

An Evaluation of Sustainable Impact of Upakar Laghubitta Bittiya Sanstha Limited (ULBSL) on Poverty Reduction in Baijanath Rural Municipality, Banke District, Nepal: A Case Study

Lal Mani Pokhrel

PhD, Scholar

Om Sterling Global University, Haryana, India

Dr. Seema Ghanghas

Associate Professor

School of Commerce and Management,
Om Sterling Global University, Haryana, India

ABSTRACT:

This study evaluates the impact of Upakar Laghubitta Bittiya Sanstha Limited (ULBSL) on poverty reduction in Baijanath Rural Municipality, Banke district of Nepal. Data for the study were obtained from primary and secondary sources through different data collection methods, including household surveys, case studies, group discussions, and direct observation. The study found a positive impact of the microfinance program launched by ULBSL on poverty reduction. The income level of the respondents increased, food and clothing styles changed, and most of the children used to go to private school instead of public school. The study also found a positive impact on social and economic aspects in that village. The developed groups ultimately enhance the ability and capacity of the members. Awareness of health and sanitation is another significant finding of that programme. The study recommends further research in the area of microfinance strategy on loan management and its impact on the performance of development people. This research should be done to see how microfinance helps reduce poverty in different areas and communities nationwide.

Keywords: *Microfinance, Poverty Reduction, ULBSL, Nepal, Rural Development, Impact Evaluation*

INTRODUCTION

Rural people in Nepal's economy rely on agriculture as one of their key sectors. The state of agriculture aside, the country also has tremendous natural resources. Unfortunately, these assets are underutilized, and economic growth is poorer than expected. Nepal is currently struggling, with only statistics showing progress in some areas. This involves the small number of goods and services the country can offer (GDP), the fee an individual can raise per capita, the high rate at which people spend money, the labour cost and private investment. It is estimated that according to the Central Bureau of Statistics (CBS), Nepal's GDP per capita was \$1,372 in 2021, while the economy increased by 5.84% in 2020. Nepal has a shallow position in terms of the citizens' income, stating that it is the second lowest income of SAARC countries. Poverty is a significant and complex problem that affects many people and society. It is a socio-

economic crisis affecting both individual people and the wider society. Poverty is a global issue that is the main enemy to the development of the poorest communities, but it is also a complex matter at a grander scale. It is a major cause of conflicts with different forms and manifestations worldwide. Poverty is the deprivation of well-being, characterized by low income, inadequate nutrition, poor healthcare, limited education, and lack of essential services. In Nepal, the poverty line is below the poverty line with 20% of the population, so it still forces poverty in many of the rural areas. Farmers in rural Nepal need help because they need access to the right credit/financial service/institution to do their work, leading to declining agricultural productivity in traditional agriculture. The increase of self-employment opportunities and the expansion of financial services to people experiencing poverty is the primary way

microfinance has solved these problems since the development by Dr Muhammad Yunus in 1976 in Bangladesh, and it has since spread to other countries as a popular tool for reducing poverty. As anti-poverty agents, microfinance institutions (MFIs) offer financial services to poor and lower-income households and play a significant role in financial inclusion. Nepal has been practising microfinance for nearly four decades, with Nepal Rastra Bank (NRB) introducing and implementing microfinance programs since 1974. Upakar Laghubitta Bittiya Sanstha Limited (ULBSL) is one of the registered MFIs formed as a public limited company in 2018 to fight poverty in the rural areas of the Lumbini Province. ULBSL, through its micro-credit, savings, and payment services offerings to underprivileged and low-income households, is the leading financial service provider. The establishment's primary goals include

providing banking services in the rural segment with more emphasis on women who are part of underprivileged groups; as a result, the popularity of banking services increases. Also, women can acquire financial literacy, leading to improved living standards. ULBSL offers various loan products, including general loans, seasonal loans, micro-enterprise loans, housing loans, emergency loans, and education loans, designed to support income-generating activities and improve the socio-economic status of its clients. Statement of problem Microfinance banks, such as ULBSL, have worked in rural Nepal, conducting microcredit and savings, informal education, first aid health services, training, and skill development. ULBSL's primary goal is to generate income and allow poor people to work independently through microcredit, thus making them less poor. To ensure that the poorest of the poor are eligible for support, ULBSL selects its clients using specific criteria, including limited assets, no sources of regular income, and no active loans with other microfinance providers. Poor communities and a lack of economic awareness characterized the research areas. The local government's failure to enter these areas is what makes them even harder for people; they are:

