

# CHAPTER I

## INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

The history of financial sector of Nepal is not so old. At first in 1937 Nepal Bank Limited was established, from this the financial sector history of Nepal started. The after in 1956 Nepal Rastra Bank, in 1959 Industrial Development Corporation, in 1966 Rastriya Banijaya Bank and in 1968 Agricultural Development Bank were established in Nepalese financial sector. The term 'microfinance' is the latest version of the generally used term 'rural finance', 'educational finance' and 'small scale finance', which was practiced by many financial institutions in Nepal dating back to 1956. Formally the financing on 'small sector' was initiated in the year 1974, when NRB, central bank of the country, had instructed to commercial banks to invest 5% of total deposits in this sector (Pradhan, 2005: p.14).

Today, poverty is the world's main problem. Every country faces this problem. Since poverty is the main barriers for today's world without solve it no one cannot get really success in every part of country's development. Nepal is least developing country and faces this problem. Around 38% of people are under poverty. Nepalese govt. and other sectors of Nepal are trying to solve this problem from various methods. Microfinance is such a source which help to solve this problem, with the help of microfinance, Nepal get success in poverty alleviation. This microfinance is an effective tool to increase the life standard of women and give socio-eco status of people in society.

Microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

Microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables people to move out of poverty. By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Bashyal, 2008).

The educated as well as energetic women do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Kusma Municipalities' women have to go a long way to achieve equal rights and position because traditions are deep rooted in Nepalese society where the sociological set up has been a male dominated one. Women are considered as weaker sex and always made to depend on men folk in their family and outside, throughout their life. The Nepalese culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. While at least half the brainpower on earth belongs to women, women remain perhaps the world's most underutilized resource. Despite all the social hurdles, Nepal is brimming with the success stories of women. They stand tall from the rest of the crowd and are applauded for their achievements in their respective field.

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of Nepal has defined women entrepreneurs as an enterprise owned and controlled by women having a minimum financial interest employment generated in the enterprise to women . Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their on legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors.

## **1.2 STATEMENT OF THE PROBLEM**

Women of Nepal are poorest then men because they lack access to health, education and economic resources. Most of the women of Nepal are involved in agriculture but not recognized as farmer due to triple burden of work. Majority of women in Nepal are suffering from hard work and have difficult social and economic condition. The most unprivileged class like women is to be especially targeted to effectively achieve overall poverty reduction in the country.

Different type of programs is lurching in women development in Nepal. Such as priority sector credit program (PSCP), Small Farmer Development Program (SFDP), Integrated Rural Development Program (IRDP), PCRW, Participatory District Development Program (PDDP) which in fact are intended to uplift the rural poor, especially women. Govt. also conducted micro credit project for women (MCPW) in twelve districts and five urban areas (Kayastha, 2012).

Although Parbat is one of educational district of Nepal, women of this district are still involved within household activities. They involve in agricultural activities. The ownership right over the family properties rests with males not the females.

Some common problems related to women such as not owning land and low level of education, limited scope to generate income and low social status are interconnected and circular in nature. They are less conscious to save money and financial mobilization. It is difficult for women to get high amount of loan without collateral and with less collateral. It is difficult for them to invest in business activities.

Women microfinance in Nepal has been facing many problems. So this study aims to find the answer of the following questions.

- i. What is the status of women respondents?
- ii. Is there any role of micro finance to improve social status of women?
- iii. What is the role of micro finance to improve in economic status of the member women?

### **1.3 OBJECTIVES OF THE STUDY**

The general objective of the study is to assess the role of microfinance on women in Kusma Municipality - 6, Dhaneswor Choak areas of Parbat. The specific objectives are as follows:

- i. To analyze the status of women respondents.
- ii. To identify the role of micro finance in changing social status of member women.
- iii. To examine the role of micro finance in changing economic status of women.

#### **1.4 SIGNIFICANCE OF THE STUDY**

Through the help of this research study, it can be helpful to the microfinance, saving groups created by women to understand what could be done to empower women effectively. Similarly, it can be helpful to reveal the condition of the society. The study could help to analyze the women participation in financial decision making. The study can help to determine the role of microfinance in society, living standard of the people, their expenditure behaviors’.

Microfinance allow women to take a greater role in household decision making, to have greater access to financial and economic resources, to have greater social networks and more bargaining power vis-à-vis their husbands; and to have greater freedom of mobility ( Linda Mayoux, 1997)

To date, Nepal about three decades of experience in Micro-Finance, which has been exclusively recognized as a poverty-reduction program focused towards raising the Income level and social standard of the people living in poverty, particularly women. This research is to examine the impact of the microfinance on livelihood improvement of the people living in Kusma Municipality through employee opportunity, income level, consumption expenditure, capital expenditure and social information.

#### **1.5 LIMITATION OF THE STUDY**

While this study is sheds light on various aspects of the micro finance. Furthermore, this study attempts to contribute to a fuller picture of the micro-finance sector and its impact. Followings are major limitation of the study

- ) This study is only concentrated to the sample area i.e. kusma municipality 6 parbat district. So it does not cover the real scenario of Nepal.
- ) Research was conducted in very short period of time.
- ) The sample size of this study is too small which may not represent the whole population.

## **1.6 ORGANIZATION OF THE STUDY**

This study has been organized in five chapters. The titles and contents of each chapter are briefly mentioned below.

### **Chapter I: Introduction**

It describes the introductory part of the study where general background, statement of the problem, objective, limitations, significance and organization of the study.

### **Chapter II: Review of Literature**

It deals with review of available literature of related studies. It contains conceptual review, major studies, review of books, review of articles and thesis.

### **Chapter III: Research Methodology**

It describes the research methodology adopted in carrying out the present research. It includes research design, sources of data, method of analysis, and data collection tools and techniques.

### **Chapter IV: Presentation and Analysis of Field Data**

It concerns with presentation and analysis of field data. This chapter also includes major findings of the study.

### **Chapter V: Summary, Conclusion and Recommendation**

This chapter comprises summary, conclusion and some recommendations of the study.

Bibliography and appendices have also been incorporated at the end of the study.

## CHAPTER II

### REVIEW OF LITERATURE

#### 2.1 CONCEPTUAL REVIEW

Finance can be regarded as an effective tool in spreading economic opportunity and fighting poverty, giving poor people the freedom to earn and fulfill their livelihood. Like all economic agents, low-income households and micro-enterprises can benefit from credit, savings, and insurance services. For this, microfinance has evolved as an economic development approach intended to benefit low-income women and men. Mostly women in rural areas are illiterate and do not have access to sufficient financial benefits. The access to financial services, such as savings, remittance services, and insurance, can help poor women overcome the fear of future long-term factors such as inadequate consumption, education, health, and other indicators of human welfare. The overwhelming majority of people in Nepal are concentrated in rural areas where the incidence of poverty is 34.6 percent, as compared with 9.6 percent in the urban areas. So the government of Nepal, since its early national plans, gave emphasis to reduce poverty through improving financial access to rural people (Bashyal, 2008).

More women are in paid and self-employment than ever before. According to official measurements, 41% of the world's women aged fifteen and over are economically active through using different criteria in 1990. Women's share in the labor force increased in many but not all regions. It remained constant at fairly high levels in Southeast and East Asia, and actually declined in sub-Saharan Africa. The increase was greatest in North America from 38-41% - and high in the other OECD countries (Shrestha, 2010).

Concepts of 3Ss for Poverty Alleviation:

S<sub>1</sub> = Samuha means groups or organization or community.

S<sub>2</sub> = Seep means skills or empowerment.

S<sub>3</sub> = Sano punji means microfinance.

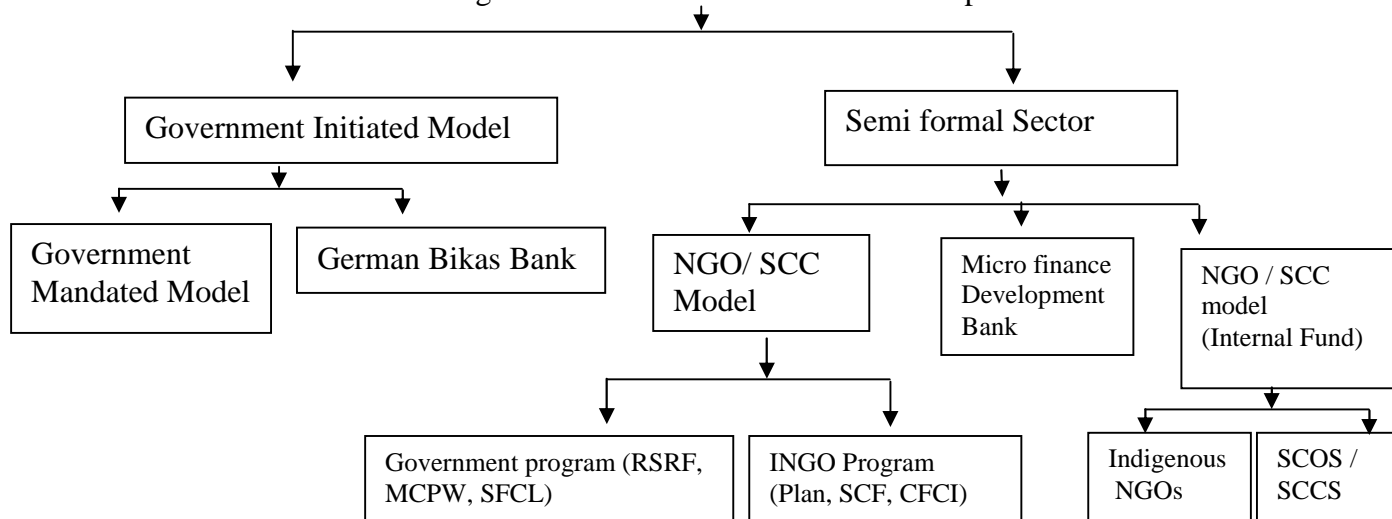
Since microfinance is targeted to poor people of rural areas, it assists the poor in many ways. Such as; providing poor people to invest in assets, organizing and facilitating difficult activities to earn their livelihood, protecting against income shocks in case of

emergency needs and smooth consumption, improving quality of life by building social capital.

Some MFIs provide enterprise development services, such as skills training and marketing, and social services, such as literacy training and health care; these are not generally included in the definition of microfinance. MFIs can be non-governmental organizations (NGOs), saving and loan cooperatives, credit unions, non-banks financial institutions. Microfinance clients are self-employed as well as street vendors, women, service providers (hairdressers, rickshaw drivers) and artisans and small producer, such as blacksmiths and seamstresses.

Nepal government designed a poverty alleviation program called small farmer development program in 1975. The program was implemented through Agricultural Development Bank. This program is now considered a successful program in Nepal for poverty alleviation to some extent. Government recognized micro finance as a tool for poverty alleviation and thus lunched it in the Sixth Plan (1980/81-1984/85). Various programs to ensure poor, particularly women and disadvantaged and marginalized people was designed and implemented during that period. This program gained momentum after the restoration of democracy in 1997 with the establishment and promotion of Grameen Bikash Bank and other micro finance institutions like production credit for rural women, micro credit project for rural women, rural self-reliance fund, rural development bank, etc.

Figure 1.2: Micro Finance Sectors in Nepal



Micro credit programs in Nepal have different modalities. Some are community based such as saving and credit cooperatives. Some are sector based such as 'priority sector'

program which includes agriculture, cottage and small industries and services, and implemented through commercial banks. Though the history of micro credit started since 1950s, its importance has increased when regional rural development banks were established in 1992 by Nepal government and Nepal Rastra Bank as reapplication of Grameen Bank of Bangladesh, focusing on extremely poor people. The main objectives of RRDB is to empower rural people economically by providing them economic opportunities which in turn empowers them socially, economically, politically and psychologically.

Nobel peace prize winner of 2006, Mohammad Yunus of Bangladesh, the brain child of Grameen Bank, aptly regards poverty as "The denial of human right. A poor person has no right at all, no matter what one puts into the book" (Yunus, 1987)

Thus poverty is multidimensional in nature. It is the presence of hunger, malnutrition, illiteracy or insufficient education, starvation, frequent outbreak of communicable disease, remarkable poor housing, bare clothing, landlessness and so forth. The dynamics of poverty inequality and nutritional deficiency are related to each other through a complex chain of interactions. This phenomenon reinforces the other, and they are influenced at the same time by a number of other socio-economic parameters. "Micro-credit" remained as important tool to focus the rural poverty. The poverty situation in Nepal is alarming and to reduce this situation to a reasonable level is also a major concern of the govt. plans and programs. The current 10<sup>th</sup> plan (2002-2007) has also incorporated micro credit as a major financial tool to overcome its single objective; i.e. poverty reduction. To attain the objective, the 10<sup>th</sup> plan has set out a number of policies and strategies along with various credit programs. For this, the plan has set a target of Rs. 101 billion rural credits to be disbursed during the plan-period of which the MFIs alone will disburse 50 percent" (*Pardhan,*).

## **2.2 REVIEW OF PREVIOUS STUDIES**

Bashyal (2005) studied and evaluated the impact of microfinance program on poverty reduction in her Ph.D. dissertation entitled "Impact of microcredit programs on poverty alleviation in Nepal: A case study of Rupendhai Parbat district". She gave more emphasis on her study that women will not be empowered until and unless they get benefited both qualitatively and quantitatively with the promotion of gender equality. Overall objectives of the study were to evaluate the socio-economic impact and implications of microfinance on poverty alleviation through empowering women.



Singh & Dara (2007) has been devoted to discuss the problems and prospects of developing the rural poor through Micro Finance. Micro Finance has come to include a broaden range of service-credit, saving and insurance. Thus, the typical micro finance clients are low income persons who do not have access to formal financial institutions. Micro Finance is provided by NGOs, credit unions, co-operatives, private commercial banks and non-bank financial institutions. NABARD continued to provide 100% refinance to banks at an interest rate of 6.5% per annum for financing SHGs. It has been aptly observed that political interference and bureaucratic procedure are key problems in the working of MFIs. Lack of democratic functioning, delays in operational aspects, lack of appropriate legislation to regulate the credit flow to the poor, social exploitations by the private money lenders charging high rate of interest and by-passing the needy persons, weak banking system unable to access the poor, officials indulging in corrupt practices are the main problems faced by the beneficiaries. For improving the Micro Finance the suggestions include generation of awareness, encouraging Fis, expediting services, making policy changes and modification in NABARD Act, removing monopoly of government and making provision of social audit.

