

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF ECONOMICS
MASTER OF ECONOMICS

**THE ROLE OF MICROFINANCE ON SOCIO-
ECONOMIC STATUS IN TAIKKYI TOWNSHIP**

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A thesis submitted in partial Fulfillment of the requirement for the degree of Master
of Economics

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ABSTRACT

This paper focuses on the role of microfinance on socioeconomic status in Taikkyi Township. The objective of the study is to identify the microfinance programs of selected villages in Taikkyi Township and to analyze the effect of microfinance on rural development of selected villages in Taikkyi Township. In this study, sample size is 179 respondents from Yin Taik Kwin Village and Yan Lone Naing Village were asked with a structured questionnaire. It is found that Mya Sein Yaung and Saemaul Undong Rural Development Projects are potentially working in the way of ensuring sustainable livelihood of the poor. Although Mya Sein Yaung project can improve individual development in Yan Lone Naing village, community development is still weak. Saemaul Undong project is better for both individual and community development because the Saemaul Undong team and village committee are good cooperation. It is recommended that Saemaul Undong Rural project should be extended the project period and should be considered in underdeveloped areas and increased the loan amount for rural development of the country.

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LIST OF ABBREVIATIONS

APAC	Asia Pacific or Asia Pacific is the part of world in or near the Western Pacific Ocean
CGAP	Consultative Group to assist the poor
FRD	Fund for Reconciliation and Development
GOM	Government of Myanmar
HBEs	Home Based Enterprises
HDI	Human Development Index
IHLCA	Integrated Household Living Conditions Survey Assessment
KOICA	Korea International Cooperation Agency
LIFT	Livelihood and Food Security Trust
MADB	Myanmar Agricultural Development bank
MFI	Microfinance Institutions
MMK	Myanmar Kyat
MOPF	Ministry of Planning and Finance
RRBs	Regional Rural Banks
SMU	Saemaul Undong
UNDP	United Nation Development Programme

CHAPTER I

INTRODUCTION

1.1 Rationale of the Study

Microfinance is defined as, financial services such as savings accounts, Insurance funds and credit provided to low- income clients to help them increase their income and improve their standard of living. The importance features of microfinance are: Loan given without security. Microfinance is termed to describe small loans and financial products to individuals that have a low income, who are living below poverty line. Loans can be seen as the most common financial product offered in the world of microfinance, but insurance products, checking accounts, savings account, and other products are also available.

According to the Human Development Report, 2012, of Global Issues, Myanmar is one of the poorest countries in Southeast Asia, with a per capita income of approximately \$1298 in 2018. According to the Ministry of planning and Finance and the World B (Win, 2013), overall poverty was 32percent in 2015, with significantly higher poverty concentration in rural areas (28.8percent rural vs. 19.2 percent in urban areas) (UNDP, 2011)

Microfinance has verified to be an effective and powerful tool for poverty reduction. Like many other development tools, it has insufficiently penetrated the poorer strata of society. The poorest from the vast majority of those without access to primary healthcare and basic education; similarly, they are the majority of those without access to microfinance. Microfinance is an instrument that, under the right conditions, fits the needs of a broad range of the population including the poorest those in the bottom half of people living below the poverty line. While there will be people in this group who will not be suited for Bangladesh to provide small loans to those in need without the requirement of collateral in return microfinance because of mental illness, etc., the exclusion of this small percentage of the population will likely not be a limiting operational issue for Microfinance Institutions (MFIs).

The evolution of microfinance fosters income generation, reduce poverty through self-employment. Generally, low- income group person who do not have access to formal financial institution, are turned towards micro financing. Microfinance clients include self-employed, household-based entrepreneurs especially women entrepreneur. In rural area, there are usually small farmers or other who is engaged in small income-generating activities such as food processing and petty trade. In urban Areas, microfinance activities are more diversified including shopkeepers, service providers, artisans, street vendors, etc.

The history of microfinance begins in the 1970s in rural Bangladesh, but there is evidence that in the Asia-Pacific (APAC) region, informal lending and borrowing has been taking place for centuries. In 1983, Dr. Muhammad Yunus, a Nobel Prize winner, introduced the concept of Microfinance in Bangladesh in the form of “Green Bank”. The Green Bank is an organization that is dedicated to microfinance, was founded in.

Myanmar’s population has more than 53 million, one third of people are living below the poverty line. Myanmar aim to reduce poverty rate by half in a period between 1990 and 2015, it must be reduced by 16% by 2015. The National Level Workshop on Rural Development and Poverty Alleviation, held on 20 May 2012, claimed eight tasks including Development of micro saving and credit enterprises to be implemented for rural development and poverty alleviation. As a result of policy changes, microfinance Institutions has been allowed licensing. Poverty was previously benchmarked using the consumption patterns of people in Myanmar in 2004/05. Poverty was initially measured in Myanmar using consumption expenditures data collected from IHLCA-I in 2004/05. The Government of Myanmar (GOM) and its development partners established a consumption aggregate to measure living standards, and subsequently estimated a poverty line based on the minimum needs of the population in 2004/05. Using this benchmark and methodology, poverty was estimated to be 32.1 percent in 2004/05, subsequently dropping to 25.6 percent in 2009/10 (GOM et al, 2007 and GOM et al, 2011). A poverty estimate based on 2009/10 standards of living was put forward by the World Bank in 2014. Using data from the IHLCA-II to construct a consumption basket and define minimum living standards, the World Bank estimated poverty to be 37.5 percent in 2009/10. Poverty has declined in both rural and urban areas. Both rural and urban poverty continued to decline rapidly from 2009/10 until 2015, with urban poverty falling from 15.7 percent

to 9 percent and rural poverty falling from 29.2 percent to 23.3 percent using the methodology of GOM et al. Similar patterns are found in the application of the (World Bank, 2014) methodology, which estimates that urban poverty declined from 34.6 percent in 2009/10 to 19.2 percent in 2015 while rural poverty declined from 38.5 percent in 2009/10 to 28.8 percent in 2015. Poverty has declined in both rural and urban areas. Microfinance is widely seen as a key development tool to promote financial inclusion and alleviate poverty in Myanmar. While cooperatives have existed in country since the early 20th century, microfinance was first introduced to Myanmar in 1997 by UNDP's Human Development Initiative. Microfinance and credit program were firstly introduced to Myanmar in 1997 by UNDP's Human Development Initiative (HDI).

President Thein Sein's public commendation of the development of a microfinance sector in May 2011 has opened the door to formalizing microfinance. In November 2011, the government adopted a new Microfinance Law as well as Notification 277 and Instructions. This framework permits local and foreign investors to establish fully privately-owned MFIs, including those existing microfinance providers operating "illegally" before the law was established. Among the existing entities to be licensed as MFIs were some 77 financial cooperatives, which until 2016 were under joint regulatory supervision from the MOPF and the Ministry of Cooperatives. In February of that year, the FRD placed the cooperative MFIs under the sole supervision of the Ministry of Cooperatives. As of March 2018, the FRD listed 176 licensed MFIs under its supervision, which does not include cooperatives. This study will focus on the role of microfinance promoting on socioeconomic of Taikkyi Township.

Every nation needs to develop strategies to ensure higher socioeconomic status for its people, with the president calling for experts to do thorough research and all nationalities to pool their suggestions. The president stated that Myanmar has integrated its national sustainable development strategy into the United Nations Millennium Development Goals and ASEAN Development Policies, stressing that the 'right mix' has also been designed to reinforce the country's forthcoming national comprehensive development plan, which he said includes equitable development among states and regions. The plan is aimed at lifting the people out of poverty and enabling them to secure considerable income through projects of agricultural and industrial development, the president added. President U Thein Sein pointed out the

need to form a strong research body that will help strengthen government policies to ensure good governance and clean government, bringing the Myanmar Development Institute into sharp focus. Over the past three years, the government has implemented these new policies and initiatives by laying foundations for national development and higher socioeconomic status for people, the president stated. Regarding the implementation of the two projects, the president expressed his belief that the forum would support the correct prioritization and sequencing of the 20-year national comprehensive development plan, which is currently being formulated.

The South Korea-assisted project, the Saemaul Undong, is an initiative that will vitalize the grassroots implementation of Myanmar's ongoing rural development and poverty reduction plan, the president said, adding that the project serves as a model that accelerates the Third Wave Reform. A majority of rural people live in poverty, which is why the government has paid priority to poverty reduction and rural development tasks, with a focus on increasing productivity in agriculture and livestock, developing small- and medium enterprises, creating more job opportunities to generate more incomes, providing easy access to education, health, drinking water and transportation, all of which the president said require both long- and short-term plans to achieve success.

The Evergreen Project or MSY is an initiative which emerged from a National Rural Development Strategy Framework that was held on 18 November 2014. Under the program, loans were offered to villages for village-level revolving funds in order to finance household businesses with aims of creating job opportunities, increasing food security and increasing household income. The Evergreen Village Development Project has been implementing starting from 2014-2015 fiscal years.

Microfinance play an important role in rural development process because of most of the people in rural area are poor, they need money to develop their living standard. The aim to develop rural areas, Mya Sein Yaung and SMU projects have been implemented in Taikkyi Township, Yangon Region. This study attempted to analyze the role of microfinance on socio-economic status in Taikkyi Township.

1.2 Objectives of the Study

The objectives of the study are:

- (1) To identify the microfinance programs of selected villages in Taikkyi Township.
- (2) To analyze the effect of Microfinance on rural development of selected villages in Taikkyi Township.

1.3 Method of Study

In this study qualitative and quantitative methods were applied in order to achieve the objective of the study. The required information for this study was collected based on both primary and secondary sources. The primary data were collected by conducting personal interviews and questionnaire to selective villages in Taikkyi Township. The secondary data were collected from books, journals, articles, reports and additional information were obtained from Department of rural development of Taikkyi Township and other related government departments.

1.4 Scope and Limitations of the Study

This study is focuses on 2019 and microfinance program on the selected villages of the rural households in term of saving, income generation activities, livelihoods status and household assets in Taikkyi Township. This study limited about 179 households from 2villages of Taikkyi Township according to the 25% of total population.

1.5 Organization of the Study

This study is organized into five chapters. Chapter One mentions the introduction, Chapter Two presents literature review. Chapter Three includes overview of microfinance sector. Chapter four explains the profiles of the selected villages and microfinance on rural household's development of selected village in Taikkyi Township. Chapter (5) concludes with findings and suggestions.