- limited outreach to ultra-poor and remote communities
- Insufficient support
- Capacity-building challenges
- Lack of government attention
- Inadequate and skilled workforce

City-rural cooperation microfinance is a way out of the fundamental aspects of

the lives of the rural areas and the development of the self-esteem of these people to enable them to save and be mobile with their resources efficiently. The research aims to determine the effect of income-generating capacities and awareness programs on improving the local population in Baijanath Rural Municipality.

The researcher will inquire into the most critical research questions:

What are the economic statuses of individuals before and after joining microfinance programs?

How do the lifestyles of respondents change after joining microfinance programs?

What are the contributions of microfinance to poverty reduction?

Objectives of the Study

This paper is mainly centred on this particular study and the role of ULBSL in the poverty reduction project among the poor 50 families in Baijnath Rural Municipality-6, Banke district. The specified objectives are:

- To give a demographic profile of the families that are the object of the research.
- To study the people's economic status before and after joining ULBSL.
- To note the effect of ULBSL on poverty reduction among the intended population

Rational of The Study

ULBSL has been playing a significant role in addressing rural poverty through microfinance initiatives. It is obligatory

to investigate the impact of ULBSL (*Rhizobium leguminosarum* bv. *Lathyrus*) on rural development. The main idea of this paper is to monitor the influence of microfinance on cutting down poverty in the area of research. The research is aimed to answer the following queries: What should be the actions of ULBSL (Ultra-Low et al.) in the development arena to exploit microfinance as a powerful tool to address rural poverty? What would be the significance of creating microfinance to alleviate poverty? The study results are the foundation for knowing the living conditions of the farmers as opposed to eliciting any progress report of their economic status. This research also benefits those working on rural development, such as the government (policy/decision-making bodies), NGOs and INGOs, DEW workers, Social workers, academicians, Specialists and Politicians. Who is striving to ameliorate the economic situation of rural people? It will be the essential groundwork for future research scholars who are inquisitive about these areas. The present study focuses on examining the contribution of microfinance to poverty reduction among rural people, with a specific focus on Baijanath Rural Municipality in Banke district.

Literature Review

A literature review analyses establishing research, books, articles, and reports based on a particular research subject. It serves as an aid to go deeply into the problem and to identify the most appropriate methodologies to research. The study targets establishing the role of ULBSL in micro-credit micro-credit and its influence on the rural poor. In addition to the works of literature, books, articles, research papers, periods,

and websites relevant to this study have been shown. Poverty is a multi-faced issue that affects many people's lives in several ways. For example, they may have to suffer from a lack of food, lack of safe drinking water, lack of employment, lack of education, and lack of essential services. Very often, poor people suffer from physical, mental, and emotional disabilities, have limited abilities and low self-esteem, and also are not able to set life goals. Yunus (2008), a Nobel Laureate, was the one who first came up with the idea of a social business that is currently "non-loss", where all profits will be reinvested in the business rather than being distributed to the shareholders. According to the World Bank's (2021) definition, one out of every five people living in extreme poverty is less than \$1.90 per day. Microfinance is a financial service provided to deprived groups and poor people for savings, credit, remittances, rural insurance, etc., to help them develop self-employment opportunities and income-generating activities. It is considered an effective financial tool for poverty reduction. The Grameen Bank of Bangladesh, initiated by Professor Muhammad Yunus, is a pioneering institution in microfinance. It provides tiny loans to groups of poor women to invest in micro-businesses based on solidarity group lending, where every member of the group guarantees and repays all members' loans. The Grameen Bank model has been replicated in various countries, including Nepal. In Nepal, microfinance institutions (MFIs) work on the front lines daily, meeting clients' needs and reaching out to others who can benefit from microfinance. To help them be efficient and effective and increase their outreach, MFIs provide microfinance program support through

