

CHAPTER-ONE

INTRODUCTION

1.1 Background

Nepal is the 12th poorest country in the world having US dollar 311.00 per capita income (Statistical pocket Book of Nepal 2006) but there is the possibility of economic development because of water resources, biodiversity and beauties of the country, which are under utilized. The main reason of poverty is an obstacle of capital investment.

Consumption is always high in proportion to investment. Like in other developing countries, Nepalese are in the vicious circle of poverty. So they can not save from their income to investment. Some reasons of the poverty are geographical diversity, defective government policy, illiteracy and conservative society.

Nepal can not develop itself in the economic area without help of foreign support (it may be loan or grants). So many donor countries are providing loans and aids directly through governments, NGO and INGOs to eliminate poverty and backwardness of the country.

Women play vital role in the family intuition in our society. Women's legal status have been changed with new laws moving towards participation in political and economic sectors, a few women are working as doctor, agriculturists, engineers, layer, pilot and scientists but in reality large numbers of women are in limited educational skills and getting few formal opportunities for self employment activities. Most of these activities do not provide them sufficient income to reduce their poverty. Numerous national and international organizations have been established and have carried out their programme to enable women awareness about their roles and rights.

Occupying more than half of the population of the country, Nepalese women are under privileged and disadvantaged in terms of their socio economic status in comparison to their male counter parts. Although the UNO had declared 1975-1985 as a "UN decades for woman", the necessity of involving women in the development process was realized only after the 6th five year plan (1980/81-1984/85) in Nepal.

Poor women are generally unable to have access to financial sector due to lack of tangible collateral with them. They must rely upon the much more expensive sector, so the women development division in 1982 under the ministry of Panchyat and local development started to provide production credit for rural women, PCRW Project in five districts to provide facilities to poor women with the united nations children's fund support. The production credit for rural women program was found to be successfully empowering rural women and their families and integrating them into the social, political and economic main stream to Nepal.

To improve the status of women and to reduce poverty, Nepal's government is conducting micro finance program as a main program. Similarly, the popular NGO (DCRDC) is also conducting micro finance programme in Baglung and neighbor districts to empower women's economic condition since Bhadra 2058.

1.2 Overview of Nepalese Economy

Nepal has adopted mixed economy. Basically, Nepal is an agricultural country where more than 80% of the total population is dependent in agriculture sector. This sector contributes more than 40% to GDP. To put it in a nutshell, agriculture is the back bone of our country, as it is the main source of the employment, production and income. The proportion of agriculture and non-agriculture sectors contribute to gross domestic product (GDP) in around 40:60 ratio. Its economy is passing through ever difficult U-turn in terms of economic growth going down ward. Its annual growth rate remains amongst lowest in the 1990's.

The growth of domestic product of Nepal is increasing on the very slow scale and it is fluctuating between 2.30 to 3.54% (statistical pocket book 2006). The current 10th plan has its dependency on foreign assistance by 57% out of loan imposing burden of the payment of the Principal and the interest of the loan reflects the lack of the well power of the planner in mobilizing grant. In 9th plan actual growth rate was only 3.6%. The 10th plan has the target of having 6.2% average annual growth rate of gross domestic product. To achieve this, the annual growth rate of agriculture sector will be 4.1% while that on non agriculture sector will be 7.5%.

1.3 Importance of financial Institutions.

Financial institutions can be considered as the catalyst of the economic growth of the country. The development process of a country involves the mobilization and development of resources and a financial institution can play the role of financial intermediary. In the present economic context, the financial institutions have become much more significant than ever. Their activities like lending towards priority sector deprived sector and there by helping in income generating activities for the poor can be considered as the major role played by them for the Endeavour toward poverty alleviation. In Nepal, there are several kinds of financial institutions such as commercial banks, development banks, financial companies, co-operatives involving in saving and credit activities etc. most of the financial institutions are under the regulation of Nepal Rastra Bank (NRB) the central Bank of Nepal.

1.4 Emergence of micro finance in the context of Nepal

Small farmer development program (SFDP) is the first institutional micro credit program in the country, which was initiated in 1975 as a pilot program by the agriculture development Bank of Nepal (ADBN) and expanded services to about 2,00,000 small farmers through out the country. But since late in 1980's SFDP shows the poor performance in the loan recovery. To solve the problem ADBN adopted strategy of gradually transforming the SFDP field offices into small farmer co-operatives limited (SFCL). Now there are about 128 SFCL covering 74,737 members all over the country.

In 1982 the government of Nepal (HMGN) launched project on credit for rural women (PCRW) in collaboration with two public sector commercial banks and ADBN. But its outreach was limited to solve the problem HMGN initiated micro credit projects (PCPW) in 1994 with the assistance of the Asian development Bank (ADB) and it was implemented with the partnership of potential NGO's and co-operatives in 12 districts and municipalities.

During 1992-1996, five regional rural development banks, Gramin Bikas Banks (GRB) were established with the instantiation of micro finance services to a large number of poor house holds throughout the country. All of them have followed the operational morality of the Gramin Bank Bangladesh.

Then rural micro finance development centre was established as an apex micro finance organization of country in 1998 to promote the micro finance all over the country. And other four NGO's having considerable experience in micro finance development bank (MFDB).

There are Nirdhan Uthan Bank Ltd. Swabalamban Bikas Bank Ltd, Chhimek Bikas Bank Ltd. and Deprose Bikas Bank Ltd. They have altogether served about 6, 00,000 house holds. Majority of them belong to poorest of the poor. There are also large numbers of NGO's and saving and credit co-operatives (SCCS) operating saving and credit activities as one of their major activities throughout the country.

1.5 Statement of the problem.

Nepal is a developing country where women are poorer than men because they lack access to health, education and economic resources. The main reason is the conservative culture like to measure son as an assets and daughter as a liability to the family. Most of the women of Nepal are involved in agriculture but are not recognized as farmers. Men and women do the same work but the wage is different. In the morning and evening, women are busy as house wife and take care of cattle and in the rest time, they work farming activities and other hard works. On the other hand, mostly men are in tea shops in the morning, playing cards in the afternoon and dominantly discussing with their wives in the evening. Thus women have greater household responsibilities than men, but the ownership rights over the family properties rest with men not with women.

In Nepal, different type of programs have been launched such as priority sector credit program (PSCM), small farmer development program (SFDP), Integrated rural development program (IRDP), production credit for rural women (PCRW), participatory district development programme (PDDP), micro credit project for women (MCPW), which are intended to up lift the rural poor, specially for women. The government has also conducted micro finance program (MFP) effectively.

There are various constraints of the micro finance program to achieve its objectives and development goals. People of the study area are not so literate. Women literacy rate is less in proportion to men. The focus of micro finance program is for ultra poor to improve their sustainable economic condition.

Converting the labor mind into business mind is difficult task. Utilization of loan is not easy in the beginning period. If the loan is not utilized in proposed works, it will become a burden in future. As a result, the poor becomes poorer both economically and morally. If there is mistake in loan utilization, then norms of micro finance fail down in a center and there can be similar situation in other centers. To train the women, to select proposed work, to determine the needed amount of loan and to get benefits from the loan are difficulties in micro finance activities under the environment of malnutrition, poor health, illiteracy and conservative culture. The research focuses on effectiveness of micro finance program for women to improve the status of them and poverty reduction in their families. This study has tried to solve the following research problems.

- a) What is the programme's impact on women in context of poverty reduction?
- b) What is the effect in the status of women?
- c) What is the perception of user groups towards the programme?
- d) What is the sustainability of the programme?

1.6 Objectives of the study.

The main objectives of the study was to make inquiry into DCRDC's micro finance programme in order to get the true picture in this context; the following functional objectives were as follows.

- a) To evaluate the impact of the programme in context of poverty reduction.
- b) To examine the improvement in the status of women by the programme.
- c) To measure the perception of user group towards the programme.
- d) To access the financial sustainability of the programme.

1.7 Importance to the study.

The socio-economic situation of the population in general and women in particular is quite grim. The plans, programs and projects are made in Kathmandu with the help of donors, usually flow like ripples and surface and leave this hard core who lie like bed rocks at the bottom completely untouched (Gurugharana, K.K." Poverty and poverty reduction Agenda in Nepal, 1997, pp-24)

The study is important because Government of Nepal has initiated micro finance programs where the government agency not only organized groups of women but also provided commercial credit and saving.

The study is significant because for the first time, the government is promoting development banks and NGO's with the apex organization like RMDC for promoting micro finance program. It will be useful for donor researcher and students to enrich their knowledge on micro finance program for poverty reduction.

The micro finance program for women has invariables involved many different kinds of peoples, agencies. In this way, it has many challenges. The impacts of the program on its intended beneficiaries depend on the quantities of its performances which intern depends on the integration of all related factors. So through the study of DCRDC micro finance program, the impact of the program could be assessed and attempted could be made to rectified possible defects and strengthen of the program. The findings may also reveal target group member participation desires and problems the knowledge of which could enables officials concerned to modify the program activities.

1.8 Limitation of the study.

Micro finance is one of the financial institutions establishing to emphasis poverty reduction in rural area of nation. While researching on this topic with above mention objectives, various limitations have been faced. Some major limitations of this research have been out lined below.

- 1) Concerning only on micro finance program (relation of saving and investment only) of DCRDC Baglung, the study does not represent the exact picture of women in the other areas of the country and result may not be suitable for generalization.
- 2) Collecting information from all members was not possible, so the study has been based on sampling method.
- 3) All the direct and indirect impact of the micro finance programme has not been studied due to time and budget limitation.
- 4) The study took consideration of last five years data.
- 5) The accuracy of this study is based on true response and the data available from management of the DCRDC.

- 6) The study is based on primary data as well as secondary data.
- 7) The study has been conducted for partial fulfillment of the requirements for the degree of master in business study.

1.9 Organization of the study.

Keeping the above objectives in mind, the present study has been organized in the following five major chapters besides: (bibliography and appendices, the preliminaries contain title, approval letter, Recommendation and Acknowledgement, table of contents, list of tables, list of figure, abbreviation.)

1) Introduction.

This chapter includes background, current picture of Nepalese economy, the importance of financial institution, context of micro finance, statement of the problem, objectives of the study, significance of the study, limitation of the study and organization of the study.

2) Review of literature

This chapter includes concept of micro-finance institutions, Introduction of DCRDC, mission, goals, objectives, guiding principals of DCRDC, partners / funding agencies of DCRDC, DCRDC and its micro finance programme and the various study and research that had been already studied.

3) The Research Methodology

This chapter includes the research design, data collection procedure and the tools and techniques used in the analysis of data.

4) Presentation and Analysis of Data

This chapter is one of the main parts of the study. It includes almost data and graphs are interpreted in such a way, so that the objectives of the study can be achieved and the major findings of the study are also presented.

5) Summary, Conclusion and Recommendation

In this chapter, Summary and conclusion will be presented. So that the whole pictures of the study can be understood in short form. Recommendation for the Improvement of the DCRDC and its micro finance programme will be presented.

References books, magazines, newspapers and previous dissertations are shown under bibliography.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction

This chapter emphasizes about the literatures which were already been studied in these connections. Therefore in this chapter conceptual frame works by different authors and intellectuals of the area are incorporated. The sources of materials reviewed are from various books, articles, research papers, periodicals, booklets, and concern websites, previous dissertations in the relevant subject matter etc.

2.2 Conceptual Review

2.2.1 Micro finance concept.

The micro finance was set up in the form of Grameen Bank of Bangladesh in 1976 by the peace novel prize winner (2006) Bangladeshi economists' professor Muhammad Yunis. He started micro loans which may be anything from a few pounds upwards used for income generating activities such as buying rice to husk and sell or to protect a borrower from paying extortionate rates to money lenders for essential needs such as house repairs, weeding or funerals. The loan is given at an interest rate higher than bank rates to cover the high cost of administrating small size loans but lower than money lenders' rates. Saving is also crucial to micro finance, both institutionally in that they make up much of the loan capital and also as a safe place for people to deposit their money.

Grameen Bank defined three C's as follows (Grameen Bank micro credit summit 1997)

1) **Character:**

How a person has managed debt obligation in the past from the credit history and personnel background, honesty and reliability of the borrower to pay credit debt in determined.

2) **Capacity**

How much loan borrower can comfortably managed income stream are analyzed and only legal obligations considered as they could interfere in repayment.

3) **Capital:**

Borrower's current available assets, such as, real estate saving or investment that could be used to repay debt if income is unavailable.

These three characters, capacity and capital play a vital role in credit repayment viability of a loan.

Micro finance has evolved as an economic development approach intended to benefit low income woman services to low income clients, including the self employed. Financial services generally includes saving and credit. In addition to financial intermediation, MFIS provides social intermediaries services such as group formation, development of self confidence and training in financial management capabilities among members of a group. Thus the definition of micro finance often includes both financial intermediation and social intermediations. Micro finance is not simply banking, its a development tool. Its activities generally involve:

-) Micro saving, micro credit and micro insurance.
-) Small loan typically for working capital.
-) Informal appraisal of borrowers and investment.
-) Collateral substitute, such as group guarantees or compulsory saving.

2:2.2 Definition of micro finance:

- 1) "Micro finance could be defined as a provision of a broad range of financial services such as deposits, loans, money transfer and insurance to small enterprises and house hold" (-ADB manila micro finance -An interim action plan June 1998)
- 2) "Micro finance deploys a small amount of short term working capital and in some cases longer term investment loans and provides deposit facilities to small scale business and house holds" (Rachel Rock in form Malaysia to mainstream Jan 1997)
- 3) "Micro finance broadly is providing financial services to the poor under the premises that they are marketable and if they get the opportunity they can earn and pay." (Uprety, Tulasi Pd., public policy and micro finance)

2.3 Micro finance and poverty Reduction:

Poverty has always been a concern of micro finance. In the early days of the micro finance revolution, practitioners celebrated the creation of new financial methodologies that allowed institutions to reach families below the poverty line. As the micro finance field has matured, subfields have emerged some micro finance institutions MFIS use methodologies that target the very poor as a separate client group, while others are based on non targeted financial services for all those who lack access to formal credit institutions. As these various branches of micro finance have developed the field has seen increasing debate about which program and methods serve not only the poor, but also the "poorest of the poor".

There are multiple efforts under way to identify the depth of outreach of programs in poor communities some undertaken by practitioners and others by donor. For practitioner organizations these efforts have typically been attempted to empirically test whether they are reaching their target clientele. More, recent practitioner and donor efforts have tried to collect information from a wide range of MFIS, looking for poverty assessment methods that have been successful. Micro finance is defined as "financial services to the poor". It means micro finance can defined poverty, which itself is not as easy as it seems. (Joan k Hatch and Laura Frederick: Poverty assessment by MFIS: 1998)

The given definition of micro finance indicates the role and importance of micro finance widely accepted as a tool of poverty reduction. Not only tool, it helps clients to attain self employment, generate employment and income to the poor families, commitment development, awareness building and helps to develop society as a whole. Micro finance approach and model as field of knowledge and study has also broken barriers of traditional assets based on lending of commercial banking theories. It has created new and powerful knowledge that poor are bankable. They could be good client of financial services industry, if the model is clearly and carefully built and operated. Micro finance practices in different countries of the world demonstrate very clearly that it is a very effective tool of empowerment not only of economic but also of social condition. The center stage of all of this is access to finance, which has a multiplier effect in the ignition process of development. It also creates institutional base and breaks barriers created by exorbitant informal finance in case of Nepal.

There is a general consensus world wide that micro finance is useful and powerful tool of poverty reduction. Its major achievements are considered as enhancing income of the poor, enhancing their decision making abilities, fostering self employment, uplifting empowerment level of poor men and women and overall term increasing productivity in the economy. This process helps vicious cycle of poverty and inducing economic growth of the country. Because of its benefits, many international, regional and local initiatives to foster micro finance has been initiated. Examples are: micro credit summit campaign, woman's world Banking, Grameen Bank financial system and its replication etc.

