

IMPACT OF MICROFINANCE ON WOMEN
A Case Study of Paschimanchal Grameen Bikas Bank
In
Lekhnath Municipality, Kaski

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CHAPTER ONE

INTRODUCTION

1.1 General Background

The greatest challenge for the human civilization in this globalization age is poverty. Poverty possesses multidimensional disadvantages. It is now globally realized that poverty is one of the main burdens of the 21st century. It involves the lack of human and physical assets and inadequate material means to acquire food and other necessities. It also leads to vulnerability to ill health, economic decline, violence and societal conflict implying a deep condition of disempowerment, even humiliation. However, it is quite difficult to define the meaning of poverty. It is appropriate here to quote Adam Smith: “Money makes money, when you have a little, it is often easy to get more, and the great difficulty is to get that little” (Sharma, 2005:87).

Poverty is one of the basic reasons for the barriers of development activity. Without poverty alleviation Nepal can not achieve its actual success to develop the nation. Various programs are launched in order to reduce poverty. However, the programs may not be successful to eradicate the poverty. For instance in our country it is said that the percentage of people living below poverty has decreased. But in fact the absolute number has much increased due to increasing population. Tenth Plan has considered poverty alleviation as a major objective. In Nepal, there are some reasons of not reducing poverty. They include lack of education, unequal wealth distribution, geographical problem, lack of unity and co-operative, lack of awareness, unnecessary plan program, lack of implication of program, weakness of administration, poor vision of national politicians and weak supervisions.

Through the microfinance activity takes the country for forward and slowly gets success whole country for development from each side. Microfinance can

help small businessmen, farmers, women, and other sectors. Today nation's demand is also depending upon microfinance activities. To get better result and get success, microfinance is necessary in our country at the present situation.

According to newsletter of RMDC (2006), Muhammad Yunus who was the pioneer gave birth to the concept of micro-credit in 1976 when he disbursed his own money US \$27 to 42 poorest people in Jobra Village, nearby Chittagong University in Bangladesh, where he was teaching Economics. In order to institutionalize the program, he started a Grameen Bank when he was refused assistance from the country's, commercial bank etc. As of August 2006, Grameen Bank has a total of 6.67million borrowers, 97 percent of them are women, and loan recovery rate is 98.95 percent. It finances 100 percent of its outstanding loan from its deposit collection from members and other rural people. The Norwegian Nobel Committee awarded him the Nobel Peace Prize for 2006, divided into two equal parts between Muhammad Yunus and Grameen Bank of Bangladesh for their efforts to create economic and social development from the grass root. Yunus's long-term vision is to make the world free of poverty. He opines that poverty is denial of all sort of fundamental right of human beings. (Yunus 1994, cited by UNDP 1998)

World Bank incorporates people earning less than \$1 a day, lie below the poverty line.

The history of poverty during the past few decades is quite diverse. In the context of a developing country like Nepal, poverty is predominantly a rural phenomenon. Nepal's per capita income is \$ 470 (June 2008) which is lowest among the SAARC countries. As a matter of fact, incidence of poverty in Nepal is higher than that of other countries. As per Microfinance Summit, 2064 BS, in Nepal 31 percent of the people live below poverty, though it is claimed that it has reduced to 25 percent. The percentage of rural people suffering from poverty is quite higher compared to the urban. They heavily depend upon the traditional agriculture system, where productivity is very

low. In Nepal, some sporadic attempts were made in the past to support the poor communities in their economic and social upliftment. Among the activities and prospects intended for the poor, micro finance program has become an important tool to alleviate poverty. One of the important aspects of this program is the development and transformation of the financial sector. In fact, financial sector development is quite critical for alleviate of vulnerability to extreme poverty.

The term micro refers to very small and finance is the art and science of managing money. So, microfinance is the management of small amount of money. Microfinance means providing very small loan to very poor families so that they can involve in productive activities and grow their small business. In the past, microfinance means providing a very standardized credit product. With change in time it is covering other area such as saving, insurance etc. “Microfinance is a small in value amounts targeted at low income clients. It includes loans, saving, insurance, transfer services and other services” (Sharma, 2005:87).

There are mainly three types of sources of microfinance:

- Formal institutions i.e. Rural based co-operatives.
- Semiformal institutions i.e. NGOs.
- Informal institutions i.e. moneylenders and shopkeepers.

If financial services are provided by both formal and semiformal institution that is called institutional microfinance.

The growing collection of studies conducted throughout Asia, Africa, Latin America and organized around millennium development goals show how microfinance services have positively affected the poor e.g. increasing income, reducing poverty and advancing development goals in education health and women empowerment (http://www.microfinance_gateway.org/resource_centers/social_performance/impact.html) Dec 12, 2010.

With the objective of providing services and awaring village rural people

about small fund generating program, center for microfinance was established in Nepal in 2000. Along with this microfinance summit was held in Nepal from 14th to 16th February 2008. From this summit it is known that currently more than 2 million individuals in the rural population have access to microfinance services (<http://www.microfinancesummitnepal.org.html>) Dec 12, 2010.

The World Bank and Standard Chartered have joined up to boost microfinance projects in Asia and Africa. Microfinance involve small amount to usually poor people without collateral, whose needs are not met by traditional banking, often women. Loan size varies, but the average loan issued by Grameen Bank which was funded by Muhammad Yunus, 2006 Nobel Peace Prize winner, in 1983. Large global banks such as Standard Chartered have begun to show increased interest in recent year. Citigroup and INGO have also setup microfinance programs (<http://www.worldbank.com/website/externalnews.html>) Dec 12, 2010.

1.1.1 Introduction of Paschimanchal Grameen Bikas Bank (PGBB)

Among the MFIs operation in Nepal, PGBB has been contributing since 1994 in the field of micro finance. The Bank has been operating under the financial evidence 2061BS. The bank's head office is in Butwal. It has 36 Branches in 13 district of Western Development Region of Nepal. It has started its operation on 13th July 1995 from Gorusinge Branch located in Kapilvastu district. The bank is established to alleviate the poverty of western region. The main vision of the bank is to uplift the socio economic condition of the rural poor through microfinance services within the Western Development Region of Nepal (<http://www.grameenbanknepal.com>). Dec 12, 2010.

1.1.1.1 Objective of PGBB

The major objectives of the PGBB are to uplift the socio-economic condition of the deprived people in the society. Specifically, it aims to.

- Provide banking services to the rural people.
- Provide credit to create income and employment.

- Raise the level of the awareness and income status of the rural poor.
- Develop an institution mechanism to link the saving with credit and thereby initiate self-reliant economic development activities in rural society.

1.1.1.2 Operational Mechanism of PGBB

The bank has adopted the following operational Mechanism:

- The bank operates on group basis. Such group consists of 5 self-chosen female members from similar socio-economic background from different households and each center consist 4 to 10 groups.
- Each member should have to attend 7 days compulsory group training at entry point where, group member become familiarized with the basic concepts, policy and program of the bank.
- Loans are disbursed to use existing skills to increase income relatively in short period of time.
- Collateral security or guarantee is not needed but group guarantee is must to secure loan.
- Credit disbursement is based on 2+2+1 system, first of all, two members who are relatively poor will qualified for credit. After 4 weeks 2 members can get credit and last the chairperson can credit only after 8 weeks of the first disbursement.
- Each member has to contribute 3 percent of credit amount in-group saving fund.
- Each member has to repay her installment of the 2 percent of principle amount on weekly basis in 50 equally installments.

There is various area office of PGBB, which works as branch office. Under PGBB Pokhara branch office there are seven VDCs namely Sarangkot, Hamja, Kahun, Purunchaur, Lamachaur, Dhital and Arvavijaya. This branch also operates in Pokhara Sub-metropolitan city. PGBB established branch office in LMK in Lekhnath Chowk . In this branch office there are 44 centers, 270 groups and 1345 group members.

1.1.2 Introduction of the Area of Study

Kaski is one of the educational districts of Nepal. There are one sub-metropolitan city i.e. Pokhara Sub-metropolitan City, one municipality i.e. Lekhnath Municipality and forty three VDCs. LM is a newly emerging urban center in Nepal. It was established in 1997 after amalgamation of Lekhnath, Rakhi, Shisuwa, Begnas, etc. VDCs. There are fifteen wards within this Municipality. The name was originated from the name of the eminent poet 'Shiromani Lekhnath Poudel'. LM is also known as 'Garden City of Seven Lakes'. The total area of the LM is 77.45 square kilometers. According to population census of 2058 BS, there are 41,369 population and 9,360 households in LM. Out of 41,369 populations, 19,475 are male and 21,894 are female where 47 percent of the total population is Brahman & Kshatree, 17 percent Gurung & Magar, 3 percent Newar, 13 percent Dalit group and 20 percent miscellaneous ethnical group. There are 4.42 members in house hold in average. Like other districts of the country, this district is also famous for microfinance activities. Various fund raising programs especially for women are lunched in this area. With this, saving and loan distribution activities for small and poor families are famous. PGBB, Local Development Committee, Local Development Fund of District Development Committee, Muktinath Bikas Bank etc. are some examples of organizations and banks which are playing role in women microfinance activities in LM.

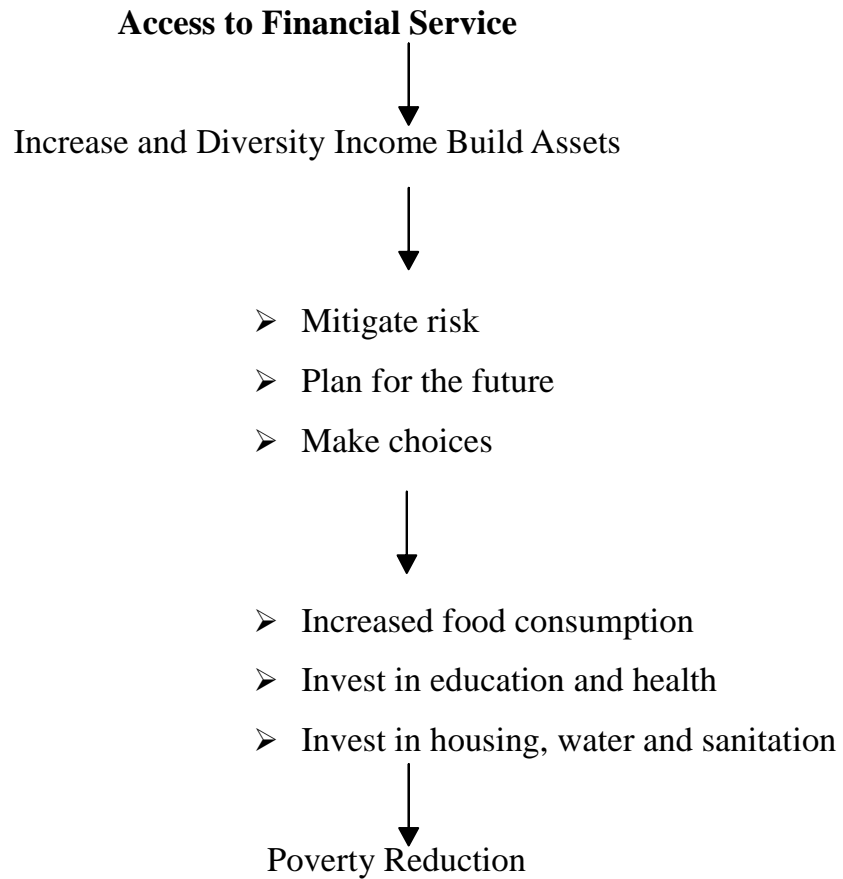
1.1.3 Microfinance Sector in Nepal

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. Thereafter, in 1956, Nepal Rastra Bank, in 1959, Industrial Development Corporation, in 1966, Rastriya Banijya Bank and in 1968, Agricultural Development Bank was 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 percent of their total deposits in this sector (Pradhan, 2005:14). Before 1984 the financial sector was closed for foreign institutions. Since, that time joint venture started to establish in Nepal. In 1984, firstly Nepal Arab Bank Limited (Nabil) opened in Nepal. On account of liberalization policy of government Nepalese financial system has winded and depended with many more new financial institutions and activities. The country has now many commercial banks, development bank, financial companies, co-operative limited, rural development bank, non-government organization etc. These all play vital role for Nepalese financial sector. Total deposit with the financial system has increases by 20 folding one decade and half from less Rs 10 billion in 1985 to Rs 200 billion in July 2001. The credit extended by the financial institutions has been up by 24 fold from us then Rs 8 billion in 1985 to Rs 190 billion in July 2001. In Nepal, capital market begins with the issue shown by Biratnagar Jute Mills Limited and Nepal Bank Limited in 1937. In 1976, the securities exchange center was established and first time in 1994 govt. bond was issued. In 1993, securities exchange center converted in to Nepal Stock Exchange.

In Nepal the periodic plan, especially starting from Fifth Plan (1975-1980), had addressed poverty alleviation as one of the main goal. From this time the activities in microfinance increased day-by-day. Govt. recognized microfinance as official poverty alleviation program only in Sixth Plan (1980-1985). Various programs to ensure particularly poor women and disadvantaged groups, access to financial services from organization sector are designed and implemented during that period. The sector gained further momentum after the restoration of democracy in 1991 with establishment and promotion of Grameen Bikas Bank and other form of MFIs.

From the following it is clear about relationship between poverty and financial service:



Relationship between poverty and financial service

Source: Dhakal, 2004:34.

1.1.4 Women Microfinance in Nepal

Women in Nepal are extensively engaged in agricultural activities. Women constitute more than half the potential labor force in Nepal and contribute extensively to the Nepalese agriculture in terms of both labor input and decision-making roles. Women have to work either on their husband's farm or on their father's farm to be economically productive. They also lack any other kind of productive assets (Improving Access of Women to Formal Credit Facilities in Nepal, 1997:63).

A large number of micro credit programs have focused on expanding micro loans to support economic activities of the poor and disenfranchised groups in the society mostly women. It is generally accepted fact that women are the poorest of the poor. The possibility of women development through microfinance program was realized and women's access to credit was given

emphasis at the first international women's conference held in Mexico in 1975. Govt. in Nepal had no policies and objectives specifically directed to women development before the Sixth Plan (1980-1985). Few policy guidelines were effectively formulated in the Eighth Plan (1992-1997) for maintaining women in economic development with the intervention of credit programs like the Production Credit for Rural Women (PCRW) and Small Farmer Development Program (SFDP) expansion of the Grameen Rural Development Bank. In 1993, the National Planning Commission (NPC) created the Children and Women Development Section under the population division. In 1994, the National Council for Women and Child Development was formed followed by the establishment of the Ministry of Women and Social Welfare in 1995 to coordinate and monitor all activities directed towards enhancing women's status. The plan also undertook other important actions like elimination of discrimination against women and enforcement of the revised Muluki Ain (Inheritance Law) to remove the legal constraints related to equitable access to resources. The Ninth Plan (1997-2000) and the Tenth Plan (2002-2007) also considered women as its major target group to fulfill the goals of human resource development and poverty alleviation in the country (Bashyal, 2008:75-76).

Nepal is mountainous country. So, to provide microfinance services in all areas through well operating costs, program should be designed according to topographical differences. In populated area, modified Grameen model through federated "Credit agent" is suggested as an appropriate model. The saving and credit organizations can be mobilized to provide door-to-door services to the poor people. There are many community-based organizations in the villages like "Aama Samunha". On the other hand, the Self-help Group pays attention only for institutions development rather than the beneficiaries.

1.1.5 Women Microfinance in LMK

Among all parts of the municipality is covered with hills. So women of this area are involved in agriculture. It will be beneficial for women if they save small amount of money in a groups and invest that in some profitable sector. To make this sector effective different organization and bank are establishing within municipality. Some of them are Muktinath Bikas Bank, Udham Bikas Bank, Machhapuchchhre Bank Ltd., Everest Bank Ltd., and Paschimanchal Grameen Bikas Bank etc. They used to make group of women ranging from 5-7 women mostly. Some fund they collect themselves within group and invest that fund. Some money can invest organization itself according to priority sector. Some sectors of investment are animal keeping, farming, poultry farming, retail business and others etc. PGBB is doing microfinance activities in whole municipality by establishing branch office in Lekhnath Chowk.

1.1.6 Role of PGBB for Women Microfinance in LMK

PGBB of Lekhnath Chowk is playing greater role to uplift live hood and make financially support for women within LMK. It was established in 2056 BS. It is launching its program within whole municipality. There will be a group of 5 women. If there are more than 4 group then it will be Samuha. Meeting of women will be weekly done by head office. Maximum loan amount without collateral of PGBB is Rs 60,000. They have to collect Rs 1 in central fund. Interest rate for loan is only 20 percent. Loan can be provided in collateral basis also but maximum amount is only Rs 1,50,000. Loan can be provided on agriculture, service, trade, retail business etc. If some women deny repayment loan on time then member of group will force them to repay loan within schedule date.

1.2 Management of Saving and Credit for Women

Saving facilities will help household risk management the most when women are safe and accessible to the depositors, and when the poor can deposit small

amounts on a frequent basis. Credit is only one kind of financial service. Credit has gained wide acceptable as a key strategy for poverty alleviation and women empowerment (Mimosa, 1999:135). Loan can be disbursed with collateral and sometimes without collateral also.

1.2.1 Concept of Group and Center

Beneficiaries are organized into group. There is certain number of members in a group. Group includes one group leader, one secretary and other few members and functions at the center label only. One group leader elects in a group. Group is the idea in PGBB for loan demand processing, saving, weekly or monthly installment, and to some extent for community development activities. Group functions directly under the supervision and control of PGBB office. Overall banking services are delivered through this center.

1.2.2 Credit With and Without Collateral Securities

GBB is in operation in each all development regions to provide credit without collateral to deprived rural people especially for women in group for their income generation activities. Credit is disbursed from PGBB on the basic of collateral also.

1.2.3 Loan Demand and Processing of Loan

As the whole process of loan demands and collection is based on group and collateral accountability, the group decides the amount of the loan required to members either in case of collateral base or in case of without collateral. The loan demand and processing of loan as following way:

-Micro Business Loan

Micro business loan is one year loan fortnightly or weekly repayments. The micro business loan is provided through, using peer guarantee for repayment without collateral up to Rs 60,000 at 20 percent interest rate in declining basis.

Year	Maximum Loan Size Rs.	Loan Term	Annual Interest Rate (Declining Balance)	Repayment Frequency
1	10,000.00	1 Years	20%	Weekly / fortnightly
2	20,000.00			
3	30,000.00			
4	40,000.00			
5	60,000.00			

Micro Enterprises Loan

The bank disburses two types of micro enterprises loans- Micro Enterprises Loan 'A' and Micro Enterprises Loan 'B'.

Micro Enterprises Loan 'A'

This loan is graduates of micro business loan. The members who have successfully completed the third term of micro business loan are only eligible for this loan. Bank takes collateral for loan guarantee.

Year	Maximum Loan Size Rs.	Loan Term	Annual Interest Rate (Declining Balance)	Repayment Frequency
4	50000.00	2 Years	15%	Weekly / fortnightly / monthly / quarterly
5	75000.00			
6	100000.00			
7	150000.00			

1.2.4 Saving of Member

There is no compulsory saving in PGGB members. PGGB member have to collect Rs 1 in central fund. The types of saving are:

- Group Saving

This saving is common for all women who are involved in PGGB activities. They can save small amount of money in group. This will help to raise their saving activities. They save some money in every week. There is no compulsory to save for women in this saving program.

- The Center Fund

In this centre fund saving program, women have to save certain fixed money as centre fund collection. This is a kind compulsory saving. This is not big money. Generally women save Re 1 as centre fund collection in every week.

1.3 Focus of the Study

Microfinance is not only one financial intermediary but also a most suited poverty alleviation tool and for women empowerment. There are number of commercial banks operating in the country, but these banks are operating only in city so rural people has no excess to financial market. Similarly, numbers of micro credit program or project have been implemented, however, only a few portion of population has access to microfinance services. Considering this reality PGBB is established to fulfill the requirement, which has ultimately become one of the leading microfinance institutions, which provide credit to the financially and socially backwards women groups. The study focus on how the backwards people are benefited from its operation is the major concern.

In a country like Nepal, where majority people are not familiar with the economic transaction, and live in rural areas, microfinance programs will be the milestone for the poverty alleviation of rural people and their overall development. It is the development tool, which brings awareness to the rural people in every aspects of their life. Microfinance is only targeted to the poor and encourages them to save and mobilizes their resource in proper way. This microfinance is increase the life standard of women and gives socio-eco status in society.

The study focus on impact of microfinance for women in LMK and how to empower women with the help of case study of municipality and PGBB, how it helps to develop local level women's financial condition, how it helps to save small amount of money and it's mobilization, how it help to distribute loan and income and between loan distribution and recovery and how it emphasis on women empowerment through microfinance activities.

1.4 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 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 lunching in women development in Nepal. Such as Priority Sector Credit Program (PSCP), Small Farmer Development Program (SFDP), Integrated Rural Development Program (IRDP), Production Credit for Rural Women (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.

Although Kaski is one of the educational districts 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 is tried to solve the following research problem writing Lekhnath Municipality, Kaski:

- How is saving and its mobilization pattern of women?

- How is the mode of the loan, loan disbursement and repayment practice?
- What types of relationship that exists between investment and income; and between loan disbursement and recovery?
- What is the impact of this program on women empowerment?

1.5 Objective of the Study

The basic objective of this study is to analyze saving and its mobilization pattern, explore mode of loan, loan disbursement and repayment practice and assess the impact of microfinance on women in Lekhnath Municipality, Kaski. The specific main objectives of this study can be states as follows:

- To analyze saving and its mobilization pattern of women.
- To explore mode of the loan, loan disbursement and repayment practice.
- To analyze the relationship that exists between investment and income.
- To assess the impact of the program on the women empowerment.

1.6 Significance of the Study

Now a day's micro credit is appreciated as an effective tool of economically empowered through self-employment following assistance in income. This study has great significance because microfinance program definitely enhance the economic status of rural poor, disadvantaged and deprived women of a society. The main reason behind this study is to analyze the impact of microfinance of women. So, this study is also important to get answer of above objectives.

Microfinance concept is very important itself to the people who are back economically and socially especially for women. For microfinance tools they can directly involve in fund raising program and can develop themselves. There is big role of the microfinance to developed countries such as India, Bangladesh and many more. So, to the best knowledge of the researcher, it will be more significant in Nepalese context. In the light of above statements,

the researcher believes that the study will explore a virgin field in Nepalese women's microfinance scenario and add new things to the literature of microfinance sector. This study helps to provide necessary information to the different practices to make better planning, decision making, and policy making, monitoring, controlling, solving various curiosities and overcome the certain limited problems regarding microfinance.

In addition to these, this study has some practice relevance. It attempts to find out the ways of uplifting women's lifestyle in Nepalese society. The increasing participation of the women in economic activities such as saving, taking loan etc. is supposed to enhance their capabilities to change and develop their household and overall economy. Therefore, this study is very usable:

- To entrepreneurs
- To decision makers
- To policy makers
- To further researchers

1.7 Limitation of the Study

The study is mainly confined to assessing the financial impact of microfinance on women. So, it has the following limitations:

- The study is confined within Lekhnath Municipality of Kaski.
- The overview of this study has taken into consideration only the Paschimanchal Grameen Bikas Bank's program for the last five years.
- The sample is based on the selection from group of women people.
- Sample of women is taken from those involved in micro-enterprise program.
- The accuracy of study is based on primary data as well as secondary data provided by the PGBB management and published financial documents, planning documents, annual reports and website of the PGBB.

➤ The researcher has faced the time and resource constraints.

1.8 Organization of the Study

The study is organized in only five chapters, they are as follows:

Chapter One: Introduction

This chapter includes the introduction and general background, focus of the study, statement of the problem, objective of the study, importance of the study and limitation of the study.

Chapter Two: Review of Literature

This chapter includes the review of literature of related studies, conceptual review and major studies related with this research.

Chapter Three: Research Methodology

This chapter contains research design, population and sampling of data collection technique, data analysis method, tools research variable and general introduction of tools used in the study.

Chapter Four: Data Presentation and Analysis

This chapter includes the presentation of various data related to study and analysis as requirement of objectives as well as major findings of the study.

Chapter Five: Summary, Conclusion and Recommendation

This chapter includes summary and conclusion of the study and suitable recommendation on the basis of the study.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Conceptual Framework

Finance can be regarded as effective tool in spreading economic opportunity and fighting poverty giving poor people the freedom to earn and fulfilling livelihood. Like all economic agents, low-income households are micro enterprise 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 of rural areas are illiterate and are not access to sufficient financial benefits. The access to financial services, such as saving, remittance service, and insurance can help poor women from 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, 2008:1).

More women are in paid and self-employment than ever before. According to official measurement, 41 percent 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 percent and high in the other OECD countries (Bullock, 1994:14).

Concepts of 3Ss for Poverty Alleviation:

S₁ = Samuha means groups or organization or community.

S₂ = Seep means skills or empowerment.

S₃ = Sano punji means microfinance.

2.1.1 Concept and Definition of Microfinance

Microfinance has proved itself a powerful tool for economic development of low-income women and men. It is an effective approach for alleviating poverty through access to the poor for operating their small enterprises. The term microfinance refers to the provision of financial services to low-income clients, including the self-employed, financial services generally including saving and credit; however, some microfinance organizations also provide insurance and payment services.

Microfinance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny business. Over the time, microfinance has come to include a broader range of services (credit, savings, insurance etc) as we have come to realize that the poor and the very poor who lack access to traditional formal financial institutions require a variety of financial products (<http://www.microfinacegateway.org/section/faq.html>), Jan16, 2011.

Microfinance activities usually involve:

- Small loans, typically for working capital.
- Informal appraisal of borrowers and investments.
- Collateral substitutes, such as group guarantees or compulsory saving.
- Access to repeat and larger loans, based on repayment performance.
- Streamlined loan disbursement and monitoring.
- Secure saving products.

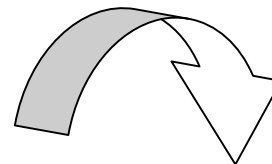
Since, microfinance is targeted to poor people of rural areas; it assists the poor in many ways. Such as providing poor people to invest in assets, organizing and facilitating difficult activities to earn their livelihood, protecting against income shocks in case of emergency needs and smooth consumption, improving quality of life by building social capital.

The inter-relationship between microfinance and poverty is often seen as: Microfinance institutions Provide credit to poor micro-entrepreneur conduct income generating activities increase living standard poverty alleviation. This is shown in the following framework:

The conceptual framework of microfinance can tabulated as follows:

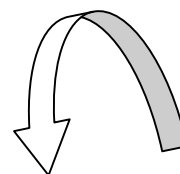
Why poor?