CHAPTER II

LITERATURE REVIEW

2.1 Origin of Microfinance

Microfinance is a term used to describe the provision of financial services such as insurance and issuing loans as low as \$100. These services and loans are typically offered to savings the poor and their families to assist them in the launching and development of small businesses as well as to help them engage in other productive activities.

Microfinance used to be known as microcredit. Microcredit refers to the practice of issuing small loans without additional services. Today, since microcredit is offered along with a range of other services, the term microcredit has been replaced with the term microfinance. Throughout this dissertation, the terms microcredit and microfinance are used interchangeably to describe loans and services provided by MFIs.

Microfinance is a category of financial services targeted at individuals and small businesses that lack access to conventional banking and related services. Microfinance includes microcredit, the provision of small loans to poor clients; savings and checking accounts; micro insurance; and payment systems. Microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses; for others it is a way for poor to manage their finances more effectively and take advantage of economic opportunities while managing the risks.

Many microcredit loans are working capital loans used by the borrower to purchase additional inventory for their business, such as flour for the food entrepreneur or to acquire equipment. Over time, the issue of microcredit has expanded to the provision of other financial services not available to poor borrowers in the informal sector.

The term microfinance came into existence in 1970s when organizations, such as Grameen Bank of Bangladesh with the microfinance pioneer Muhammad Yunus,

were starting and shaping the modern industry of micro financing. The development of microfinance programs gained a worldwide acceptance and popularity since 1980s in providing financial services to the poor. It is one way of the antipoverty instrument of the development programs. Numerous institutions in many parts of the developing world have been providing micro-credit and recovering their loans. The Grameen Bank's group lending methodology became widely adopted by institutions in many parts of the world.

2.2 Role of Microfinance Institutions in Rural Development

Microfinance Institutions (MFIs) are the social institutions which aid in economic and social capacity building of rural population especially focusing on women empowerment. It provides financial services to rural poor through loans, insurance and deposits to set up or operate a rural enterprise which helps to gain sustained livelihoods. Microfinance is the provision of a broad range of financial, loans, payment services, money transfer, and insurance to poor and low-income households and, their microenterprises. Microfinance services are provided by three types of sources:

1. formal institution, such as rural banks and cooperatives;
2. semiformal institutions, such as nongovernment organizations; and
3. Informal sources such as money lenders and shopkeepers.

Poor households in the region require microcredit to finance livelihood activities, for consumption smoothening, and to finance some lumpy nonfood expenses for purposes such as education (e.g.; school fees and books), housing improvements, and migration. Many Asian countries have numerous small firms and their operators also require microfinance services. The other sources of demand is nonfarm microenterprises, which cover a wide array of activities such as food preparation and processing, weaving and basket making, furniture and making, and petty trading.

The market structure in microfinance varies significantly across countries in Region depending on their stage of financial development, level of economic development, policy environment, and other factors. Poverty is the main cause of concern in improving the economic status of developing countries. Microfinance is increasingly being considered as one of the most effective tools of reducing poverty.

Microfinance has a significant role in bridging the gap between the formal financial institutions and the rural poor.

2.3 Microfinance and Poverty Reduction

Microfinance has been adjudged as a reliable tool for poverty alleviation. It can be used to boost the investment which eventually entails the reduction of poverty and improves the standard of living of the poor (Obisesan & Akinlade, 2013). The promotion of microfinance started over two decades. This promotion intends to enable poor people access easily to credit for poverty alleviation. There has been an interest growing to find out the impact of this microfinance on poverty alleviation.

Microfinance is a successful development tool for the improvement of the economic sector since financial institute service make possible to poor and household whose income are low to obtain advantages of the economy. The microfinance value for the most part in the countries perceived to be poverty suffering has been rising in currently years which have led to policy makers of many countries to take on national microfinance policies and programmers (Manadhar & Pradhan, 2005).

Micro finance has been confirmed to be an effective and powerful tool, like various other tools of development (Morduch & F, 2002). Microfinance banking service providing the best service and playing the important role in the community in the modern age, as delivering the micro credit loan to the small and medium scale former. It became the cause of enhance the living standard of community (Dandana & Nwele , 2011). Microfinance has been used for decades as an important development tool and as a formidable program for poverty alleviation; development practitioners still know little about the possible efficiency of microfinance activities in reducing poverty (Khandker, 2005).

Over the years, microfinance has emerged as a successful line of attack for increasing economic development and growth of the countries. They have little guarantee, self-importance in bulk amount of risks, and small loans by the bank made to poor people over and over again have high fixed costs, making lending to the poor an unprofitable business enterprise (Ray, 2008). Providing the microfinance to the community becomes the successful strategy for fighting against the poverty, promoting the economic development and increasing the living standard.

2.4 Microfinance and Socioeconomic Development

Critical analysis reveals that microfinance can be used as an efficient tool to reduce poverty, thus contributing towards economic as well as social development. Poverty can be decreased if microfinance institutions are driven in a more systematic manner keeping in mind primarily the wellbeing of society (Jaffery & Mamoon, 2015).

Economic development is considered as a process by which policy makers' work to improve the conditions of a developing state. Development economics covers the financial expansion, economic growth and improvements in the general wellbeing of the people, usually referred as social development. So, in general economic development is an amalgamation of socioeconomic improvements. Disparities in the sectors takes countries towards coordination failures and poor values of social and economic indicators such as GDP, employment, investment, trade, balance of payments, literacy rate, health facilities, infant mortality, population and access to credit etc.

United Nation Organizations and World Bank are the most prestigious institutions working for the wellbeing of people in many prospects in different countries of the world. Poverty, human rights, education, health, finance, security and peace are the major areas where these international bodies are functioning. Poverty is referred to a state or a situation in which an individual or a community is deficient in its financial resources and rudiments to have the benefit of minimum standards of living and wellbeing that's considered acceptable in society (Simanowitz, 2002).

The process of poverty alleviation requires a coordinated effort for purpose of empowering people economically as well as socially, so that the human capital can be made more productive (Bank, 2006). Poverty is considered as the divest of general wellbeing of individuals. Low income level, poor health conditions, meager access to education facilities, insufficient capacity and lack of security, less facilities to improve one's life and lack in freedom of speech encompasses poverty (Bank, 2010). So, poverty is not just an economic issue it is related to many other things which affects the social wellbeing of communities. Microfinance institutions work as poverty eliminating tools but on the double bottom line approach which means they have two objectives financial and social (Christen, 2004).

The Income generation approach which believes in providing credit only to those poor who can use these finances for business purposes or such activities by

which revenue can be generated. Microfinance movement has developed its links with the economic and social development in many ways. It alleviates poverty by establishing relationships with clients, solving their financial problems by easy and subsidized loans. Availability of such credit helps the poor in smoothening their consumption pattern also it increases the household income level. MFI facilitate people to fight poverty by providing access to the social and human capital .Most of the NGO's while working for finances in terms of MFI's also establish schools, dispensaries and clinics, vocational trainings and counseling centers etc.

At a macro level extended credit availability increases the investment and gross domestic product ratio and reduces income inequalities (Senenayake & Premaretne, 2006). MFI's have contributed in creating employment opportunities. Most of the commercially successful microfinance institutions have created jobs for thousands of people. It is anticipated that these jobs can have a multiplier effect (Roodman & Qureshi, 2006).

2.5 Microfinance in Development of Rural Area

Development is a process of expanding real freedom that people enjoy. Development requires the removal of major sources of un-freedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over activity of repressive states (Sen, 2008).

Rural development is also considered as an important segment of economic development. It is not only about to change economic proposition of the rural areas, but also change in social, psychological and cultural dimensions for poverty alleviation, employment generation, infrastructural development, social security, and sustainable development in the rural areas. For, rural development, alleviating rural poverty and providing an improved quality of life for the rural population especially those living below the poverty line is highly required.

According to United Nations, rural development is a process of change, by which the efforts of the people themselves are united, those of government authorities to improve their economic, social and cultural conditions of communities into the life of the nation and to enable them to contribute fully to national program. In sum, rural development may also be termed as a movement for progress.

Microfinance is to supply micro credit to people living in utter poverty and has no reach to the conservative and formal financial products. It is an aid to engage them in productive activities and grow their tiny businesses. The improvement of rural livelihoods is the aspect of poverty reduction that Microfinance Institutions concentrate on. Most poor people manage resources to develop their enterprises and their home over a time. Financial services could enable the poor to force their initiative, accelerating the process of assembling incomes, assets and economic safety.

Microfinance is a financial service of small quantity provided by financial institutions to the poor in rural and urban areas for aiding to raise their incomes levels and improving living standard. Microfinance can contribute into solving the problem of insufficient housing and rural services as an integral part of poverty alleviation programs and empower women to play a vital role in the society. Critics often point to some of the ills of micro-credit that can create indebtedness. Due to diverse contexts in which microfinance operates, and the broad range of microfinance services, it is neither possible nor wise to have a generalized view of impacts microfinance may create.

2.6 Reviews on Previous Studies

Empirical evidence expressions that, among the poor, those participating in microfinance programs that had access to financial services were able to improve their well-being-both at the individuals and household level-much more than those who did not have access to financial services.

Among the economically active poor of the developing world, there is strong demand for small-scale commercial financial services for both credit and savings. Where available, these and other financial services help low income people improve household and enterprise management, increase productivity, smooth income flows and consumption cost, enlarge and diversify their microbusiness and increase their incomes.(Robinson, Marguerite, 2001).

Ayuub (2013) examined on the impact of microfinance on poverty alleviation of an area in Pakistan. This study concludes that microfinance contributes tremendously in the reduction of poverty, increase of standard of living and income, adequate empowerment, and it also revives the economy.

Shane (2004) investigated microfinance can enhance the increase in well-being of the borrower with increase in children education and consumption of health

services. Assessing the impact of microfinance on the Millennium Development Goals in a district in hat microfinance has positive impact on production capacity, consumption, assets and Income.

Schreiner and Woller (2003) compare evidence about the effectiveness of microenterprise programs in developing countries and the US. They conclude that microenterprise development is much more difficult in the US than in developing countries, and they suggest some ways to address the challenges of US microenterprise development.

Gilbert O. Boateng (2013) analyzed the relationship between microfinance and poverty reduction in Ghana. The study used individual income, family growth, access to education, housing and social and religious activity participation to evaluate the impact of microfinance on poverty. The survey found a positive relationship between microfinance and the selected variables. Training for beneficiaries was recommended to assure more effective utilization of micro financing and creation of sound political and economic environments for microfinance enterprises to succeed.