funding, technical assistance, training, and new technology. Nepal's 15th five-year plan (2020-2024) has incorporated microcredit as a significant financial tool for poverty reduction. The plan aims to invest in agriculture and rural credit from banks and financial institutions. Modalities of the Nepalese finance sector that have practised microfinance include the Grameen Model, Small Farmer Cooperative Limited (SFCL Model), Financial Intermediary by NGOs (FINGOs Model), Saving and Credit Cooperative (SACCO Model), Priority Sector and Deprive Sector Credit Model, Donor-Supported Micro Credit Program, and Wholesale Micro Financing Model. The Grameen Bikash Bank (GBB) in Nepal is a bank that helps poor people, particularly women, improve their economic conditions and engage in productive work. The bank provides loans without collateral based on a group guarantee. The GBB aims to improve the well-being of people with low incomes by providing credit, creating social and financial conditions that enable poor men and women to receive credit, and conducting social intermediation to make people experiencing poverty socially and individually accountable.

Research Design

This study employed a descriptive and analytical research design to evaluate the impact of ULBSL's microfinance program on the socio-economic condition of rural poor people. The case study research design was also used to gather in-depth information from respondents. Population, Sample, and Sampling Design A research study looked into the performance of ULBSL, one of the 11 microfinance institutions working in Baijanath Rural Municipality. The institution was

selected through a lottery method. The population comprised 240 loan borrowers in Ward No. 6, Banke, and a sample size of 50 borrowers was chosen using purposive sampling. Nature and Sources of Data The study utilized primary and secondary data collection and analysis. Primary Data Collection Primary data was collected through the household survey. A structured questionnaire was given to 50 respondents, of which 46 were females, and 4 were males, who were required to provide information about their social and economic situation, the usage of their loan(s), and their observations concerning the program of ULBSL. Some of the open-structured questions included those that needed the respondents to describe their income sources, household consumption patterns, loan utilization, satisfaction with the service provided by the funding source, and suggest how some problems were solved. Secondary Data Collection: Secondary data was collected from the literature of the preceding studies, the Statistical Handbook, the Institutional Reports, District and rural municipality profiles Microfinance reports, the NRB, ADB, IMF, and RMDC Journals, Even though the Relevant reports were unpublished, i.e.,

Methods of Data Analysis

The analysis was undertaken using both quantitative and qualitative methods.

Quantitative methods

(i) Correlation coefficient

Correlation Coefficient: Used to analyze the relationship between two variables, such as investment, income, and saving. The following formula has determined the Co-relation Co-efficient.

Where, r = correlation coefficient between x and y variables.

n = No. of observation

x = Variable

y = Variable

(ii) Mean

Mean is Used to calculate the average value of different variables.

Where, = Mean value of x variable

n = Number of Observation

(iii) Probable error (Per): Used to test the significance of the correlation coefficient, depends on several factors; one of the ways of testing the significance of r is

Where, = square of correlation coefficient

n = No. Of poor observation

(iii) Regression analysis: Regression analysis is used to predict the amount of savings with income variation. The following equations determine the regression line of Y (dependent variable) on X (independent variable).

$Y = a + bX$

The value of (a) and (b) can be determined by solving the following two simultaneous equations.

The Qualitative Method

Various research instruments were used to collect secondary data through personal interviews, case studies, and group discussions on literacy, health care, nutrition, awareness, personality development, and other qualitative aspects. The data collected was processed using quantitative and qualitative methodologies, and valuable inferences about the socio-economic condition of the rural poor were made based on the analyses of ULBSL's microfinance projects. The present study is a correlation analysis between microfinance services and the introduction of microfinance services as the triggering factor in the community. When entities like the government and financial institutions are involved in microfinance, the independent and dependent variables become different. In this scenario, the

independent variable is the one who takes microfinance services. The remaining overacted variables are loans, savings, business, and entrepreneurship. For example, household performance, business performance, and individual empowerment are variables.