- Lack of productive assets
- Unemployment
- Inadequate infrastructures
- Social/Political constraints
- Geographical hazards

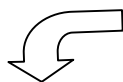


Poverty Reduction Tool

- Provision of productive assets
- Employment opportunity
- Extension of economic activities
- Access to social & economic resources

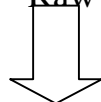


Employment Opportunity



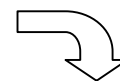
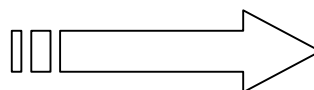
Self-employment

- Technology
- finance
- Market
- Raw material



Financial System

- Production loan
- Housing loan
- Deposit services
- Investment



Wage-employment

- Education
- Skill
- Knowledge

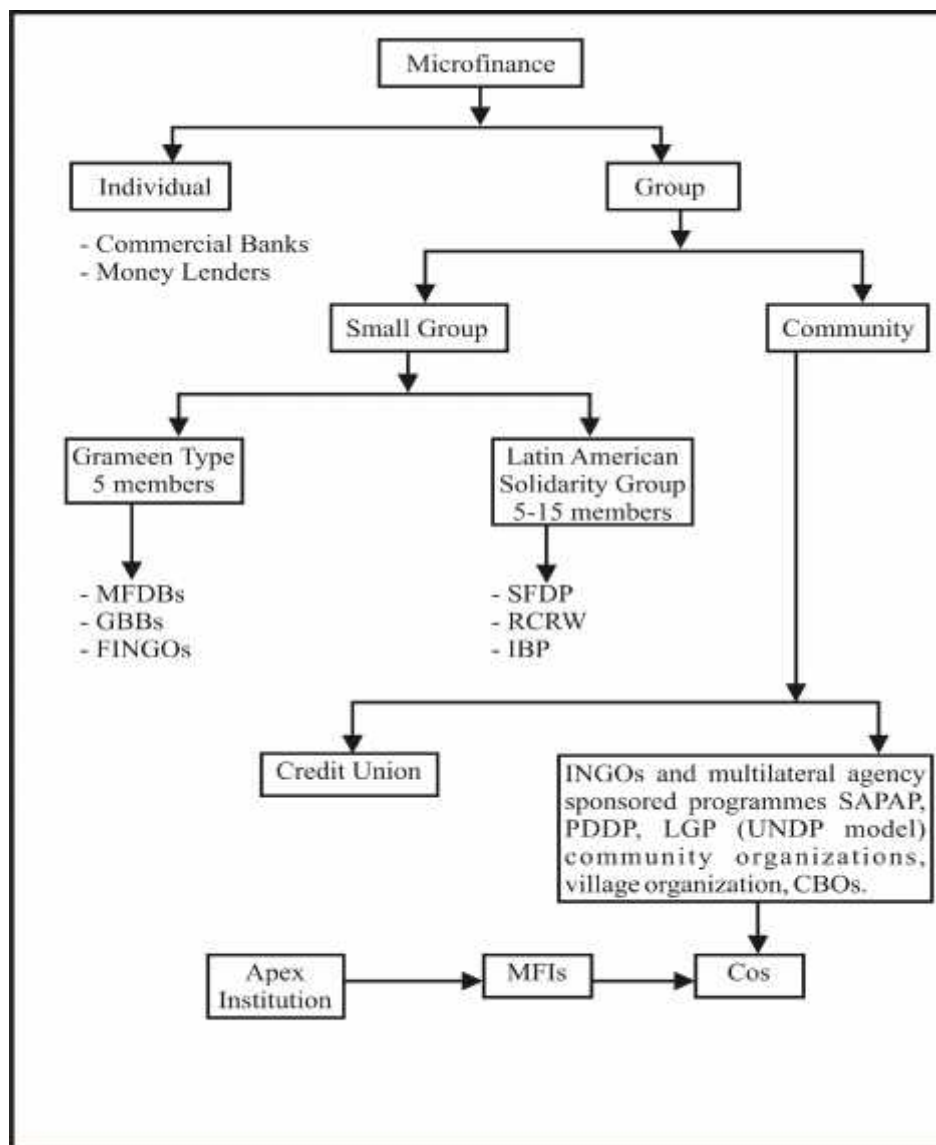
Potential Impact

- Encourage investment in Productive sector
- Increase income
- Change social well being
- Brings social equilibrium
- Reduce Poverty

Source: Nepal Rasta Bank Year Book Volume 48.

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, small farmers, service providers (hairdressers, rickshaw drivers) and artisans and small producer, such as blacksmiths and seamstresses.

The general microfinance model is as follows:



Source: Bashyal, 2008:13

“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 Tenth 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 Tenth 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, 2005:13).

2.1.2 Microfinance and Women

In our context, generally women are dependent on men. So, women are mostly poor access to finance. In village areas, they are involved in household and agricultural activities. To collect and raise small fund, they can involve in different groups and community. For this, microfinance is an effective tool. The main objective is to investigate the impact of microfinance in particular the Self Help Group Bank linkage program on women empowerment. Traditionally, about 90 percent or more of microfinance clients are women. Hence, microfinance is increasingly seen as an important tool in achieving the millennium development goals there to promote gender equality and empower women. For microfinance to show an impact on women’s empowerment, it needs to be supplemented by microfinance plus or other non-financial services, like training, awareness creation programs, education etc (Sida, 2006:5).

2.1.3 Historical Background of Microfinance in Nepal

According to ADB (2000), country studies, the earliest initiatives for establishing microfinance services in Nepal can be dated back to the 1950s when the first credit cooperatives were established. These were primarily intended to provide credit to the agricultural sector. A well-structured and specialized program to cater to the financial needs of the poor was provided

further impetus with the launching of the Small Farmer Development Program (SFDP) in 1975 within Agriculture Development Bank. Over the past few years, a process of institutionalizing the Small Farmer Groups into the Small Farmer Cooperatives Limited (SFCL) has been under way. In 1974, NRB directed commercial banks. In 1981, to strengthen the priority sector program, NRB introduced the Intensive Banking program (IBP).

The next main step in the development of microfinance in Nepal came in the form of the first gender-focused program, the Production Credit for Rural Women (PCRW). In 1992, the first two Regional Rural Development Banks (RRDBs) – one for the eastern region and one for the far western were established with govt. and NRB funds as replications of the Grameen Bank of Bangladesh. Focusing on extremely poor women, RRDBs use a group lending approach and a weekly repayment system. By mid 1997, five RRDBs had been established.

Besides these, NGOs and cooperatives have also had an increasing role in microfinance. Center for Microfinance in Nepal (CMF) was established in July 21, 2000 with main activities of providing trainings, technical assistance consultancy services and undertaking studies, research, documentation and publications etc.

2.1.4 Trends of Microfinance in Nepal

Microfinance is growing for several reasons.

- Microfinance has promise of reaching the poor. Its activities can support income generation for enterprises operated by low-income households.
- It has promise of financial sustainability. Its activities can help to make financially self sufficient, subsidy free, often locally managed institutions.
- It has potential build on traditional system such as rotating saving and credit associations. They provide the same service in similar ways, but with greater flexibility at more affordable price to microfinance

enterprises and on more sustainable basis.

- The contribution of microfinance to strengthening and expanding existing formal financial system such as saving and loan cooperatives, credit union networks, commercial banks etc.
- There is increasing number of well-documented innovative success stories in setting savers as rural microfinance in women.
- The availability of better financial products as a result of experimentation and innovation. These experimentation and innovation have shown that living standard of women is growing at range.

2.1.5 Major Principles of Microfinance

The conditions and procedures of microfinance are more flexible and easy to understand by local community. The principles of microfinance are as follow (Bashyal 2008:17).

- i. MFIs are able to know their markets that the major services needed by the poor are saving and credit for liquidity and working capital with one-year loan terms.
- ii. The successful MFIs keep administrative cost as low as possible.
- iii. They are able to ensure high portfolio quality.

Three major principles are considered in microfinance. Those are:

- i. Buying of money means collection of domestic saving.
- ii. Selling of money means investment of the collected domestic financial resources
- iii. Earning of money means receiving the interest and other income from borrowers and other.

2.1.6 Importance of Microfinance for Women

Since 1970s, tens of thousands of poor women have started their own business-often with sewing machine-using loans of as little as \$100 from organizations like Grameen Bank in Bangladesh and the Washington, D.C. - based Foundation for International Community Assistance (FINCA), which

has been active in Latin America. The results have been eye-opening: Women turned out to be reliable debtors, and since many who received micro loans squirreled away their earnings to send their children to school and buy more food for their families, the positive impact has rippled through communities (<http://web.ebscohost.com/ehost/detail>) Jan 16, 2011. There is greater importance of microfinance in Nepal. It is mostly important for women because they are inhabitant in rural areas. There is lack of financial assess in rural areas. To engage women in small fund raising program and making them self-dependent, microfinance is an effective tool.

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

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

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

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

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

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

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

2.1.7 Microfinance In Terms of Saving, Investment and Loan Distribution

Microfinance is targeted to poor and low-income people. It includes loan, saving, insurance, transfer services and other financial services. Providers of microfinance include non-government organizations (NGOs), self-help groups, cooperatives, credit union, commercial bank, insurance and credit card companies and other points of sale (Sharma, 2005:87). The poor already save in ways that we may not consider as “normal” saving-investing in assets, for example, that can be easily exchanged to cash in the future. After all, they face the same series of sudden demands for cash we all face: illness, school fees, needs to expand the dwelling, burial, and weddings. It is hard to cutoff one leg of a goat that represents a family’s savings mechanism when the sudden need for a small amount of cash arises, or, if poor women has loaned her “saved” funds to a family member in order to keep them safe from theft, there may not be already available when the women need them. The poor need savings services that are both safe and liquid. These savings services must be adapted to meet the Poor’s particular demand and their cash flow cycle. Thus, to maximize the savings propensity of the poor, institutions must provide flexible opportunities- both in terms of amounts deposited and the frequency of pay ins and pay outs. This represents important challenges for the microfinance industry that has not yet made a concerted attempt to profitably capture tiny deposits (<http://www.microfinancegateway.org/section/faq>) Jan 26, 2011.

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

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

2.1.8 Microfinance Emphasis on Women Empowerment

Women are behind men in Nepalese society. They are lacking access to financial services. They should depend on men for financial services. Most of women are staying in rural areas. They are poor and illiterate also. It is necessary to uplift their livelihood. So, microfinance is such an effective tool, which will bring change in their life, and they will be easily access to financial services. In Nepal, there are micro credit programs for poor women both in the public sector and in the non-governmental sector. The majority credit programs in the public sector are the Women Development Program of the Small Farmers Development Program (WDP/SFDP), Production Credit for Rural Women (PCRW) Program and Regional Rural Development Banks (RRDBs). Apart from numerous non-registered NGOs, there are a lot of registered NGOs, which primarily operate as welfare organizations but may include saving-credit activities for poor women (Improving Access of Women to Formal Credit Facilities in Nepal, 1997:15).

2.1.9 Role of Different Models in Women Microfinance

The government along with all the public and private sector financial institutions contributes to the development of microfinance industry (MFI),

each playing a significant role in its development. However, their roles have to respond to emerging requirements.

According to Bashyal (2008), following models are effective in saving, credit and investment mobilization of women as well as rural people.

a. Rural Credit Union Model

Credit union is a cooperative financial institution owned and run by its members, who agree to save their money together and extend loans to each other a reasonable rate of interest. The early Raiffeisen's Rural Credit Union and Herman Schulze-Delitzsch's Urban Credit Union model that provided microfinance services to the German farmers in the last century is the example of credit union model. Today this model is playing greater role to encourage village women for their saving and credit activities and maintaining standard livelihood.

b. Cooperative Model

Cooperative provides microfinance in the form of credit to individual and groups with limited resources. Saving is the strong bases of cooperative model, which fulfill both the economic and social needs of rural people. In Nepal, cooperative department was established in 1953. The true philosophy and principles of cooperative is that it should be mutually owned, controlled and managed by people themselves. So, this model is effective for rural women to uplift their financial access.

c. Individual and Peer Lending Model

According to the study of CMF, lending modalities are divided into (i) Individual lending and (ii) Peer lending. Individual lending are village moneylenders. Specialized development banks and commercial banks where as in peer lending a gradual modification is operated from different countries in the form of informal source of finance.

d. Formal and Informal Type

There are different organized and legally operated MFIs, which are based on legal rules, and regulations are formal type. But transaction with individual and which are not legally registered are informal type.

e. Grameen Bank Model

Grameen which comes from the word village, provides credit to poor women to acquire assets for self-empowerment, Muhammad Yunus propounded this model as a simple act of trust in lending with collateral with minimal conditions. The very poor clients often don't have the capacity to manage fund and to repay the loan resulting negative impact but these days, most of the Grameen type institutions have changed the weekly meeting arrangements into fortnightly transactions.

f. Village Banking Model

This model can be described as an informal bank for non-collateral loan to members in a community and the community will be responsible in handling the credit directly to individuals.

g. Self-reliant Village Banking Model

Self-reliant Village Banking model was developed in Africa, where population density is low, similar to hills of Nepal; Self-reliant Village Banks are established managed by a rural village community. This model differs from village banks only on one ground that it meets the needs of village as a whole and not just a group of 25 to 50 people.

h. Association

In association type, the target community such as youth or women from an association regarding political, religious, or cultural issues through which, microfinance activities are initiated. Associations, the community-based organizations are also informal systems:

- Bank Guarantees.

➤ Self-Help Group Model.

i. Banking with the Poor Model

Banking with the Poor (BWTP) model, this came into existence at the first regional workshop in Manila in 1991. This model gives emphasis on domestic financial development by linking between self-help groups of the poor and commercial financial institutions with NGOs performing a range of intermediary functions.

The role of other different players in the field of microfinance is as follows:

a. Role of the Government

It is necessary to have a perspective plan on microfinance-the plan well integrated with the nation's economic development with the clear out objectives, targets and policies and strategies. The perspective plan considers expanding outreach to the poor and providing quality services as the two most important elements of the overall microfinance policy, apart from strengthening microfinance institutions.

b. Role of Nepal Rastra Bank

Nepal Rastra Bank (NRB) would have to regulate, monitor and supervise the operation of the RMDC and MFIs to make these competent, professional, result-oriented microfinance organizations. The role of NRB is to ensure that the MFIs operate autonomously in the professional manner.

c. Role of Rural Microfinance Development Centre

RMDC was established as an apex microfinance organization, which become operational since 2000 only. It started with the objective of contributing "To improve socioeconomic condition of the poor, their access to resources for productive undertaking and employment."

d. ADB is also playing an important role in the field of microfinance. On the other hand World Bank and CMF are also playing an important role in the

field of microfinance.

2.1.10 Micro Credit Programs in Nepal

The unit describes the historical background of Nepalese financial system. It also includes different programs which are working in the field of microfinance. These microfinance programs are playing great role from their side to uplift livelihood of poor Nepalese women as well as other people in remote areas of Nepal.

2.1.10.1 Historical Background of the Nepalese Financial System

The history of modern financial system in Nepal was begun in 1937 with the establishment of the Nepal Bank Ltd. (NBL) as the first commercial bank of Nepal. Before the establishment of NRB, there were only 12 branches of NBL. With the establishment of NRB in 1956, the development of the financial system took a momentum. Nepal Industrial Development Corporation (NIDC) was established in 1959, which helped for industrial development. With the equity participation of NRB, the Agricultural Development Bank (ADB/N) was set in 1968 by incorporating the assets and liabilities of the cooperative bank.

The Rastriya Banijya Bank (RBB) was established in 1968 as the second commercial bank of Nepal. From 1962 to 1982, a large number of non-banks financial institutions were setup such as the provident fund, insurance corporation, stock exchange etc the move towards financial liberalization encouraged the entry of joint venture commercial banks and finance companies. Even the non-governmental organizations (NGOs) and the savings and cooperative societies have been licensed by NRB for limited banking activities.

2.1.10.2 Microfinance System in Nepal

The formal sector micro lending activities began in 1956 with the establishment of credit cooperatives in the Rapti Valley of Chitwan district to

provide financial services in rural Nepal. They were established to progressively abolish excessive rural indebtedness and contribute to uplift the socio-economic conditions of the rural people. To make financial resources available to these cooperative credit societies, the cooperative bank was established in 1959. As a result, ADB/N was established in 1968 to provide agriculture credit. ADB/N has still remained the foremost rural and agriculture financing institution and accounted for 55 percent of the total rural institutional credit. The role of Grameen Bikas Banks (GBBs) in rural micro financing has increased recently but their share in total outstanding rural institutional credit was less than 2 percent. Microfinance practice formally started in 1974 since the Nepal Rastra Bank's (NRB) direction to commercial banks for lending five percent of their total deposit liabilities to "Small Sector" in order to increase production and employment in rural areas.

2.1.10.3 Microfinance Programs

The three largest banking institutional of the country NBL, RBB and ADB/N has initiated several innovative microfinance programs since 1974/75. The Small Farmers Development Program (SFDP), the Intensive Banking Program (IBP), the Production Credit for Rural Women (PCRW) Program, the Cottage and Small Industries (CSI) project, the Educated Unemployed Credit Program, the Lead Bank Scheme, the Micro-credit Project for Women, the Priority Sector Credit, and the Deprived Sector Credit Program, the Rural Self-reliance Fund etc. are the different microfinance credit programs developed to the alleviation of the poverty in rural Nepal. The different microfinance program will be separately dealt in the following paragraph.

i. Priority Sector Credit Program (PSCP)

The two Nepalese commercial banks, NBL and RBB were directed by NRB to invest 5 percent of their deposit liabilities in the "Small Sector" in 1974 which was redefined as the 'Priority Sector' in 1976 and the lending target was raised to 7 percent. The objective of NRB was to direct some portion of the financial resources of commercial banks towards the socioeconomic uplift

life of small farmers and entrepreneurs in the priority sector credit program, at this initial stage had to face several constraints and barriers. NBL, RBB and the Nepal Arab Bank Ltd. are financing their priority sector credit under the Intensive Banking Program and the remaining 10 commercial banks are financing the priority sector under their separate individual credit program. Since 1990, all the commercial banks are directed to finance at least 12 percent of their total loans and advances under the priority sector program out of which 3 percent is required to be financed in the deprived sector failing this mandatory requirement, the commercial banks are penalized for the shortfall amount.

ii. Small Farmer Development Program

To fulfill the demand for microfinance in rural areas, ADB/N initiated the Small Farmers Development Program (SFDP) in 1975 through two pilot projects to support self-help oriented development of small and marginal farmers and landless people. It had a total loan outstanding of Rs. 823.49 million with 357 sub-projects offices comprising a total of 165,679 members by mid-July 2004 (Bashyal, 2008:48). It is considered as the first poverty focused credit programs of the country. It is also the first group based credit program. The group is comprised of 5-50 members. It provides them credit and other supports to start income generating activities.

iii. Intensive Banking Program (IBP)

IBP is a redefined name of priority sector credit program mandated by Nepal Rastra Bank in 1974 for two state-owned and one joint venture bank-Rastriya Banijya Bank (RBB), Nepal Bank Ltd (NBL) and Nepal Arab Bank Ltd (NABIL) to deliver loan in priority sectors including three percent loan to deprived sectors (Bashyal, 2008:48-49). Both the low income and lower middle-income clients are served under the program. The three sectors covered under IBP are the agriculture, cottage and small industries and service sector. Even the borrowers who cannot offer physical collateral can be availed credit by forming them into a group of 4 to 10 persons. IBP follows the 'credit

plus' approach. It has integrated the credit program with the other support services. The community and social activities and group saving scheme are the other feature of IBP. The recovery of loan is very poor because of the lack of proper monitoring and supervision, absence of reward and punishment and low participation of women borrowers in the program.

iv. Production Credit for Rural Women

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

The recovery performance of PCRW is not satisfactory. Its recovery was found 64 percent in 1995/1996. The operating cost was around 27 percent whereas PCRW loan was distributed at 14 to 15 percent. If we combine even the costs of social intermediation, the operating cost would be much higher and the program would be unviable an unsustainable at the present circumstances.

The impact evaluation study conducted by the Women Development Division of the ministry of Local Development has revealed that PCRW has greatly contributed for the socio-economic upliftment of the rural poor women of the project area in the following ways:

- Improvement in the role of women in the decision making process within and outside their household.
- Increase in income and thereby in consumption, saving and investment.
- Increase in group solidarity and cohesiveness.

- Improvement in the living conditions of children with an emphasis on school going children.
- Improvement in the social environment and status of women in the society and
- Improvement in social awareness among women.

The study has further revealed that some of the PCRW project credit groups have already graduated and converted their groups into viable savings and credit cooperatives (SCCs) and have started to manage on their SCCs effectively and efficiently. For this they have created a SCC out of a few credit groups. They have even registered these saving and credit to cooperatives and some of them are in the process of registration.

The impact evaluation study has further highlighted the following problems in the implementation of PCRW.

- a. Inadequacy of trained bank and WDS staffs in the project.
- b. Inadequate supply of rural and agricultural support services to borrowers.
- c. Little efforts to make the program cost effective and financially viable.
- d. Lack of appropriate technology and raw materials.
- e. Inadequate opportunities i.e. skill development training and marketing of product and services.
- f. Opportunity for free movement of trained bank and WDS staff out of program.
- g. Improper coordination between bank and WDS staffs to implement the program.

v. Micro Credit Project for Women

Government introduced micro credit project for women with some different modality using NGOs and self-help groups as credit agents for linking clients to commercial banks. Loan was collaborated between ADB/N with central

bank and govt. in 1993 and project loan completion date as March 2000 (Bashyal, 2008:51). This Project has properly utilized the lesson learned from PCRW. MCPW is fully committed to develop and involved NGOs. It is the first project in which financial intermediaries are involved in a public sector credit program. The borrowers of the project are women from both urban and rural areas of Nepal.

The main objectives of MCPW are followings:

- a. Improvement of the socio economic status and condition of women.
- b. Provision of financial and non-financial services to women in integrated way.
- c. Provision of necessary institutional supports to NGOs.
- d. Institutionalization of NGOs as financial intermediaries.
- e. Development of NGOs as cooperative associations.

ADB/N has funded the project. It provides 80% of the total loan able funds.

The project design involves following stages:

- a. Social mobilization of women.
- b. Skill development training to borrowers.
- c. Financial and non-financial services to NGOs.
- d. Transformation of NGOs in suitable financial intermediaries.

vi. Grameen Banking Replication

There are five Grameen Bikas Banks (GBBs) in five-development region, which were established between 1992 and 1996. These banks have been replicating the Grameen Banking Model of Bangladesh which is an innovative outreach model. It is a unique model implemented separately by both the government and the local NGOs in Nepal. Nirdhan, Swabalamban Bikas Bank (SBB), Chhemeki Bikas Bank and Deprose Development Bank are the NGO-promoted microfinance development banks. Transformation of NGOs into development banks is the recent development in the Nepalese microfinance sector as in other developing countries. These bank caters to the credit need of the poor women in rural areas. The poor women had limited

access to institutional credit services at their doorstep. Under this banking system a rural women with less than 0.6 hectare of land in the hills can participate in a group, which is comprised of five women.

vii. Rural Self-Reliance Fund (RSRF)

RSRF was initiated in 1991 for providing financial assistance to deprived people in rural areas. The fund has been managed by the NRB since its introduction and also managed by the govt. to meet long-term capital requirements for the prioritized sectors in agriculture. It provides loans to that borrower who has less than 10 ropani of land in plain and 10 ropani of land in the hills and mountains to those who cannot maintain their livelihood from owns on earning.

viii. Cooperative Societies and NGOs

Cooperative societies in Nepal have a history of more than 42 years. Most of the credit cooperatives funds are missing managed and effective. Though the history of cooperatives goes back to 1,953 with opening of cooperative department, the savings and credit cooperatives (SCCs) have become more active. The total number of cooperatives registered under this union is 404 comprising 63,585 members collecting total savings of Rs 732.7 million with Rs 83.3 million shares capital up to mid-July 2004 (Bashyal, 2008:60). So, it seems that mostly women are involved in cooperative societies.

ix. Banking with the Poor

With the linkage-banking program, NRB has initiated “Banking with the Poor” program since 1991. It is a program in which NGOs and the association of self-help groups are being extended loan to on lend it to locally formed groups. The SHGs lend without collateral.

x. Rural Microfinance Development Center (RMDC)

The RMDC is an apex MFI established in 2000 under the company Act 1995 with an authorized capital of Rs 160 million issued and paid up capital Rs 80

million. To implement this project the RMDC, the apex development banking institution, has already been established with the equity participation of NRB, all commercial banks and few other financial institutions an NGO. RMDC will operate as the wholesale financial institution and will on lend ADB/N funded loan to all the Grameen Bank Replicates, SCCs and financial intermediary NGOs who fulfill its eligibility conditional ties for funding.

As of 17th October 2006, RMDC has approved loan amounting to Rs 1,589.08 million for 47 MFIs, and disbursed Rs 1,165.7 million to 44 institutions. Among the 47 partner MFIs, 6 are microfinance development banks, 2 development banks, 24 financial-intermediary NGOs and 15 saving and credit cooperatives. On 16th September 2006, the outstanding loan with RMDC was Rs 691.5 million. RMDC has maintained 100 percent loan recovery rate from the very beginning of its operation. Altogether the partner-MFIs of RMDC are providing microfinance services to about 400,000 women of the poor households (RMDC newsletter, 2006).

xi. Sana Kisan Bikas Bank (SKBB)

Sana Kisan Bikas Bank is a specialized wholesale microfinance development bank established with the aim of promoting and strengthening the gross-roots level Small Farmer Cooperative Ltd. (SFCLs) in particular a similar other MFIs in general. Mostly women are involved in SKBB, so this bank is effective for women's upliftment.

xii. Other Rural and Poverty Focused Micro Credit Programs

There are few other rural microfinance programs, which are being implemented current fiscal year. They are the following:

- a. Third Livestock Development Project.
- b. Poverty Community Groundwater Sector Project.
- c. Hills Leasehold Forestry and Forage Development Project.
- d. Community Shallow Tube Well Irrigation Project Nepal.

2.1.11 Socio-economic Background of Women in Nepal

Although education skills and formal opportunities are limited, majority of women in Nepal are primarily involved in self-employed activities as a means of supporting their families. These activities are not sufficient to earn income to raise them out of poverty. Women lack technical know-how capital, managerial skills, and access to credit, market and resources to make any significant improvement in their economic condition (Improving Access of Women to Formal Credit Facilities in Nepal, 1997:1).