The book entitled micro finance and poverty reduction (1997) Oxfam UK by Susan Johnsan and Ben Royally is significant book for the proposed study, can be considered as:

-) In focusing on microfinance emphasis has been given on the need that poor people have for a wide range financial series. These needs are evidence by the users made of financial services that already exists but which are usually internal in nature. This shift in emphasize away from the provision of credit solely for income generation towards a range of financial services is consistent with an understand ing of poverty which looks beyond low income to vulnerability and powerlessness providing micro finance can give poor people the means to protect their livelihoods against shocks as well as protecting their livelihood activities by investing loan capital.
-) In any place, at any time, the needs for poor people for financial services are money and varied depending on individual circumstances. Some will be saving for the future, while other will be facing for crisis and still other wish to obtain the loan to invest a program of flexible services, which can be adopted, to meet this different need is more likely to be relevant and useful to poor people.
-) An NGO can play a useful role in promoting financial services. This can made use of an NGO's skill in mobilization training and management in establishing groups who under take interval saving and credit promoting user owned small scale initiatives such as thrift co-operative and credit union linking groups to banks bringing in NGO which as especial expertise in financial services (of whom there are a growing numbers) or under

taking advocacy with in the country to involve the formal banking system in micro finance.

- J The model subsidized credit was suspected to steady criticism for mid 1970s as donors and other research allocates switched attention from state intervention to market based solutions. Policy makers were reminded that credit could also be described as debt and the over supply of subsidize credit with out realistic assessment of people ability to repay could result in improvement for borrowers.

Gurugharana K.K. (1997), in his article poverty alleviation and human development, describes that women are relatively more deprived because on intrahouse hold and social and legal discrimination against them most rural females of aged above 15 years are lactating or pregnant and give birth to about six children during their reproductive years. A recent UNICEF report on the status of women and children in Nepal reports and contains through disparity start right from birth and continues through different stages of the women life. It is depended and perpetuated through various rituals. The Nepalese preference for sons is one of the highest in the world. Sons are considered assets and daughter's as liabilities; although females bear at least 25% more work load than males. The education, health and nutrition statues of females are much lower than of males. Both the girl child and adult women suffer more severely from the consequences of poverty. Disparities in access to economic resources and social services are the two major courses for the larger deprivation of females. The gender disparity is an important issue to poverty alleviation programms, because health and education of mothers influence the well being and future of their children and other family members also. So it suggests the need for programs targeted towards women until they are brought in the mainstream of the economic resources and social services. Many poor women are unable to benefit from traditional poverty alleviation programs.

A background study done by NGO support entitled "Review of the poverty alleviation credit system currently operated in Nepal"(1997), out lined some notable facts as:

- a. In various poverty alleviation credit systems the most common but not universal elements observed are;

- J The use of small group as a vehicle for credit delivery.

-) product diversification (Credit, saving, insurance and other support services)
-) Increasing willingness to pay (high repayment rate)

II) Poverty Focus model:

While the poverty focus campaign argues that the MFIS should reach the poor by doing as followings.

-) To reduce social overhead cost of MFIS, they should co-ordinate their program with other agencies.
-) Have product diversification.
-) Create local and national level pressure group.

2.5 Outreach of micro finance in Nepal:

In Nepal, traditionally there were many programmes developed by government and government agencies in the formal micro finance sector and by private organizations in the private and informal sector. The present status and estimated micro finance outreach of various programs is as follows.

Table No.1							
Status of Major Micro-Finance Service Outreach							
S.N	Institutions	Member	Borrowers	Cummulative Disbursement	Outstanding Loan	Group Saving Balance	Repayment Rate in (%)
		(in '000)	(in '000)	(RS,in '000)	(RS,in '000)	(RS,in '000)	
1	SFDP	189	189	NA	890597	50388	40.42
2	SFCL	69	69	1829125	980431	N.A.	80.05
3	PCRW	67	67	360,000	168,000	N.A.	64
4	EGB*	53	49	2895883	354172	125803	97.5
5	CGB*	36	35	957597	220930	37873	100
6	WGB*	40	39	1481506	271314	78954	99.7
7	MWGB*	19	16	568250	92219	42195	93
8	FWGB*	19	11	668351	101097	45859	75
9	NUBL##	35	28	1184017	206900	56673	97.2
10	CSD###	38	32	800,874	178,969	47,209	100
11	DEPROSC#	9	6	66570	30201	8561	100
12	Chhimek Samaj##	4	3	40826	20121	5379	100
13	NRDSC	3	2	4,410	3,724	392	100
14	Priority Sector Lending						
	(RBB and NBL)	130	130	N.A.	N.A.	N.A.	N.A.
	Total	711	676	10857409	3518675	499286	
15	Informal Groups(SHG's)	240	120	-	480000	400,000	95%
16	SCCs	320	160	-	320000	300000	95%
	Total	560	280		800000	700000	
	: Mid July 2001,# Mid July 2002, * Mid October 2002, ## Mid January 2003.						
Table No.2							
S.N	Partner's Name	Approved	Rate of Interest	Disbursed	Amount Recovered	Outstanding Balance	(Rs.in '000)
		Amount		Amount	Amount		
		(Rs.)		(Rs.)	(Rs.)	(Rs.)	
1	Grameen Bikash Bank	120,000	6.50%	80,000	27,800	52,200	
2	Development Bank	94,500	6.0-6.5%	76,100	30,010	46,090	
3	NGOs	80,360	1.0-6.5%	54,445	29,014	25,431	
4	SCO's	4,200	1.0-6.5%	4,200	1,885	2,315	
	Total	299,060		214,745	88,709	126,036	

Source: Upreti up dates and CMF estimates, NRB.

2.6 The micro finance sector in Nepal.

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

Micro finance sector in Nepal

Institutional Based Sector	Community Based sector
a. Nepal Rastra Bank	a. Financial intermediary Non government organization
b. Rural self Reliance fund	b. Saving and credit Co-operatives
c. Rural micro finance Development center	c. Saving and credit groups
d. Commercial banks	d. Traditional saving and credit groups
e. Small farmer development Bank	
f. Development bank	

Sources: [<http://www.cmfnepal.org/mf-nepal.p.htm>]

2.6.1 The Institutional Sector

a) Nepal Rastra Bank (NRB)

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

b) Rural self reliance fund (RSRF)

In 1990 HMGN introduced a fund of NRs 10 million to provide a wholesale fund for small co-operatives and rural based NGOs to lend to micro entrepreneurs. Further in 1999, government provided additional support of NRs 10 million to the RSRF. Since the beginning, the fund has been hand led by NRB. Up

to mid July 2002, RSRF sanctioned loans to 48NGOs and 129 co-operatives amounting to NRs 18.15million and 34.21 million respectively.

c) Rural micro finance Development center (RMDC)

In 1998 financial support of ADB manila NRB, banks and financial institutions together injected equity to form the micro finance apex institution Rural Micro Finance Development Center (RMDC) incorporated in 1998 mainly to extend wholesale fund to the micro finance institutions. AS of mid 2002, RMDC had approved NRs 204.8 million in loans to 17MFIS and disbursed NRs 107.8 million. Its mand ate includes capacity building for MFIS and ultimate borrowers in addition to providing a fund for on lending to them.

d) Commercial Banks (CB)

According to the NRB, directive commercial banks need to extend at least 3% of their total loan outstanding to the deprived sector. CBS are extending the 3% fund is equity and also providing wholesale loans to MFIS. At present, 17 commercial banks are extending credit to the deprived sector, amounting to NRs 3482.6 million.

e) Small Farmer Development Bank (SFDB)

SFDB was established in 2002 under the development bank act of 1996 to provide wholesale funds to small farmer co-operatives ltd. (SFCL). SLCL were developed by the SFDB of ADB/N to make groups of small farmers self reliant and sustained. Until now, the total number of SFCL affiliated with the SFDB is 35 and the total number of groups within the SFCL is 3434.

f) Development Banks (DB)

Some development banks formed under the development bank act 1996 are implementing micro finance activities in rural areas. Prior to becoming development banks, some institutions were active as NGOs in the field of social development as well as in micro finance. Among these banks 5 are regional rural development banks in the government sector and 6 are micro finance development banks established by private sector.

2.6.2 The Community Based Sector.

a. Financial Intermediary Non government organization (FINGO)

Normally NGOs in Nepal (at least those registered under the societies Act) have not been entitled to under take profit oriented activities such as financial intermediation. However the rapidly growing engagement of NGOs in social

development has created a need for extending some basic financial services such as micro finance services. To address the lack of institutions providing MF services in many areas of the country, the central bank of Nepal (NRB) has provided a mechanism by which selected NGOs can engage in financial intermediation activities. These activities are defined as the borrowing and on lending of funds. But do not include direct deposit taking from the public. Currently, a couple of dozen NGOs have already been licensed by NRB. The last session of parliament approved changes in the financial intermediary Act of 1998, which now allows FINGOs to collect savings from the members of groups.

b. Saving and credit co-operatives (SACCOS)

SACCOS are member owned controlled and capitalized organizations, which provide financial services to members. There are more than 2300 SACCOS registered with the co-operative. Department in Nepal and approximately 400 of these are members of the national federation.

c. Savings and Credit Groups (SCGS):

There are ten thousand s unregistered SCGS in Nepal. Some of which are quite large even though they are not registered either as NGOs or co-operatives. The vast majority of these SCGs grew out of assorted development initiatives (literacy programmes, water and forestry user groups, mother and child programmes etc) into which a saving component had been introduced, if only to strengthen the livelihood that the group would continue to meet and be activities, after the specific programme intervention had been completed. Given the limited prospects of such smaller groups, and the problems that promoting agencies face in maintaining outreach to large numbers of scattered, small groups, considerable attention is being paid nowadays to mechanisms for federating and institutionalizing these groups.

d. Traditional Saving and Credit Groups:

Nepal has a long history in the operation of traditional savings and credit associations, often referred to in the literature as a rotating savings and credit association which known locally as Dhukuti or similar terms. There tend to be non-registered, but quite formally structured in terms of membership rights and obligations.

2.7 Introduction of DCRDC

2.7.1. DCRDC Baglung

DCRDC Baglung is one of the most famous NGOs of Balung District. Which is a non-government, non-profit government registered organization established since 1995 by the local residents of Baglung in Baglung Districts. It is regional based NGO to render the social services to the poor and disadvantaged people in the rural area. It is also affiliated with social welfare council and NGO federation of Nepal. The Head office of the NGO is situated in the side of Baglung municipality ward number 11.

DCRDC has been growing as a regional resources center for the local development within the western development region of Nepal. In spite of the limited scope and resources, the organization has achieved a significant success in reducing poverty through the social economy of men of backward communities. This organization has been conducting many programmes of social mobilization in 171 VDC 2 metropolitan city, own self NGO and 24 joint centers of Baglung, Parvat, Myagdi, Kaski, Gulmi and Arghakhanchi Districts. It has been successful in harnessing the trust the necessary support for the local communities government line agencies concerned and various donors in this regard.

The vision of DCRDC is to "Become of pioneer development organization in the western development Region of Nepal for helping community to enjoy their full democratic self esteemed and self reliant abundant lives through the creation of healthy and equitable society."

DCRDC contributes to improve the overall living stand ard of the people, especially of those poor marginalized and disadvantaged community groups, and women through creation of social capital and facilitating access to economic opportunities, especially those who had been excluded from the development of main stream for generations through conducting policy advocacy, awareness raising programs through social mobilization, community empowerment and promotion of suitable economic enterprises for the targeted communities in the working districts.

2.7.2 Goals of DCRDC

-) To ensure social inclusions and gender main streaming in community development process.
-) To increase access to basic services by poor, marginalized and disadvantaged community groups in the society.
-) To improve overall living conditions of the rural people, especially the poor, marginalize and disadvantaged community groups.
-) To establish as a viable and vibrant community development resource center in the western development region of Nepal.

2.7.3 Objective of DCRDC

The overall goal of DCRDC is to contribute to improve the living stand ard of the local communities through optimum utilization of local resources by implementing targeted integrated rural development programs in its working districts. However, the specific mission objectives of the organization are:

-) To improve the living stand ard of the women and marginalized group of the people by conducting various kinds of income generating programms;
-) To enhance the physical mental and leadership quality of youth in the community and use their skill in the development activities;
-) To provide safe drinking water to community people to reduce communicable and contagious diseases and provide them health and sanitation education for keeping healthy environment in their surroundings;
-) To conduct the program in environmental protection, child labor elimination and gender equality;
-) To establish rural credit bank through the promotion of saving and credit program;
-) To facilitate other NGOs through the establishment of and umbrella organization;
-) To conduct the different types of workshop and training for capacity building of local NGOs, VDCs and other line agencies; and
-) To facilitate for renewable energy(Micro-hydro/ICS) development in the rural areas by making maximum end use for their livelihood development.

2.7.4 Guiding Principals of DCRDC

-) Community development is possible only when community people are involved at every step of development programs.
-) Gender, social, economical, political environmental equities together with institutional capacity building of grass root organizations are indispensable for sustainable development.
-) Community can reap a greater degree of benefit even with limited resources if a holistic approach is taken in the mobilization of internal and external resources.
-) Local NGOs and CBOs could play a vital role in local development process.

Wide spread poverty among the various strata in the community could be alleviated by implementing targeted program through collective efforts of all stakeholders engaged in the development process.

2.7.5 Partners/Funding Agencies of DCRDC

- | | |
|-----------------------------|---|
| 1) DANIDA | 11) NSMP |
| 2) MS–Nepal | 12) RMDC |
| 3) RWSSFDB | 13) RIDP (District Development committee) |
| 4) H MG /ADB– Micro –Credit | 14) HELVETAS (SSMP) |
| 5 HELVETAS– Pokhara | 15) Nepal Forum of Environment Journalist (NEFEJ) |
| 6 SNV/NEPAL | 16) UNDP(MEDEP) |
| 7) ILO/IPEC | 17) Embassy of German |
| 8) AEPC/ESAP | |
| 9) Word Education | |
| 10) UNICEF | |

2.8 Micro Finance Program of DCRDC Baglung

DCRDC has started Micro Finance program since 2058 B.S. after the affiliation of NRB (Nepal Rastra Bank) in 2057 (Micro Finance Banking programme), it provides loans only for women especially poor, marginalized and disadvantaged community groups in the society. To implement the program DCRDC was chosen the area where:

- a. Majority of women are absolutely poor because of no resources for the utilization of their skill and willingness .

- b. Banks, Financial institution, NGO, INGO do not start such programs. The target groups are those whose annual per capita income is less than 5500/- Land less farmers whose production is not sufficient to consume for six-months, no one of the family member get the employment opportunity.

The DCRDC uses the PRA method to collect necessary information. It starts workshop and tours for VDC members, teachers and others of the community to inform about Micro Finance of DCRDC. DCRDC makes the group (Micro Finance management committee) of 5 members with the Adkshya from the absolutely poor women and a centre of 2-9 groups with center chief, where all members of target group are automatically member in the centre.

DCRDC conducted three types of loan as general loan, seasonal loan and other loan.

- i. General loan: It provides general loan to the members of target group. First of all, it provides loan for two members after a month and again it provides loan for two members and at last, provides loan for the Adkshya. For the second phase of receiving loan they must pay the Principal and interest of the previous loan. There are several phases of loans conducted for several years with the constraints amount are Rs 1000 -10,000 For first year Rs 15000 for second year, Rs 20,000 For 3rd year, Rs 25,000 for 4th year, Rs 30,000 For 5th year, 35,000 for 6 year and at the end Rs 40,000 for 7th year. The loan of 1st phase must to be paid with flat 20% Interest with in a year in monthly installment.
- ii. Seasonal loan: The loan which give in the methods of season is called the seasonal loan. If a member is in the second year of general loan, she will receive the seasonal loan that is Rs 5000. It must be paid as six months installment with in year as a general loan.
- iii. Other loan: The loan conduct for Irrigation, house building, real state and toilet formation are called the other loan (extra loan). This type of loan conducted for only one women of a group who worked fairly. It must be paid in monthly Installment with in a year.

In the Micro Finance Program of DCRDC, there is time and amount saving. It provides necessary trainings for clients. A staff

goes to the field to follow up any to pay the loan and to receive the monthly amount (Principal interest). If one member doesn't pay the principal and interest than member of group and member of center encourage her to pay the amount. All of them are liable.

Micro finance Programme is conducting in 40 V. D. C. of Baglung District by DCRDC. There are 1568 women in the forms of 70 center in Baglung municipality. But now 786 women are loan members. (Based on institutional profile of 2065)

2.9 Importance of the micro finance program in Nepal

Devkota Kriti (2002), "concept, products and mythologies of micro finance, micro finance development in Nepal". He performed his study micro finance is considered one of the strong instruments for poverty reduction. It is basically characterized by saving product, small loan, group norms, insurance and money transfer. Presently it has been well recognized as one of the effective poverty reduction programmes in the developing countries. In Nepal, it has been found more successful for ameliorating socio economic condited of the downtrodden populace such as core poor, lower ethnicity and women affecting by vulnerability unawareness, low bargaining power, inaccessibility of development facilities, backwardness, illiteracy, disease, low income, less representation in political constituency and unproductive assets are concerned.

