to the very poor.

It's necessary to have a perspectives plan on micro finance –the plan well integrated with the nation's economic development perspective plan with clear-cut objectives, targets and policies and strategies. The plan needs to integrate the micro finance sector with the overall national efforts for poverty alleviation. This is in addition to such integration with other components of rural development such as rural infrastructural development including physical and social infrastructure, rural energy and irrigation system. Specific role of the government, NRB, and the private sector and NGOs/INGOs would have to be spelt out in clear and concise terms, pattern of resource mobilization and the possibility of interring into competitive financial system with conducive regulatory policy and regulatory environment for its development.

The perspective plan should consider expanding outreach to the poor and providing quality services as the two most important elements of the overall micro finance policy, apart from strengthening micro finance institutions.

B) Role of the NRB

A study conducted by ADB identified three principal roles for the Central Bank with respect to micro finance such as i.e.

- a) The Central bank should take the lead in matters to do with the regulation and supervision of licensed banks.
- b) They should take promotional activities to support micro finance, such as pilot project research data collection and publication, advocacy, and training.
- c) They should regulate non-banks MFIs that accept voluntary saving from members, when the volumes of savings exceed a certain threshold. However, the nature and depth of the central Bank's intervention differs from country to country depending upon the nature, pattern and status of development of micro finance in the country.

However, in the context of Nepal the NRB's role has to be viewed as one of creating conducive policy and regulatory environment for the development of micro finance system in the country. This involves the preparation of regulatory and supervisory framework for MFIs. It includes providing them with required infrastructure including performance standards and indicators, accounting and auditing standards, and so on. These will serve as a basis to monitor and evaluate their activities.

The Nepal Rastra Bank (NRB), the central bank of the country, has, since a long time, been striving to achieve credit-induced rural poverty alleviation in the country. Two significant approaches adopted by it include requiring the commercial banks to invest in Priority Sector credit and extending equity participation and refinancing supports to rural financing institution such as Agricultural Development Bank Limited (ADBL), Regional Rural Development Banks and the more recently created Rural Microfinance Development Centre (RMDC). Thus, the NRB has, by far, been one of the most important sources of rural finance in Nepal. However, the mandatory stipulation of lending by commercial banks for priority sector is being phased out due to the lack of wherewithal with them to make such investments effective and efficient. But the requirement for 3 percent investment in the deprived sector would continue to be there, and the banks can meet it either by directly lending to the poor or providing wholesale loans to the MFIs, including cooperatives.

The NRB has also been managing a Rural Self-Reliance Fund (RSRF) since 1991 and provides wholesale credit to micro finance organizations such as saving and credit cooperatives and NGOs. Of the total of 8045 cooperatives registered under Department of Cooperatives in 2006, 2,692 have been saving and credit coops and of them 249 from remote rural areas are associated with RSRF for the purpose (NRB, 2006). Because of this NRB facility, these coops are able to provide relatively large loans to its member borrowers for their income generating activities to a tune of Rs.40, 000/- per scheme.

C) Role of the RMDC

Rural Micro Finance Development Center (RMDC) was established as an apex micro finance organization, which became operational since 2000 only. It started with the objective of contributing "to improving socio economic condition of the poor, the landless, and the asset less through increasing their access to resources for productive undertaking and employment." Their specific objectives are:

- i) To provide wholesale funds to potential and viable micro finance institutions for on-lending to the ultimate borrowers for undertaking their productive activities.
- ii) Help to build and strength institutional capacity of the partner's organization (POs).
- iii) To provide financial and technical supports to MFIs

- iv) To undertake research and development activities to promote new Micro finance products and develop sound practices.
- v) To strengthen their capacity through training and exposure visits and to act as a financial intermediary to channelized resources. (Subedi, 2011)

2.1.9 Importance of Microfinance for Women

Since 1970s, tens of thousands of poor women have started their own business-often with sewing machine-using loans of as little as \$100 from organizations like Grameen Bank in Bangladesh and the Washington, D.C. - based Foundation for International Community Assistance (FINCA), which has been active in Latin America. The results have been eye-opening: Women turned out to be reliable debtors, and since many who received micro loans squirreled away their earnings to send their children to school and buy more food for their families, the positive impact has rippled through communities (<http://web.ebscohost.com/ehost/detail>).

There is greater importance of microfinance in Nepal. It is mostly important for women because they are inhabitant in rural areas. There is lack of financial assess in rural areas. To engage women in small fund raising program and making them self-dependent, microfinance is an effective tool.

Nepal remains one of the poorest countries of the world with endemic poverty particularly in rural areas despite planned development effort of half a century. The government of Nepal since past several years has shown its commitment to reduce poverty through various policies, programs and projects aimed at providing minimum basic needs of life to the poor in terms of food, clothing, housing, education and health required for human survival. The country has initiated various poverty reduction programs. In the perspective, credit related programs have played a significant role in the socio-economic development of the nation in general and the rural sector development in particular (Sharma, 2007:p.2).

Nepal's gender empowerment measure is only half of the global average and after Pakistan, the second lowest in south Asia. Agricultural feminization in Nepal is caused by de facto rather than de jury reason as the number of female-headed households in rural areas is increasing mainly because of male out-migration and male employed in other sectors (Bashyal, 2008: p.74-75). The important impact of microfinance for women is:

- Microfinance has increased the women's role on making decisions on purchasing of both the small amount of household consumption items.
- Increases income of clients has empowered them on running their daily household needs.
- Microfinance empowered them on deciding the marriage of their daughters.

In social sector, awareness development is found one of the major outcomes of this program. In this respect, many MFIs members started to join in literacy center, schooling to their children including daughters, participating in the village level election so far they are daughters, participating in the village level elections so far they are elected in ward members, VDC chairman and vice chairman. In addition, they are actively involved in community development activities such as construction of village community hall, road, and bridge and drinking water system. By this, MFIs have been imputing the momentum for poverty reduction endeavor.

Majorities of women are not accessing the credit easily as due to lack of the collateral. In this respect, MFIs have been providing credit on the basis of group liabilities to such downtrodden people in income generating activities such as vegetable production, livestock raising, tea and daily uses shop, marketing of goods (better rice, vegetables and fruits) as per their experience an market potentialities.

According to Sharma (2007), '*The journal of Nepalese Business Studies*' there is different important approaches to women from microfinance. They are:

- i. Women's involvement in decision-making will be improved and affects their lives and their future.
- ii. Self-confidence for women will increase.
- iii. Women's' participation in income generating activities is assumed to strengthen women's bargaining position.
- iv. It will help women to earn independent and contributes the household economy and social and political participation.
- v. Women are more likely than man to invest increased income in the household and family well-being.
- vi. Microfinance program seems to be highly effective in uplifting the women's economic and social condition.

- vii. It will help to reduce domestic violence and family relationships appeared to have improved.

Microfinance has the provision of saving, credit and other financial services and product of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise income levels and improve living standards. The objective of micro financial services is to ensure the availability of these services to the doorsteps of the poor and low-income households. Microfinance framework, if properly designed and implemented, can thus attain the objectives of poverty alleviation in the developing countries like Nepal.

2.1.10 Microfinance In terms of Saving, Investment and Loan Distribution

Microfinance is targeted to poor and low-income people. It includes loans, savings, insurance, transfer services and other financial services. Providers of microfinance include non-government organizations (NGOs), self-help groups, cooperatives, credit union, and commercial bank. Insurance and credit card companies and other points of sale (Sharma, 2005: p.87). The poor already save in ways that we may not consider as “normal” saving-investing in assets, for example, that can be easily exchanged to cash in the future. After all, they face the same series of sudden demands for cash we all face: illness, school fees, needs to expand the dwelling, burial, and weddings. It is hard to cutoff one leg of a goat that represents a family’s savings mechanism when the sudden need for a small amount of cash arises, or, if poor women has loaned her “saved” funds to a family member in order to keep them safe from theft, there may not be already available when the women need them. The poor need savings services that are both safe and liquid. These savings services must be adapted to meet the Poor's particular demand and their cash flow cycle. Thus to maximize the savings propensity of the poor, institutions must provide flexible opportunities- both in terms of amounts deposited and the frequency of pay ins and pay outs. This represents important challenges for the microfinance industry that has not yet made a concerted attempt to profitably capture tiny deposits. (<http://www.microfinancegateway.org>)

Saving and investment are two parts of same coin. If people save they are encourage investing also. Women in the rural village area are interested to invest in gold and other small profitable sector. They cannot invest in large area because their saving is low. The main objective to save is that either to invest or to provide service to poor

people. So from the microfinance activities some women are saving and other poor women are getting benefit from loan services at low rate.

From newsletter of RMDC (2006), Prof. Yunus's long-term vision is to make the world free of poverty. He argued that loans to the poor without physical collateral had once appeared to be an impossible idea. He also showed that micro credit is a strong instrument to alleviate poverty in the developing countries. Loan clients are the most valuable agents in MFI operation. Income of MFI depends on loan client's willingness to receive financial services on continuous basis. For efficiency MFI requires that their entire client borrow and make disciplined transaction (Sharma, 2006: p.46). Mobilization and recovery of loan should be impartial. Loan can be in the form of individual loan, group loan etc. Individual loan should be mobilized on the collateral of real assets where as in group loan also more emphasis is given on group guarantee (Baral, 2004: p.54).

2.1.11 Basic Facts about Microfinance

Comprehensive impact studies have demonstrated that:

- Microfinance helps very poor households meet basic needs and protect against risks;
- The use of financial services by low-income households is associated with improvements in household economic welfare and enterprise stability or growth;
- By supporting women's economic participation, microfinance helps to empower women, thus promoting gender-equity and improving household well-being;
- For almost all significant impacts, the magnitude of impact is positively related to the length of time that clients have been in the program.

The demand for microfinance services is largely unmet. Estimates of the global demand ranges from 400 to 500 million households of which only around 30 million are reported to have access to sustainable microfinance services in 2002. Although many poor and low-income people do not yet have access to financial services, the number of customers that use microfinance, has grown between 25 and 30 percent annually over the past five years. (Subedi, 2011)

2.2 Review of Related Studies

Under this heading effort has been made to review some related books, thesis, articles journals, annual reports and web sites.

2.2.1 Review of Articles

Sharma (2003), In the article "*Micro finance Against Poverty; the Nepalese Scenario*" has expressed the role of micro-finance as follows: Micro-finance is the financial service such as deposits, loan, payment service, money transfer and insurance to poor and low income households and their micro-enterprises". Studies in Nepal and elsewhere have clearly indicated micro-finance as one of the most powerful tools for alleviating poverty. Micro-finance institutions (MFI) in Nepal are serving primarily the micro-enterprises. Accesses of micro-entrepreneurs to micro-finance services provide them with an important tool for improving their efficiency, productivity, and welfare while reducing risk. In other words, MFI is both formal and informal, providing financial services which helps in creating job opportunities to the micro-entrepreneurs, both wage and self-employment and thereby generating income among the poor.

Uprety (2003), In the article *Micro-finance in Nepal*, concludes that in the last decade of the 20th century it is accepted that micro-finance is one of the most significant contributors for poverty alleviation. The article further claims that in Nepal the poverty reduction rate is slower. If proper model is used in the hill and terrain region, the life standard of the poor people could be raised very fast.

Sharma (2004), has conducted a study on "*Microfinance a Powerful Tool for Social Transformation, Its challenges and Principles*". This research article attempts to explore the role and importance of microfinance in reducing poverty by generating the income of the poor. Microfinance has been emphasized for poverty reduction in developing countries through executing dual articles such as collection of domestic saving and investment of small loan. This article try to find out the answers of different claiming by institutions such as- Are these institutions really delivering microfinance services to the poorest of the poor? Are they really sustainable in the long run? Are they financially efficient? The conclusion drawn by this article is that the Nepalese MFIs aren't being able to reach the poorest due to inability of proper identification of the poor and lack of commitment and clear vision of their action.

Expanding microfinance programs along with restructuring the whole financial system is essential so as to ensure financial system to better serve the rural economy. The time frame to reach or grant based on clients serving to reach financial self-sufficiency will be shorter for MFIs serving the economically active poor.

Sharma (2007), 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.

2.2.2 Review from Different Website

Gomez, (2004), Simply comments about micro finance as, "Micro-finance should be goal fight poverty. Fighting poverty is the most important social goal of MF. In fact MF was involved as business of providing financial services to the market segment composed of micro-entrepreneurs excluded from the services offered by traditions formal financial sector institutions". (www.cmfnepal.org)

MFI are dependent on small saving from group members. As a definition micro-finance is, as a part of development finance, rural or urban, targeted towards specific groups of people, male or female, falling in the lower bracket of society. Financial

services include savings, credit, and other services such as micro money transfer and micro-insurance. This service is differentiated by types of service employment and income oriented objectives, target group, target community, target area, and credit at home.

In the past decade, micro-finance has been recognized as a particularly effective development intervention for three basic reasons:

- The services provided can be targeted specifically at the poor and poorest of the poor.
- These services can make a significant contribution to the socio-economic status of the targeted community.
- The institutions that deliver these services can develop, within a few years, in to sustainable organizations with steadily growing outreach.

In this context, it is important to make a couple of distinctions

- a) Micro-finance is more than the provision of credit. It involves the provision of other financial services (most usually savings and insurance) and recognizing that even the poor have a variety of needs, not just credit.
- b) Securing sustainable access to micro-finances for low-income communities involves building (or reforming) micro- finance institutions-not just the delivery of time bound micro-finance programs (such as offering short-term revolving funds). (<http://www.cmfnepal.org/mf-nepalp.htm>)

Micro-finance has evolved as an economic development approach intended to benefit low income groups. The term refers to the provision of financial services to low income clients, including the self employed. Financial services generally include saving and credit, and some microfinance organizations also provide insurance and payment services.

Microfinance activities usually involve

- i) Small loans, typically for working capital
- ii) Informal appraisal of borrowers and investments
- ii) Access to repeat larger loans based on debt capacity and repayment performance
- iv) Streamlined loan disbursement and monitoring
- v) Secure savings products

Micro-finance clients are typically self-employed, low-income entrepreneurs in both urban and rural areas. Clients are often traders, street vendors, service providers (hairdressers, tricycle operators), small restaurant operators, artisans, and small cottage industries. Usually their activities provide a stable a source of cash flow and income (often from more than one activity).

2.2.3 Review of Thesis/Dissertations

Ojha (2002), who did research for MBA degree on the topic '*Microfinance in Practice: Loan Recovery Approach to the Program Assessment of Microcredit Product for Women in Pokhara*'. The basic objective of this study is to examine the performance in terms of loan recovery of microcredit financial projects. The other objectives are; to overview the state of outreach, training activities, savings and its mobilization; to examine the state of loan disbursement, repayment outstanding and overdue; to access the overall performance of participating women; to analyze the state of loan recovery in terms of loan repayment. To show the relationship between investment and income; to recommend appropriate suggestions. From this study he found that the loan disbursement and outstanding is related to its repayment in due time. The performance of participating women is quite satisfactory. The sampled women have repaid in time, create savings and disbursed loan from the savings. Investment caused to increase in income and hence the capability of loan recovery and repayment becomes higher. Some of the group members were found of less difference and equal income status, but some of them were found a highly effective aspect of the program and there by loan disbursement and training program were considered to be less effective aspects than savings. NGO's program help to identify targeted women training program is an essentially required to participant women more skilled. He concluded that the MCPW, if managed effectively, reaches to the targeted women, educated and trained the women entrepreneur and also if made regular supervision and initiated them the agricultural production. Productive and business activities, self-employment, income earnings, savings and investment could be raised. This becomes the cause of uplifting vulnerable and poor women to higher social and economic status.

Lekhak (2004), did research for MBS degree on the topic '*Microfinance in Nepal and The Case Study of SFCL, Anandavan, Rupendahi, ADB/N*'. The main objective of this study is to do case study of SFCL Anandavan, Rupendahi, ADB/N. The other specific

objectives are; to study the financial sustainability and viability of SFCL; to know the facing change of society after SFCL; to know the major problem of SFCL Ananadavan. From the research study following results finds out women empowerment participation in SFCL increased. After SFCL people participation in literacy program helped to improve the literacy position of village. SFCL is also success to convince the people about the importance of group saving and impact of forest conservation. SFCL also gives the different types of training to small farmers which help to make more efficiency to small farmers. There was politicization and financial undisciplined in some cases. There was lack of inspection from government side. The position of share capital is not so bad. SFCL is also able to get profit from its activities. The position of saving is increasing ways every year. Borrowed loan position of SFCL is decreasing ways.

Poudyal (2005), has written a thesis on *'Micro Finance and Its Impact on Economic Upliftment of Women'* A case study of Baluwa VDC of Kathmandu District. Nepal in 2000, made a research with the objective of evaluating the impact of micro finance on economic upliftment of women and to examine the enhancement in the status of women. Poudyal has used primary as well as secondary data applying questionnaire as well as observation methods. Data revealed from 72 samples out of 228 members of 7 centers are analyzed with correlation regression and chi-square test. her findings include that microfinance has improved their earning and equally stimulated their living standards. However repayment rate of the program is only 80 percent in Baluwa VDC and the loan has not seeded to be utilized on the said purpose. Based on chi- spare result, caste and ethnicity does not affect the control over their earning. Moreover, women do not have their own control on their earning: joint control exists widely in the VDC.

Despite, she concludes that, microfinance program is best way to uplift women economically as well as socially. A country like Nepal cannot mobilize the resources for the optimization of benefits by excluding women from the development model. Hence providing credit for women to income generating activities as well as multi-prolonged strategy with a systematic relationship between income promoting activities and social and institutional development activities would strengthen the entire connection in the solution of the problem to uplift poor women.

Pathak (2006), did research for MBS degree on the topic '*Microfinance in Nepal and its Effect on ADB/N under Small Farmers Cooperative Limited (SFCL), Shankarnagar Rupendehi*'. The objectives of study are; to find out the advantages, limitations, and conclusions of microfinancing; to know the changes in society brought by SFCL after its implementation; to know how development of the country is positive through microfinance activities; to study the financial sustainability and viability of SFCL; to know about the role of SFCL shankarnagar in women empowerment; to know about the major problems of SFCL/Shankarnagar Rupendehi. From the study he found that the small Farmer's participation in SFCL after handover is increasing. The position of share is increasing positively. So it is good sign for SFCL. It helps to increase internal sources. Profit of SFCL increases every year. Position of deposits through members is in increasing way. It is also seen that borrowed bank loan is decreasing. Loan and advance to total deposit ratio is flexible during study period. Loan loss ration is normal just to meet legal provision. Toilet facility, drinking water facility, use of store, bank saving, group saving and forest conservation all are in increased ratio. Women education rate is increase by 96.55% after SFCL activities. Women are aware on their rights and capacity to women empowerment in increase in the Shankarnagar VDC Rupandehi.

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

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 of rural development program and is to carry out the detail study of rural development program in Khilung Deurali VDC of Syangja. The other specific objectives 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 in terms 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 in terms 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 give the conclusion that only microfinance success to reduce the poverty alleviation of country especially for women.

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. From 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.

Finance can be regard as effective tool in spreading economic opportunity and fighting poverty giving poor people the freedom to earn and fulfilling livelihood. Microfinance has proved itself a powerful tool for economic development of low-income women and man. It is an effective approach for alleviating poverty through access to the poor for operating their small enterprises. The term microfinance refers to the provision of financial services to low-income clients, including the self-employed, financial services generally including savings and credit; however, some microfinance organizations also provide insurance and payment services.

Poudel (2008), conducted a research in the topic; "*Economic impact of micro finance to upliftment of women*", he concluded that, Micro-finance program serves the deprived population of the country at their doorstep with the aim of improving their socio-economic condition. As micro-finance has been considered as an effective and efficient mechanism to reduce poverty all over the world,

Shrestha (2009), conducted research work "*An Impact of SFDP in Rural Area: A Case study of Kaski District*". The major objectives of his studies were (i) to show whether the MCPW project in rural area of Kaski district has been providing the micro credit facilities to the rural poor women or not (ii) to measure the ration of loan disbursement and repayment rate, and (iii) to find out whether any change have been seen in the livelihood of the poor women. He has found the impact of the project is cooperatives in all the VDC of the project area, and the lanket approach is not facility to transfer group saving in cooperative account, livestock insurance product needs to make more effective and practical and there should be an effective participatory monitoring and evaluation system to sustain MCPW in Kaski district.

Yadav (2010), conducted a research on '*Micro Credit Program For Rural Woman*'. He concluded that positive impact of micro credit program on beneficiary's earnings and living standards. Similarly, involvement in the micro credit program has empowered women in varying degree. It has offered opportunities for poor women to come out of their house hold confines, to organize themselves in groups and to work in productive and social activities.