Murdoch (2002) carried out a study on microfinance and poverty alleviation. He used assets, education, microcredit and family size as independent variables and household's income as dependent variables. These results mean that there is a positive impact of microfinance on poverty.

Goldberg (2005) observed that with the introduction of microfinance in Bangladesh, the poor no longer remained poor. Mawa (2008) confirmed that microfinance is an important step towards poverty reduction. In Ghana, evidence exists on the positive impact of microfinance generally on women empowerment, increase in decision rights within the family for women and self-esteem also increased.(Cheston & Kuhn, 2002)

Hulme & Mosley argued that microfinance enhance the living standard which impact on the economic development and analyzed by using sample data for India, Indonesia, Bangladesh and Sri Lanka .They explored that growth of borrower income enhance that of control group and increase income of the borrower is better for the borrowers. (Hulme & Mosley, 1996)

Julilian and Kriskpatrikexamined an indirect effect of financial development on poverty reduction through economic growth to investigate financial development and poverty reduction in developing countries. They found that financial development fosters growth which then reduces poverty. (Julilian & Kriskpatrik, 2002)

Aye Aye Myint (2014) explored the role of microfinance in economics development and to investigate using microfinance on the poor people of the society with the main focus on Pact Global Microfinance Fund, Aung Lan Branch. She found that microfinance has a positive impact on the standard of living of the poor people and on their life style. It has not only helped the poor people to cross over the poverty line, but has also helped them to empower themselves. There is an argument that the interest rate of MFIs is high, but she traced that most of the respondents of her interview, did not agree on this issue and found it to be reasonable.(Myint, 2014)

HreBik (2014) explored how the microfinance program promotes the socioeconomic status of the families by creating opportunity for income generating activities in Hakha Township, he found the increase of ability of families for spending on education, health and small business. He also found the important of involvement and support of key stakeholders; community, government and other organization to establish Microfinance activities throughout the country to have significant effect on poverty reduction program of the country.(Bik, 2014)

CHAPTER III

OVERVIEW OF MICROFINANCE

3.1 Overview of Microfinance in Myanmar

The origins of Myanmar's microfinance sector are typically traced back to the mid-1990s, when the government allowed large international NGOs to start providing microfinance services. In 1997, the United Nations Development Programme (UNDP) began its "Sustainable Microfinance to Improve the Livelihoods of the Poor" project. In addition to the Microfinance Program (MFP) collaborated with UNDP, PACT established "PACT Global Microfinance Fund (PGMF)" in 2003. The implementing partners were the INGOs Grameen, Gret, EDA, Save the Children and Pact. From 2006, Pact was the sole implementing partner. In 2009, Lift, USAID, the UK's Department for International Development and the Danish International Development Agency became donors for the project, which would eventually evolve into the largest single microfinance operation in the country.

Financial sources of the Fund are USAID, DFID and LIFT (UNOPS), and number of beneficiaries is 670 thousand including 98% of women, with 730 rending and 141 million US\$ disbursement. Target areas are 26 Townships in Central Dry Zone and Delta region, and 20 TS are also received from microcredit support from MFP of UNDP. According to PACT, around 40% of client is farmers, and rests are consisted by 40% of non-agriculture worker including livestock breeders, and 20% of workers in service sector. Detail scheme of MFP and PGMF are not so different, and repayment 31 rates of both are 99.8% due to good design of scheme, culture of Burmese and contribution of project staff. Following table shows microfinance program of PACT.

According to the development study on Sustainable Agricultural and Rural Development for Poverty Reduction programmed in the Central Dry Zone, implemented by JICA from 2006 to 2010, 64% of farm household and 58% of non-farm household borrow money from others, mostly from local broker or relatives. The

reasons of debt include procurement of farm inputs, food for consumption, medical treatment, and education. (JICA Survey, Dec 2013)

Among the existing entities to be license as MFIs were some 77 financial cooperatives, which until 2016 were under joint regulatory supervision from the MOPF and the Ministry of Cooperatives. In February of that year, the FRD placed the cooperative MFIs under the sole supervision of the Ministry of Cooperation.

Nowadays, there is growing diversity in the supply of microfinance in Myanmar, with more than 250 licensed local and international microfinance institutions (MFIs). As of March 2018, the FRD listed 177 licensed MFIs under its supervision, which does not include cooperatives. Microfinance is broadly seen as a key development tool to promote financial inclusion and alleviate poverty in Myanmar.

The amount of the Paid-up capital of the Microfinance Institutions is totaling 437567.440 million in Kyats and the amount of loans disbursement, totaling 1648876.91 million in Kyats has been made to 1,030,633 borrowers. Microfinance is being operated in 21,400 villages, 1,921 quarters and 241 townships at December 2018.

However, there are frequently conflicting reports on the total number of MFIs, which the Myanmar Microfinance Association (MMFA) suggests may be due to the fact that cooperative lenders were once included. In February 2018, the media reported that the Yangon Regional Ministry for Planning and Finance had announced it granted licenses to another 86 operators, of which 84 were already engaged in some kind of lending activity. A figure of over 200 MFIs has also appeared separately in the press. It seems likely that this estimate includes cooperative lenders as well.

In summary, the microfinance sector is at the earliest stages of development in Myanmar. There are great opportunities alongside great challenges for growth. Any successful intervention will require a rapid dissemination of international good practices and a high level of donor coordination.

3.2 The Important of Microfinance for Rural Development

The provision of finance in rural areas of Myanmar derives from both state and non-state sectors and is composed of formal institutions such as state-owned banks, private banks, MFIs and informal credit sources. Formal banking options include such as Myanmar Agricultural Development Bank (MADB), Mya Sein Yaung

(MSY), Saemual Undong (SMU), Cooperatives private banks and microfinance companies.

In accordance with the United Nations' Sustainable Development Goals, the Department of rural Development (DRD) of the Ministry of Agriculture, Livestock and Irrigation is undertaking sustainable rural development measures for the sake of improvement of quality of life of people and their living standard. DRD is the focal department for rural development in Myanmar and is mandated to construct rural road and bridge, rural water supply and sanitation, rural electrification and rural housing and to enhance livelihood and income generation. Accordance with the Sustainable Development Goals, DRD aims to improve the socioeconomic development of rural populace. The missions of DRD are:

1. To improve socio-economic development of rural people through providing basic social infrastructure and enhancing livelihood and income generation activities in rural areas.
2. To develop the capacity of staff and rural people, to achieve the Sustainable Development Goals through technology and research activities.
3. To be able to utilize basic social infrastructure and services adopting community driven approach by rural people.

DRD is implementing the project to convey with the people centered approach in the line with the Rural Development Strategic Framework, to fulfill the needs of rural poor people being difficult to do the incoming jobs and needing the soft loan or without interest according to the survey conducted by the cooperation of LIFT FUND, SPPRG and so on.

The National Electrification Project (NEP)

The National Electrification Project (NEP) is a program jointly implemented by the World Bank and DRD. The NEP has set a target to offer 26,000 villages access to electricity within 15 years. In the first five years, it aims to provide power to 9,000 villages.

Village Development Planning (VDP)

Village Development Planning (VDP) is an initiative of the Department of Rural Department of the Myanmar Ministry of Agriculture, Livestock and Irrigation.

The initiative was launched in early 2015 with the aim to support and facilitate the process of people-centered participatory village development planning, identification of village development priorities and mobilization of financing for meeting funding needs for the assessed priorities. The VDP framework consists of two instruments. One is the Village Development Plan that provides a five-year, medium term socioeconomic framework for village community and human-centered development. The second instrument is the Annual Village Investment Program (AVIP), which translates a VDP into actionable program activities aimed at contributing to local, village economic growth and poverty alleviation.

Community Driven Development Project (NCDDP)

Community Driven Development Project (NCDDP) is implemented by the Department of Rural Development (DRD), with financing support from the Government of Myanmar, the Governments of Italy and Japan, and the World Bank since 2013. The objective of the project is to enable poor rural communities to benefit from improved access to basic infrastructure services and enhance the government's capacity to promptly and effectively respond to emergencies.

Myanmar Agricultural Development Bank (MADB)

Myanmar Agricultural Development Bank (MADB) was established in June 1953 by the Government of Myanmar to support the development of agriculture, livestock and rural enterprises in Myanmar. MADB's mission to effectively support the development of agricultural, livestock and rural enterprises in Myanmar by providing banking services is clearly stated under the Myanmar Agricultural and Development Bank Law of 1990. The objectives of MADB are as follows:

1. To provide loans for the development of agricultural, livestock and rural socio-economic enterprises in a simple procedure.
2. To promote rural banking
3. To encourage saving habits
4. To support socio-economic development in rural areas
5. To cultivate a habit of using banking services
6. To develop banking business.

MADB implements the policy that no loans are to be written off and all loans are recoverable. The repayment periods are scheduled to coincide with the income flow of the borrower's businesses. MADB is the second largest branch network with 205 branches and agency offices across the country. It extends credits to farmers in order to support the development of agriculture and livestock, as well as rural enterprises.

MADB provides seasonal loans (Monsoon, winter and Pre-Monsoon) for crop cultivation and term loans (Short-term and Long-term) to acquire farming machinery and equipment. It promotes a savings culture among farmers by operating a program for rural savings mobilization. It is the main official financing source for farmers and provides loans of MMK 150,000 per acre for paddy production and MMK100,000 for production of other crops at 8% interest. The loans are disbursed for producing paddy, oil seeds, beans & pulses, long cotton, and jute MADB also extends one-year loans for producing sugarcane, tea leaves, salt, and palm-oil. Moreover, it extends three-year term loans for buying farming machinery and equipment, permitting the borrowing farmers to repay the loan by installments, which is a kind of hire-purchase system.

Mya Sein Yaung Project

Mya Sein Yaung Project was started in FY 2014-2015 in Myanmar. It offers loan to rural people for rural development. It implemented the process of rural poor people to create employment opportunity and aimed to increase the family income. It was operated Ministry of Agricultural, Livestock and Irrigation and Development of Rural Development. In FY 2014-2015, it was implemented 14 Regions, 70 Districts, and 288 townships and 1450 villages in Myanmar. 3000 village was fulfilled in FY 2015-2016. In 2016-2017, project was increased depending upon organization's funds to village (9,930). Interest rate is from 6% to 18% per annual according to village committee's agreement.

The project targets poor villages that have the potential to make profits with the loans, are suitable for livestock-rearing, have rule of law and good behavior, and are enthusiastic and credible in reimbursing the loan. The main Objective are;

- (1) To create job opportunity,
- (2) To create family income in rural areas,

- (3) To become sufficient in food supplies and nourished by doing the livestock farming with their own capacity,
- (4) To increase the productivity in the rural areas by the development of infrastructure in the rural areas,
- (5) To improve the performance of rural people and to grow the strong communities that can respond the unexpected disasters in strong manner.