Majorities of these people 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 down trodden 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 and market potentialities. Under this program one group member can earn about NRs 300-700 net profits in a week in the Terai area.

In the social sector, awareness development in the found of the major out comes of the program. In this respect, many MFI members started to join in literacy center, schooling to their children including daughters, participating in the village level elections so for 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 thus, MFIS have been imputing the momentum for poverty reduction endeavor.

Thakur Ghuran (2002), "SFDP The pioneer of micro finance in Nepal" He concludes importance of micro financing project are as follows.

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

Shrestha Prem Bahadur (2002), "micro finance development in Nepal" He has made some importance of micro finance for which poverty reduction is as presented below "In ADB's view, poverty is a deprivation of essential assets and opportunities to which every human entitled" (ADB1996). The essential assets may not be available to the poor due to diverse nature of poverty and lack of political will, inadequate governance and inappropriate public policies and programs. In this context. Asian Development Bank (ADB) perceives sustainable economic growth and social development as the key components for reducing poverty. Therefore, the investment in micro finance stimulates economic growth, which can reduce poverty by generating employment and incomes (ADB 1996). According to Koirala (2001), the ADB has recognized micro finance as a powerful tool to promote economic growth reduce poverty, support human development and improve the status of women. Furthermore Pyakurel, (2001) presents the evidence of test result of micro finance Practitioners around the world as access of credit to the rural poor has been found to be very effective tool for helping poverty reduction. It is because micro credit to the poor creates small business opportunities that help to improve the socio economic condition of deprived community.

Micro finance is a powerful instrument for poverty alleviation. It enables the poor to take advantages of existing opportunities, builds up their assets, generates self employment develops micro enterprises, raises income level, builds up self confidence and self eastern improves purchasing power, empowers women enhances power, empowers women, enhances overall economic growth enhances domestic saving and provide escape route from poverty. In Nepalese context, even

through, micro finance has been proven as effective and efficient mechanism in poverty reduction endeavor, most of the micro finance institutions have become unable to reach the poorest (Ultra poor) due to their inability to identify and measure them. On the other hand , improving access to financial services has been commonly viewed as strong tool to fight against poverty; however the outreach of the formal sector credit institutions has been constrained due to high cost of their services delivery. Nevertheless, micro finance institutions pursue the activities to promote the interest of the poor by providing basic services and contribute to increase to reach sustainability and effectiveness.

Sharestha Shanker man presenting his paper on "viability and sustainability of micro finance institutions" give the important of micro finance a powerful instrument of poverty alleviation is as below.

-) It enables the poor to take advantages of existing opportunities.
-) It builds up their assets.
-) It generates self-employment.
-) It develops micro enterprises.
-) It raises their income.
-) It builds up their self confidence and self esteem.
-) It improves their purchasing power and there by consumption.
-) It empowers them (specially women) economically and socially.
-) It enhances overall economic growth.
-) It enhances domestic savings and improves financial market.
-) It provides escape route from poverty.

Dr. Bimal Koirala, chief security of HMG, presents the paper "poverty alleviation and the role of co-operatives" present the role of micro finance which is as follow! Realizing the limitations, shortcomings and weaknesses of the formal financial structure HMG encouraged the development of micro credit institutions to contribute to the goal of poverty reduction through improved financial saving mobilization and credit extension in micro level. One of the strategies of Nepal's financial sector reform is to gradually formalize the informal rural financial sector reform is to gradually formalize the informal rural financial markets besides strengthening micro credits to improve production and employment opportunities in the rural areas. Micro finance according to the World Bank, (world

Development Report 2000/2001), is the provision of financial services to low-income clients including self-employed. It includes both financial intermediation and social intermediation. It is not simply banking it is a development tool". It is also defined as the provision of saving, credit and other financial services and products of very small amounts to the poor in rural, semi urban or urban areas for enabling them to raise their income levels and improve living standards. The objectives of micro financial services are to ensure the availability of these services to the doorsteps of the poor and low income household. It is an important financial service to uplift the level of income of low income households. Micro finance framework, if properly designed and implemented, can thus attain the objectives of poverty alleviation in the developing countries like in Nepal. In this way, importance of micro finance can be presented.

2.10 Review of related studies

Several research works have been conducted on micro finance practice in Nepal and relevance literatures have been collected through different books, dissertation papers, journals articles and electronic devices.

2.10.1 Review of major journals and articles

i. Rastra bank samachar:

Rastra bank samachar (2060) concludes that for the fair implementation of micro financing in Nepal government role should be as guardian and referee by which play as fairly as possible. Moreover it indicates that last decade of the 20th century. It is accepted that micro financing is one of the most significant contributes poverty alleviation.

ii. Summary results and poverty analysis:

summary results and poverty analysis from NLSS (2003-2004), Its incidence of poverty declined by 8% points in rural area and by 12% points in urban area in 2003-2004 estimated poverty headcount was 31% in Nepal compared to 42% in 1996.

iii. Sharma's Study

Mr. Puspa Raj Sharma (2004) on his article 'The Micro Finance: A powerful tool for social transaction, its challenges and principles has explained the importance of micro finance in Nepal for reducing poverty by generating the income of the poor. And sustainability of micro finance has been also described in

his article. His major finding is that micro finance programmes are better suited for poorest of the poor. Explanation of financial services in general does not necessarily enhance the outreach of the poorest of the poor to institutional credit. Non commercial banks and finance companies are the suitable institutions to deliver rural credit. Expanding micro finance programs along with restructuring the whole financial system better serve the rural economy.

iv. Baral's study:

The research work done by Baral (2004) is "Micro finance: Good portfolio and management of Delinquency." He has made some important improvements in the field of micro finance. He has concluded that loan recovery rate is a measure of quality of loan. The finding of study shows that the recovery rate of loan mobilized under different programmes in Kaski is found to be satisfactory. He has also certified "the term delinquency is used to imply the situation when overdue loan is remaining unpaid. In the context of Nepal, high loan recovery rate indicates that micro finance institutions do not have to face much more problem relating to delinquency". He identified two kinds of irregularities committed by both MFIS and borrowers.

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

He has suggested that the MFIS should not select the target area on the convenience of the project or employees surviving for it, and on the basis of vested interest. He has also suggested that there should be a mechanism in concerned project and institution to monitor the target group or as per the operation manual of the concerned project and institution. He has further suggested that the concerned project and institution should not consider only the target of investment and recovery of loan but also consider the effectiveness of the mobilized loan.

v. Pradhan and Shrestha's study:

Pradhan and Shrestha (2004), had conducted the study of the micro finance and women in Nepal. They concluded that most of the MFIS are facing the serious problem of sustainability due to high administrative and over head cost, heavy

service delivery cost, absence of self regulatory mechanism and fully committed professionalism, They further concluded that the role of the central bank in micro finance development is still important in Nepal where private sector institutions are just involving. They have mentioned that many activities have to be co-ordinate new skill and technology should be added and micro credit programme should be expanded to reduce the ratio of poverty.

vi. S.R. Sharma's study:

Sharma (2002) had made a study on "Micro Finance Against poverty: The Nepalese scenario". He has found that major problem faced by MFIS in attaining financial sustainability are attaining operation self sufficiency and financial self sufficiency. He found that MFIS have to bear five type of cost such as social cost, service delivery cost, fund cost, provisioning for loan loss and inflection. He had recommended different suggestions to NRB commercial banks, and HMG/N in the context of poverty alleviation.

He has suggested to NRB that should stop direct involvement in running and managing MFIS, act as a facilitator and innovate other alternatives that would take the responsibility of supervising MFIS. He further suggested that it should continue both priority and deprived sectors lending policies, carry out other promotional activities such as pilot projects, research, data collection and publication, advocacy and training in support of micro finance.

Similarly,, he has suggested that the commercial banks that it should emphasize indirect lending in the deprived sector and provide wholesale loan to the micro finance development banks the licensed FINGO and SCGS.

Finally, he has suggested HMG that it should demonstrate for commitment towards poverty alleviation, stop direct involvement, encourage private sector create favorable policy environment to develop micro finance practices.

2.10.2 Review of Thesis / Dissertations

Review of literature means reviewing research studies or other relevant proposition in the related area of the studies, their conclusion and deficiencies may be known and further research can be conducted. It is an integral and mandatory process in research works. Some researchers have been made in the area of budgeting system of financial institution. There are also some researches in the field of micro finance and its impact on poverty reduction of people in the rural

areas. An attempt is made here to review some of the previous researches of the selected topic.

i. Gyanawali's Study:

Mr. Gayanwali (2002) carried out a study on "A case study on the micro credit project for women in Pokhara" as the objective to carry out the performance evaluation of NGOS. In his research, he concludes that the performance of the NGOS was better and most of the group members were facilitated by drinking water residential etc and NGOS have not selected economically and socially backward women.

ii. Ojha's Study

Mr. Nirjan Raj Ojha (2002) conducted the study on MCPW in Pokhara sub metropolitan. His study was based on three sectors. They were agriculture production, small business and micro enterprises. The major objectives of his study were (i) to examine the state of loan disbursement, repayment, outstanding and overdue (ii) to assess the overall performance of participating women and (iii) to analyze the state of loan recovery in terms of loan repayment.

He has found that the overall overdue ratio had exceeded the standardized criteria, majority of participating women were found literate, most sampled women had not maintained the record of income and expenditure. Similarly, other findings of his study evidenced that most of the group members have less difference in economic condition, the condition of loan recovery has a positive impact upon the regularity of loan repayment, the majority of participants women recovered to repay both the Principal and interest and the relationship between investment and income is found positive.

By using the regression model and static tests, he has concluded that training programme is essentially required component of making the participant more skilled in executing the enterprise successfully, outreach of the programme that helps to identify the target women saving is the basis of investment and loan disbursement, and the state of loan recovery and repayment was found to be positive.

He has suggested that the misuse and diversification of disbursed loan should be controlled, MCPW should be expanded to the rural areas and other parts of the urban areas. He has also suggested that loan disbursement should be made on target women, confidence of the women should be raised and priority of the

participating should be found. He has further suggested that lending project should be supervised regularly; the participant women should be made well conscious about the proper utilization and mobilization of saving.

iii. Karki's Study:

Miss karki (2003), has written a dissertation entitled "Micro credit programme for rural women", A case study of IRWDP Bhand ari, Lekhnath municipality Kaski. Her objective was to examine the impact of the programme in the economic status to the women in the study area and to examine the impact of the programme in changing social status of Dalit women. Research design was descriptive, quantitative and qualitative, that had been followed to conduct the study. The systematic random sampling technique had been used. Her major finding was 76.66% of the borrowers had gained profit by the credit programme. The two members who had gained profit more than Rs 2500 by using the small amount the loan, shows that if it was used properly, these kinds of programme could change the life of the poor women (specially Dalit) with their family.

iv. Shrestha's Study:

Minu Shrestha (2005), has submitted a thesis in a partial fulfillment of the requirement of degree of master of Business Studies (MBS) on the topic of "micro finance of Nepal and role of rural micro finance development center (RMDC) in micro credit development. The main objectives of her research were.

-) To examine the micro finance loan performance of RMDC.
-) To examine RMDC's contribution to micro finance development in Nepal.

The major conclusions addressed by researcher are as follows:

-) The total micro-credit demand in rural areas has been found to be 18 billion each only 5 billion is being supplied through MFIS.
-) With the establishment of the RMDC it is apparent that a clear focus is emerging in Nepal for promoting and strengthening the operations as related to micro finance program.
-) In the development of micro finance, RMDC's role is much appreciated. Partner organizations, individual micro finance personnel and small household all believe that RMDC's credit procedures and its capacity building program are really appreciable.

-) RMDC's loan procedure is very long, but it is very necessary for the credit provide to have strong criteria. Otherwise any inexperienced and unprofessional person will also demand for the loan, which could create great difficulties in the future time of repayment.
-) Micro finance service is the most appropriate financial services to the small holders for the poverty reduction. They should get micro finance services in reasonable rate of interest and without collateral to uplift their life styles.
-) The state should provide strong regulation for the micro credit system and the government should think about the fund management from out own resources.

v. Ghimire's Study

Narayan Ghimire (2005) has submitted a thesis in a partial fulfillment of the requirement of degree of master of business studies (MBS) on the Topic of "Impact of Micro Finance a case study of micro credit programme for women in Kahun VDC". The main objectives of his research were.

-) To analyze the position of existing credit.
 -) To measure the relationship between investment and income.
 -) To assess the effect of training on stand ard of living of the people.
- The major conclusions addressed by researcher are as follows.
-) The group activities for regular saving and investment high rate of repayment and utilization of loan have been satisfactory. This shows that Financial Sustainability and Viability of the programme in Kahun VDC is guaranteed. However there is still room for improvement with regard to management of misuse of loan.
 -) The positive correlation between investment and changes in income level of the participants shows that the capability of the entrepreneurs for the repayment of the loan in due time is good.
 -) Training and awareness programmes are the most crucial component of the programme for making skilled energetic entrepreneur to run their enterprise effectively and successfully. The programme has provided basic and awareness training. Skilled and management training agriculture training etc. to the participant women. It is found to be satisfactory to empower stand ard of living of the people.

vi. Acharya's study

Acharya Gita (2007), on her study on the "Impact of microfinance : A case study of micro credit programme for women in Bhadaure Tamagi VDC Kaski". As the objectives effect of microcredit programme on living stand ard of the people, she concludes that the volume of the investment and saving are positively increased in each year the result of the investment is found to the positive upon the earning of the respondent. Improvement in the facility of fooding clothing and sheltering pattern shows the significant improvement in the living stand ard of the people. Similarly,, the study reveals that most the women have repaid loan and interest in due time and majority of the participant has utilized their investment properly. Those overall impact of the programme is found to be positive their living stand ards has been improved satisfactory.

CHAPTER THREE

RESEARCH METHODOLOGY

The term "Research" is believed to be derived from the French word "Researcher" meaning to search again. The research work is undertaken following a systematic way which is called the Research methodology. As per Kothari, it is the way to solve systematically about the research problem. This study attempts to make an assessment of the performance of the Micro Finance programme for women. To accomplish these objectives, the study follows the methodology described in this chapter. This chapter has been divided into five sections. Section one presents the research design while section two and three describe population and sample and nature and sources of data respectively. Section four explains data collection techniques. Similarly, the method of data analysis is indicated in section five.

3.1 Research design:

A research design is purely and simply the framework or plan for a study that guides the collection and analysis of the data. According to Kerlinger (1986) research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance. The research design refers to the entire process of planning and carrying out a research study (Wolff and Pant:2002). To conduct these studies analytical, descriptive and cross-sectional approaches have 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 problem. Cross-sectional approach has been followed to identify changes of similarities between two periods of time.

This study is based on the Micro study of the Micro finance programme. In the specific study, field survey and Questionnaires have been used carefully to collect the required data for the purpose to achieve the objectives of the research.

3.2 Population and Sample:

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

elements from a population. Hence a sample is only a portion or subset of the population. It comprises some observation selected from the population. There are 70 groups and 47 centers of DCRDC by the end of Baisakh 2065 in Baglung Municipality which is considered as size of population for study. This study covers the entire group but it doesn't consider all the members of women for the purpose of study because of limited of area, budget and time. Out of 786 women borrower only 100 women have been selected as a sample for this study using simple random sampling method without replacement.

3.3 Nature and sources of data:

There are two types of data. One is primary and another is secondary data. Primary data are original data which is gathered by the researcher for research project at hand . Secondary data are often in the form of published data. This study is mainly based on primary data. These primary data are both qualitative as well as quantitative. Stress has been given to collect qualitative information. But some important quantitative information is also considered. Similarly, secondary data used in this study have been collected from different sources such as:

-) Annual reports from DCRDC of Baglung Districts.
-) Website of related microfinance or microcredit.
-) Various research studies, dissertation and articles related to the study.

3.4 Data collection procedures:

This study is mainly based on primary data. So the required data are collected from the different primary data collection techniques. According to the nature of the problem, required data's /information's are collected with help of personal interview and questionnaire survey.

3.4.1 Personal Interview:

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

3.4.2 Questionnaire Survey:

Questionnaire Survey is used to get qualitative information. But some important quantitative information are also collected. The respondents of questionnaire Survey are the sample members of the programme.