2.3 Research Gap

Research is searching something new again and again. So it is never ending process. Different scholars and researcher have given their different findings and conclusion in the field of microfinance and women microfinance. From the above review of articles and dissertations it seems that this research paper is trying to find out something new in the field of women microfinance. Few studies have been taken place in the topics of Microfinance. Some studies are not available publicly use although they are conducted. These types of studies are done by related microfinance organization for their own self. As such very few studies are made in this context. In the concern of Socio-Economic Impact of Microfinance on Women Under Bindabasai Saving Co-operative Society Ltd. is not done by other in selected area. However, the study is entirely new which accomplishes by the researcher's own research. Although, there are various researches carried out related to the micro finance program but present study is significant difference from the previous research in nature as it focus on micro level in depth study. So, this is in depth study and its related topic. Findings will certainly be useful for visualizing the reality of the micro finance program performance and its positive impact on targeted group and the further implementation of the different program. The findings of this research will stand as a blueprint for the concern sector. This research will play the role of a catalyst for further research carried in this.

This study also attempts to explore socio-economic impact of micro finance over the groups, so this purpose study is new one which will be beneficial to all the members, institute, and students who want to learn about socio-economic impact of microfinance.

CHAPTER- III

RESEARCH METHODOLOGY

3.1 Research Design

This study is based on the micro-study of micro-credit program. It has been intended to analyze the effectiveness and sustainability of micro-credit program in the specific study area. Both explorative and descriptive research designs have been adopted to analyze and interpret the quantitative and qualitative data collected from the concerned field. Loan, investment and repayment of credit have been observed.

3.2 Nature of the Data

The study has mainly been based on the first hand or primary data observed and collected from the consequence area using appropriate data collection tools.

Required secondary data have also been obtained through secondary sources e.g. books, journals, newspapers, published and non published reports by MFIs, NGOs, INGOs, SOs and other institutions working in this field. The questionnaire has been presented in Appendix -I.

3.3 Population and Sample

The population under this study is 1376 individuals in the form of group formed under micro credit program in the Panauti-12, Khopasi. Out of total population 138 individuals have been chosen as the sample population for the detailed study.

3.4 Sampling Technique

The list of the rural women of Panauti-12, Khopasi centre involving in micro-credit program was found from BISCOL and other concern organization. From that list a sample has been taken by using stratified random sampling considering each ward and VDC of Khopasi centre as a separate strata.

3.5 Data Collection Procedure

The primary data were collected by making structured questionnaire. Borrowers, women group leader and staffs of the concern institutions were interviewed separately and required data were collected. To collect necessary information the researcher had

also discussed with many professionals, which was very much useful to present report in this form.

3.6 Tools for Presentation and Analysis of Data

Obtained information is analyzed using the spreadsheet. Different mean based statistical tools and frequency counts are applied as per requirement. Specially, quantitative analysis tools are applied to assess the economic impacts and qualitative indicators are used to assess the socio-economic empowerment. Generally tabulation and cross tabulation is done to analyze the casual relations and effects across the relevant variables. Qualitative information is based on observation and perceptions which are analyzed and interpreted by researcher. Further, qualitative information obtained through individual interview, focus group discussion is blend together with quantitative data to draw implications and conclusions. Again z test is fitted to analyze whether the living standard have changed from before and after program intervention. And T Test is fitted to analyze the income and investment pattern of sample women before and after program.

3.6.1 Statistical Tools

Following statistical tools are used in this study.

a) Arithmetic Mean (\bar{x})

Arithmetic mean *is* the most popular and widely used statistical tool to measure the entire data by one value called average. The mean value can be obtained when the total of all the values in a distribution is divided by the number of values in the distribution. Arithmetic mean is also known as the arithmetic average (Bajracharya, 2067:p.101).

Symbolically,

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

$$\text{i.e. } \bar{x} = \frac{\sum x}{n}$$

Where, \bar{x} = Arithmetic Mean

$\sum x$ = Sum of observations

n = no. of observations

b) Test of the significance of the parameters.

Z Test

Z test is used to examine the overall significance of the model, which can be performed as:

$$Z = \frac{P_1 - P_2}{\sqrt{PQ\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Where,

P_1 = Sample proportion of relatively better off members before borrowing

P_2 = Sample proportion of relatively better off members after borrowing

$$P = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

and $Q = 1 - P$

The calculated variance ratio is compared with the tabulated value at 1% and 5% special level of significance with degree of freedom. If $Z_{cal} < Z_{tab}$ null hypothesis is accepted. If $Z_{cal} > Z_{tab}$ null hypothesis is rejected.

T Test

T test is used to examine the overall significance of the model, which can be performed as:

$$T = \frac{\bar{d}}{\frac{s}{\sqrt{n}}}$$

Where,

\bar{d} = mean of the differences

s = sample standard deviation

n = no of sample

The calculated variance ratio is compared with the tabulated value at 1% and 5% special level of significance with n-1 degree of freedom. If $T_{cal} < T_{tab}$ null hypothesis is accepted. If $T_{cal} > T_{tab}$ null hypothesis is rejected.

Research Hypothesis

Hypothesis 1

There is no significant difference between the proportion or relatively better off respondents before and after borrowing.

Hypothesis 2

There is no significant difference between the proportion of relatively better off respondents before and after borrowing.

In order to fulfill the above mentioned objectives of this research, the following indicators are used and analyzed.

Table 3.1: Indicators of Analysis by Objectives

Objectives	Major Indicator	Sources of Data
- To study the economic impact of the microfinance program in women empowerment .	<ul style="list-style-type: none"> - Assets creation (Physical and financial) - Landholding - Building - Livestock holding - Other household assets - Saving - Food Security - Income and Expenditure pattern - Loan borrowing and repayment - Employment Creation 	- Field survey with the sample of focused women clients
- To analyze the socio impact of microfinance program in women empowerment .	<p>Empowerment at household level</p> <ul style="list-style-type: none"> - Decision making and participation in household level - Level of awareness on basic issues - Keeping and using of profits and fund. - Household level discrimination and family cooperation. - Household responsibility and family support <p>Empowerment at external level</p> <ul style="list-style-type: none"> - Traveling outside from the home. - Awareness on political and legal issues - Participation on Social activities. - Exposure at the community. - Trust and respect from other. 	- Field survey with the sample of focused group women clients and interaction with BISCOL personnel.

	<ul style="list-style-type: none"> - Visit and demand services from line agencies - Level of Confidence - Participation of the women group in the program organized by MFIs. - Evaluation of the effectiveness of the organized program in women empowerment 	
<ul style="list-style-type: none"> - To analyze the constraints faced by the women clients because of the competitive microfinance services. 	<ul style="list-style-type: none"> - Constraints faced - Opportunities gained from the MFIs 	<ul style="list-style-type: none"> - Discussion on the focused group women clients and the interview with the related BISCOL personnel and their stakeholders.

Source: Designed by Researcher

CHAPTER- IV

PRESENTATION AND ANALYSIS OF DATA

This chapter consists of presentation and analysis of primary and secondary data related with different variable using statistical tools. The basic objective of this chapter is to analyze the relevant information. In order to achieve these objectives the gathered data are presented and analyzed with the help of different tools and techniques. It comprises of management of saving and credit for women, savings, investments, repayment pattern of loan, income from loan, impact on income, education, changes in custom and society.

4.1 Economic Impacts

Economic Impact of microfinance on women are measured through some of the visible indicators that sample women have felt. The physical assets-land, building, livestock, and other household amenities, saving-income and expenditure patterns, food security, loan borrowing, repayment, employment and vulnerability are measured and analyzed.

4.1.1 Assets Creation (Physical and Financial)

Land, livestock and home to live are the three major assets which significantly affect the overall position of a poor household. Fundamentally, these three are the indicators that BISOCL has been using in identifying a women to be their member. Therefore, measuring impacts of microfinance seem much more relevant using them thus has analyzed the changes revealed in the surveyed sample clients.

4.1.1.1 Landholding

Land is the primary assets that everyone asserts to have it since this is the primary source of livelihoods in the agricultural country like Nepal. The microfinance program itself is focus on landless, marginal landholders and deprived people. The survey revealed that majority of clients does not have sufficient land for cultivation. All the clients have their own home and somehow little kitchen garden before involving in the microfinance program. After involving in such micro financing

program also there is no differences found in creating the fixed assets like landholding.

Table 4.1: Number of Client's Households Holding and Adding Land

Particulars	Status Before		Status After	
	No.	%	No.	%
Clients having land	138	100%	138	100%
Clients adding land	0	0	0	0

Source: Field survey 2012

Above table 4.1 shows that the impact of microfinance doesn't show any positive movements for adding the land. So survey done, it is found that the clients are not able to add the land after the involvement in the provided microfinance programs.

4.1.1.2 Building

Home to live poses higher value to anyone in other parts of the country and the world. According to the interviewed women, they value home in their life mainly on the two grounds (i) form the safety and comfort, and (ii) social value. They prefer to improve the quality of house by changing their roof, making ground cemented, plastering the walls etc. Women feel proud to say and show that changed the thatch roof into the CGI sheet. During the interview, the obvious happiness could be observed because of this improvement.

Among the sample clients, merely 15% gave renovated their home prior joining the program but during the survey, it revealed that almost all clients have renovated their home i.e. 86.96%. In that sense, the microfinance program has been very much helpful in making them prosperous.

Table 4.2: Number of Client's Households Renovating and Building New House

Particulars	Status Before		Status After	
	No.	%	No.	%
Clients having home	138	100%	138	100%
Clients renovated their home	21	15.22%	120	86.96%

Source: Field survey 2012

BISOCL does not provide loan or home repair and maintenance thus there is no chances of using the loan fund for this purpose and monitoring of loan utilization is

also very much strict thus it is apparent that the revenue generated is used for this purpose which signifies the benefit of joining microfinance program.

4.1.1.3 Livestock Holding

Holding livestock is an integral part of livelihoods in any rural parts of Nepal like in rest of the way rating the household level prosperity with the number of animal head hold is very common in Nepal. The similar notion applies to the type of livestock hold. Large animal like buffalo and ox represents the magnitude of wealth and security compared to small scale livestock such as goat and chicken. Therefore, this study has analyzed the changes taken place in these different types of animals. Among the surveyed clients also, keeping animal is an integral part of their life. The holding but due to the lack of their own sufficient land and animal feeding problem there is no clients holding large animals like cow and buffalo but mostly they've small scale livestock like goat and chicken. After joining the microfinance program it is found that the clients have taken initiation in keeping pigs and chickens and making them the source of income generation.

Table 4.3: No. of Clients Households Holding Livestock Before and After

Particulars	Status Before		Status After	
	No. of clients HHs (Before)		No. of clients households (After)	
	No.	%	No.	%
Large livestock (Cow, Buffalo, and Ox)	14	10.14%	14	10.14%
Medium size livestock (Goat, Pig, and sheep)	25	18.12%	33	23.92.%
Small scale livestock (Chicken and Duck)	20	14.49%	37	26.81%

Source: Field survey 2012

4.1.2 Management of Saving and Credit for Women

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

The status of saving by women under different saving program is presented in the following Table 4.4

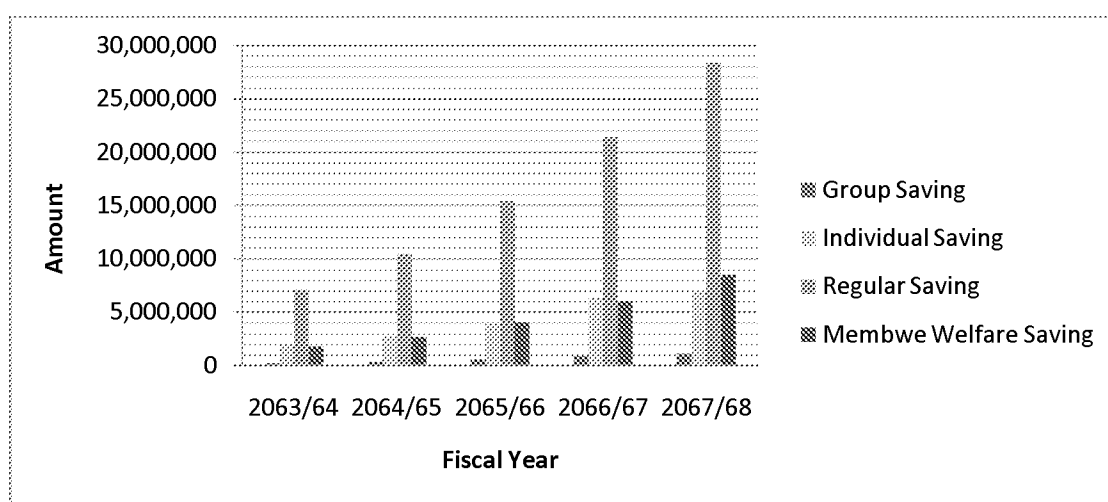
Table 4.4: Saving by Group Members under Saving Programs (In Rs.)

S. N.	F/Y	Group Saving		Individual Saving		Regular Saving		Member Welfare Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	2063/64	218,761	6.80%	2,093,627	9.34%	7,141,196	8.62%	1,812,009	7.82%	11,265,593	8.56%
2	2064/65	374,385	11.64%	2,839,253	12.67%	10,506,712	12.68%	2,689,437	11.61%	16,409,787	12.46%
3	2065/66	615,184	19.13%	4,024,918	17.95%	15,442,575	18.63%	4,082,863	17.63%	24,165,540	18.35%
4	2066/67	894,034	27.80%	6,357,961	28.36%	21,405,523	25.82%	6,080,469	26.25%	34,737,987	26.38%
5	2067/68	1,113,211	34.62%	7,101,728	31.68%	28,391,930	34.25%	8,497,197	36.69%	45,104,066	34.25%
	Total	3,215,875		22,417,487		82,887,936		23,161,975		131,682,973	
	Average	643,175	2.44%	4,483,497	17.02%	16,577,587	62.95%	4,632,395	17.59%	26,336,595	100.00%

Source: Annual Report 2012, BISCOL

Above Table 4.4 shows the saving of members of BISCOL under different saving programs during the last five years. There are different saving amounts under different headings. The overall saving from different saving programs stands for Rs 131,682,973. Regular saving stood at the highest percentage of 62.95 % followed by Member welfare saving 17.59 %, individual saving 17.02 % and group saving 2.44%. The table shows that the total all saving is being increasing yearly, However women seem to attracted towards Regular saving as a result it is increasing. We can conclude that regular saving plays the vital role as a source of financing. The above saving programs can be shown in the following figure no 4.1:

Figure 4.1: Saving by Group Members under Saving Programs



Source: Annual Report 2012, BISCOL

Above Figure 4.1 shows the saving of members of BISCOL under different saving programs during the last five years. There are different saving amounts under different headings. The overall saving from different saving programs stands for Rs 131,682,973. Regular saving stood at the highest percentage of 62.95 % followed by Member welfare saving 17.59 %, individual saving 17.02 % and group saving 2.44%. The table shows that the total all saving is being increasing yearly, However women seem to attracted towards Regular saving as a result it is increasing. We can conclude that regular saving plays the vital role as a source of financing.

4.1.3 Number of Women Taking Loan

Most of the women were not financially sufficient. So they were taking loan to run their livelihood and also to earn some money. Following Table. 4.5 shows the numbers of women taking loan before and after involvement in BISCOL activities.

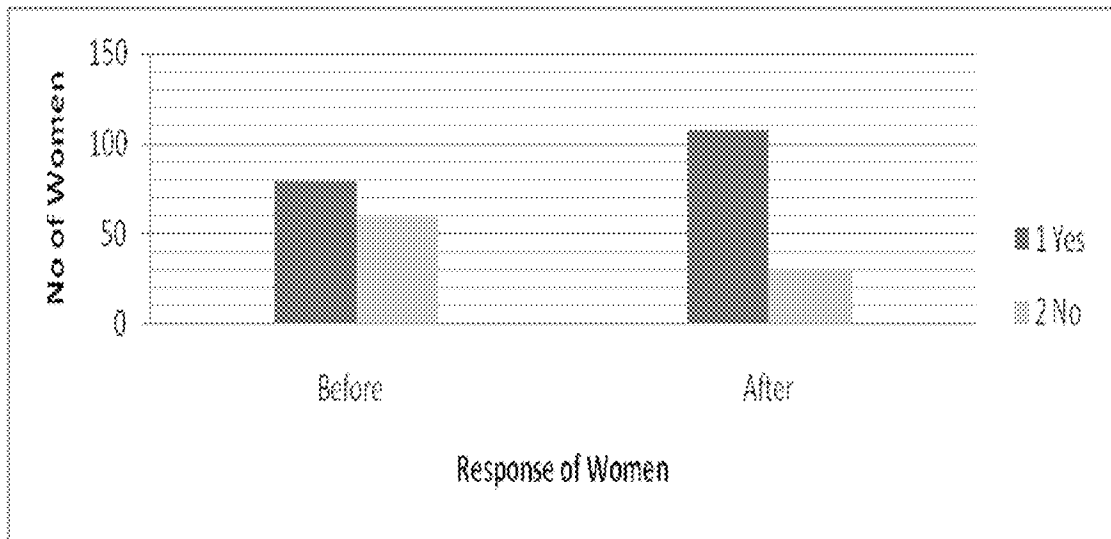
Table 4.5: Numbers of Women Taking Loan

S.N.	Description	Before		After		% Increase/Decrease
		Number	%	Number	%	
1	Yes	79	57.25	108.0	78.26	21.01
2	No	59	42.75	30.0	21.74	-21.01
Total		138	100	138.0	100.00	

Source: Field Survey, 2012

Above Table 4.5 shows that the sample women involved in taking loan. Before involvement in BISCOL programs, 79 women were taking loan for their micro business and micro enterprises and 59 women were not taking loan. But after involvement in BISCOL programs, number of taking loan women increased to 108 and the number of women who were not taking loan decrease to 30. Hence there was 21.01% increase in women who taking loan. BISCOL programs provide an opportunity to earn more money by utilizing their fund. Most of the respondents mobilize their fund in the proper way. The graphical presentation of above data is given in Figure 4.2 below:

Figure 4.2: No. of Women Taken Loan



Source: Field Survey, 2012

Above Figure 4.2 shows that the sample women involved in taking loan. Before involvement in BISCOL programs, 79 women were taking loan for their micro business and micro enterprises and 59 women were not taking loan. But after involvement in BISCOL programs, number of taking loan women increased to 108 and the number of women who were not taking loan decrease to 30. Hence there was 21.01% increase in women who taking loan. BISCOL programs provide an opportunity to earn more money by utilizing their fund. Most of the respondents mobilize their fund in the proper way.

4.1.4 Response of Women on Repayment of Taken Loan

Sample of women were taken loan who are involved in borrowing of loan for repayment pattern. The following Table 4.6 shows the women's response on repayment pattern of loan which was taken by women before and after entering into BISCOL programs.

Table 4.6: Women's Response on Repayment of Taken Loan

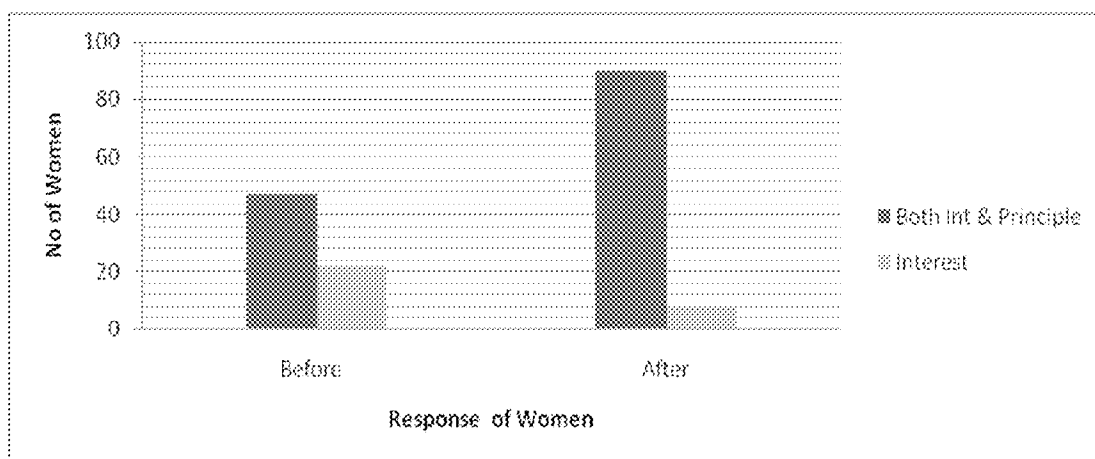
S.N.	Des.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Both Int & Principle	54	68.35	99	91.67	23.32
2	Interest	25	31.65	9	8.33	-23.32
Total		79	100	108	100	

Source: Field Survey, 2012

Above Table 4.6 shows that the sample women's response on repayment of taken loan. Before involvement in BISCOL programs, 54 women were repayment of taken loan both principle and interest and 25 women were repayment of taken loan interest only. But after involvement in BISCOL programs, number of women repayment of both principle and interest were increased to 99 and the number of women who were repayment of interest only decrease to 9. Hence there was 23.32 % increase in women who repayment of taken loan both principle and interest and 23.32 % decrease in women who repayment of taken loan interest only.

To make it clear, meaningful and understandable above data presented in the graphical form in Figure 4.3 as follows.