According to report of ADB (1999), women's economic activity rates even by conventional definitions are estimated to be much higher than those reported in the census data. A scrutiny of regional data clearly indicates a persistent reporting bias in economic activity rates. While the overwhelming majority of mountain (73.6%) and hill (57.9%) women were reported as economically active only about 27% of the terai women were so reported. Another point of concern is the declining economic activity rate of women in urban areas, shown to have fallen from 31.5% in 1981 to 20.3% in 1991.

According to Asian Development Bank (2004), Nepal had a population of 24.8 million people with an annual growth rate of 2.3%. The Nepal standard of living survey report from 2004 revealed that the population living on less than US\$ 1 per day has decreased to 31%, compared with 42% eight years ago. The unemployment rate in the country was 2% in rural areas and 7% in urban locales. However, the International Labor Organization reports that 73.3% of the working age population is employed by informal sectors of Nepal's economy.

Bashyal (2008) stresses that a large number of microcredit programs have focused on expanding micro loans to support economic activities of the poor and disenfranchised groups in the society mostly women poorest the poor. Data have proved that 19.3 million women in the world falls under this category, of which only 14.2 million have access to financial services

according for nearly 74% of those poorest women. Women manage day-to-day household budgets, and are more likely to save money from any increase in income from any sources for family welfare. They proved themselves to be much better credit risks than male counter-parts.

In Nepal, the percentage of economically active female and male population is 43.7 and 62.6 percentage respectively. An estimated national level unemployment is 5.1 percent. The labor force participation rate of population for 16-49 years of age for female and male is 48.9 and 67.6 percent respectively. The unpaid women workers are 12.9 percent where as male are 5.7 percent. Approximately, 70 percent of women working outside the domestic sphere. Women occupy only 8.1 percent of the professional workforce in agriculture and natural resource management (Bashyal, 2008:74).

2.1.12 Regulatory and Legal Environment of Nepal

The law in Nepal doesn't actively restrict the foundation of microfinance for women. It is necessary, however to obtain an operating license from the central bank that coordinates the licensing with relevant government, ministers. Commercial banking institutions are also free to undertake microfinance lending. There is a lack of restrictive legislation when it comes to credit unions in Nepal. The 2004 bank and finance ordinance are responsible for overseeing a regulating any issues pertaining to the microfinance sector in the country.

According to International Trade Administration of the United States (ITA), the most significant foreign investment laws are the Foreign Investment and One Window Policy of 1992, the Foreign Investment and Technology Transfer Acts of 1992 and 1996, the Finance Act of 2002 and most recent Finance Ordinance 2004 (and annual budget act), the Immigration Rules of 1994, the Customs Act of 1997, the Industrial Enterprises Act of 1997, the Electricity Act of 1992, and the Patent, Design and Trademark Act of 1965.

The government recently unveiled the national microfinance policy intended at enhancing the capacity for microfinance. The latest rural loan survey shows that only 20 percent of the demand of loans from the rural areas is met. The research carried out by ADB states that there is a shortfall of Rs 13 billion between the supply and demand of rural loans. Analysis said boosting microfinance could be a greater tool to cut poverty in Nepal (The Kathmandu Post, 2008:7).

2.2 Review of Related Studies

Although a lot of research has been done on microfinance, this financial impact of microfinance on women is new topic for MBS faculty. There are a lot of papers and views related to microfinance activities which were presented in different seminars and functions. Several research work has been conducted on microfinance practice in Nepal in case of women and relevance literature have been collected through different books, dissertation, papers, journals, articles and electronic devices.

2.2.1 Review of Major Journals and Articles

This part includes the major related studies which are taken from articles, journals, electronic devices etc.

ADB (1999) organized a regional workshop program on bank's microfinance development strategy, in Philippines. A paper was presented by working group three on 'Reaching the Poorest'. This paper describes that many MFIs have been successful in reaching the poor. Substantial challenges remain for reaching more o the poorest with MF services. The challenges are great for areas such as resource poor, low population density, and are remote as marginal. So there remains a need for new cost-effective methods of reaching the poorest. The requirements are:

- Conducting policy for removal of interest rate restrictions.
- Enabling financial infrastructure that will allow MFIs to raise resource for the poorest.

- Development of pro-poor innovations.
- Building of MFI capacities to reach the poor.

The requirements can be fulfilled by:

- ADB must enhance its own in-house capacity in MF by, i.e. recruiting specialists, conducting training for staff, and creating specialized unit for MF.
- A conducive policy environment and in building an enabling financial infrastructure for reaching the poorest.
- ADB should provide technical assistance for developing effective targeting methodologies for reaching the poorest, women, and disadvantaged groups in society.
- ADB could serve as financier and initiate the establishment of one or more special funds that could be used for equity participation in MFIs technical assistance and research.

Baumann (2001) published a research article on topic ‘Microfinance and Poverty Alleviation in South Africa’. This paper stress that microfinance starts from an observation that the poor women lack access to financial services, credit and saving facilities. South African govt. has begun to emphasize the importance of saving as part of the nation’s overall economic health. Finance minister, Tranil Manuel, gave speech emphasizing the importance of saving facilities for low-income households not only for its own sake, but to increase the national savings rate. Collective savings and credit movements use group savings autonomous grassroots savings groups. The ‘outputs’ of active women’s savings and credit collectives in poor communities include: social assets, leverage, reduced vulnerability saving and credit in the basic element in the development strategy, women who are interested in taking part are drawn into the training process and shown how such crises credit funds work in other communities.

The conclusion drawn by this report is that MFI’s expert contribution seems to consist not in assessing multi-faced goals, and the costs and the benefits

thereof, but in demonstrating their own arithmetical competence. It is more an expression of frustration at the stage of discourse on microfinance and poverty alleviation in South Africa today. The technical finance skills employed by orthodox practitioners are highly valuable, and many alternative initiatives suffer for lack of them. Unless and until NGO put a side their fears, rivalries, and isolationism, they will probably fail to influence government policy effectively. They must do so not for themselves, but for the poorest of the poor whom they seek to serve. The poor simply cannot wait as long as it will take the formal sector, in the form of emergent small business to absorb them and their activities into the main stream economy. Govt. must acknowledge programs that use microfinance as a means to mobilize poor households and communities to create, reclaim, and harness social assets as part of appropriate livelihood strategies. The microcredit orthodoxy in South Africa must be explored, critiqued, and challenged.

A study was done by Robyn Cornford 'The Foundation for Development Cooperation on 'Microcredit', 'Microfinance' or 'Access to financial services' what pacific people need? It describes Gregory's comparison is useful as it highlights an interesting way of analyzing differences in the country context when considering the provision of financial services. The population size and density, infrastructure, economic activity and socio cultural norms may differ markedly. What links most pacific countries too many Asian countries is a common set of indices indicating low levels of human development. The indices may be a common bond: low level of human development, access to financial services, culturally specific approach to providing financial services, best practice and sound practice etc.

The conclusion drawn by report is that the provision for financial services to poor people has evolved from credit to microcredit to microfinance. Saving is important in microfinance. The true innovations in the provision of financial products and services to poor clients usually occur when those products and services meet the needs of poor clients as determined by careful market

analysis. Financial needs of poor people cannot be implied; they are not a homogenous group. We argue that access to financial services is valuable to all people not just the poor.

A report was presented by United Nations Capacity Development Fund (UNCDF) (2004) which is based on case studies in Haiti, Kenya, Malawi and Nigeria. The topic of report is Microfinance Program Impact Assessment 2003. This report describes that microfinance is a cost effective means of contributing to development and poverty alleviation, because any dollar invested is used more than one time. Microfinance takes considerable effort on financial planning and enables poor people to expand and increase outreach to the poor through internally generated funds. The objective of program impact assessment is to examine whether UNCDF's programs have had the desired impact on microfinance clients, institutions and the enabling environment.

The findings of the report are that UNCDF is making an important contribution to the growth of microfinance in a number of countries around the world. In terms of poverty reduction and client impact, UNCDF has been particularly successful in increasing outreach, with microfinance services expanding roughly 80-85% in the case study countries since the inception of the UNCDF/UNDP microfinance programs. The selected partners have successfully targeted largely poor and very poor population and appear to be increasing women's access to financial services. Program loans are one of the main ways clients overcome food, security, pay for medical and lifecycle expenses and address emergencies.

A research article published by Sharma (2004), on 'The Journal of Nepalese Business Studies' about 'Microfinance: A Powerful Tool for Social Transformation, Its challenges, and Principles'. This research article attempts to explore the role and importance of microfinance in reducing poverty by generating the income of the poor. Microfinance has been emphasized for poverty reduction in developing countries through executing dual articles

such as collection of domestic saving and investment of small loan. This article try to find out the answers of different claiming by institutions such as- Are these institutions really delivering microfinance services to the poorest of the poor? Are they really sustainable in the long run? Are they financially efficient?

The conclusion drawn by this article is that the Nepalese MFIs aren't being able to reach the poorest due to inability of proper identification of the poor and lack of commitment and clear vision of their action. Expanding microfinance programs along with restructuring the whole financial system is essential so as to ensure financial system to better serve the rural economy. The time frame to reach or grant based on clients serving to reach financial self-sufficiency will be shorter for MFIs serving the economically active poor.

A research paper on Microfinance, Informal finance and Empowerment of the Poor: Lessons form a case study of the SHG-bank linkage program in a backward district in India by R. Sunil (2004) discuss the process of access to finance, primarily credit, and the resultant empowerment of the rural poor, especially women, facilitated by the SHG-ban linkage program in India. This case study argues uncertainties, credit demands and usage pattern of the poor could differ from general theoretical assumptions. The perceived positive link between credit empowerment of women and the wider empowerment of the poor becomes weak and unpredictable.

The main objective of this research paper are to identify the process of credit empowerment of women, to identify the intra-household debt pattern of the household and to identify whether the emerging debt patterns correspond with the declared and documented pathways of empowerment of the poor through microfinance, especially micro-credit. From the study it is found that local moneylenders prefer to lend money to women rather than men, men took fewer loans than women. Women maintain a wider, more diversified loan portfolio than men. There has been a clear shift in credit liability towards women. The average annual interest rate hovered at around 24% for SHGs,

30% for local moneylenders and 18% for institutional credit. This study observed that SHGs are emerging as a potential source of credit for women, participation in the SHG has enhanced their financial credibility in the local money market and they are, therefore able to contact more credit from sources other than the SHGs.

Baral (2004), published a research article in 'Banijya Sansar' on 'Microfinance: Good Portfolio and Management of Delinquency'. He has made some important improvements in the field of microfinance. Quality portfolio he refers to the loan recovered in time within or on the due date, loan recovery rate is a measure of quality of loan. Financial institutions analyze the present financial condition while approving the loan, statistics of many countries shows that the loan recovery rate of microcredit is higher than that of commercial bank and finance company loan. In microfinance, the term delinquency is used to imply the situation when over due loan remains unpaid. In context of Nepal, high loan recovery rate indicates that microfinance institution do not have to face much more problem relating to delinquency. He identified two kinds of irregularities both MFIs and borrowers.

On the part of MFIs the irregularities were commonly found on selection of target area, identification of target group, irregularities in formation of group, mobilization of loan on the basis of securities and emphasis on investment and recovery of loan. Similarly following irregularities has been found from the side of borrowers such as misuse of loan, loan non-repayment of due installment, and repayment of loan from different sources.

He has suggested and argued that target groups are not properly identified in remote areas borrowers may not be able to repay the loan in time due to the same source of the family. It is easily said that microcredit is out of the access of the ultra-poor. NGO have not taken the use of loan for the very purpose into consideration. The considered institution doesn't create care about even through loan is misused. It has been also found that micro entrepreneur has

shown the enterprise already in existence as a new one and decamped with the loan at cheaper interest rate and invested at higher rate to other borrowers. Borrowers could not repay the due installment of loan because of the same income source of different borrowers. Microcredit programs have protected the borrowers from the costly interest rate of indigenous bankers, but it has added more burden of loan. He suggested the target area should be selected according to priority of district development plan, an effective monitoring mechanism should be developed, loan should not be provided only on the basis of securities both group and real assets. The concerned project and institution should not consider only the target of investment and recovery of loan.

Shrestha (2007) published an article in an 'Agriculture Credit' journal on a topic 'Microfinance: A Tool to Fight with Poverty'. This paper briefly reviews the targeted programs and initiatives undertaken for creating conducive environment for institutional credit system in the rural areas particularly microfinance.

From the research paper it is found that poverty decline is sharper in the thousands with lesser number of children, households with bigger land holding, and also in the households with educated household heads, collateral based lending practice of commercial banks and development banks deprived the poor people from institutional sources of credit. Such institutions for women are productive credit for rural women and, microcredit program for women, rural development banks and other grameen bank replicates etc. Outreach and disbursement of credit by microfinance activities have shown that substantial amount of saving could be generated from rural saving and credit schemes. Proportion of household taking loan increased substantially particularly in the rural areas.

Sharma (2007), who published an article on 'The Journal of Nepalese Business Studies' about 'Microfinance and Women Empowerment'. The studies paper examines effect of women's participation in group-based

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

According to the article which was published by Collins, D. (2008), on investigating the Financial Lives of the Poor about financial diaries method. In this research article a case study of a 50 year old single women, Mambongo is shown. She lives with her three children and one grand child in a crowded flat, in South Africa. Her main source of income is a small business cooking sheep intestines. Govt. also sponsored some grant. Her primary financial concern is making ends meet on a daily basis, and making sure her family enjoys a good Christmas in a year. How does Mambongo manage her money and try to meet these financial goals? The financial diaries, a data collection method answer such questions by tracking household's cash flows over the course of a year. With its rich set of data, the financial diaries aims to help policymakers, the financial industry and donor agencies understand financial management practices of the poor so they can strategize, on how to

increase financial access for these household. The success or failure of financial management: this can only be assessed by observing a buildup of savings or how quickly a loan is paid off over time.

2.2.2 Review of Theses

Mr. Khadka (1998), conducted research for MBA degree on the topic 'Micro-credit Project for Women in Nepal: A Case study of Pokhara Sub-metropolitan'. The basic objective of this study is to find out the sectoral nature of investments, nature of loan and to suggest the appropriate measure. From the study he found that the out of total MCPW loan the share of group loan is 58.4 percent and the share of individual loan is 40.6 percent. The share of MCPW loan to Bramin is the highest; i.e. 40.5 percent. Where as the lowest for Damai/Kami /Sarki is 9.0 percent. There is 12.5 percent net change in employment level with introduction of this program. The monthly level of income of the beneficiaries has change by 102.5 percent. The average change in the monthly income is RS 1,385.18 after this program. The average change in employment level is 1.11 people after MCPW program.

Mr. Ojha (2002), conducted research for MBA degree on the topic 'Microfinance in Practice: Loan Recovery Approach to the Program Assessment of Microcredit Product for Women in Pokhara'. The basic objective of this study is to examine the performance in terms of loan recovery of microcredit financial projects. The other objectives are; to overview the state of outreach, training activities, savings and its mobilization; to examine the state of loan disbursement, repayment outstanding and overdue; to access the overall performance of participating women; to analyze the state of loan recovery in terms of loan repayment to show the relationship between investment and income; to recommend appropriate suggestions. From this study he found that the loan disbursement and outstanding is related to its repayment in due time. The performance of participating women is quite satisfactory. The sampled women have repaid in time, create savings and disbursed loan from the savings. Investment caused

to increase in income and hence the capability of loan recovery and repayment becomes higher. Some of the group members were found of less difference and equal income status, but some of them were found a highly effective aspect of the program and there by loan disbursement and training program were considered to be less effective aspects than savings. NGO's program help to identify targeted women training program is an essentially required to participant women more skilled. He concluded that the MCPW, if managed effectively, reaches to the targeted women, educated and trained the women entrepreneur and also if made regular supervision and initiated them the agricultural production. Productive and business activities, self-employment, income earnings, savings and investment could be raised. This becomes the cause of uplifting vulnerable and poor women to higher social and economic status.

Bideswor Prasad Lekhak (2004), conducted research for MBS degree on the topic 'Microfinance in Nepal: 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 Anandavan. 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.

Yobaraj Pathak (2006), conducted 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 micro financing; 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 ratio 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.

Miss Acharya (2007), conducted research for MBS degree on the topic, 'Impact of Microfinance: A Case Study of Microcredit program for Women in Bahadaure Tamagi VDC, Kaski'. The main objective of the study is to explore the role of microcredit program for women of Bhadaure Tamagi VDC Kaski. Other specific objectives of this study are; to analyze the position of existing credit; to analyze the relationship in between investment and income; to measure the perception of users group towards the program; to assess the effect of microcredit program on living standard of the people; to assess the financial sustainability of the program. From this research study she found that the overall impact of microcredit program for women's earning beneficiaries and living standard is positive. It has positive impact on clothing

and sheltering facility after the intervention of the program. The condition of loan recovery has a positive impact up on the regularity of loan payment. Among the sample women, 4% could not repay both the principal and interest, 28% could repay only interest and not principal and 18% could repay only principal and not interest regular. Since all the respondents of the program have taken loan at least one time from the program. Out of the total investment of microcredit program, the highest proportion of investment is made on poultry farming (35.95%), and the lowest is made on goat keeping (18.21%). The main sectors of taking loan were poultry farming, buffalo keeping, retail business and goat keeping

Hum Nath Aryal (2007), conducted research for MBS degree on the topic 'Microfinance under Rural Development program: A case study of Khilung Deurali VDC Syangja'. The basic objective of the study is to examine the effective activities and effectiveness or rural development program and is to carry out the detail study of rural development program in Khilung Deurali VDC o Syangaja. The other specific objectivities are; to know the activities operated under rural development program; to analyze the mode of loan disbursement, repayment, outstanding and overdue; to analyze the state of saving, deposit and its mobilization in terms of loan disbursement; to find out the problems faced by the women in obtaining the loan. From this study he found and concludes that the program has made positive impact of the women living standard by generating employment and increasing productivity. Most of the women's income is sufficient for one year living or less. The performance of the project in terms of achievement of loan disbursement and recovery has been found very well in study period. So, the repayment of loan was very satisfactory in the following years. It was 100 percent successful. The identification encouragement and training of local leadership saving and its mobilization, loan disbursement and its recovery should be a basic objective in any program.

In this way different papers which are related to this research paper gives the

conclusion that only microfinance success to reduce the poverty alleviation of country especially for women.

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

Bikas Thapa Magar (2008), conducted research for MBS degree on the topic, ‘Impact of Paschimanchal Grameen Bikas Bank on Rural Poverty: A Case Study of Sarangkot VDC, Kaski’. The main objective of this study is to evaluate the impact of micro finance on poverty reduction of rural people; to explore the problems and prospects of micro finance program launched by PGBB; based on the analysis and findings, an effort will be made to suggest and recommended for improvement of the function of the PGBB, and to identify areas for further research. From this study he found that the bank is unable to give proper occupational training to the clients, weakness in

selection of proper clients, high operating cost because bank staff have to visit all center weekly, bank office is centered to the city instead of village, negligence toward the credit program because no collateral was pledge, most of members have no sources for weekly payment, lack of hospitality in banks staff to clients, lack of supervision of project, due vigorous poverty; there is sample scope of micro finance through PGBB, loan amount is increasing over the year; it reveals that there is increase rate of demand for loan, it is more popular among the extremely that progress rate of extremely poor is higher than economic active poor.

Mr. Adhikari (2008) have been conducted research on microfinance for MBS degree “A Case Study of The Decentralized Local Government Support Program in Kristi Village Development Committee, Kaski” The main objective of the study is to analyses the impact of the micro finance to the different groups, to indentify the composition of the member according to their income status, to explore repayment status of the program and finally to find out some problem of decentralized local government support program(DLGSP). From the study he found out that mainly women groups are mostly on positive impact of the program. In woman groups also, poor women are positively influenced. Most of the loans are issued for lower income group groups and they are generating good cash flow and most important thing is they are found Faithfull and trust worthy, so almost 99 percent loans are good loans.

Sharma, (2009), have been conducted the thesis on microfinance for MBS degree on the topic of, “Impact of Microfinance Program for Women Poverty Reduction of DCRDC (Dhaulagiri Community Resource development Centre) on Baglung Municipality. The main objectives of the study are, to evaluate the impact of the program in context of poverty reduction, to examine the improvement in the status of women be the program, to measure the perception of the user groups toward program and finally to access the financial sustainability of the program. From the study the researcher found

that most of the women borrower diverts their traditional business to other new economically profitable business after getting the microfinance loan facility. The microfinance program has increase the earning of the borrower and empowered the socially and economically. The researcher further analyzes the positive correlation between investment and change in income level of the borrower and repayment capacity also seems good and he also add that there is no association between the factors like age groups, education level, ethnic group with preserved value of the program. In spite of this he further found out that regular attendance on meeting, women leadership role family, regular saving and investment rate is high and repayment and utilization of the loan is found satisfactory and viability of the program is guaranteed.

2.3 Research Gap

Research is searching something new again and again. So, it is never ending process. Different scholars and researchers have given their different findings and conclusion in the field of microfinance and women microfinance. From the above review of articles and theses, it seems that this research paper is trying to find out something new in the field of women microfinance. This study is different from others in the case that is trying to find out the impact of microfinance on women of Lekhnath Municipality, Kaski under PGBB. This research attempts to discuss about impact in case of saving activities, loan activities, loan disbursement and its recovery as well as investment and income. It also discusses about different profile of respondents. This study evaluates the influence of the microfinance on women empowerment.

CHAPTER THREE

RESEARCH METHODOLOGY

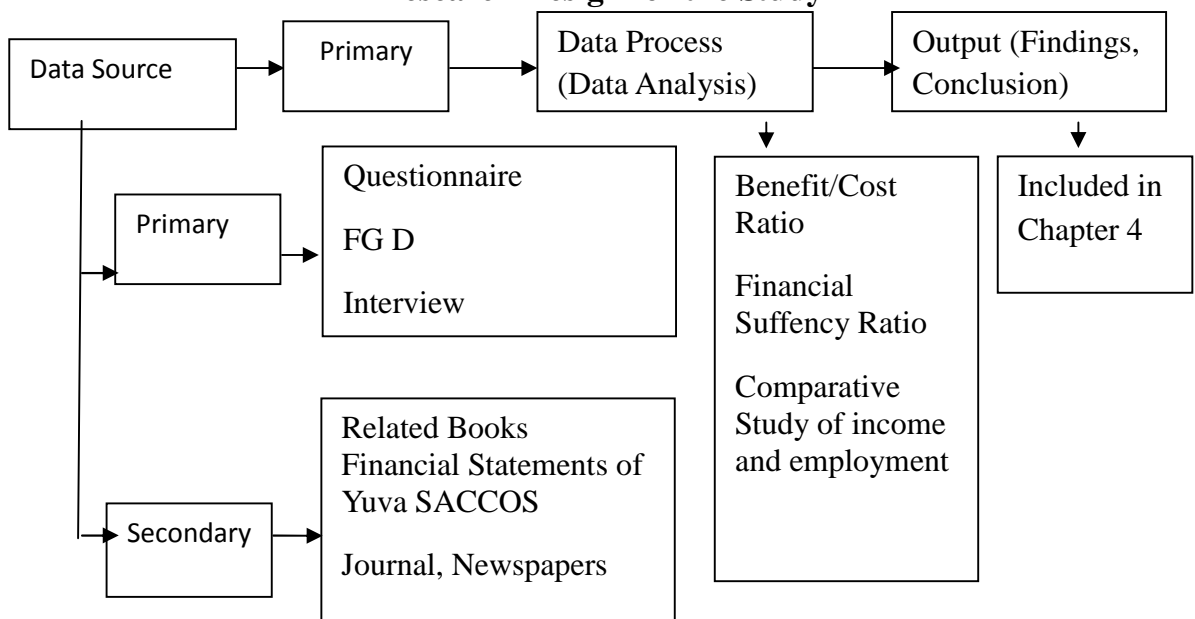
The main objective of the study is to analyze impact of microfinance on women in LMK under PGBB. This study aims to recommend necessary suggestions to achieve the targeted objectives. In line with this appropriate methods have been followed. This chapter has been divided into six sections: research design, study area, population and sample, nature and source of data, data collection techniques, data analysis.

3.1 Research Design

To conduct the present study analytical and descriptive approach has been adopted. Analytical approach has been utilized mainly to analyze the relationship between income, investment and other variables. Descriptive approach has been used mainly for conceptualization of the research objectives and research problem of the study .Design of the study is can be presented as following table:

Table 3.1

Research Design for the Study



Source: Nepal Rasta Bank Bulletin

3.2 Study Area

This study area is confined within LMK. The sample is selected from groups of Women. The study covers only five years of data. The study is analyzed on the basis of the performance of participating people from micro enterprise groups.

3.3 Population and Sample

The study comprises some observations selected from the population. The whole groups of PGBB with in LMK are considered as the size of the population. This study covers some sample women members for the purpose of study because of the limitation of area, budget and time. Only 111 women have been selected as sample for this study using a random as well as judgmental sampling method which is as presented in table 3.1.

Table 3.2

Name List of Sample Women Groups of PGBB in LMK.

S.N	Name of Groups	Ward No.	Population No.	Sample No.
1.	Annapurna Women Group	1	40	10
2.	Srijana Women Group	1	35	9
3.	Adarsha Women group	1	45	13
4.	Nari Jagaran Women Group	2 &3	35	9
5.	Samaj Sudhar Women Group	1	30	7
6.	Jagriti Women Group	1, 2 & 3	20	6
7.	Milijuli women Group	2 &3	20	5
8.	Talbesi Women Group	4	25	7
9.	Talchok women Group	7	30	6
10.	Pragati Women Group	1 &12	35	8
11.	Radhakrishna Women Group	12 & 13	20	6
12.	Prarana Women Group	12 & 14	40	11
13.	Siddharth Women Group	1 & 12	20	5
14.	Kalyankari Women Group	13	35	9
Total Sample Women			430	111

3.4 Nature and Source of Data

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

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

3.5 Data Collection Techniques

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

(a) Primary Data

Primary data were collected from actual field using:

- Questionnaire

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

- Personal Interview

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

- Field Observation

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

- Case Study

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

(b) Secondary Data

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

3.6 Data Processing and Analysis

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

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

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

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

The coefficient of variation shows the relation between standard deviation and arithmetic mean. The relative measure of dispersion based on the standard deviation is known as coefficient of variation. It is suitable for comparing the variability, homogeneity and uniformity of two or more distributions. A distribution with smaller C. V. is said to be more homogeneous or uniform or less variable than the other (Gupta, 1998:415-416) and vice versa.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

This chapter attempts to analyze the information received from the questionnaires, observations, case study, field survey and informal discussions with women who intervention in PGBB program. The study mainly focuses to analyze process and contents are determined as per set of objectives. It attempts of savings, investments, mode of loan, repayment pattern of loan, income from loan, impact on income, consumption, health, education, changes in custom and society.