3.5 Method of Data Analysis

Analysis is the careful study of available facts. So that one can understand and the conclude on the basis of established Principles and sound logic (Mahajan: 1988, 29). The collected data are classified, tabulated and analyzed through the model, statistical tools etc.

3.5.1 Statistical Tools

Various statistical tools have been used for the study such as, percentage, pie-chard, correlation, Regression and Z test etc. A brief explanation of statistical tools employed in this study is as follows:

i) Z- Test

It is parametric test, which is used to measure certain attribute of larger sample size. If the difference in pair of proportions or percentage of samples drawn from the same population are normally distributed. The significance of difference is found by normal divide, Z test.

$$Z = \frac{\text{Observe Differnces}}{\text{Standard Error of Differnces}} \mid \beta N(0, 1)$$
$$= \frac{P_1 - P_2}{\text{Se}(P_1, - P_2)}$$

The stand ard error of $(P_1 - P_2)$ is as follows:

$$\text{Se}(P_1 - P_2) = \sqrt{P^{\wedge} Q^{\wedge} \frac{1}{N_1} + \frac{1}{N_2}}$$

$$\text{Where, } P^{\wedge} = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

$$Q^{\wedge} = 1 - P^{\wedge}$$

Where P_1 is the proportion of success in sample 1 and P_2 that of sample 2 with sizes N_1 and N_2 respectively.

If observe difference between the two proportions s greater than 1.64 times the stand ard error of difference. It is significant at 95% confidence limits (one tail) i.e. in 95% cases it would not happen. The chances of its being normal only 5%.

ii) Correlation (r)

It is the statistical tools that can be described as the degree to which one variable linearly related to another (Mahajan; 1991, 135). Higher the positive value indicates higher the relationship between variables and vice-versa. The value of 'r' ranges from -1 to $+1$.

iii) The Model

This model is used to describe the relation between income and investment. Theoretically, this model explains that income is influenced by amount of investment. The functional relationship of this statement is explained by following simple regression equation.

$$Y=a+bx$$

Where,

Y= changes in income

a= regression constant

b = regression coefficient

x = Investment

iv) Regression Constant (a)

Regression constant synonyms with the numerical constant determines the distance of the fitted line directly above or below the origin. The value of the constant which is the intercept of the model indicates the average level of dependent variable when independent variable (s) is zero. In other words, a constant indicates the mean average effect on dependent variable if all variables omitted from the model.

v) Regression Coefficient (b)

The regression coefficient of each dependent variable indicates the marginal relationship between that variable and value of dependent variable, holding constant the effect of all other independent variable, holding in the regression model. In other words, the coefficient describes how much change in independent variable affect the value of dependent variable estimate. It is also known that the numerical constant, which determines the changes in dependent variable per unit changes in independent variables. (i.e. slope of the line)

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS.

4.1 Introduction

Here analysis of collected data regarding the objectives since the main component of the Micro Finance program for women is to provide loan for them to income generating activities, the part of data analysis is related with loan amount and its impact upon beneficiaries earning and living standards. Similarly, the impact of the programme on the status of women and the component of the program such as saving and loan re-payment will also be analyzed.

4.1.1 Loan Amount and No. of Borrower

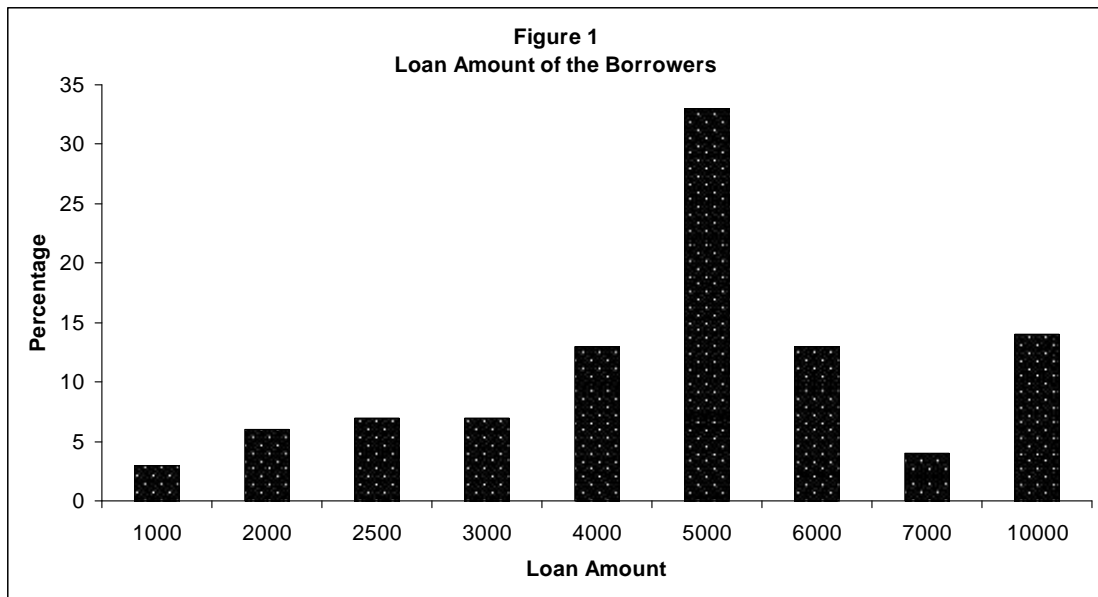
To analyzed those clients who have taken the first loan (1000-10000) from DCRDC Baglung. Loan amount of the program at first phase of investment is given in the following table.

Table No. 3
Loan Amount and No. of Borrower

S.N.	Loan Amount	No. of Borrower	% of Borrower
1	1000	3	3
2	2000	6	6
3	2500	7	7
4	3000	7	7
5	4000	13	13
6	5000	33	33
7	6000	13	13
8	7000	4	4
9	10000	14	14
Total		100	100

Source: Field survey by researcher

The above table shows the scenario of loan amount and percentage of the total borrower. The borrowers are so much cautions about the loan that they demand according to their entrepreneurship talent. Out of 100 borrowers about 69% have taken the loan amount less than 5000 and 31% more than 5000. This data is presented in figure. No. 1.



4.1.2 Occupation and Income Level

Occupation represents regular employment of the people for earning purpose. It is a basis to generate income. The pattern of women as well as household occupations confinement in the study area seems to differ among every community. Their occupational involvement largely seems dual in character. But for the purpose of the study only one major occupation of the women is considered.

) Occupation of the Borrowers before Involving In Micro Finance Programme.

The members of Micro Finance Program of DCRDC Baglung involved in different occupation before the participation of the program such as Agriculture, Street business, Hotel, Wage earnings , Bee keeping , Poultry farming, Goat farming, Pig farming, Buffalo farming, Tailoring and so on are given in the following table.

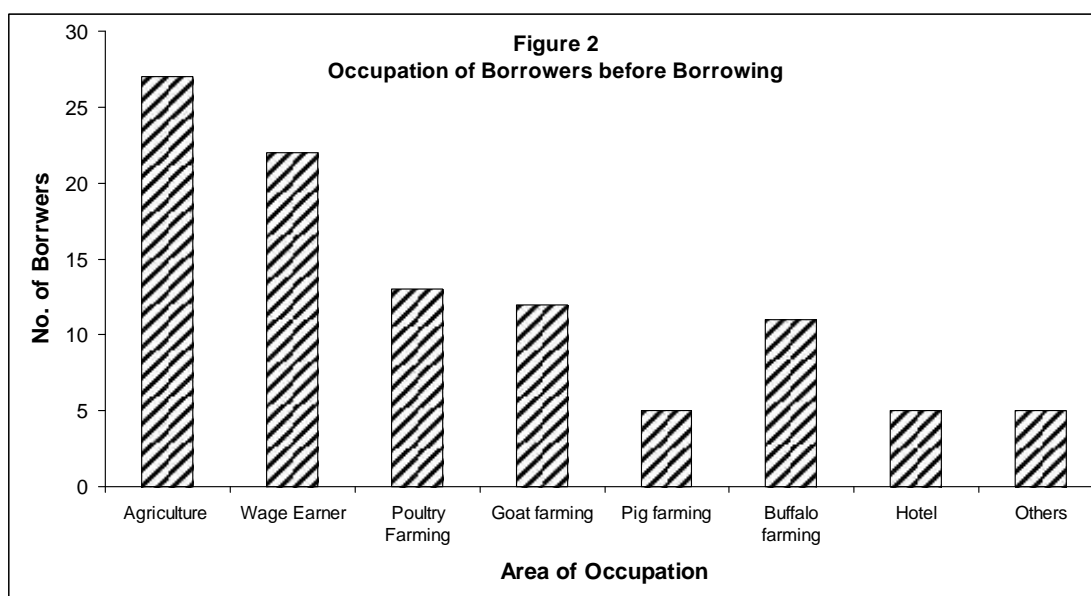
Table no. 4.

Occupation of Borrowers before Borrowing .

S.N.	Occupation	No. of Borrowers	% of Borrowers
1	Agriculture	27	27
2	Wage Earner	22	22
3	Poultry Farming	13	13
4	Goat farming	12	12
5	Pig farming	5	5
6	Buffalo farming	11	11
7	Hotel	5	5
8	Others	5	5
Total		100	100

Source: Field survey by researcher

The above table shows that the members were engaged in varieties of economic activities before taking the loan from DCRDC Baglung. Out of the total borrowers about 49% were engaged in agriculture and wage earning. Only the few members were engaged in other business. Almost borrowers were involved in the traditional business. The figure is as follows.



) Occupation of the Borrowers after Involving in Micro finance Programme.

After getting the loan from DCRDC Baglung clients have diverted their traditional business to other new business which are economically profitable. The occupation of the clients after taking the loan is shown in the following table.

Table No. 5
Occupation of Borrowers after Borrowing.

S.N.	Occupation	No. of Borrowers	% of Borrowers
1	Agriculture	16	16
2	Wage earner	8	8
3	Poultry farming	7	7
4	Goat farming	13	13
5	Pig farming	6	6
6	Buffalo farming	15	15
7	Tailoring	7	7
8	Hotel	9	9
9	Street Business	6	6
10	Retail Business	7	7
11	Others	6	6
Total		100	100

(Source: Field survey by researcher)

After taking the loan the members have engaged in new business such as tailoring, retail business and street business rather than traditional business. Borrowers having different view point have started different occupation according to their entrepreneurial talents. Only about 24% of the members have engaged in the agriculture and wage earners after the program intervention.

4.2 Change in income

In this study, income denotes the earning of the borrowers from the particular business which is operated from the loan of micro finance program of DCRDC Baglung. The income may be in the form of money articles such as food grain, milk, animal husband ry but here, in this, study for convenience, the self consumption by the borrowers is not included in the income. Only the income which is earned by the sales of products or service is considered. To find out the status of income before and after the loan taken of the personal questionnaire method has been used which is attached in the appendix and the result of this questionnaire have been shown in the following table.

Table No. 6**Income of the member before and after borrowing loan from program**

Before Borrowing		Income per month	After Borrowing	
% of Borrower	No. of Borrower		% of Borrower	No. of Borrower
6	6	0-100	2	2
13	13	100-200	4	4
32	32	200-300	7	7
18	18	300-400	7	7
12	12	400-500	10	10
16	16	500-600	18	18
2	2	600-700	26	26
0	0	700-800	5	5
0	0	800-900	5	5
1	1	900-1000	4	4
0	0	> 1000	12	12
100	100	Total	100	100

Source: Field survey by researcher

The above table shows that before borrowing there is more than 81% of the borrower who have income less than Rs 500/- but after the program intervention it has reduced to 30%. There was only one borrower with income more than Rs. 700/- but after program intervention there are 26 borrowers. This shows that the effect of the program has increased the earning of the borrowers.

To find out the relationship between investment and the income we used the correlation coefficient and regression analysis to interpret the data.

(A) Correlation coefficient between loan amount (X) and income per month (Y)

$$r_{xy} = 0.97$$

(See Appendix I)

This result indicates that the relationship between the loan amount and the income of the borrower is significant (very high positive) correlation. To test the reliability and validity of the correlation coefficient we use the probable error (PE).

$$PE (r) = 0.6745 \times \frac{1-r^2}{N}$$

$$PE(r) = 0.00398$$

Where,

PE(r) = probable error

r = correlation coefficient of X on Y.

N= Number of observation

The following condition are interpreted to find out the degree of correlation between X and y.

- 1) If $r < PE(r)$, there is no significant relationship between X and Y.

$$r = 0.97$$

$$PE(r) = 0.00398$$

Hence the correlation coefficient is greater than probable error. So, we can say that there is significant relationship between X and Y.

2. If $r > 6 PE(r)$, there is significant relationship between X and Y.

$$r = 0.975$$

$$6PE(r) = 0.02388$$

Hence the correlation coefficient is greater than $6PE(r)$. So, there is most significant relationship between X and Y. It shows that increase in income is dependent on the loan amount.

3. If $PE(r) < r < 6PE(r)$, there is nothing can be concluded.

$$r = 0.975$$

$$PE(r) = 0.00398$$

$$6 PE(r) = 0.02388$$

Therefore, $PE(r) < r < 6PE(r)$. So, there is no moderate relationship between X and Y. It means that the increase in income is not associated with other factors but highly affected by the loan amount.

B) Regression Analysis

Regression has been applied for knowing the value of an unknown variable. The value of other variation of the independent variable (loan amount) is predicted.

The dependent variable Y i.e. increases in income per month is dependent on independent variable X i.e. loan amount.

1. Let the loan amount (X) = 0

$$\text{Then } Y = a = 50.80$$

$$\text{Where } a = 50.80$$

$$b = 0.1182$$

(see appendix II)

This means that even if there is no investment autonomous part exists that is constant value. It further implies that although loan amount has its vital role to generate income but there is the role of social and other economic factor to generate the total income.

2. Let the loan amount (X) = 100

Then $y = a + bx$

$a + 11.82$

This means that if we invest Rs. 100, it will generate Rs. 11.82 income per month.

4.3 Status of women

Standard of living refers to the usual scale of our expenditure, the goods we consume and the services we enjoy. It includes the level of education, employment, status, food, dress, house amusements and comforts of modern living (Nagpal and sell: 1985,14)

Living standard of the borrower is often analyzed in term of three component i.e. fooding, sheltering and clothing . Here both quantitative and descriptive tools are used to see whether the status of women has changed from program intervention. Here Z test used for try to component, fooding and sheltering.

4.3.1 Fooding facilities:

Fooding is the first component of living standard of the women.

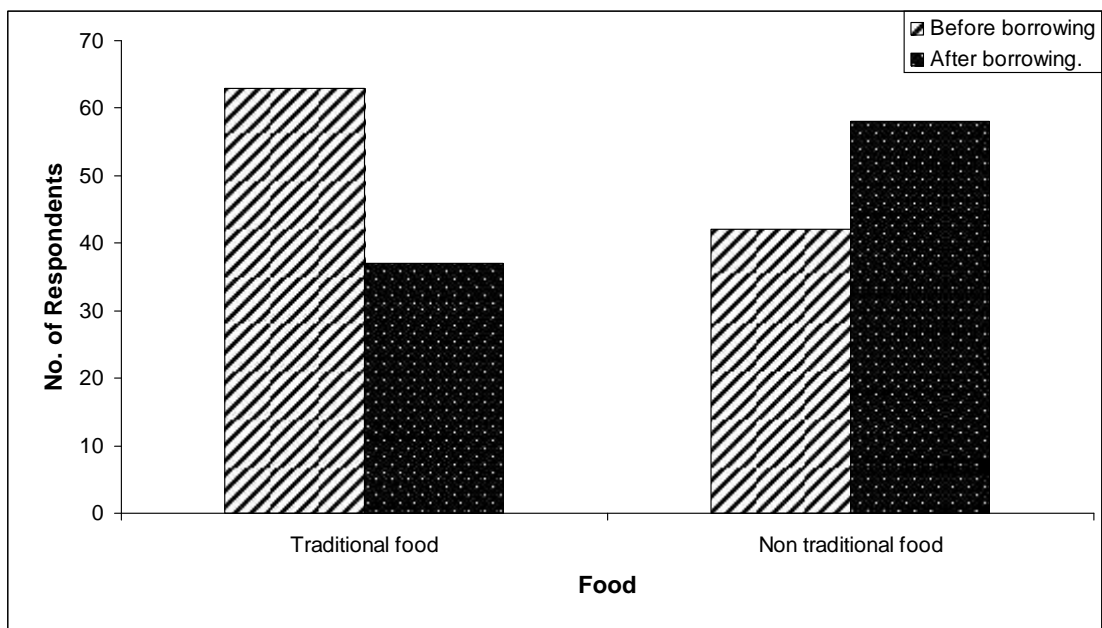
Table No. 7
Fooding facility.