Figure 4.3: Women's Response on Repayment of Taken Loan



Source: Field Survey, 2012

Above Figure 4.3 shows that the sample women's response on repayment of taken loan. Before involvement in BISCOL programs, 54 women were repayment of taken loan both principle and interest and 25 women were repayment of taken loan interest only. But after involvement in BISCOL programs, number of women repayment of both principle and interest were increased to 99 and the number of women who were repayment of interest only decrease to 9. Hence there was 23.32 % increase in women who repayment of taken loan both principle and interest and 23.32 % decrease in women who repayment of taken loan interest only.

4.1.5 Condition of Business Which is Running From Loan

Women are doing business from the loan which was taken from BISCOL. They were also doing business from loan prior to entering BISCOL. So the following Table 4.7 shows the condition of business which was running by them from loan.

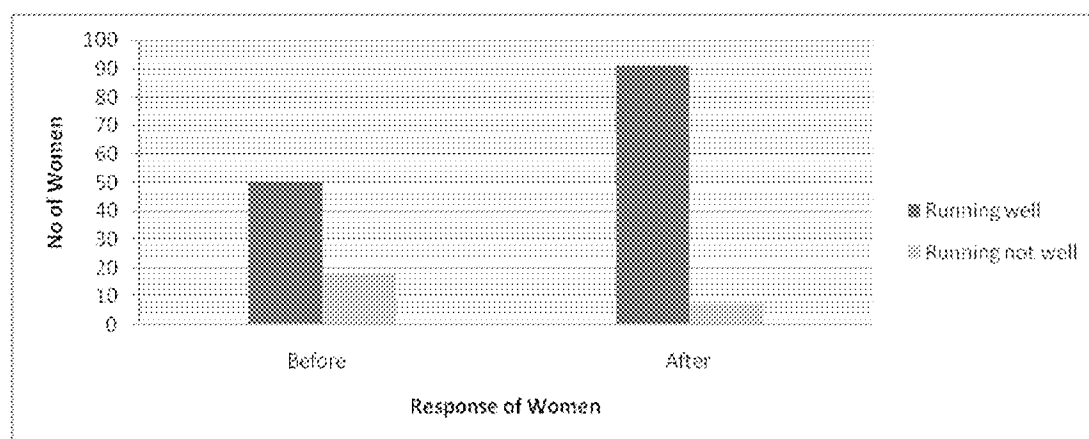
Table 4.7: Condition of Business Which is Running From Loan

S.N.	Des.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Running well	57	72.15	100	92.59	20.44
2	Running not well	22	27.85	8	7.41	-20.44
Total		79	100	108	100	

Source: Field Survey, 2012

Above Table 4.7 shows that the sample women's condition of business which is running from loan. Before involvement in BISCOL programs, 57 women's business were running well and 22 women's business were not running well. But after involvement in BISCOL programs, 100 women's business were running well and only 8 women's business were not running well. Hence there was 20.44 % increase in women's business running well and there was 20.44% decrease in women's business running not well. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.4: Condition of Business which is Running from Loan



Source: Field Survey, 2012

Above Figure 4.4 shows the sample women's condition of business which is running from loan. Before involvement in BISCOL programs, 57 women's business were

running well and 22 women's business were not running well. But after involvement in BISCOL programs, 100 women's business were running well and only 8 women's business were not running well. Hence there was 20.44 % increase in women's business running well and there was 20.44% decrease in women's business running not well.

4.1.6 Investment and Income

Investment is using fund to raise more funds. The fund which is generated from investment is income. So money is invested in the form of loan at certain percentage of interest. Loan is recovered with interest after certain period of time. Fund without investment is useless. This fund investment is playing greater role to increase the livelihood of BISCOL women.

Income and investment are interrelated. Without investment there is no income and without income there is no investment. Following table shows the response of women getting income from loan investment of BISCOL and before BISCOL programs. Description is divided in to maximum, minimum and no income. Table 4.8 also makes clear about number of women and percentage of women getting income from investment.

Table 4.8: Income From Investment

S.N.	Des.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Maximum	30	37.97	64	59.26	21.29
2	minimum	35	44.30	40	37.04	-7.26
3	No	14	17.73	4	3.70	-14.03
Total		79	100	108	100	

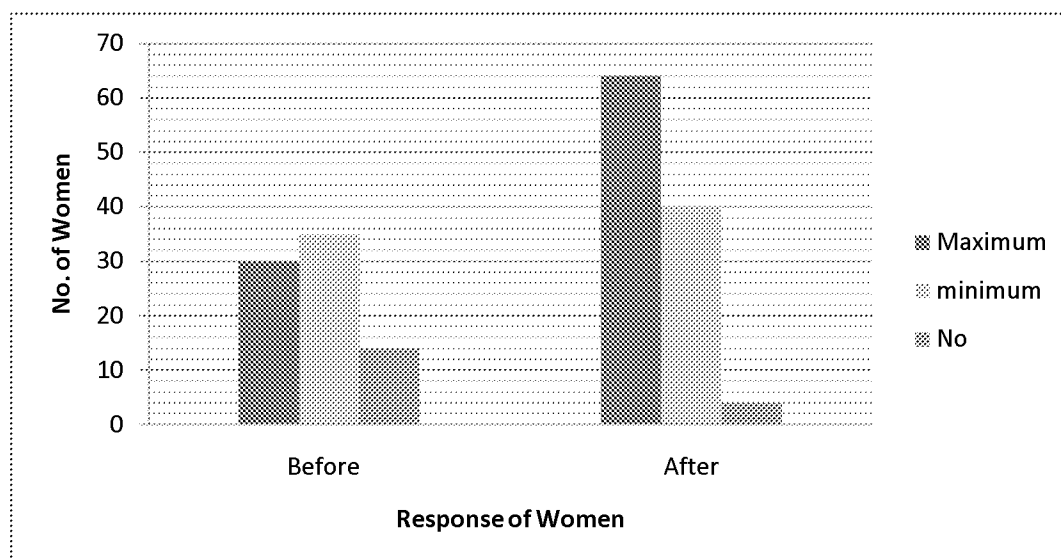
Source: Field Survey, 2012

Above Table 4.8 shows the number of women and percent of women getting income from investment. Response of women was maximum income benefit, minimum income benefit and no income. Before entering into BISCOL programs, 79 women were investing loan from different sectors. But after involvement in BISCOL programs, 108 women were investing loan from different sectors. So there was 21.29% increase in number of women who said that they were getting maximum

benefits from investment. So majority of respondents were highly benefited from the BISCOL program.

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

Figure 4.5: Income From Investment



Source: Field Survey, 2012

Above Figure 4.5 shows the number of women and percent of women getting income from investment. Response of women was maximum income benefit, minimum income benefit and no income. Before entering into BISCOL programs, 79 women were investing loan from different sectors. But after involvement in BISCOL programs, 108 women were investing loan from different sectors. So there was 21.29% increase in number of women who said that they were getting maximum benefits from investment. So majority of respondents were highly benefited from the BISCOL program.

4.1.7 Amount Invested by Women in Business

Loan taken by women was invested in Business before and after entering into microfinance programs. The following Table 4.9 shows the response of sample women who invest different amounts in business

Table 4.9: Amount Invested by Women in Business

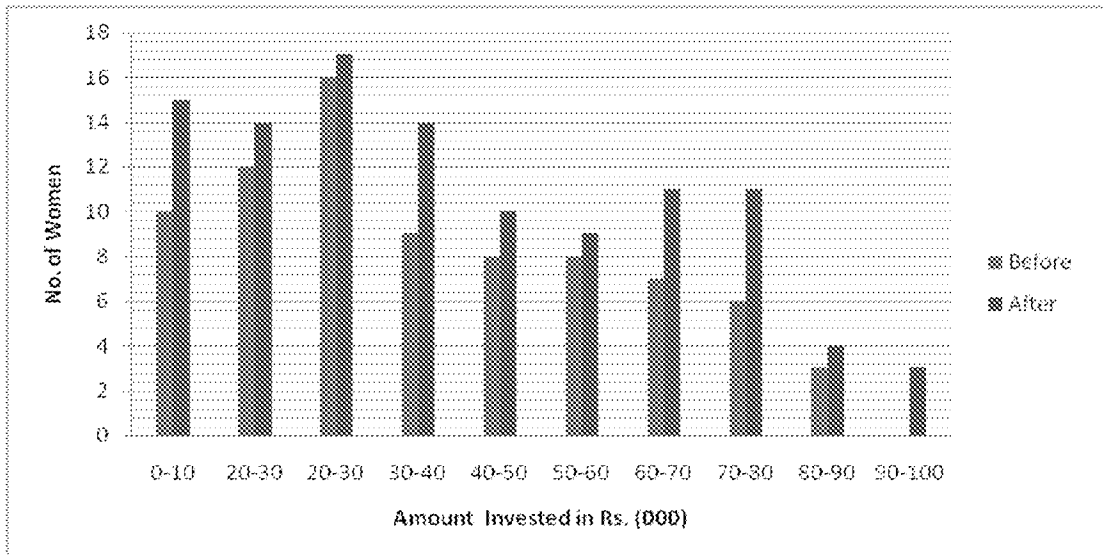
S.N.	Amount in Rs.(000)	Before		After		% Increase/Decrease
		Number of women	%	Number of Women	%	
1	0-10	10	12.66	15	13.89	1.23
2	10 20	12	15.19	14	12.96	-2.23
3	20-30	16	20.25	17	15.74	-3.96
4	30-40	9	11.39	14	12.96	1.57
5	40-50	8	10.13	10	9.26	-0.87
6	50-60	8	10.13	9	8.33	-1.80
7	60-70	7	8.86	11	10.19	1.33
8	70-80	6	7.59	11	10.19	2.6
9	80-90	3	3.80	4	3.70	-0.10
10	90-100	0	0	3	2.78	2.78
Total		79	100	108	100	

Source: Field Survey, 2012

Above Table 4.9 shows the positive impact of microfinance activities in investment pattern. Mean Investment by sample in business after BISCOL program is increased to Rs. 39,907 from Rs 36,772 Which gives positive result to us. It means increased investment is more consistent then previous investment. Their economical condition is improving after microfinance program. This is because more women involve in this program and can earn a certain income after entering the program. It seems women were highly encouraged to mobilize their saving fund.

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

Figure 4.6: Amount Invested by Women in Business



Source: Field Survey, 2012

Above Figure 4.6 shows the positive impact of microfinance activities in investment pattern. Mean Investment by sample in business after microfinance program is increased to Rs 39,907 from Rs 36,772 Which gives positive result to us. It means increased investment is more consistent than previous investment. Their economical condition is improving after BISCOL program. This is because more women involve in this program and can earn a certain income after entering the program. It seems women were highly encouraged to mobilize their saving fund.

4.1.8 Presentation and Analysis of Investment Pattern

Presentation & analysis of investment pattern Before & after M.F.P. T-Test

1. Null Hypothesis $H_0: \mu_1 = \mu_2$, i.e This is no increment in investment pattern of sample women after M.F.P.
2. Alternative Hypothesis $H_1: \mu_1 < \mu_2$, i.e. There is increase in investment pattern of sample women after M.F.P (left tailed test).

Table 4.10: Calculation of Required Sum Values

Tole	Average Investment Before (X)	Average Investment After (Y)	d(Y-X) '00'	d ²
Balthali	28,000	37,500	90	8100
Chalal	30,000	35,000	50	2500
Khakyu	17,000	23,000	60	3600
Khopasi	22,000	25,000	30	900
Nepane	12,500	21,000	85	7225
Pasthali	16,000	25,500	90	8100
Patikharka	15,000	16,000	10	100
Salmitar	12,000	14,000	20	400
Sankhu	7,000	15,000	80	6400
			$\sum d = 515$	$\sum d^2 = 37,325$

Source: Field Survey, 2012

Where,

\bar{d} = Mean of difference

S = Standard deviation

$$\bar{d} = \frac{\sum d}{n} = \frac{515}{9} = 57.22$$

$$S = \sqrt{\frac{1}{n-1} [\sum d^2 - (\frac{\sum d}{n})^2]} = 31.34$$

$$\text{Test Statistic } T = \frac{\bar{d}}{\frac{S}{\sqrt{n}}} = 5.47$$

Level of significance = 0.05

Degree of freedom (d) = n-1 = 9-1 = 8

The tabulated value of T-Test; Since tabulated value of t at 5% level of significance and 8 degree of freedom for one tail test is 1.860.

Decision

Since computed T (5.47) is greater than that tabulated value i.e. 1.860, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the project intervention is significant in increasing the investment in business after M.F.P.

4.1.9 No of People Engaged in M.F.P.

There is a few number of peoples engaged in micro finance program in Nepal. But it is in the increasing trend recent year trend in the recent year as a result of awareness program. In my research area following result has been found as presented in the following Table 4.11 below:

Table 4.11: No of People Engaged in M.F.P.

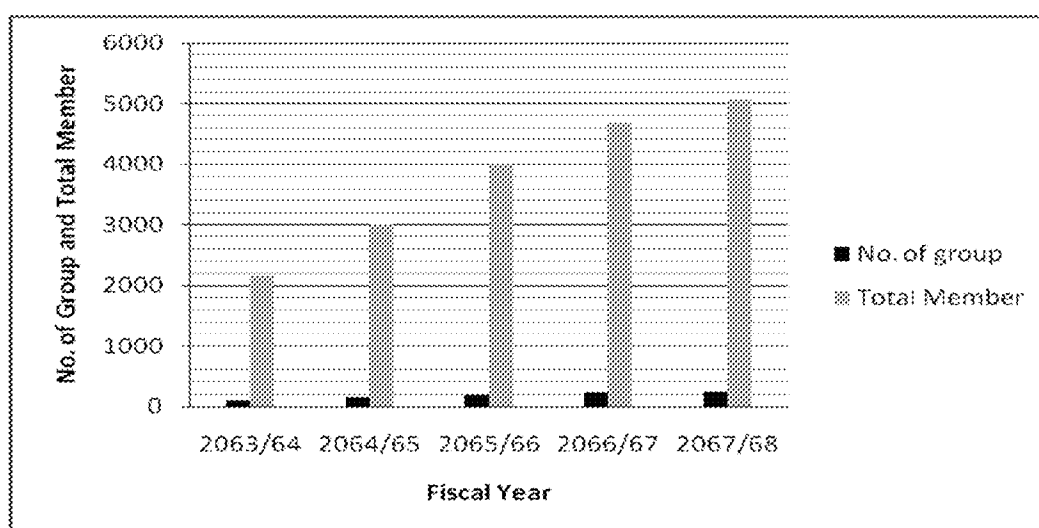
Year	2063/64	2064/65	2065/66	2066/67	2067/68	Total
No. of group	102	145	191	220	243	901
Total Member	2151	3004	4001	4668	5073	18997

Source: Annual Report 2012, BISCOL

Above table no 4.11 shows the no of group of micro finance formed in different fiscal year and total member of all group. From the table it is clear that every year no of group and member are increasing. In 2063/64 total group is 102 and member is 2151, in 2064/65 total group are increase up to 145 and total member 3004, in the year 2065/66. 2066/67 and 2067/68 the total group and total member are 191, 220,243 and 4001, 4668, 5073 accordingly. From this table it is clear that every year no of group is increasing and the member as well. In conclusion we can say that microfinance program is effective in the area because of increasing trends of no of group and member.

This also presented in the Figure 4.7 below:

Figure 4.7: No of People Engaged in Microfinance Program



Source: Annual Report 2012, BISCOL

Above Figure 4.7 shows the no of group of micro finance formed in different fiscal year and total member of all group. From the table it is clear that every year no of group and member are increasing. In 2063/64 total group is 102 and member is 2151, in 2064/65 total group are increase up to 145 and total member 3004, in 2065/66. 2066/67 and 2067/68 the total group and total member are 191, 220,243 and 4001, 4668 5073 accordingly. From this table it is clear that every year no of group is increasing and the member as well. In conclusion we can say that microfinance program is effective in the area because of increasing trends of no of group and member.

4.1.10 Portion of People Benefited From M.F.P.

Most of the people engaged in micro finance activities are benefited with the programme. The peoples benefited with M.F.P. in Khopasi area is presented in the following Table 4.12:

Table 4.12: Portion of People Benefited From M.F.P.

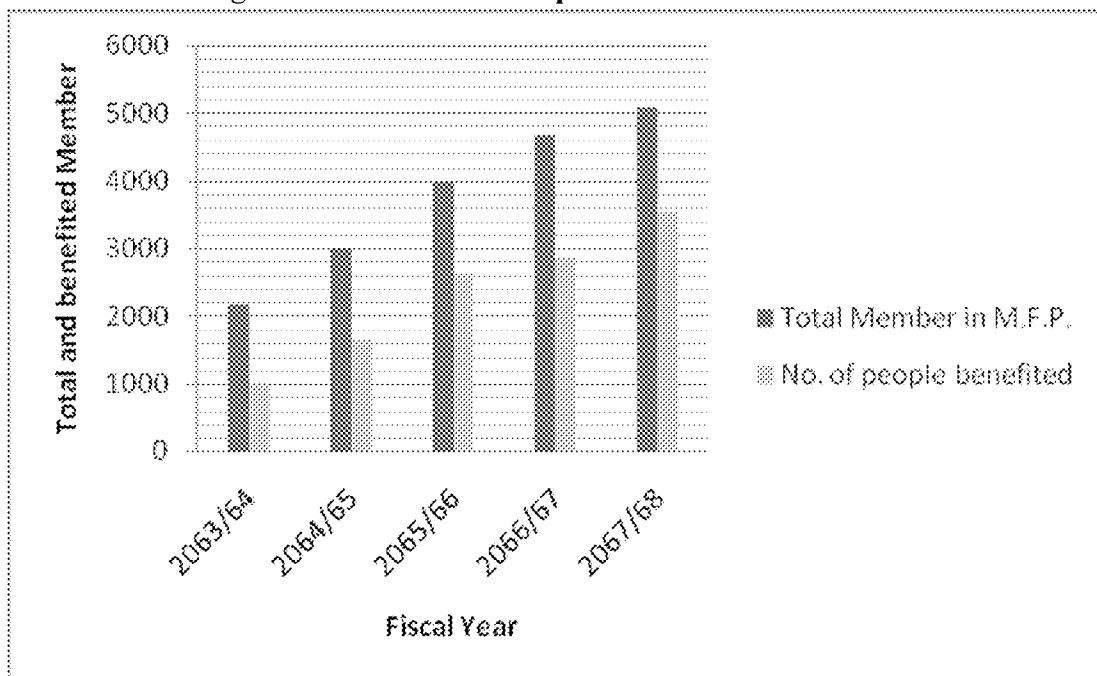
Year	2063/64	2064/65	2065/66	2066/67	2067/68
Total Member in M.F.P.	2151	3004	4001	4668	5073
No. of people benefited	1013	1661	2626	2860	3526
% of people benefited.	47.09	55.29	65.63	61.27	69.51

Source: Annual Report 2012, BISCOL

Above Table 4.12 shows the portion of people benefited from micro-finance program. Benefited are those people who took loan from the BISCOL under microfinance program. In the table, from fiscal year 2063/64 to 2067/68 the total no of member are increasing. When total no of member are increasing, no of member taking loan or benefited is also increasing. In fiscal year 2063/64 benefited are 47.09%, in fiscal year 2064/65 55.29%, in fiscal year 2065/66 benefited are 65.63%, likewise in fiscal year 2066/67 percentage of benefited member are 61.27% , in fiscal year 2067/68 the percentage is 69.51%. From this table it is clear that every year except 2066/67, percentage of benefited member is increasing. From this we can conclude that every year loan taking member is increasing and they are investing in different micro enterprises, which help to uplift the living standard of participants.

This can be presented in the Figure 4.8 below:

Figure 4.8: Portion of People benefited From M.F.P.



Source: Annual Report 2012, BISCOL

Above Figure 4.8 shows the portion of people benefited from micro-finance program. Benefited are those people who took loan from the BISCOL under microfinance program. In the table, from fiscal year 2063/64 to 2067/68 the total no of member are increasing. When total no of member are increasing, no of member taking loan or benefited is also increasing. In fiscal year 2063/64 benefited are 47.09%, in fiscal year 2064/65 55.29%, in fiscal year 2065/66 benefited are 65.63%, likewise in fiscal year 2066/67 percentage of benefited member are 61.27% , in fiscal year 2067/68 the percentage is 69.51%. From this table it is clear that every year except 2066/67, percentage of benefited member is increasing. From this we can conclude that every year loan taking member is increasing and they are investing in different micro enterprises, which help to uplift the living standard of participants.

4.1.11 Loan Recovery and Outstanding

Since loan is distributed in different programs and recovery is also from different programs. But according to BISCOL report overall recovery is shown. So the state of loan recovery and outstanding is shown in Table 4.13.