Microfinance, a poverty alleviation tool to mitigate the vulnerability of the people of the weaker section in the society, has widely been implementing all over the world by engaging especially, the women in the main stream economic development. From the conducted study suggests that microfinance has been able to make poor women psychologically empowered and has raised their consciousness level high. It is also found that now they are equally capable of executing their decision- making power in the family matters. From the table of consciousness level of the beneficiaries, it is evident that the consciousness level regarding exercising voting right, preparing oral saline and drinking tube well water is satisfactory while the habit of using contraceptive is little bit low. Thus for the overall development of the country including rural sector, the weaker section women must be included as the key force with the existing male dominated financial sectors and all the development program must be addressed to the financially backward women (Chittagong Rajib Chakraborty and Jayamani ,2013) .

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 assess 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), who 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 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 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.

Pathak (2006), who did research for MBS degree on the topic 'Microfinance in Nepal and its Effect in 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 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 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 Rupendehi.

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

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

Dulal ( 2010) has conducted thesis on 'Impact of Microfinance Program in Socio-Economic Empowerment of Women in Nepal' (A Case Study of DEPROSC Nepal in Thaiba VDC of Lalitpur The thesis has focused on the economic impact of the microfinance program in women empowerment, social impact of the microfinance program in women empowerment, constraints faced by the women clients because of the competitive microfinance services.

The thesis finds that the survey revealed that the micro-finance program has not shown a significant effect on the client's landholding position. Home to live poses higher value to the sample clients thus prefer to improve the quality by changing roof, making ground cemented, plastering the walls etc. Number of livestock holding households has also improved. Prior joining the program, only 15 per cent clients have any small scale livestock where 18 per cent clients used to have medium livestock but after joining the microfinance program it has changed to 28 per cent and 24 per cent respectively.

Food security situation has significantly changed. Prior joining the program, 55 per cent clients had food for only less than 3 months among which around half of them have increased food sufficiency at present. Increased awareness and knowledge on education, health, sanitation, family harmony enterprises handling; enhanced skills of financial transactions and trade; being more responsible and disciplined; realization of disadvantages of social evils and bad habits are some of the major achievements gained by sample clients.

Dhital ( 2015) has conducted thesis on 'Socio Economic Impact of Micro Finance' (With Reference to Sangle V.D.C. of Kathmandu District, Nepal). The thesis has focused on the impact of microfinance to develop the socio economic condition of the people, role of microfinance for the rural poor people in income generating activities, effect of microfinance program on the economic status of beneficiaries.

The thesis finds that the age of majority of women is between 20-40 years. So that, MFP has involved only earning aged members and female. Majority members of the MFP can be found illiterate in the study area. Literate members also are hardly able to write their own name. The most of the households have the medium family size. Medium family size consists of between 4 to 7 family members.

living standard of respondent is increased after the MFP in the study area. Similarly economic to send their children to private school after than before MFP. Not only their sons but also daughters sent to the private school. There is positive effect of MFP on source of fuel consumptions. Except small parts of the respondents, most parts of the respondents use gas as a fuel after MFP.

Kharel (2008) has conducted thesis on Financial Performance of Micro Finance Institutions and the Women Economic Empowerment in Nepal (A case study of Mahila Prayash Bacht Tatha Rindh Sahakari Sanstha Limited and Panchakanya Mahila Bikash Bachat Tatha Rindh Sahakari Sanstha limited)

The thesis has focused on the role of micro finance is also helping to fulfill some portion of the main objective of the Tenth Plan. This social and economical status of the members. It also shows that MFLs are making contribution to develop their communication skills which is an important attribute of the empowerment.

The thesis finds that PMBRS provide incense making sticks training to their members and other interested women for free. Both organizations' board members regulate their organization's activities. MPBRS provide Rs. 25 each member who brought one new member for such organization which helps more to increase the membership of such organization. Majority of members were unknown about the voting system of such organization. 59 percent Microfinance institution is a powerful tool for poverty alleviation and empowerment of women and both organization moves towards it.

Nepal, Paudyal, Dahal, Adhikari, & Pokhrel, (2013) reported best practices and challenges in Nepal on behalf of Nepal Rastra Bank as best Practices Separate regulating and supervising departments exist in NRB as well as competent and experienced staffs are assigned in these departments. New and qualified staffs are being recruited in a regular basis by NRB. Frequent trainings, seminars and knowledge sharing programs and similar activities take place for NRB staffs regarding regulation and supervision of FIs. Adequate legal provisions with international standards are already there and time to time revisions and amendments are undertaking for effective regulation and supervision. Priorities and incentives are being provided for MFIs going to remote areas. Microfinance has been accepted as an 'effective tool' of poverty reduction by the government in its official documents and government time to time unveils different policies for the development of this sector. Problems and Challenges are MFIs are mostly concentrated in urban and accessible areas and less presence in hilly and remote areas. We find multiple financing of MFIs and duplication of lending in most of the accessible/pro-urban areas. Due to this, high drop-out rates are being observed in those areas. There is duplication among the donors even in rendering microfinance services. Comparatively high interest rates are

charged by MFIs mainly due to their higher operational costs. MFIs are found to be more business oriented in recent years and they are being deviated from their social responsibility. Their presence is relatively less in targeted deprived sectors and they are more concentrating on the middle class and lower middle class. There are challenges to drive the MFIs in productive and agricultural sector.

### **2.3 RESEARCH GAP**

The microfinance is an emerging issue to overcome the poverty. Many organizations words on that field but how are they working in that field, what did impact the rural women not clear. Many researchers are conducted on that field they could not draw the clear picture, so that is the research gap, another is this is the first research about role of microfinance in kushma municipality of parbat district. The study was aimed at exploring the impact, prospects of microfinance in kushma municipality and making broad recommendations to make program effective. This study has also made an effort to raise general awareness among those people or organizations who were working for the rural women.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 RESEARCH DESIGN**

A research design is a plan for the collection and analysis of data. It is an organized approach and not a collection of loose, unrelated parts. The research design serves instruments to be utilized and the sampling plan to be followed.

It presents residues of guide posts to enable to researcher to progress in the right direction in order to achieve goal. The design may be a specific presentation of the various steps in the research process. The steps include the selection of a research problem, conceptual clarity, and methodology, survey of literature and documentation, bibliography, data collection, interpretation, presentation and report writing.

To conduct these studies descriptive approach was adopted. Descriptive approach was used mainly for conceptualization of the research objectives and problem of the study.

#### **3.2 RATIONAL FOR THE SELECTION OF THE STUDY AREA**

The study is focused on the role of microfinance for women entrepreneurship development. The sample is selected from groups of Women. The study was covers only five years of data. The study was analyzed on the basis of the performance of participating people from micro enterprise groups.

The study also focuses on the area of the study was conducted in Kushma -6 of Parbat District. The districts is selected as to provide the feathers of neither develop nor very backward. The high ethnic diversity represented by this ward no -6 of Kusma Municipality also is one of the motivating factors for conducting the present research work.

One of the reasons for carrying out the research work is my familiary with Kusma Municipality is selected being my home district to which I am familiar with place and people.

#### **3.3 NATURE AND SOURCES OF DATA**

This study includes both qualitative and quantitative data. Primary data was collected from field survey, and interviews. Secondary data was collected from reports of municipality, Journals of microfinance, published books, thesis, and newspaper.



### **3.4 STUDY POPULATION, SAMPLE AND SAMPLING PROCEDURE**

All the microfinance beneficiaries' women entrepreneurs are considered as a total population. Out of them microfinance beneficiaries within kusma municipality 6 are considered as a target population for the study.

Only 101 women were selected as sample for this study using a random as well as judgmental sampling method out of 303 members of microfinance..

### **3.5 DATA COLLECTION TECHNIQUES AND TOOLS**

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

- **Survey:**

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

- **Key informants interview:**

This is also called direct interview. It was used to collect the information related to investment, credit, saving interest collection, repayment rate and so on. Key informant interview was held with 8 persons.

### **3.6 RELIABILITY AND VALIDITY OF DATA**

Reliability is the degree to which measures are free from error and therefore yield consistent results. Validity is the extents to which a test measures that researcher actually wish to measure. During the study, time to time visit with the expert instructor was done in order to ensure the reliability and validity of the study.

Thus, the questionnaire preparation and distribution for data collection was ensure high reliability and validity because it was prepared in guidance of an expert, who oversaw the entire thesis development with pouring the set of standard in each step. To check the reliability of the data before data collection, Pilot testing will be conducted with 10% of samples.

### **3.6 DATA PROCESSING AND ANALYSIS:**

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

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

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

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

## CHAPTER IV

### PRESENTATION AND ANALYSIS OF FIELD DATA

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

#### 4.1 SOCIO ECONOMIC STATUS OF WOMEN

From the profile of respondent it has been found that the program has benefited to all the borrowers. For the purpose of study, perception of the sample women towards the program with respect to education level, age structure, ethnic group, priority sector, confidence of women etc are shown:

##### 4.1.1 EDUCATION LEVEL:

Education is most important thing all over the world. Therefore it is lamp of the world. Following table shows the education level and their perception of sample women.

**Table 4.1 Response on the Education Level of Women**

S.N	Education Level	Perception toward the Program		Total
		Highly Benefited	Low Benefited	
1	Illiterate	7	4	11
2	Literate( person who can just read and write)	14	10	24
3	Under SLC	17	15	32
4	SLC pass	11	7	18
5	Certificate & above	12	4	16
<b>Total</b>		<b>61</b>	<b>40</b>	<b>101</b>

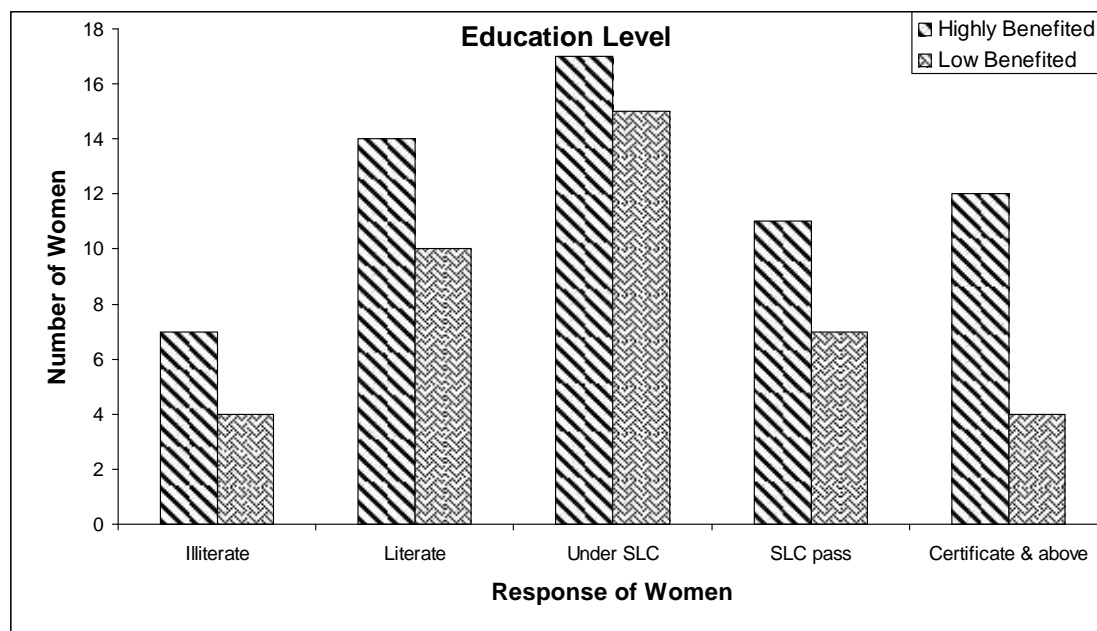
Source: Field Survey, 2018.

In the table 4.1, out of 101 respondents 11 were illiterate, 24 respondents were literate, 32 were under SLC, 18 SLC pass and 16 were certificate level and above. In totally, more respondents were literate. On the other hand 61 respondents were highly

benefited and 40 were low benefited. Hence from the above table we can say that illiterate, literate, Under SLC, SLC pass, Certificate level and above all are getting high benefit from the microfinance program.

Above table 4.1 can be presented in the following figure.

**Figure 4.1 Response on the Education Level of Women**



#### 4.1.2 AGE STRUCTURE:

In the research study it has been found that the age structure of women was in between 20 to 60 above years and all were married. It has been shown in the following table.

**Table 4.2 Response on the Age Structure of Women**

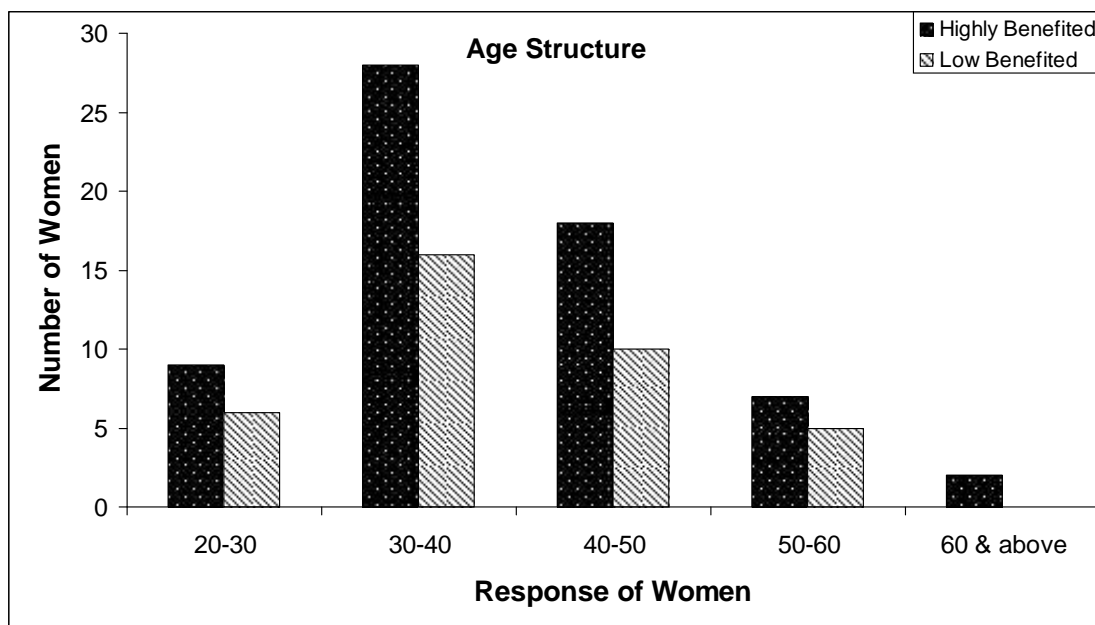
S.N	Age Structure	Perception toward the Program		Total
		Highly Benefited	Low Benefited	
1	20-30	9	6	15
2	30-40	28	16	44
3	40-50	18	10	28
4	50-60	7	5	12
5	60 & above	2	-	2
<b>Total</b>		<b>64</b>	<b>37</b>	<b>101</b>

Source: Field Survey, 2018.