4.2 Saving Activities

Saving is the excess of income over expenses, for the development of entrepreneurship saving is necessary. It is also necessary for further investment. It is motivational reward for investors. The effectiveness of PGBB can also be analyzed on the basis of saving of the members generated by investment. Increase in income dependent on investment and saving depends on increased income.

Considering this PGBB LMK organize women in three kinds of saving. They are group fund saving, individual saving and centre fund saving. The group saving is the compulsory saving in which they have to save 5% of credit amount per year. There is compulsory saving of Rs 1 per week in centre fund saving. In case of individual saving they should collect more than Rs100 exceptionally. Up to Ashad of 2067 there were altogether 1,645 accountholders of this branch.

4.2.1 Saving by Group Member

The state of saving by women in different saving programs is presented in table 4.1.

Table 4.1
Saving by Group Members in Different Saving Programs

(In NRS)

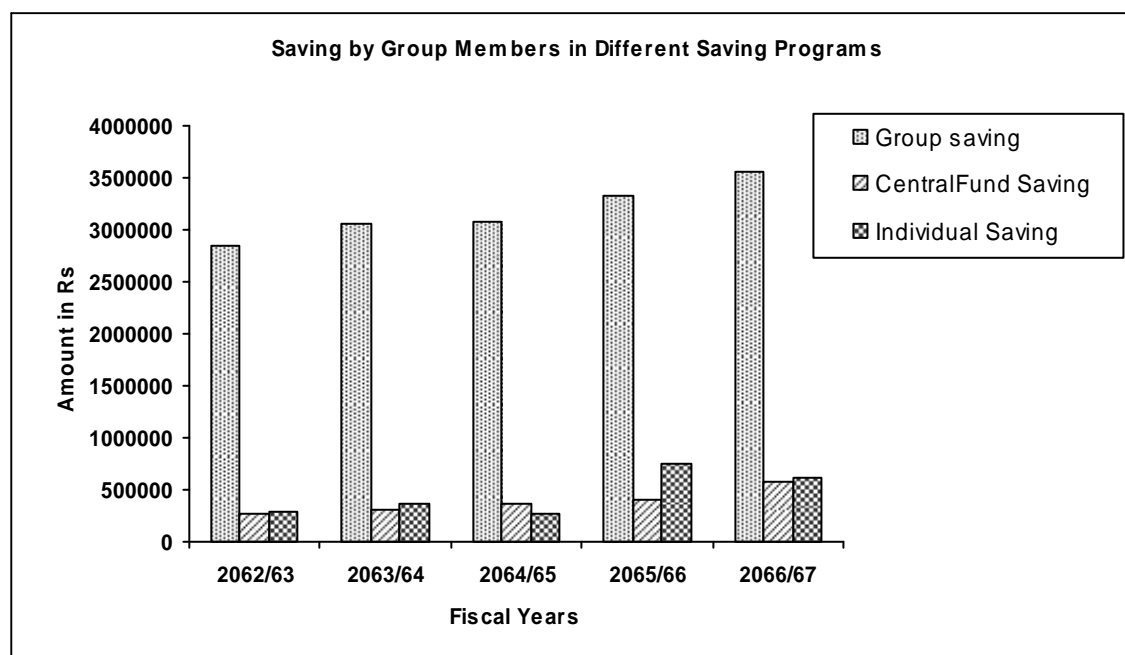
Fiscal Year	Total		Group Saving		Centre Fund Saving		Individual Saving	
	Amount	%	Amount	%	Amount	%	Amount	%
2062/63	3,390,163	17.14	2,843,768	17.93	261,524	13.72	284,871	14.18
2063/64	3,747,948	18.95	3,064,842	19.32	308,983	16.21	374,123	18.63
2564/65	3,687,770	18.65	3,071,606	19.37	356,307	18.69	259,857	12.94
2065/66	4,201,190	21.25	3,318,852	20.93	410,044	21.51	472,294	23.52
2066/067	4,747,345	24.01	3,560,508	22.45	569,681	29.88	617,156	30.73
Total	19,774,416	100	15,859,576	100	1,906,539	100	2,008,301	100
Total %	100		80.20		9.64		10.16	

Source: PGBB, LMK.

The above table shows the saving of members of PGBB LMK in different saving programs in last five fiscal years. There were different saving amounts in different saving programs. The overall saving from different saving programs was Rs 19,774,416.00. The total saving of group saving, centre fund saving, and individual saving was Rs 15,859.576.00, Rs 1,906,539.00 and Rs 2,008,301.00 respectively. Overall percentage in group saving, centre fund saving and individual saving was 80.20%, 9.64% and 10.16% respectively. So, there was about 80% of saving in group saving and there was below 20% of saving in centre fund saving and individual saving. The saving pattern was increasing last five years except in 2064/65.

The above saving programs can be presented in the following diagram.

Figure 4.1



The above figure 4.1 explains the data tabulated in table 4.1. Generally all savings were growing gradually. Among these three types of saving, group saving has greater portion than central fund and individual saving deposit.

4.2.2 Monthly Regular Saving

The monthly regular saving of sample women before and after entering PGGB program except centre fond saving is presented in following table.

Table 4.2

Monthly Regular Saving of Sample Women

Before		Amount in Rs.	After		% Increase/ Decrease
%	Numbers		Numbers	%	
40.54	45	None	17	15.31	(25.23)
27.93	31	0-200	33	29.73	1.80
18.02	20	200-400	23	20.72	2.70
9.01	10	400-600	15	13.51	4.50
2.70	3	600-800	9	8.11	5.41
1.80	2	800-1000	6	5.41	3.61
0.00	Nil	1000 & more	8	7.21	7.21
100.00	111	Total	111	100.00	

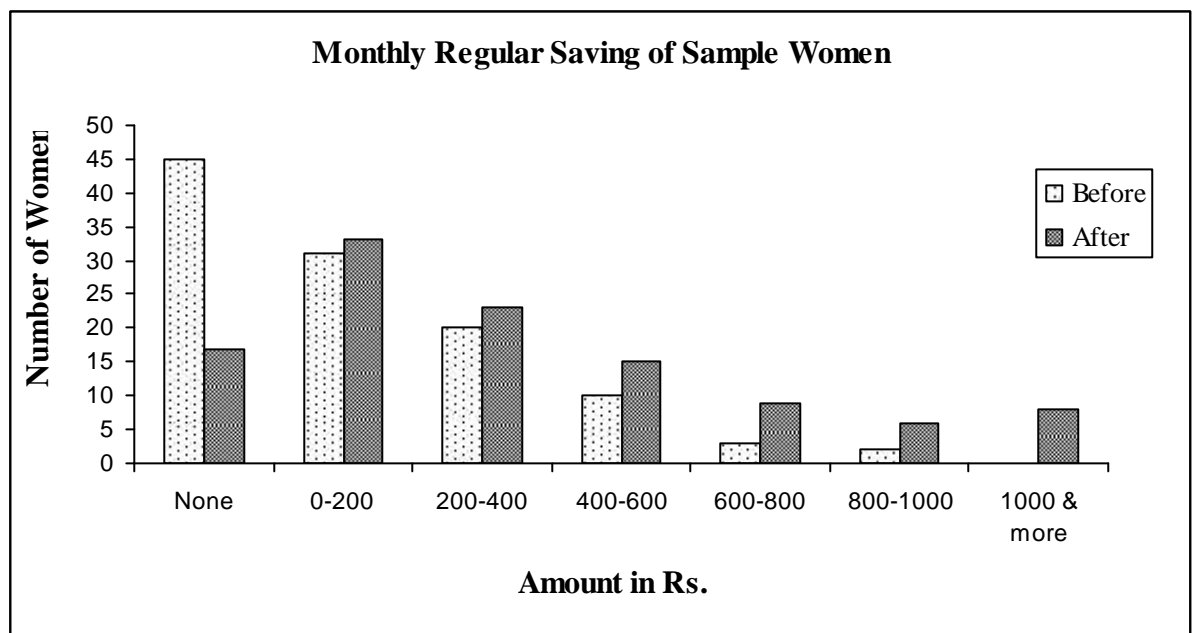
Source: Field Survey, 2010.

The above table shows the regular saving of sample women in both number and amount before and after intervention in PGBB programs. It also shows percentage change in their saving. The number of non-saving women is decreased by 25.23% whereas percentage of women earns more after entering the program is increased.

It was found during our discussion that the member having entrepreneurship skills earned more after intervention in PGBB program. Some of the members are engaged in hotel and restaurant business. During the field survey, it was found that there was good income in hotel business due to the high demand for alcohol and non-vegetable dishes. An attractive profit margin existed in the sale of such items. It was found in the field survey that most of the labors of workforce consumed alcohol and spent major portion of their income on it.

The above table 4.2 can be presented in following graphical figure which makes us clear, meaningful and understandable of above data.

Figure 4.2



The above figure shows monthly regular saving of the women before and after the PGBB at LMK. It further shows that saving habit of the women is increasing after the microfinance program of the PGBB at LMK.

4.2.3 Monthly Optional Saving

Not all women were regular saving and not all women were optional saving in PGBB programs. There was no compulsory saving in their programs. So, some women were in optional saving programs. The optional saving of sample women before and after entering the program is presented in table 4.3.

Table 4.3
Monthly Optional Saving of Sample Women

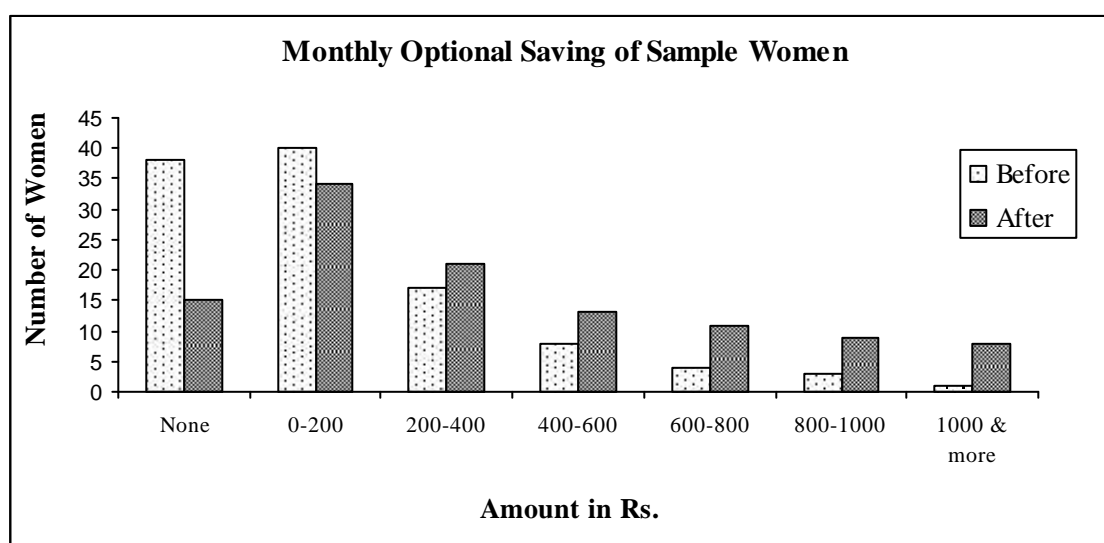
Before		Amount in Rs.	After		%Increase/ Decrease
%	Numbers		Numbers	%	
34.23	38	None	15	13.51	(20.72)
36.04	40	00-200	34	30.63	(5.41)
15.32	17	200-400	21	92.18	3.60
7.21	8	400-600	13	11.71	4.50
3.60	4	600-800	11	9.91	6.31
2.70	3	800-1,000	9	8.11	5.41
0.90	1	1,000 & more	8	7.21	6.31
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

The above table shows the optional saving of sample women in both number and amounts before and after intervention in PGBB programs. It also shows percentage change in saving. There was decreased in percentage of respondents who were not saving and saving Rs 0-200 by 20.72 % and 5.41% respectively. The saving power of more amounts of the respondents recorded increased after entering the program.

The above table 4.3 can be presented in graphical figure 4.3 to make clear, meaningful, and understandable of above data.

Figure 4.3



The above figure shows the before and after optional saving habit of the women. It further explains that number of none saving women before the PGBB microfinance program was greater than after it and gradually increasing the number of optional saving women.

4.2.4 Sectors of Women Saving

Most of the Women were saving small amount of money from animal keeping, farming, poultry farming, small business (trade, commerce and retail shop), small industry, hotel and restaurant, PCO, tailoring, wages etc. The status of women saving is presented in table 4.4.

Table 4.4

Sectors of Women Saving

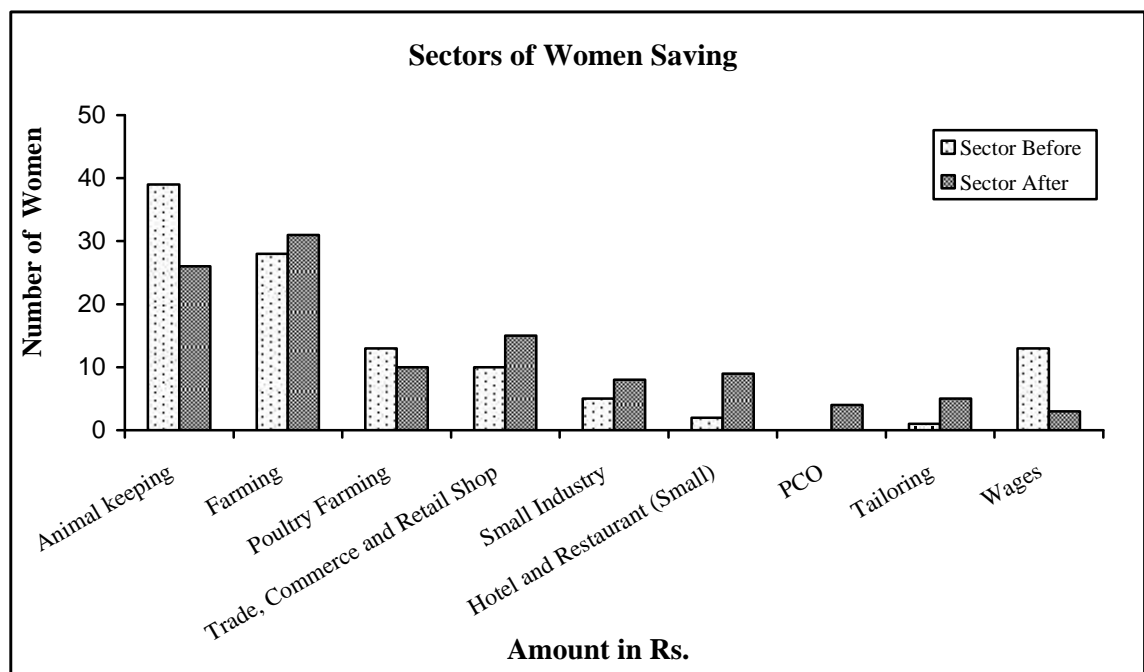
Before		Sectors	After		%Increase/ Decrease
%	Numbers		Numbers	%	
35.14	39	Animal keeping	26	23.42	(11.72)
25.23	28	Farming	31	27.93	2.70
11.71	13	Poultry Farming	10	9.01	(2.70)
9.01	10	Trade/Commerce/ Retail	15	13.51	4.50
4.50	5	Small Industry	8	7.21	2.71
1.80	2	Hotel and Restaurant	9	8.11	6.31
0	0	PCO	4	3.60	3.60
0.90	1	Tailoring	5	4.51	3.61
11.71	13	Wages	3	2.70	(9.01)
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

The above table shows that the sample women involved in different types of economic activities to save money before and after entering PGBB programs. Out of 111 respondents of sample survey, most of them were involved in animal keeping and farming. There was not saving from PCO before entering the program. The field survey found that the respondents were decreased in animal keeping, poultry farming and wages by 11.72%, 2.70% and 9.01% respectively and rest of sectors were increased after entering the program.

The above table 4.4 can be presented by figure also to make clear about the activities of saving. The graphical presentation of above table is given below.

Figure 4.4



The above figure shows the portion of the women saving from the different activities they involve. They are generating more income from retails shops, small industry, hotel and restaurant after the program before they are generating more from animal keeping, farming and poultry farming.

4.2.5 Utilization of Saving Fund

Saving and investment are two alternative parts. If people save they will be motivate to invest that money to earn more. Utilization of saving depends

upon their skill knowledge, previous experience, physical strength, age and other supporting factors. So, how the member utilized the saving reflects the effectiveness of PGBB.

Following table presents the respective utilization of women who are intervention in PGBB programs.

Table 4.5
Utilization of Saving Fund

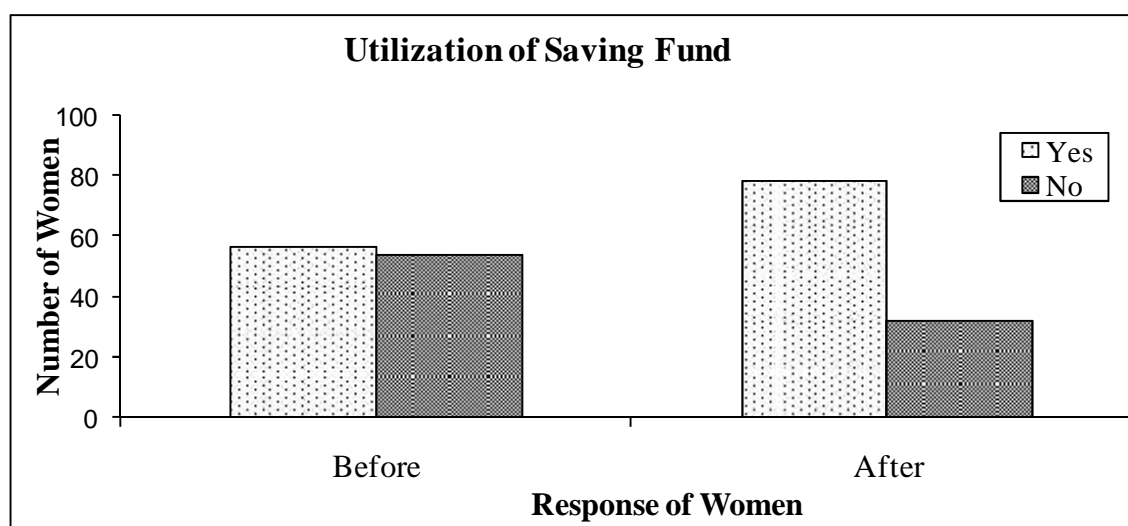
Before		Description	After		%Increase/ Decrease
%	Numbers		Numbers	%	
51.35	57	Yes	79	71.17	19.82
48.65	54	No	32	28.83	(19.82)
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

Above table shows that utilization of saving fund of women before and after intervention in PGBB programs. The survey recorded that there was about 20% of the respondents increased to utilize their saving fund after entering the program.

The following figure 4.5 also shows the utilization of saving fund.

Figure 4.5



The above figure shows the increasing utilization of saving fund after the PGBB in comparison to before it.

4.2.6 Recovery of Lending Fund

Recovery is necessary for lending amount. Due to different reasons it can be difficult to recover lend amount on time. The following table presents the status of recovery of lending amount of the respondents.

Table 4.6
Recovery Status of Lending Fund

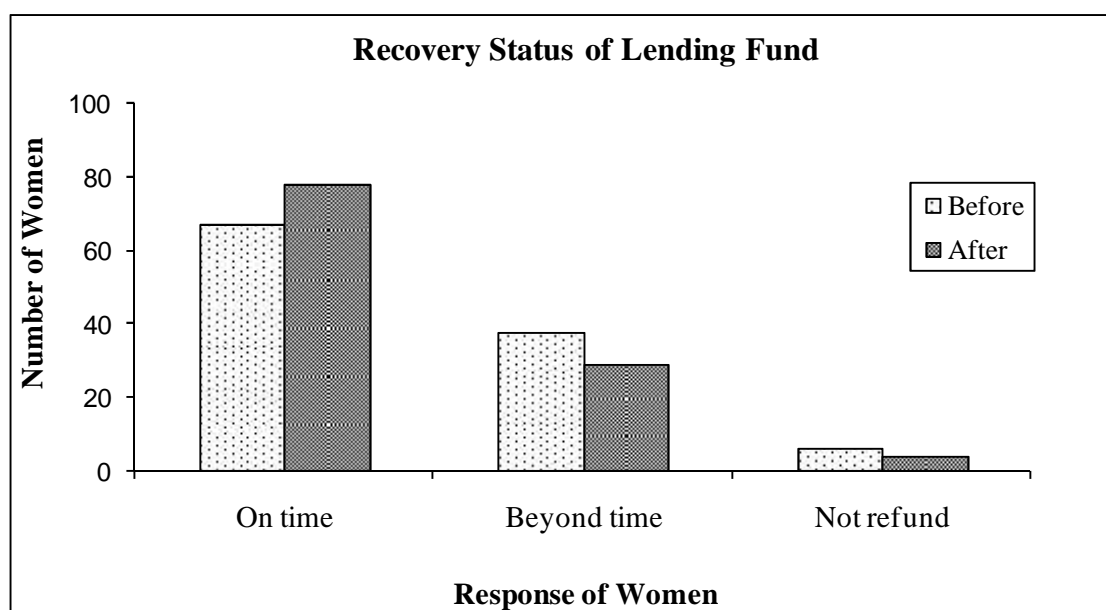
Before		Description	After		%Increase/ Decrease
%	Numbers		Numbers	%	
60.36	67	On time	78	70.27	9.91
34.23	38	Beyond time	29	26.13	(8.10)
5.41	6	Not refund	4	3.60	(1.81)
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

From the above table it is shown that recovery of money which was lending by women. The survey shows the satisfactory result of recovery of women's lending amount after entering into PGBB programs. The study recorded that about 70% of the respondents said that recovery of lending fund on time after entering the program. Before, it was only 60%.

Following figure also makes us clear about the recovery of lending amount of the respondents.

Figure 4.6



The above figure shows the recovery status of the lending, recovery is going better after the PGBB program. Number of on time payment women are increasing and at the same time number of beyond time and none paying women are decreasing after the program.

4.2.7 Interest Expenses on Saving

Women collect money to get some extra amount on their money that is interest. PGBB collects some small money from women. For this they will get interest and that interest is expenses for PGBB.

The interest expense in different saving programs is presented in table 4.7.

Table 4.7
Interest Expenses on Different Saving Programs
(In Nrs.)

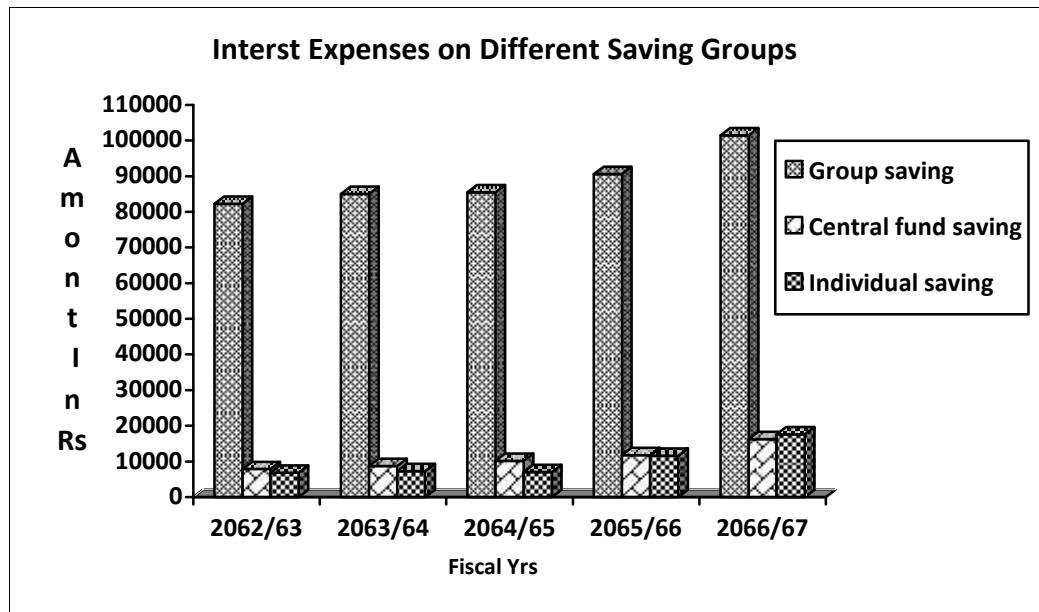
Fiscal Year	Total		Group Saving		Centre Fund Saving		Individual Saving	
	Amount	%	Amount	%	Amount	%	Amount	%
2062/63	96,921	17.63	82,215	18.48	7,874	14.38	6832	13.58
2063/64	101,027	18.37	85,038	19.12	8,738	15.96	7251	14.42
2064/65	102,618	18.66	85,470	19.22	10,136	18.51	7012	13.94
2065/66	113,983	20.73	90,600	20.37	11,773	21.50	11610	23.08
2066/67	135,298	24.61	101,474	22.81	16,235	29.65	17589	34.97
Total	549,847	100	444,797	100	54,756	100	50,294	100
%Total	100		80.89		9.96		9.15	

Source: PGBB, LMK.

The above table shows the interest expenses on saving of PGBB group members in last five fiscal years. The overall total interest expenses on different saving programs were Rs 549,847. There was greatest interest expenses on group saving was 80.89% and smallest interest expenses on individual saving was 9.15% in overall. The interest expenses were increased in last five year. It shows the saving habit of the respondents was increased after entering the program.

The above interest expenses on different saving programs can be shown in following figure 4.7.

Figure 4.7



The above figure all types of the saving habit of women are increasing as a result, interest expenses of the PGBB is also increasing in all types of saving deposit.

4.3 Lending Activities

Loan disbursement repayment, outstanding etc are related to lending activities of PGBB women's. Loan disbursement to the targeted women is significant for reaching aspect of the livelihood upliftment and women empowerment. The implementing PGBB 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 PGBB. However the capacity of loan repayment depends on the performance of women and the income earning from the programs of PGBB.

The main loan activities of PGBB 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 PGBB LMK, about 91 % of loan is recovery on time but about 9 % is difficult to recover on time due to different problems. From the report of PGBB LMK, there are 123 number of weak loan, 7 number of doubtful loan and 1 number of bad loans. There are altogether 1174 loan numbers. Bad loan is such a loan which is not paid by members in groups of PGBB.