S.N.	Fooding	No. of respondents	
		Before borrowing	After borrowing.
1	Traditional fooding: like rice bread pulse and vegetable	63	42
2	Non traditional fooding: adding milk, egg, meat, fruits etc. in traditional fooding	37	58
	Proportion of Non traditional fooding	$P_1 = 37/100$ 0.37	$P_2 = 58/100$ 0.58
	Total	$n_1 = 100$	$n_2 = 100$

Source: field survey by researcher

Above table No. 7 shows that out of 100 sampled women 63% sampled women's family consume traditional food regularly on their family meal. After intervention of the program only 42% women has used traditional food on their meal. Before intervention of the program 37% sampled women's family consume non traditional food on their family meal and after intervention of the program 58% sampled women family consume non traditional food of their regular meal. Thus the table itself presents that the status of women has been improved.

Figure 3
Fooding Facility



Whether the increase in the number from traditional to non traditional fooding after borrowing is significant or not has been tested with Z test as follows.

Where $n_1=n_2=100$ be the total number of the sample size before and after the program and p_1 and p_2 be the proportion of non traditional fooding before and after program invention respectively.

Now setting hypothesis

-) Null hypothesis H_0 : $p_1 = p_2$ i.e. there is no significance difference between the proportion of the women before and after borrowing non amount.
-) Alternative hypothesis H_1 : $p_1 < p_2$ i.e. there is significance difference between the proportion of the women before and after borrowing non amount.
-) (Left tailed test) Level of significance 5%.
-) Defining test statistic Z test.

J Computation: to test the significance of double sample proportion.

The formula has been applied as:

$$Z = \frac{p_1 - p_2}{\sqrt{p^*q^*\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$Z = -2.9736$ (See Annex 4)

$|Z| > 1.645$

Z tabulation at 5% level of significance for left tailed test is 1.645.

Decision: Since the computed value of $Z = -2.9736$ is greater than tabulated value (1.645). So, the alternative hypothesis is accepted and null hypothesis is rejected. i.e. there is significant relation between changes in food from traditional to non-traditional after borrowing. Therefore, status of women has improved in study area.

4.3.2 Sheltering pattern of the people

Sheltering is the second component of the living standard of the women. During research study, it has found that all the respondents have their own house. Sheltering is shown in the following table.

Table 8
Sheltering Facility

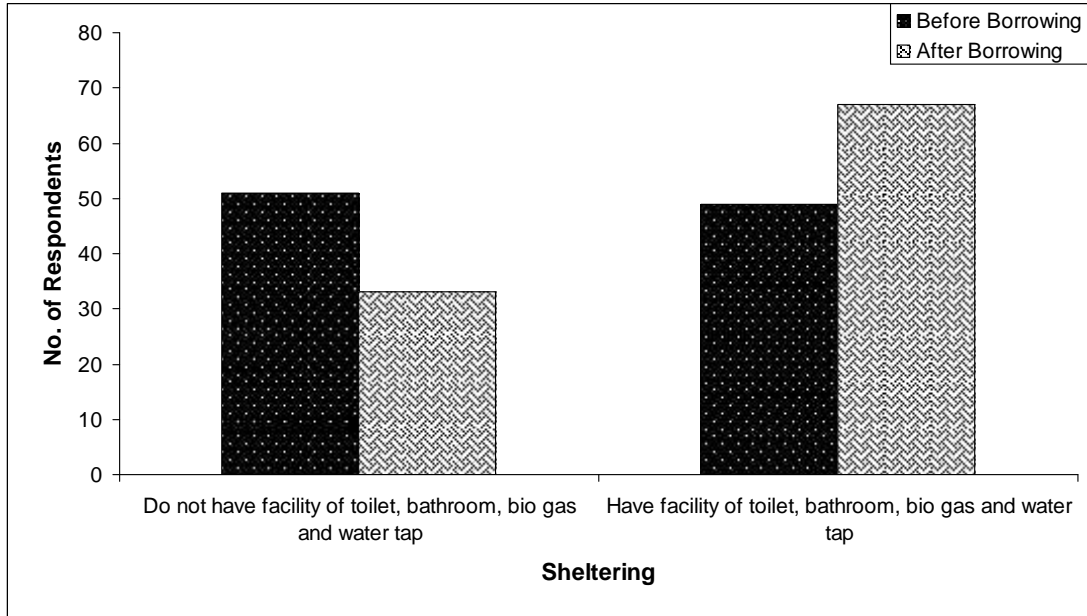
S.N.	Sheltering	No. of Respondents	
		Before Borrowing	After Borrowing
1.	Do not have facility of toilet, bathroom, bio gas and water tap	51	33
2.	Have facility of toilet, bathroom, bio gas and water tap	49	67
	Proportion of facilitated women on sheltering	$P_1 = \frac{49}{100} = 0.49$	$P_2 = \frac{67}{100} = 0.67$
Total number of Observation		100	100

Source: Field Survey by Researcher

Table 8 shows that before intervention of the program out of 100 sample women 51 women's family not having facility of toilet, bathroom, biogas and water tap on their own house. After intervention of the programme 67 women's

family have been benefited by the facility of toilet, bathroom, biogas and water tap on their own house which is shown in the following figure.

Figure 4
Sheltering Facility



Where, $n_1=n_2=100$ be the total number of the sample women before and after the programme and p_1 and p_2 be the proportion of facilitated women's family on sheltering before and after programme intervention respectively.

Now setting hypothesis

- Null hypothesis $H_0: P_1=P_2$ i.e. there is no significant difference between the proportion of women before and after borrowing loan amount.
- Alternative Hypothesis $H_1: P_1 < P_2$. There is significant difference between the proportion of women before and after borrowing loan amount.

Calculation of Z test has been applied the formulas.

$$Z = \frac{P_1 - P_2}{\sqrt{P \wedge Q \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

$$Z = -2.5788 \text{ (See Annex 5)}$$

$$|Z| = 2.5788 > 1.645$$

Since calculated $Z=2.58 > 1.645$ the difference is consider as significant. So alternative hypothesis is accepted and null-hypothesis is rejected.

4.4 Perception of User Group

Perception is the set of process by which an individual become aware of and interprets information about the environment (Griffin: 2002, 249). During the research study it has found that the programme has benefited all the women borrowers. For the purpose of study perception of the sample women towards the program with respect to age structure, educational level and ethnic group are presented and analyzed by Bar diagram.

4.4.1 Age Structure

In the research survey, it has found that all the sampled women are married and the age structure of sampled women are in the range of 15-65 years. Distribution of the sampled women with respect to age structure towards the perception of the programme are as shown in table No. 9.

Table No. 9

Distribution of the Sampled women with respect in Age Group

S.N.	Age Group	Perception towards the programme		Total
		High Benefited	Low Benefited	
1.	15-25	8	9	17
2.	25-35	16	16	32
3.	35-45	20	9	29
4.	45-55	7	6	13
5.	55-65	5	4	9
Total		56	44	100

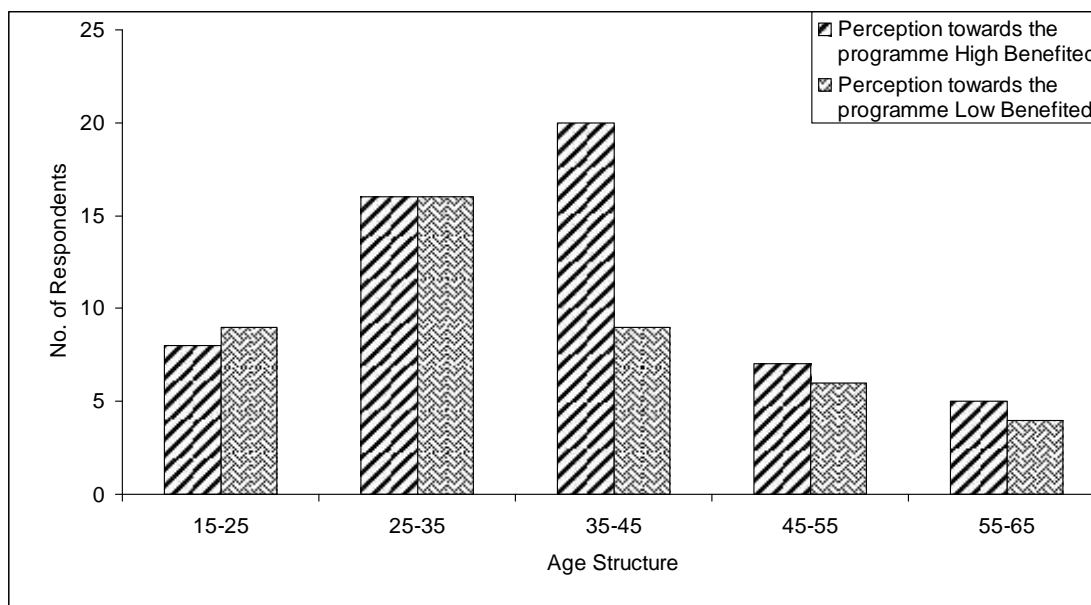
Source: Field Survey by researcher

The above table shows that the highest number of the participant of the programme is in the age group of 25-35 years followed by the age group of 35-45 years. Among 100 number of participant, 17 were in the range of 15-25 years where 8 respondents are highly benefited and 9 are low benefited. 32 were in the range of 25-35 years where the no. of highly and low benefited respondents are equal (which is 16). 29 were in the range of 35-45 years where 20 and 9 respondents are highly and low benefited respectively. 13 were in the range of 45-55 years where 7 and 6 women borrowers are highly and low benefited respectively and 9 women borrowers were in the range of age group 55-65 years where 5 and 4 women borrowers are highly and low benefited respectively. At last, we have found that in the range of 15-45 years

women borrowers are highly involved (78%) in the programme and 45 and above years of women borrowers are low involved in the programme. Age structure of women borrowers shown in the following figure.

Figure 5

Distribution of the Sampled women with respect in Age Group



4.4.2 Ethnic Group

Distribution of the sample women with respect ethnic group towards the perception of the programme is shown in following table.

Table No. 10

Distribution of the Sampled women with respect in Ethnic Group

S.N.	Ethnic Group	Perception towards the programme		Total
		High Benefited	Low Benefited	
1.	Dalit	19	13	32
2.	Chhetry	13	10	23
3.	Brahmin	11	9	20
4.	Janajati	10	8	18
5.	Others	3	4	7
Total		56	44	100

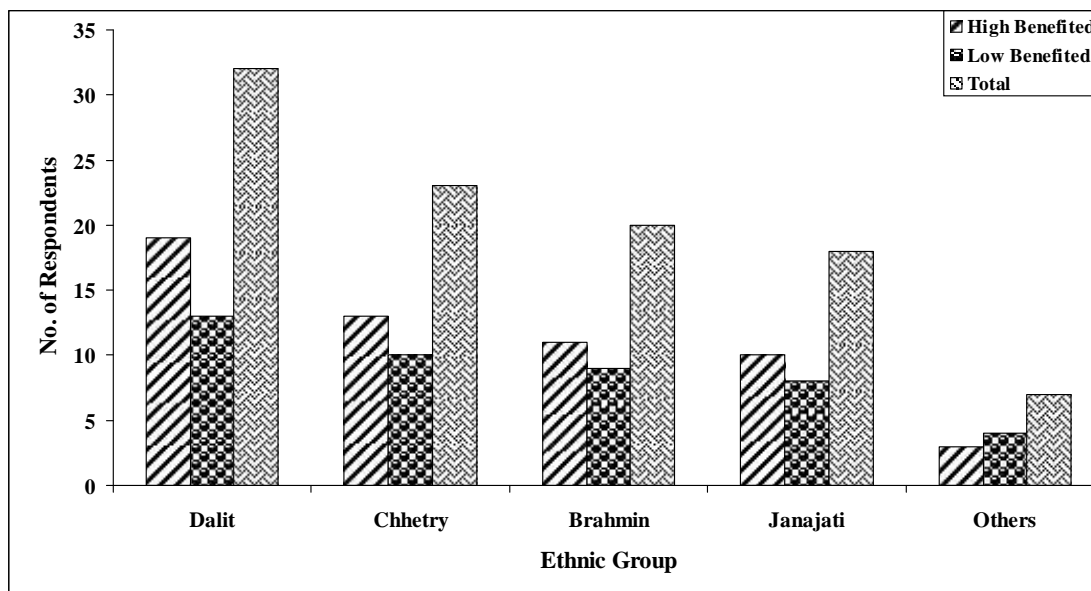
Source: Field Survey by researcher

The above table shows that Dalit women (32%) are highest participant in the programme 56% of sample are high benefited and 44% are low benefited. This shows that this programme attractive because of 56% women are highly benefited. This

situation shows that micro finance programme is also able to convince lower caste women successfully. This data has been presented below in figure.

Figure 6

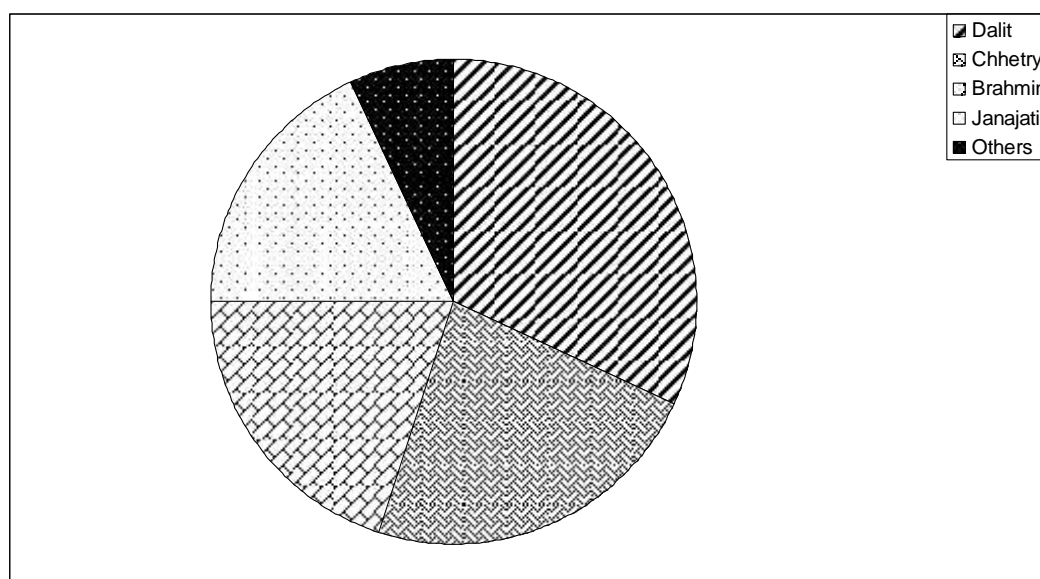
Distribution of the Sampled women with respect in Ethnic Group



The above diagram is 32% of dalit women, 19% are highly benefited and 13% are low benefited in 23% of Chhetri women, 13% are highly benefited and 1% are low benefited. In 20% of Brahmin women 11% are highly benefited and 9% are low benefited. In 18% per Janajati women, 10% are highly benefited and 8% are low benefited and in 7% of others women 3% are highly benefited and 4% are low benefited. The data of Ethnic Group has been presented in following pie chart.

Figure 7

Ethnic Group



4.4.3 Education Level

Education is the most indicator of development and education is also light of life. So it is lamp of the world. Without education social, agriculture and economic development can not be possible.

Educations is the basics of human capital formation and the key source of economic development of a nation women's education not only increases their productivity on the farm and factory but also have an important impact on breaking the vicious circle of poverty. In most developing countries the rate of return on women's education was found higher than that men. So it is highly essential to provide education to women (Mingayt and Tan, 1985). In this study, most of the sample women are literate and only few sample women are educated and illiterate in Bagling Municipality which is presented in the following table.