From the table 4.2 15, 44, 28, 12, 2 are in age class of 20-30, 30-40, 40-50, 50-60, and 60 above years respectively. Highly benefited women were more than low benefited.

The above table 4.2 can be shown in the following figure also.

**Figure 4.2 Response on the Age Structure of Women**



#### 4.1.3 ETHNIC GROUP:

Generally high class, middle class and low class of women were found on field survey according to their cast status. The following table shows the class of women and their perception toward benefit.

**Table 4.3 Response on the Ethnic Group of Women**

S.N	Ethnic	Perception toward the Program		Total
		Highly Benefited	Low Benefited	
1	Higher class	31	24	55
2	Middle class	15	14	29
3	Lower class	9	8	17
<b>Total</b>		<b>55</b>	<b>46</b>	<b>101</b>

Source: Field Survey, 2018.

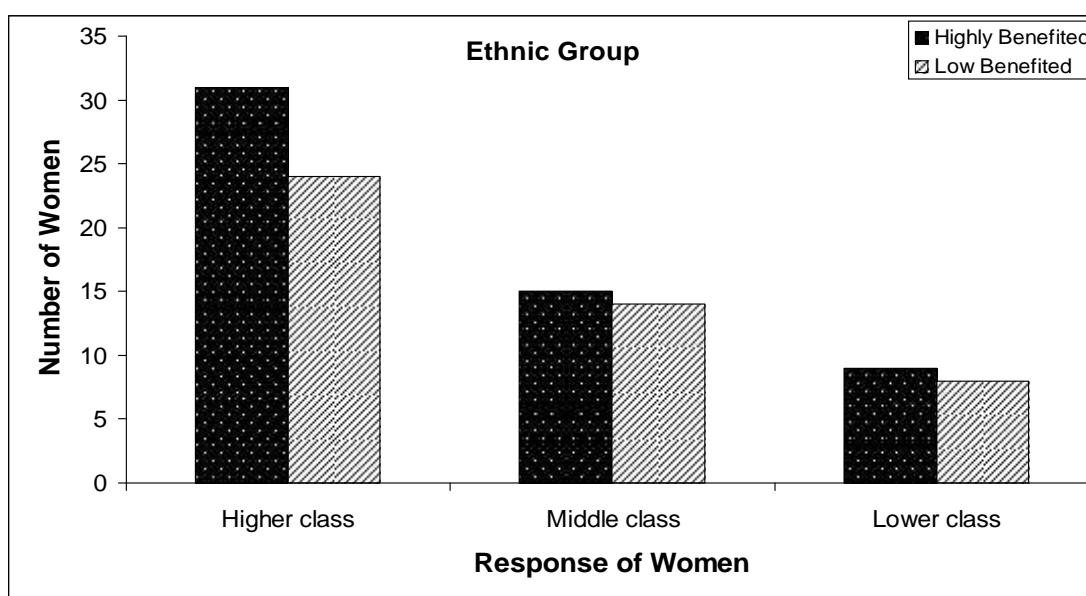
Higher Class : Brahmin and Chetry.

Middle Class : Magar and Newar.

Lower Class : Sarki, Damai and Gaiene.

Table 4.3 shows that 55 participating women were involved from higher class, 29 from middle class and 17 from lower class. So that we can easily say that GBB program is able to convince lower class women too successfully. It reveals that higher class women were getting high benefit from the program. The data is presented in following figure 4.3 also.

**Figure 4.3 Response on the Ethnic Group of Women**



#### **4.1.4 PRIORITY SECTOR AFTER IMPROVEMENT IN ECONOMIC CONDITION:**

Every people have their own interests and future plan. Like this, these microfinance 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 4.4.

**Table 4.4 Priority Sector Areas**

S.N	Sector	Number of Women	Percentage
1	Education	16	15.84
2	Health	18	17.82
3	Fooding	52	51.49
4	Saving	15	14.85
<b>Total</b>		<b>101</b>	<b>100.00</b>

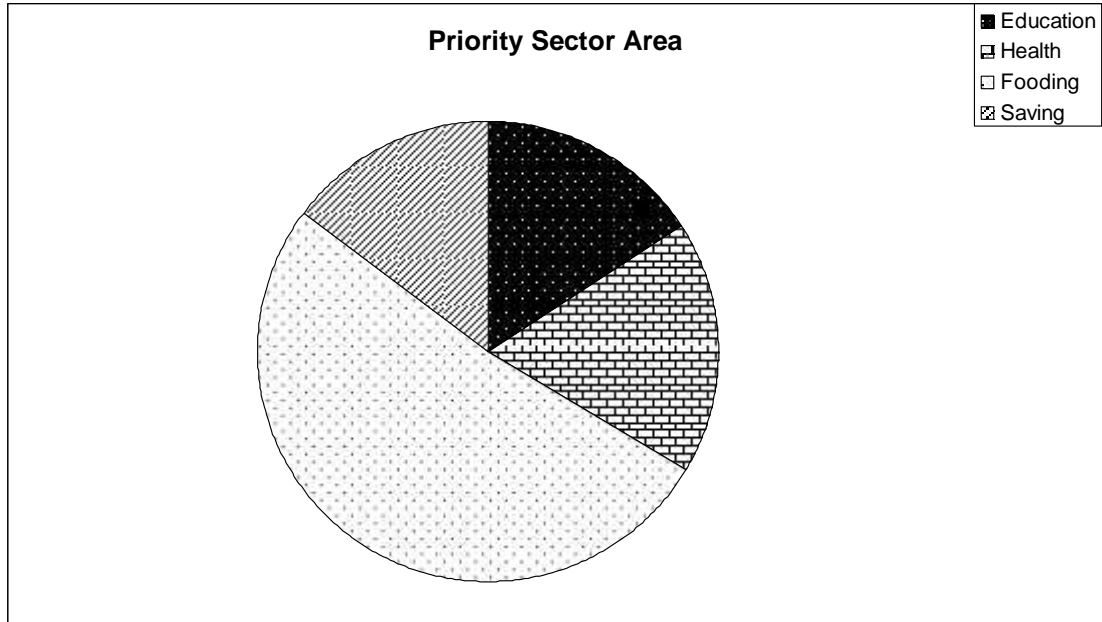
Source: Field Survey, 2018.

Table 4.4 shows the priority sector of participatory women. Main priority sector of women were education, health, fooding, saving. Out of 101 respondents 16 prefer education, 18 prefer health, 52 prefer fooding, 15 prefer saving after improvement in

their economic condition. In percentage, higher pc of women prefers fooding i.e. 51.49% and lower pc of women prefer saving i.e. 14.85%.

Above table can be shown in following figure 4.4 also.

**Figure 4.4 Priority Sector Areas**



## **4.2 ROLE OF MICROFINANCE**

### **4.2.1 SAVING BY GROUP MEMBERS IN DIFFERENT SAVING PROGRAMS:**

The state of saving by women in different saving programs is shown in table 4.5. Saving habit of the members in cooperative is the fundamental aspect.

**Table 4.5 Saving by Group Members in Different Saving Programs****(In Rs.)**

S. N	Fiscal Year	Group Saving		Centre Fund Saving		Individual Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2012/13	2332575	15.52	143512	16.32	182218	24.25	2658305	15.95
2	2013/14	2441839	16.24	157724	17.93	194892	25.93	2794455	16.77
3	2014/15	3220645	21.43	164013	18.65	171344	22.80	3556002	21.34
4	2015/16	3758378	25.00	189234	21.51	107623	14.32	4055235	24.34
5	2016/17	3277974	21.81	225126	25.59	95421	12.70	3598521	21.60
<b>Total</b>		<b>15031411</b>	<b>100</b>	<b>879609</b>	<b>100</b>	<b>751498</b>	<b>100</b>	<b>16662518</b>	<b>100</b>
<b>% in total</b>		<b>90.21</b>		<b>5.28</b>		<b>4.51</b>		<b>100</b>	

Source: Microfinance

The above table shows the saving of members of in different saving programs in last five fiscal years. There were different saving amounts in different headings. The overall saving from different saving programs was Rs 1,662,518. The total saving of group saving was Rs 15,031,411, centre fund saving was Rs. 879,609, and individual saving was Rs 751,498. Overall percentage in group saving was 90.21%, in centre fund saving was 5.28% and in individual saving was 4.51%. So there was greatest percentage of saving in group saving. The total saving in last five fiscal years were Rs 2,658,305 in 2013/14, Rs 2,794,455 in 2014/15, Rs 3,556,002 in 2015/16, Rs 4,055,235 in 2015/16 and Rs 3,598,521 in 2016/17. There was greatest pc of saving in fiscal year 2014/15 which was 24.34% and smallest percentage of saving was in 2012/13 which was 15.95%. The greatest percentage and amount of group saving was in 2014/15, centre fund saving was in 2016/17 and Individual saving was in 2013/14 which were 25%, 25.59%, 24.34% and Rs 3,758,378, Rs 225,126, Rs 194,892



respectively. The smallest percentage and amount of group saving was 15.52% and Rs 2,332,575 in fiscal year 2012/13, centre fund saving was 16.32% and Rs 143,512 in fiscal year 2012/13 and in individual saving was 12.70% and Rs 95,421 in fiscal year 2016/17.

The above saving programs can be shown in the following table also.

#### 4.2.2 REGULAR SAVING OF WOMEN:

The regular saving of sample women is shown in following table 4.6.

**Table 4.6 Monthly Regular Saving of Sample Women**

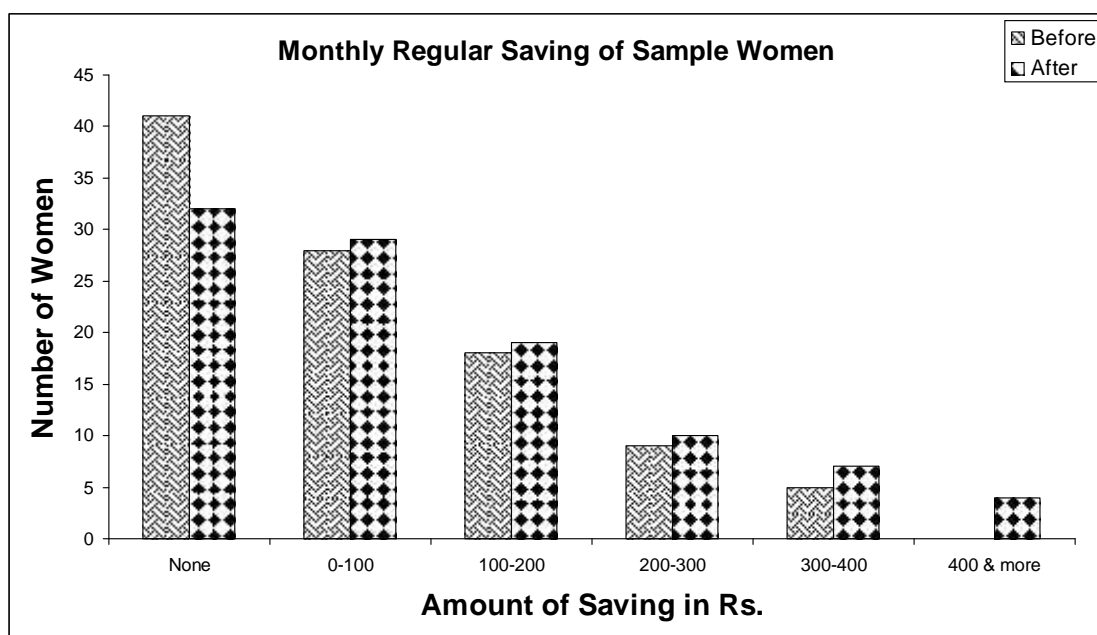
S.N	Amount in Rs.	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	None	41	40.59	32	31.68	(8.91)
2	0-100	28	27.72	29	28.72	1.00
3	100-200	18	17.82	19	18.81	.99
4	200-300	9	8.91	10	9.90	.99
5	300-400	5	4.96	7	6.93	1.97
6	400 & more	-	-	4	3.96	3.96
<b>Total</b>		<b>101</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>	

Source: Field Survey, 2018.

The above table 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 programs and percentage change in saving. 41 women were not saving regularly before involvement in this programs but after the number is 32 with 8.91% decrease. There were no women who are saving Rs 400 and more before involvement in GBB programs but after the number are 4 with 3.96% increase. The number of women falling in saving amount class Rs 0 to 100, Rs 100 to 200, Rs 200 to 300, Rs 300 to 400 were 28, 18, 9, 5 and 29, 19, 10, 7, 4 were before and after respectively. Similarly the percentage change in saving amount class Rs 0 to 100, , Rs 100 to 200, Rs 200 to 300, Rs 300 to 400 were 1.00, 0.99. 0.99, and 1.77 percentage respectively.

The above table 4.6 can be shown in graphical figure which makes us clear, meaningful and understandable of above data. The graphical presentation of above table is below.

**Figure 4.5 Monthly Regular Saving of Sample Women**



#### 4.2.3 OPTIONAL SAVING OF WOMEN:

Not all women were regular saving and not all women were optional saving in GBB 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 table 4.7.