Data Analysis and Interpretation

This section presents the summarization, analysis, and interpretation of the collected data using various analysis methods.

Demographic profile of targeted families

This section describes and analyzes the demographic characteristics of respondents, including Age, Marital status, Occupation, and Education. The following demographic variables are presented in the sub-sections.

Age Composition This study included all members of ULBSL in the population. The distribution of the population by age group in Table 1 is presented below.

Table 1

Distribution of the respondents by age

Age group	No. of respondents	Percentage
16-25	9	18
26-35	16	32
36-45	12	24
46-55	8	16
56 above	5	10
Total	50	100

Table no. 1 depicts the distribution of the respondents' age groups. Among 50 respondents, 18 per cent were in the 16-

25 age group, 32 per cent were in the 26-35 age group, 24 per cent were in the 36-45 age group and 10 per cent were in the 55-year-old age group. This finding reveals that the 26-35 age group are the prime economic actors.

Table 2 Distribution of Marital Status of Respondents

Marital Status	No.of Respondents	Percentage
Married	41	82
Unmarried	9	18
Total	50	100

The data presented in the above table shows that the marital status of respondents, out of total respondents, 82 percent were married and 18 percent were unmarried women.

Table 3 Respondthe remaining ents' distributio womenn by occupation

Occupation	No. of respondents	Percent
Agriculture	6	12
Business	29	58
Labour	8	16
Others (Housewives/ services)	7	14
Total	50	100

The above information showed the respondents' occupational status. 12 percent were involved in agriculture, 58 percent were in business, 16 percent were labourers, and 14 percent were in other occupations. The above data found that many women who performed agricultural and housework took part in the activities, while only a few were farmers.

Table 4 Respondents distribution by education status

Education is the averages for civilization of people. Education plays significant role in development of economic status of the people and their society. The educational status of the respondents has been shown in

Table 4: Distribution of the respondents by education status

Education status	No. of respondents	Percentage
Illiterate	3	6
Literate	17	34
Basic level	17	34
Secondary level	8	16
Higher level	5	10
Total	50	100

The data shown in the table indicates that 94% of respondents are literate and only 6% are illiterate. This information above made the educational structure satisfying to the female residents in the study area.

Economic status of before and after the joining ULBSL The main objective of ULBSL is to elevate the socio-economic condition of the rural poor. As ULBSL provides small loans on an incremental basis, such a small loan could generate a manageable amount of income. The policymaker believed that the success of ULBSL lies in the fact that even a tiny increment in monthly household income can make a big difference to the level of living and prospects of impoverished households. As such, the positive impact of ULBSL can be analyzed mainly based on the income of members generated by borrowing. The income of the members before and after the intervention of the ULBSL programme has been analyzed. Income of respondents before and after joining the ULBSL Income is the main factor of the family. In the study area, respondents' income before and after joining the ULBSL are as follows:

Table 5: Before Borrowing Income group Per Month (Rs.) After borrowing

Percentage of borrower	No. of Borrowers	Income group Per Month (Rs.)	No. of Borrower	Percentage of Borrower
28	14	Upto 2000	-	-
14	7	2001-2500	1	2
20	10	2501-3000	2	4
6	3	3001-4500	1	2
10	5	4501-5000	6	12
-	-	-	1	2
14	7	5001-5500	8	16
-	-	-	3	6
6	3	5501-6000	9	18
2	1	6001-and more	19	38
100	50		50	100

The above table shows a remarkable change in the members' income after the intervention of ULBSL. Before the intervention, 28% of the members earned up to Rs. 2000.00, and only 2 % earned more than Rs. 6000.00. Our discussion found that the members with entrepreneurship skills earned more. Some of the members are engaged in the hotel business. During the field survey, it was found that there was good income in the hotel business due to the high demand for alcohol and non-vegetable dishes. An attractive profit margin existed in the sale of such items. It was found in the field survey that most of the labourers of the workforce consumed alcohol and spent a major portion of their income on it.