Table No. 11

Distribution of the sample women with respect to Education Level

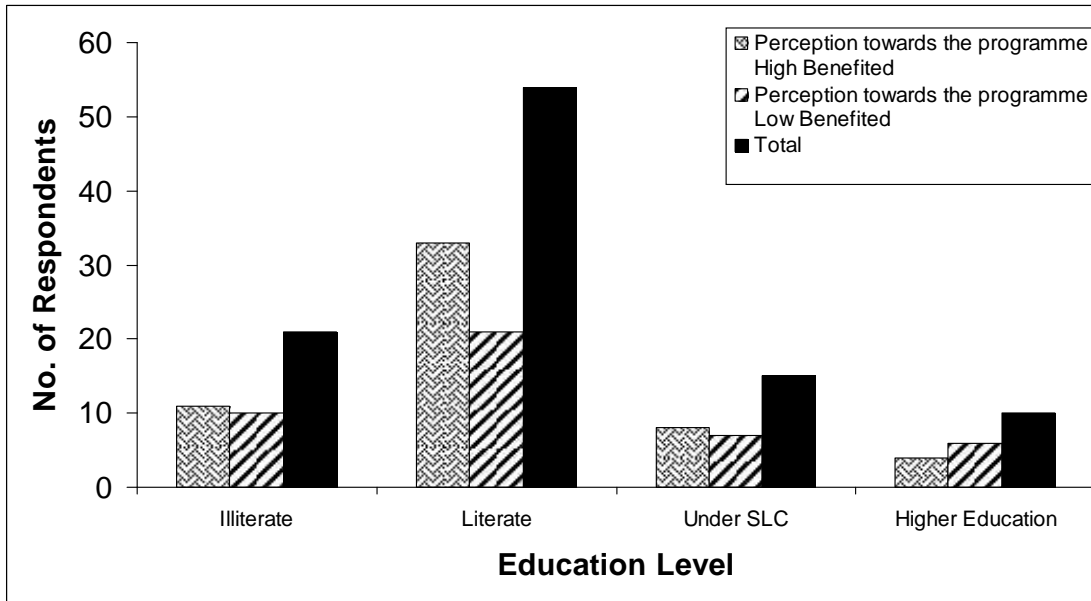
S.N.	Education Level	Perception towards the programme		Total
		High Benefited	Low Benefited	
1.	Illiterate	11	10	21
2.	Literate	33	21	54
3.	Under SLC	8	7	15
4.	Higher Education	4	6	10
Total		56	44	100

Source: Field Survey by researcher

In the above table indicates the among the population only 10% women are higher education level. Among 100 respondents, 56% of sample women are highly benefited and 44% of sample women are low benefited. This situation depilated above shows that the programme has been able to attract and involve even literate and illiterate women. The above data presented in following figure.

Figure 8

Distribution of the Sampled women with respect in Education Level

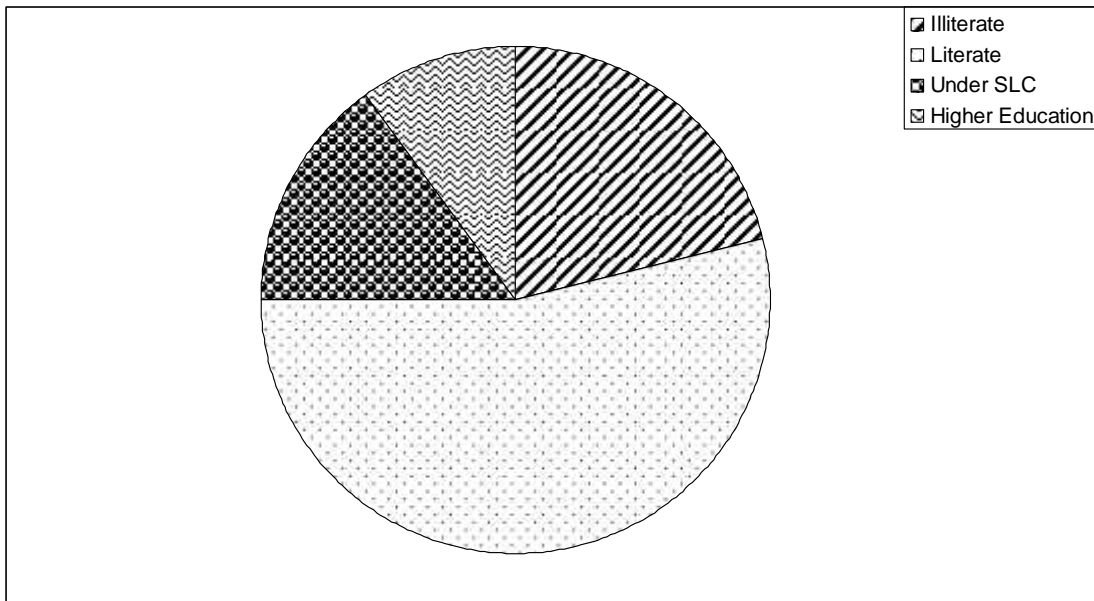


From the above diagram, in 21% of illiterate women 11% are highly benefited and 10% are low benefited, in 54% of literate women where 33% and 21% women are highly and low benefited respectively. In 15% of under SLC women where 8% and 7% are highly and low benefited respectively and finally in 10% of higher educated women, where 4% and 6% women are highly and low benefited respectively.

Education Level is presented in the following figure.

Figure 9

Education Level



4.5 Sustainability of the Programme

Sustainability is the development process in which the exploitation of resources, direction and the investment and institutional changes are made consistent with future as well as present needs (Dhakal: 1998, 213). Here for the purpose of the study group saving, re-payment rate and utilization of loans are used to measure the sustainability of the programme in DCRDC on Baglung Municipality.

4.5.1 Group Saving

Saving of an economic unit is defined as the excess of current income over current consumption expenditure. Saving may be in the form of cash holding and various forms of deposits and physical assets (latif: 2001, 56). Micro Finance Programme encourages women to deposit certain amount of money regularly. This programme is initiated to increase self-reliance, strength and group cohesiveness among group members and it also help to maintain sustainability of the programme. The saving is used by their members themselves to meet financial need of their business occupations. The group members also fix the certain interest rate of their investment. In the research survey, it has been found that there is provision of compulsory saving and all the member are able to deposit fix amount of money in the form of saving. Such saving is invested in the same day.

4.5.2 Situation of Regularity in Repayment of Loan

Repayment rate measures the amount of payment received with respect to the amount due. The re-payment rate measures the historical rate of loan recovery (Lenderwood: 1999, 206). Regularity in the re-payment of loan is on essential condition of the performing loan. The capacity of the loan re-payment increase the goodwill of DCRDC and programme is regular for future time. Well managed and efficiently operated business enterprises give rise to the productivity, income earnings, saving, loan recovery and make easy access to re-pay the loan in due time. The response on regularity situation of loan is shown in the following table.

Table No. 12**Response on the Regularity situation of Loan Amount**

S.N.	Investment Sector	Sample women	Regularity in the re-payment of						Do not re-pay both the P and I regularly	
			Both the P and I		Only Principal		Only Interest			
			No.	%	No.	%	No.	%	No.	%
1.	Agriculture	16	9	56.25	2	12.5	4	25	1	6.25
2.	Wage Earner	8	3	37.5	1	12.5	2	25	2	25
3.	Farming (Poultry, goat, Pig, Buffalo)	41	24	58.54	11	26.82	6	14.63	-	-
4.	Service Business (Tailoring, Hotels)	16	9	56.25	5	31.25	2	12.5	-	-
5.	Goods Business (Street, Retailor)	13	8	61.53	1	7.69	4	30.78	-	-
6.	Others	6	3	50	-	-	1	16.67	2	33.33
Total		100	56	56	20	20	19	19	5	5

Source: Field Survey by researcher

The above table shows that among the total respondents, 56% women are found to be regular in re-payment of both the Principal and interest in time. Similarly, 20% and 19% women are found to be regular in re-payment Principal only and interest only respectively. But 5% women are found to be Irregular in re-payment of both Principal and interest in time.

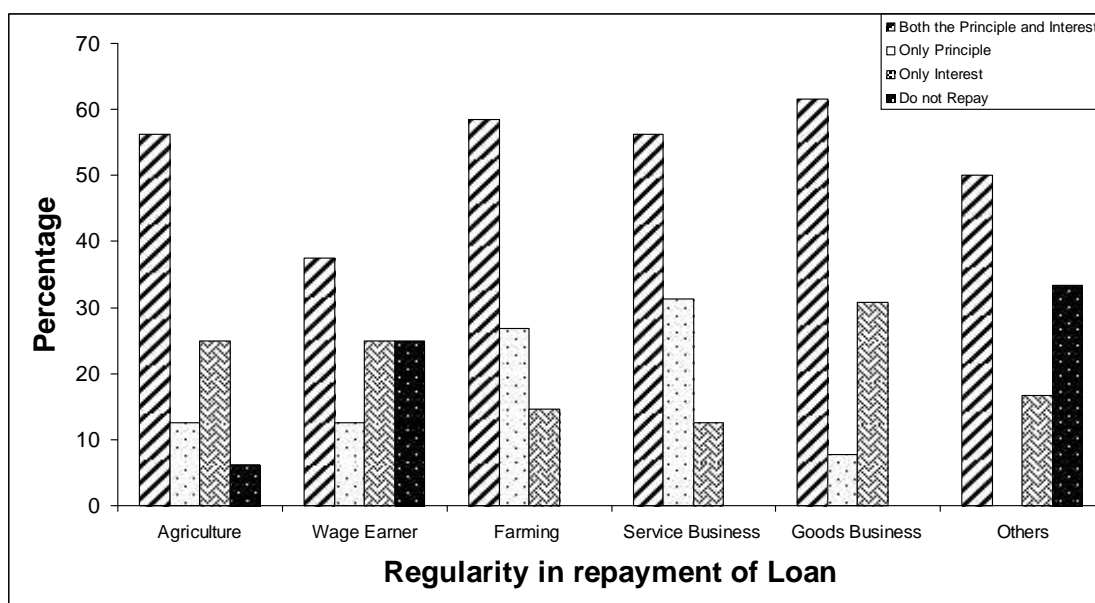
On sector wise 56.25% from agriculture, 37.5% from wage earner, 56.25% from service business, 61.53% from Goods business and 50% from others are found to be regular in re-payment of both the Principal and the interest. Likewise, 12.5%, 12.5%, 26.82%, 31.25% and 7.69% from agriculture, wage earner, farming, service business and goods business respectively are found to be regular in re-payment of Principal only in due time but not the interest regular in time. Similarly, 25%, 25%, 14.63%, 12.5%, 30.78% and 16.67% from agriculture, wage earner, farming, service business, goods business and others respectively are found to be regular in re-payment of interest only in due time but not the Principal re-

payment regularly in due time. Whereas only 6.25% from agriculture, 25% from wage earner and 33.33% others are found to be irregular in re-payment of both the Principal and interest in due time. The results signifies that the ratio of sample women repaying of both Principal and interest is significantly higher than the repaying of Principal only and interest only. But still some of the sample women from all the investment sector had been failed to repayment Principal and interest in due time. Among the different investment sector groups, the regular repayment situation of goods business and farming is better than the repayment situation of wage earner and others. Similarly,, the different groups, the irregular in repayment of both Principal and interest situation of wage earner and other is higher than irregular in re-payment of both Principal and interest situation of agriculture, farming and service.

The above data presented in following figure.

Figure 10

Response on the regularity situation of loan-re-payment



4.5.3 Utilization of the Loan

Micro finance programme for DCRDC Baglung has distributed loans for various purposes. In the research study to find out whether mobilized loans are properly utilized or not. Loan utilization schedule of the sample women are shown in the following table.

Table No. 13**Loan Utilization schedule of the sample women**

S.N.	Investment Sector	Using the Loan		Misusing the Loan		Total
		No.	%	No.	%	
1.	Agriculture	11	68.75	5	31.25	16
2.	Wage Earner	3	37.50	5	62.50	8
3.	Farming	26	63.41	15	36.59	41
4.	Service Business	10	62.50	6	37.50	16
5.	Goods Business	8	61.54	5	38.46	13
6.	Others	3	50	3	50	6
Total		61	61	39	39	100

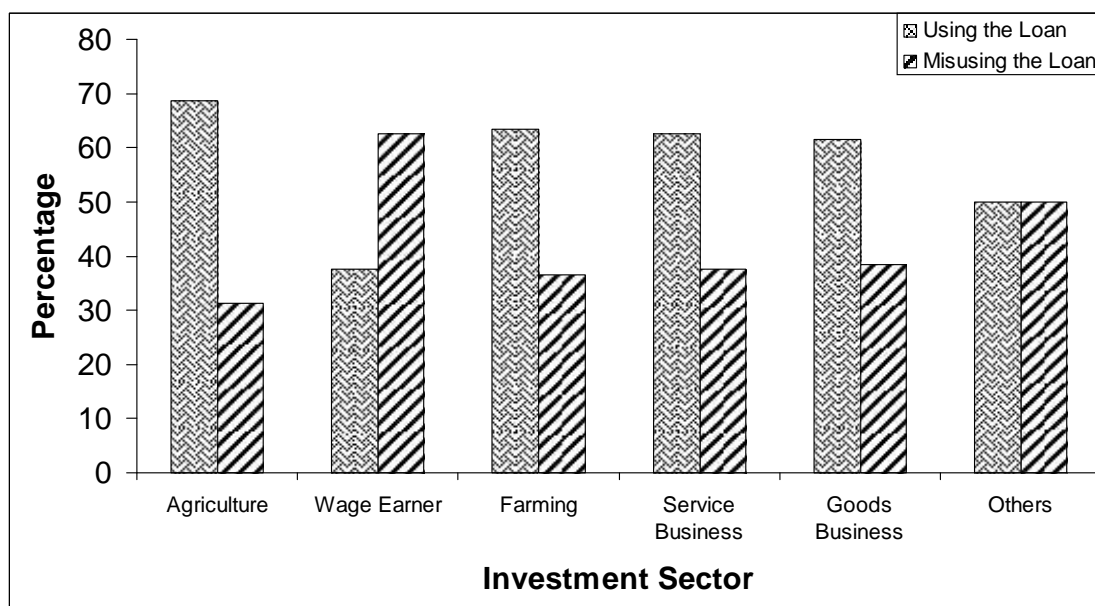
Source: Field Survey by researcher

The above table shows that among the total sample women, 61% women have used loan for the related sector and 39% women have used their loan for unrelated sector.

On sector wise basis 68.75%, 37.50%, 63.41%, 62.50%, 61.54% and 50% respectively from agriculture, wage earner, farming, service business, goods business and others have utilized the loan on related sector and objectives of the loan. Similarly, 31.25%, 62.50%, 36.59%, 37.50%, 38.46% and 50% respectively from agriculture, wage earner, farming, service business, goods business and others were misuse their loan and used for unrelated sector and objectives of the loan.

The above table shows that it has been found that large number of women have used the loan for the related sector and objectives of the loan and small no. of the women have used the loan for unrelated sector other than the objectives of the loan. The above data presented in the following figure.

Figure 11
Utilization of Loan



In the research studies it has found that women generally misused their loan to pay old debt, house hold expense and entertainment expenses are shown in the following table.

Table 14
Misuse the Loan

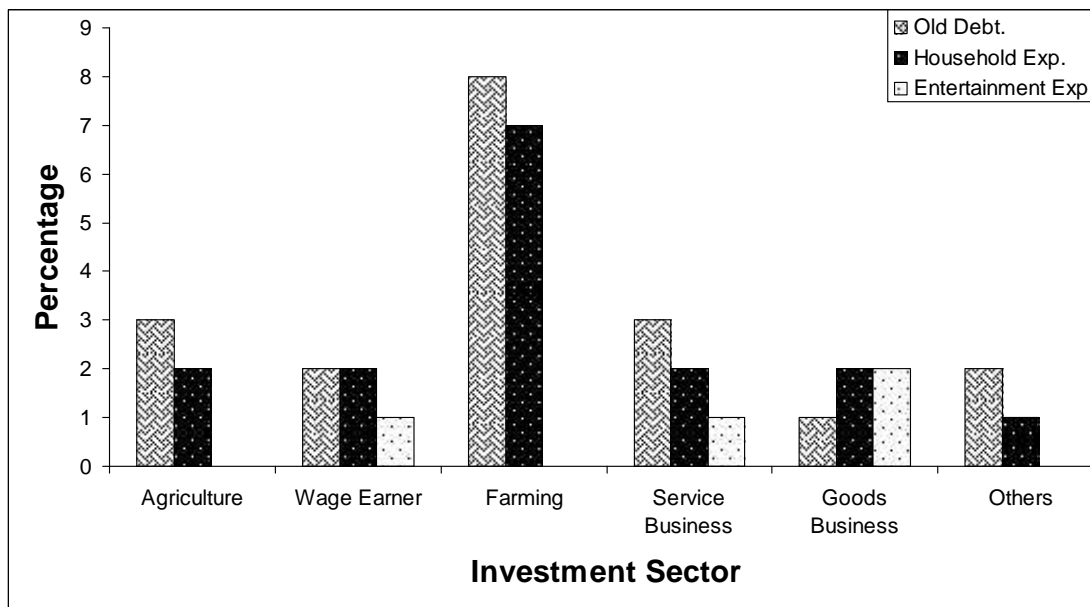
S.N.	Investment Sector	Old Debt.	Household Exp.	Entertainment Exp.	Total
1.	Agriculture	3	2	0	5
2.	Wage Earner	2	2	1	5
3.	Farming	8	7	0	15
4.	Service Business	3	2	1	6
5.	Goods Business	1	2	2	5
6.	Others	2	1	0	3
Total		19	16	4	39

Source: Field Survey by researcher

The above table shows that sample women have used loan for different household expenses, paying old debt and entertainment. They have used loan to meet the household expenses like the expenses of Dashain, Dipawali and other cultural and social functions. Also they have used loan to meet stand ard life with entertainment expenses like buying mobile, T.V. motorcycle and argument etc.