The main characteristics of Mya Sein Yaung Rural Project are that the revolving fund is regarded communal owned fund, principle and interest have to be settled to village committee, village communities have the authority to decide the interest rate and overall management, the net income can be used for village development activities in consultation with villager, term of interest payment depends on the nature of works, extend of poverty can be reduced through generation of income earning activities, democratic principle can be exercised at the village level, transparency and accountability will be in place, encourage the habit of nurturing gender equality, develop the culture of partnership with between village community and government department and this enhance of the villagers.

In consultation with local communities, members of the parliaments and related institutional bodies, the state and regional Government have selected beneficiary villages in accordance with the selection criteria, poor village, agriculture and livestock farming ability, rural of law, willingness of villagers, and smooth transportation and peaceful territory.

All the residents of the villages have to the right to fully own the fund and need to assist in administering and long lasting of their welfares. In Mya Sein Yaung Rural Project, the Project fund administration committees will be founded to administer the fund, to authorize the loan, to calculate the interest, to recollect the loan, to make settlement and to audit the financial statement. The followings will be prioritized although the businesses are not limited because the types of businesses are different depending on the regions. Installation of electrical power supply system with solar energy, economically viable cattle farming within own capacity, economically viable fishery and fish farming within own capacity, agricultural business and other business to earn living.

By arranging the Project fund, to improve the family income, the advantages will be enjoyed the increase income of gross root level families, and the improvement of performance for the rural socio-economic development.

Table (3.1) Mya Sein Yaung (MSY) Project in Myanmar (2014 to 2018)

No	States/ Regions	District	Township	Project		Household	Population
				Unit	Village		
1	Naypyitaw	2	8	86	95	21055	86048
2	Kachin	4	17	325	397	64320	341757
3	Kayah	2	7	83	125	11632	62138
4	Kayin	4	7	264	297	20612	68097
5	Chin	3	9	206	310	22074	108387
6	Sagaing	10	37	803	898	135301	723206
7	Tanintharyee	3	10	154	166	17665	83790
8	Bago	4	28	881	1020	149994	658447
9	Magwe	5	25	673	705	110826	512651
10	Mandalay	7	23	707	743	111922	505963
11	Mon	2	10	133	149	26554	117793
12	Rakhine	5	17	544	623	64096	199950
13	Yangon	2	13	271	279	54325	212801
14	Shan	12	52	1602	2382	188418	925903
15	Ayeyarwady	16	26	1524	1957	236279	985561
	Total	71	289	8256	10146	1235073	5592492

Source; Department of Rural Development

The Mya Sein Yaung village Project has been implementing in 288 townships in (70) Districts of self-administered regions and in (14) States/Regions and Union Territory (Nay Pyi Taw). Totally has been implementing in beneficial villages (10146), unit (8256) in (14) States/Regions and Union Territory (Nay Pyi Taw) between 2014-2015 fiscal years and 2018-2019 fiscal years. According to Table (3.1), 2382 villages are the largest beneficial village by Shan State. 1957 villages are the second largest beneficial village by Ayeyarwady Division. 95 villages are the smallest beneficial village by Nay Pyi Taw Council.

Criteria for selection of Mya Sein Yaung Project

The selection of villages is built on the following criteria and discussion with the residents of the respective states/regions and the relevant organizations.

1. The poor villages,
2. The village has the potential to do a living that can increase income with low interest loan,
3. The village must at least 80 household and above,
4. Being feasible to implement livestock farming (Potential to do livestock farming with own capacity),
5. Governance of Law and order (Free from illicit alcoholic drinks, gambling, narcotic drugs),
6. The enthusiasm of the residents and the credibility to reimburse the loan.

On the other hand, in addition to above criteria, future extension of project coverage will also involve villages that really need development support upon the approval of the Ever-Green Village Project implementation central committee as the priority villages.

Additionally, the following businesses are prioritized although the businesses are not limited because the types of businesses are different depending on the regions.

1. Installation of electrical power supply system with solar energy,
2. Economically viable cattle farming within own capacity,
3. Economically viable fishery and fish farming within own capacity,
4. Agricultural business,
5. Rural production business,
6. Other businesses to earn living.

Each village is to receive Kyat 30 million (approximately USD 21, 000) as a village-owned revolving fund. The Fund does not require any pay back to the government but the principal amount is not to shrink or disappear. The village households can borrow from the Fund with very low interest rate (0.5% to 1.5% per month) for income generation purpose. Village fund committee can use collected interests for village infrastructure development and regional development. The income generation activities are not limited to but prioritized as subsistence and commercial livestock farming (cow, pig, goat and poultry); subsistence and commercial aquaculture and fishing; cropping; solar electrification; village industries; and livelihood activities (which can be different within localities).

Table (3.2) Performance of the Evergreen Village Development Project (Mya Sein Yaung-MSY) (2014 to 2019)

Year	Number of Villages
2014-2015	1450
2015-2016	3000
2016-2017	2017
2017-2018	1500
2018(6months)	236
2018-2019	800

Source; Department of Rural Development

In Table(3.2), the Evergreen Village Development Project (Mya Sein Yaung-MSY) was implemented in 1450 villages in 2014-2015 fiscal years, 3000 villages in 2015-2016 fiscal years, 2017 villages in 2016-2017 fiscal years, 1500 villages in 2017-2018 fiscal years, 236 villages in 2018(6 months) fiscal years, 800 villages in 2018-2019 fiscal years in 288 townships in (70) Districts of self-administered regions and in (14) States/Regions and Union Territory (Nay Pyi Taw). The project is being implemented in 1128 villages in 2019-2020 fiscal years, a total of 10131 project villages, and the project is going to be extended to cover the remaining villages every fiscal year, based on the availability of funding.

Saemaul Undong Project

Saemaul Undong refers to any community development movement, which builds a village or community to improve villagers' quality of life based on the spirits of diligence, self-help and cooperation, and approaches by the villagers, of the villagers and for the villagers. Saemaul Undong is also based on self-reliant decision-making through the process of planning, implementation, evaluation, and feedback to the next phased.

Saemaul Undong, a Korean community development movement initiated in early 1970s, was the most successful movement for rural transformation of Korea into a modern state within a short period of time. The implementation of Saemaul Undong ("New Village") movement in 1970s marked the start of a cross-cutting change not only from the economic point of view but also to Korean peoples' attitude. Saemaul Undong is a community-based integrated rural development program (Park, 2009)

which rescued Korea's rural populace. Saemaul Undong is claimed to increase rural incomes, reduce rural poverty and improve basic rural living conditions in Korea which were immediately felt within some years after its implementation. Saemaul Undong is also a "Social Revolution of Korean Rural Society" which changed people's attitude from laziness to diligence, from dependence to self-reliance, and from individual selfishness to cooperation.

In Myanmar, Saemaul Undong rural development project has operated in 2014 under the cooperation of Ministry of Agriculture, Livestock and Irrigation and KOICA Korea project. The SMU in Myanmar, having a high agriculture & rural development potential, is different from other outside-led rural development projects. The significant feature of the SMU is that there are two approaches harmoniously mixed: 1) the one is top-down approach led by the government; and 2) the other is bottom-up approach led by local residents.

The ultimate goal of the SMU in Myanmar is to facilitate rural village development in such areas of capacity, living environment, income, and so on through nationwide spread of the SMU. The pilot villages were selected in consideration of regional typicality (Plain region, Mountain area, Dry region, Delta area, Coastal area), and it is also considered: 1) geographical accessibility; 2) possibility of project success; 3) village market accessibility; 4) collectivization degree with other villages, and so on for spreading the achievement to other regions.

Pilot village selection committee has organized, and the committee selected the final 100 villages through selection standard establishment, basic survey and analysis with regarding to 128 nominated villages. The villages are mostly located near the state capital considering accessibility and possibility of business spread by each state. The pilot villages are distributed in 9 states across the country: Nay Pyi Taw (40), Shan (10), Mandalay (10), Sagaing (10), Ayeyarwady (10), Bago (5), Yangon (5), Mon (5), Tanintharyi (5). The project implemented under the following four components; (a) Formulation of the Master Plan on Saemaul Undong, (b) Establishment of the Agricultural Extension and Rural Development training center, (c) Implementation of Pilot Saemaul Undong Model Villages.

The Key Principle and the basic policy of selection of the Saemaul Undong project

The key principle and added value of adopting the model of Saemaul Undong in driving income generation and sustainable rural development of Myanmar are as follows; Emphasis on mindset and behavior change fast by infusing the spirit of self-help and can do attitude into people in rural communities, Calling on strong leadership of, and committed support by, the Central Government by providing guidance, resources, and establishing systematic implementation mechanisms at the national, local, village level, Results-oriented and competition driven approach to funding rural communities by providing collective incentives to better performed villages, Promotion of local ownership led by village leaders.

In consultation with local communities, members of the parliaments and related institutional bodies, the state and regional government have selected beneficiary villages in accordance with the selection criteria. These are (1) a village which has a lot of farmland and enough of water, (2) nearby city or distinct or region, (3) a village which has a number of houses between 100 and 200, and (4) the villagers are willingness to cooperate for project.

The main objectives of the Project is as follows: to develop community-based strategies of rural development in terms of villagers' participation and collective decisions in Myanmar, to implement project initiatives as leaders, villagers and officers' changing awareness by capacity building training, to provide an essential outlet for the sustainability of SMU in rural Myanmar by ensuring the success of the pilot.

The characteristics of SMU are inducement of competition in good faith among villages and introduction of incentive based on the competition result. The villages performed well are supported more to enhance their morale and to motivate the others. Namely, the objective of the incentive is to create successful village model.

Table (3.3) Incentive System of SMU Project

Year	Grade	Unit (\$)	No. of Village	Amount
2016	-	20,000	100	2,000,000
2017	A	40,000	30	1200,000
2017	B	30,000	40	1200,000
2017	C	20,000	30	600,000
2018	A	40,000	30	1200,000
2018	B	30,000	40	1200,000
2018	C	20,000	30	600,000
2019	A	20,000	30	600,000
	B	10,000	40	400,000

Source: KOICA Head Office

The Regional Project Implementation Committee (RPIC) takes the lead in the incentive related activities such as evaluation, monitoring, etc. The villages receive average 20,000US\$ at the first year. After that, 100 pilot villages divided into 3 groups following the evaluation result, and the payment is commensurate with the grade. The table below shows how much a difference in payment by each group.

