

Socio-economic Impact of Women Based Micro-Credit

A Case Study of Nari Bikash Bachat Samuha, Lakhanpur-3 Jhapa, Nepal

A Thesis Submitted to:

**Department of Rural Development
Faculty of Humanities and Social Sciences,
Central Department of Rural Development
In Fulfillment of the Requirements for
Master's Degree of Arts
In Rural Development**

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2009

RECOMMENDATION LETTER

This thesis entitled “**Socio-economic Impact of Women Based Micro-Credit, A Case Study of Nari Bikash Bachat Samuha, Lakhapur-3 Jhapa, Nepal**” has been prepared by Ms. Sita Bista under my guidance and supervision. I found her work satisfactory. I would like to forward this dissertation for final approval.

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LETTER OF APPROVAL

This research entitled “Socio-economic Impact of Women Based Micro-Credit, A Case Study of Nari Bikash Bachat Samuha, Lakhanpur-3 Jhapa, Nepal” submitted by Ms. Sita Bista, has been evaluated and accepted as a requirement for the partial fulfillment for the degree of Master of Arts in rural development.

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ACKNOWLEDGEMENTS

First of all, I would like to render my whole- hearted gratitude to all of those who have kindly given their valuable time and energy for the study. I acknowledge my heartfelt thanks to the Central Department of Rural Development for providing me an opportunity to carryout this study in this stage.

I am profoundly indebted to my supervisor Dr. Uma Kant Silwal for his inexhaustible support, valuable suggestion; encouragement and supervision in all stages of the study from the field work to the final compilation of the work. More over, I fill deep gratitude to all my respected teachers including the Head of Department Dr. Pradeep Kumar Khadka for their co-operation and inspiration that remained invaluable in the completion of the work.

My few words of appreciation should also go to the people of study area. Their willingness to share their experiences as well as to provide information required for the study was remarkable.

Like wise my gratitude goes to my parents who created conducive environment in pursuit of my academic carrier, bestowing their love, sympathy and encouragement and not least financial support without which I could not complete my academic pursuit.I am also deeply indebted to my friends Bimala, Nirmala, Parbata, Govinda, Prakash, Sunita, Prakand ,Priyanka, Pramila, Khagendra, Ramila, Rajan, Anil, Nabin, Nabaraj and Nelka who helped me with their best efforts and love in a familiar environment to my whole period of this university degree.

Finally, I would like to thank all who have directly and indirectly assisted me to make the endeavor a success.

February 2009

Sita Bista

ABSTRACT

Micro-credit is non financial services which directly provide services to its members. These non financial services mostly include training such as basic literacy and arithmetic are prerequisites to run the program smoothly and for the members to be able to keep their accounts. A part from that its give trainings on micro-enterprises form a part of non financial services.

Micro-credit in Nepal is provided by both formal and informal sectors. Variety of formal and informal community based savings and credit organizations operate across the country, but their outreach remains limited and capacity for growth constrained by limited member, skill and capital.

About 90% of the people in developing countries lack access to financial services from institution either for credit or for saving .Among them if course, nearly all the poor can make use of micro –finance, there remains a massive gap between the low level of commercial micro-finance available form financial institutions and the extensive worldwide demand for such financial services among low income people.

Micro-finance has a positive impact on reducing extreme poverty .poor use financial services to invest in micro-enterprises in addition to meet wide variety of other cash needs that they encounter the financial services savings and credit enables clients to increase their household incomes, build assets and reduce their vulnerability to rises.

This study was conducted in lakhanpur VDC, Thapa. The main specific objective of this study was to assess member's socioeconomic status and financial condition of NBBS.

For this purpose, 30 respondents were randomly selected, group discussion among staffs, members as well as borrowers of NBBS individuals interview, objective types questionnaire with multi – choice alternative and close ended answers were used to collect data (Annex – I, II, III). A multi – choice alternative question had provided to facilate the respondent to and helps them for finding the best answer to their choice even, observation tools were applied to know NBBS member's socio-economic status.

Nepal government does not have good kinds of micro – credit programs and policies. Nepal has a long history on saving and credit but it does not give and kinds of beneficiaries to targeted people. So government policies and programs proved only as the drop of water in ocean. But, now Nepalese people are aware and there are so many micro – credit programs which are launched by them

self and so that Nepal is poor but the people are so rich. Women are very poor which the main problem is. For this education level of women should be raised. Nepal government implemented literacy programs, skill oriented training programs, income and employment generation activities, relief work, health and drinking water etc but it does not implement with the lack of paper policies. So, women based micro – credit does not give positive impact for the nation.

This research study was carried out to reflect the "socio – economic impact of women based micro – credit". The research finding suggested that there are; 73.33% female and 26.66% male where the majority of respondent were Brahmin, Chhetri, Janajati, Indigenous and Dalits. The main finding of NBBS members is there is lack of knowledge of policy so, that rule and regulation are different among members and staffs. There is misuse of loans because of Evaluation, monitoring and reporting. There is no providing necessary training and information about amendment policy, law and regulation to the staffs and members. NBBS committee and division cooperative office meets for monitoring fund and steering only twice a year.

Some major recommendations are:

Education level of women should be raised, rule and regulation should be followed strictly for fraud co – operative, open policy would be better for loan provision except members, training most provide to staffs and members, budget most allocate for social welfare activities such as sanitation, awareness and education, programs should be launched to eliminate the gender discrimination and cast discrimination policies and programs related to women bared micro – credit should be implemented effectively.

There is needed to carryout the further research in the same topic in the other areas for policy implication in the field of enhances the Socio – Economic impact of women bared micro – credit in household, community level and in notional level. But, at last what we can say that micro – credit have several prospects for the development of Nepal.

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ABBREVIATIONS/ACRONYMS

ADB/N	-	Agriculture Development Bank Nepal
B.S	-	Bikram Sambat
CBO	-	Community Based Organization
CBS	-	Central Bureau of Statistic
CDC	-	Child Development Centre
CMF	-	Center for Micro-Finance
DCU	-	District Co-operative Union
DDC	-	District Development Committee
DVN	-	Development Vision Nepal
HDR	-	Human Development Report
MCPW	-	Micro Credit Institution
MF	-	Micro Finance
MLD	-	Ministry of Local Development
NBBS		Nari Bikash Bachat Samuha
NGO	-	Non-Government Organization
NPC	-	National Planning Commission
NRB	-	Nepal Rastra Bank
PCRW	-	Production Credit for Rural Women
PCS	-	Primary Co-operative Society
REPCS	-	Rochdale Equitable Pioneer Co-operative Society
RMDC	-	Rural Micro-Finance Development Center
SACCOS	-	Saving and Credit Co-operatives Society
SCC	-	Savings and Credit Co-Operatives
SCO	-	Savings and Credit Organization
SCU	-	Sectorwise Co-operative Society
SFDP	-	Small Farmer Development Program
SHG	-	Self-Help Group
VDC	-	Village Development Committee