The table shows that among 39 women misused the loan in which 19, 16 and 4 women have used their loan to meet their paying old debt, household expenses and entertainment expenses respectively. The data presented in the following figure.

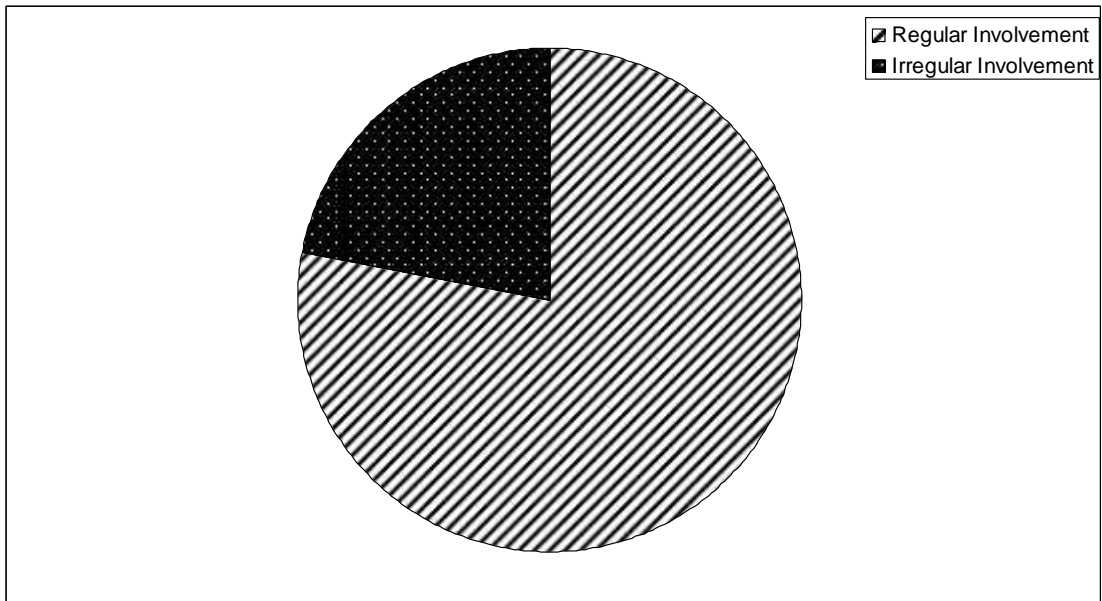
Figure 12
Misuse the Loan



4.5.4 Regular Attendance on meeting

Regular involvement change is for organizational sustainability. Motivation is to maximize human potential at work. Motivation increases highly involvement on regular meeting. Meeting gives guidelines of programme to women. Meeting is a kind of training. Training is to harmonize all the activities of a concern in order to facilitate its working and its success. It also helps women in power for programme. Regular attendance or meeting reduced misused the loan other than objectives of the loan. Among 100 sample women 78% are regular involvement at meeting and 22% are women irregular involvement on meeting. This data shows in following diagram.

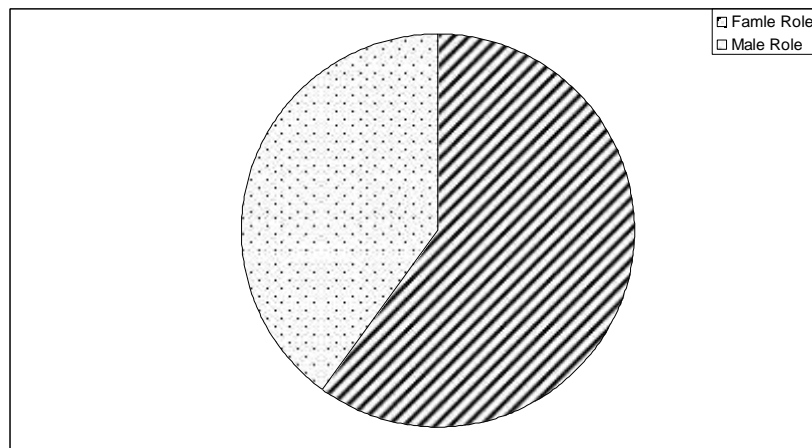
Figure 13
Regular Attendance on meeting



4.5.5 Role of the women in Family

Leadership is the relation between an individual and a group around some common interest and behaving in a manner directed or determined by him. Leadership can play vital role in decision making process and loan utilization. If the leadership women of in family status are highly increased and self decision making process, she can use loan for the objectives of the loan and decreases misuse of loan. This shows that women leadership in family gives sustainability of the programme. In the researcher studies among the 100% sampled women, 60% women are taking leadership role in family and 40% women are not taking leadership role in family.

Figure 14
Role of the women in Family



4.6 Major findings of the Study

This study is used correlation as well as regression analysis and z test to accomplish the objectives of the study. Correlations and simple regression equations were used to test the relationship between investment and changes in income. Z test was used to measure the change in stand ard of living of the people. Similarly, different indicators such as pie-chart, multiple bar diagram, bar diagram, repayment rate and loan utilization schedule are used to fulfill the objectives of the study. The major findings of the study are noted as follows:

-) Out of the respondents of the program 69% of sample women have taken the loan amount less than Rs. 5000 and 31% of sample women have taken the loan amount more than Rs. 5000.
-) The highest proportion (27%) of Borrowers before borrowing were in the occupation of Agriculture and the lowest in Pig Farming only 5%.
-) After borrowing, the highest proportion of investment of borrowers is made on modern Business sector (76%) and the lowest is made on Traditional business like as agriculture and wage earner (24%)
-) After the intervention of the programme women are specially attracted towards the modern business of poultry farming, buffalo keeping, pig farming, retail business and street business which are economically profitable.
-) After the intervention of the programme 70% women have income greater than Rs. 500 per month but only 30% women have income less than Rs. 500 per month.
-) Increases in income due to investment programme is positive since the result of correlation and regression analysis is found significant between the two variables.
-) All the participant women have their own house. 67% of women are getting general facility of the house such as toilet, water tap, bathroom, bio-gas after the intervention of the programme which shows that women have well physical facilities.
-) After the intervention of the programe 58% women consume non-traditional food like as milk, egg, meat, Fruits, etc, so the majority of participant women have well balance diet.

-) The study shows that overall impact of micro finance program for women earning and living stand ard is positive. For Z test there is a significant difference between before and after programme for sheltering and fooding.
-) All the participant women are married at the age structure of sample women who are in the range of 15-65 years.
-) The women borrowers in the range of 25-35 years are highly involved in the programme.
-) The perception of user groups towards the programme is positive.
-) All the participant women perceive benefit from the programme in research study it has been found that 56% and 44% women have perceived highly benefited and low benefited respectively.
-) The participant women are from different ethnic group in the research study it has been found that the participant women from Chhetry and Brahmin are 43%, Dalit women are 32% and Janajati and others are 25%.
-) Perception towards the programme with respect to ethnic group 56% are highly benefited and 44% are low benefited. In this study, 19% Dalit women are highly benefited with respect to other ethnic group.
-) Most of the participant women are found to be literate in research study, 79% women are found to be literate and only 21% women are found to be illiterate. Thus literacy rate of the participant women is more than the national literacy rate of the women.
-) Higher educated women are low involvement in the program with respect to illiterate and literate women and they are also low benefited.
-) All the participant women have well conceived that each women member have realized to save pre-determined monthly amount for their future use.
-) Even if the members are suffering from economic problems, they have been saving regularly their future, so that the poor people are also can save small amount of money regularly for future plan.
-) The condition of the loan recovery have a positive role upon the regularly re-payment among the sample women 5% could not make re-payment both for the Principal and interest, 19% and 20% women could re-payment only interest and only Principal regularly respectively, where 56% women could re-payment both the Principal and interest regularly.

-) Out of sample women 61% women have used loan for related sector and the objectives of the loan, 39% women have misused the loan for unrelated sector other than objectives of the loan.
-) Among 39 misused loan 19, 16 and 4 women have used loan to pay the old debt, meet household expenses and entertainment expenses respectively.
-) 78% women are found to be regular attendance on meeting and only 22% women are found to be irregular on meeting.
-) The involvement in the income generating activities has built up the self confidence of rural women in their ability. In research study 60% women are found to be leadership role in family and 40% women are not taking leadership role in family.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Women in Nepal work for longer hours, but the society does not make into account their share of productive activities. The women in comparison to total population are relatively disadvantaged in terms of opportunities to participate in the main stream of development. Their level of literacy, like expectancy and income is not satisfactory. The proportion of women as parliamentarians, bureaucrats and professional are quite small.

Women are the important sources of energy for development and their groups can be effective channel for resources aimed at meeting the needs of poor people in the rural areas.

These potentials can best be realized if they are integrated into the whole spectrum of development program rather than regulated to the marginal sector currently reserved for women.

In the recent years, there has been a growing realization of the importance of women participation in the development process and the need for their advancement. As a consequence, numerous national as well as international organization have been established which carry out program targeted at enabling to women to become aware of their situation and exploit potential to gain relative economic independence together with a better position in their house hold as well as society. Provision of credit is regarded as one of the potentiality strongest force to be towards achieving this goal. Microfinance since its evaluation has been proved as an effective tool to run various programs to reduce poverty and itself as a way to attack poverty.

Micro finance is not a new word for a developing country like Nepal. In the context of Nepal, the establishment of ADB/N was a land mark in the development of rural financial market in Nepal. The institutionalization of rural began since the establishment of credit co-operatives in 1956. Since then many institutions have been established in Nepal, which has been working to promote microfinance related work.

DCRDC on Baglung Municipality was selected for the present study. There were 786 women borrower involved in the program. The main objectives of this was to enquiry into DCRDC's micro finance programme. Analytical and descriptive research design was applied. Primary as well as secondary data were collected. Questionnaires were provided to 100 sampled women borrowers. Official records of DCRDC were studied. Information collected from questionnaires were tabulated and analyzed. Effect of the loan on occupation, income level and status of women was intensively studied. Sustainability of the program was justified.

5.2 Conclusion

From the analysis of the main findings of the study following conclusions can be drawn about micro finance program of DCRDC, Baglung.

-) Most of the women borrowers divert their traditional business to other new economically profitable business after getting the micro finance loan.
-) The micro finance program has increased the earning of the borrower and empowered them socially and economically.
-) The positive correlation between investment and change in income level of women borrower shows that the capability of the entrepreneurs for the repayment of the loan in due time is good.
-) There is no evidence of association between the factors such as age group, education level, ethnic group with perceived value of the benefit from the program.
-) Increase in income along with empowering process increased in living standard of women's family which endeavored change in their livelihood.
-) Because of sheltering and fooding facility the economic condition or most participating women were found well.
-) Regular attendance on meeting, women leadership role in family, regular saving and investment high rate and repayment and utilization of the loan has been satisfactory. The financial sustainability and viability of the programme is guaranteed.

5.3 Recommendation

On the basis of the findings and conclusion of the study, some suggestions has been provided. The researcher believes it would be helpful for enlistment of the present situation and it would also provides guidelines for further planning and implementation of micro finance programme in other NGO of the nation.

-) The programme should develop a practical and varied training courses to the borrowers related to skill development activities as the need of particular community.
-) The agriculture sector is dominant in absorbing the program. Mostly the loan is used for investment like, poultry farming, goat farming, pig farming, buffalo farming and agriculture with vegetable farming. So livestock sickness and livestock death makes emergency burden to the borrowers. To solve the proble, following points are purposed:
 - a. Healthy livestock should be supplied to the borrowers.
 - b. Necessary vaccine should be arranged at appropriate time.
 - c. Who can fully devote time to provide services.
 - d. Though there is the provision of insurance (in the case of death of livestock) but it has not smoothly implemented. So, there is needed of smooth implementation of insurance provision as well as the provision of insurance to the livestock suffering from disease too.
-) Micro finance program is formed operating their transactions without due consideration for their financial viability and sustainability. For the viability and sustainability, effective government policy is also necessary. So, interest rate must be reduced and cost must be minimized where the institution is viable.
-) The position of the program staff should be permanent, so that they could perform their responsibility with confidence and concentration. Give the field orientation nature of work of the program allowance should be raised.
-) Investment has increased the income. So, productivity investment should be raised which may promote loan repayment and utilization of the loan.
-) If the borrowers did not repay the loan in due time, they should be charged fine at higher rate.

-) The provision of loan disbursement to the women should be based upon the proper evaluation of the economic viability of the projects.
-) Group saving is of great importance in the rural economy. Interest rate of saving should be increased greater than 6% per annum.
-) Schedule and venue (place) for meeting should be fixed at proper position and time.
-) Training should be made well conscious about proper utilization and mobilization of saving and investment. The effort on monitoring supervision and evaluation should be increased to make effective use of loan to sustain the program.
-) The programme should include literacy classes as well as orientation classes in which the women development section staff should provide all information about loan, repayment schedule and interest rate etc. This will be great importance because the researcher has met many respondents who says that they did not pay the loan because they heard that the money has come from outside for the poor of Nepal.
-) Micro finance programme is not a family business. So, member of board and executive committee of the institution must be awarded of their role and responsibility. RMDC is an apex organization of micro finance institution in the country. So, it must be provided training for committee members, not only staffs.