Table 4.13: Loan Recovery and outstanding

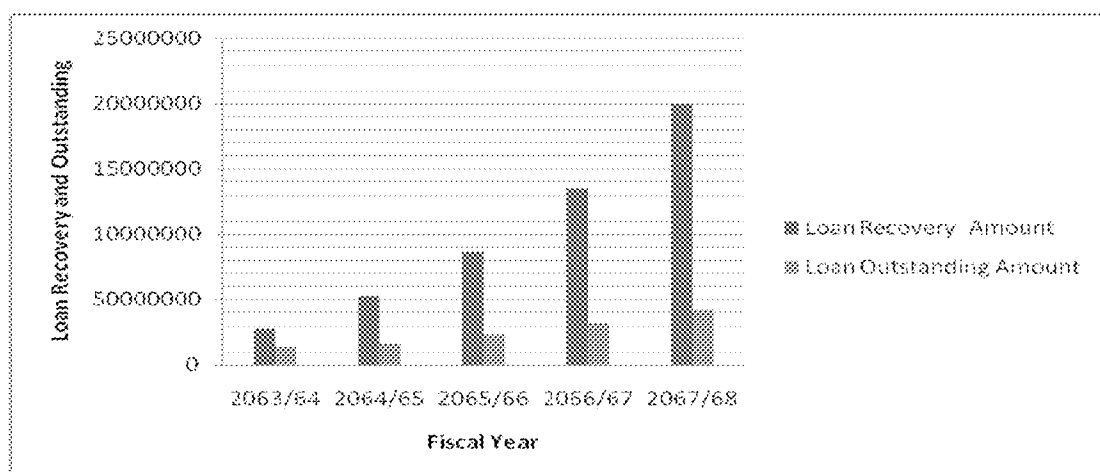
S.N.	Fiscal Year	Loan Recovery		Loan Outstanding		Total	
		Amount	%	Amount	%	Amount	%
1	2063/64	27695141	67.31	13452147	32.69	41147288	6.56
2	2064/65	52088451	77.07	15500837	22.93	67589288	10.77
3	2065/66	86680557	79.24	22711731	20.76	109392288	17.43
4	2066/67	135009460	80.9	31974828	19.1	166984288	26.61
5	2067/68	199892666	82.43	42398423	17.57	242491719	38.64
Total		501366275	79.89	126037966	20.11	627604871	100
Average		100273255		25207593		125520974	

Source: Annual Report 2012, BISCOL

Above Table 4.13 shows the amount and % of loan recovered by BISCOL from groups of women in different fiscal years. It also shows the outstanding loan of BISCOL in different fiscal years. The total loan recovery on last five year was Rs 501,366,275 and outstanding was Rs 126,037,966. Highest amount and percentage of loan recovery was in fiscal year 2067/68 amounting Rs 199,892,666. The smallest amount loan recovery was in fiscal year 2063/64 amounting Rs 27,695,141. Out of total disburse loan, 79.89 % loan was recover during the years and only 20.11 % loan was outstanding. Loan recovery rate is higher. We conclude that women can earn so they repay on their loan on the other hand they are conscious about the repayment of loan. BISCOL program seems able to recover their fund. There is no chance of bad debts.

The data related to loan recovery and loan outstanding can also present by following graphical form in Figure 4.9 as follows:

Figure 4.9: Loan Recovery and Outstanding



Source: Annual Report 2012, BISCOL

Above Figure 4.9 shows the amount and % of loan recovered by BISCOL from groups of women in different fiscal years. It also shows the outstanding loan of BISCOL in different fiscal years. The total loan recovery on last five year was Rs 501,366,275 and outstanding was Rs 126,037,966. Highest amount and percentage of loan recovery was in fiscal year 2067/68 amounting Rs 199,892,666. The smallest amount loan recovery was in fiscal year 2063/64 amounting Rs 27,695,141. Out of total disburse loan, 79.89 % loan was recover during the years and only 20.11 % loan was outstanding. Loan recovery rate is higher. We conclude that women can earn so they repay on their loan on the other hand they are conscious about the repayment of loan.

4.1.12 Position of Saving under M.F.P. in Total saving

Position of saving under microfinance program in total saving of BISCOL is presented in Table 4.14 below.

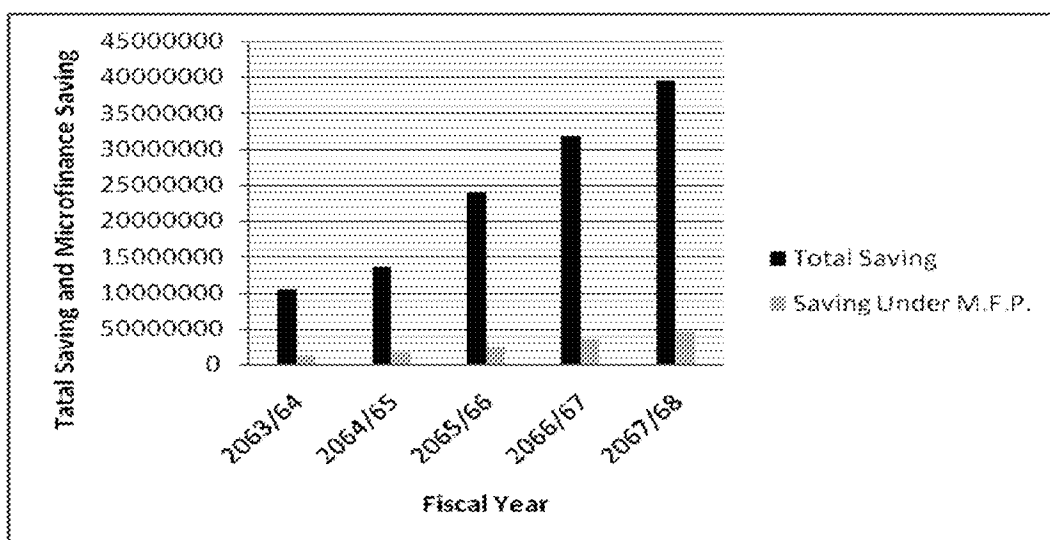
Table 4.14: Saving Under M.F.P. in Total Saving

Year	2063/64	2064/65	2065/66	2066/67	2067/68	Total
Total Saving	104090000	135867000	240355000	318427000	394884000	1193623000
Saving Under M.F.P.	11265593	16409787	24165540	34737987	45104066	131682973
% of saving Under M.F.P.	11%	12.08%	10.05%	10.91%	11.42%	

Source: Annual Report 2012, BISCOL

The above Table 4.14 shows that the total saving and saving under microfinance program. Out of total savers, in fiscal year 2063/64, total saving in microfinance is 11%, in 2064/65 that percentage increases up to 12.08%. In fiscal year 2065/66 it decrease to 10.05% but in fiscal year 2065/66 and 2067/68 that percentage is increased to 10.91 and 11.42, which indicate the effectiveness of microfinance program every year because every year percentage of saving under microfinance is increasing. The above table 4.14 can be presented by following graphical presentation in Figure 4.10.

Figure 4.10: Saving Under M.F.A. in Total Saving



Source: Annual Report 2012, BISCOL

The Figure 4.10 shows that the total saving and saving under microfinance program. Out of total savers, in fiscal year 2063/64, total saving in microfinance is 11%, in 2064/65 that percentage increase up to 12.08%. In fiscal year 2065/66 it decrease to 10.05% but in fiscal year 2065/66 and 2067/68 that percentage is increased to 10.91 and 11.42, which indicate the effectiveness of microfinance program every year because every year percentage of saving under microfinance is increasing.

4.1.13 Ratio of Disbursement under M.F.P. with Comparison to Total Disbursement

Table 4.15: Disbursement under M.F.A. under Total Disbursement

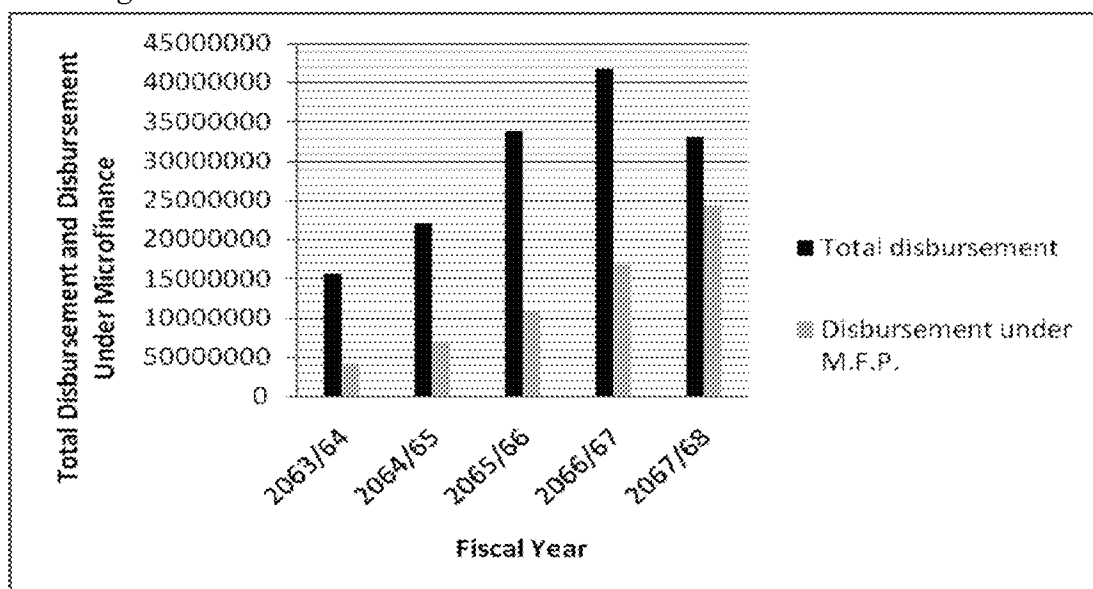
Year	2063/64	2064/65	2065/66	2066/67	2067/68	Total
Total disbursement	156113000	220545000	337347000	417476000	330076000	1461557000
Disbursement under M.F.P.	41147288	67589288	109392288	166984288	242491719	627604871
% of Disbursement under M.F.P	26.36%	30.65%	32.43%	40.00%	73.47%	

Source: Annual Report 2012, BISCOL

The above Table 4.15 shows that the total disbursement and disbursement under microfinance program. Out of total disbursement, In fiscal year 2063/64, total

disbursement in microfinance is 26.36%, in 2064/65 that percentage increase up to 30.65%. In fiscal year 2065/66 it increase to 32.43, in fiscal year 2065/66 and 2067/68 that percentage is increased to 40.00 and 73.47, which indicate the effectiveness of microfinance program every year because every year percentage of loan disbursement under microfinance is increasing. The above Table 4.15 can be presented by following graphical presentation in Figure 4.11 below:

Figure 4.11: Disbursement Under M.F.A. Under Total Disbursement



Source: Annual Report 2012, BISCOL

The above Figure 4.11 shows that the total disbursement and disbursement under microfinance program. Out of total disbursement, In fiscal year 2063/64, total disbursement in microfinance is 26.36%, in 2064/65 that percentage increase up to 30.65%. In fiscal year 2065/66 it increase to 32.43, in fiscal year 2065/66 and 2067/68 that percentage is increased to 40.00 and 73.47, which indicate the effectiveness of microfinance program every year because every year percentage of loan disbursement under microfinance is increasing.

4.1.14 Monthly Income of Women

Monthly income of sample women from different financial activities is presented below Table 4.16.

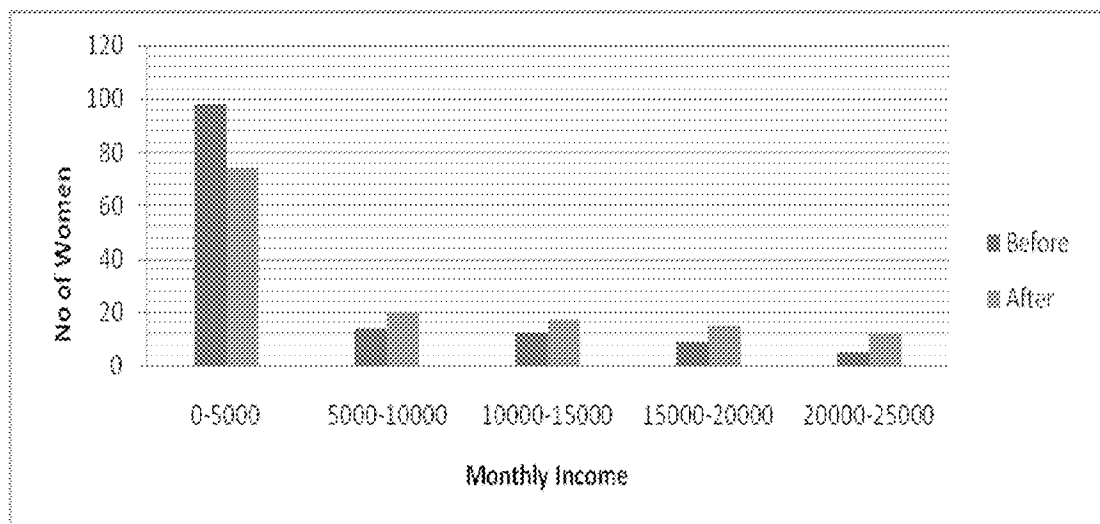
Table 4.16: Monthly Income of Women

S. N.	Income Range in Rs	Before		After		% Increase/Decrease
		Number	%	Number	%	
1	0-5000	98	71.01	74	53.62	-17.39
2	5000-10000	14	10.14	20	14.49	4.35
3	10000-15000	12	8.71	17	12.32	3.62
4	15000-20000	9	6.52	15	10.87	4.35
5	20000-25000	5	3.62	12	8.70	5.07
Total		138	100.00	138	100.00	

Source: Field Survey, 2012

Above Table 4.16 shows the positive impact. Mean income of respondent after BISCOL is increasing to Rs 7,826 from Rs 5,579 which gives positive result to us. It means increased income is more consistent than previous income. Their economical condition is improving after BISCOL program. There were 71.01 % of members earning up to Rs 5,000 and only 3.62 % of them earned between Rs 20,000-25,000. After intervention of program 53.62 % was earning less than Rs 5,000 and 8.70 % of members earned between Rs 20,000-25,000. The women who had entrepreneurship skills earned more. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

Figure 4.12: Monthly Income of Women



Source: Field Survey, 2012

Above Figure 4.12 shows the positive impact. Mean income of respondent after BISCOL is increasing to Rs 7826 from Rs 5579 which gives positive result to us. It means increased income is more consistent than previous income. Their economical condition is improving after BISCOL program. There were 71.01 % of members earning up to Rs 5,000 and only 3.62 % of them earned between Rs 20,000-25,000. After intervention of program 53.62 % was earning less than Rs 5,000 and 8.70 % of members earned between Rs 20,000-25,000. The women who had entrepreneurship skills earned more.

4.1.15 Presentation & Analysis of Monthly Income Pattern of Women Before and After M.F.P.

Presentation & analysis of monthly income pattern of women Before and after M.F.P

T-Test

1. Null Hypothesis $H_0: \mu_1 = \mu_2$, i.e. There is no increment in the income pattern of sample women after M.F.P.
2. Alternative Hypothesis $H_1: \mu_1 < \mu_2$, i.e. There is increment in income pattern of sample women after M.F.P. (left tailed test).

Table 4.17: Calculation of Required Sum Values

Tole	Average Investment Before (X) Rs.	Average Investment After (Y) Rs.	d(Y-X) '00'	d^2
Balthali	6000	10500	45	2025
Chalal	3000	4700	17	289
Khakyu	4500	6000	15	225
Khopasi	9000	13000	40	1600
Nepane	7500	10000	25	625
Pasthali	7000	11000	40	1600
Patikharka	4600	7500	35	1225
Salmitar	5500	8000	25	625
Sankhu	4600	6500	19	361
			$\sum d = 261$	$\sum d^2 = 8575$

Source: Field Survey, 2012

Where,

\bar{d} = Mean of difference

S = Standard deviation

$$\bar{d} = \frac{\sum d}{n} = \frac{261}{9} = 29$$

$$S = \sqrt{\frac{1}{n-1} [\sum d^2 - \frac{(\sum d)^2}{n}]}$$

$$= 11.225$$

$$\text{Test Statistic } T = \frac{\bar{d}}{\frac{s}{\sqrt{n}}}$$

$$T = 7.9091$$

Level of significance = 0.05

Degree of freedom (d) = n-1 = 9-1 = 8

The tabulated value of T-Test; Since tabulated value of t at 5% level of significance and 8 degree of freedom for one tail test is 1.860.

Decision

Since computed T (7.9091) is greater than that tabulated value i.e. 1.860, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the project intervention is significant in increasing the monthly income pattern of women.

4.1.16 Regular Saving of Sample Women:

The regular saving of sample women is shown in following Table 4.18

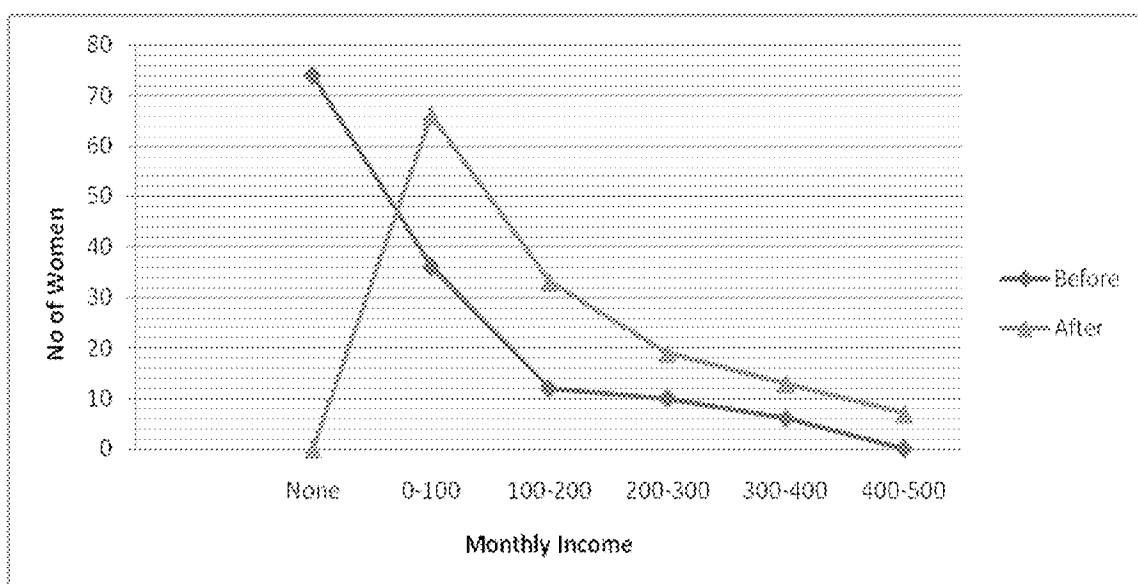
Table 4.18: Monthly Regular Saving of Sample Women

S.N.	Amount in Rs.	Before		After		% Increase /Decrease
		Number	%	Number	%	
1	None	74	53.62	0	0	-53.62
2	0-100	36	26.09	66	47.83	21.74
3	100-200	12	8.70	33	23.91	15.22
4	200-300	10	7.25	19	13.77	6.52
5	300-400	6	4.35	13	9.42	5.07
6	400-500	0	0	7	5.07	5.07
Total		138	100	138	100	0.00

Source: Field Survey, 2012

Above Table 4.18 shows the regular saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. Seventy women were not saving regularly before involvement in BISCOL programs but after the number is 0 with 53.62 % decrease. There were no women who are saving Rs 400 and more before involvement in BISCOL programs but after the number are with 5.07% increase. Monthly regular saving of sample women are gone to save more amount than None-saving or little. They are able to generate more income after entering BISCOL program so they save regularly. To make it clear, meaningful and understandable above data is presented in the graphical form in Figure 4.13 as follows;

Figure 4.13: Monthly Regular Saving of Sample Women



Source: Field Survey, 2012

Above Figure 4.13 shows the regular saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. Seventy women were not saving regularly before involvement in BISCOL programs but after the number is 0 with 53.62 % decrease. There were no women who are saving Rs. 400 and more before involvement in BISCOL programs but after the number are with 5.07% increase. Monthly regular saving of sample women are gone to save more amount than None-saving or little. They are able to generate more income after entering BISCOL program so they save regularly.

4.1.17 Optional Saving of Sample Women:

Not all women were regular saving and not all women were optional saving in BISCOL Programs. There was no compulsory saving in their programs. So some women were in optional saving programs. The optional saving of sample is shown in following Table 4.19.