Average monthly income of borrower

As regards to people's opinion on this subject, the RT said that their income has become bigger. The following shows the average monthly income of the borrowing member:

Table 6
Average monthly income of borrower

Income Before Intervention in Rs	Income After Intervention in Rs.	Percentage of Increase in income
3382.00	6650.00	96.63

The monthly income of the members after the intervention of ULBSL has doubled. Prior to the program implementation, the average income of group members was Rs. 3382.00, which increased to Rs. 6650.00 after intervention. This is a clear indication that the ULBSL program has a significant impact on income generation. However, to note here, the income figure is the operating income without subtracting the implicit cost and labor cost.

Test of correlation

It is essential to find out if there is a significant relationship between two variables, loan and increase in income. Correlation analysis is an appropriate measure to find the relationship between these two variables. Here, an attempt has been made to find out the degree of relationship between investment, i.e. loan (x) and increase in income (y). The researcher has used Karl Person's correlation coefficient r. Where, = Mean loan amount (yearly)
= Mean income amount (yearly)
Substituting the value of X and Y

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= Mean income amount (yearly)
Substituting the value of X and Y

= 0.9777

Therefore, correlation between loan and income is 0.9777

From the calculation, as $r_{xy} = 0.9777$, the correlation between loan amount (x) and income (y) is perfectly co-related with positive relation. We can further interpret their relation i.e. how they related economically. To check the viability of the result researcher has taken the help of the following formula.

$PE(r) = 0.6745 X$

= 0.6745 X

= 0.6745 X

$PE(r) = 0.004207$

Where, PE = probable error of r

r = correlation coefficient between loan (x) and income (y)

n = No of observation

Here, n=50, r=0.9777

There are three conditions to know the degree of correlation between X and Y.

a. If $r < PE \text{ ®}$, there is no significant relationship between X and Y.

b. If $r > PE \text{ ®}$, there is most significant relation between X and Y.

c. If $PE(r) < r < 6 PE(r)$ there is

moderate relation between X and Y.

Now the process of the crosscheck of the relationship of x and y, putting the value of r and $PE \text{ ®}$ in each successive condition.

Here,

First condition is not satisfied because

$r > PE(r)$

or $0.9777 > 0.004207$

This result proves that there is a significant relationship between loan amount (x) and income (y) we can confirm it with the help of condition 2 and 3.

Here, second condition is satisfied because

$r > 6 PE(r)$

or, $0.9777 > 6 \times 0.004207$

or, $0.9777 > 0.025242$

This test proves that there is most significant relationship between loan (x) and income (y). It illustrates that per annum income is highly depended upon the loan amount borrowed.

As researcher set, the first objective is analyzed the impact of ULBSL to reduce the rural poverty, this objective proved by above test. Economically, we can interpret that the loan amount is the only most important factor, which cause to increase income. Further, we find third condition is not satisfied because $PE(r) < r < 6 PE \text{ ®}$

Or, $0.004207 < 0.9777 < 0.025242$

That is why, it can be said there is no moderate relationship between x and y. It means increase in income has not associated with other important factor and it is only caused by loan amount borrowed from ULBSL of Baijanath branch office.

Test of regression analysis

Correlation coefficient measures the degree of relationship between two variables, whereas regression analysis is used to estimate the likely value of one variable from the known value of another variable ie. In regression

analysis, we establish a kind of average irreversible functional relationship between two variables. The cause and effect relationship is clearly indicated through regression analysis then by correlation. There are two type of variable, depended variable income (y) and independent variable loan (x) in this study.

So, here regression line of annual income (Y) on (X) is given by:

$Y = a + bX \dots\dots\dots(I)$

Where,

Y = income per annum
(depend variable)

X = loan amount per annum
(independent variable)

a = y intercept of line (constant value), autonomous increase

b = slope of y on x (constant value)

It can be measure the average change in value of y (income) as result of one unit change in value of x loan. It is regression coefficient, or in other words b measure rate of relationship.

As, a & b constant, value can be determined solving following two equations.

From appendix A3

b = 1.7

a = 17.33

= 5173

Putting the value of a and b in equation (i) we get of Y on X is.