CHAPTER IV

SURVEY DATA ANALYSIS

4.1 Survey Profile

Taikkyi Township was founded in 1972 according to the order of Ministry of Home Affairs and Ministry of Religious and Culture. It is situated in the northern portion of Yangon region. The altitude of Taikkyi Township is located between 17° x 10' N Latitude and 96° x 8' W Longitude. It is bounded to the East by Yangon region and Hlegu Township, to the south by Hmawbi Township, to the west by Nyung Done Township, Danuphyu Township, Zalon Township and Ayeyawaddy division, to the north by, Tharyarwaddy Township, Bago region. It is situated at the above sea level - 100' and has the wet weather between the highest temperature - 34°C and the lowest temperature - 24°C.

As of March 2019, Taikkyi Township had a population of 269665 that is included 129,860 males and 139,805 females. It has an area of 707.525 Square miles. According to the measurement of the population and housing in Taikkyi Township, there were 17,075 households live in urban and 45,150 households live in rural with the 20 wards and 75 village tracts in the Taikkyi Township. There are 476 villages under 75 village tracts in Taikkyi Township. Villages are the smallest subdivision of village tracts in Myanmar. Among the 476 villages in Township, 32villages are implementing Mya Sein Yaung village project and 1villages implementing SMU project.

4.2 Survey Design

Descriptive method is applied for this study. The required data which can fulfill the objectives of this study is collected by survey with the use of structured questionnaire. The structured questionnaire consists of four sections. In section A, the general family information such as age, education, marital status, Section B consists of family financial profile, Section C consists of credit condition. The final section comprises credit outcomes. This study focuses on villages which are located in

Taikkyi Township where Mya Sein Yaung Project and SMU project had been implemented in 2014-2015 fiscal years. For this study, 1 village out of 32 villages implementing Mya Sein Yaung project and 1 village implementing SMU project in Taikkyi Township are selected to study the impact of this projects on the rural development. Sample households were chosen by simple random sampling method. As for the respondents, this study met and conducted in-depth interview with 179 respondents in total.

4.3 Analysis on Survey Data

The Saemaul Undong has been implementing its projects in 5 townships across Yangon Region. Among them Taikkyi township Yin Taik Kwin model village match the criteria, and it was selected that it has the highest penetration radio. The interest rate is 2% per annual. Yin Taik Kwin model village is in Taikkyi Township. It included the Yin Taik Kwin Village Tract. It has 940.28 Acre of agricultural land and 389 members of household. The total population is 1443 people live in Yin Taik Kwin model village. The criteria for study were set up for the selection for village was the presence of the Saemaul Undong rural development projects for Microfinance activity since 2014.

Livestock and Irrigation and Rural Development Department under Ministry of Agriculture have operated Mya Sein Yaung Project in Taikkyi Township since the year 2014-2015. Mya Sein Yaung lends loan service to rural areas for the purpose of rural development. It has been implementing in beneficial villages (24) for the 2014-2015 fiscal year, and then in beneficial villages (32) for the 2015-2016 fiscal year. According to application of the organization, only organization members have to take loan by Mya Sein Yaung. The interest rate is from 6% to 18% per annual.

Yan Lone Naing village consist of Hlaing Village tract in Taikkyi Township. It has 181 members of household. Mya Sein Yaung Rural project allows lending MMK375 lakh to Yan lone Nain. The criteria for study were set up for the selection for village was the presence of the Mya Sein Yaung Rural development projects for Microfinance activity since 2014.

This study was started in March 2019 the current survey was conducted regarding demographic information and economic status of the borrowers. And questioning and interviewing process to the committees and members of village credit schemes was conducted in Yin Taik Kwin Village and Yan Lone Naing Village. In

this study, there are 137 respondents (25%) of total in Yin Taik Kwin model village and 42 respondents (25%) of total in Yan Lone Naing village. Below the table shows the percentage distribution of sample subjects in the rural areas of Yin Taik Kwin model village, according to their characteristics of the respondents: Age, Educational level, and family member size.

Table (4.1) Demographic Characteristics of the Respondents in Selected Villages

Variable	Measuring Groups	Yin TaikKwin Village		Yan Lone Naing Village	
		Amount	(%)	Amount	(%)
Gender	Male	44	32.12	10	23.81
	Female	93	67.88	32	76.19
	Total	137	100	42	100
Age (Year)	≤ 25	1	0.73	2	4.76
	26-35	15	10.94	6	14.29
	36-45	35	25.55	15	35.71
	46-55	39	28.47	11	26.19
	≥ 56	47	34.31	8	19.05
	Total	137	100	42	100

Source: Survey Data (2019)

According to the (4.1), female respondents are larger than male respondents' not only agricultural field but also Livestock and other fields. 44.29% of male respondent and 55.71% of female respondents involve in agricultural and livestock field. On the other hand, 19.4% of male respondents and 80.60% of female respondents also involve in livestock and other sectors. The analysis reveals that most of the respondents working in livestock and other fields such as sale, casual, staff and so on. As shown in table (4.1), female respondents are 76.19% and greater than male respondents.

According to the table, 47 household from age group above 56 years old this translates as 34.31%. That percentage also presents the largest age group. 28.47% are second largest age group of respondents by 46 and 55-year-old and 0.73% are the smallest age group of respondents by under 21-year-old. In term age, 35.71% respondents were the age group of 36 to 45 years. 4.76% are under 25 year of age and

19.05% are over 56-year-old. 26.19% of respondents are age group of 46 to 55 years and remaining 14.29% are medium age range for workforce.

Table (4.2) Educational Information of the Households in Selected Villages

Variable	Measuring Groups	Yin Taik Kwin		Yan Lone Naing	
		Amount	(%)	Amount	(%)
Educational Level	Illiterate	1	0.73	0	0
	Monastery	7	5.11	0	0
	Primary school	86	62.77	31	73.81
	Middle school	27	19.71	11	26.19
	High school	12	8.76	0	0
	Graduate level	4	2.92	0	0
	Total	137	100	42	100
Year of Schooling	Nail	64	46.72	0	0
	≤ 2	71	51.82	16	38.09
	3 and 4	2	1.46	20	47.62
	5 and 6	0	0	6	14.29
	Total	137	100	42	100

Source: Survey Data (2019)

The education levels of the respondents are categorized into 6 tiers; illiteracy, monastery, Primary school, middle school, high school, post graduate. 0.73% of the respondents are illiteracy. 5.11% of the respondents attend monastery education level 62.77% of respondents attend the primary level education, 19.71 % of the respondents attend middle level education. 8.76% of the respondents attend high level education and 2.92% of the respondents attend post graduate. The analysis reveals that most of the respondents attended the primary level and 2.92% are post graduate.

According to the Table showed, 51.82 % of respondents are the largest school child by fewer than 2 children and 1.46% is the respondents of smallest school child by 3 to 4 children. The analysis reveals that most of the respondent school child was fewer than 2 children members.

In Yan Lone Naing Village, the education level of the respondents is categorized into 6 tiers; illiteracy, monastery, Primary school, middle school, high

school, post graduate. 73.81% of respondents attend the primary level education and 26.19% of the respondents attend middle level education. The analysis reveals that most of the respondents attended the primary education. It could affect the way in which they manage and live their daily life and manage household and business.

According to the Table showed, 47.62 % of respondents are the largest school child by fewer than 2 children and 14.29% is the respondents of smallest school child by 3 to 4 children. Rest of the 38.09 % has no school children. The analysis reveals that most of the respondent school child was fewer than 2 children members.

Table (4.3) Family Information of Respondents in Selected Villages

Variable	Measuring Groups	Yin Taik Kwin		Yan Lone Naing	
		Amount	(%)	Amount	(%)
No. of family member	1 and 3	39	28.47	9	21.43
	4 and 5	66	48.17	25	59.52
	6 and 7	30	21.90	8	19.05
	8 and 9	1	1.46	0	0
	Total	137	100	42	100
Working People in family	≤ 2	88	64.23	25	59.52
	3 and 4	45	32.85	17	40.48
	5 and 6	4	2.92	0	0
	Total	137	100	42	100

Source: Survey Data (2019)

According to the table (4.3), 66 % of respondents are the largest families' size by 4 to 5 family members, 28.47 % are the respondents of second largest family's size by 1 to 3 family members and 1.46% are the respondents of smallest family's size by 8 to 9 family's members. The analysis reveals that most of the respondent families' size was 4 to 5 family members.

64.23% are the respondents the largest working families' members by fewer than 2 family members. 32.85% are the respondents the second largest working families' members by fewer than 2 family members and 2.92% are the respondents the smallest working families' members by fewer than 2 families' members. The analysis reveals that most of the respondents working families' members by under 2 family's members.

According to the table, 59.52 % of respondents are the largest families' size by 4 to 5 family members, 21.43 % are the respondents of second largest family's size by 1 to 3 family members and 19.05% are the respondents of smallest family's size by 6 to 7 family's members. The analysis reveals that most of the respondent families' size was 4 to 5 family members. Family members contribute to this small-scale business as additional workers. 59.52% are the respondents the largest members who search income by fewer than 2 family members and 40.48% have three to four searches. The analysis reveals that most of the respondents working families' members by under 2 family's members.

4.4 Economic Condition of Households in Selected Villages

Table (4.4) Usage Types of Loan

Purpose	Yin Taik Kwin Village		Yan Lone Naing Village	
	No. of Respondents	Percent	No. of Respondents	Percent
Agricultural& Livestock	53	38.68	23	54.76
Other business	8	5.84	2	4.76
Consumption	24	17.53	1	4.76
Health	7	5.11	5	11.91
Education	15	10.95	11	26.19
Other	30	21.89	0	0
Total	137	100	42	100

Source: Survey Data (2019)

Above the Table (4.4) shows, 29.19 % respondents are the largest purpose of loan group by agricultural and 21.89% respondents are the second largest purpose of loan group by household expenditure. 5.84% and 5.11 % are the smallest purpose of loan group by other business and healthcare. According to the Table, 45.24% respondents are the largest purpose of loan group by agricultural and 26.19% respondents are the second largest purpose of loan group by household expenditure. The third largest is 11.91% for educational purpose. 4.76% and 4.76% are the smallest purpose of loan group by other business and healthcare. According to the table, 17.53% of SMU respondents misusing loans for consumption purpose. So, their businesses cannot improve in reality.