**Table 4.7 Monthly Optional Saving of Women**

S.N	Amount in Rs.	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	None	34	33.66	27	26.74	(6.92)
2	0-100	37	36.64	34	33.66	(2.98)
3	100-200	14	13.86	18	17.82	3.96
4	200-300	7	6.93	10	9.90	2.97
5	300-400	6	5.94	7	6.93	0.99
6	400 & more	3	2.97	5	4.95	4.90
<b>Total</b>		<b>101</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>	

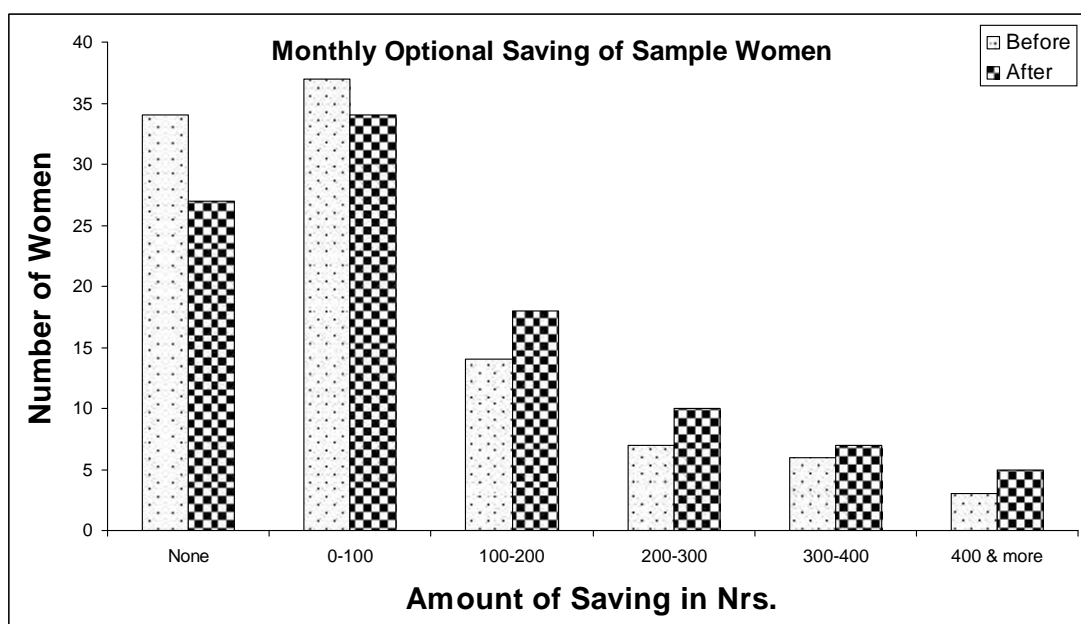
Source: Field Survey, 2018.

The above table 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 programs and percentage change in saving. 34 women were not saving optionally before involvement in programs but after the number was 27 with 6.92% decreased. The number of women falling in saving amount class of Rs 0 to 100, Rs 100 to 200, Rs 200 to 300, Rs 300 to 400, Rs 400 and more were 37, 14, 7, 6, 3 and 34, 18, 10, 7,

5 were before and after respectively. Similarly the percentage change in saving amount interval class of Rs 0 to 100, Rs 100 to 200, Rs 200 to 300, Rs 300 to 400, Rs 400 and more were (2.98), 3.96, 2.97, 0.99, 4.90 percentage respectively.

The above table 4.7 can be shown in graphical figure to make clear, meaningful, and understandable of above data. The graphical presentation of above table is given below.

**Figure 4.6 Monthly Optional Saving of Women**



#### 4.2.4 SECTORS OF WOMEN SAVING

Most of the Women were saving small amount of money from agriculture, buffalo keeping, goat keeping, poultry farming, retail business, bio gas, pig keeping etc. The status of women saving is shown in following table 4.8.

**Table 4.8 Sectors of Women Saving**

S.N	Sectors	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	Agriculture	27	26.74	29	28.72	1.98
2	Buffalo Keeping	16	15.84	16	15.84	-
3	Goat Keeping	18	17.82	16	15.84	(1.98)
4	Poultry Farming	14	13.86	12	11.88	(1.98)
5	Retail Business	15	14.85	17	16.83	1.98
6	Beauty parlor	4	3.96	5	4.95	0.99
7	Pig Keeping	7	6.93	6	5.94	(0.99)
<b>Total</b>		<b>101</b>	<b>100.0</b>	<b>101</b>	<b>100.0</b>	

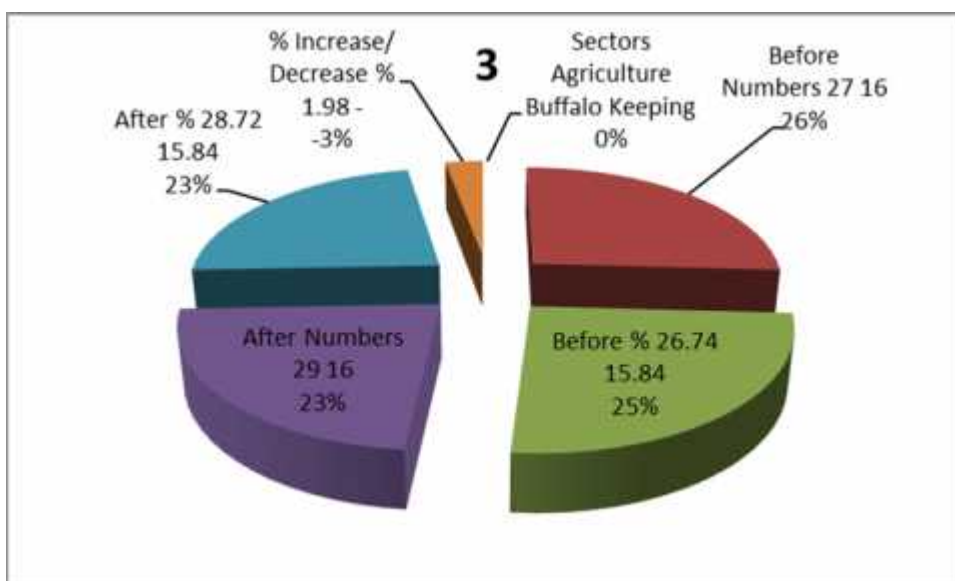
Source: Field Survey, 2018.

The above table shows that the sample women involved in different types of economic activities to save money before and after entering this programs. Out of total savers of sample survey, about one-fourth was involved in agriculture and rest in others.

Before entering the program, 27 women were saving from agriculture but after the number reached to 29. Only 4 women were saving from bio gas before and after they were 5. The sectors of women saving were taken from only microfinance activities. Similarly the number of women saving from goat keeping, poultry farming and pig keeping were reducing in number from 18, 14 and 7 to 16, 12 and 6 before and after entering the programs respectively. There was 1.98% increase in women's saving from agriculture and retail business both. Also there was no change in buffalo keeping.

The above table 4.7 can be presented by figure also to make clear about the activities of saving. The graphical presentation of above table is given below.

**Figure 4.7 Sectors of Women Saving**



#### 4.2.5 MOBILIZATION OF COLLECTED SAVING FUND:

Saving and investment are two alternative parts. If people save they will be motivated to invest that money to earn more. So the women involving in 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 shows the lending activities of women who are involved in this programs.

**Table 4.9 Mobilization of Collected Saving Fund**

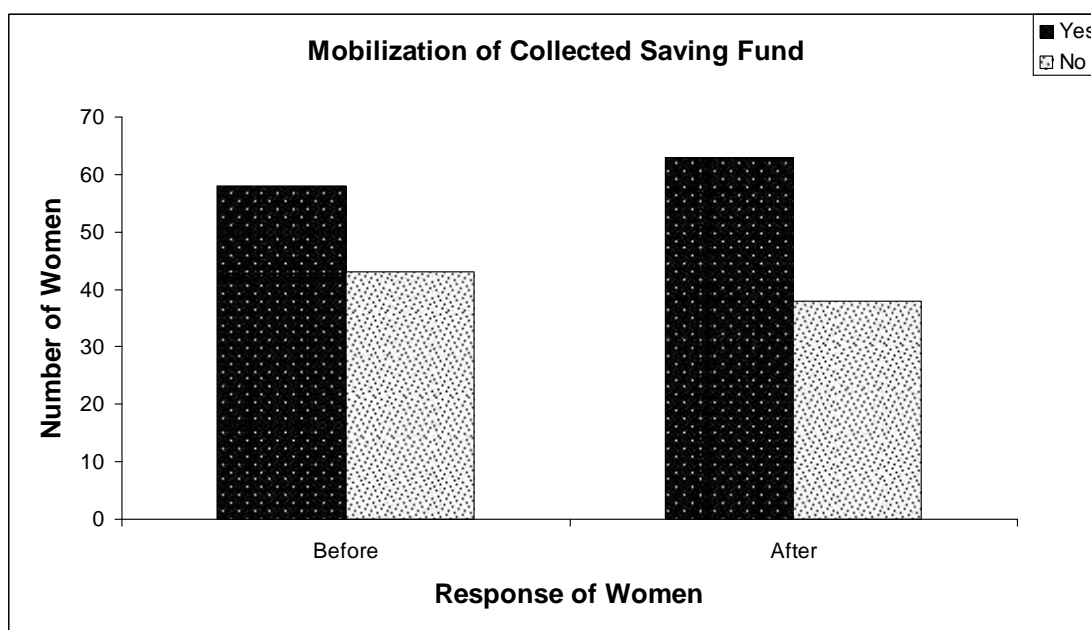
S.N	Description	Before		After		% Increase/Decrease
		Numbers	%	Numbers	%	
1	Yes	58	57.43	63	62.38	4.95
2	No	43	42.75	38	37.62	(5.13)
<b>Total</b>		<b>101</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>	

Source: Field Survey, 2018.

Above table shows that the sample women involved in mobilization of saving. Before involvement in this programs, 58 women were mobilizing their money and 43 women were not mobilizing their small save money. But after involvement in this program, number of mobilizing women increased to 63 and the number of women who were not mobilizing decrease to 38. Hence there was 4.95% increase in women who mobilize money and the number of women who were not mobilizing was decrease by 5.13%.

The following figure also shows the change in women who were lending and which were not lending.

**Figure 4.8 Mobilization of Collected Saving Fund**



#### 4.2.6 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 shows the status of recovery of lending amount.

**Table 4.10 Recovery Status of Lending Fund**

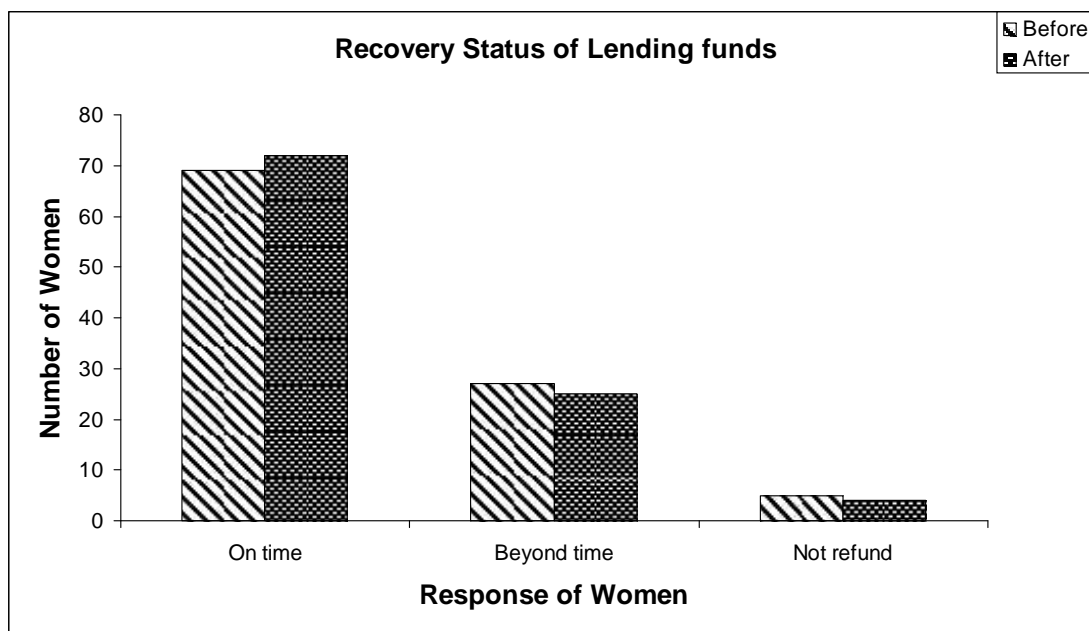
S.N	Description	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	On time	69	68.32	72	71.29	2.97
2	Beyond time	27	26.73	25	24.75	(1.98)
3	Not refund	5	4.95	4	3.96	(0.99)
<b>Total</b>		<b>101</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>	

Source: Field Survey, 2018.

From the above table 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 programs. Before involvement in this program, 69, 27 and 5 women's lending money was recovered on time, beyond time and not refund respectively. But after entering into programs 72, 25, and 4 women's lending money was not recovered on time, beyond time, and not refund respectively. Similarly

percentage increase in recovery of money beyond time was 2.97% and decrease in recovery of money beyond time and not refund was 1.98%, and 0.99% respectively. Following figure also makes us clear about the recovery of lending amount of women's.

**Figure 4.9 Recovery Status of Lending Fund**



#### **4.2.7 INTEREST EXPENSES ON SAVINGS**

When there is saving there is investment. After investment, saved money is charge by interest. Microfinance Collect some small money from women. For this they will get interest. The interest is expenses for.

The state of interest expenses in different saving programs is shown in table 4.11.

**Table 4.11 Interest Expenses on Different Saving Programs****(In Rs.)**

S.N	Fiscal Year	Group Saving		Centre Fund Saving		Individual Saving		Total	
		Amount	%	Amount	%	Amount	%	Amount	%
1	2012/13	77892	17.86	4750	18.44	3520	21.00	86162	18.00
2	2013/14	73461	16.85	4344	16.86	3277	19.55	81082	16.94
3	2014/15	87527	20.07	4806	18.66	4131	24.65	96464	20.15
4	2015/16	104882	24.05	5464	21.21	3321	19.82	113667	23.75
5	2016/17	92345	21.17	6397	24.83	2511	14.98	101253	21.16
<b>Total</b>		<b>436107</b>	<b>100</b>	<b>25761</b>	<b>100</b>	<b>16760</b>	<b>100</b>	<b>478628</b>	<b>100</b>

Source: Microfinance, Kushma.