4.3.1 Loan Disbursement of PGBB

PGBB distributes loan on different programs such as micro business loan, micro enterprise loan 'Ka' and 'Kha'. The state of loan disbursement by PGBB LMK in fiscal years 2066/63 to 2066/67 is presented in table 4.8.

Table 4.8
Loan Disbursement of PGBB

(In Nrs)

Fiscal Years	Total		Micro Business Loan		Micro Enterprise Loan 'Ka'		Micro Enterprise Loan 'Kha'	
	Amount	%	Amount	%	Amount	%	Amount	%
2062/63	10,668,880	12.54	10,253,880	13.43	415,000	9.41	—	0
2063/64	12,781,625	15.03	11,795,925	15.46	440,700	10.00	545,000	12.64
2064/65	15,778,260	18.55	14,615,260	19.15	530,000	12.02	633,000	14.68
2065/66	19,552,660	22.99	16,924,660	22.17	1,290,000	29.26	1,338,000	31.02
2066/67	26,264,160	30.88	22,734,092	29.79	1,732,796	39.31	1,797,272	41.67
Total	85,045,585	100	76,323,817	100	4,408,496	100	4,313,272	100
%Total	100		89.75		5.18		5.07	

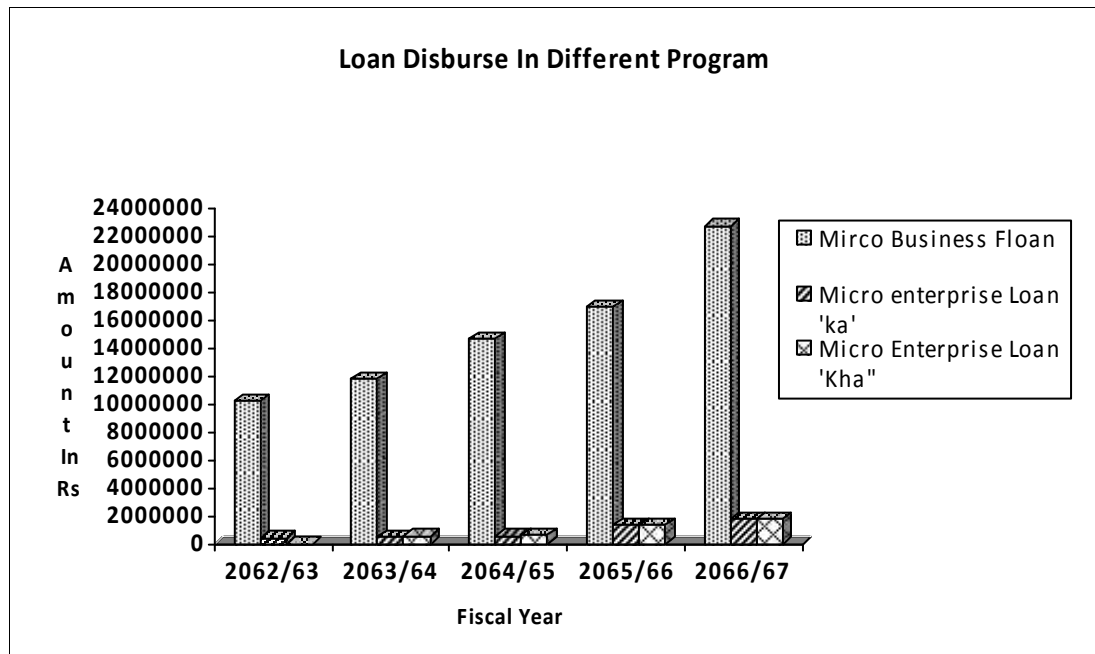
Source: PGBB, LMK.

The upper table shows the distribution of loan to the women of PGBB LM in last five years. There are three kinds of loan. The overall total loan distribution in last five years was Rs 85,045,585. In fiscal years 2062/63 there was no micro enterprise loan 'Kha'. The loan distribution on each program was increasing in last five years. Thus, the study shows that the habit of the respondents was increasing to bring loan to invest their business after

intervention in PGBB program.

Following figure 4.8 also clear about loan disbursement by PGBB LMK in different fiscal years in different heading.

Figure 4.8



The above figure shows that the total loan disbursement in different program till 2067. In this period, we can observe that loan disbursement is increasing all the time, however micro business loan is increasing subsequently. At the same time micro enterprise loans are also increasing gradually. Micro enterprise loan “kha” is just started to distribute from fiscal year 2063/64.

4.3.2 Loan Recovery and Outstanding

Loan recovery on time from different heading is one of the important parts of the lender. But according to PGBB report overall recovery is shown. So the state of loan recovery and outstanding is presented in table 4.8.

Table 4.9
Loan Recovery and Outstanding

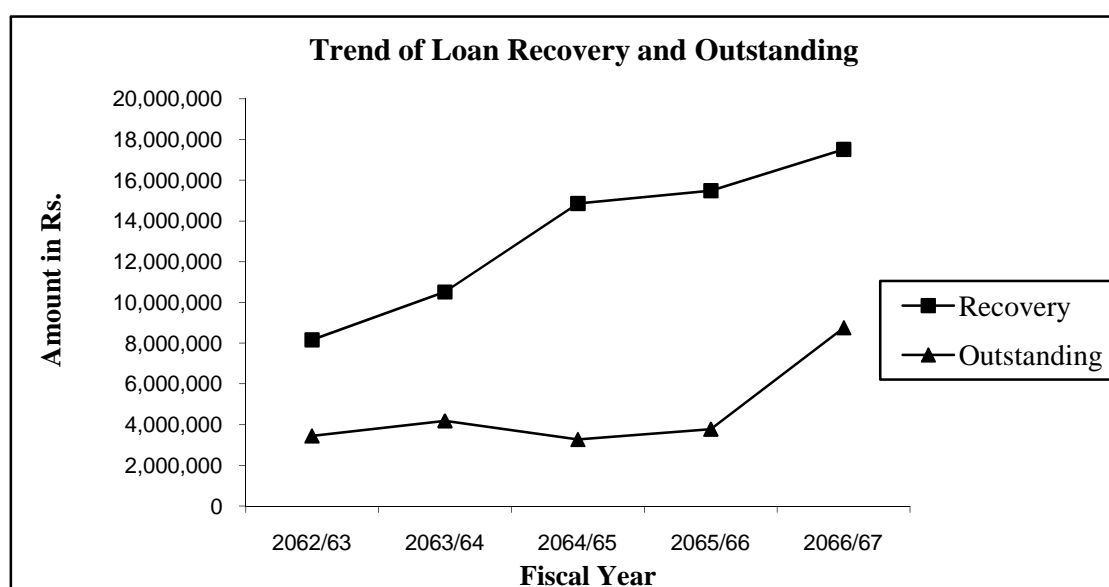
(In Nrs.)

Fiscal Years	Recovery		Outstanding	
	Amount	%	Amount	%
2062/63	8,151,924	12.25	3,446,542	14.72
2063/64	10,523,872	15.82	4,187,243	17.88
2064/65	14,854,856	22.33	3,264,581	13.94
2065/66	15,482,793	23.27	3,767,422	16.09
67/2066	17,509,940	26.32	8,754,720	37.38
Total	66,523,385	100	23,420,508	100

Source: PGBB, LMK.

The above table shows the amount and percentage of loan recovered by PGBB LM from groups of women in different fiscal years. It also shows the outstanding loan of PGBB in different fiscal years. The total loan recovery in last five year was Rs 66,523,385. The trend of loan recover has been on the rise and has reached that maximum in the latest year i.e. Rs 17,509,940. The outstanding loan has also recorded an increased trend except FY 2064/65. The table 4.9 can also be presented by figure to make clear about the recovery and outstanding loan of PGBB.

Figure 4.9



The above figure shows that as the loan disbursement is increasing, the trend of loan recovery and outstanding is increasing. At fiscal years 2066/67 loan recovery amount was around Rs. 180 lakhs where as at fiscal years 2062/63 it was just Rs. 81 lakhs.

4.3.3 Number of Women Taking Loan

Most of the women were not financially sufficient. So, they were taking loan to run their livelihood and also to earn some money. Following table presents the numbers of women taking loan before and after involvement in PGBB activities.

Table 4.10
Number of Women Taking Loan

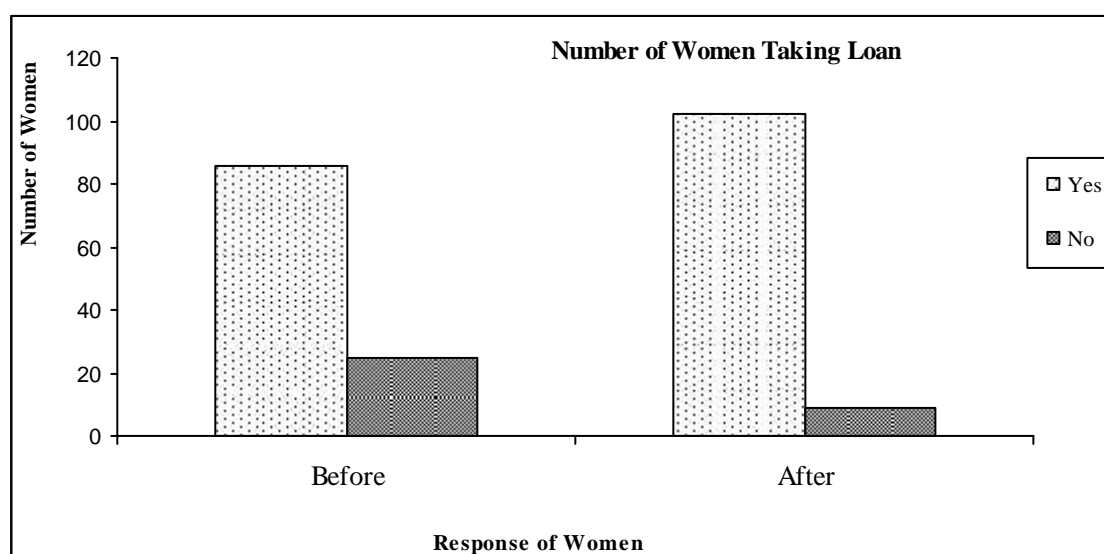
Before		Description	After		% Increase/ Decrease
%	Number		Number	%	
77.48	86	Yes	102	91.89	14.41
22.52	25	No	9	8.11	(14.41)
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

Table 4.10 shows the comparative picture of loan takes before and after involvement of PGBB program. Out of 111 sample women, 86 women were taking loan but after entering of the program 102 women were taking loan. In overall, there was 14.41 percent increase in women's number of taking loan.

The above table 4.10 can be shown in following graphical figure which makes us clear, meaningful, understandable of above data.

Figure 4.10



The above figure further justifies that no of women taking loan is increasing after the PGBB program at LMK.

4.3.4 Sectors of Loan Utilization

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

Table 4.11
Sectors of Loan Utilization

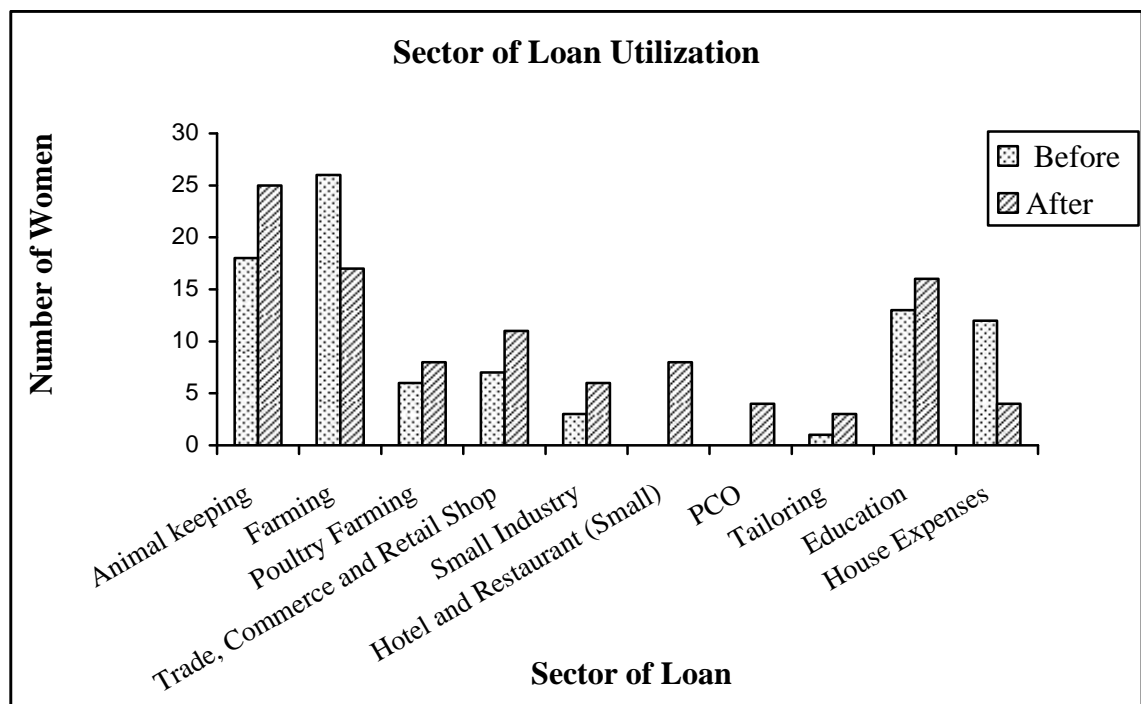
Before		Sectors	After		%Increase / Decrease
%	Numbers		Numbers	%	
20.93	18	Animal keeping	25	24.51	3.58
30.23	26	Farming	17	16.67	(13.56)
6.98	6	Poultry Farming	8	7.84	0.86
8.14	7	Trade/Commerce/ Retail Shop	11	10.79	2.65
3.49	3	Small Industry	6	5.88	2.39
0.00	0	Hotel and Restaurant	8	7.84	7.84
0.00	0	PCO	4	3.92	3.92
1.16	1	Tailoring	3	2.94	1.78
15.12	13	ucationEd	16	15.69	0.57
13.95	12	House Expenses	4	3.92	(10.03)
100.00	86	Total	102	100.00	

Source: Field Survey, 2010.

Above table shows that the sample women involved in different types of economic activities before and after entering into PGBB programs. Out of total borrowers of sample survey, about one-half were involved in agriculture (i.e. animal keeping, farming and poultry farming) and rest in other different programs. After launching the program women who were utilized loan in farming and house expenses has been decreased by 13.56% and 10.03% respectively and utilized loan in rest sectors has been increased. There were no women utilized loan in hotel & restaurant and PCO before entering the program.

Table 4.11 can be presented by figure to make clear about women's borrowing in different sectors.

Figure 4.11



This figure shows that sector of loan utilization. Loan utilization has been increasing in several sectors after the PGBB. There was most positive impact on education, PCO's, small industries, trade commerce and retails shops after the program.

4.3.5 Pattern of Paying Loan

Sample of women were taken who are involved in borrowing of loan for repayment pattern. The following table 4.12 presents the women's response on repayment of loan which was taken by women before and after entering into PGBB programs.

Table 4.12
Pattern of Paying Loan

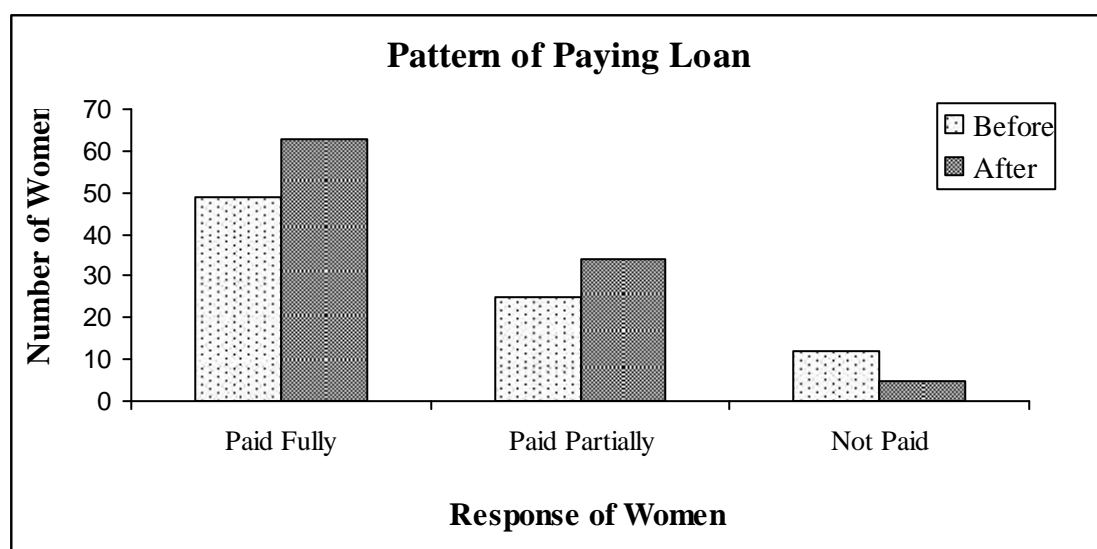
Before		Description	After		%Increase/ Decrease
%	Numbers		Numbers	%	
56.98	49	Paid Fully	63	61.76	4.78
29.07	25	Paid Partially	34	33.33	4.26
13.95	12	Not Paid	5	4.91	(9.04)
100	86	Total	102	100	

Source: Field Survey, 2010.

Table 4.12 shows that the response of women on repayment of taken loan before and after entering in to PGBB program. In overall, there were 9.04 % of women decreases in not paying loan.

The graphical presentation of table 4.12 is given below to make clear, meaningful and understandable of above data.

Figure 4.12



The above figure shows that the number of loan paying women has been increases after the program.

4.3.6 Condition of Business which is Running from Loan

Women are doing business from the loan which was taken from PGBB. They were also doing business from loan prior to entering PGBB. So, following table 4.13 presents the condition of business which was running by them from loan.

Table 4.13
Condition of Business which is Running from Loan

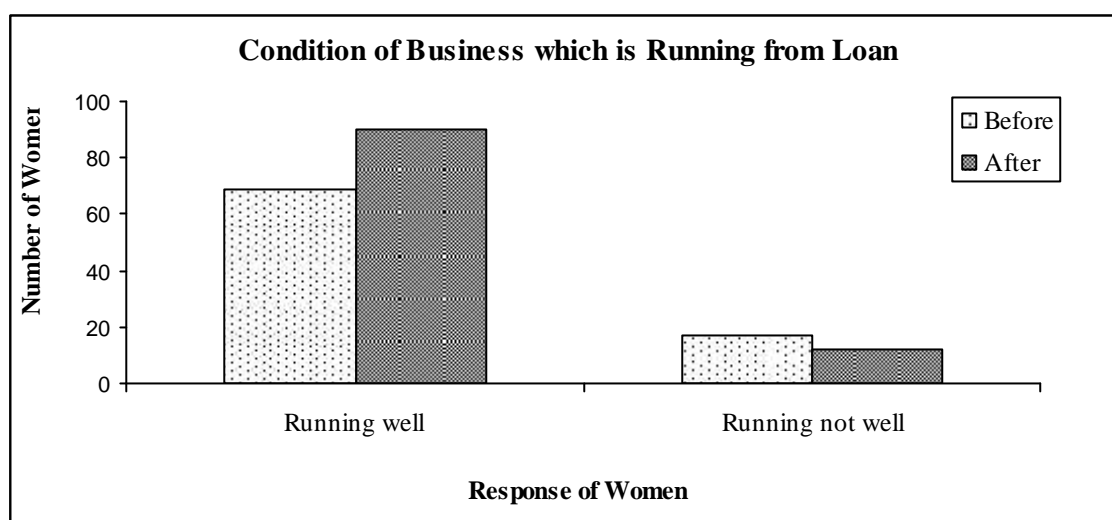
Before		Description	After		%Increase/ Decrease
%	Numbers		Numbers	%	
80.23	69	Running well.	90	88.24	8.01
19.77	17	Running not	12	11.76	(8.01)
100.00	86	Total	102	100.00	

Source: Field Survey, 2010.

The above table shows the condition of business which is running well or not before and after entering into PGBB and doing by borrowing loan. The study recorded that there was about 8% change in number of women who has been running their business well after entering the program.

The above table 4.13 can be shown in graphical figure 4.13 which makes us clear, meaningful and understandable of above data.

Figure 4.13



The above figure shows that, the average condition of the business that was running before and after the program. After the program different business were running well in comparison to before.

4.4 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 PGBB program women.

4.4.1 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 PGBB and before PGBB programs. Table 4.13 also makes clear about number of women and percentage of women getting income from investment.

Table 4.14
Income from Investment

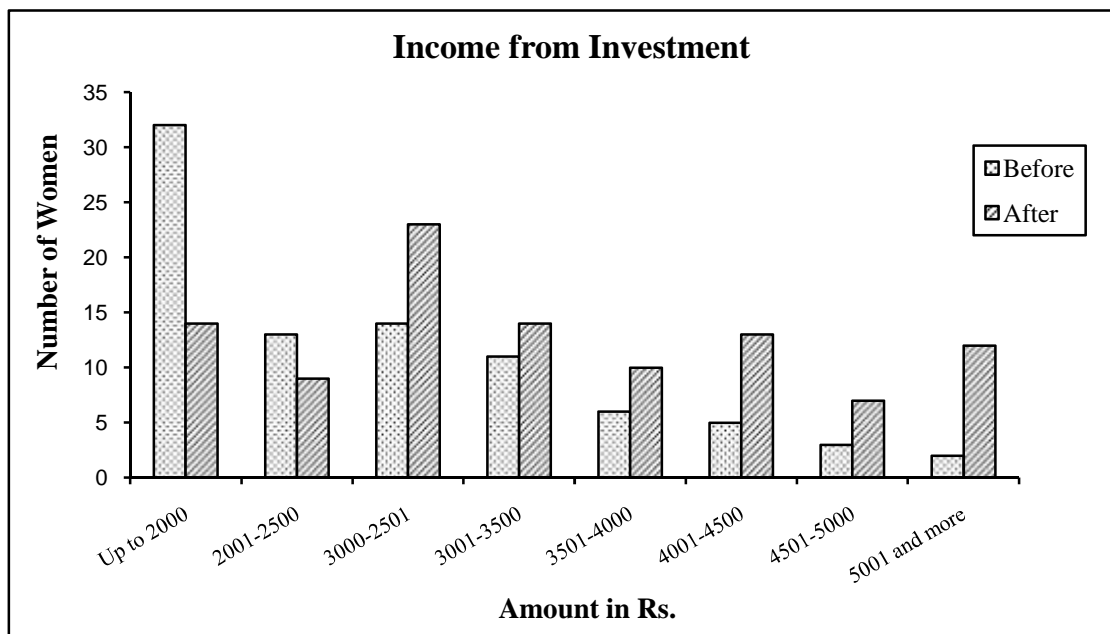
Before		Income Per Month (Rs.)	After		%Increase /Decrease
%	Number		Number	%	
37.21	32	Up to 2000	14	13.73	(23.77)
15.12	13	2001-2500	9	8.82	(4.72)
16.28	14	2501-3000	23	22.55	9.62
12.79	11	3001-3500	14	13.73	2.27
6.98	6	3501-4000	10	9.80	1.47
5.81	5	4001-4500	13	12.75	5.46
3.49	3	4501-5000	7	6.86	2.69
2.32	2	5001 and more	12	11.76	9.68
100.00	86	Total	102	100.00	

Source: Field Survey, 2010.

Above table shows that, there is remarkable changes in income of the respondents after entering in the program. Prior to the entering the program

there was about 37% of the respondents earning up to Rs. 2000 and only about 2% of them earned more than Rs. 5000. But after intervention to the program, earning power of more amount of the respondents has been increased. It was found during our discussion that the member having entrepreneurship skills earned more. Some of the members are engaged in hotel business. During the field survey, it was found that there was good income in hotel business due to the high demand for alcohol and non-vegetable dishes. An attractive profit margin existed in the sale of such items. The above table 4.14 can be presented in graphical figure which is given below.

Figure 4.14



The above figure shows the income level of the women is increasing after the program. Number of women earning more than Rs. 2,500.00 per month increasing significantly after the program.

4.4.2 Interest Recovery

Recovery is important part of investment. It is worthless of investment without recovery. The state of interest recovery situation of loan disbursement by PGBB is presented in table 4.14.

Table 4.15
Interest Recovery Situation

(In Nrs.)

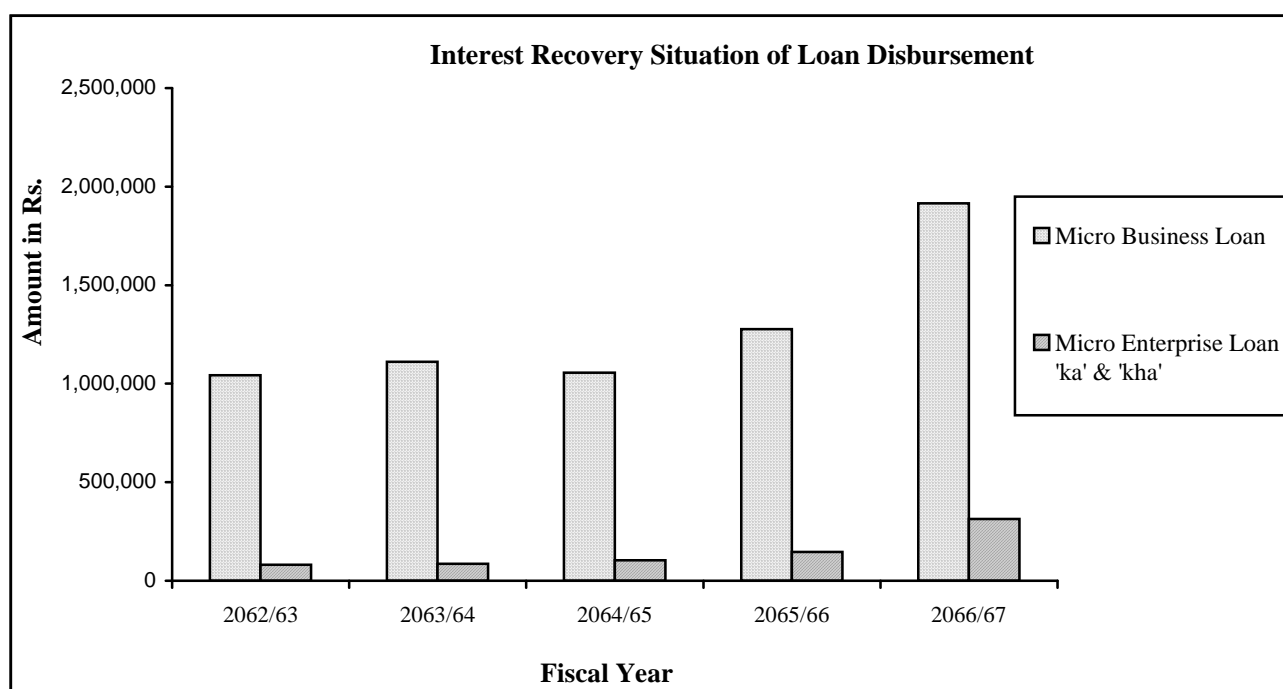
Fiscal Years	Micro Business Loan		Micro Enterprise Loan 'Ka' & 'Kha'	
	Amount	%	Amount	%
2062/63	1,042,523	16.29	81,585	16.51
2063/64	1,110,545	17.35	86,651	17.53
2064/65	1,056,257	16.50	103,483	20.94
2065/66	1,277,086	19.95	145,709	29.48
67/2066	1,915,126	29.92	314,103	63.55
Total	6,401,537	100	494,240	100

Source: PGBB, LMK.