Table (4.5) Usage of Loan by Households

Loan Amount	Yin Taik Kwin Village		Yan Lone Naing Village	
	No. of Respondents	Percent	No. of Respondents	Percent
40,000-300,000	122	89.05	40	95.24
300,001-500,000	15	10.94	2	4.76
500,001-800,000	0	0	0	0
≥800,000	0	0	0	0
Total	137	100	42	100

Source: Survey Data (2019)

89.05% respondents are the largest loan group by 40000 - 300,000 and 10.94% respondents are smallest loan group by 300,001-500,000. The analysis reveals that Saemaul Undong allows lending under MMK 500,000. 95.24% respondents are the largest loan group by 40000 - 300,000 and 4.76% respondents are smallest loan group by 300,001-500,000. The analysis reveals that the most of the respondents borrowed the loan of agricultural and between 40, 000 to 300,000.

Table (4.6) Household Assets Ownership (Yin Taik Kwin Model Village)

No	Assets	Before	%	After	%	Change to percent
Transportation Assets						
1	Motor Cycle	80	58.4	84	61.3	+2.9
2	Bicycle	72	52.6	60	43.79	-8.8
Livestock Assets						
1	Cow	29	21.2	33	24.1	+2.9
2	Pig	30	21.9	54	39.4	+17.5
3	Chicken	700	510.9	860	627.7	+116.8
4	Goat	0	0	0	0	
5	Duck	39	28.5	47	34.3	+5.8
Agricultural Assets						
1	Land	235	171.5	240	175.2	+3.7
2	Pump	3	2.2	3	2.2	
3	Weedier	3	2.2	6	4.4	+2.2
4	Tractor	5	3.6	8	5.8	+2.2
Information and Communication Assets						
1	Television	40	29.2	51	37.2	+8
2	Ref	15	10.9	28	20.4	+9.5
3	Fan	45	32.8	56	40.9	+8.1
4	Telephone	103	75.2	168	122.6	+47.4
5	Radio	0	0	0	0	
Other Assets						
1	Improvement saving	20	14.6	23	16.8	+2.2
2	Jewelry	40	27.2	62.25	45.4	+18.2

Source: Survey data 2019

Above the Table shows the ownership of the assets before and after the intervention of microfinance. Transportation assets in Yin Taik Kwin model village are motor cycle and bicycle. According to the table (4.6), the most change ownership was motorcycle and bicycle 58.4% to 61.3% and 52.6 % to 43.79 % respectively. So, 2.9% is the increasing by motorcycle and 8.8 % is decreasing by bicycle.

Livestock assets are cow, pig, chicken and duck. According to the table (4.6), Cow is 21.2% to 24.1%. So, 2.9 % is increasing. The most change was the chicken and duck, 510.9% to 627.7 % and 28.5 % to 34.3 respectively. So, 116.8% is the increasing by chicken and 5.8 % is increasing by duck. Agricultural assets are Land, pump, weedier and tractor. According to the table (4.6), land and weedier are 171.5 % to 175.2 % and 2.2% to 4.4 % respectively. So, 3.7 is increasing by land and 2.2 is increasing by weedier. Tractor and Pump are 3.6 % to 5.8 % and 2.2% respectively. So, 2.2% is increasing by Tractor and Pump is remaining unchanged.

Information and other electricity assets are Television, telephone and Refrigerator. According to the table (4.6), the most change ownership was Refrigerator and Telephone, 29.2 % to 37.2 % and 75.2 % to 122.6% respectively. So, 8.1% is increasing by Fan and 9.5% is increasing by Refrigerator. Television and Fan are 29.2 % to 37.2 % and 32.8% to 40.9% respectively. So, 8% is increasing by Television and 8.1% is increasing by Fan. Other assets are saving and gold. According to the table (4.6), the most change ownership was Gold, 27.2% to % and 45.4. So, 18.2% is increasing by Gold. Improvement of saving is 14.6% to 16.8% and 2.2% is increasing. Due to the asset's creation, after becoming SMU rural project member, agricultural assets, information and other electricity assets significantly improve. These kinds of assets creation also provide in their income generation activities. Thus, it shows that microfinance intervention has a positive impact on the household's asset ownership.

Table (4.7) Household Assets Ownership (Yan Lone Naing Village)

No	Assets	Before	%	After	%	Change to percent
Transportation Assets						
1	Motor Cycle	38	90.5	43	102.4	+11.9
2	Bicycle	20	47.6	28	66.7	+19.1
Livestock Assets						
1	Cow	45	107.1	44	104.8	-2.3
2	Pig	110	261.9	93	221	-40.9
3	Chicken	200	476.2	237	564.3	+88.1
4	Goat	0	0	0	0	
5	Duck	10	23.8	0	0	-23.8
Agricultural Assets						
1	Land	283	673.8	283	673.8	
2	Pump	0	0	0	0	
5	Weedier	0	0	2	4.7	+4.7
6	Tractor	6	14.3	9	21.4	+7.1
Information and Communication Assets						
1	Television	24	57.1	40	95.2	+38.1
2	Refrigerator	10	23.8	16	38.1	+14.3
3	Fan	22	52.4	20	47.6	-4.8
4	Telephone	51	121.4	77	183.3	+61.9
Other Assets						
1	Improvement saving	3	7.1	8	19.0	+11.9
2	Jewelry	20.1	47.9	31.57	75.2	-27.3
3	Generator	0	0	0	0	

Source: Survey Data (2019)

Transportation assets in Yan Lone Naing village are motor cycle and bicycle. According to the table (4.7), the most change ownership was motorcycle and bicycle 90.5% to 102.4% and 47.6 % to 66.7 % respectively. So, 11.9% is the increasing by motorcycle and 19.1 % is increasing by bicycle.

Livestock assets are cow, pig, chicken and duck. According to the table (4.7), Cow is 107.1% to 104.8%. So, 2.3 % is decreasing. Pig is 261.9% to 221%. So, 40.9% is decreasing. The most change was the chicken, 476.2% to 564.3 % and 88.1 % is increasing. Duck is 23.8% and is decreasing to 0%. Agricultural assets are Land, pump, weedier and tractor. According to the table (4.7), land and weedier are 673.8% and 0% to 4.7%. So, land is remaining unchanged and 4.7 are increasing by weedier. Tractor is 14.3 % to 21.4 % and 7.1% is increasing. Information and other electricity assets are Television, telephone, Fan and Refrigerator. According to the table (4.7), the most change ownership was TV and Telephone, 57.1% to 95.2% and 121.4 % to 183.3% respectively. So, 38.1% is increasing by TV and 61.9% is increasing by Telephone. Refrigerator and Fan is 23.8 % to 38.1 % and 52.4% to 47.6% respectively. So, 14.3% is increasing by Refrigerator and 4.8% is decreasing by Fan. Other assets are saving and gold. According to the table (4.7), Gold is 47.9% to % and 75.2. So, 27.3% is decreasing by Gold. Improvement of saving is 7.1% to 19% and 11.9% is increasing. Due to the asset's creation, after becoming Mya Sein Yaung rural project member, agricultural assets, information and other electricity assets significantly improve. These kinds of assets creation also provide in their income generation activities.

At the household level, one of the prominent indicators of microfinance intrusion is the change in household's asset ownership. It also indicates the improvement in households' wealth. Assuming the fact that intervention of microfinance in household's lives increases their income and their capacity to have more assets.

Table (4.8) Monthly Income of Households

Income per month (,000 Kyats)	Yin Taik Kwin		Yan Lone Naing	
	Amount	%	Amount	%
< 100	7	5.11	10	23.81
100-290	24	17.52	28	66.67
300-490	37	27.00	4	9.52
500-690	31	22.63	0	0
700-890	19	13.87	0	0
≥ 900	19	13.87	0	0
Total	137	100	42	100

Source: Survey Data (2019)

Above the Table (4.8) shows, monthly income in respondents state six categories. It is found, as per the data presented in Table (4.8), about 13.87% respondents belong to the families income is between MMK 700,000 and 890,000 per month. 13.87% respondents belong to the earning above MMK 900,000 per month. 22.63% to the earning between MMK 500,000 and 690,000 is the second largest and 27% was the largest monthly income at MMK 300,000 to 490,000. 17.52% of respondents are third largest monthly income between 100,000 and 290,000. Smallest monthly income 5.11% was fewer than MMK 100,000. The analysis reveals that most of the respondent the monthly income was between MMK 300,000 and 490,000.

Totally 137 respondents had various, age, family size and work. Large family size usually has large expense or income. Member of older age usually has large healthcare costs and higher dependency ratio. Among of them, 51% households work agricultural and 48.91% households work livestock and other fields.

In Yan Lone Naing Village, monthly income in respondents state six categories. It is found, as per the data presented in Table (4.8), about 13.87% respondents belong to the families income is between MMK 700,000 and 890,000 per month. 13.87% respondents belong to the earning above MMK 900,000 per month. 23.81% to the earning fewer than MMK100, 000 is the second largest monthly income. 66.67% of respondents are largest monthly income between 100,000 and 290,000. Smallest monthly income 9.52% was between MMK300, 000 and 490,000.

The analysis reveals that most of the respondent the monthly income was between MMK 100,000 and 290,000.

The above table reveals that more than 70% of the households had assets like motorcycle, washing machine, refrigerator, sewing machine, TV, and fans before taking the loan. Less than 10% of the households had assets like air cooler and air conditioner before taking the loan. Some of the common assets before taking the loan were washing machine and sewing machine (79%, 78.1%), TV (89.5%), motorcycle (70.5%) and refrigerator (77.1%), while the few households had air cooler (8.6%), air conditioner (8.6%). The survey results show that ownership of the assets by households has increased after taking loan from MSY and SMU Project. Ownership of motorcycle, washing machine, refrigerator, sewing machine, TV, and air cooler increased from 70.5% to 82.9%, 79% to 85.7%, 77.1% to 82.9%, 78.1% to 84.8%, 89.5% to 94.3% and 8.6% to 9.5%. The last column shows the percentage change the assets and it shows that there is a positive growth in the assets of the borrowers. There is a positive growth in assets like (motorcycle, livestock, washing machine, refrigerator, sewing machine, TV and air cooler) except for fan and air conditioner.