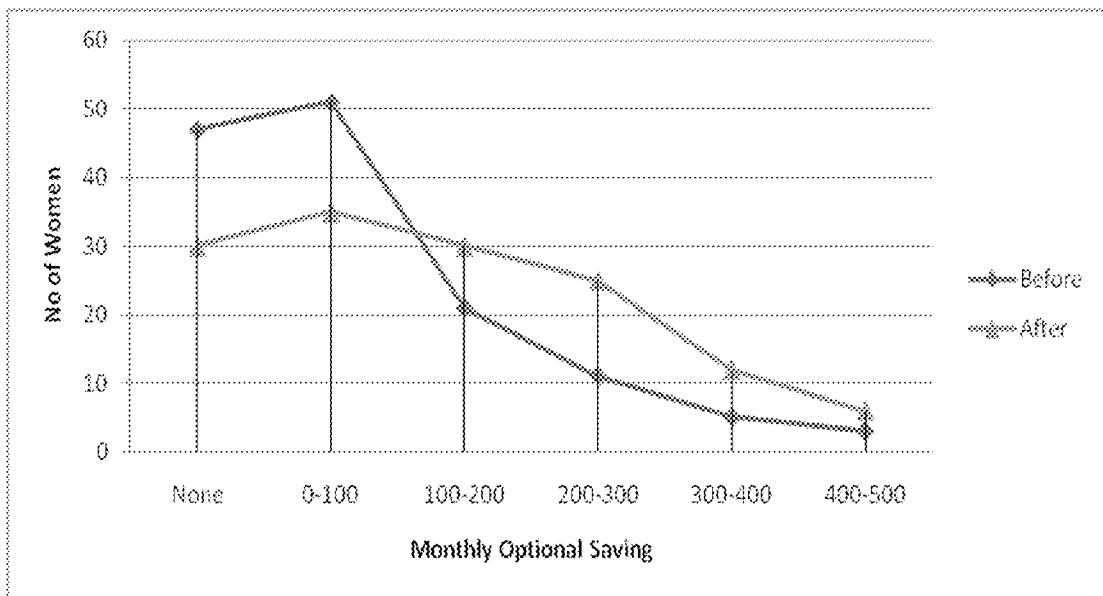
Table 4.19: Monthly Optional Saving of Sample Women

S.N.	Amount in Rs.	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	None	47	34.06	30	21.74	-12.32
2	0-100	51	36.96	35	25.36	-11.59
3	100-200	21	15.22	30	21.74	6.52
4	200-300	11	7.97	25	18.12	10.14
5	300-400	5	3.62	12	8.70	5.07
6	400-500	3	2.17	6	4.35	2.17
Total		138	100	138	100	0

Source: Field Survey, 2012

Above Table 4.19 shows the optional saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. Forty seven women were not saving optionally before involvement in BISCOL programs but after the number was 30 with 12.32% decreased. Before entering BISCOL program respondents can hardly earn a little money and save little also, after entering BISCOL program they are involving in different economic activities and generate more income. So they freely save more money in different ranges. It seems that program is able to benefit them. To make clear, meaningful and understandable of above data presented in the following graphical form in Figure 4.14 below

Figure 4.14: Monthly Optional Saving of Sample Women



Source: Field Survey, 2012

Above Figure 4.14 shows the optional saving of sample women in both number and amounts. It also shows the saving of sample women before and after involvement in BISCOL programs and percentage change in saving. Forty seven women were not saving optionally before involvement in BISCOL programs but after the number was 30 with 12.32% decreased. Before entering BISCOL program respondents can hardly earn a little money and save little also, after entering BISCOL program they are involving in different economic activities and generate more income. So they freely save more money in different ranges.

4.1.18 Mobilization of Collected Saving Fund:

Saving and investment are two alternative parts. If people save they will be motivate to invest that money to earn more. So the women involving in BISCOL programs and saving small money are lending that money to other people in community. Doing this both people are benefited. Investor can get interest and borrower can utilize that money in appropriate area.

Following Table 4.20 shows the lending activities of women who are involved in BISCOL programs.

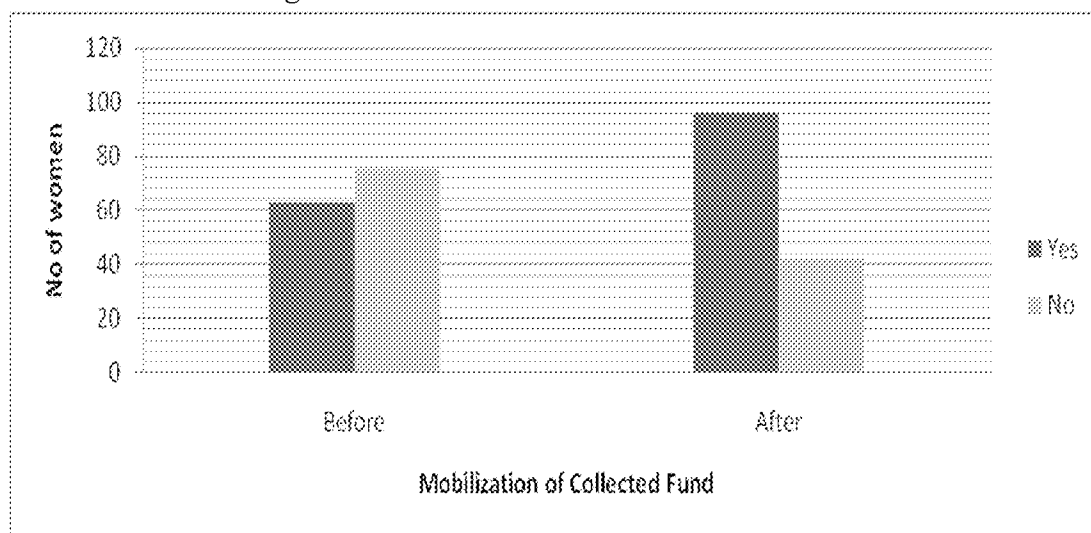
Table 4.20: Mobilization of Collected Fund

S.N.	Description	Before		After		% Increase/Decrease
		Number	%	Number	%	
1	Yes	63	45.65	96	69.57	23.91
2	No	75	54.35	42	30.43	-23.91
Total		138	100.00	138	100.00	

Source: Field Survey, 2012

Above Table 4.20 shows that the sample women involved in mobilization of saving. Before involvement in BISCOL programs, 63 women were mobilizing their money and 75 women were not mobilizing their small save money. But after involvement in BISCOL programs, number of mobilizing women increased to 96 and the number of women who were not mobilizing decrease to 42. Hence there was 23.91% increase in women who mobilize money. After entering BISCOL programs, women are motivated to mobilize their saving fund. BISCOL programs provide an opportunity to earn more by utilizing their fund. More respondents mobilize their fund in productive way. The following Figure 4.15 also shows the change in women who were lending and were not lending.

Figure 4.15: Mobilization of Collected Fund



Source: Field Survey, 2012

Above Figure 4.15 shows that the sample women involved in mobilization of saving. Before involvement in BISCOL programs, 63 women were mobilizing their money and 75 women were not mobilizing their small save money. But after involvement in

BISCOL programs, number of mobilizing women increased to 96 and the number of women who were not mobilizing decrease to 42. Hence there was 23.91% increase in women who mobilize money. After entering BISCOL programs, women are motivated to mobilize their saving fund. BISCOL programs provide an opportunity to earn more by utilizing their fund.

4.1.19 Recovery Status of Lending Fund:

Recovery is necessary for lending amount. But sometimes due to some reasons it can be difficult to recover lend amount. The following Table 4.21 shows the status of recovery of lending amount.

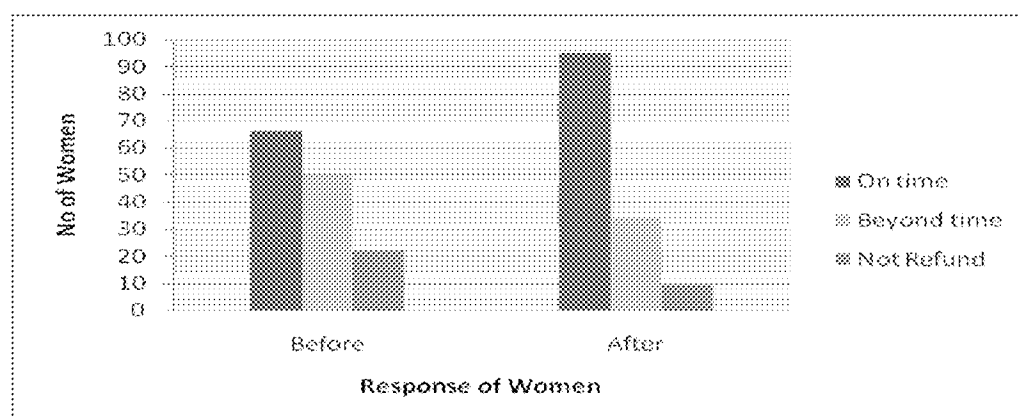
Table 4.21: Recovery Status of Lending Fund

S.N.	Description	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	On time	66	47.83	95	68.84	21.01
2	Beyond time	50	36.23	34	24.64	-11.59
3	Not Refund	22	15.94	9	6.52	-9.42
Total		138	100.00	138	100.00	

Source: Field Survey, 2012

From the above Table 4.21 it is shown that recovery of money which was mobilized by women. The survey shows the satisfactory result of recovery of women's lending amount after entering into BISCOL programs. Repayment of loan on time is in increasing trend by 21.01% after entering BISOCL. So loan recovery pattern seems sound. Following Figure 4.16 also makes us clear about the recovery of lending amount of women's.

Figure 4.16: Recovery Status of Lending Fund



Source: Field Survey, 2012

In the above Figure 4.16 it can be seen that there is improvement in the recovery on loan on time and loan recovery beyond time and not refunded amount has been decreased.

4.1.20 Response of Women as Continuing Their Business in Future

If people see more profit in future, then he/she will be motivated to continue their business in coming future. Like this some sample women of BISCOL program were motivated to continue their business in future and some are not interested in those activities. Following table shows the women’s response in continuing their business in future

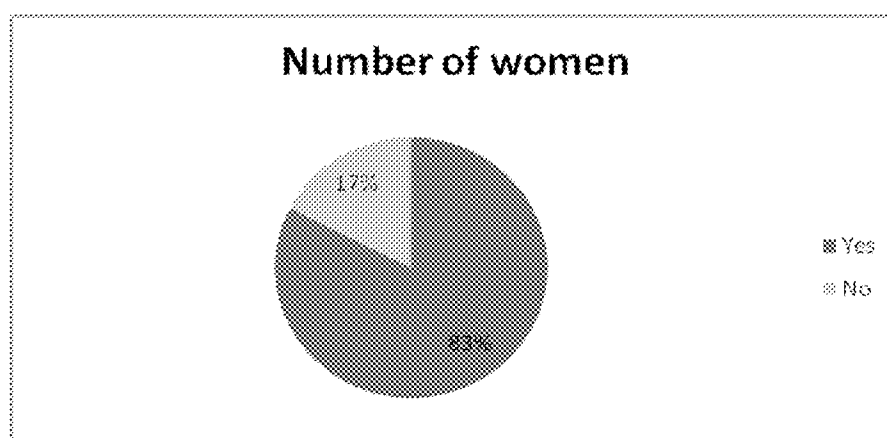
Table 4.22: Response of Women as Continuing Their Business in Future

S.N	Description	Number of women	Percentage
1	Yes	114	82.61
2	No	24	17.39
Total		138	100.00

Source: Field Survey, 2012

Above Table 4.22 reveals about the women’s response of continuing their present business in future, in this research survey, out of 138 sample women, 114 women have intension of continuing their business in future but 24 sample women have no intention of continuing their business in future. So this field study shows that maximum number of women was interested to continue their business in future also. To make it clear, meaningful and understandable above data presented in the graphical form.

Figure 4.17: Response of Women as Continuing Their Business in Future



Source: Field Survey, 2012

Above Figure 4.17 reveals about the women's response of continuing their present business in future, in this research survey, out of 138 sample women, 114 women have intension of continuing their business in future but 24 sample women have no intention of continuing their business in future. So this field study shows that maximum number of women was interested to continue their business in future also.

4.1.21 Improvement in Living Standard of Women After Joining BISCOL:

Following Table 4.23 shows the improvement in living standard of women after participating BISCOL program activities.

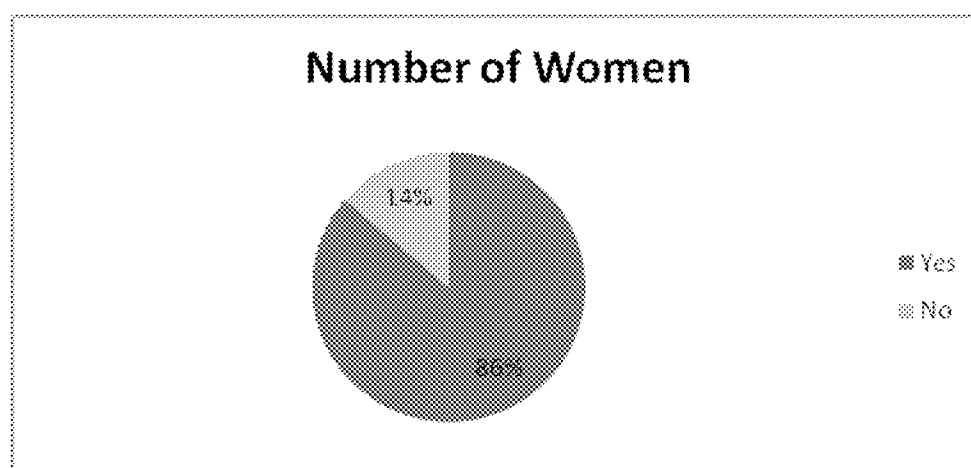
Table 4.23: Response on Improvement in Living Standard of Women

S.N	Description	Number of Women	Percentage
1	Yes	119	86.23
2	No	19	13.77
Total		138	100

Source: Field Survey, 2012

Above Table 4.23 reveals that the response of participating women about their life standard after participating in BISCOL program. In totality, 86.23 % of women said that their life standard has change after entering into BISCOL program and 13.77 % of women said that there is no change in their life style. Thus it seems that majority of sample women has improved their living standard after joining BISCOL program. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

Figure 4.18: Response on Improvement in Living Standard of Women



Source: Field Survey, 2012

The Figure 4.18 above shows that majority of sample women has improved their living standard after joining BISCOL program.

4.1.22 Priority Sector After Improvement in Economic Condition

Every people have their own interests and future plan. Like this, these BISCOL women also have their own future plan to give priority in different sectors after improvement in their economic condition which is shown in the following Table 4.24.

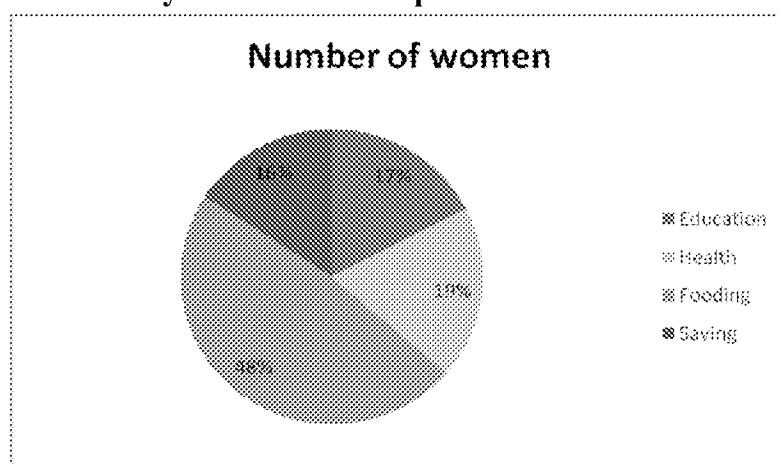
Table 4.24: Priority Sector after Improvement in Economic Condition

S.N	Description	Number of women	Percentage
1	Education	24	17.39
2	Health	26	18.84
3	Fooding	66	47.83
4	Saving	22	15.94
Total		138	100

Source: Field Survey, 2012

Above Table 4.24 shows the priority sector of participatory women. Main priority sector of women were education, health, fooding, saving. Out of 138 respondents 24 prefer education, 26 prefer health, 66 prefer fooding and 22 prefer saving after improvement in their economic condition, in percentage, highest perception of women prefer fooding i.e. 47.83 % and lowest perception of women prefer saving i.e.15.94 %. It shows majority of the respondents given high perception to fooding pattern after the improvement on their economic activities. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

Figure 4.19: Priority Sector after Improvement in Economic Condition



Source: Field Survey, 2012

Above Figure 4.19 shows the priority sector of participatory women. Main priority sector of women were education, health, fooding, saving. It shows that majority of the respondents have given high perception to fooding pattern after the improvement on their economic activities.

4.1.23 Future Program needed to uplift the livelihood of Poor Women:

There are some programs which are needed to uplift the livelihood of poor women. There are different perceptions of women about different programs which are needed for them. Following Table 4.25 shows the different facilities needed for poor women

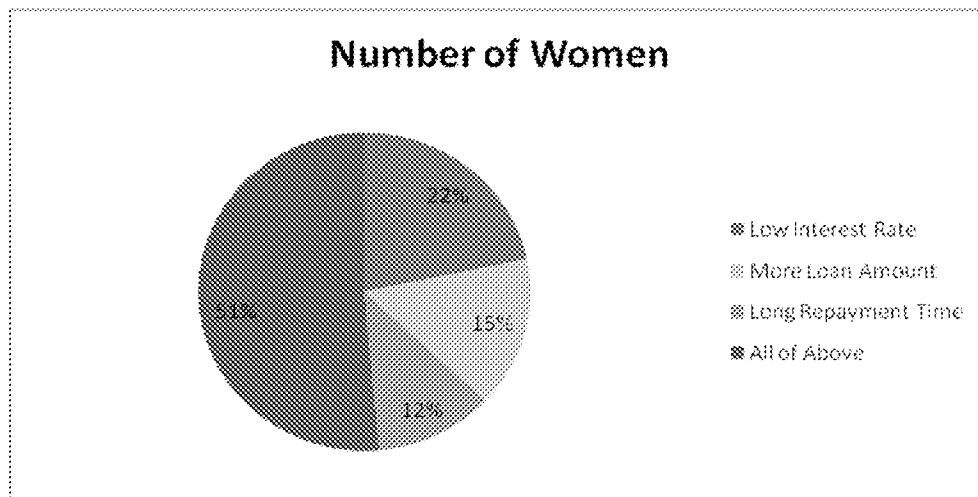
Table 4.25: Future Programs for Poor Women

S.N	Description	Number of Women	Percentage
1	Low Interest Rate	30	21.74
2	More Loan Amount	21	15.22
3	Long Repayment Time	16	11.59
4	All of Above	71	51.45
Total		138	100.00

Source: Field Survey 2012

Table 4.25 shows the number and percentage of women which have needed different facilities from BISCOL to run their livelihood. Out of 138 sample women there were 30 women prefer low interest rate, 21 women prefer more loan amount, 16 women prefer long repayment time and 71 women prefer all of above. Similarly the percentage of women who prefer low interest rate was 21.74 %, more loan amount was 15.22 %, long repayment time was 11.59 % and all of above was 51.45 %. So the women who prefer all of above programs were more than 50 %. Most of the women prefer more loan amount, low interest rate and long repayment time to improve their living standard. Thus majority of respondents prefer better term and condition about the loan repayment. To make it clear, meaningful and understandable above data presented in the graphical form as follows.

Figure 4.20: Future Programs for Poor Women



Source: Field Survey, 2012

Above Figure 4.20 shows that most of the women prefer more loan amount, low interest rate and long repayment time to improve their living standard. Thus majority of respondents prefer better term and condition about the loan repayment.

4.1.24 Living Standard

Living standard of the borrower/respondent is usually analyzed in terms of food practices, sheltering, clothing etc. Here both quantitative and descriptive tools are used to see whether the living standard has changed from before and after program intervention. Among quantitative tools Z test is used for food practices and clothing pattern made by borrowers which are important dimension of living standard. Here for simplicity, traditional and relatively better off food practices and clothing pattern made by family member of respondents are analyzed, which has been presented in the following Table 4.26 below:

Table 4.26: Change in Clothing Pattern Before and After Program Intervention

S.N.	Category	Before Borrowing	After Borrowing
01	Traditional	95	50
02	Relatively Better off	43	88
Total		138	138

Source: Field Survey, 2012

In the usual notation, we have

$$P_1 = \text{Sample proportion of relatively better off members before borrowing} \\ = \frac{43}{138} = 0.31$$

$$P_2 = \text{Sample proportion of relatively better off members after borrowing} \\ = \frac{88}{138} = 0.638$$

Now Setting Hypothesis

Null hypothesis, H_0 : $P_1 = P_2$ there is no significant difference between the proportion of relatively better off members before and after borrowing.

Alternative hypothesis, H_1 : $P_1 < P_2$, there is significant difference between the proportion of relatively better of members before and after borrowing (left tailed test).

Since $N = 43$ we use Z test

$$Z = \frac{P_1 - P_2}{\sqrt{PQ \left(\frac{1}{N_1} + \frac{1}{N_2} \right)}}$$

Level of significance: 5 percent i.e. $\alpha = 0.05$

Where population proportion,

$$P = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2} \\ = \frac{138 \times 0.31 + 138 \times 0.638}{138 + 138}$$

$$= 0.474$$

and $Q = 1 - P = 1 - 0.474 = 0.526$

$$Z = \frac{0.31 - 0.638}{\sqrt{0.474 \times 0.526 \left(\frac{1}{138} + \frac{1}{138} \right)}}$$

Now,

$$= - 9.540$$

$$|\alpha / Z| = 9.540$$

Z tabulated value at 5% level of significance for left tailed test is 1.645

Decision

Since the computed value of Z (9.540) is greater than tabulated value of Z (1.645), null hypothesis is rejected or alternative hypothesis is accepted and we conclude that the project intervention is significant in increasing the numbers of members who put on the relatively better off clothing.

Change in Food Practices of Family Members of Respondents

Change in food practices of family member of respondents are as follows.