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<<http://www.cmfnepal.org/mf.nepalp.htm>>

www.abd.org

www.accion.org

www.microfinance.com

Annex 1
Computation of Correlation Coefficient

S.N.	X	Y	X ²	Y ²	XY
1	1000	80	1000000	6400	80000
2	1000	90	1000000	8100	90000
3	1000	110	1000000	12100	110000
4	2000	160	4000000	25600	320000
5	2000	175	4000000	30625	350000
6	2000	200	4000000	40000	400000
7	2000	210	4000000	44100	420000
8	2000	225	4000000	50625	450000
9	2000	260	4000000	67600	520000
10	2500	260	6250000	67600	650000
11	2500	270	6250000	72900	675000
12	2500	275	6250000	75625	687500
13	2500	280	6250000	78400	700000
14	2500	310	6250000	96100	775000
15	2500	310	6250000	96100	775000
16	2500	345	6250000	119025	862500
17	3000	350	9000000	122500	1050000
18	3000	355	9000000	126025	1065000
19	3000	380	9000000	144400	1140000
20	3000	390	9000000	152100	1170000

21	3000	410	9000000	168100	1230000
22	3000	435	9000000	189225	1305000
23	3000	450	9000000	202500	1350000
24	4000	455	16000000	207025	1820000
25	4000	475	16000000	225625	1900000
26	4000	480	16000000	230400	1920000
27	4000	480	16000000	230400	1920000
28	4000	485	16000000	235225	1940000
29	4000	490	16000000	240100	1960000
30	4000	500	16000000	250000	2000000
31	4000	510	16000000	260100	2040000
32	4000	515	16000000	265225	2060000
33	4000	520	16000000	270400	2080000
34	4000	530	16000000	280900	2120000
35	4000	545	16000000	297025	2180000
36	4000	555	16000000	308025	2220000
37	5000	560	25000000	313600	2800000
38	5000	560	25000000	313600	2800000
39	5000	570	25000000	324900	2850000
40	5000	570	25000000	324900	2850000
41	5000	575	25000000	330625	2875000
42	5000	575	25000000	330625	2875000

43	5000	580	25000000	336400	2900000
44	5000	580	25000000	336400	2900000
45	5000	585	25000000	342225	2925000
46	5000	590	25000000	348100	2950000
47	5000	590	25000000	348100	2950000
48	5000	600	25000000	360000	3000000
49	5000	610	25000000	372100	3050000
50	5000	610	25000000	372100	3050000
51	5000	615	25000000	378225	3075000
52	5000	620	25000000	384400	3100000
53	5000	620	25000000	384400	3100000
54	5000	620	25000000	384400	3100000
55	5000	625	25000000	390625	3125000
56	5000	625	25000000	390625	3125000
57	5000	630	25000000	396900	3150000
58	5000	630	25000000	396900	3150000
59	5000	640	25000000	409600	3200000
60	5000	640	25000000	409600	3200000
61	5000	645	25000000	416025	3225000
62	5000	645	25000000	416025	3225000
63	5000	645	25000000	416025	3225000
64	5000	650	25000000	422500	3250000

65	5000	650	25000000	422500	3250000
66	5000	650	25000000	422500	3250000
67	5000	660	25000000	435600	3300000
68	5000	660	25000000	435600	3300000
69	5000	665	25000000	442225	3325000
70	6000	665	36000000	442225	3990000
71	6000	670	36000000	448900	4020000
72	6000	680	36000000	462400	4080000
73	6000	680	36000000	462400	4080000
74	6000	690	36000000	476100	4140000
75	6000	700	36000000	490000	4200000
76	6000	720	36000000	518400	4320000
77	6000	735	36000000	540225	4410000
78	6000	750	36000000	562500	4500000
79	6000	780	36000000	608400	4680000
80	6000	830	36000000	688900	4980000
81	6000	840	36000000	705600	5040000
82	6000	860	36000000	739600	5160000
83	7000	870	49000000	756900	6090000
84	7000	890	49000000	792100	6230000
85	7000	925	49000000	855625	6475000
86	7000	965	49000000	931225	6755000

87	10000	970	100000000	940900	9700000
88	10000	1000	100000000	1000000	10000000
89	10000	1025	100000000	1050625	10250000
90	10000	1045	100000000	1092025	10450000
91	10000	1100	100000000	1210000	11000000
92	10000	1125	100000000	1265625	11250000
93	10000	1170	100000000	1368900	11700000
94	10000	1190	100000000	1416100	11900000
95	10000	1210	100000000	1464100	12100000
96	10000	1220	100000000	1488400	12200000
97	10000	1250	100000000	1562500	12500000
98	10000	1300	100000000	1690000	13000000
99	10000	1350	100000000	1822500	13500000
100	10000	1450	100000000	2102500	14500000
$\Sigma X = 516500$		$\Sigma Y = 62815$	$\Sigma X^2 = 3230750000$	$\Sigma Y^2 = 47760225$	$\Sigma XY = 390985000$

1. Correlation coefficient

$$\begin{aligned}
 \text{a) Correlation Coefficient (r)} &= \frac{N \Sigma XY - \Sigma X \Sigma Y}{\sqrt{N \Sigma X^2 - (\Sigma X)^2} \sqrt{N \Sigma Y^2 - (\Sigma Y)^2}} \\
 &= \frac{100 \times 390985000 - 516500 \times 62815}{\sqrt{100 \times 3230750000 - (516500)^2} \sqrt{100 \times 47760225 - (62815)^2}} \\
 &= \frac{39098500000 - 32443947500}{\sqrt{323075000000 - 266772250000} \sqrt{4776022500 - 3945724225}} \\
 &= \frac{6654552500}{\sqrt{56302750000} \sqrt{830298275}} \\
 &= \frac{6654552500}{\sqrt{56302750000 \times 28815}}
 \end{aligned}$$

$$= \frac{6654552500}{237282 \times 28815}$$

$$= \frac{6654552500}{6837280830}$$

$$\dots r = 0.97$$

Annex 2

Computation of Regression Analysis

Let the Independent variable (loan amount) = X

Dependent variable (Increase in income) = y

We have,

Regression line Y in X is

$$Y = a + bx$$

Where, a = Autonomous increase in y

b = slope of y on x

with the help of the following formula, we can find the value of a and b.

$$Y = na + b \ x$$

$$XY = a \ X + b \ x^2$$

Now, sub and fitting the values in above formula.

$$62815 = 100a + 515600b \dots\dots\dots(i)$$

$$390985000 = 516500a + 3230750000 \ b \dots\dots\dots(ii)$$

Multiply eqⁿ (i) by 5165 and subtract II from I

$$324439475 = 515600a + 2667722500b$$

$$390985000 = 515600a + 323075000b$$

$$\underline{\hspace{10em}}$$

$$66545525 = 563027500b$$

$$\dots b = 0.1182$$

Substitute the value of (b) in eqⁿ I

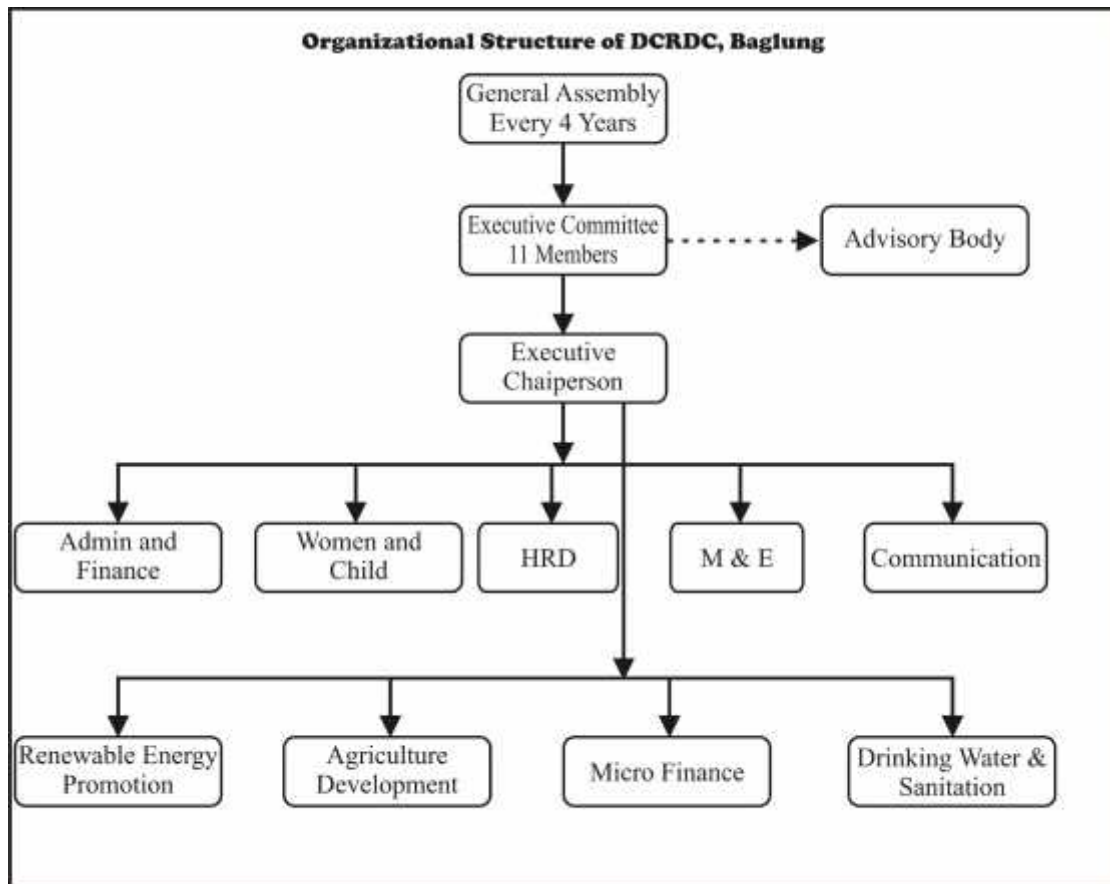
$$62815 = 100a + 516500 \times 0.1182$$

$$\dots a = 50.80$$

$$b = 0.1182$$

Annex 3

Organization Structure of DCRDC, Baglung



Organization Structure of DCRDC,

Annex 4

Fooding pattern of the Respondents

$$Z = \frac{p_1 - p_2}{\sqrt{PQ \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

$$\text{Where, } P = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2}$$

$$= \frac{100 \times 0.37 + 100 \times 0.58}{100 + 100}$$

$$= \frac{37 + 58}{200}$$

$$= \frac{95}{200}$$

$$= 0.475$$

$$\text{Then, } Q = 1 - P$$

$$= 1 - 0.475$$

$$= 0.525$$

$$\therefore Z = \frac{0.37 - 0.58}{\sqrt{0.475 \times 0.525 \left(\frac{1}{100} + \frac{1}{100} \right)}}$$

$$= \frac{-0.21}{\sqrt{0.2494 \times (0.01 + 0.01)}}$$

$$= \frac{-0.21}{\sqrt{0.00498}}$$

$$= \frac{-0.21}{0.070622234}$$

$$= -2.9736$$

$$|Z| = 2.9736 > 1.645$$

Annex 4

Sheltering pattern of the Respondents

$$Z = \frac{P_1 Z P_2}{\sqrt{P^{\wedge} Q^{\wedge} \frac{1}{n_1} \Gamma \frac{1}{n_2}}}$$

Where,

$$\begin{aligned} P^{\wedge} &= \frac{n_1 P_1 + n_2 P_2}{n_1 + n_2} \\ &= \frac{100 \times 0.49 + 100 \times 0.67}{100 + 100} \\ &= \frac{49 + 67}{200} \\ &= \frac{116}{200} \\ &= 0.58 \end{aligned}$$

Then,

$$\begin{aligned} Q^{\wedge} &= 1 - P^{\wedge} \\ &= 1 - 0.58 \\ &= 0.42 \end{aligned}$$

$$\begin{aligned} \therefore Z &= \frac{0.49 - 0.67}{\sqrt{0.58 \times 0.42 \times \frac{1}{100} \Gamma \frac{1}{100}}} \\ &= \frac{-0.18}{\sqrt{0.2436 \times 0.02}} \\ &= \frac{-0.18}{0.0698} \\ &= -2.5788 \\ |Z| &= 2.5788 > 1.645 \end{aligned}$$

Annex 6

Organization Structure Of DCRDC, Impact Of Micro Finance Programme For Womens Poverty Reduction Of Dcrdc On Baglung Municipality

k | Zgf jnL

१. व्यक्तिगत विवरण सम्बन्धी
- नाम: उमेर:
- शिक्षा: धर्म:
- पेशा: वैवाहिक स्थिति
- क) विवाहित ख) अविवाहित
२. आफू संलग्न भएको समूहको नाम:
३. परिवारमा मुख्य भूमिका कसको रहन्छ ?
- क) श्रीमान ख) आफै ग) अन्य कुनै भए
४. समूहमा सहभागी हुनुभन्दा पहिलाको आम्दानी लगभग कति थियो ?
- मासिक रु.
५. समूहमा सहभागि भएपछि तपाईंको आम्दानी लगभग कति छ ?
- मासिक रु.
६. तपाईंको आम्दानीले वर्षभरी खान पुग्छ ?
- क) पुग्छ ख) पुग्दैन ग) वचत हुन्छ/कति
- घ) केही समयका लागि मात्र खान पुग्छ भने कति महिनाको लागि ?
७. वार्षिक वचत कति गर्नुहुन्छ ?
- समूहमा सहभागि हुनुभन्दा पहिला रु.
- समूहमा सहभागि भएपछि रु.
८. आफूले चाहेजति ऋण प्राप्त गर्नुभएको छ ?
- क) छ ख) छैन

९. ऋणको के कामका लागि लिनुभएको छ ?
 क) कृषि ख) पशुपालन ग) व्यापार घ) अन्य
१०. सरदर ऋण कति लिनुभएको छ ?
 रु.
११. ऋणको रकम भनेकै कामका लागि प्रयोगमा ल्याउनुभएको छ ?
 क) छ ख) छैन
 ग) यदि छैन भने किन
१२. ऋणको रकम समयमा नै तिर्नुभएको छ ?
 क) छ ख) छैन
 ग) यदि तिर्नुभएको छैन भने किन
१३. ऋण लगानी गरेको आम्दानीले ऋणको रकम:
 क) साँवा तिर्न पनि पुग्दैन ख) साँवा तिर्न मात्र पुग्छ
 ग) साँवा व्याज दुवै तिर्न पुग्छ घ) व्याज मात्र तिर्न पुग्छ
 ड) साँवा व्याज दुवै तिर्न पुग्दैन
१४. समूहमा आवद्ध हुन कुनै समस्या छ ?
 क) छैन ख) छ ग) छ भने किन
१५. समूहमा सहभागि भएपछि तपाईंको जीवनस्तर बढेको छ ?
 क) छ ख) छैन
१६. संस्था प्रतिको तपाईंको दृष्टिकोण के छ ?
 क) राम्रो ख) नराम्रो
 ख) सन्तोषजनक घ) केही भन्त सक्दैन
१७. समूहमा सहभागि भएपछि समाजमा तपाईंलाई हेर्ने दृष्टिकोण कस्तो छ ?
 क) सकारात्मक ख) नकारात्मक ग) पुरानै

१८. समूहको बैठकमा नियमित सहभागि हुनुहुन्छ ?
 क) छु ख) छैन ग) छैन भने किन
१९. कार्यक्रममा सहभागि हुनुभन्दा पहिला ऋण कहाँबाट लिनुहुन्थ्यो ?
 क) साहु महाजन ख) बैंक ग) इष्टमित्र
२०. कार्यक्रममा सहभागि हुनुभन्दा पहिला व्याज कति प्रतिशतले तिर्नुहुन्थ्यो ?
 प्रतिशतमा
२१. कार्यक्रममा सहभागि भएपछि ऋणको स्रोत कुन हो ?
 क) साहु महाजन ख) बैंक ग) इष्टमित्र
२२. कार्यक्रममा सहभागि भएपछि व्याजदर कति तिर्नुहुन्छ ?
 प्रतिशतमा
२३. समूहमा नियमित वचत गर्नुहुन्छ र व्याज संस्थाले कति प्रतिशत प्रदान गरेको छ ?
 क) छ रु. ख) छैन किन :
 ग) संस्थाले प्रदान गर्ने व्याज %.....
२४. तपाईंको परिवारको आम्दानीको प्रमुख स्रोत के हो ?
 क) कृषि ख) व्यापार ग) जागिर
 घ) ज्यालादारी ड) अन्य
२५. कार्यक्रमका सम्बन्धमा तपाईंको कुनै सुझाव भए ?
२६. समयमा नै ऋण नतिरेमा जरीवाना तिर्नुपर्दछ ?
 क) पर्दैन ख) पर्छ कति
२७. संस्थाबाट कुनै तालिम प्राप्त गर्नुभएको छ ?
 क) छैन ख) छ कुन विषयमा
२८. तालिमबाट प्राप्त ज्ञानको प्रयोग कसरी गर्नुभएको छ ?
 क) पूर्ण ख) आंशिक
 ग) प्रयोग नै भएको छैन भने किन.....

२९. समूहमा सहभागि भएपछि आम्दानी बढेको छ ?
- क) छ भने सरदर रु. ख) छैन
३०. समूहमा सहभागि भएपछि वचत बढेको छ ?
- क) छ भने सरदर रु. ख) छैन
३१. दैनिक उपभोग्य वस्तुमा कस्तो परिवर्तन भयो ?
- क) संस्थामा सहभागि हुनुभन्दा पहिला
- ख) संस्थामा सहभागि भएपछि
३२. तपाईंको घरमा शौचालयको सुविधा कहिलेदेखि लिनुभयो ?
- क) सहभागि हुनुभन्दा पहिला
- ख) सहभागि भएपछि
३३. तपाईंको घरमा पानीको सुविधा छ ?
- क) छ ख) छैन ग) छ भने कहिलेदेखि
३४. तपाईंको घरमा चुलो वा गोबर ग्याँसको सुविधा कहिलेदेखि दिनुभयो ?
- क) समूहमा सहभागि हुनुपन्दा पहिला
- ख) समूहमा सहभागि भएपछि
३५. संस्थामा सहभागि भएपछि कस्तो प्रकारको फाइदा प्राप्त गर्नुभएको छ ?
- क) अधिकतम फाइदा
- ख) न्यूनतम फाइदा
- ग) बेफाइदा