Table (4.9) Comparison on Expenditure of Respondents

Expenditure(monthly)	Yin Taik Kwin Village (%)	Yan Lone Naing Village (%)
<100,000	8.03	11.91
100,001-300,000	51.09	47.62
300,001-500,000	30.66	35.71
≥500,000	10.22	4.76
Total	100	100

Source: Survey Data (2019)

According to table (4.9), 51.09% of respondents use more than one Lakh, 30.66% use between three lakhs to five lakh, 8.03% use less than one lakh and remaining 10.22% of respondents are more than five lakhs in Yin Taik Kwin model village. On the other hand, 47.62% of respondents use more than one Lakh, 35.71% use between three lakhs to five lakh, 11.91% use less than one lakh and remaining 4.76% of respondents are more than five lakhs in Yan Lone Naing village.

4.5 Loans Provided for Selected Village by MSY Project

Mya Sein Yaung Village Project is implemented with the Revolving Fund established to increase the family income of the rural people. Accordingly, loans were offered to villages for village-level revolving funds in Mya Sein Yaung project. The revolving fund provided by the government is common ownership of each project village. The implementation method of the project is to set up the revolving fund in each project village and to operate the fund sustainably by increasing the amount of fund through receiving low and affordable interest rate. Loans are provided by MSY project in targeted area for village development activities. Yan Lone Naing village are provided with amount of 30 Million for livestock, agriculture, own business activities and others. Table (4.10) shows the provision of MSY loans for Yan Lone Naing Village.

Table (4.10) Provision of MSY Loans for Yan Lone Naing Village

No.	Fiscal Year	Number of Borrowers	Amount of Village Revolving Fund	Amount of Interest
1	2016-17	165	30,000,000	3,150,000
2	2017-18	193	33,000,000	4,455,000
3	2018 (6 months)	215	37,000,000	2,775,000
4	2018-19	239	39,000,000	3,510,000

Source: Survey Data (2019)

According to Table (4.10), it can be seen that each village had been provided 30 million as the village development funds by the government in 2016-2017. During this year, 165 borrowers had taken the loans to invest their businesses.

In 2017-2018, village had taken 33 million loans by 193 borrowers. In 2018-2019, village had taken 39 million loans by 239 borrowers. The households of each village had invested the loans on their businesses such as farming, livestock and trading.

4.6 Loan Provided for Yin Taik Kwin Model Village by Saemaul Undong Rural Projects

Above the mention principles, Saemaul Undong Rural project was selected Yin Taik Kwin model village 2015. In addition, the Head office of Saemaul Undong selected the five villagers for training. The purpose of the project is “to uplift standard of living for rural communities and there by contribute to socio-economic development of Myanmar”. Yin Taik Kwin model village have 1443 populations, 389 households. It has 940.28 Acre of farmland.

Table (4.11) Loan Provision of Saemaul Undong Project in Yin Taik Kwin Model Village (Agriculture)

No.	Fiscal Year	No. of Household	Saemaul Undong Fund (kyats)	Village Fund (Kyats)	Loan Kyats (million)
1	2016-2017	24	1800,000	360000	2,160,000
2	2017-2018	42	4,000,000	1259376	5,259,376
3	2018-2019	42	4,536,000	-	4,536,000

Source: Survey Data (2019)

Above the Table (4.11) showed, Agricultural loan became 4,536,000 kyats in 2018-2019 because the number of household and the membership fee are increased. And then this lead to increased village funds and peoples more invest and more spend in each field.

Table (4.12) Loan Provision of Saemaul Undong Project in Yin Taik Kwin Model Village (Livestock)

No	Fiscal Year	No. of household	Saemaul Undong Fund (Kyat)	Village Fund (Kyats)	Loan Kyats (million)
1	2016-2017	39	3,297,861	2,590,139	5,888,000
2	2017-2018	106	9,372,861	6,716,843	16,089,704
3	2018-2019	149	4,540,000	13,149,019	31,761,880

Source: Survey Data (2019)

Above the Table (4.12) showed, Livestock loan increased 8800,000 kyats in 2018-2019 because many villagers joined with SMU project. Then, this leads to improve the role of livestock in village.

Table (4.13) Loan Provision of Saemaul Undong Project in Yin Taik Kwin Model Village (Other job)

No.	Fiscal Year	No. of Household	Saemaul Undong Fund (Kyats)	Village Fund (Kyats)	Loan Kyats (Million)
1	2016-2017	36	2,500,000	540,000	304,000
2	2017-2018	62	8,000,000	2,192,400	1,092,400
3	2018-2019	60	4,540,000	-	11,840,000

Source: Survey Data (2019)

Above the Table (4.13) showed, other loan increased 25,873,880 kyats in 2018-2019 because number of households increased. And then this leads to increased village funds and begin to develop rural infrastructure.

Microfinance is now globally recognized as an effective tool for reducing poverty. Some argue that there is too much focus on microfinance which will motivating less spending in other helping assistances as public health, welfare and education. Rural and remote areas, where most of the poor populations reside, have limited physical infrastructure and economic opportunities.

In selected villages, respondents cannot start small business because both projects deal with low volume of money and there is a limitation on the amount that they can deal with. Credit should be provided on time because in agriculture timing is crucial; otherwise delay will not help them to get maximum benefits from credit. Most respondents say that SMU Rural has been created rural development opportunities.

4.7 Comparison between Mya Sein Yaung Project and SMU Project

Both Mya Sein Yaung and Saemaul Undong projects aims to improve their socioeconomic conditions of rural people and to narrow the gap between the rural and the urban areas. As such, Mya Sein Yaung village-level revolving fund offers loans to villages in order to finance household businesses with aims of creating job opportunities, increasing food security and increasing household income. On the other

hand, SMU project offers loans to invest businesses with aims of improving socioeconomics and village development. The successful rural development should provide the benefits to the beneficiaries of the project. Thus, the respondents in two study villages were asked the households' income and ownership situation projects. Moreover, they were also asked their livelihood status and benefits of Mya Sein Yaung Project and SMU project which they had received after the implementation of the project.

The outcome of MSY Village project and SMU project can be seen with the base of occupational status, saving, Income and expenditure status. Situation of benefits on respondents by MSY project are to improve the family income, creating job opportunity and development in the rural production business.

The study shows that through the members do not have proper record on how much they got profit by year, they can clearly remark that most of the members earned profit through the loans. Most of the profit went back to the investment and home need. In that case, some households used their profit to repair their houses and some built new houses. And some could have motorbikes and TVs and they could enjoy better living standard. Above to the Tables, loan amounts of other sources greater than Agriculture and Livestock because the villagers are working in several jobs. SMU projects enforcement to improve living standard by introducing basic infrastructure such as Shwe Khit Thit center, inter-village roads, supplies for school of village, garbage burned machine. Saemual Undong funds were invested in welfare and environment improvement and income-generating projects. Among of Funds were used in soap oil business for village and prize for word hard farmers.

CHAPTER V

CONCLUSION

5.1 Finding

The main objective of this study is to examine the improvement of socioeconomic throughout the microfinance programs in Taikkyi Township. Although Taikkyi Township has been urbanized, some parts are still underdeveloped. Among of villages have not sufficient hard and soft infrastructure yet. So, government allows joining public, NGOs and INGOs rural development projects and private microfinance companies for development. Saemual Undong is one of project has joined Yin Taik Kwin model village to accomplish four years development project plan since 2015. And then Mya Sein Yaung also one of rural project and has started in Yan Lone Naing village 2016. The 137 respondents of the demographic factors which include gender, age group, education level, families size and income level. The gender of borrowers' respondents' 44.29% male and 55.71% female involve in agricultural field. 19.4% of male respondents and 80.60% of female respondents also involve in other sectors. So, female respondents are larger than male respondents' not only agricultural field but also other fields.

47 household from age group above 56 years old this translates as 34.31%. 28.47% are second largest age group of respondents by 46 and 55 year old and 0.73% are the smallest age group of respondents by under 21 year old. So, dependency ratio is higher than work force In term of Education level, 0.73% of the respondents are illiteracy, 5.11% of the respondents attend monastery education level 62.77% of respondents attend the primary level education, 19.71 % of the respondents attend middle level education, 8.76% of the respondents attend high level education and 2.92% of the respondents attend post graduate. The analysis reveals that most of the respondents attended the primary level and 2.92% are post graduate.

66 % of respondents are the largest families' size by 4 to 5 family members, 28.47 % are the respondents of second largest families size by 1 to 3 family members and 1.46% are the respondents of smallest families size by 8 to 9 families members.

The analysis reveals that most of the respondent families' size was 4 to 5 family members.

64.23% are the respondents the largest working families' members by fewer than 2 family members. 32.85% are the respondents the second largest working families' members by fewer than 2 family members and 2.92% are the respondents the smallest working families' members by fewer than 2 families' members. The analysis reveals that most of the respondents working families' members by under 2 families members. 51.82 % of respondents are the largest school child by fewer than 2 children and 1.46% is the respondents of smallest school child by 3 to 4 children. The analysis reveals that most of the respondent school child was fewer than 2 children members.

Monthly income in respondents about 13.87% respondents belong to the family's income is between MMK 700,000 and 890,000 per month.13.87% respondents belong to the earning above MMK 900,000 per month. 22.63% to the earning between MMK 500,000 and 690,000 is the second largest and 27% was the largest monthly income at MMK 300,000 to 490,000. 17.52% of respondents are third largest monthly income between 100,000 and 290,000. Smallest monthly income 5.11% was fewer than MMK 100,000. The analysis reveals that most of the respondent the monthly income was between MMK 300,000 and 490,000.

Totally 137 respondents had various, age, family size and work. Large family size usually has large expense or income. Member of older age usually has large healthcare costs and higher dependency ratio. Among of them, 51% households work agricultural and 48.91% households work livestock and other fields. 29.19 % respondents are the largest purpose of loan group by agricultural and 21.89% respondents are the second largest purpose of loan group by household expenditure. 5.84% and 5.11 % are the smallest purpose of loan group by other business and healthcare. 89.05% respondents are the largest loan group by 40000 - 300,000 and 10.94% respondents are smallest loan group by 300,001-500,000. The analysis reveals that Saemaul Undong allows lending under MMK 500,000

The 42 respondents of the demographic factors at Yan Lone Naing village which include gender, age group, education level, family size and income level. Female respondents are 76.19% and greater than male respondents. In term age, 35.71% respondents were the age group of 36 to 45 years.4.76% are under 25 year of

age and 19.05% are over 56 year old. 26.19% of respondents are age group of 46 to 55 years and remaining 14.29% are medium age range for workforce.