The above table shows the interest recovery in different fiscal years from micro business loan and from micro enterprise loan 'Ka' and 'Kha' both. The trend of interest recovery in both heading has been on the rise and reached the maximum in the latest year i.e. Rs 1,915,126 and Rs 949,240 in micro business loan and micro enterprise loan 'Ka' and 'Kha' respectively. So, interest recovery situation was relatively favorable.

The above table of interest recovery situation can also be shown in figure. The graphical presentation is given below.

Figure 4.15



As the loan is increasing the above figure shows that the interest recovery of the loan has been increasing.

4.4.3 Amount Invested by Respondents

Loan taken by women was invested in different sectors before and after entering into PGBB programs. The following table presents that the respondents were invested their taken loan.

Table 4.16
Amount Invested by Respondents

Before		Amount in Rs.	After		%Increase/ Decrease
%	Numbers		Numbers	%	
25.58	22	0-10,000	18	17.65	(7.93)
20.93	18	10,000-20,000	21	20.59	(0.34)
18.60	16	20,000-30,000	17	16.67	(1.93)
12.79	11	30,000-40,000	18	17.64	4.85
13.96	12	40,000-50,000	17	16.67	2.71
8.14	7	50,000-60,000	9	8.82	0.68
0.00	0	60,000 & more	2	1.96	1.96
100.00	86	Total	102	100.00	

Source: Field Survey, 2010.

	Before	After	Result
Mean income	24,302	27,941	Increased
C.V.	26.63 %	19.89%	Decreased

(Appendix-IV)

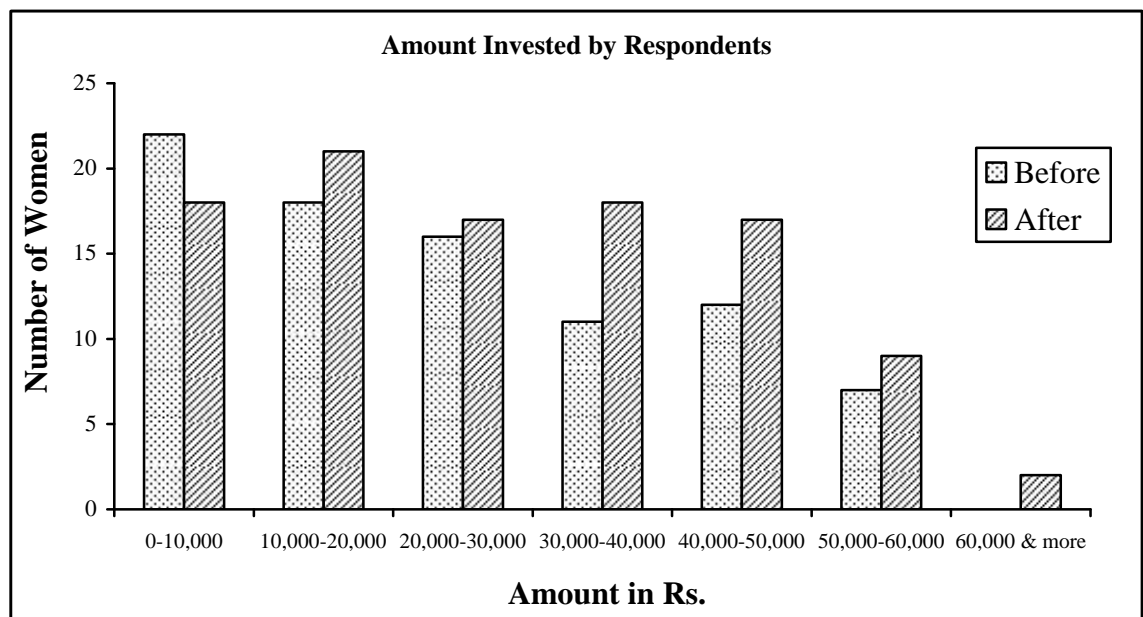
The above table 4.16 shows the amount invested by the respondents in different sectors before and after involvement in PGBB programs. Mean investment by the respondents in different sectors after entering the program is increased to Rs 27,941 from Rs 24,302 and C.V. is decreased to 19.89% from 26.63%. This gives positive result to us.

The highest number of women i.e. 22 were investing amount between Rs 0 to 10,000 before entering into PGBB programs and 18 women were investing

same amount after involving in PGBB program. There was increased in number of women who investing high loan amount after entering the program. This is because women can earn more money after entering the program.

The above table 4.16 can be shown in graphical figure 4.16 which makes us clear, meaningful and understandable of above data.

Figure 4.16



The above figure shows the investment habit of the respondent have been increasing by the year. Before the program there was no respondent investing more than sixty thousand but after it there was two number of respondent investing more than sixty thousand.

4.4.4 Monthly Income of the Women

Income of women was varying in PGBB LMK. Some women were rich and some were poor. The following table presents the monthly income of the women before and after involvement in PGBB programs.

Table 4.17
Monthly Income of Women

Before		Income Range in Rs.	After		% Increase/ Decrease
%	Numbers		Numbers	%	
35.65	41	0-5,000	33	31.69	(3.96)
27.72	33	5,000-10,000	29	25.74	(1.98)
16.83	19	10,000-15,000	24	20.79	3.96
11.88	11	15,000-20,000	15	12.87	0.99
7.92	7	20,000 & more	10	8.91	0.99
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

(Appendix- V)

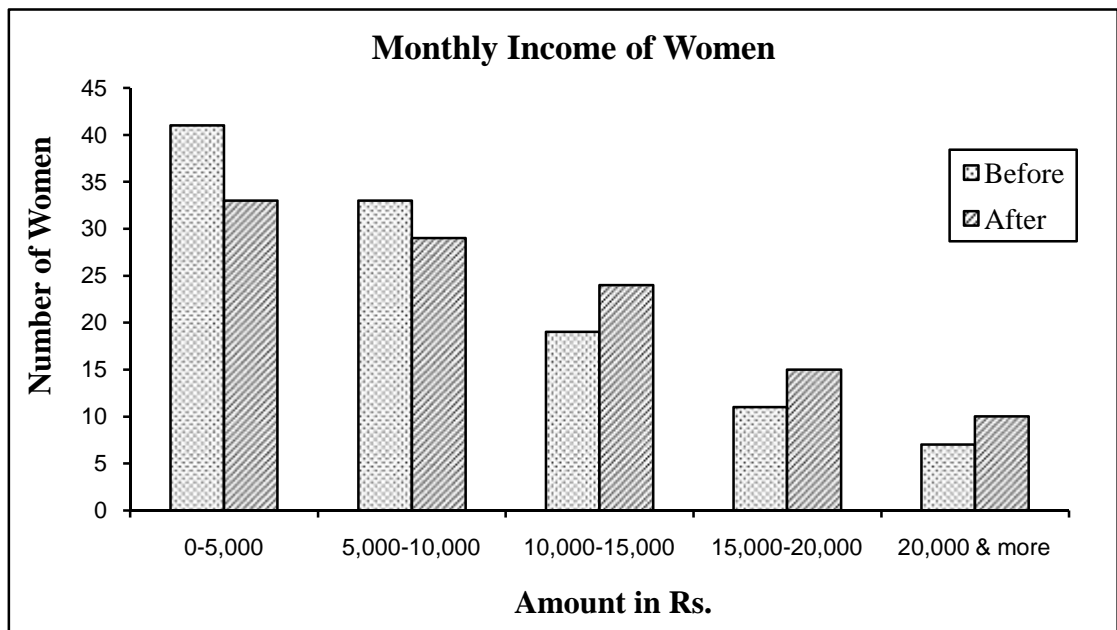
	Before	After	Result
Mean income	8,446	9,770	Increased
C.V	20.48 %	17.71%	Decreased

Above table 4.17 shows the monthly income of women in different range before and after entering PGBB programs. From the above table shows the positive impact. Mean income of the respondents after entering the program is increased to Rs 9,770 and C.V. is decreased to 17.71% which gives positive result to us.

Around one-third women were earning between Rs 0 to 5000 before and after the program. The highest income i.e. Rs 20,000 & more were earning by 7 & 10 women before and after the program respectively. There was increase in numbers and percentage of women which were earning high income after entering the program. During the field survey, it was found that there was good income in hotel and restaurant because they used to sell meat items and alcohol which was in high demand and high profit margin.

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

Figure 4.17



The above figure shows that income level of women are increasing by the years. After the program women earning more than ten thousand increases then before the program.

4.5 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 PGBB 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 PGBB programs. Because collateral is not necessary to take loan from PGBB. They should be in group members and can take loan. After investing that money they will be benefited.

4.5.1 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 net income of more than Rs 15000 are categorized as very rich women. The field survey shows the following level of the respondents in LMK. But from survey the numbers of women which are very rich were not found. Following table presents the status of women in field survey.

Table 4.18
Category of Women

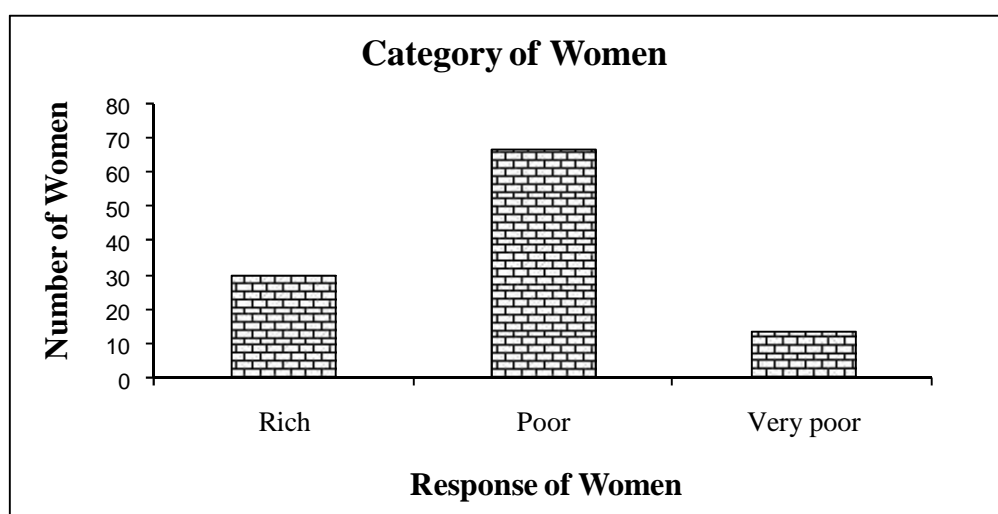
Description	Number	%
Rich	30	27.03
Poor	67	60.36
Very poor	14	12.61
Total	111	100.00

Source: Field Survey, 2010.

Table 4.18 shows the number and percent of women which have different economic status. Out of 111 respondents there were 14 women very poor, 67 women poor and 30 women rich. But no women were found who said that they are very rich in sample survey. So, more than 60 percent of the respondents found that they are on category of poor women.

Table 4.18 can be shown in the following figure 4.18.

Figure 4.18



The above figure shows that there are still such women who have less than

one thousand income per month.

4.5.2 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 4.19 presents the different facilities needed for poor women

Table 4.19
Future Programs for Poor Women

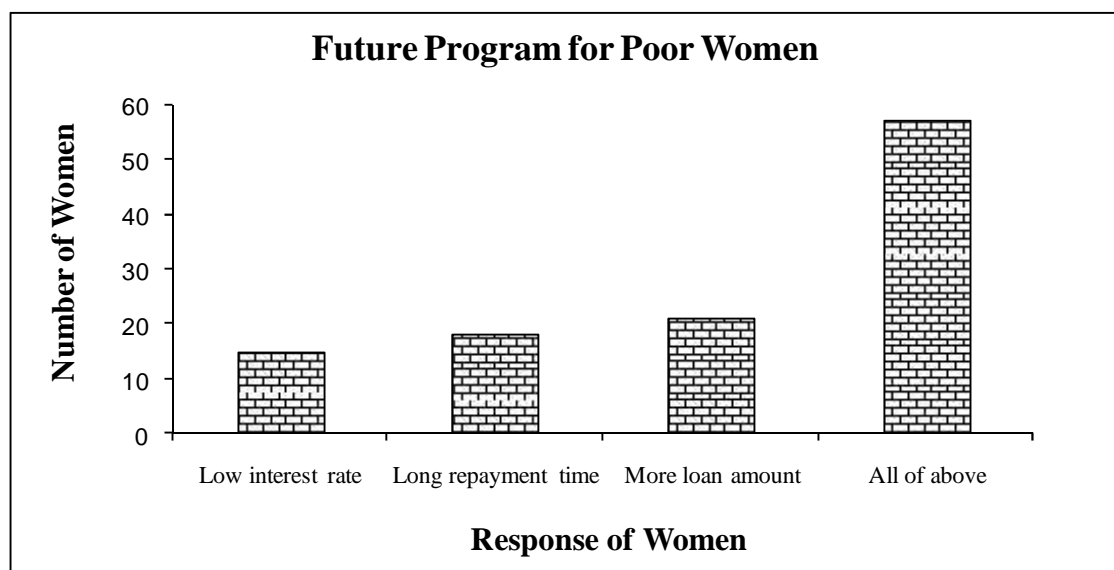
Description	Number	%
Low interest rate	15	13.51
Long repayment time	18	16.22
More loan amount	21	18.92
All of above	57	51.35
Total	111	100.00

Source: Field Survey, 2010.

Table 4.19 shows the number and percentage of women's perception which have needed different facilities from the bank to run their livelihood. More than fifty percent of the respondents recorded to prefer low interest rate, long repayment time and more loan amount for their livelihood uplift.

The above table 4.19 can be shown in following graphical figure which makes us clear, meaningful and understandable of above data.

Figure 4.19



The above figure shows for their livelihood upliftment they need different kind of services like low interest rate, long repayment time and more loan amount.

4.6 Profile of the Respondent

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:

4.6.1 Education Level

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

Table 4.20
Response on the Education Level of Sample Women

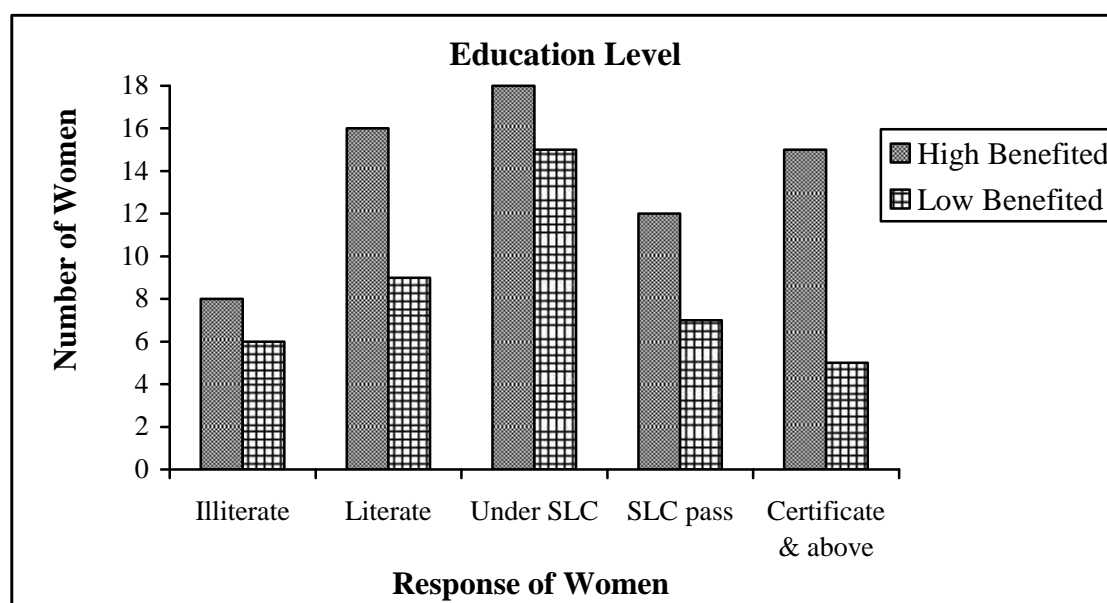
Education Level	Perception toward the Program		Total	
	High Benefited	Low Benefited	Number	%
Illiterate	8 (57.14%)	6 (42.86%)	14	12.61
Literate	16 (64%)	9 (36%)	25	22.52
Under SLC	18 (54.55%)	15 (45.45%)	33	29.73
SLC pass	12 (16.16%)	7 (36.84%)	19	17.12
Certificate & above	15 (75%)	5 (25%)	20	18.02
Total	69 (62.16%)	42 (37.84%)	111	100.00

Source: Field Survey, 2010.

The above table shows that education level and perception towards the program of the respondents. In totality about 87% respondents were literate. Higher the education level higher degree of satisfaction from the program has been experience and vice-versa.

Above table 4.20 can be presented in the following figure.

Figure 4.20



The above figure shows that those women are more benefited from the program whose education level is higher.

4.6.2 Age Structure

In the research study it has been found that the age structure of women was in between 20 to 62 years and all were married. It has been presented in the following table.

Table 4.21

Response on the Age Structure of Sample Women

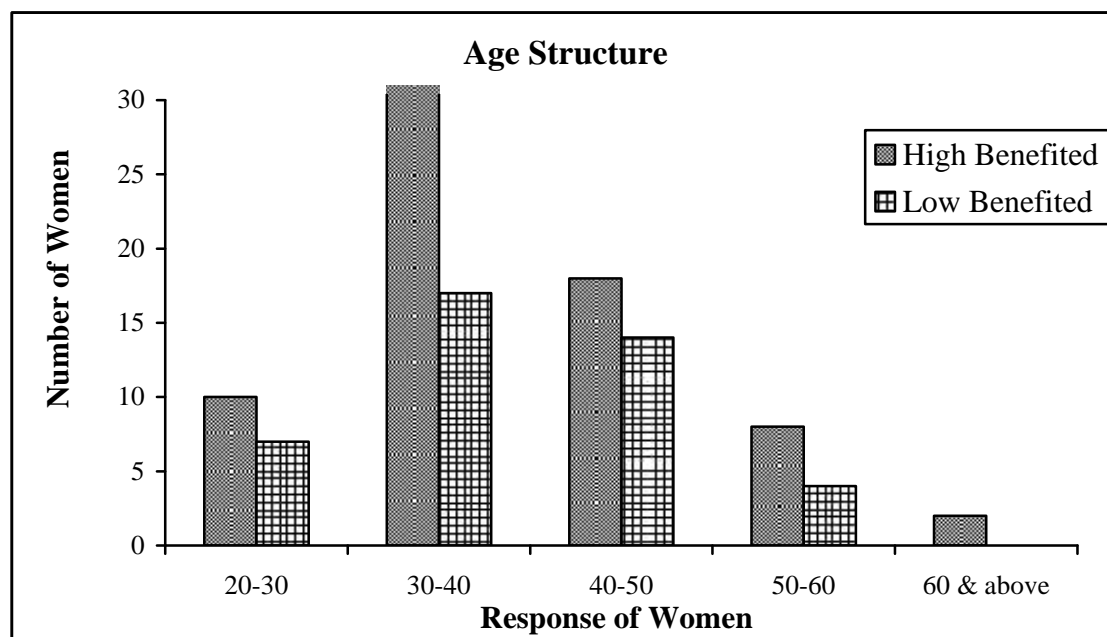
Age Structure	Perception toward the Program		Total	
	Highly Benefited	Low Benefited	Number	%
20-30	10 (58.82%)	7 (41.18%)	17	15.32
30-40	31 (64.58%)	17 (35.42%)	48	43.24
40-50	18 (65.63%)	14 (34.37%)	32	28.83
50-60	8 (66.67%)	4 (33.33%)	12	10.81
60 & above	2 (100%)	-	2	1.80
Total	69 (62.16%)	42 (37.84%)	111	100.00

Source: Field Survey, 2010.

The above table shows that age structure and perception towards the program of the respondents. Higher the age structure higher degree of satisfaction from the program has been recorded and vice-versa.

The above table 4.21 can be shown in the following figure also.

Figure 4.21



The above figure shows that all age group women are benefited from the program but among them age group of 30-40 were most benefited from the program.

4.6.3 Ethnic Group

Generally, the respondents were divided in three ethnic groups on field survey according to their cast status. The following table presents the ethnic group of women and their perception toward benefit.

Table 4.22

Response on Ethnic Group of Sample Women

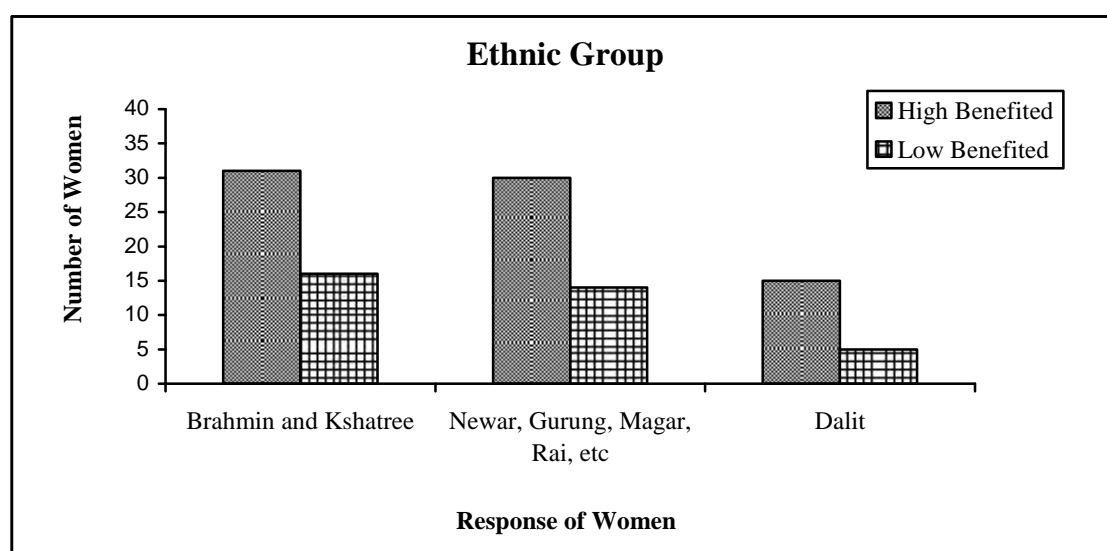
Ethnic	Perception toward the Program		Total	
	High Benefited	Low Benefited	Number	%
Brahmin and Kshatree	28 (59.57%)	19 (40.43%)	47	42.34
Newar, Gurung, Magar, Rai, etc.	27 (61.36%)	17 (38.64%)	44	39.64
Dalit	14 (70.00%)	6 (30.00%)	20	18.02
Total	69 (62.16%)	42 (37.84%)	111	100.00

Source: Field Survey, 2010.

Table 4.22 shows that 47 participating women were involved from Brahmin and Kshatree, 44 from Newar, Gurung, Magar, Rai, etc. and 20 from Dalit. So, that we can easily say that PGBB program is able to convince different ethnic group women too successfully.

The data is presented in following figure 4.22 also.

Figure 4.22



The above figure shows that the entire ethnic group was benefited from the program. Among them Brahmin and Kshatree are benefited more as the number of sample is also high.

4.6.4 Priority Sector after Improvement in Economic Condition

Every people have their own interests and future plan. Like this, these PGBB women also have their own future plan to give priority in different sectors after improvement in their economic condition which is presented in the following table 4.23.

Table 4.23

Priority Sector Areas

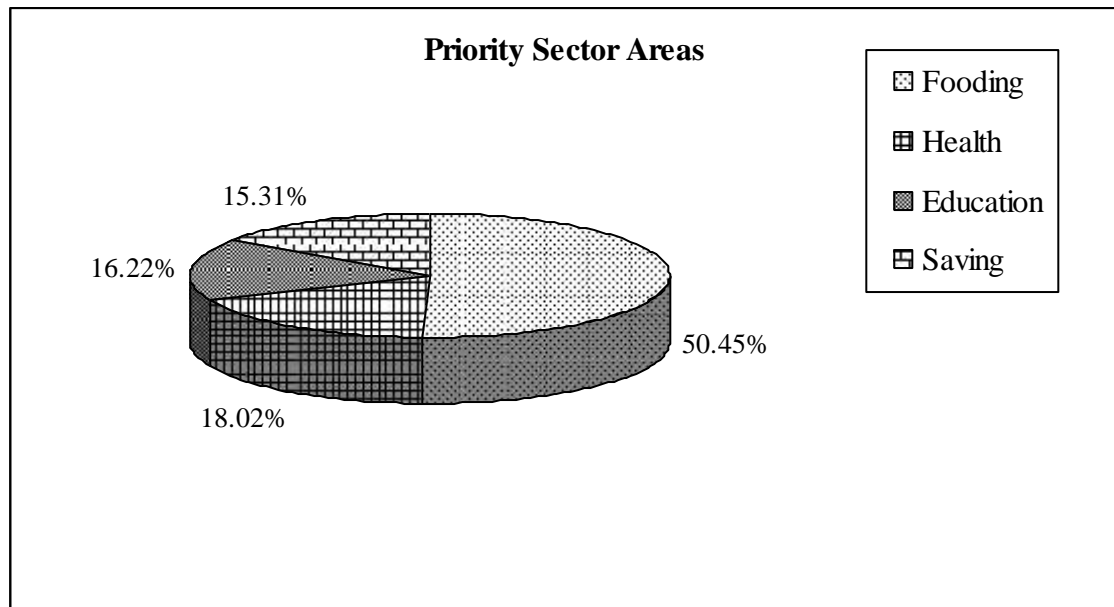
Sector	Number of Women	%
Fooding	56	50.45
Health	20	18.02
Education	18	16.22
Saving	17	15.31
Total	111	100.00

Source: Field Survey, 2010.