Table 4.27: Change in Food Practices before and after Program Intervention

S.N.	Category	Before Borrowing	After Borrowing
01	Traditional	102	56
02	Relatively Better off	36	82
Total		138	138

Source: Field Survey, 2012

The above Table 4.27 itself represents the picture that the living standard has increased after the program intervention. It can be proved from statistical tools also. Whether the number of respondents who have perceived positive change in food practice is significant or not has been tested with Z test as follows.

In the usual notation, we have

P_1 = sample proportion of relatively better off members before borrowing

$$\frac{36}{138} = 0.261$$

P_2 = Sample proportion of relatively better off members after borrowing

$$= \frac{82}{138} = 0.594$$

Now setting the hypothesis;

Null Hypothesis H_0 : $P_1 = P_2$, there is no significant difference between the proportion of relatively better off members before and after borrowing.

Alternative Hypothesis H_1 : $P_1 < P_2$, there is significant difference between the proportion of relatively better off members before and after borrowing (left tailed test)

Since Z test.

$$Z = \frac{P_1 - P_2}{\sqrt{PQ\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Level of significance: 5 percent i.e. $\alpha = 0.05$

Where population proportion

$$P = \frac{N_1P_1 + N_2P_2}{N_1 + N_2}$$

$$= \frac{138 \times 0.261 + 138 \times 0.594}{138 + 138} = 0.428$$

and $Q = 1 - P = 1 - 0.428 = 0.572$

$$Z = \frac{0.261 - 0.594}{\sqrt{0.428 \times 0.572 \left(\frac{1}{138} + \frac{1}{138}\right)}} = -9.69$$

Now, $\alpha / |Z| = 9.69$

Z tabulated value at 5% level of significance for left tailed test is 1.645

Decision

Since computed Z (9.69) is greater than that tabulated value i.e. 1.645, null hypothesis is rejected or alternative hypothesis is accepted and we can conclude that the project intervention is significant in increasing the number of members who take the relatively better off food.

4.2 Social Impact of MF Program in Women Empowerment

Women empowerment is analyzed at two stages: (i) household level and (ii) external level. Household level empowerment is assessed through decision making and participation on household affairs, awareness level on basic household issues, access to and control over resources, cooperation and discrimination at household level. External level empowerment is assessed mobility, awareness, exposure, social capital and confidence. Based on these the discussion is as under.

4.2.1 Women Empowerment at Household Level

For analyzing the gender dimensions and empowerment through microfinance among the sample clients, a FGD was done. Surveyed sample clients expressed their autonomy in obtaining membership and purpose of loan to borrow. Selection of MFI,

amount of loan to borrow, and spending the borrowed cash are done jointly by husband and wife. In one sense, participation of husband in these crucial decisions can be seen as their support to wives while this might be their domination in the key decisions related to resources.

Particularly, joint decision and involvement of husband in managing regular savings, arranging loan installments and finding coping mechanisms to re pay the loan in time might justify husbands taking ownership to the loan. Keeping cash received from the enterprises by husband-definitely not in favors of empowering women-can be seen along with the role of managing daily household expenditure by them. But controlling over the decisions related to deposit and withdrawal of personal savings by husband clearly explains the high magnitude of their control over women members' autonomy. Decisions related to personal savings are optional thus member could enjoy the flexibility but they do not.

Furthermore, women expressed their increased level of confidence, increased awareness on other developmental activities such as education, nutrition, sanitation and increased participation and acknowledgement in the household level decision making process which has been presented in the following Table 4.28 below:

Table 4.28: Magnitude of Empowerment of Other Domestic Issues after Joining the MF Program

S. No.	Issued	I am Unaware	Has no Difference	Slightly Improved	Highly Improved	Total
1	Children Education	0 %	2 %	31 %	67 %	100 %
2	Children Health	0 %	0 %	43 %	57 %	100 %
3	Procurement of food	0 %	2 %	38 %	60 %	100 %
4	Selling of Products	5 %	5 %	28 %	62 %	100 %
5	Decision Making at household level	0 %	5 %	40 %	55 %	100 %
6	Reducing on HH Pressure and Discrimination	2 %	12 %	48 %	38 %	100 %
7	Keeping and use of profit and funds	2 %	5 %	50 %	43 %	100 %
8	Household level cooperation	0 %	2 %	45 %	53 %	100 %

Source: Field Survey, 2012

The survey shows that some 67 percent sample clients expressed highly improved child education situation. Similarly some 57 percent clients expressed the highly improved knowledge on child and therefore their health situation. Likewise the program has impacted to larger scale around 60-62 percent sample clients on procurement of household good and selling of their products. Remarkably, almost 95 percent sample clients mentioned that household level cooperation has increased and family level discrimination has been reduced. Exceptionally 5 percent sample clients mentioned that participation on microfinance program has not make any difference on household level discrimination. Despite these the strategic needs such as structural issues, power dynamics within the household, traditional role of women and ownership to land and other assets are still under ambiguity which has not covered in this study.

4.2.2 Empowerment at External Affairs

Women empowerment that begins from the household level will not be institutionalized unless it is reflected to the external affairs. In order to identify the impacts of microfinance on women regarding some strategic needs of women and developing of social capital, which ensures the position of women empowerment? Sample women were interviewed whether there has been improvement or not. Responses of 138 sample women clients have been summarized.

Table 4.29: Magnitude of Empowerment of Women at External Affairs after Joining the MF Program

S. No.	Issued	I am Unaware	Has no Difference	Slightly Improved	Highly Improved	Total
1	Traveling outside from the home.	5 %	5 %	36%	54 %	100 %
2	Awareness on political and legal issues.	19%	12 %	62 %	7 %	100 %
3	Participation on social activities.	0 %	2 %	31 %	67 %	100 %
4	Trust and respect from other.	1 %	3 %	24 %	68 %	100 %
5	Visit and demand services from line agencies	7 %	33 %	40 %	10 %	100 %
6	Level of confidence	3 %	11 %	53 %	33 %	100 %

Source: Field Survey, 2012

Among sample respondents 54 percent said their travelling outside home has increased highly where as 36 percent respondents mentioned it has increased substantially. Exceptionally, microfinance has not improved to the travelling of 5 percent women clients

Awareness on political and legal issues such as political ideology, voting rights, political system, women rights, child rights are slightly improved to 62 percent sample clients whereas 12 percent sample clients find there has no improvement in those issues. Some 19 percent clients in fact are unaware of the issues as such thus replied as they are unaware.

Social capital as defined earlier the reciprocal cooperation trust and respects among the community people, exposure and participation on the social and community level activity and visit of line agencies to put pressure and demand services were also asked. The field survey result in the area is found to be very much optimistic expect in one.

Participating sample clients have increased social capital. Almost all sample clients (98%) mentioned their increased participation on social and community level activities however the magnitude varies among them. Trust and mutual respect are also increased to 96 percent sample clients. Exceptionally, around 33 percent sample clients mentioned visit in go government and other developmental line agencies to put pressure and demand support services have not happened. For those, who mentioned it has happened is also at low magnitude. Only 10 percent sample clients mentioned it has happened with higher magnitude. Based on this result, we can say that women participation on microfinance have increased their social capital however the magnitude varies among them.

Besides microfinance clients have enhanced their understanding and capability in many areas. The increased awareness and confidence on various aspects of life skills and economy are presented below as mentioned by sample women during the individual survey and focus group discussion.

Box No: 1

Women's Perceptions on the Benefits of Micro Finance Program

- Helped in participating on economic transaction - taking loan.
- Taught the importance of time and time management.
- Involves in social program and knowledge about economic scenario of the region.
- Brought about the feeling of community living.
- Taught the importance of child education.
- Uplift the rural and the backward class people.
- Made them capable and self sufficient so as to share the similar screen as the other educated people.
- Made them able to handle various monetary transactions.
- Taught the importance of money.
- Enhanced the awareness about nuclear family.
- Made us more up to date in the field of economic development and social engagement.
- Realized the importance of investments and savings.
- Made awareness of the harmful effects of narcotic drugs and timely reduction of its uses so as to save one's life and property.
- Made us more disciplined and mannered.
- Knowledge about handling responsibilities.

4.2.3 Social Status of Women

The status of women refers to the extent to which women have control over their own lives and have access to knowledge, economic resources and political power. Nepalese women have lower economic as well as social status due to lack of proper education, appropriate skill, ability to decision making power and proper women's empowerment provided by our society. There are various indices of the status of women, they are:

- i. Education of women
- ii. Control over decision making
- iii. Self-confidence to live their lives.
- iv. Social prestige
- v. Women autonomy

All of the above indices are clearly influenced by the micro credit program and former are the dimension of women status. Above indices are briefly explained with the help of following Table 4.30.

Table 4.30: Changes in Women Status after Borrowing the loan form BISCOL

S. No.	Indicators	Before Borrowing Loan	After Borrowing Loan	Differences	
				Increase Percentage	Decrease Percentage
1	Education of women	9 (6.52%)	114 (82.61%)	76.09%	
2	Self confidence to live their lives	22 (15.94%)	124 (89.86%)	73.92%	
3	Social prestige	19 (13.77%)	101 (73.19%)	59.41%	
4	Women autonomy	15 (10.87%)	94 (68.12%)	57.25%	

Source: Field survey 2012

4.2.3.1 Education of Women

Education is the most important elements of human life. It makes easy to live human life in the society. Education brings lots of changes in life style of men as well as women. Most of the participants (women) in this program either have no education or have low education. They did not get formal education from the school and college. Educated and trained women can face the various socio-economic problem but uneducated women always remain far from such problems. However micro credit program and its consequence trainings, seminars and group meeting have raised women's knowledge, skill and ability hence informal education. Even the women who could not write their own name can write after joining the program. Table 4.30 shows that 76.09% of women have increased their education after joining the micro credit program. They got opportunity to learn about banking system, such as lending and repayment procedure, saving scheme etc. However the project has not conducted special program for increasing female education.

4.2.3.2 Self Confidence to Live Their Lives

Self-confidence is one of the important elements to live their lives and to run their project properly. Self-confidence depends upon the education, skill and social attitude. If there is good social attitude to look after women and if women are educated and skilful they can present leading role for their household and social development. Table 4.30 shows that 73.92 percent participants have raised their self confidence after joining the program.

4.2.3.3 Social Prestige

Social prestige is created within the society and depends upon the individual himself or herself. If men and women are educated, skilful and functions good for their own society, they are prestigious in the eye of society. Most of the women participants before launching micro credit program have low social prestige because they lack human and economic resources but after joining the program their social prestige has been increased. Table 4.30 shows that before launching the program only 13.77% women participants were prestigious in the society but after launching the program it reached to 73.19 percent means 59.41% women participants have raised their social prestige after joining the program.

4.2.3.4 Women's Autonomy

Autonomy was measured by women's ability to spend family income freely. Program participation was found to have little impact on this variable. However, the interaction term between program participation and household income had a positive impact. This implies that program participation alone is not enough to improve women autonomy. Autonomy improves only if household income increases along with program participation. Table 4.30 inculcates that 57.25 percent of participant's women have increased their autonomy after joining this program.

4.2.4 Racial Discrimination Among Member of The Group.

Racial discrimination is the one of the main problem in rural area of Nepal. In area of study there is also some such situation. The present situation of racial discrimination among sample women is shown in Table 4.31 below.

Table 4.31: Racial Discrimination Among Member of The Group

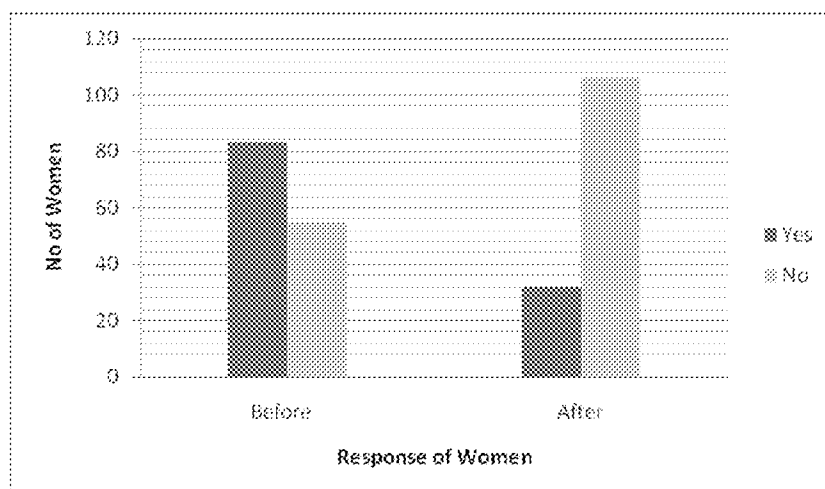
S.N.	Des.	Before		After		% Increase / Decrease
		Number	%	Number	%	
1	Yes	83	60.14	32	23.19	-36.96
2	No	55	39.86	106	76.81	36.96
Total		138	100.00	138	100.00	

Source: Field Survey, 2012

Above Table 4.31 shows response in no and percentage of member participation about racial discrimination before and after BISCOL program. In total, 60.14 % of women said that there is racial discrimination among member of the group and only

39.867% women said there is no racial discrimination. But after the BISCOL program only 23.19% women said there is racial discrimination among the member and 76.81% women said there is no racial discrimination. Thus it clear that there is decreasing the rate of racial discrimination among the member after joining BISCOL program, which help to improve the society. To make it clear, meaningful and understandable above data presented in the graphical form as follows:

Figure 4.21: Racial Discrimination Among Member of The Group



Source: Field Survey, 2012

Above Figure 4.21 shows that there is decreasing the rate of racial discrimination among the member after joining BISCOL program, which help to improve the society.

4.3 Constraints and Critical Issues of Women Focused Microfinance

In the process of analyzing the critical aspects, constraints faced by women are captured and analyzed. Moreover, the field survey has revealed further critical issues related to women focus microfinance for their socio-economic empowerment and poverty reduction which are discussed at length here below. Some of these are even related to policy issues whereas come are related to the pressure faced by MFIs and market phenomena.

4.3.1 Constraints Faced

Despite the number of positive socio-economic impacts that women sample clients have enjoyed from microfinance. They are facing number of constraints since the microfinance program is a discipline based thus every activities has to be done with limited flexibility. major constraints face include, the increased pressure, tension,

difficulty in time management, difficulty in taking care of child, pressure of arranging loan installments. The details of the constraints faced by sample clients are presented in the table below.

Box 2

Major Constraints Faced by the Sample Clients.

- Taking loan and borrowing money has increased irrational feelings amongst the sample females because loan has been passed in their name.
- Male counterparts are keeping less interest and wanted to be free from any household responsibility which has increased out tension.
- The installments need to be paid o specified days. Even of female are ill, it has to be managed anyway which is difficult.
- Regular meetings and discussions have brought difficulty in managing household activities.
- Entire process has to be done by the females and under their presence which put them in pressure and made them worry as they have to look after their family and children. Further, problems are seen to feed and send children to school.
- Delay in paying the installment by any member brings about heated discussions and arguments amongst the village members. Often this has led to social conflict and unrest.
- Since it is a joint effort of the entire village and all has to be present together to work thus has become more problematic and difficult.

4.3.2 Critical Issues

In addition to the above mentioned major constraints faced, women focused microfinance consists of some critical issues which need to be duly considered. These include three (i) exclusion of bottom poor women, (ii) client duplication and its potential risk and (iii) lack of support services.

While discussing the issues of none participation or exclusion of bottom poor women in the microfinance, interviewed BISCOL field supervisors explained following major reasons: (i) they fallback position is weak so more probable to default their loan; (ii) they normally do not have experience of handling enterprises including livestock raising and marketing; (iii) their loan absorption capacity is low so outstanding portfolio will be lower thus impacting negatively the financial viability of MFIs; (iv) they have higher chances of loan being used for consumption purposes which again increase the default risk; (v) they are irregular in the group meetings : and finally (vi) they are often not being helped by fellow members. Despite these all, access to

microfinance is also hindered by political unrest restriction on mobility and blockades in general.

These reasons question the microfinance services to deprived bottom poor women. Intensive implementation of preparatory and capacity building program, arrangement of support services and re-distribution of resource base seem urgent for which external support and government intervention and incentive mechanisms are must. Otherwise, it is highly probable that desperate poor women are excluded from the microfinance services.

Discussion with microfinance Filed Supervisors revealed that there is a competition among MFIs to serve large number of clients thus prevail client duplication. The most prominent implication of MF competition discussed within the MF industry even in Bangladesh is also the "overlapping" a term whose definition itself has undergone changes over the years. The term was first used very broadly to denote similar service providing NGOs working within a geographical area. In recent times, the term is used to indicate multiple microfinance membership at the level of the household '(Martin, undated). Client duplication has fundamental two perspectives. For MFIs, it is a fast track to attain sustainability but risky option as it increases default possibility. For clients it is an option to cross finance projects and enjoy the fungibles but remains the risk of falling into debt trap. Both might enjoy it looking forward the bright part but may fall into the downside.

BISCOL with self and donors support has carried out limited quantity of preparatory and support services. These include; education and communication sessions; campaign; literacy programs; information, awareness raising campaign; vaccination campaign and skill development training. Technical inputs and marketing arrangement as support services after the credit are also provided. These programs because of low in quantity have not had visible impacts but have spread a positive impression to join BISCOL. Besides, microfinance members have not obtained such support services from the government system because of various reasons. These include: limited financial and human resources; no working incentives to the staff; limited tools, equipments and machineries; and poor coordination and collaboration arrangements in the government system. Whatever level of support is available, local

elites and those having better social capital with this sector exploit them. In this way sample women clients are excluded from this support services.

Principally under the market economy, private sector should render Business Development Services (BDS) but they are confined at the district headquarter if any. Virtually, microfinance clients have no access to BDS therefore; issue of access to such support services to the

4.4 Major Findings

Major findings of the overall study of BISCOL

- Most of the women who are involved in different kinds of saving programs such as group saving, individual saving, regular saving and member welfare saving. The total saving is increased during five years from 8.56% to 34.25 % after entering into BISCOL program.
- There was 21.01% change in sectors of taking loan after entering BISCOL. More women were taking loan or they are mobilizing their fund that provides opportunities to earn more money.
- Loan repayment rate of women is satisfactory. Both interest and principle repayment rate was increased by 23.72% after entering into BISCOL.
- The condition of business which was running by taking loan was found running well after BISCOL program. It was increased by 20.40 percent.
- Women were earning more after entering BISCOL program. The number and percentage of women who were earning high amount were increasing by 21.29%, percentage of women who were earning minimum and no is decreasing by 14.03% and 7.26% respectively after entering BISCOL programs.
- Loan taken by women was invested in different sectors before and after entering into BISOCL programs. And it is increased to Rs 39,907 from Rs. 36,772 on an average after entering into BISOCL programs.
- The investment pattern of sample women in different tole of Khopasi region is increased after entering BISCOL programs. It seems significantly increase in the investment after M.F.P.
- After the study, it is found that the no of women who are benefited from M.F.P. is increasing during five years. It is increased to 69.51% from 47.09%. The portion is in increasing tread.

- The loan recovery and outstanding rate of BISCOL Khopasi during five years is in increasing trend and loan outstanding rate is in decreasing trend. Out of total disbursement 79.89 percent loan was recovered during the year and only 20.11 percent loan was outstanding.
- The present of saving collected from M.F.P. in total saving is increasing trends. In fiscal year 2065/66 it decreased to 10.05 percent from 12.08 percent. But in 2067/68 it is increased to 11.42 percent.
- The ratio of disbursement under M.F.P. to total disbursement is increasing trend. In fiscal year 2063/64 the percentage is 26.36 percent. In 2067/68 it reached to 73.47 percent.
- Women were saving more regularly after entering BISCOL. The no. and percentage of women who were saving none is decreased to 53.62% and saving amount high amount were increasing after BISCOL programs.
- The optional saving of sample women is increasing after entering BISCOL. The no and percentage of women who were saving high amount were increasing.
- After entering BISCOL programs, women were motivated to mobilize their saving fund. BISCOL program provides an opportunity to earn more by utilizing their fund. The no and percentage of women mobilizing of collected saving fund is increasing by 23.91 percentages.
- Recovery status of lending fund is satisfactory. After BISCOL program repayment of loan on time is increased to 21.01 percentage and beyond time and not refunded is decreased to 11.59 percentage and 9.42 percentage respectively.
- Perception of women to continuing their business in future is positive. After BISCOL program 82.61 percentage women respond to continue their business in future.
- Response of women on improvement in living standard of women is positive. In totality 86.23 percentage of women said that their living standard has changed after entering into BISCOL program.
- After improving their economic condition, more than 47.83 percentage of women preferred fooding as priority sector than other sector.
- More women i.e. 71 sample women said that they preferred low interest rate, more loan amount and long repayment time to uplift their livelihood from poor women.