$Y = 17.33 + 1.7X$

Interpretation

Now, we can see how dependent variable (Y) is depended on independent variables (X)

a. Suppose loan amount X = 0

Then,

$Y = a = 17.33$

This illustration shows that even that there is no investment of loan from ULBSL; the borrower can earn 17.33 with other micro economic variable .It means other micro economic variable

pay negligible role in autonomous plant. In other words although no loan borrowed there was negligible increase in income.

b. Suppose loan amount $x=100$

Then, $Y = 17.33 + 1.7 \times 100 = 187.33$

This illustrates shows that if borrower invest Rs.100.00, it will generate Rs. 187.33 per annum. It means the borrower can generate more money on depend on their investment. If they invest more money in the related field they can get the success in the investment area.

Saving Generation

Saving is the excess of income over expenses, for the development of entrepreneurship, saving is necessary. It is also necessary for further investment. It is motivational reward for investors. The effectiveness of ULBSL can also be analyzed on the basis of saving of the members generated by investment. Increase in income dependent on Investment and saving depends on increased income. The number of saver before and after the intervention of ULBSL program has been presented in table 7

Table 7: Saving trend before and after ULBSL intervention

Before Intervention	Saving Group Per Month	After Intervention
5	Up to 200	4
2	200-500	4
-	500-1000	2
-	1000-1500	3
-	1500-2000	8
-	2000 Above	6
7	-	27

Table 7, clearly shows that before the intervention of ULBSL program there was only 7 members were able to save up to Rs.500.00 per month from their previous occupation. Afterward 27 members were able to save from Rs.200.00 to more then Rs.2000.00. Before the intervention member had not such knowledge about income generations and saving. After they started to be in-group a kind of ego, arouse to earn more among them. Therefore, pattern of saving generation was increasing. It can be said that out of 50 only 27 were to save. Those who were not able to save had definite improvement in their food consumption, clothing and schooling of their children. This was revealed during the interview, so only saving is not a proper measurement of program. But it is felt that in the absence of proper professional training saving generation was still low. If proper training were provided to the people number of saving member would also increase.

Utilization of Saving

Utilization of saving is very important; if the member could choose better option for investment, they will be benefited. Utilization of saving depends upon their skill knowledge, previous experience, physical strength, age and other supporting factors. Therefore, how the member utilized the saving reflects the effectiveness of ULBSL. In the Baijanath Rural Municipality members and their respective utilization have been shown in table 8.

Table 8: Utilization of saving and income

Utilization area	No. of borrower	Percentage
Food and clothing	9	22
Education	16	39
Reinvestment in same business	6	15
Investment in new business	3	7
Dhukuti (informal group saving)	7	17
Total	41	100

Table 8 shows that, out of total members (50) only 41 were able to utilize their saving and 9 members were unable to save. Those member, who were able to save mobilize their saving in different forms. About 22% of member utilized their saving for fulfilling their basic needs i.e. food and clothing. It is because most of the poor people had to have proper food items and proper clothing. Similarly, 39% of savers used education by admitting their children in English medium school, tutions center for a quality education. 15% of them utilized investing in their same business. It was because in their existing business, they were earning good income especially, in hotel business. Members who were not benefited from their old business changed in search of better alternative. 7% of them changed their business and investment was made in new business. Some of them established retail business, tailoring and cloth shop, 17% of members invest their saving in Dhukuti as a temporary option. From Dhukuti they collect more amounts and invest in lumsum in their desired alternative. Those who had not readily available investment sector were interested in Dhukuti.

Change in Occupation

Regarding the occupational level, most of the people were being involved in traditional agriculture. Being an agriculture country most of people are involved in traditional agriculture. Beside agriculture, a small fraction of population found to be involved in other occupation. Retail business, hotel business, labour, cash crop, animal, husbandry etc. The study attempts to observe their occupation and change in occupation due to their intervention of programme of ULBSL.