Table 4.23 shows the priority sector of participatory women. Main priority sector of women were fooding i.e. about 50% and rest of the other sectors below 20%.

Above table can be shown in following figure 4.23 also

Figure 4.23



The above figure shows that the priority sector of the respondent after improving the economic conditions. More than fifty percent women are investing in fooding and rest are in health, education and saving.

4.6.5 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 presented in the following table 4.24.

Table 4.24

Confidentiality of the Participants to Stand Themselves as Successful Entrepreneur in Future

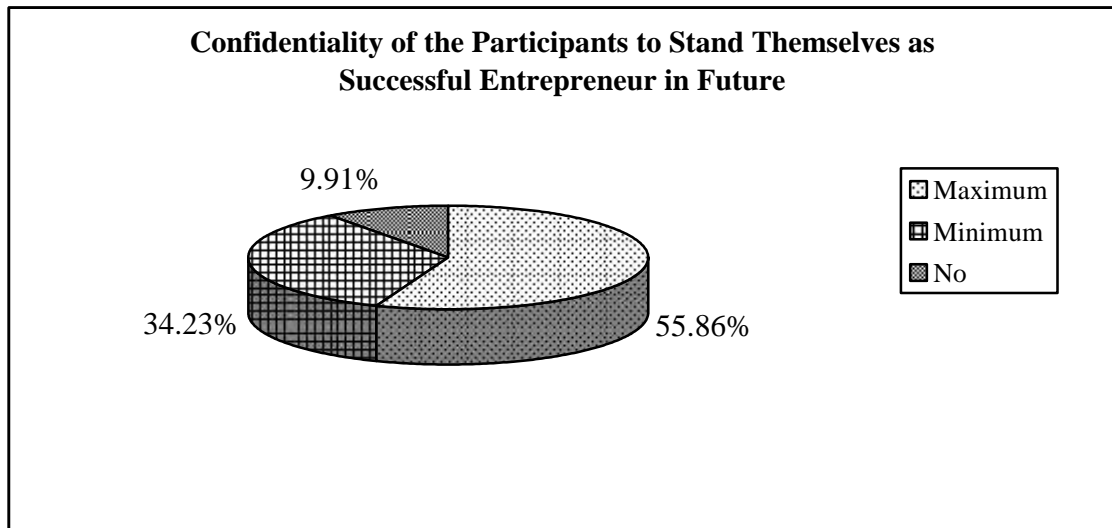
Description	Number of Women	%
Maximum	62	55.86
Minimum	38	34.23
No	11	9.91
Total	111	100.00

Source: Field Survey, 2010.

More than half of the respondents recorded high degree of confidence in becoming entrepreneur in the future. About 10% of the respondents response never becomes entrepreneur.

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

Figure 4.24



The above figure shows that the confidence of the women respondents is increasing. More than 55 percent are maximum confidence.

4.6.6 Living Standard of the Respondents Before and After Participating PGGB

Measurement of living standard was not easy. In this study researcher observed and asked about the different aspects that represent their living standard, consumption pattern of food items before and after the intervention of PGGB. Similarly their home appliance Radio, TV, (color black and white), furniture, carpet, cooking fuel (fire wood /gas), schooling of their children (private or public), their clothing pattern etc determine the living stander of people. How much they used to buy in a year? Similarly physical structure of their house also determine their living stander what kind of materials has been using while making house such as reed, zinc, muddy or cemented.

Table 4.25
Living Standard of the Respondents Before and After Participating
PGBB

Before		Description	After		%Increase/ Decrease
%	Number		Number	%	
Food (Calorie)					
73.87	82	Low calorie with (rice, dal, vegetable)	54	48.65	(25.22)
26.13	29	High calorie with (meat, egg, milk)	57	51.35	25.22
100.00	111	Total		100.00	
Housing (Roof)					
20.72	23	Reed (khar)	12	10.81	(9.91)
72.07	80	Zinc	76	68.47	(3.60)
7.21	8	Cemented	23	20.72	13.51
100.00	111	Total	111	100.00	
Having TV and Radio					
37.84	42	Yes	87	78.38	40.54
62.16	69	No	24	21.62	(40.54)
100.00	111	Total	111	100.00	
Clothing for Children					
50.45	56	1pair or less in year	24	21.62	(28.83)
36.94	41	2 pair in year	47	42.34	5.40
12.61	14	3 and more pair in year	40	36.04	23.43
100.00	111	Total	111	100.00	
Schooling their Children					
78.38	87	Public	53	47.75	(30.63)
21.62	24	Private	58	52.25	30.63
100.00	111	Total	111	100.00	

Source: Field Survey, 2010.

Economists say that poverty can be measured by observing living standard of people. In this research some of those aspects were observed. Food is the most common and fundamental activity of human being. Because of the low income out of 111 respondent 82 were consuming low calorie food items and 29 consumed calorie food items. But during 5-8 year period their low calorie

food was added with some extra calorie diet e.g. meat, egg, milk etc. The low caloric groups reduced from 82 to 54 persons.

Similarly, out of 111 respondents, 23, 80 and 8 have reed, zinc and cemented roof house respectively before entering the program. But after 12, 76 and 23 have reed, zinc and cemented house. Therefore, the cemented houses are increased by 13.51% after intervention the program.

There only 42 respondents have TV/radio in the beginning of year. Latter 87 used such items. Most of them were unable to buy necessary clothes for their children at the beginning. After the period of 5-8 years 40 members were able to buy three and more pair of clothes in a year to their children.

The most significant difference after the entering PGBB program was that the most of the members' children used to go private school. Out of 111 respondents 21.62% and 52.25% family's children go to public school before and after respectively. It was remarkable change due to intervention of PGBB. Parents were more aware about their children future regarding quality education.

In short there was significant improvement in living stander of respondents after intervention the program.

4.6.7 Continuing their Business in Future

If people see more profit in future, then their will be motivated to continue their business in coming future. Like this some sample women of PGBB program were motivated to continue their business in future and some are not interested in those activities. Following table 4.27 shows the women's response in continuing their business in future.

Table 4.26

Response of Women as Continuing their Business in future

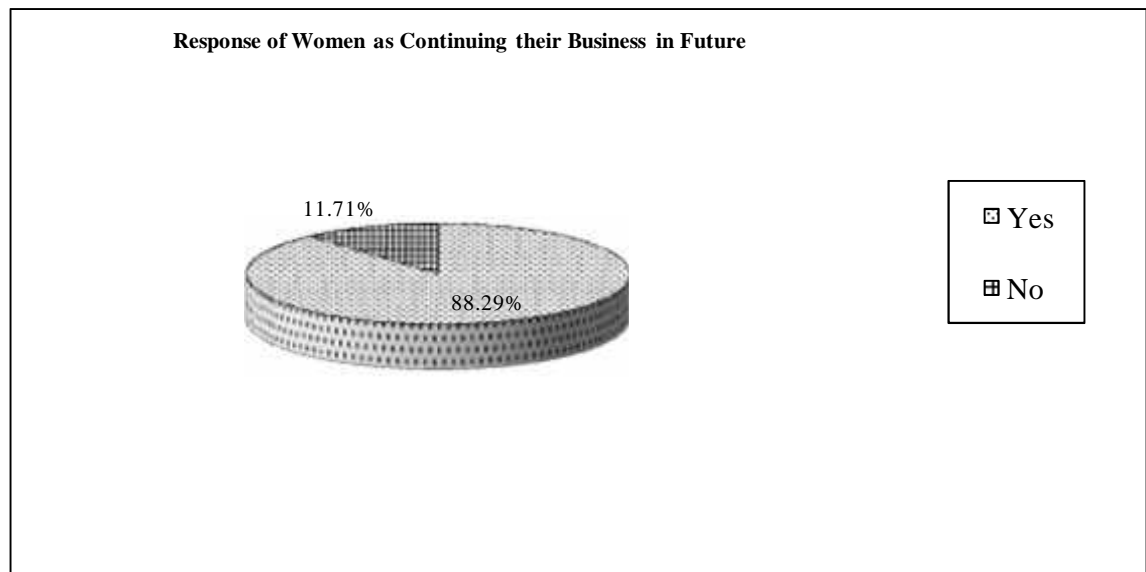
Description	Number of Women	%
Yes	98	88.29
No	13	11.71
Total	111	100.00

Source: Field Survey, 2010.

Above table 4.26 reveals about the women's response of continuing their present business in future. In this research survey, out of 111 sample women, 98 women have intension of continuing their business in future which was about 88 percent. So, this field survey shows that maximum number of women was interested to continue their business in future also.

The above table 4.26 can be presented in the following figure 4.26.

Figure 4.25



The above figure shows that most of the women are continuing their business in future.

4.7 Social Impact: A Qualitative Analysis

Main objective of PGBB is to uplift socio economic status of rural poor through credit. So, PGBB is not only the financial intermediary but also a social intermediary. The micro finance through PGBB is a development tool in every aspect of rural poor. It is difficult to evaluate the social impact, but this study tries to explore some social aspects as below.

4.7.1 Literacy

The respondents who were illiterate before has been able to read and write their name after entering the program. It was a compulsory obligation to be eligible for the loan. That obligation makes them able to read and write their name, which is also an achievement in rural area.

4.7.2 Leadership and Personality

When PGBB program was launched, almost all the women were afraid of even to speak in front of others they did not know how to behave with others. They had no capacity to listen and understand what others were saying. Due to their regular weekly meeting they started to share their experience and feeling among the group members. It enhanced to deliver their saying. In every group or center there was leader to monitor and lead the other members. Such activity helped them to develop their relationship and personality.

4.7.3 Group Culture

Without group and group guarantee loan was not provided. There were many groups of five members and each were responsible for others failure to repay the loan. So very good group culture developed. They helped in income generation activities. They started to trust other members.

4.7.4 Self-employment

Loan amount was used in their respective enterprise and such occupation, which ultimately generate income. Their own occupations were generating self-employment. Now they are not much worried about hand to mouth problem. Due to their self-employment they do not have to go to the door of local moneylender.

4.7.5 Social Prestige

Due to the increased literacy, leadership and personality, group culture and self-employment their social prestige has increased. Those who supposed superior in village now their beliefs toward poor were changed in certain limit. So, their social value increased.

4.7.6 Health and Sanitation

After the members become involved in group discussion, the health and sanitation improved. They talked about their health in-group. Due to increase in income they made Gobargas and water sealed toilet, which supports for

better health and sanitation. Those who did not have Gobargas started to use LPG as cooking fuel instead of firewood.

4.7.7 Self Respect

As their income and social prestige improved now they feel self-respect. Their happiness in their family brings self-respects. Ideal women involved in income generating activities. Other neighbor changes their attitude towards the PGBB member. Society has been giving a king of respect to those poor.

4.8 Findings of the Study

The major findings of the study are addressed in overall and the study of sample women.

4.8.1 The Major Findings of the Overall Study

The major findings of the overall study of PGBB could be addressed as follows:

- PGBB has been facilitating the women in areas of animal keeping, farming, poultry farming, retail business, small industry, Small hotel and restaurant, PCO, tailoring etc.
- The bank organize three different saving program i.e. group saving, centre fund saving and individual saving. The saving amount has been increasing last five years. Out of different saving program, there was about 80% of saving in group saving and about 20% of saving in centre fund saving and individual saving.
- The saving money was not idle. It was invested in different areas. But the bank has to pay some interest expenses to women who save money. The total interest expenses in last five years on different saving programs were Rs 549,847. As the deposit has been increasing interest expense has been also increasing in last five years. Out of total interest expenses, there was more than 80% in group saving and rest in centre fund saving and individual saving.

- Loan disbursement headings are micro business, micro enterprise ka and micro enterprise 'Kha'. The overall loan disbursement in different headings in last five year was Rs 85,045,585 and highest was in micro business of around 89.75% of total loan disbursed. Loan was not disbursed in micro enterprise loan 'Kha' in FY 2062/63. Loan disbursed rate was increased in last five years.
- Loan recovery has been an increasing trend in last five years. The highest loan outstanding was in FY 2066/67.
- Interest recovery situation of loan disbursed has been increasing in last five years both in micro business loan and micro enterprise loan 'ka' and 'Kha'.
- Highest numbers of women were taking loan for animal keeping and lowest number for tailoring. Like this more women were taking loan ranging between Rs 10,000 to 20,000. Similarly, maximum number of women had monthly income ranging Rs 0 to 5,000.
- Almost the entire program has initiated the groups of women for saving as on initial creation. Saving is the source of capital, investment and supply of credit. Similarly, rise in productive activities and income causes to create saving. The saving is the most effective component in the process of supplying credit for investment. In an overall situation the saving deposit was significant.
- The overall performance of implementing PGBB program signify that the record of household survey, target group identification, group formulation, women participation, loan disbursement, repayment, outstanding and saving and its mobilization shows a good achievement of women development program and women empowerment.
- The women's status of increasing income from investment is higher after entering PGBB program. Also repayment pattern of disbursed loan shows a significant increase after the program.

4.8.2 The Major Findings of the Study of Sample Women

The major findings of the study of sample women could be addressed as follows:

- Most of the sample women were involved in different kinds of saving program such as regular and optional saving. The number of women which are saving more amounts is increased after entering into PGBB program.
- More women were involved in animal keeping saving small money. Other sectors to generate saving were farming, poultry farming, trade, commerce and retail shops, small industry, small hotel and restaurant, PCO, tailoring etc. Lower percentage of women was saving from Tailoring. The number of sample women and percentage of saving from farming, trade, commerce and retail shop, small industry, small hotel and restaurant, PCO and tailoring have been increased after entering PGBB program.
- More women were paying the lending amount on time. It was increased by 4.78 % after entering PGBB program. But it have been an decreasing trend in women which paid beyond time and weren't paying lending amount.
- The sample women who have taken loan after entering PGBB program was 91.89% but before there were 77.48%. So, there has been increased in number and percentage of women who have taken loan after entering the program.
- There was 14.14% increased in sectors of taking loan after entering PGBB program. More women were taking loan for animal keeping purpose and fewer women for PCO and tailoring.
- Loan repayment rate of women is satisfactory. Repayment rate of paying fully loan was increased by 4.78% after entering PGBB program whereas women were decrease in case of not payment by 9.04%.

- The condition of business which was running by taking loan was found running well before and after PGBB program. It was increased by 8.01% after the program.
- Women who earning more amounts was increased after intervention PGBB program. The earning up to Rs 2,000 was decrease by 23.77% and earning more than Rs 5,000 was increased by 9.68%. So, women are earning well after entering PGBB.
- More women were invested loan between Rs 0 to 10,000 before and Rs 10,000 to 20,000 in number after intervention of PGBB. There was increased in number of women who were investing big loan amount after entering PGBB programs except in Rs 0 to Rs 10,000.
- Women were earning more after entering PGBB program. The number and percentage of women who are earning high amount were in increase after entering PGBB programs but in case of low amount earning women were in decrease.
- Fourteen numbers i.e. 12.61% of women found very poor and 30 sample women i.e. 27.03% found rich. But no women found who are very rich.
- More than 50% of the respondents said that they prefer low interest rate, more loan amount and long repayment time to uplift their livelihood from the poor women.
- Most of the participating women were married and the age structure of sample women were in range of 20 to 62 years.
- The participants were from different ethnic groups. In research study recorded that 42.34% were from Brahmin and Kshatree class, 39.64% from Magar, Newar, Gurung, Rai etc. class and 18.02% from Dalit class (Sarki, Damai and Kami).
- Literate and well educated women were found more than illiterate. Higher the education level higher the numbers of women benefited from PGBB.

- After improving their economic condition, more than 50 percent of women prefer fooding as priority sector then other sector were health, education and saving.
- More than half of the respondents recorded high degree of confidence in becoming the entrepreneur in the future. About 10% of the respondents response never become entrepreneur.
- There was significant improvement in living standard of respondents. There has been increased in using high calorie food, zinc and cemented roof houses, TV/radio, more pair clothing to their children and sending children to private school after intervention the program.
- Most of women response to continuing their present business in future.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Nepal is a least developed country and most of the people live under poverty. The extreme level of poverty, and different geographic circumstances made the delivery of financial services to the poor particularly challenging. Limited income generating opportunities result in low incomes and reduced saving capacity. Women in Nepal are significantly poorer than male, have little access to education and have less control over economic decision. This is due to male- dominated society. They are predominately confined to domestic and agricultural activities and have few economic opportunities. Access to microfinance services has proven to contribute towards poverty alleviation and the empowerment of women. However, this must be in a sustainable and efficient manner, ensuring continued access to financial services over the long term.

In Nepal, there exist two quite different sources of microfinance services, the informal or the non-institutional sources, and the formal or the institutional sources. The informal sources consists mainly of money lenders, landlords, traders and friends and relatives while the formal source consists mainly of banks such as : Consumer Banks (CBs), Agriculture Development Bank (ADB/N), Small Farmer Development Bank Ltd, Chhimek Development Bank Ltd. Muktinath Development Bank, regional Grameen Bikas Bank (GBB); targeted credit programs such as Intensive Banking Program (IBP), Small Farmer Development Program (SFDP), Small Farmer Cooperative Limited (CFCL), Productive Credit for Rural Women (PCRW), Micro Credit Project for Women (MCPW), Credit Cooperatives and NGOs. Microfinance programs initiated by the government of Nepal are generally inefficient and

financially sustainable, with the exception of GBB. This study is confined to the contribution of microfinance to women in case of PGBB of LMK.

Since rural poverty is one of the burning problems of underdeveloped country like Nepal. Kaski is hilly district of Nepal. There is one sub-municipality, one municipality and 43 VDCs. LMK was established in 1997 AD. There are 15 wards within this municipality. Women of this municipality are unprivileged and socio-economically background and poverty among the women population is high. To reduce this poverty and make women self-dependent, economically strong different microfinance institutions are working here. PGBB is one of them.

PGBB was established in 2056 B.S. in LMK as branch office. The general objective of the study is to analyze the impact of microfinance on women in case of LMK. This study is very significant to entrepreneurs, decision makers, policy makers, further researchers and other parties. This study focuses on activities of saving, loan disbursement and its recovery as well as impact on poor women.

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

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 i.e. presentations and analysis of data, the summary of findings of the study is presented in the following points.

- The highest amount of saving is in group saving and lowest amount is in individual saving in the last five years. The total saving amount has been increasing except in FY 2064/65.
- The main sectors of saving by women are animal keeping, farming, poultry farming, retail business, small industry, small hotel and restaurant, PCO, tailoring etc.
- Mainly women are involved in regular and optional saving. The percentage of women who are saving more amounts in regular and optional basis has adopted an increasing trend after entering PGBB programs. But there is a decrease in percentage of women who are not saving more. This shows women's saving power has been increasing.
- Utilization of save money by women has been increasing after entering the program. Utilization of save money in productive sector is effective way to raise livelihood of poor women.
- Recovery of lending fund on time has adopted an increasing trend after entering the programs but there is a decrease in women who are not refund on time.
- The interest expenses on saving have been increasing in the last five years. This shows positive impact as saving habit is also increasing.
- The loan disbursement rate of PGBB to women has adopted an increasing trend. The highest amount of loan disbursement is in micro business loan and lowest amount in micro enterprise loan 'kha'. The increasing loan disbursement rate shows that women are interested to take loan and invest that money on productive sector to earn more.
- Loan recovery rate has been increasing whereas loan outstanding is an increase up to FY 2063/64 but after that it has been slightly decreased due to increasing of loan recovery but at fiscal year 2066/67 both recovery and outstanding is increasing as the loan amount is increasing. In overall, recovery trend is very good in last five years.
- Maximum number of sample women is taking loan. The percentage of women who are taking loan is about ninety two. The percentage of

- women taking loan has been increasing after entering the program. So, now more women believe in loan.
- Women are not changing more in sectors of lending area. Still more women are taking loan for agriculture purpose.
 - Majority of women are seemed to pay loan fully. The numbers of women who have been paying fully increased to sixty three from forty nine. So, more loan repayment rate is satisfactory after entering the program.
 - Women have been running their business well after entering PGBB. So, program of PGBB is more effective for entrepreneur women.
 - Women who earning more are increasing after entering PGBB. So, the percentage of women who are earning more from investment is increasing comparing to women who are earning less. It shows PGBB programs are effective and satisfactory to make their life better.
 - Interest recovery on loan of PGBB is satisfactory in the last five years. Women are paying interest on time. This regular interest payment is due to improvement in earning and lifestyle after entering PGBB program.
 - The number and percentage of women was increasing to invest more amounts in their business.
 - Monthly income of women has been increasing after entering the program. So, they are earning sound from their investment. Due to PGBB respondents were improving their life standard.
 - The category of poor women is decreasing after the program however emphasis on poor women is still necessary.
 - Most of the poor women prefer low interest rate, long repayment time and more loan amount to improve their living standard.
 - Most of the women are educated and they are highly benefited from the program.
 - Most of the women are found in middle age. More than 62 % are highly benefited from the program.

- The sample women are mixed in ethnic class. Majority of the women in these ethnic groups are benefited from the program.
- Almost fifty percent women prefer fooding facilities after improving their economic condition. So, fooding program is necessary for women.
- About fifty six percent of women have maximum confidentiality of being successful entrepreneur among participating women. So, it is find out that they are more benefited from the program.
- Living standard of women increased more from the program. So, they improving their calorie food, house structure, house appliance TV/radio, clothing their family and sending children to private school is increasing.
- About eighty eight percent of women will continue their business in future also. This shows the program is effective for them.
- The program is basis to uplift the society through improving literacy, leadership and personality, self-employment, health and sanitation, social prestige and self respect.

5.2 Conclusion

PGBB is a practical model to microfinance program. The programs of PGBB 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.

PGBB LMK 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 PGBB 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. PGBB is actively

involved in saving programs of women. Women are also interested and motivated to save more with the program. 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. PGBB 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 PGBB is still focusing more on loan disbursement to poor women.

Interest recovery from loan investment is satisfactory and it is in increasing trend. It shows that women believe in loan and interested to invest that loan in profitable sector.

Majority of the respondents are involved in agriculture. The status of loan investment and income of women is found satisfactory and they are earning slowly higher with intervention of the 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 the respondents believe that intervention in the program initiates to increase their living standard.

Participants in the program are from different ethnic groups. Most of the respondents prefer low interest rate, long repayment time, and more loan amount to increase their living standard more. The respondents 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 poor women. Most of the respondents are under farmer's category and the major source of income of women is agriculture.

5.3 Recommendation

- Government should create infrastructure such as veterinary hospital, roads, irrigation, market guarantee for products and agriculture specialists.
- There are various microfinance institutions without any coordination. So, NRB should furnish a policy for the better coordination in regards to service and coverage of microfinance development banks.
- PGBB should provide vocational training according to availability and suitability of local resources.
- Government should develop promotional scheme and incentive to the microfinance development banks.
- Monitoring and supervision should be made effective and efficient. Duplication of sources should be avoided for this crediting center should be developed.
- At the operation level of PGBB, staff should have courteous simile and helpful to the clients to make service more effective.
- Based on the field survey, it was revealed that the repayment rate of landless clients is higher than local people. So, it is suggested to select the needy and poor client for loan.
- Loan should provide by conducting the special vocational training.
- The existing saving program should make effective and should designed accordance so that can meet the future standard.
- Existing performance level should be made continue and more vocational training should lunch to make the program more productive.
- Women focused program should be lunched to enhance their financial and social ability.
- PGBB should establish the program to exchange of successful and skillful member of same territory. They possess the different skill like expertise in cash crops, pig husbandry, poultry farming, beautician, PCO, tailoring, which can encourage the new member.

- PGBB should encourage in the short cash cycle types of micro business activities.
- PGBB should launch the awareness building program regarding to interest rate, utilization of fund, repayment of loan should be organized time to time.
- If the borrowers did not repay the loan in due time, they should be motivated to repay on time by adopting different mechanism.
- Literacy is not only sufficient to the member, so, PGBB should organize those program which develop the cash management skill and accounting skill of the women which helps them for effective utilization of resource.
- Some of the loans are distributed to the land lord and business personalities, priority should be given to those who are financially poor and needy group.
- The social programs indicating the role and power of women should be conducted time to time. So that women can also know their importance and make their position on the society.
- Loan amount should be increased. Due to the inflation, that amount would not be enough for starting new enterprise.
- There should be coordination among the operators of MF program to ensure its effectiveness.