The above table shows the interest expenses on saving of group members of this in last five fiscal years. The overall total interest expenses on different saving programs were Rs 478,628. The total interest expenses on group saving was Rs 436,107, centre fund saving was Rs 25,761 and in individual saving was Rs 16,760. There was greatest interest expenses on group saving. The total interest expenses on different saving programs in last five fiscal years were Rs 86,162 in 2012/13, Rs 81,082 in 2013/14, Rs 96,464 in 2014/15, Rs 113,667 in 2014/15 and Rs 101,253 in 2016/17. The overall greatest percent of interest expenses was on fiscal year 2014/15. The greatest percentage of interest expenses on group saving was 24.05%, on centre fund saving was 24.83% and on individual saving was 24.65. The smallest percentage of interest expenses on group saving was 16.85%, on centre fund saving was 16.86% and on individual saving was 14.98%.

#### **4.2.8 LENDING ACTIVITIES:**

Loan disbursement repayment, outstanding etc. are related to lending activities of women's. Loan disbursement to the targeted women is significant for reaching aspect of the livelihood upliftment. The implementing selects an appropriate enterprise to the targeted women according to their choice and recommend them for loan on the basis of group decision. The responsibility of operating business and repayment of loan with interest lies on the borrowers of finance. However the capacity of loan repayment depends on the performance of women and the income earning from the programs of.



The main loan activities of microfinance are micro business and micro enterprise. Micro business loan is for small business activities which don't need collateral. But in micro enterprise loan collateral is needed sometimes. Both of these activities consist of retail business, agriculture, industry, foreign employment, bio-gas, buffalo keeping, goat keeping, poultry farming etc. According to survey of Kushma, 90% of loan is recovery on time but 10% is difficult to recover on time due to different problems. From the report of microfinance Kushma, there are 102 number of weak loan, 46 number of doubtful loan and 237 number of bad loan. There are altogether 1021 loan numbers. Bad loan is such a loan which is not paid by members in groups of microfinance.

#### 4.2.9 LOAN DISBURSEMENT IN DIFFERENT PROGRAMS:

Microfinance Kushma distributes loan on different programs. The state of loan disbursement by microfinance Kushma in last five fiscal years is shown in table 4.12.

**Table 4.12 Loan Disbursement by Microfinance in Last Five Fiscal Years**

(In Rs.)

S. N	Fiscal Years	Micro Business Loan		Micro Enterprise Loan 'Ka'		Micro Enterprise Loan 'Kha'		Total	
		Amt.	%	Amt.	%	Amt.	%	Amt.	%
1	2012/13	12327890	16.43	282350	15.03	-	-	12610240	15.00
2	2013/14	14215230	18.94	301220	16.04	-	-	14516450	17.26
3	2014/15	18208810	24.26	411450	21.91	2291593	32.01	20911853	24.87
4	2015/16	16811180	22.40	566875	30.18	2553273	35.66	19931328	23.70
5	2016/17	13490310	17.97	316250	16.84	2314465	32.33	16121025	19.17
<b>Total</b>		<b>75053420</b>	<b>100</b>	<b>1878145</b>	<b>100</b>	<b>7159331</b>	<b>100</b>	<b>84090896</b>	<b>100</b>

Source: Microfinance, Kushma.

The upper table shows the distribution of loan to the women of microfinance in fiscal years from 2012/13 to 2016/17. There are three kinds of loan. They are micro business loan, micro enterprise loan 'ka' and micro enterprise loan 'kha'. Micro enterprise loan 'ka' is distributed without collateral but collateral is needed for micro enterprise loan 'kha'. The overall total loan distribution in last five fiscal years was Rs 84,090,896. Out of this Rs 75,053,420 was distributed in micro enterprise loan 'ka' and Rs 7,159,331 was distributed in micro enterprise loan 'kha'. In fiscal years 2012/13 and 2013/14 there was no micro enterprise loan 'kha'. The highest percentage

of loan distribution in micro business loan was 24.26% in fiscal year 2014/15 amounting Rs 18,208,810 in micro enterprise loan 'ka' was 30.18% in 2014/15 amounting to Rs 566,875 and in micro enterprise loan 'kha' was 35.66% in fiscal year 2014/15 amounting Rs 2,553,273. In overall the highest percentage of loan distribution was 24.87% in fiscal year 2014/15 and smallest percentage of loan distribution was 15% in fiscal year 2012/13 amounting Rs 20,911,853 and Rs 12,610,240 respectively.

Following figure 4.12 also clear about loan disbursement by GBB Kushma in different fiscal years in different programs.

#### 4.2.10 LOAN RECOVERY AND OUTSTANDING

Since loan is distributed in different programs and recovery is also from different programs. But according to microfinance 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**

**(In Rs.)**

S.N	Fiscal Years	Recovery		Outstanding	
		Amount	%	Amount	%
1	2012/13	13033015	16.06	322445	11.82
2	2013/14	14669675	18.07	169220	6.21
3	2014/15	20665828	24.72	1015245	37.22
4	2015/16	20105853	24.77	840720	30.82
5	2016/17	13289919	16.38	379930	13.93
<b>Total</b>		<b>81164290</b>	<b>100.00</b>	<b>2727560</b>	<b>100.00</b>

Source: Microfinance, Kushma.

The above table shows the amount and percentage of loan recovered by microfinance from groups of women in different fiscal years. It also shows the outstanding loan of microfinance in different fiscal years. The total loan recovery on last five fiscal year was Rs 81,164,290 and loan to be outstanding was Rs 2,727,560. The highest amount and percentage of loan recovery was in fiscal year 2014/15 amounting to Rs 20,105,853 and 24.77%. The smallest percentage and amount of loan recovery was in fiscal year 2012/13 which is 16.06% and Rs.13, 033,015. Whereas the highest pc of loan outstanding was in fiscal year 2014/15 which is 37.22% and Rs 1,015,245. The smallest pc of loan outstanding was in fiscal year 2013/14 which was 6.21% and Rs 169,220.

#### 4.2.11 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 shows the numbers of women taking loan before and after involvement in microfinance activities.

**Table 4.14 Number of Women Taking Loan**

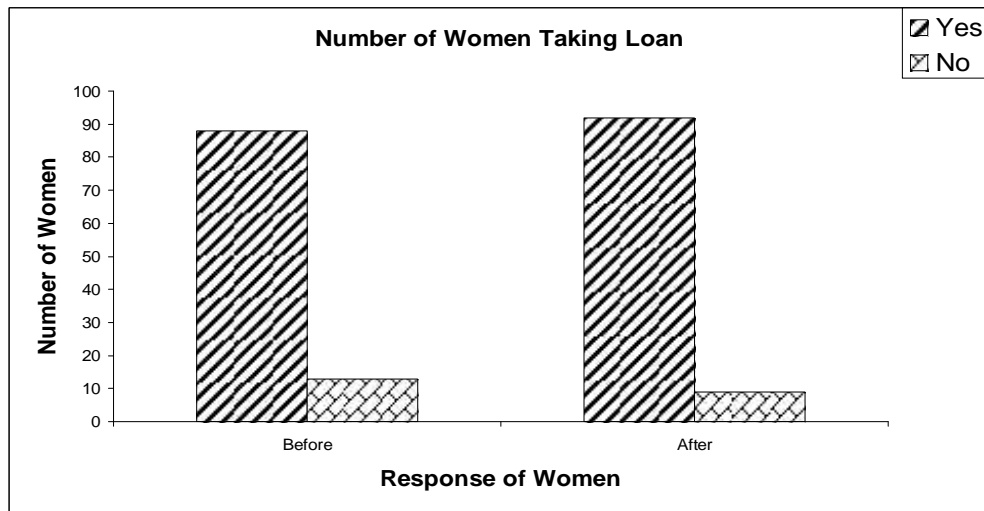
S.N.	Description	Before		After		% Increase/ Decrease
		Number	%	Number	%	
1	Yes	88	87.13	92	91.10	3.97
2	No	13	12.87	9	8.90	(3.97)
<b>Total</b>		<b>101</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>	

Source: Field Survey, 2018.

Table 4.14 shows that before involvement of microfinance program. Out of 101 sample women, 88 women were taking loan but after entering of the microfinance 92 women were taking loan. Women who were not using loan facility were 13 before involvement of program and after involvement of program the number decrease to 9. In overall there was 3.97% increase in women's number of taking loan and 3.97% decrease in women's number of not taking loan.

The above table 4.14 can be shown in graphical figure which makes us clear, meaningful, understandable of above data. The graphical presentation of above data is given below.

**Figure 4.10 Number of Women Taking Loan**



**4.2.12 SECTORS OF LOAN MOBILIZATION:**

There are various sectors of taking loan by women from microfinance programs. The following table shows the number and percent of women involved in various sectors of microfinance while taking loan.

**Table 4.15 Sectors of Loan Mobilization**

S.N	Sectors	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	Agriculture	23	26.14	23	25.00	(1.14)
2	Buffalo Keeping	15	17.05	17	18.48	1.43
3	Goat Keeping	16	18.18	16	17.39	(0.79)
4	Retail Business	14	15.91	18	19.57	3.66
5	Beauty parlor	5	5.68	6	6.52	0.84
6	Poultry Farming	11	12.50	7	7.61	(4.89)
7	Pig Keeping	4	4.54	5	5.43	0.89
<b>Total</b>		<b>101</b>	<b>100.0</b>	<b>101</b>	<b>100.00</b>	

Source: Field Survey, 2018

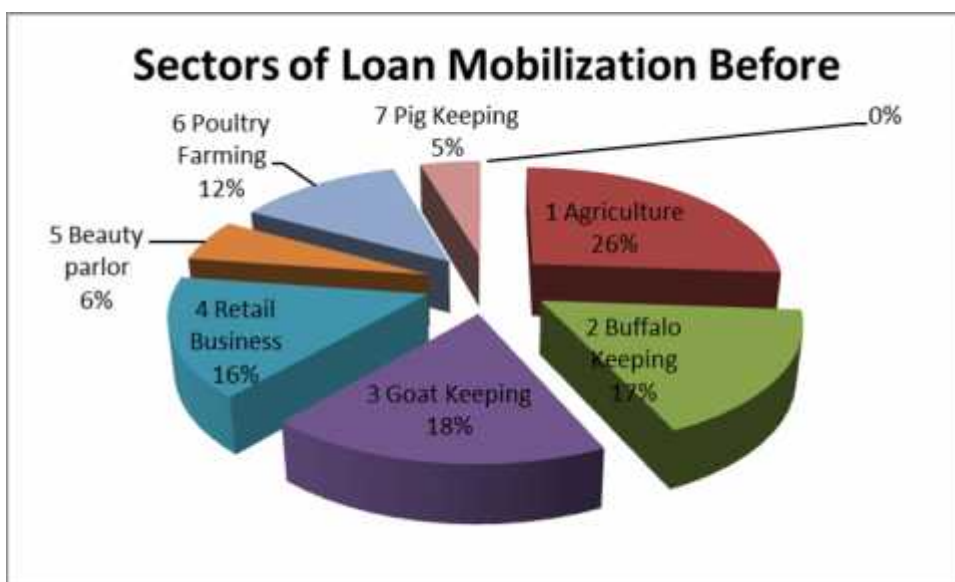
Above table shows that the sample women involved in different types of economic activities before and after entering into microfinance programs. Out of total borrowers of sample survey, about one-fourth were involve in agriculture and rest in other different programs.

After implementation of program women did not left their old business but they motivate to make that business success. Before entering microfinance, 23 women were involved in agriculture and 4 women were involved in pig keeping which was highest and lowest number of women borrowers. But after involvement in microfinance programs 25 women were in agriculture and 5 in pig keeping. In overall

there was 3.66% increase in retail business borrowers and 4.89% decrease in poultry farming.

Table 4.15 can be presented by figure to make clear about women's borrowing in different sectors.

**Figure 4.11 Sectors of Loan Mobilization**



#### 4.2.13 WOMEN'S RESPONSE ON REPAYMENT OF TAKEN LOAN

Sample of women were taken who are involved in borrowing of loan for repayment pattern. The following table 4.16 shows the women's response on repayment pattern. The following table 4.16 shows the women's response on repayment of loan which was taken by women before and after entering into microfinance programs.

**Table 4.16 Response on Repayment of Loan**

S.N.	Description	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	Both Principle and interest.	65	73.86	77	83.70	9.84
2	Interest only.	23	26.14	15	16.30	(9.84)
<b>Total</b>		<b>88</b>	<b>100.00</b>	<b>92</b>	<b>100.00</b>	

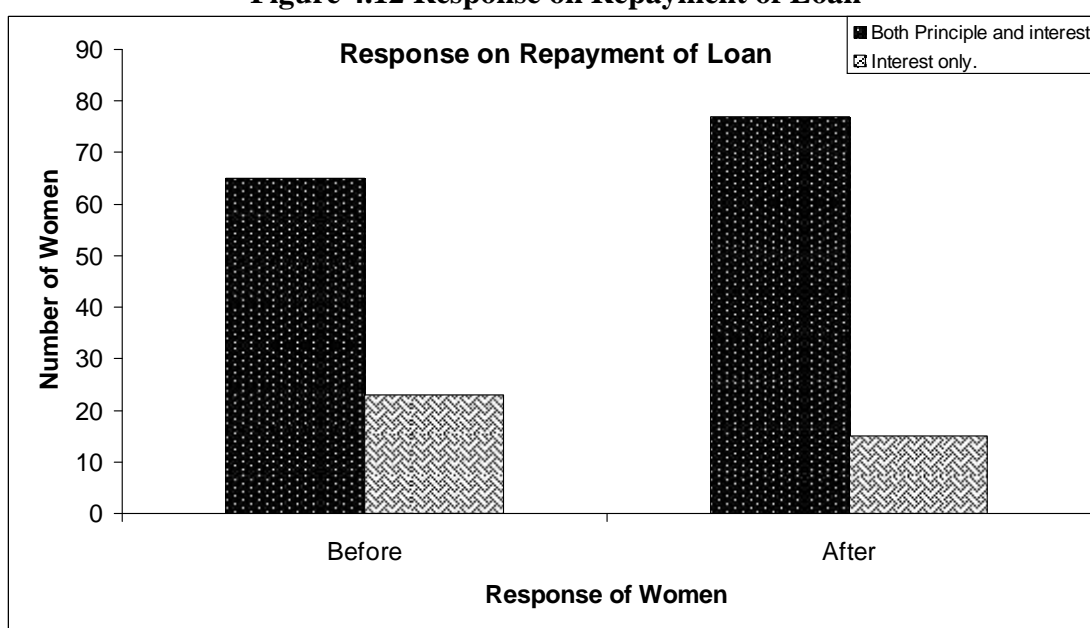
Source: Field Survey, 2018.