Table 9: Occupation change before and after the ULBSL's intervention

Occupation	Before Intervention		After Intervention	
	% of Borrower	No. of Borrower	% of Borrower	No. of Borrower
Traditional farming	42	21	12	6
Cash crops	12	6	20	10
Animal husbandry	8	4	4	2
Poultry farming	4	2	12	6
Tailoring and clothing shop	6	3	12	6
Wages earners	14	7	6	3
Retail shops	6	3	10	5
Beauty Parlors	-	-	4	2
Hotels	4	2	6	4
Pig husbandry	4	2	8	4
Trade, Construction	-	-	4	2
Total	100%	50 persons	100%	50 persons

Most of the borrowers i.e. 42% had agriculture as their major occupation before the intervention of programme after intervention the percentage reduced to 12%. It was because group member had been sharing their experience among them about their occupation. They tend to leave agriculture because they had no enough land to cultivate and they knew about other occupation through their member. This is the fact that a remarkable achievement of either program of ULBSL time bound. Because of the proximity to Kohalpur market cash crops farmer increased from 12% to 20%. However, animal husbandry occupation is decrease from 8% to 4% due to excessive dependence on that occupation and consequently low profit. On the other hand, Poultry farming increased from 4% to 12% due to the high demand of meat in the market. This occupation seems rather simple because it is not necessary to devote full time for that. Traditional tailors become more professional by expanding tailoring as well as start clothing shops. They had started to buy clothes from the market make the readymade dress to meet the customer demand. There were seven landless people "Sukumbasi" as a daily wages earner. They used to collect the sand and concrete carrying them on their back from riverside and sell them to the contractor. After getting loan the direct wages earner reduced from 14% to 6%. Some of them started

sand and concrete trade with contract to village and get rid of carrying sand on their back. From the field survey, it was found that 'Sukumbasi' were the most benefited group from the ULBSL programme in Baijanath Rural Municipality, because earlier they were not able to get small loan from local moneylender. Now they had no problem for the loan. As population increased in area, number of people engaged in retail business increased from three to five. Two of the member started beauty parlor and cosmetic shops. Most of the women of that area are benefited from the services. Either in the absence of such shops they had to visit Kohalpur. Hotel business also increased from two to four in number because there was good profit margin in hotel business in that area. Before the programme only one member had pig husbandry, now there are four members getting involved in this occupation. This occupation also, getting popular among the villagers. Out of 50-group member were engaged in trade of building materials like sand and concrete after getting loan. It has clearly seen that members changed their occupation according to their business skill, age, physical strength and also according to the cooperation of their family member. It was revealed during the course of our interview that they had cooperation among other family member while choosing the investment area. Micro finance's sustainable marketing strategies contribution of poverty reduction is analyzed The living standard of the respondents was measured by observing and asking about various aspects such as food consumption patterns, home appliances, schooling, clothing, and

housing conditions. Out of 50 respondents, only 38 provided answers regarding their living standard. The data shows that after the intervention of ULBSL, there was an increase in food consumption, use of home appliances, schooling, and improved housing conditions. However, the data is limited to the respondents who provided answers, and further research is needed to gain a more comprehensive understanding of the impact of ULBSL on living standards.

Table 10
Living standard of respondents before and after joining the ULBSL

Categories	Using things	Before Joining		After Joining	
		No. of Person	Percentage %	No. of Person	Percentage %
	Radio, TV, Mobile, Furniture	9	23	19	50
Home Appliance	Cloths for children (Ones in a year)	25	66	6	16
	More than 2 pairs	4	11	13	34
	Total	38	100%	38	100%
Foods	Simple foods (Low Calories)	29	76	15	39
	High Calories foods	9	24	23	61
	Total	38	100%	38	100%
House construction style	Reed Roof	14	37	5	13
	Zinc Roof	21	55	27	71
	Concrete Roof	3	8	6	16
	Total	38	100%	38	100%
Schooling of Children	Public School	31	81	17	45
	Private Boarding School	7	19	21	55

The research revealed a substantial enhancement in the living standard of rural villagers following ULBSL's intervention. Notably, 15 out of 29 respondents who initially consumed low-calorie food began to include nutrient-rich items like meat, eggs, and milk in their diet. Furthermore, there was a significant increase in the ownership of household items, with 19 respondents possessing radios, TVs, and furniture, up from 9 previously. The villagers' ability to provide for their children also improved, with parents able to purchase clothes for them more than twice a year, compared to once a year before. Additionally, 21 families opted to shift their children from public to private schools, indicating a growing emphasis on quality education. Moreover, the construction of houses also underwent a transformation, with roofs being upgraded from reed to zinc and from zinc to concrete. Overall, the research demonstrates a marked improvement in the living standard of rural villagers in Banke district following ULBSL's establishment.