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APPENDIX- I

Name List of the Respondents

S.N.	Name	Ward No.	Tole
	Annapurna Women Group	1	Bhandardhik
1	Nirmala Kumal	1	Bhandardhik
2	Sita Khatri	1	Bhandardhik
3	Sukmaya Kumal	1	Bhandardhik
4	Bina Kumal	1	Bhandardhik
5	Devi Kumal	1	Bhandardhik
6	Chameli Kumal	1	Bhandardhik
7	Harikala Kulmal	1	Bhandardhik
8	Kunti Kumal	1	Bhandardhik
9	Rima Kumal	1	Bhandardhik
10	Lalumaya Kumal	1	Bhandardhik
	Srijana Women Group		
11	Apsara Acharya	1	Patneri
12	Man Kumari Sunar	1	Patneri
13	Dil Maya Gurung	1	Patneri
14	Bishnu Subedi	1	Patneri
15	Fulmaya Nepali	1	Patneri
16	Nanda Kumari B.K.	1	Patneri
17	Ambika Acharya	1	Patneri
18	Indira Basti	1	Patneri
19	Anisha Gurung	1	Patneri
	Adarsha Women Group		
20	Laxmi Poudel	1	AdarshaTol
21	Sita Tiwari	1	AdarshaTol
22	Dipa Bhandari	1	Bhandardhik
23	Manju Poudel	1	AdarshaTol
24	Laxmi Nepal	1	AdarshaTol
25	Parbati Giri	1	AdarshaTol
26	Fulmaya Chapagain	1	AdarshaTol
27	Chija Gurung	1	Talchok
28	Hemkala Gurung	1	Talchok
29	Sandhaya Dahal	1	Talchok
30	Devi Gurung	1	Bhandardhik
31	Bimala Adhikari	1	AdarshaTol
32	Shanti B.K.	1	AdarshaTol
	Nari Jagaran Women Group		
33	Ganga Koirala	2	Argahun
34	Srijana Subedi	2	Argahun
35	Sosani Adhikari	2	Argahun
36	Fulmaya Gurung	3	Argahun
37	Sarada Baral	3	Argahun
38	Lali Kumal	3	Argahun
39	Sita Kunwar	3	Argahun
40	Kopila Thapa	3	Argahun
41	Bishnu Tripathi	3	Argahun

	Samaj Sudar Women Group		
42	Maina Gurung	1	Sainik Basti
43	Bina Sunar	1	Khalyar
44	Karna K. Gurung	1	Bhandardhik
45	Shreemaya Pariyar	1	Bhandardhik
46	Dil K. Gurung	1	Bhandardhik
47	Jamuna Timilsena	1	Bhandardhik
48	Fulmaya Tamang	1	Bhandardhik
	Jagriti Women Group		
49	Sukmaya Gurung	1	Sainik Basti
50	Urmila Gurung	1	Sainik Basti
51	Shanti Thapa Magar	1	Sainik Basti
52	Nirmala Thapa magar	1	Sainik Basti
53	Ganga Timilsena	2	Argahun
54	Shakuntala Lamichane	3	Argahun
	Milijuli Women Group		
55	Guma Baral	2	Argahun
56	Kopila Thapa	2	Ritthapani
57	Laxmi Timilsena	2	Argahun
58	Purnimaya Shrestha	3	Argahun
59	Bhim K. Gurung	3	Argahun
	Talbesi Women Group		
60	Bhagabati Bansi	4	Talbesi
61	Nirmala Chapai	4	Talbesi
62	Dhan Maya Sunar	4	Talbesi
63	Laxmi Pariyar	4	Talbesi
64	Sita Pariyar	4	Talbesi
65	Maya Baral	4	Budhibzar
66	Sharada Sunar	4	Budhibzar
	Talchok Women Group		
67	Sabitri Pariyar	7	Dadanak
68	Jamuna Parajuli	7	Dadanak
69	Bimala Gurung	7	Dadanak
70	Dayashwari Ranabhat	7	Dadanak
71	Mina Khadka	7	Dadanak
72	Bal Kumari Shrestha	7	Dadanak
	Pargati Women Group		
73	Lil Shova Gurung	1	Ghotghote
74	Madhu Maya Devkota	1	Sainik Basti
75	Maya Gurung	1	Ghotghote
76	Rita Chalise	12	Gagangauda
77	Chandra Gurung	12	Gagangauda
78	Til K. Pariyar	12	Gagangauda
79	Laxmi Pariyar	12	Gagangauda
80	Manmaya Dhebaju	12	Gagangauda
	Radhakrishna Women Group		
81	Bagabati Bansi	12	Gagangauda
82	Mansuri Pariyar	12	Gagangauda

83	Devi Kumari Bansi	12	Gagangauda
84	Arati Gurung	12	Baral Thar
85	Maumaya Khadka	12	Baral Thar
86	Radha Malla	14	Khudikhola
	Prerana Women Group		
87	Suddhamati Ligali	12	Gagangauda
88	Sita Gurung	12	Gagangauda
89	Bishnu Gurung	12	Gagangauda
90	Manju Legal	12	Gagangauda
91	Hema Archarya	12	Powerhouse
92	Ganga Devi Thapa	12	Powerhouse
93	Deha maya Gurung	12	Powerhouse
94	Sita Chaudari	14	Khudikhola
95	Ekamaya Pariyar	14	Khudikhola
96	Rita Rai	14	Khudikhola
97	Purnamaya Shrestha	14	Khudikhola
	Siddhatha Women Group		
98	Bishnu Gurung	1	Sainik Basti
99	Gauri Gurung	1	Sainik Basti
100	Lokmaya Gurung	12	Gagangauda
101	Sanu Gurung	12	Gagangauda
102	Surya Kumari Lamichane	12	Gagangauda
	Kalyankarin Women Group		
103	Budhimaya B.K.	13	Rajchautara
104	Dhanmaya Giri	13	Rajchautara
105	Bishnu Maya Giri	13	Rajchautara
106	Nirmala Mijar	13	Rajchautara
107	Durga Tiwari	13	Rajchautara
108	Tara Adhikari	13	Rajchautara
109	Menuka Shrestha	13	Rajchautara
110	Gaumati Gurung	13	Rajchautara
111	Parbati Gurung	13	Rajchautara

APPENDIX-II

म भानुमति गाविस वडा नं. ३, तनहुँ हाल पो.उ.न.पा. १५, कास्की निवासी श्री प्रदिप श्रेष्ठले आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघुवित्त सम्बन्धि केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव सल्लाह र जानकारी नितान्त गोप्य राखिनेछन् । उक्त कुराहरू अनुसन्धानको प्रयोजन बाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ तपाईंहरूले निम्न प्रश्नवालीहरूको उपयुक्त उत्तर भरि दिई मेरो अनुसन्धान (Research) को कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

Impact of Microfinance on women

A case study of Lekhnath Municipality

Kaski

Under the Paschimanchal Grameen Bikas Bank

- नाम,थर सहित: उमेर: शैक्षिक योग्यता:
- वडा नं: टोल: संस्था: सदस्य संख्या:
- परिवार संख्या: समुह:
- प्र.नं.१. तपाईं कुनै बचत समुहमा आवद्ध हुनुहुन्छ ? क) छ ख) छैन । यदि छैन भने किन ?
- प्र.नं.२. तपाईंको समुहको बैठक नियमित रूपमा हुन्छ ? क) हुन्छ ख) हुदैन
- प्र.नं.३. निर्णय पुस्तिकामा बैठकको निर्णय लेख्नुहुन्छ ? क) छ ख) छैन
- प्र.नं.४. साधारणतया बैठकको समयमा तपाईंको समुहका सदस्यहरू बिच मनमुटाव हुन्छ ? क) हुन्छ । यदी मनमुटाव हुन्छ भने कसरी सुल्झाउनु हुन्छ ? ख) हुदैन
- प्र.नं.५. तपाईंको समूहका सदस्यहरूको आर्थिक स्थिति कस्तो छ ? क) समान (ख) केही मात्रामा फरक (ग) बढी फरक
- प्र.नं.६. के के स्रोतबाट रकम बचत गर्नुभएको छ ?
- | | | | |
|-------------------|-------|------------------------------|-------|
| १) कृषि | ..... | २) पशुपालन | ..... |
| ३) माछापालन | ..... | ४) कुखुरापालन | ..... |
| ५) खुद्रा ब्यापार | ..... | ६) होटल तथा रेस्टुरेण्ट..... | |
| ७) पिसिओ | ..... | ८) उद्योग | ..... |
| ९) सिलाई | ..... | १०) शिक्षा | ..... |
| ११) घर खर्च | ..... | १२) अन्य | ..... |

- प्र.नं.७. अहिले समूहबाट नियमित बचत गर्नुभएको छ ? क) छ ख) छैन । यदि छैन भने किन ?
- प्र.नं.८. तपाईं समूहमा आवद्ध भएर राम्रो बचत गरेजस्तो लाग्छ वा लाग्दैन ?
क) लाग्छ ख) लाग्दैन
- प्र.नं.९. तपाईं कुन बचत कार्यक्रममा संलग्न हुनुहुन्छ ?
क) समूह बचत ख) व्यक्तिगत बचत
ग) बालशिक्षा बचत घ) अन्य बचत कोष
- प्र.नं.१०. मासिक सरदर कति रकम बचत गर्न सक्नुभएको छ ?
पहिला क) नियमित ख) ऐच्छिक.....
अहिले क) नियमित ख) ऐच्छिक.....
- प्र.नं.११. समूह बचत रकम कसैलाई सापटी वा ऋण दिनुभएको छ ?
पहिला क) छ ख) छैन अहिले क) छ ख) छैन
- प्र.नं.१२. बचत रकम कति समयसम्मका लागि ऋण दिनुहुन्छ? पहिला अहिले.....
- प्र.नं.१३. कति समयमा ऋण र किस्तावन्दी फिर्ता हुन्छ? पहिला अहिले.....
- प्र.नं.१४. सापटी दिएको रकम उठेको छ ?
पहिला क) उठेको छैन ख) आंशिक रुपमा उठेको छ ग) पुरै उठेको छ
अहिले क) उठेको छैन ख) आंशिक रुपमा उठेको छ ग) पुरै उठेको छ
- प्र.नं.१५. यदि समूहमा आवद्ध नभएको भए बचत गर्न सक्थे जस्तो लाग्छ वा लाग्दैन ?
क) लाग्छ ख) लाग्दैन
- प्र.नं.१६. अहिले तपाईंले कुनै समूहबाट ऋण लिनुभएको छ ? क) छ ख) छैन
- प्र.नं.१७. यदि लिनुभएको छ भने कुन उद्देश्यको लागि कति रकम लिनुभएको छ ?
१) कृषि २) पशुपालन
३) माछापालन ४) कुखुरापालन
५) खुद्रा ब्यापार ६) होटल तथा रेस्टुरेण्ट.....
७) पिसिओ ८) उद्योग
९) सिलाई १०) शिक्षा
११) घर खर्च १२) अन्य
- प्र.नं.१८. तपाईंले लिएको ऋण रकम उद्देश्य अनुसार लगानी गर्नुभएको छ ?
पहिलो क) छ ख) छैन
अहिले क) छ ख) छैन
- प्र.नं.१९. यदि छैन भने कुन काममा खर्च गर्नुभएको छ ?
पहिला क) पुरानो ऋण तिर्न ख) घरायासी खर्च चलाउन ग) अन्य

अहिले क) पुरानो ऋण तिर्न ख) घरायासी खर्च चलाउन ग) अन्य

APPENDIX-III

म भानुमति गाविस वडा नं. ३, तनहुँ हाल पो.उ.न.पा. १५, कास्की निवासी श्री प्रदिप श्रेष्ठले आफ्नो स्नातकोत्तर (MBS) तहको शोधपत्र (Thesis) तयार गर्ने क्रममा तपाईंहरू समक्ष लघुवित्त सम्बन्धि केही कुराहरूको जानकारी लिन गइरहेको छु । प्राप्त भएका सुझाव सल्लाह र जानकारी नितान्त गोप्य राखिनेछन्। उक्त कुराहरू अनुसन्धानको प्रयोजन बाहेक अन्यत्र प्रयोग गरिने छैन । आशा छ तपाईंहरूले निम्न प्रश्नवालीहरूको उपयुक्त उत्तर भरिदिई मेरो अनुसन्धान (Research) को कार्यमा आवश्यक सहयोग गरिदिनुहुनेछ । धन्यवाद ।

Impact of Microfinance on Women

A case study of Lekhnath Municipality

Kaski

Under Paschimanchal Grameen Bikas Bank

- प्र.नं. १. यस कार्यलयबाट प्रदान गर्ने वित्तिय सेवाहरू के के हुन् ?
- प्र.नं. २. कति प्रकारका बचत कार्यक्रमहरू संचालन गर्नुभएको छ र ति के के हुन् ?
- प्र.नं. ३. बचत अर्न्तगत व्याजदर निर्धारण गर्नुभएको छ वा छैन ? यदि छ भने कति दर निर्धारण गर्नुभएको छ ?
- प्र.नं. ४ कुन कुन कार्यक्रम अर्न्तगत ऋण प्रदान गर्नुहुन्छ ?
- प्र.नं. ५ ऋण रकम किस्ताबन्दी र व्याजदर समयमानै फिर्ता भएको छ ? क) छ (ख) छैन
- प्र.नं. ६. ऋण रकम र व्याज संकलनमा कुनै समस्या भएको छ वा छैन ? यदि छ भने के मा ?
क) ऋण रकम ख) व्याज ग) समय घ) शर्तहरू
- प्र.नं. ७. यस कार्यालयको लघुवित्त कार्यक्रमबाट महिलाहरू कति मात्रामा लाभान्वित भएका छन् ?
- प्र.नं. ८. यस कार्यलयले लघुविमा कार्यक्रम संचालन गरेको छ वा छैन ?
- प्र.नं. ९. यदि गरेको छ भने लघुविमा कार्यक्रमका शर्तहरू (Terms and conditions) के-के छन् ?
- प्र.नं.१०. यस कार्यलयबाट संचालन भएका समूहहरू बढी मात्रामा सफल वा असफल के छन् ?
- प्र.नं.११ असफल समूहका विशेषताहरू के के हुन् ?
क) जाती अर्न्तगत असफलता ग) आर्थिकस्तर अर्न्तगत असफलता
ख) संस्कृती अर्न्तगत असफलता घ) अन्य अर्न्तगत असफलता
- प्र.नं.१२. असफल समूहका लागि केही नयाँ कार्यक्रम सोच्नुभएको छ ? यदि छ भने के ?
- प्र.नं.१३. यस संस्थाको विकासको लागि के के समस्याहरू छन्?
(क) संचार (ख) संरचना (ग) मानवस्रोत (घ)अन्य केहि भए
- प्र.नं.१४. यस शाखाको वित्तिय स्थिरता (Financial Sustainability) कति मात्रामा भएको छ?
- प्र.नं.१५. यदि छैन भने के मा सुधार गर्नुपर्ला?

- प्र.नं.१६ राष्ट्रिय लघुवित्त योजना कार्यक्रमका भनेको के हो ?
- प्र.नं.१७ यस कार्यक्रम सकारात्मक र नकारात्मक पक्षहरु के के छन् ?
- प्र.नं.१८ यस कार्यक्रममा सुधार गर्नुपर्ने कुराहरु के के छन् ?
- प्र.नं.१९ लघुवित्त कार्यक्रम अर्न्तगतको Millennium Development Goals को भूमिका कस्तो रहेको छ?
- प्र.नं.२० तपाईंको विचारमा यस कार्यक्रमले महिला हरुलाइ आफैमा सक्षम हुन कतिको भूमिका खेलेको छ ?
- प्र.नं.२१ यस लघुवित्त कार्यक्रम गरिव तथा असक्षम महिलासम्म पुगेको छ वा छैन ?
- क) छ (ख) छैन
- प्र.नं.२२ यदि छैन भने गरिव तथा असक्षम महिलासम्म पुऱ्याउनको लागि के गर्नुपर्ला ?

। धन्यवाद ।

- प्र.नं. २०. लिएको ऋण समयमानै तिर्नुभएको छ ?
 पहिला क) पुरै भुक्तानी ख) आंशिक भुक्तानी ग) कुनै पनि तिरेको छैन
 अहिले क) पुरै भुक्तानी ख) आंशिक भुक्तानी ग) कुनै पनि तिरेको छैन
- प्र.नं. २१. ऋण रकम प्राप्त गर्नमा कुनै समस्या भएको छ ? छ भने के मा ?
 पहिला क) ऋण रकम ख) ब्याज ग) शर्तहरू घ) समय ङ) संकलन
 अहिले क) ऋण रकम ख) ब्याज ग) शर्तहरू घ) समय ङ) संकलन
- प्र.नं. २२. यदि ऋण लिएर कुनै व्यवसाय संचालन गर्नुभएको छ भने उक्त व्यावसाय विस्तार हुदै
 गएको छ ?
 पहिला क) छ ख) छैन
 अहिले क) छ ख) छैन
- प्र.नं. २३. तपाईंले ऋणको किस्ता भुक्तानिमा कुनै कठिनाइ भोग्नु परेको छ ?
 क) छ भने के कारणले ख) छैन
 क) छ भने के कारणले ख) छैन
- प्र.नं. २४. तपाईंले गरेको लगानीबाट कतिको आम्दानी गर्न सफल हुनुभएको छ ?
 पहिला क) अधिकतम ख) न्यूनतम ग) छैन
 अहिले क) अधिकतम ख) न्यूनतम ग) छैन
- प्र.नं. २५. व्यवसायिक लगानी र आम्दानीको विवरण :
 पहिला तपाईंको सम्बन्धित व्यवसायमा लगानी रु
 वार्षिक सरदर आम्दानी रुव्यवसायिक खर्च रु
 अहिले तपाईंको सम्बन्धित व्यवसायमा लगानी रु
 वार्षिक सरदर आम्दानी रुव्यवसायिक खर्च रु
- प्र.नं. २६. तपाईंले यस लगानीलाई भविष्यमा निरन्तरता दिएर अझ बढि लगानी गर्ने उद्देश्य छ ?
 क) छ ख) छैन
- प्र.नं. २७. तपाईं समुहमा आवद्ध भएपछि तपाइको आर्थिक अवस्थामा सुधार भएको छ ?
 क) छ ख) छैन
- प्र.नं. २८. तपाईंको आर्थिक अवस्थामा सुधार भएपछि कुन क्षेत्रलाई बढि प्रथमिकता दिनुहुन्छ?
 क) शिक्षा ख) स्वस्थ्य ग) खानपान घ) बचत ङ) अन्य
- प्र.नं. २९. तपाईं समुहमा आवद्ध हुनु अघि र पछाडीको मासिक आम्दानी कति जति छ ?
 क) हुनुअघि लगभग..... ख) हुनुपछाडी लगभग

- प्र.नं. ३०. तपाईंहरूले केहि आधारभूत तालिम लिनु भएको छ ।
 पहिला क) यदि लिनुभएको छ भने के सीपमुलक, व्यवस्थापन, अभिमुखिकरण, आधारभूत, अन्य
 ख) छैन
 अहिले क) यदि लिनुभएको छ भने के सीपमुलक, व्यवस्थापन, अभिमुखिकरण, आधारभूत, अन्य
 ख) छैन
- प्र.नं. ३१. पश्चिमाञ्चल ग्रामिण विकास बैकको कार्यवाट कति सन्तुष्ट हुनुहुन्छ ?
 क) अधिकतम ख) न्यूनतम ग) छैन
- प्र.नं. ३२. तपाईंले आफूलाई महिला उद्यमीको रुपमा खडा गर्ने कतिको आत्मविश्वास छ ?
 क) बढिनै छ ख) कम छ ग) छैन ।
- प्र.नं. ३३. पश्चिमाञ्चल ग्रामीण विकास बैकले तपाईंको जीवनस्तरमा सुधार गर्नमा भूमिका खेलेको महसुस गर्नुभएको छ ?
 क) छ ख) छैन ।
- प्र.नं. ३४. तपाईं आफूलाई कुन वर्गको महिलाको रुपमा वर्गीकरण गर्न चाहनुहुन्छ ?
 क) अति गरिब ख) गरिब ग) धनी घ) अति धनी
- प्र.नं. ३५. अति गरिब महिलाको आर्थिक अवस्था सुधारनको लागि ग्रामिण विकास बैकले के गर्नुपर्ला ?
 क) कम व्याजदर ख) बढि ऋण रकम प्रदान गर्नु ग) लामो समयको लागि ऋण प्रदान गर्नु
 घ) माथिका सबै
- प्र.नं. ३६. तपाईंको खेतवारी कस्तो प्रकृती र त्यसको उत्पादन कति छ ?
 पहिला खेतको प्रकृती उत्पादन (मुरी) अहिले खेतको प्रकृती उत्पादन (मुरी)
 १ १ १ १
 २ २ २ २
 ३ ३ ३ ३
- प्र.नं. ३७. तपाईंको घरको छाना केको छ ?
 पहिला क) खरको ख) टिनको ग) ढलानको
 अहिले क) खरको ख) टिनको ग) ढलानका
- प्र.नं. ३८. तपाईंका घरमा भएको सामग्रीमा ठिक लगाउनुहोस् ?
 पहिला क) रेडीयो ख) टि.भी. ग) डेक घ) मोवाइल
 अहिले क) रेडीयो ख) टि.भी. ग) डेक घ) मोवाइल

- प्र.नं.३९. जागरण सम्बन्धी
प्रश्नावलीहरू :
- ३९.१ तपाईंलाई लेखपढ गर्न
३९.२ हरहिसाव गर्न
३९.३ मानिसहरूको अगाडी बोल्न
३९.४ समुह मिलेर काम गर्न
३९.५ छोराछोरी पढ्ने स्कुल
३९.६ घरमा चर्पि
३९.७ गोबर ग्यास
३९.८ घरमा दुहुनी गाई/भैसी
३९.९ पानी फिल्टर
३९.१० छोराछोरीलाई १ वर्षमा कतिजोर कपडा किन्नु हुन्छ
३९.११ उपचार गर्नजान्ने ठाउँ

पहिले		अहिले			
आउथ्यो	आउदैनथ्यो	आउछ	आउदैन		
आउथ्यो	आउदैनथ्यो	आउछ	आउदैन		
सक्थे	सकिदन्थे	सक्छु	सकिदैन		
सक्थे	सकिदन्थे	सक्छु	सकिदैन		
नीजि	सरकारी	नीजि	सरकारी		
थियो	थिएन	छ	छैन		
थियो	थिएन	छ	छैन		
थियो	थिएन	छ	छैन		
थियो	थिएन	छ	छैन		
१	२	३	१	२	३

धामी भाँकी
घरेलु उपचार
स्वास्थ्य चौकी
अस्पताल

। धन्यवाद ।

APPENDIX - IV

Amount Invested by Respondents

Before		Amount in Rs.	After		%Increase/ Decrease
%	Numbers		Numbers	%	
25.58	22	0-10,000	18	17.65	(7.93)
20.93	18	10,000-20,000	21	20.59	(0.34)
18.60	16	20,000-30,000	17	16.67	(1.93)
12.79	11	30,000-40,000	18	17.64	4.85
13.96	12	40,000-50,000	17	16.67	2.71
8.14	7	50,000-60,000	9	8.82	0.68
0.00	0	60,000 & more	2	1.96	1.96
100.00	86	Total	102	100.00	

Amount	Mid Value (X)	Before		After		$(X - \bar{x}_1)^2$	$(X - \bar{x}_2)^2$
		Number (x_1)	Total ($X * x_1$)	Number (x_2)	Total ($X * x_2$)		
0-10,000	5,000	22	110000	18	90000	$(-19302)^2$	$(-22941)^2$
10,000-20,000	15,000	18	270000	21	315000	$(-9302)^2$	$(-12941)^2$
20,000-30,000	25,000	16	400000	17	425000	$(698)^2$	$(-2941)^2$
30,000-40,000	35,000	11	385000	18	630000	$(10698)^2$	$(7059)^2$
40,000-50,000	45,000	12	540000	17	765000	$(20698)^2$	$(17059)^2$
50,000-60,000	55,000	7	385000	9	495000	$(30698)^2$	$(27059)^2$
60,000 & more	65,000	0	0	2	130000	$(40698)^2$	$(37059)^2$
Total		86	209000	102	2850000	3,601,130,428	3,148,608,367

We have,

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

$$\text{Before entering PGBB program } \bar{x} = \frac{\sum x}{N} = \frac{2,090,000}{86} = 24,302$$

$$\text{After entering PGBB program } \bar{x} = \frac{\sum x}{N} = \frac{2,850,000}{102} = 27,941$$

Where, \bar{x} = Arithmetic Mean

$\sum x$ = Sum of Observations

N = Total no. of Observations

$$\text{Standard Deviation } (\sigma) = \sqrt{\sum (x - \bar{x})^2 \frac{1}{N}}$$

$$\text{Before entering PGBB program } (\sigma) = \frac{\sqrt{3,601,130,428}}{86} = \sqrt{41,873,609.60} = 6,470.98$$

$$\text{After entering PGBB program } (\sigma) = \frac{\sqrt{3,148,806,367}}{102} = \sqrt{30,870,650.70} = 5,556.14$$

Where, σ = Standard Deviation

$\sum (x - \bar{x})^2$ = Sum of the square of deviation taken from mean.

N = Total number observations.

$$\text{Before entering PGBB program C. V.} = \frac{\sigma}{\bar{x}} = \frac{6,470.98}{24,302} = 0.2663 = 26.63 \%$$

$$\text{After entering PGBB program C. V.} = \frac{\sigma}{\bar{x}} = \frac{5,556.14}{27,941} = 0.1989 = 19.89 \%$$

	Before	After	Result
Mean income	24,302	27,941	Increased
C.V	26.63 %	19.89%	Decreased

APPENDIX - V

Monthly Income of Women

Before		Income Range in Rs.	After		% Increase/ Decrease
%	Numbers		Numbers	%	
35.65	41	0-5,000	33	31.69	(3.96)
27.72	33	5,000-10,000	29	25.74	(1.98)
16.83	19	10,000-15,000	24	20.79	3.96
11.88	11	15,000-20,000	15	12.87	0.99
7.92	7	20,000 & more	10	8.91	0.99
100.00	111	Total	111	100.00	

Amount	Mid value (X)	Before		After		$(X - \bar{x}_1)^2$	$(X - \bar{x}_2)^2$
		Number (x_1)	Total ($X * x_1$)	Number (x_2)	Total ($X * x_2$)		
0-5,000	2,500	41	102500	33	82500	$(-5,946)^2$	$(-7,270)^2$
5,000-10,000	7,500	33	247500	29	217500	$(-946)^2$	$(-2,270)^2$
10,000-15,000	12,500	19	237500	24	300000	$(4,054)^2$	$(2,730)^2$
15,000-20,000	17,500	11	192500	15	262500	$(9,054)^2$	$(7,730)^2$
20,000 & more	22,500 (Assume)	7	157500	10	225000	$(14,054)^2$	$(12,730)^2$
Total		111	937500	111	1087500	332,174,580	287,264,500

We have,

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

$$\text{Before entering PGBB program } \bar{x} = \frac{\sum x}{N} = \frac{937,500}{111} = 8,446$$

$$\text{After entering PGBB program } \bar{x} = \frac{\sum x}{N} = \frac{1,087,500}{111} = 9,770$$

Where, \bar{x} = Arithmetic Mean

$\sum x$ = Sum of Observations

N = Total no. of Observations

$$\text{Standard Deviation } (\sigma) = \sqrt{\sum (x - \bar{x})^2 \frac{1}{N}}$$

$$\begin{aligned} \text{Before entering PGBB program } (\sigma) &= \frac{\sqrt{332,174,580}}{111} = \sqrt{2,992,563.78} \\ &= 1,729.90 \end{aligned}$$

$$\begin{aligned} \text{After entering PGBB program } (\sigma) &= \frac{\sqrt{287,264,500}}{111} = \sqrt{2,587,968.47} \\ &= 1,608.72 \end{aligned}$$

Where, σ = Standard Deviation

$\sum (x - \bar{x})^2$ = Sum of the square of deviation taken from mean.

N = Total number observations.

$$\text{Before entering PGBB program C. V.} = \frac{\sigma}{x} = \frac{1,729.90}{8,446} = 0.2048 = 20.48\%$$

$$\text{After entering PGBB program C. V.} = \frac{\sigma}{x} = \frac{1,608.72}{9,770} = 0.1771 = 17.71\%$$

	Before	After	Result
Mean income	8,446	9,770	Increased
C.V	20.48 %	17.71%	Decreased