Table 4.16 shows that the response of women on repayment of taken loan before and after entering in to microfinance programs. No women were found that they were not

paying both principle and interest. So it is not shown in table. Before entering in to GBB programs 65 women were paying both principle and interest and 23 women were paying interest only. But after involvement in to microfinance programs 77 women were paying both principle and interest and 15 women were paying interest only. In over all there was 9.84% of women increase in paying both principle and interest after entering in to microfinance programs whereas 9.84% decrease in paying interest only.

The graphical presentation of table 4.16 is given below to make clear, meaningful and understandable of above data.

**Figure 4.12 Response on Repayment of Loan**



#### 4.2.14 CONDITION OF BUSINESS WHICH IS RUNNING FROM LOAN

Women are doing business from the loan which was taken form microfinance. They were also doing business from loan prior to entering microfinance. So following table 4.17 shows the condition of business which was running by them from loan.

**Table 4.17 Condition of Business which is Running from Loan**

S.N.	Description	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	Running well.	72	81.82	78	84.78	2.96
2	Not Running well	16	18.18	14	15.22	(2.96)
<b>Total</b>		<b>88</b>	<b>100.00</b>	<b>92</b>	<b>100.00</b>	

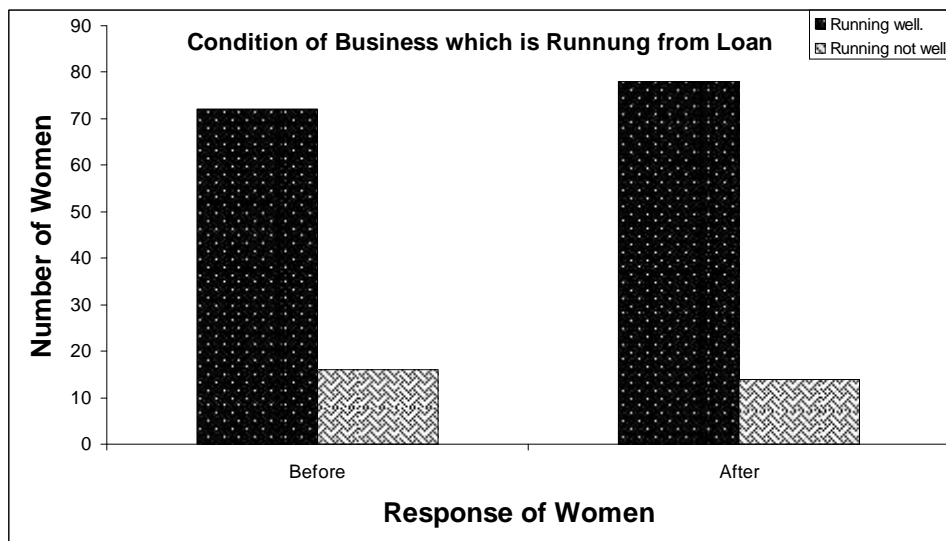
Source: Field Survey, 2018.

The above table 4.17 shows the condition of business which is running well or not before and after entering in to microfinance and doing by taking loan. Out of 88 women borrowers prior entering to microfinance, 72 said that their business was running well but 16 said that their business is not running well. After entering in to GBB, 92 women have taken loan, out of them 78 said that their business from loan was running well but 14 said that their business was not running well.

In overall, there was 2.96% change in number of women who said that their business was running well after entering into microfinance. But there was 2.96% decrease in number of women who said that their business is not running well after entering in to microfinance.

The above table 4.17 can be shown in graphical figure which makes us clear, meaningful and understandable of above data. The graphical presentation of above table is below.

**Figure 4.13 Condition of Business which is running from Loan**



#### 4.2.15 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 microfinance women.

#### 4.2.16 INCOME FROM INVESTMENT:

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 microfinance and before microfinance programs. Description is divided in to maximum, minimum and no income. Table 4.18 also makes clear about number of women and percentage of women getting income from investment.

**Table 4.18 Income from Investment**

S.N	Description	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	Maximum	32	36.36	39	42.39	6.03
2	Minimum	38	43.18	41	44.57	1.39
3	No	18	20.46	12	13.04	(7.42)
<b>Total</b>		<b>88</b>	<b>100.00</b>	<b>92</b>	<b>100.00</b>	

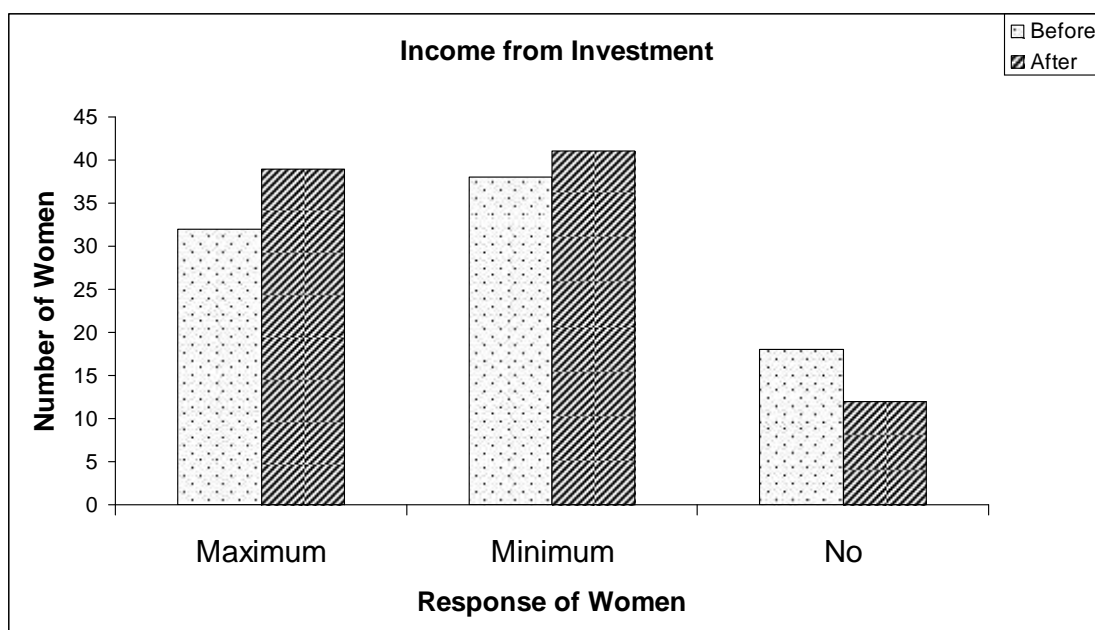
Source: Field Survey, 2018.

Above table 4.18 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 in to microfinance programs 32, 38, and 18 women were getting maximum, minimum and no income respectively. Prior to microfinance programs, 88 women were investing loan from different sectors. But after involvement in microfinance programs 39, 41, and 12 women were getting maximum, minimum and no income from investment respectively. After entering microfinance programs 92 women were investing loan from different sectors. So there was 6.03% and 1.39% increase in number of women who said that they were getting maximum and minimum benefits from investment. But number of women who said there is no income decrease by 7.42%.

The above table 4.18 can be presented in graphical figure which is given below.



**Figure 4.14 Income from Investment**



**4.2.17 INTEREST RECOVERY SITUATION OF LOAN DISBURSEMENT:**

The state of interest recovery situation of loan disbursement is shown in table 4.19.

**Table 4.19 Interest Recovery Situation of Loan Disbursement**

S.N	Fiscal Years	Micro Business Loan		Micro Enterprise Loan 'ka' & 'kha'	
		Amount	%	Amount	%
1	2012/13	1082361	17.93	18320	3.91
2	2013/14	1105858	18.32	20221	4.31
3	2014/15	1123762	18.62	90930	19.40
4	2015/16	1518069	25.15	218940	46.71
5	2016/17	1205857	19.98	120314	25.67
<b>Total</b>		<b>6035907</b>	<b>100.00</b>	<b>468725</b>	<b>100.00</b>

Source: Microfinance, Kushma.

The above table shows the interest recovery in different fiscal years from micro business loan and from micro enterprise loan 'ka' and 'kha' both. Total interest recovery situation from micro business loan is Rs 6,035,907 and from micro enterprise loan 'ka' and 'kha' is Rs 468,725 in last five fiscal years. The interest recovery from micro business loan was Rs 1,082,361, Rs 1,105,858, Rs 1,123,762, Rs 1,518,069 and Rs 1,205,857 in fiscal years 2012/13, 2013/14, 2014/15, 2014/15 and 2016/17 respectively. The interest recovery from micro enterprise loan 'ka' and 'kha'

was Rs 18,320, Rs 20,221, Rs 90,930, Rs 218,940, and Rs 120,314 in fiscal years 2012/13, 2013/14, 2014/15, 2015/16 and 2016/17 respectively. The highest percentage of loan recovery from micro business loan was 25.15% in FY 2014/15 and from micro enterprise loan was 46.71% in fiscal year 2014/15. Interest recovery situation was relatively favorable.

#### 4.2.18 AMOUNT INVESTED BY WOMEN IN DIFFERENT SECTORS:

Loan taken by women was invested in different sectors before and after entering in to microfinance programs. The following table shows the response of sample women who invest different amounts in different sectors.

**Table 4.20 Amount Invested by Women in Different Sectors**

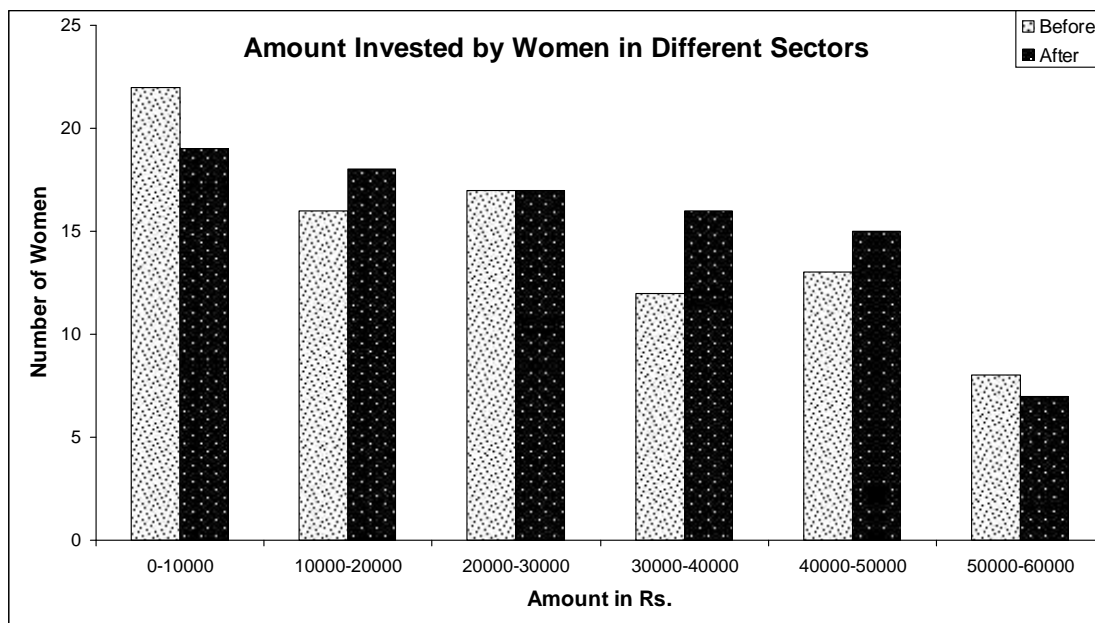
S.N	Amount in Rs.	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	0-10000	22	25.00	19	20.65	(4.35)
2	10000-20000	16	18.18	18	19.57	1.39
3	20000-30000	17	19.32	17	18.48	(0.84)
4	30000-40000	12	13.64	16	17.39	3.75
5	40000-50000	13	14.77	15	16.30	1.53
6	50000-60000	8	9.09	7	7.61	(1.48)
<b>Total</b>		<b>88</b>	<b>100.00</b>	<b>92</b>	<b>100.00</b>	

Source: Field Survey, 2018.

The above table 4.20 shows the amount invested by sample women in different sectors before and after involvement in GBB programs. The highest number of women ie 22 were investing amount between Rs 0 to 10,000 before entering into microfinance programs and 19 women were investing same amount after involving in microfinance program. The lowest number of women ie 8 were investing amount between Rs 50,000 to 60,000 before entering into microfinance programs and 7 women were investing same amount after entering in microfinance programs. The number of women investing Rs 0 to 10000 was decrease by 4.35% after involving in GBB programs. But incase of investing amount of Rs 10,000 to 20,000, Rs 30,000 to 40,000, Rs 40,000 to 50,000, there was increase in percentage and number of women after involvement in this program. While there was decrease in percentage and number of women investing amount of Rs 20,000 to 30,000 and Rs 50,000 and more.

The above table 4.20 can be shown in graphical figure which makes us clear, meaningful and understandable of above data. The graphical presentation of above table is below.

**Figure 4.15 Amount Invested by Women in Different Sectors**



#### 4.2.19 MONTHLY INCOME OF THE WOMEN

Income of women was varying in microfinance Kushma. Some women were rich and some were poor. The following table shows the monthly income of the women before and after involvement in microfinance programs.