. 73.81% of respondents attend the primary level education and 26.19% of the respondents attend middle level education. The analysis reveals that most of the respondents attended the primary education. It could affect the way in which they manage and live their daily life and manage household and business. 59.52% of respondents are the largest families' size by 4 to 5 family members, 21.43% are the respondents of second largest families size by 1 to 3 family members and 19.05% are the respondents of smallest families size by 6 to 7 families members. The analysis reveals that most of the respondent families' size was 4 to 5 family members. Family members contribute to this small-scale business as additional workers. 59.52% are the respondents the largest members who search income by fewer than 2 family members and 40.48% have three to four search. The analysis reveals that most of the respondents working families' members by under 2 families members.

47.62% of respondents are the largest school child by fewer than 2 children and 14.29% is the respondents of smallest school child by 3 to 4 children. Rest of the 38.09% has no school children. The analysis reveals that most of the respondent school child was fewer than 2 children members. Monthly incomes of 13.87% respondents belong to the families income is between MMK 700,000 and 890,000 per month. 13.87% respondents belong to the earning above MMK 900,000 per month. 23.81% to the earning less than MMK 100,000 is the second largest monthly income. 66.67% of respondents are largest monthly income between 100,000 and 290,000. Smallest monthly income 9.52% was between MMK 300,000 and 490,000. The analysis reveals that most of the respondent the monthly income was between MMK 100,000 and 290,000.

45.24% respondents are the largest purpose of loan group by agricultural and 26.19% respondents are the second largest purpose of loan group by household expenditure. The third largest is 11.91% for educational purpose. 4.76% and 4.76% are the smallest purpose of loan group by other business and healthcare. 95.24% respondents are the largest loan group by 40,000 - 300,000 and 4.76% respondents are smallest loan group by 300,001-500,000. The analysis reveals that the most of the respondents borrowed the loan of agricultural and between 40,000 to 300,000.

51.09% of respondents use more than one Lakh, 30.66% use between three lakh to five lakh, 8.03% use less than one lakh and remaining 10.22% of respondents

are more than five lakh in Yin TaikKwin model village. On the other hand, 47.62% of respondents use more than one Lakh, 35.71% use between three lakh to five lakh, 11.91% use less than one lakh and remaining 4.76% of respondents are more than five lakh in Yan Lone Naing village.

As of their reason for benefit of joining with rural development project, 48.04% of respondents answered the benefit of loan for agriculture, livestock and other business. 22.9% is used general expense for home need and 13.41% of respondent used for consumption patterns. 11.17% and remaining respondents can join education and healthcare. Most of respondent reply that rural development project may create the advantages for villages. The villagers can get smooth transportation, water supply and more opportunities. Both projects provide loans with less interest rate for rural development. According to the survey, both villages will improve ownership condition after taking credits. If we compare two villages, Yin Taik Kwin village more improve in village development. Although Yan Lone Naing village improve in individual condition, village development are less improve under Yin Taik Kwin village.

5.2 Suggestion

According to the finding rural development projects would needed to provide less developed areas. It is suggested that rural development projects offering loans should make them more accessible to villagers. All financial institutions should consider providing loan without collateral in order to promote the farming business for both who start up a farm and nonfarm and for who are running an existing one can be steep. Awareness of people to the positive effects of microfinance may activate their interest in Rural Development Projects. Government should encourage and support the strengthening of microfinance. As the capacity of Rural development projects was expending, it can reach more poorest families.

There are a large number of respondents Rural Development Project is increased to income of households, increase of access to job opportunity and increased in village development. The study also concluded that microcredit is providing the poor accessibility for the credit to increase their total family through different livelihood strategies of Income Generating Activities and sufficient income provide a hope to the poor to ensure achievement of sustainable livelihood by improving good health, access of children's education, increasing assets, take part

social activities. SMU and Mya Sein Yaung Rural Development Project can be created for the better life of villagers. According to the survey SMU project is better than Mya Sein Yaung project in two villages, because SMU project team, head of villager and members of SMU are good personality and team work. Cooperation is very important to completely develop every household, community, village, region and nation.

Finally suggestion is presented for individuals, groups and others villagers on sustainability and strengthening of SMU Project in Myanmar. Benefit of SMU Rural Project effect to; increase of family income level, education and other social activities. SMU Rural Development project leads Development in rural production and confidence of villagers. Increased networking between SMU Project team and villagers is still need to improve clear vision, rules and regulation, role and responsibilities and efficient management. It is better the SMU Project members together attend the meeting, training discussion and more unity for village communication.

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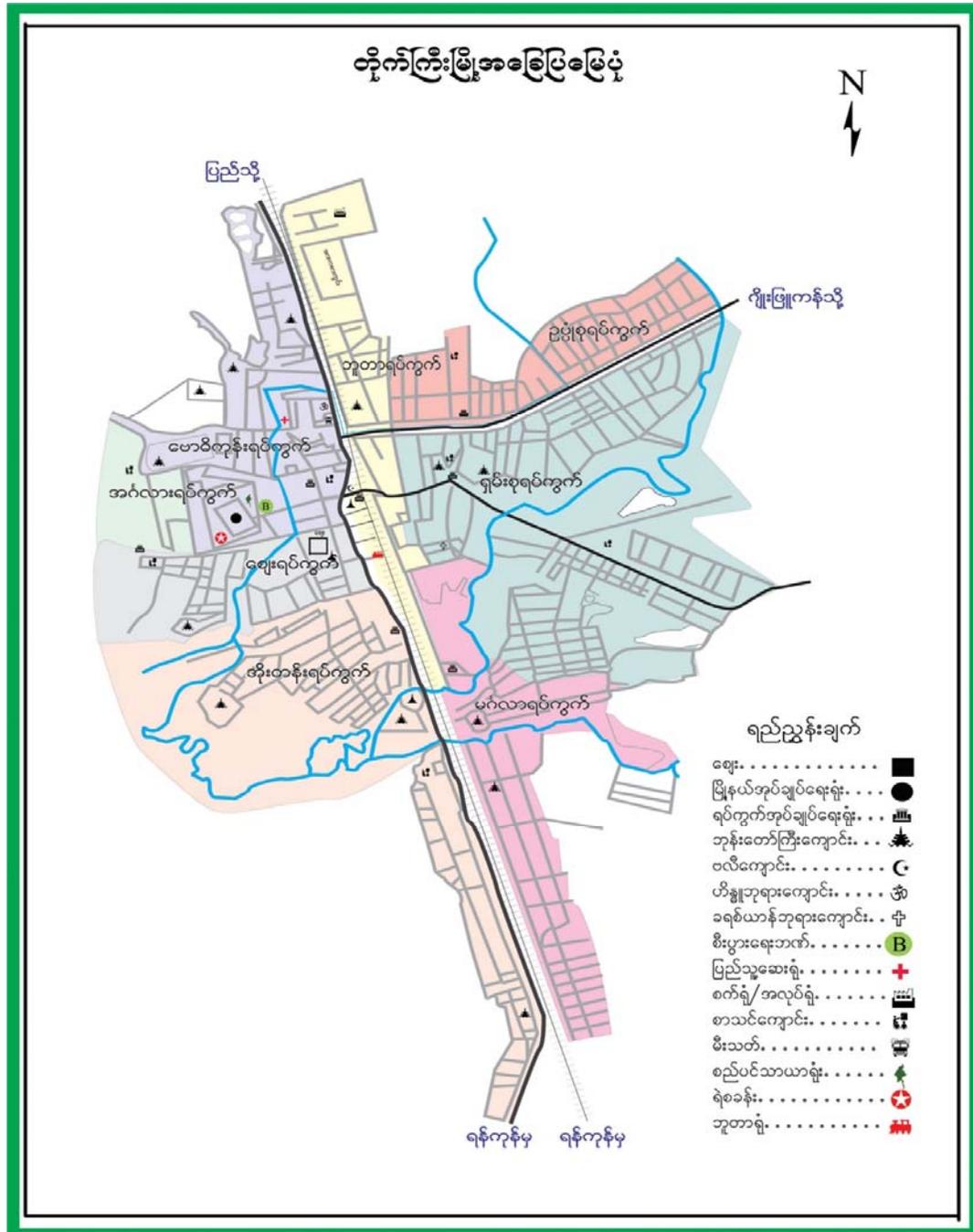
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APPENDICES

Appendix (1) Map of Taikkyi Township



Appendix (3)

Yangon University of Economics

Department of Economics

Master of Economics

A Study on the Role of Microfinance in Promoting Socio-economic Status of

Taikkyi Township

Survey Questions

Name of interviewer: _____

Interview date and time: _____

Township/ Village: _____

Section A Family Information

1) What is the Household Head Name?

(.....)

2) Gender Male Female

3) Age

< 25

26 - 45

46 - 65

>65

4) Types of job

Farmer Government Employee Goods Seller

Worker Overseas House Keeper Others

5) Married Status Single Married Divorce

6) Family Member, Education and Job

Name	Age	Education	Job

SECTION B : A HOUSEHOLD FINANCIAL PROFILE

7) Farm Assets

No	Items	Quantity	Description	Remark
1	Tractor			
2	Harvester			
3	Water Pump Machine			
4	Cultivator			
5	Farm Truck			
6	Cow			
7	Other			

8) What kind of Crops do you make in last time?

Paddy (Rainy) Paddy (summer) other

9) Agricultural and others Usage

Items	Quantity	Measurement	Quality		Cost per Acre
			Fair	Good	
Seeds					
Fertilizer					
Insecticide					
Wages					
Transportation Fee					
Meal					
Fee for borrowing the agricultural machine					
Others					

10) Family's Expenses

Items	Expense (Daily/Monthly/Yearly)	Remark
Meal		
Education		
Health		
Entertainment Bills		
Transportation Fee		
Fuel/ Meter Bills		
Donations		
Others		

11) How many did you get income (monthly) before credit utilization?
(.....)

12) Do you save money (monthly) before credit utilization? (.....)

SECTION C: Credit Conditions

13) Sources of Credit Loan

- Institutional Loan Sources (.....)
- Non-institutional Loan Sources (.....)
- Not Applicable

14) What is payback period of loan under the followings?

15) Do you need credit ever?

Yes No

16) How much credit usually do you take annually? (.....)

17) How much interest did you pay for these loans? (.....)

18) How many times do you take loan during one year?

1 time 2 time 3 time >4 time

SECTION D: Credit Outcome

19) How many did you get income after getting credit?

(.....)

20) How many did you get improvement after getting credit?

Description	Yes/No	Previous	Present
Seed (High Quality)			
Farm Land			
Agricultural Machinery			
Fertilizer			
Pesticides			
Animal			
Education			
Other Improvement			

Borrower's Opinion

How did you think your economy comparing before and after joining Microfinance?

How many advantages did your village get from development plan of microfinance institution?