- More women i.e. 88 sample women said that their clothing pattern is changed and 82 sample women said that their food practices is changed traditional to relatively better off.
- After joining the program 67% sample women expressed highly improved child education situation, 57% women expressed the highly improved knowledge on child health, around 60-62% sample women on procurement of household good and selling of their products, almost 96% sample women mentioned that household level cooperation has increased and family discrimination has decreased.
- Among sample women 54% said their travelling outside home has increased, 62% sample women are aware on political and legal issues, almost all sample women (98%) mentioned their increased participation on social and community level activities, trust and mutual respect are also increased by 96% among sample women.
- Education of women, self confidence to live their lives, social prestige and women autonomy is increased by 76.09%, 73.92%, 59.41% and 57.25% respectively.
- Racial discrimination is decreased is decreased by 36.96% among sample women.
- Despite number of advantages, sample women are facing many constraints since the microfinance program is a discipline based thus every activity has to be done with limited flexibility. Women are burdened with household as well as external works since participation on microfinance program does not excuse them from completing household works rather responsibility of loan related enterprises is added. Constraints face include thee increased pressure to manage household finance, difficulty in managing time among home, children, enterprises and participation on community activities,
- In addition to many difficulties, there are number of critical issues related to women focus microfinance. These include (i) there exists high probability of excluding bottom poor women (ii) the present microfinance program can put them into dept trap (iii) sample women are deprived from any business development and support services to strengthen their micro enterprises to come out of poverty.

CHAPTER-V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter has summarized the research in general followed by conclusions of the study based on the findings and conclusion some recommendations are also put forward to be considered by BISCOL Nepal in particular and policy makers, academicians, researchers and microfinance practitioners in general.

5.1 Summary

Government of Nepal amongst others has envisaged that access to microfinance to women not only impact on micro-finance life of women but also empower them effectively thereby reducing thereby reducing the poverty therefore, has promoted it. MFIs are also expanding their services targeting to women with the same notion, however MFIs have a pressure of sustaining their program through the attainment of financial viability. Therefore, the interest of having good microfinance - better repayment - may have direct negative effect on socio economic empowerment of women. At the same time, the debate on microfinance whether it should be completely business oriented or it should carry some social responsibility of social development, capacity building, linkage and coordination also exist. Thus this thesis is conducted with the objectives of exploring consequences of such microfinance targeting to women through analyzing socio economic empowerment and the critical issues prevailed.

In order to fulfill its broader objectives, it has three different objectives which have focused on economic impacts; thereafter women empowerment at household and external level; and constraints and critical issues of such women focused assets, and food security and borrowing as major indicators to analyze the economic impacts. To fulfill the objective of analyzing women empowerment, their participation and decision making at household level, awareness on health education, sanitation, financial transaction, family cooperation, discrimination, exposure traveling, social capital and confidence are analyzed. Observations and perceptions are analyzed for tracing out the constraints and critical issues.

The study based on comparative analysis is done with 10 percent sample 138 clients of BISCO - coverage in Khopasi region. Data required is collected from the field survey with stratified random sampling. Individual interview of samples using semi structured questionnaire and focus group discussion are done. Individual interview of concern stakeholders, academicians and BISCOL executives are also done. Simple statistical tools such as percentage, mean, frequency counting T-Test and Z-Test are done for quantitative data where as observation, interpretation and perception analysis is done for qualitative information. Data received are presented in tabular form, bar diagram and pie charts comparing pre and post situation. Magnitude of empowerment on qualitative information is presented on a categorical basis - no impact, low, high, very high impact. General observations and perceptions are interpreted and summarized in boxes; and paragraphs.

However, the research done within a very short period taking samples from only one branch of BISCOL using limited methods and approaches might not represent the whole microfinance industry of the country; its findings could be useful not only to BISCOL and participation clients but also to the policy makers, decision makers, academicians and other microfinance practitioners.

5.2 Conclusions

Access to microfinance services offered by BISCOL has positive impacts on the life of surveyed sample women in Khopasi, kavre. Positive in many ways such as awareness and knowledge in basic issues such as importance of educating children, child health and hygiene, importance of money management, their role in household economy etc. Satisfactory economic impacts are not observed in assets creation and self employment creation but the microfinance services provided have helped them to improve their better livelihood structure like: enhanced food security; improved health, sanitation and nutrition status; and heavy rain, illness and cost of social rituals (feast and festivals.)

The program has made participation client women more disciplined and conscious on time management. Further, awareness on enterprises handling, trading and local economic scenario has upgraded. Their social interaction and community level, harmony, mutual cooperation are magnificently increased. Domestic level violence

and discrimination has also been reduced and their role on household level economic activities and participation on decision making process has been acknowledged.

Despite these all, women are also facing problems created through participation on microfinance program like increased responsibility to look after household as well as external affairs therefore, difficulty in time management. Even some respondents mentioned they do not find time to go to their birth home (*Maiti*) because of rigid and time bound participation on microfinance centers and the responsibility to mobilize the loan fund properly. Sample women are not empowered to that level that they can unite and put pressure to the government line agencies and other developmental organization to demand services.

On top of these, sample clients are very much cautious in maintaining their social dignity by repaying the loan installment in time thus felt most pressured; however it has been said that their husbands are also taking responsibility. Probably, this is one of the main reasons that microfinance is focused towards women. Sample clients even have to adopt some coping mechanisms sometimes - borrowing from more than one places - to repay the loan in time which has enlarged the threat of putting them into a debt trap. However, good repayment cannot be rationalized only with discipline and pressure but also with better return from their investment which has been proven from the analysis.

Besides, the notion of microfinance services to women is to capacitate them historically. For which, availability of support services: input supply, infrastructure development, market and friendly legal environment become integral part which are not adequately addressed. Moreover, the loans are mostly invested on small scale business, medium and small livestock and somehow in agriculture (in growing seasonal vegetable), since participation women are not capacitated with upgraded skill and knowledge for market oriented value addition in micro enterprises.

Despite of having number of areas to improve and strengthen, microfinance services targeted to women clients have open up lots of avenues of empowering them. The significant social impacts, increased awareness, confidence and living in a more dignified life itself and somehow the improvement in economic level are remarkable achievements in the field of poverty reduction and women empowerment thus cannot viewed only with the strategy of successful microfinance. In addition of providing

loan and other financial facilities to women they should also be given training to develop their skill and knowledge in micro enterprises so that they can do better to sustain economically.

5.3 Recommendations

Based on the study the following suggestions are recommended for further improvement and successful implementation of the program.

- Microfinance methodology of BISOCL is highly welcomed by clients except the rigidity of time. Therefore, microfinance methodology should be revised in such a way that women client's time involvement in the process should be reduced.
- Social impacts of microfinance services targeted to women is significant thus should further be encouraged. But still there is not satisfactory economic impact in the clients regarding assets creation so there should be the provision of counseling and in case of need skill related training of program can be given to make them able to start a small and medium scale of enterprises.
- There has been tremendous pressure on women regarding the repayment of loan so it has to be shared among the family members of the microfinance clients. The microfinance services delivery methodology should be designed in such a way that husband's also feel equally accountable and responsible in repaying the loan installment.
- BISCOL has provided very limited skills transformation capacity building activities to sample clients which are not sufficient.
- Microfinance institution including BISCOL should develop other products and working methodology to bring the excluded ones into the orbit of microfinance services.
- The program may develop practical and varied training courses related to skill development activities, agriculture extension, income generation and business promotion as per the need of particular community.
- Most of the disbursed loan goes to agriculture activities; it is because our whole economy is dominated by agriculture sector. Thus following points are proposed:
 - Healthy livestock should be supplied to client instead of providing credit in cash.

- Vaccination of animal should be arranged at appropriate time.
- The program should have its at least one veterinary assistant who can fully devote time to provide services.
- Though there is the provision of insurance in case of death of livestock but it has not been smoothly implemented. So there is need of smooth implementation of insurance provision as well as the provision of insurance to the livestock suffering from diseases too.

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Appendix-I (A): Questionnaire

म आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघुवित्त सम्बन्धि केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव सल्लाह र जानकारी नितान्त गोप्य राखिनेछन् । उक्त कुराहरू अनुसन्धानको प्रयोजन बाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ तपाईंहरूले निम्न प्रश्नावलीहरूको उपयुक्त उत्तर भरि दिई मेरो अनुसन्धान (Research) को कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON WOMEN UNDER BINDHAVASINI SAVING CO-OPERATIVE SOCIETY LTD. KHOPASI, KAVRE

संस्थागत प्रश्नहरू

नाम, थर : कार्यालय: पद :

१. यस कार्यालयबाट प्रदान गरिने वित्तिय सेवाहरू के के हुन् ?

बचत सम्बन्धि	ऋण सम्बन्धि
(क).....	(क).....
(ख).....	(ख).....
(ग).....	(ग).....
(घ).....	(घ).....

२. बचत अन्तर्गत व्याजदर निर्धारण गर्नुभएको छ वा छैन ? यदि छ भने कति व्याजदर निर्धारण गर्नुभएको छ ?

(क) छ (ख) छैन

३. कुन कुन कार्यक्रम अन्तर्गत ऋण प्रदान गर्नुहुन्छ ?

(क).....

(ख).....

(ग).....

(घ).....

४. यस कार्यालयको कार्यक्षेत्र अन्तर्गत कुन-कुन गा.वि.स हरु पर्दछन् ?

(क)..... (घ)..... (छ).....

(ख)..... (ड)..... (ज).....

(ग)..... (च)..... (झ).....

५. ऋण रकम किस्ताबन्दी र व्याजदर समयमा नै फिर्ता भएको छ ?
 क) छ ख) छैन
६. ऋण रकम र व्याज संकलनमा कुनै समस्या भएको छ वा छैन? यदि छ भने के मा?
 क) ऋण रकम ख) व्याज ग) समय घ) सर्तहरू
७. यस कार्यालयले लघुवित्त कार्यक्रम संचालन गरेको छ वा छैन ?
 क) छ ख) छैन
८. यस कार्यालयको लघुवित्त कार्यक्रमबाट महिलाहरू कति मात्रामा लाभान्वित भएका छन् ?
 क) धेरै ख) थोरै
९. यस कार्यालयबाट संचालन भएका समूहहरू वढी मात्रामा सफल वा असफल के छन् ?
 क) सफल ख) असफल
१०. असफल समूहमा विशेषताहरू के के हुन् ?
 क) जाति अन्तर्गत असफलता ख) आर्थिक स्तर अन्तर्गत असफलता
 ग) संस्कृति अन्तर्गत असफलता घ) अन्य अन्तर्गत असफलता
११. समुह भंग हुनुका मुख्य कारणहरू के के हुन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१२. असफल समूहका लागि केही नयाँ कार्यक्रम सोच्नु भएको छ ? यदि छ भने ति के के हुन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१३. यस संस्थाको विकासको लागि के के समस्याहरू छन् ?
 क) संचार ख) संरचना
 ग) मानवस्रोत घ) अन्य केही भए
१४. यी समस्याहरू कसरी समाधान गर्न सकिन्छ ? बुंदागत रुपमा लेख्नुहोस् ?
 (क)..... (ख)
 (ग)..... (घ)
१५. यस कार्यक्रमका सकारात्मक पक्षहरू के के छन् ?
 (क)..... (ख).....
 (ग)..... (घ).....
१६. यस कार्यक्रमका नकारात्मक पक्षहरू के के छन् ?
 (क)..... (ख).....

(ग)..... (घ).....

१७. यस कार्यक्रममा सुधार गर्नुपर्ने कुराहरु के के छन् ?

(क).....(ग).....

(ख).....(घ).....

१८. तपाईंको विचारमा यस कार्यक्रमले गरिवी निवारणमा कस्तो भूमिका खेलेको छ ?

क) सकारात्मक

ख) नकारात्मक

१९. यस लघुवित्त कार्यक्रम अति गरिव महिलासम्म पुगेको छ वा छैन ?

क) छ

ख) छैन

२०. यदि छैन भने अति गरिव महिलासम्म पुग्याउनको लागि के गर्नुपर्ला ?

(क)..... (ख).....

(ग)..... (घ).....

फिल्ड कर्मचारीहरूसंग लिइएको विवरण

निम्नलिखित पक्षमा आफ्नो धारणा राखिदिनुहोस् (१ ज्यादै राम्रो, २ राम्रो, ३ ठीकै, ४ राम्रो, ५ ज्यादै राम्रो)

विवरण	१	२	३	४	५	कैफियत
१. नेतृत्व						
२. समन्वय						
३. संचार						
४. व्यवस्थापन						
५. कर्मचारी सुविधा						
६. असुली दर						
७. विपन्न सम्मको पहुँच						
८. महिलाको सहभागिता						
९. सामाजिक योगदान						
१०. तालिमको व्यवस्था						
११. दक्ष जनशक्ति						
१२. सरकारी निकायको अनुगमन						
१३. कर्जाको सदुपयोग						
१४. लघुवित्त सम्बन्धि ज्ञान						

९. ऋण कुन उद्देश्यको लागि कति रकम लिनुभएको छ ?

पहिला			अहिले		
सि.नं.	क्षेत्र/उद्देश्य	रकम	सि.नं.	क्षेत्र/उद्देश्य	रकम
१.	कृषि		१.	कृषि	
२.	भैसी पालन		२.	भैसी पालन	
३.	माछापालन		३.	माछापालन	
४.	बाख्रापालन		४.	बाख्रापालन	
५.	खुद्रा व्यापार		५.	खुद्रा व्यापार	
६.	वायोग्यास		६.	वायोग्यास	
७.	उद्योग		७.	उद्योग	
८.	अन्य		८.	अन्य	

१०. लिएको ऋण समयमानै तिर्नुभएको छ ?

- पहिला क) दुवै सावाँ/ ब्याज ख) सावाँ मात्र ग) ब्याज मात्र
घ) कुनै पनि तिरेको छैन ।
- अहिले क) दुवै सावाँ/ ब्याज ख) सावाँ मात्र ग) ब्याज मात्र
घ) कुनै पनि तिरेको छैन ।

११. समूह बचत रकम कसैलाई सापटी वा ऋण दिनुभएको छ ?

- पहिला क) छ ख) छैन अहिले क) छ ख) छैन

१२. बचत रकम कति समयसम्मका लागि ऋण दिनुहुन्छ ?

- पहिला अहिले.....

१३. कति समयमा ऋण र किस्तावन्दी फिर्ता हुन्छ ? पहिला अहिले.....

१४. सापटी दिएको रकम उठेको छ ?

- पहिला क) उठेको छैन ख) अंशिक रुपमा उठेको छ ग) पुरै उठेको छ ।
अहिले क) उठेको छैन ख) अंशिक रुपमा उठेको छ ग) पुरै उठेको छ

१५. तपाईं कार्यक्रममा आवद्ध हुनु अघि र पछाडिको मासिक आम्दानी कति जति छ ?

- क) हुनुअघि लगभग रु..... ख) भएपछाडी लगभग रु.....

यदि ऋण लिएर कुनै व्यवसाय संचालन गर्नुभएको छ भने उक्त व्यवसाय विस्तार हुँदै गएको छ ?

- पहिला : क) छ ख) छैन
अहिले : क) छ ख) छैन

१६. तपाईंको व्यवसायिक लगानी र आम्दानी विवरण

विवरण	पहिले	अहिले
तपाईंको सम्बन्धित व्यवसायमा लगानी रु.		
मासिक सरदर आम्दानी रु.		
मासिक व्यवसायिक खर्च रु.		
मासिक बचत रु.		

१७. तपाईंले यस लगानीलाई भविष्यमा निरन्तरता दिएर अझ बढि लगानी गर्ने उद्देश्य छ ?

क) छ ख) छैन

१८. तपाईं समूहमा आवद्ध भएपछि तपाईंको आर्थिक आवश्यकता सुधार भएको छ ?

क) छ ख) छैन

१९. लघुवित्त कार्यक्रममा सहभागि भएपछि तपाईंको घरयासी उपभोग (कपडा) मा परिवर्तन भएको छ ?

क) छ ख) छैन

यदि छ भने १) बढेको २) घटेको ३) समान

२०. लघुवित्त कार्यक्रममा सहभागि भएपछि तपाईंको घरयासी उपभोग (खाना) मा परिवर्तन भएको छ ?

क) छ ख) छैन

यदि छ भने १) बढेको २) घटेको ३) समान

२१. तपाईंको आर्थिक आवश्यकता सुधार भएपछि कुन क्षेत्रलाई बढि प्राथमिकता दिनुहुन्छ ?

१	२	३	४	५
खानपान	शिक्षा	स्वास्थ्य	बचत	अन्य

२२. लघुवित्त कार्यक्रमबाट कति सन्तुष्ट हुनुहुन्छ ?

क) धेरै सन्तुष्ट ख) सन्तुष्ट ग) थाहा छैन घ) असन्तुष्ट ङ) धेरै असन्तुष्ट

२३. तपाईंको व्यवसाय कस्तो अवस्था छ ?

क) धेरै नाफा ख) नाफा

ग) नाफा छैन घ) घाटा

२४. तपाईं यस कार्यक्रममा सहभागि भएपछि सामाजिक संस्था र समूहहरुमा सहभागी हुनु भएको छ ?

क) छ ख) छैन

APPENDIX - II

Table 4.4: Saving by Group Members Under Saving Programs

S.N.	Fiscal Year	Group Saving		Individual Saving		Regular Saving		Member Welfare Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	2063/64	218,761	6.80%	2,093,627	9.34%	7,141,196	8.62%	1,812,009	7.82%	11,265,593	8.56%
2	2064/65	374,385	11.64%	2,839,253	2.67%	10,506,712	12.68%	2,689,437	11.61%	16,409,787	12.46%
3	2065/66	615,184	19.13%	4,024,918	7.95%	15,442,575	18.63%	4,082,863	17.63%	24,165,540	18.35%
4	2066/67	894,034	27.80%	6,357,961	8.36%	21,405,523	25.82%	6,080,469	26.25%	34,737,987	26.38%
5	2067/68	1,113,211	34.62%	7,101,728	1.68%	28,391,930	34.25%	8,497,197	36.69%	45,104,066	34.25%
	Total	3,215,875		22,417,487		82,887,936		23,161,975		131,682,973	
	Average	643,175	2.44%	4,483,497	7.02%	16,577,587	62.95%	4,632,395	17.59%	26,336,595	100.00%

$$(1) \text{ Arithmetic Mean } (\bar{x}) = \frac{x_1 + x_2 + x_3 + \dots + x_n}{n}$$

$$\text{i.e., } \bar{x} = \frac{\sum x}{n}$$

Where, \bar{x} = Arithmetic Mean

$\sum x$ = Sum of Observations

n = no. of Observations

Group Saving	Individual Saving	Regular Saving	Member Welfare Saving	Total
3,215,875/5 =643,175	22,417,487/5 =4,483,487	82,887,936/5 =16,577,587	23,161,975/5 =4,632,395	131,682,973/5 =26,336,595

APPENDIX - III

Table 4.16: Monthly Income of Women

S.N.	Income Range in Rs	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	0-5000	98	71.01	74	53.62	-17.39
2	5000-10000	14	10.14	20	14.49	4.35
3	10000-15000	12	8.7	17	12.32	3.62
4	15000-20000	9	6.52	15	10.87	4.35
5	20000-25000	5	3.62	12	8.7	5.07
Total		138	100	138	100	

Source: Field Survey, 2011

Amount	Mid value (X)	Before		After	
		Number (f)	Total (X × f)	Number (f ₂)	Total (X × f ₂)
0-5000	2500	98	245000	74	185000
5000-10000	7500	14	105000	20	150000
10000-15000	12500	12	150000	17	212500
15000-20000	17500	9	157500	15	262500
20000-25000	22500	5	112500	12	270000
Total		138	770000	138	1080000

$$(1) \text{ Arithmetic Mean } (\bar{x}) = \frac{\sum fX}{n}$$

Where, \bar{x} = Arithmetic Mean,
 f = Frequency

$\sum x$ = Sum of Observations

n = no. of Observations

	Before	After
Mean	5579	7826

APPENDIX-IV

List of Respondents for the Study

S.N.	Name of Respondents	Age	Education	Regular Saving	Name of Centre	Address
1	Samjhana Aryal	42	Literate	yes	Samjhana Mahila Samuha	Balthali
2	Sharadha Silwal	39	Literate	yes	Samjhana Mahila Samuha	Balthali
3	Sakuntala Parajuli	42	Literate	yes	Daksinkali Mahila Samuha	Balthali
4	Pratiba Satyal	45	Literate	yes	Daksinkali Mahila Samuha	Balthali
5	Ambika Humagain	27	Under SLC	yes	Golbhanjan Mahila Samuha	Balthali
6	Mira Dahal	36	Literate	yes	Golbhanjan Mahila Samuha	Balthali
7	Indira Mahat	32	Under SLC	yes	Kakalibevi Mahila Samuha	Chalal
8	Mina Nepali	35	Literate	yes	Kakalibevi Mahila Samuha	Chalal
9	Bindu Lama	37	Literate	yes	Lamagau Mahila Samuha	Chalal
10	Dewaki Guragain	32	Literate	yes	Lamagau Mahila Samuha	Chalal
11	Kamala Khadka	41	Literate	yes	Tileswori Mahila Samuha	Chalal
12	Dhana Kumari Karki	39	Literate	yes	Tileswori Mahila Samuha	Chalal
13	Apsara Thapa	34	Literate	yes	Laliguras Mahila Samuha	Chalal
14	Musuri Pahari	28	Literate	yes	Laliguras Mahila Samuha	Chalal
15	Sanimaya Lama	27	Literate	yes	Bhairabnath Mahila Samuha	Chalal
16	Bhagawati Shavabhakti	34	Literate	yes	Bhairabnath Mahila Samuha	Chalal
17	Kalpna Tamang	32	Literate	yes	Munal Mahila Samuha	Chalal
18	Kipila Lama	35	Literate	yes	Munal Mahila Samuha	Chalal
19	Manju Mahat	32	Literate	yes	Indrawati Mahila Samuha	Chalal
20	Sarita Guragain	30	Under SLC	yes	Indrawati Mahila Samuha	Chalal
21	Laxmi Devi Tamang	43	Literate	yes	Bihani Mahila Samuha	Chalal
22	Chinu Harisharan	36	Literate	yes	Bihani Mahila Samuha	Chalal
23	Bindra Bharati	30	SLC Pass	yes	Pipalbot Mahila Samuha	Khakyu
24	Sunmaya Batas	43	Literate	yes	Pipalbot Mahila Samuha	Khakyu
25	Renuka Mahat	36	Literate	yes	Sapaneswor Mahila Samuha	Khakyu
26	Apsara Thapa	21	Under SLC	yes	Sapaneswor Mahila Samuha	Khakyu
27	Manorama Thapa	32	Literate	yes	Kashi Bisheswor Mahila Samuha	Khakyu
28	Pabitra Khadka	43	Literate	yes	Kashi Bisheswor Mahila Samuha	Khakyu
29	Kalpna Thapa	42	Literate	yes	Pragatishil Mahila Samuha	Khakyu
30	Binita Lama	40	Literate	yes	Pragatishil Mahila Samuha	Khakyu
31	Ishwori Kumari Thapa	38	Literate	yes	Namuna Bikash Mahila Samuha	Khakyu
32	Nirmala Thapa	45	Literate	yes	Ganesh Mahila Samuha	Khakyu
33	Man Kumari Nepali	28	Under SLC	yes	Ganesh Mahila Samuha	Khakyu
34	Sharmila Pradhan	41	Literate	yes	Sharadha Mahila Samuha	Khakyu