**Table 4.21 Monthly Income of Women**

S.N	Income Range in Rs.	Before		After		% Increase/ Decrease
		Numbers	%	Numbers	%	
1	0-5000	36	35.65	32	31.69	(3.96)
2	5000-10000	28	27.72	26	25.74	(1.98)
3	10000-15000	17	16.83	21	20.79	3.96
4	15000-20000	12	11.88	13	12.87	0.99
5	20000 & more	8	7.92	9	8.91	0.99
<b>Total</b>		<b>101</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>	

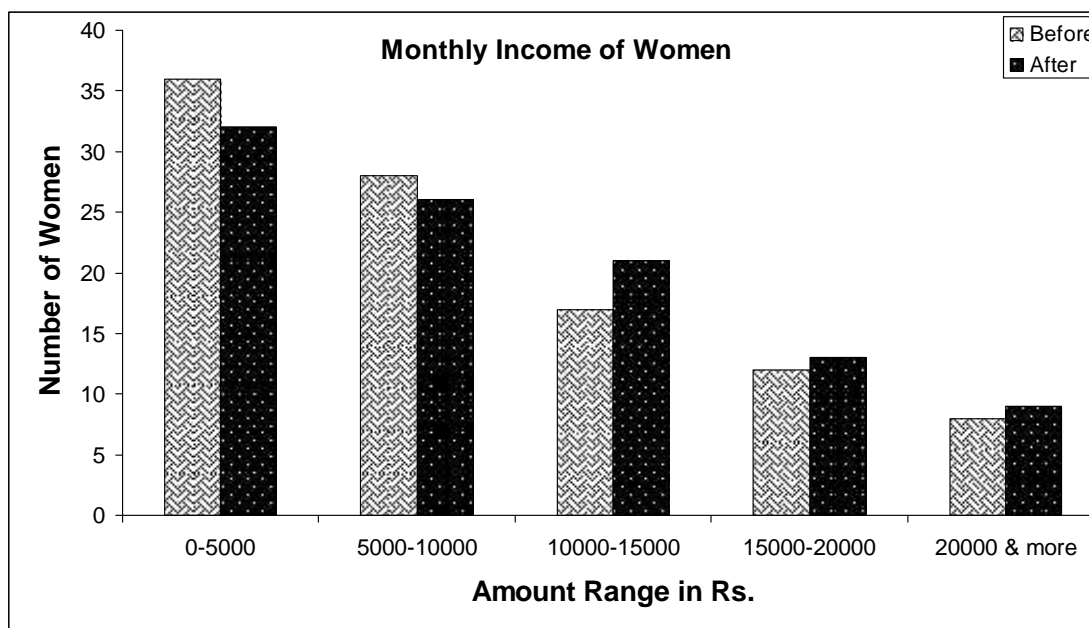
Source: Field Survey, 2018.

Above table 4.21 shows the monthly income of women in different range before and after entering microfinance programs. Around one-third women were earning between Rs 0 to 5000 before and after the program. The highest income ie Rs 20,000 & more

were earning by 8 & 9 women before and after the program respectively. There was decrease in number and percentage of women which were earning low income after entering the program but increase in numbers and percentage of women which were earning high income after entering the program. In overall the earning range of women was not so high in this program women's.

The above table can be presented in graphical figure which is as follows.

**Figure 4.16 Monthly Income of Women**



#### 4.2.20 RESPONSE OF POOREST WOMEN

Poverty is deep-rooted in Nepalese society. Especially women are always doing household activities and far from outdoor fund raising activities. So these activities of microfinance are benefited for the women to raise and save small money. Poor women who are lack of food, shelter and money will be benefited if they join microfinance programs. Because collateral is not necessary to take loan from microfinance. They should be in group members and can take loan. After investing that money they will be benefited.

#### 4.2.21 CATEGORY OF WOMEN:

There is different level of Women in every society. Some are very rich, some are very poor and some are medium range. In this research study the category of women are categorized on the basis of women's' response, field observation, asking questionnaire, observing their economic condition etc. Women who have few source of income and few monthly are categorized as very poor women. Women who have little land to cultivate crops and monthly income of around Rs 1,000 are categorized

as poor women. Women which have monthly income around Rs 5,000 are categorized as rich women. Women who have sufficient land, more sources of income, monthly income of more than Rs 15000 are categorized as very rich women. The field survey shows the following level of microfinance women in Kushma. But from survey the numbers of women which are very rich were not found. Following table shows the status of women in field survey.

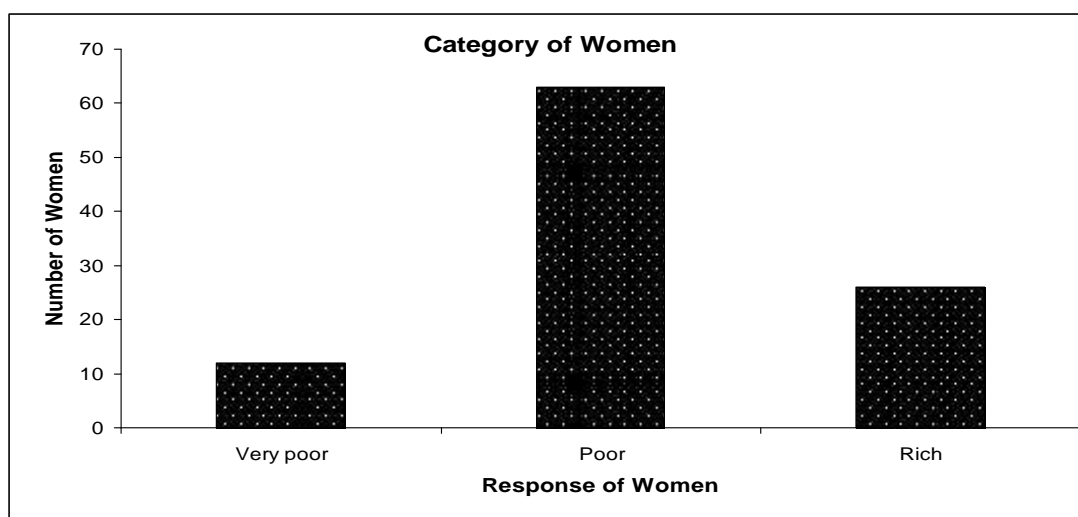
**Table 4.22 Category of Women**

S.N	Description	Number of Women	Percentage
1	Very poor	12	11.88
2	Poor	63	62.38
3	Rich	26	25.74
<b>Total</b>		<b>101</b>	<b>100.00</b>

Source: Field Survey, 2018.

Table 4.22 shows the number and pc of women which have different economic status. Out of 101 sample women there were 12 women very poor, 63 women poor and 26 women rich. But no women were found who said that they are very rich in sample survey. Similarly the percentage of women who were very poor was 11.88%, poor was 62.38% and very poor was 25.74%. So the category of women which were poor is higher. Table 4.22 can be shown in the following figure.

**Figure 4.17 Category of Women**



#### 4.2.22 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 4.23 shows the different facilities needed for poor women

**Table 4.23 Future Programs for Poor Women**

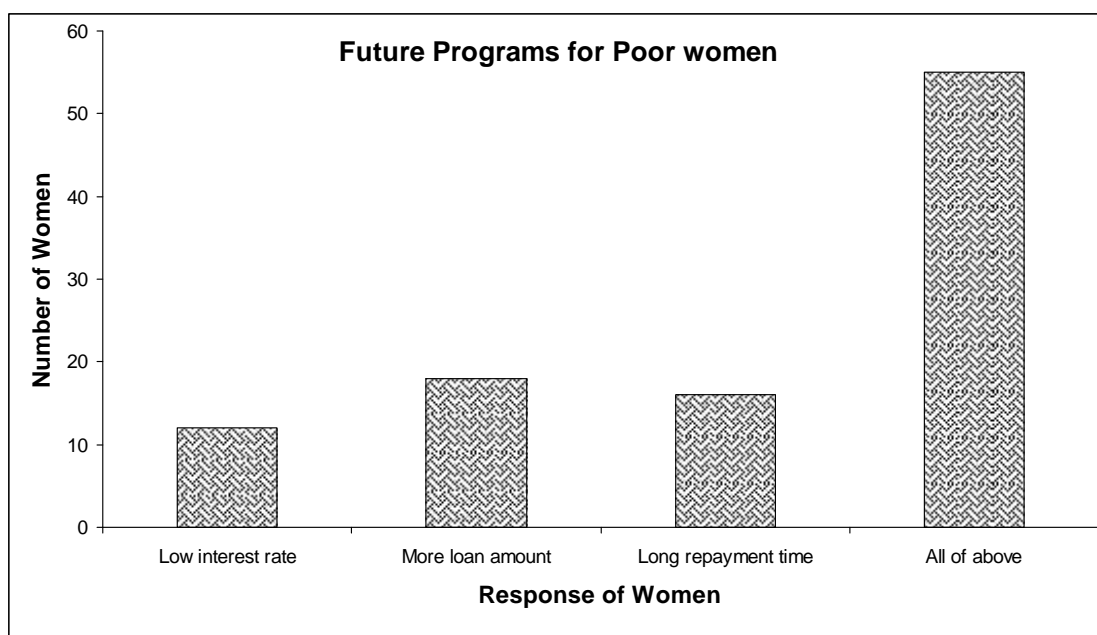
S.N	Description	Number of Women	Percentage
1	Low interest rate	12	11.88
2	More loan amount	18	17.82
3	Long repayment time	16	15.84
4	All of above	55	54.46
<b>Total</b>		<b>101</b>	<b>100.00</b>

Source: Field Survey, 2018.

Table 4.23 shows the number and percentage of women which have needed different facilities from microfinance to run their livelihood. Out of 101 sample women there were 12 women who prefer low interest rate, 18 women prefer more loan amount, 16 women prefer long repayment time and 55 women prefer all of above. Similarly the percentage of women who prefer low interest rate was 11.88% more loan amount was 17.82%, long repayment time was 15.84% and all of above was 54.46%. So the women who prefer all the above programs were more than fifty percent.

The above table 4.23 can be shown in graphical figure which makes us clear, meaningful and understandable of above data. The graphical presentation of above table is below.

**Figure 4.18 Future Programs for Poor Women**



#### 4.2.23 CONFIDENTIALITY OF PARTICIPATING WOMEN

In the research study it has been found that some participating women have maximum confidentiality, some has minimum and some has no confidentiality of becoming successful entrepreneur in future. This status is shown in the following table 4.24.

**Table 4.24 Response on the Confidentiality of the participants to stand themselves as successful entrepreneur in future.**

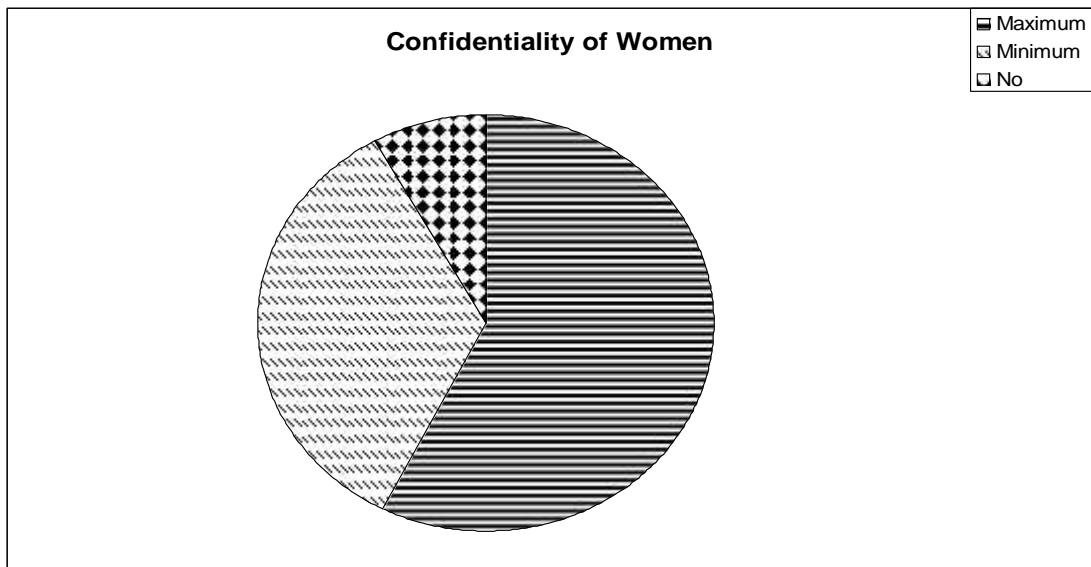
S.N	Description	Number of Women	Percentage
1	Maximum	58	57.43
2	Minimum	35	34.65
3	No	8	7.92
<b>Total</b>		<b>101</b>	<b>100.00</b>

Source: Field Survey, 2018.

The above table 4.24 reveals that in totality 57.43% respondent women have maximum confidentiality and 34.65% and 7.92% respondent have minimum and low confidentiality of becoming successful women entrepreneur in future. Likewise on the basis of number of women 58, 35, and 8 women have maximum, minimum and no confidentiality of becoming successful women entrepreneur in future respectively. So more than 50% of women have maximum confidentiality of becoming successful women entrepreneur in future.

The above table 4.24 can be shown in following figure 6.20.

**Figure 4.19 Confidentiality of the participants**



**4.2.24 IMPROVEMENT IN LIVING STANDARD OF WOMEN AFTER JOINING MICROFINANCE:**

Following table 4.25 shows the improvement in living standard of women after participating microfinance program activities.

**Table 4.25 Response on Improvement in Living Standard of Women**

S.N	Description	Number of Women	Percentage
1	Yes	90	89.11
2	No	11	10.89
<b>Total</b>		<b>101</b>	<b>100.00</b>

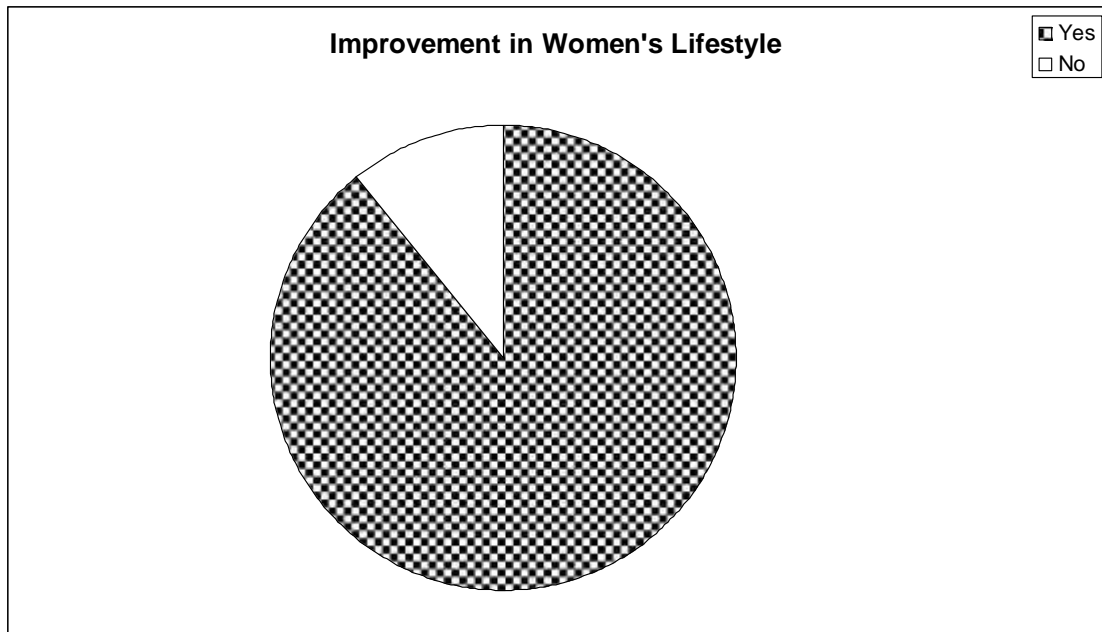
Source: Field Survey, 2018.