A Qualitative Analysis: Social Impact

The social impact of ULBSL's microfinance program on rural poor communities is multifaceted. One significant outcome is the improvement in literacy, with almost all borrowers now able to read and write their names, a compulsory requirement for loan eligibility. The program has also fostered leadership and personality development among women, who have gained confidence in speaking and sharing their experiences with others. The group culture promoted by ULBSL has encouraged mutual trust and support among members, who have developed a sense of responsibility towards one another. Self-employment opportunities have also increased, enabling individuals to generate income and become less reliant on local moneylenders. As a result, social prestige has improved, with community perceptions of the poor changing for the better. Furthermore, health and sanitation have improved, with group discussions promoting awareness and income increases enabling the adoption of better cooking fuels and sanitation facilities. Ultimately, the program has instilled a sense of self-respect among its members, who now feel valued and respected within their communities.

Findings

The study's demographic analysis revealed that 32% of respondents fell within the 26-35 age group, while only 10% were above 55 years old. Notably, only 6% of respondents were illiterate. The microfinance program launched by ULBSL had a profound impact on the respondents' income, with a significant increase from 1% to 38% earning above 6000 per month. Additionally, the number of respondents who saved

money increased from 7 to 27 after joining ULBSL. The program also led to a shift in occupations, with 42% of respondents initially engaged in farming, decreasing to 12% after joining ULBSL. Overall, the microfinance program had a positive impact on the village, resulting in increased income, improved food and clothing standards, and a higher proportion of children attending private schools. The program also had a positive social and economic impact, enhancing the capacity and ability of group members, promoting awareness in health and sanitation, and increasing education and literacy rates. Specifically, the program enabled illiterate individuals to read and write their names and sign documents. Furthermore, the study found that 61% of respondents consumed calorie-rich food daily after joining ULBSL, up from 24% before, and 55% of respondents' children attended private schools, up from 19% before. While some individuals were able to capitalize on the opportunities provided by ULBSL and improve their economic condition and living standard, others who did not fully engage with the program saw no significant change in their occupation, skills, or economic condition.

Summary

This study aimed to assess the role of ULBSL in microcredit and its impact on rural poverty in Baijanath Rural Municipality, Banke District, Nepal. The study employed a descriptive research design, and primary data were collected from 50 loan borrowers through individual interviews, questionnaires, group discussions, and direct observation. The data were analyzed using statistical tools such as mean, regression, and correlation analysis. The

study found that the demand for loan amounts was increasing, and the average income of borrowers increased by 100% after ULBSL's intervention. The saving trend also increased, and most borrowers used their savings for their children's education. The study also found significant changes in occupation, living standards, and social awareness among borrowers.

Conclusion

The study concludes that microfinance in Nepal is gaining popularity, but its sustainability is still a question. The study found that the demand for loan amounts was increasing, and borrowers were able to repay larger amounts. However, most borrowers disagreed with the weekly repayment system and the high-interest rate. The study also found that the intervention of ULBSL led to an increase in income, saving, and changes in occupation and living standards. The study also found that ULBSL's intervention led to significant changes in social awareness, personality, and leadership development among borrowers.

Implication

The findings of this study can be useful for those concerned with microfinance and ULBSL. The study recommends that ULBSL should focus on effective strategies to reduce poverty among rural people. The study also recommends further research on the impact of microfinance on poverty reduction, capital structure management practices, and the existing poverty reduction of microfinance in different parts of the country.

Recommendation for Further Research

The study recommends further research on the impact of microfinance on poverty reduction, capital structure

management practices, and the existing poverty reduction of microfinance in different parts of the country. The study also recommends conducting extensive studies on the same topic by covering a large sample area and size.

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