35	Laxmi Adhikari	35	Literate	yes	Sharadha Mahila Samuha	Khakyu
36	Manrupa Humagain	38	Literate	yes	Sitala Devi Mahila Samuha	Khakyu
37	Shova Adhikari	37	Literate	yes	Sitala Devi Mahila Samuha	Khakyu
38	Saraswoti K.c.	49	Literate	yes	Shree Krishna Mahila Samuha	Khakyu
39	Putali Lama	35	Literate	yes	Shree Krishna Mahila Samuha	Khakyu
40	Goma Neupane	30	Under SLC	yes	Balkumari Mahila Samuha	Khakyu
41	Annapurna Lama	38	Under SLC	yes	Balkumari Mahila Samuha	Khakyu
42	Shobita Neupane	39	Literate	yes	Thumki Mahila Samuha	Khakyu
43	Man Kumari Lama	35	Literate	yes	Thumki Mahila Samuha	Khakyu
44	Santoshi Thapa	40	Literate	yes	Juntara Mahila Samuha	Khakyu
45	Bhagawati Silwal	35	Under SLC	yes	Juntara Mahila Samuha	Khakyu
46	Men Kumari Thapa	37	Literate	yes	Beshigau Mahila Samuha	Khakyu
47	Bhuwaneswori Pauju	35	Literate	yes	Beshigau Mahila Samuha	Khakyu
48	Ranjana Thapa	21	Literate	yes	Samsari Mahila Samuha	Khakyu
49	Juna Timalisina	32	Literate	yes	Samsari Mahila Samuha	Khakyu
50	Sarmila gochhe	63	Literate	yes	Manakamana Mahila Samuha	Khopasi
51	Jiwa Kumari Wagle	51	Literate	yes	Manakamana Mahila Samuha	Khopasi
52	Shanta Bharati	52	Literate	yes	Narayan Sthan Mahila Samuha	Khopasi
53	Renuka Silwal	58	Literate	yes	Narayan Sthan Mahila Samuha	Khopasi
54	Januka Timalisina	25	Under SLC	yes	Chandeswori Mahila Samuha	Khopasi
55	Sunamati Udas	42	Literate	yes	Chandeswori Mahila Samuha	Khopasi
56	Thakur Kumari Timalisina	23	Under SLC	yes	Devisthan Mahila Samuha	Khopasi
57	Ganga Devi Wagle	30	Literate	yes	Devisthan Mahila Samuha	Khopasi
58	Bishnu Devi Sonam	40	Literate	yes	Jwalamukhi Mahila Samuha	Khopasi
59	Soni Humagain	23	Under SLC	yes	Jwalamukhi Mahila Samuha	Khopasi
60	Ganga Devi Wagle	33	Under SLC	yes	Laxmi Narayan Mahila Samuha	Khopasi
61	Sita Lama	45	Literate	yes	Laxmi Narayan Mahila Samuha	Khopasi
62	Kausalya Guragain	52	Literate	yes	Mayalbot Aama Samuha	Khopasi
63	Sangita Nepali	37	Literate	yes	Mayalbot Aama Samuha	Khopasi
64	Anita Adhikari	57	Literate	yes	Reshamkheti Mahila Samuha	Khopasi
65	Kanchi Nepali	42	Literate	yes	Reshamkheti Mahila Samuha	Khopasi
66	Narayani Mahat	43	Literate	yes	Nawajyoti Mahila Samuha	Khopasi
67	Samjana Mahat	32	Under SLC	yes	Nawajyoti Mahila Samuha	Khopasi
68	Shanu Thapa	35	Under SLC	yes	Dipjyoti Mahila Samuha	Khopasi
69	Shanti Pariyar	26	Under SLC	yes	Dipjyoti Mahila Samuha	Khopasi
70	Kanchi thapa	22	SLC Pass	yes	Sharaswoti Mahila Samuha	Khopasi
71	Gyanu Pariyar	23	SLC Pass	yes	Sharaswoti Mahila Samuha	Khopasi
72	Rita Karmacharya	42	Literate	yes	Kishan Mahila Samuha	Khopasi
73	Sabitri Shrestha	38	Literate	yes	Kishan Mahila Samuha	Khopasi

74	Tara Thapa	37	Literate	yes	Doleswor Mahila Samuha	Khopasi
75	Sunita Pariyar	30	Under SLC	yes	Doleswor Mahila Samuha	Khopasi
76	Sarita Pahari	35	Under SLC	yes	Pashupati Mahila Samuha	Khopasi
77	Nanimaya Shrestha	39	Literate	yes	Pashupati Mahila Samuha	Khopasi
78	Rama Pahari	41	Literate	yes	Basuki Mahila Samuha	Khopasi
79	Rama Mahat	36	Litereate	yes	Basuki Mahila Samuha	Khopasi
80	Sannani Pahari	32	SLC Pass	yes	Dhanghateswor Mahila Samuha	Khopasi
81	Bimala Tamang	43	Literate	yes	Ladkeswori Mahila Samuha	Nepane
82	Kunta Devi Thapa	42	Literate	yes	Ladkeswori Mahila Samuha	Nepane
83	Kulmaya Tamang	40	Under SLC	yes	Nawapragatishil Mahila Samuha	Nepane
84	Manju Adhikari	38	Under SLC	yes	Nawapragatishil Mahila Samuha	Nepane
85	Shanti Maya Tamang	45	Literate	yes	Fulchoki Mahila Samuha	Nepane
86	Bimala Bajagain	28	Literate	yes	Fulchoki Mahila Samuha	Nepane
87	Sarita Tamang	41	Literate	yes	Sirjanshil Mahila Samuha	Nepane
88	Hari Maya Humagain	35	Under SLC	yes	Sirjanshil Mahila Samuha	Nepane
89	Maya Tamang	38	Literate	yes	Chautari Mahila Samuha	Nepane
90	Shanta Sapkota	37	Literate	yes	Chautari Mahila Samuha	Nepane
91	Anita Tamang	49	Literate	yes	Thulagau Mahila Samuha	Nepane
92	Shita Lama	35	Under SLC	yes	Thulagau Mahila Samuha	Nepane
93	Nabina Tamang	30	Literate	yes	Mahakal Mahila Samuha	Nepane
94	Tulki Lama	38	Literate	yes	Mahakal Mahila Samuha	Nepane
95	Dilmaya Tamang	39	Under SLC	yes	Bhanjankharka Mahila Samuha	Nepane
96	Kanchi Lama	35	Under SLC	yes	Bhanjankharka Mahila Samuha	Nepane
97	Mashali Tamang	40	Literate	yes	Setidevi Mahila Samuha	Nepane
98	Anita Lama	35	Literate	yes	Setidevi Mahila Samuha	Nepane
99	Yuna Tamang	37	Literate	yes	Sanagau Mahila Samuha	Nepane
100	Binita Lama	35	Literate	yes	Sanagau Mahila Samuha	Nepane
101	Sukurani Tamang	42	Literate	yes	Gopyaswori Mahila Samuha	Nepane
102	Makhamali Tamang	39	Literate	yes	Gopyaswori Mahila Samuha	Nepane
103	Sirjana Tamang	42	Under SLC	yes	Chadani Mahila Samuha	Nepane
104	Phulmaya Lama	45	Under SLC	yes	Chadani Mahila Samuha	Nepane
105	Nanimaya Tamang	27	Under SLC	yes	Kaleswor Mahila Samuha	Nepane
106	Mashali Tamang	36	SLC Pass	yes	Kaleswor Mahila Samuha	Nepane
107	Nirmaya Tamang	32	SLC Pass	yes	Tawari Mahila Samuha	Nepane
108	Urmila Titung	33	Literate	yes	Tawari Mahila Samuha	Nepane
109	Apsara Bhandari	42	Literate	yes	Radhakrishna Mahila Samuha	Pasthali
110	Amrita Koirala	23	Under SLC	yes	Radhakrishna Mahila Samuha	Pasthali
111	Shova Mahat	23	Literate	yes	Pasthali Mahila Samuha	Pasthali
112	Sabitri Thapa	28	Literate	yes	Pasthali Gramin Mahila	Pasthali

113	Durga Lama	32	Literate	yes	Chandramukhi Mahila Samuha	Pasthali
114	Maiya Devi Wagle	45	Literate	yes	Chandramukhi Mahila Samuha	Pasthali
115	Saraswoti Koirala	32	Under SLC	yes	Dhanghateswor Mahila Samuha	Patikharka
116	Shubhadra Koirala	35	Literate	yes	Kamala Mahila Samuha	Patikharka
117	Sunita Mahat	30	Under SLC	yes	Kamala Mahila Samuha	Patikharka
118	Bina Ulak	27	SLC Pass	yes	Fatkeswor Mahila Samuha	Patikharka
119	Sabitri Mahat	35	Under SLC	yes	Fatkeswor Mahila Samuha	Patikharka
120	Sashi Mahila Samuha	35	SLC Pass	yes	Mayalbot Mahila Samuha	Patikharka
121	Gyanu Sharma	36	Under SLC	yes	Jaya Santoshi Mata Mahila Samuha	Patikharka
122	Usha Satyal	37	Under SLC	yes	Sana Kisan Mahila Samuha	Patikharka
123	Deviki Guragain	34	Literate	yes	Jagrit Mahila Samuha	Patikharka
124	Sabita Wagle	32	Under SLC	yes	Jagrit Mahila Samuha	Patikharka
125	Prerana Guragain	35	Literate	yes	Laxmi Mahila Samuha	Patikharka
126	Shanti Laxmi Pauju	32	SLC Pass	yes	Laxmi Mahila Samuha	Patikharka
127	Sushila Lama	30	Under SLC	yes	Suryamukhi Mahila Samuha	Salmitar
128	Mamata Mahat	50	Literate	yes	Suryamukhi Mahila Samuha	Salmitar
129	Nanimaiya Lama	42	Literate	yes	Panchakanya Mahila Samuha	Salmitar
130	Komal Mahat	27	Under SLC	yes	Panchakanya Mahila Samuha	Salmitar
131	Shanumaya Lama	22	Literate	yes	Chamundadevi Mahila Samuha	Salmitar
132	Durga Basnet	53	Literate	yes	Chamundadevi Mahila Samuha	Salmitar
133	Ganga Raut	42	Literate	yes	Sahakalidevi Mahila Samuha	Sankhu
134	Birnda Yonjan	39	Literate	yes	Sahakalidevi Mahila Samuha	Sankhu
135	Dipa Adhikari	37	Literate	yes	Shankheswori Mahila Samuha	Sankhu
136	Kanchi Adhikari	34	Literate	yes	Shankheswori Mahila Samuha	Sankhu
137	Mamata Raut	35	Literate	yes	Bangalamukhi Mahila Samuha	Sankhu
138	Maina Yonjan	30	Under SLC	yes	Bangalamukhi Mahila Samuha	Sankhu

APPENDIX-V

**बिन्धवासिनी बचत सहकारी संस्था लि. खोपासी, काभ्रे
लघुवित्त कार्यक्रम २०६७/०६८ सम्मको कार्यप्रगति विवरण**

क्र. सं.	विवरण	२०५९ आषाढ	२०६० आषाढ	२०६१ आषाढ	२०६२ आषाढ	२०६३ आषाढ	२०६४ आषाढ	२०६५ आषाढ	२०६६ आषाढ	२०६७ आषाढ	२०६८ आषाढ
१	संस्थागत विवरण										
	क) शाखा कार्यालय संख्या										
	ख) इलाका कार्यालय संख्या	3	4	4	4	4	4	4	4	4	4
	घ) फिल्ड कर्मचारी संख्या	3	4	4	4	4	4	4	4	4	6
२	सेवा विस्तार										
	क) कार्यक्रम पूगेको जिल्ला	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे	काभ्रे
	ख) कार्यक्रम पूगेको गा.वि.स.	4	5	5	6	6	8	12	15	15	17
	ग) कार्यक्रम पूगेको न.पा.	1	1	1	1	1	2	2	2	2	2
	घ) कुल केन्द्र/यूनिट समूह	18	34	36	56	69	102	145	191	220	243
	ड) कुल समूह/उप समूह संख्या	59	138	159	238	301	420	574	772	883	955
	च) कुल सदस्य संख्या	295	692	796	1188	1503	2151	3004	4001	4668	5073
	छ) कुल ऋणी संख्या	180	468	425	836	895	1013	1661	2626	2860	3526
ज) समूह छाडेको सदस्य संख्या	0	8	8	8	11	31	33	33	33	26	
३	शेयर पूँजी रकम	29500	69200	159200	340900	495700	2612600	3434300	4438800	5623600	8447800
४	बचत संकलन	97958	1271919	2323994	3872239	6317684	11265593	16409787	24165540	34737987	45104066
	क) कुल समूह बचत	65399	203959	401242	63082	102672	218761	374385	615184	894034	1113211
	ख) कुल व्यक्तिगत बचत	-	-	-	816374	1392243	2093627	2839253	4024918	6357961	7101728
	ग) नियमित बचत	29599	968182	1657249	2518308	3971680	7141196	10506712	15442575	21405523	28391930
घ) सदस्य हितकोष बचत	2960	99778	265503	474475	851089	1812009	2689437	4082863	6080469	8497197	
५	ऋण लगानी असुली विवरण										
	क) कुल ऋण वितरण	874000	2964000	6646500	11498747	21305717	41147288	67589288	109392288	166984288	242491719
	ख) कुल ऋण असुली	569692	1817665	4356476	8259909	15339959	27695141	52088451	86680557	135009460	199892666
	ग) लगानीमा बाँकी ऋण	304308	1146335	2290024	3238838	5965758	13452147	15500837	22711731	31974828	42398423
	घ) कुल भाखा नाघेको ऋण	-	-	-	-	-	-	-	-	-	-
	ड) भाखा नघाउने ऋणी संख्या	-	-	-	-	-	-	-	-	-	-
च) असुली दर	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
६	संचालन स्थिति										
	क) कुल आम्दानी	85395.26	226516.55	306212.91	426555.50	783534.43	1196215.60	1934362	3003550.14	4959230.11	6982579.28
	ख) कुल खर्च	107943.22	178302.40	274992.80	355800.95	698178.61	1089816.32	1702937.08	2752586.08	4872273.05	6722290.59
७	संचालन सक्षमता	79%	127%	111%	120%	112%	110%	114%	109%	102%	104%

APPENDIX-VI

बिन्धवासिनी बचत सहकारी संस्था लि. खोपासी, काभ
आ.व. २०५०/०५१ देखि आ.व. २०६७/०६८ सम्म १८ वर्षे तुलनात्मक प्रगति

सदस्य स्थिति

विवरण	०५०/५१	०५१/५२	०५२/५३	०५३/५४	०५४/५५	०५५/५६	०५६/५७	५७/५८	०५८/५९	०५९/६०	०६०/६१	०६१/६२	०६२/६३	०६३/६४	०६४/६५	०६५/६६	०६६/६७	०६७/०६८
महिला सदस्य	56	78	121	165	232	323	484	523/36	564/367	559/662	649/709	674/1103	753/1394	1396/1342	2009/1759	2611/2369	3571/2615	5090/1828
पुरुष सदस्य	66	81	438	612	852	954	1084	1260	1332	1318	1320	1378	1494	1613	1953	2311	3100	3424
सरक्षित केटाकेटी	-	63	85	90	81	84	88	87	64	61	71	62	66	63	63	68	92	105
समूह तथा संस्थागत	-	1	23	33	35	31	44	38	43	57	64	84	97	99	133	165/99	192/197	142/197
कुल सदस्य	122	223	667	900	1200	1400	1700	2174	2370	2657	2813	3301	3804	4513	5917	7623	9767	10786
कुल समूह	-	-	42	65	95	105	120	130	134	134	142	142	148	176	210	278	455	491
	घित्तिय स्थिति									(र. हजारमा)								
शेयर पूँजी	62	117	840	1151	1796	2199	3842	4834	6027	6244	7141	8396	10204	13833	20232	29125	41107	25774
नियमित बचत	53	195	469	1106	2031	3397	5278	7228	9228	12309	15267	18854	22251	28980	38306	50376	65938	83858
दैनिक बचत	-	-	-	-	-	309	961	1792	2256	2764	1373	1287	1305	1202	1469	1239	1650	1928
पर्व बचत	-	-	-	-	-	-	143	787	1059	1363	2260	2779	2621	5346	4705	5731	5632	5129
शैक्षिक बचत	-	-	-	-	-	-	105	464	732	1120	1744	2492	3537	5043	7449	10405	13300	17940
सामूहिक बचत	-	-	-	-	-	-	-	2	65	204	481	879	1506	2312	3203	4661	7264	8296
विशेष बचत	-	-	-	-	-	-	5	372	448	830	1651	2676	4423	4869	3015	6784	9650	5595
साधारण बचत		119	799	1176	2270	3795	6164	9502	8662	10686	15082	20883	23480	33299	44026	77944	101811	12369
मुद्ती बचत		1	71	224	830	1526	3152	5844	5060	7594	8534	9358	8762	11191	18019	33092	44845	63728
संचयकोष	-	-	-	-	-	-	-	-	-	191	296	423	615	856	1281	1823	2478	3318
सदस्यहित कोष बचत	-	-	-	-	-	-	-	-	-	4080	4980	6329	8436	10992	14396	18872	24721	29717
बिन्धवासिनी बचत	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	31	78
कुल जम्मा	53	315	1339	2506	5131	9027	15808	26031	27510	41141	51668	65960	77936	104090	135869	240355	318427	294884
विभिन्न कोषहरु		5	19	141	332	1124	2180	3735	6024	4180	4012	4845	6585	7708	8121	10228	14447	26116
ऋण प्राप्त बाह्य	-	-	-	-	-	-	-	500	600	-	-	-	-	-	-	-	-	7000
बाह्य ऋण फिर्ता	-	-	-	-	-	-	-	-	500	600	-	-	-	-	-	-	-	500
कुल प्राप्त पूँजी	120	450	2335	4008	7650	12932	21812	35060	40161	47385	62823	79201	94724	125631	164220	250583	332874	427500
ऋण लगानी	105	419	1637	4781	9460	18611	34760	56562	40553	51555	62583	88582	113505	156113	220545	337347	417476	330076
ऋणी असुली	13	238	722	2381	5400	9259	18436	29583	36248	42105	53552	72437	100091	132258	181746	276239	318764	296474
लगानीमा रहेको	92	182	915	2400	4060	9352	16324	26978	31282	40732	49763	65909	79323	103178	141977	203085	301797	335400
भाखा नाघेको ऋण	-	-	-	-	-	-	-	-	-	-	2933	2808	1615	2765	3710	128	0	0
उठ्न बाँकी व्याज	-	-	-	-	-	-	-	-	-	-	937	1236	1454	1752	1536	162	0	0
आम्दानि	10	39	211	497	92	1595	2919	4717	6047	6334	9392	9961	12673	14832	17504	25164	37085	53836
खर्च	5	27	116	287	529	1013	1864	4202	5866	7185	9317	9508	11050	12937	16610	23189	35285	50343
नाफा/नोक्सान	5	12	95	210	391	582	1055	515	181	-851	75	453	1623	1895	894	1975	1800	3402