The above table reveals that the response of participating women about their life standard after participating in microfinance program. In totality, 89.11% of women said that their life standard has change after entering in to microfinance program and 10.89% of women said that there is no change in their life style. In number also, out of 101 sample women, 90 women said that their life standard has change after joining microfinance program and 11 women said that there is no change in their life style.

The above table 4.25 can be shown in the following figure also.



**Figure 4.20 Response on Improvement in Living Standard of Women**



**4.2.25 RESPONSE 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 microfinance program were motivated to continue their business in future and some are not interested in those activities. Following table 4.26 shows the women's response in continuing their business in future.

**Table 4.26 Response of Women as Continuing their Business in future**

S.N	Description	Number of Women	Percentage
1	Yes	92	91.10
2	No	9	8.90
<b>Total</b>		<b>101</b>	<b>100.00</b>

Source: Field Survey, 2018.

Above table 4.26 reveals about the women's response of continuing their present business in future. In this research survey, out of 101 sample women, 92 women have intension of continuing their business in future also which was 91.10%. But 9 sample women have no intension of continuing their business in future which was 8.90 %. So this field survey shows that maximum number of women was interested to continue their business in future also.

## **CHAPTER V**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 SUMMARY**

This study was conducted to examine the role of microfinance for women entrepreneurship development in kushma municipality -6, parbat district. The general objective of the study is to analyze the impact of microfinance on Women in case of PMS. This study is important for the researchers, microfinance projects, investors, scholars, government and other parties. This study focuses only activities of saving (deposit), loan disbursement and its recovery as well as impact on poor women etc.

Under the literature reviews, the theoretical and research reviews have been done. In theoretical reviews the origin and activities has been lunch by the NGOs and INGOs which are still working in rural areas. The other programs lunched by that organization and several books related to poverty reduction, rural development and microfinance is shown. Another part of the chapter is research review. The study is related to several article, newspapers and dissertations.

Analytical research design has been used in this study. This study is based on primary and secondary data. Most of the data are collected from field survey.

On the basis of discussions stated in chapter four presentations and analysis of data, the summary of findings of the study is presented in the following paragraphs.

The highest amount of saving is in group saving and lowest amount is in individual saving in last five fiscal years. The total saving amount is increasing up to FY 2014/15 and decrease in FY 2016/17. The interest expenses on saving are increasing up to FY 2014/15 and slightly decrease in FY 2016/17. This shows positive impact. The main sectors of saving by women are agriculture, buffalo keeping, goat keeping, retail business, bio-gas, poultry farming, pig keeping etc. Mainly women are involved in regular and optional saving. The percentage of women who are saving more amounts in regular and optional basis is in increasing trend after entering microfinance programs. But there is decrease in percentage of women who are not saving more. This shows women's saving power is increasing. Majority of the women are saving from agriculture and retail business so emphasis should be given to these sectors. Mobilization of save money by women is in increasing trend while the percentage of women who are not mobilized saved money is in slightly decreasing.

Mobilized of save money is effective way to raise livelihood of village women. Repayment of loan on time is in increasing trend after entering microfinance programs but there is decrease in women who are not paying on time. The loan disbursement rate of microfinance to women is increasing slowly up to FY 2014/15 and 2014/15. But it is decrease in FY 2016/17. The highest amount of loan disbursement is in micro business loan and lowest amount in micro enterprise loan 'ka'. The increasing loan disbursement rate shows that women are interested to take loan and invest that money to earn more. Loan recovery rate is also increasing up to FY 2014/15 but decrease in FY 2016/17 whereas loan outstanding is increase up to FY 2014/15 rapidly but after that it is decreasing. In some years recovery is more than outstanding and in some years outstanding is more. So there is random fluctuation among these. In overall recovery are many more than outstanding in every fiscal year. Maximum number of sample women is taking loan. The percentage of women who are taking loan is ninety two. The percentage of women taking loan is increasing after entering microfinance program resulting decrease in case of not taking loan. So now more women believe in loan. Women are not changing more in sectors of lending area. More women are taking loan for agriculture purpose. It is also seen that the number of women taking loan increase to ninety two after entering microfinance from eighty eight.

Majority of women are interested to pay loan on time. The numbers of women who are paying more increase to seventy seven from sixty five. So more loan repayment rate is satisfactory after entering microfinance. Women are running their business well after entering this. So program of this program is more effective than in the previous period. Majority of women's income from investment is maximum. Women who are earning more are increase after entering microfinance. So the percentage of women who are earning maximum from investment is increasing comparing to women who are earning less. It shows microfinance programs are effective and satisfactory to make their life better. Interest recovery on loan is satisfactory in every year. Women are paying interest on time. This regular interest payment is due to improvement in lifestyle after entering microfinance. Monthly income of women is increasing after entering microfinance programs. So they are earning sound from their investment. Due to this microfinance is improving their life standard. The category of poor women is substantially higher. So emphasis on poor women is still necessary. Most of the poor women prefer low interest rate, more loan amount and long repayment time

to improve their living standard. Most of the women are educated and they are highly benefited from microfinance program. Most of the women are found in middle age. They all are highly benefited from microfinance programs. The sample women are mixed in ethnic class i.e. higher class, middle class and low class. Majority of the women in this ethnic class are benefited from microfinance programs. More than half of women prefer fooding facilities after improving their economic condition. So fooding program is necessary for women. Fifty eight percentages of women have maximum confidentiality of being successful entrepreneur among participating women. So it is find out that they are more benefited from microfinance programs. Living standard of women increased more from microfinance programs. Ninety percentages of women have high living standard. Ninety two percentages of women will continue their business in future also. This shows microfinance programs are effective for them.

## **5.2 CONCLUSION**

Microfinance is a practical model to microfinance program. The programs is aim to raise socio-economic status of women, to empower them and uplift them from vulnerable status to the prestigious entrepreneur and self-sufficient member of the society. From the discussions of all reported data and information, a sharp conclusion appears as following.

Microfinance of Kushma is a women participating microfinance institution. So it is organizing different fund rising programs such as saving, loan disbursement etc with in participating women. In the Microfinance program saving and its mobilization and skill enhancement are the main instruments to raise the economic growth and human resource development.

Saving is the basis of investment and loan disbursement. Microfinance is actively involved in saving programs of women. Women are also interested and motivated to save more with Microfinance programs. With saving they are encouraged to mobilize that save in terms of loan. This will help to solve the financial problem of women in society to some extent.

Loan disbursement and on time payment is an essential part of the program. Microfinance can slowly meet the required criterion of loan repayment with increasing trend in recovery and still the amount of outstanding remained to the

required criterion. Loan is disbursed in different sectors and Microfinance is still focusing more on loan disbursement to poor women.

Interest recovery from loan investment is satisfactory and it is in increasing trend with certain fall in FY 2016/17. It shows that women believe in loan and interested to invest that loan in profitable sector.

Majority of the women are involved in agriculture. The status of loan investment and income of women is found satisfactory and they are earning slowly higher with involvement of this program. Instead of this, business which is running by taking loan is found as running satisfactory. Poor women are found more and some of them have high confidentiality of standing themselves as a successful entrepreneur in future. Majority of women believe that involvement in Microfinance program initiates to increase their living standard.

Participants in Microfinance programs are from different ethnic groups. Some of women prefer low interest rate, long repayment time, and more loan amount to increase their living standard more. Women prefer more fooding program after improving their economic condition.

The overall study shows that the program has made positive impact on the women living standard by generating employment and increasing productivity. The most important and effective program is to the basis to uplift the economic condition of rural women. Most of the sampled women are under farmer's category and the major source of income of women is agriculture.

### **5.3 RECOMMENDATION**

The study has been found that Microfinance is an effective measure of empowering women, raising their social and economic status, developing micro enterprises and alleviating poverty. On the basis of findings of the study and conclusion, the following recommendations are put forwarded.

- Microfinance should regularly supervise the saving activities of groups and give them essential directions and suggestions.
- The participating women should be educated about the proper utilization and mobilization of saving so that it can reach to the poorest of the poor women also.

- The priority order to the participating women should be found out. So that it might be helpful to tackle the problem of major requirements and assist to resolve it. It may help to raise business activities and profitability.
- Loan disbursement should be made on targeted women and activities of awareness program is needed them for raising saving and repay the due loan in right time.
- The lending should be made on the basis of the requirement of the stated project and not on the basis of achieving target.
- The lending sectors should be supervised regularly and suggested to address the problem as soon as possible.
- The participating women should be educated about the proper utilization and mobilization of loan disbursement.
- If the borrowers did not repay the loan in due time, they should be motivated to repay on time by adopting different mechanism.
- The implementing organization should encourage the participating women to maintain the record of income and expenditure. For this necessary trainings should be provided to the entrepreneur themselves.
- Productive investment should be emphasized, which may promote the capability of loan recovery and repayment.
- Priority to poorer women's demand should be given while mobilizing saving lending.
- Health and education facilities should be widely extended to the poor people.
- Arrangement should be made for the participating women to visit similar other successful projects. So that they might be able to gain practical experience.

At last the stage of loan repayment is associate with the stage of loan recovery. So it is highly essential to raise the loan disbursement in more productive and profitable sectors. The efficiency of this organization and participating women themselves, decidedly exert the impact up on the efficient execution and management of programs.

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## Annex I

### Questionnaire for Individual

Name:.....

Caste/ Ethnic group: .....

Religion: .....

Ward No: .....

Occupation: .....

House No: .....

Education: .....

Institutaion .....

1. Please write your family structure by age, sex education and occupation .

S.N.	Age	Sex	Education	Occupation
1				
2				
3				
4				
5				
6				

2. How old are you?

- a) 20-30
- b) 30-40
- c) 40-50
- d) 50-60
- e) above 60

3. Are you involved any saving and credit institution

- a) Yes
- b) No

If not, causes of not involvement .....

- 3) Is there meeting regularly?

- a) Yes
- b) No

4) Is there minuting of the meeting?

5) Is there any types of conflict in the mass meeting?

- a) Yes
- b) No

If there conflict, what is your role?

6) What is the economic condition of the members?

- a) Same
- b) Normally different
- c) More different

7) Do you regularly saving?

- a) Yes
- b) No

If no what is the cause?

8) Do you feel that you are doing better saving after involvement of saving and credit?

- a) Yes
- b) No

9) What types of saving programme you are involving?

- a) Group saving
- b) Individual saving
- c) Other

10) How much do you saving per month?

- a) Before involvement in group.
- b) After the involvement in group.

11) What are the sources of saving?

Before

Purpose	Amount
Agriculture .....	
Buffalo keeping .....	
Goat keeping .....	
Fish farming .....	
Bee keeping .....	
Poultry .....	
Pig farming .....	

Current

After	Amount
Agriculture.....	
Buffalo keeping.....	
Goat keeping .....	
Fish farming .....	
Bee keeping .....	
Poultry .....	
Pig farming.....	

Retail business .....

Bio gas .....

Industry.....

Other .....

Retail business.....

Bio gas .....

Industry.....

Other .....

12) Do you have taken loan from cooperative?

a) Yes

b) No

13) How much time does you taken loan of saving?

14) When do you return your loan?

15) Do you return borrow?

a) Yes

b) No

16) If taking loan, what is your purpose of taking loan?

Before

Purpose Amount

Agriculture .....

Buffalo keeping .....

Goat keeping .....

Fish farming .....

Bee keeping .....

Poultry .....

Pig farming .....

Retail business .....

Bio gas .....

Industry.....

Other .....

Current

After Amount

Agriculture.....

Buffalo keeping.....

Goat keeping .....

Fish farming .....

Bee keeping .....

Poultry .....

Pig farming.....

Retail business.....

Bio gas .....

Industry.....

Other .....

17) Do you invest the loan according to the purpose?

a) Yes

b) No

18) Do you pay the loan at fixed time?

.....

19) Do you feel any difficulties to take loan? If yes specify.

20) Have your entrepreneurship increasing which are running after taking loan?

a) Yes

b) No

21) Do you feel difficulties to pay interest of loan?

a) If yes, what is the case

b) No

22) How much getting profit from your investment?

a) More

b) Less

c) No

23) Briefing of investment and return.

Investment Rs.....

Annual profit.....

24) Do you continue your investment in future?

a) Yes

b) No

25) Is there any economic improvement after involvement in cooperative?

a) Yes

b) No

26) What is your propriety after the improvement in economic condition?

a) Education

b) Health

c) Food pattern

d) Saving

e) Investment

f) Others

27) How much do you have income before and after the involvement of the cooperative?

a) Before ( Appromaxitally ) .....

b) After ( Appromaxitally ) .....

28) Do you satisfied with the performance of the institution?

a) More

b) Less

c) No

29) How much do you confidence that you are established as a entrepreneurship?

a) More

b) Less

c) No

30) Do you feel that microfinance help to improve your life style?

a) Yes

b) No

31) What is your class?

a) Absolute poverty

b) Poor

c) Rich

d) Very rich

32) What should be done by microfinance for improvement poverty?

a) Low interest

b) To provide more loan.

c) Provide loan for long time

d) Above all.

## Annex II

### Questionnaire for Key Informants Guideline

1. Personal information

2. Name:

3. Age:

4. Occupation:

5. Education:

6. What are the attractions of microfinance?

.....

7. What is the main obstacle in the microfinance programme?

.....

8. Do you feel any Economic development by microfinance?

.....

9. Any suggestion to developed microfinance?

.....

## Annex III

### Checklist for Observation

S.N	Name of the Respondents	Body Language	Facial Expression	Dress Pattern	Sentiment / Feeling related activities	Psychological Perception activities	Others	Remarks
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								