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MASTER OF DEVELOPMENT STUDIES PROGRAMME

**A STUDY OF INCOME GENERATION ACTIVITIES
FOR WOMEN INITIATED BY MICROFINANCE FIRM
IN TWANTAY TOWNSHIP**

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ABSTRACT

The roles of microfinance become important for reducing the vulnerabilities of the rural people. This study explores the situation of microfinance initiatives in Twantay Township. It is aimed to examine the effect of microfinance initiatives on income generation of women in Twantay Township. This study focuses the role of microfinance activities in developing countries. Microfinance credit to 95% of woman and aim is not only alleviating poverty, but to empower women. One hundred fifty (150) clients' beneficiaries of microfinance loans were surveyed and interviews conducted with stakeholder. The overall result suggests that beneficiaries more focus on the utilization of loan for their income generating activates. However, it suggested that microfinance firms more provide the education for financial management for their clients.

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LIST OF ABBREVIATIONS

| | |
|--------|---|
| NGOs | Non-Government Organization |
| AMDA | Association of Medical Doctor of Asia |
| CIDA | Canadian International Development Agency |
| EDA | Economic Development Association |
| HDI | Human Development Initiative |
| IG | program Income Generation Program |
| IGAs | Income Generating Activities |
| INGO | International Non-Government Organization |
| MFI | Microfinance Institutions |
| MOUs | Memorandum of Understandings |
| MSE | Myanmar Microfinance Business Supervisory Enterprise |
| MSLE | Myanmar Small Loan Enterprise |
| PGMF | Pact Global Microfinance Fund |
| PPI | Grameen's Progress out of Poverty Index |
| RDPRWC | Rural Development and Poverty Reduction Working Committee |
| ROSCAs | Rotating Savings and Credit Associations |
| RSCAs | Rotating Savings and Credit Associations |
| UNDP | United Nations Development Programme |
| UNOPS | United Nations Office for Project Services |

CHAPTER I

INTRODUCTION

1.1 Rationale of Study

In Myanmar, almost 70% of the population is living in rural area. For this reason poverty reduction and income generation activities are important for the rural area. Microfinance finance a firm is becomes the vital role for rural people's income generation activities since in recent years. Poverty has been calculated based on a person's income and how much he or she can buy with that income. Most of the rural people utilized the microfinance loans for their socio-economic conditions. There is ample evidence that changes to rural economies can have major impacts on rural development. Transformations of rural economies have been credited with helping hundreds of millions of rural people lift themselves up out of poverty since 1990s, the report notes. Microfinance is one of the income generation approaches to the low income families. Microfinance in general is a practice of providing the poor with credit, savings and insurance facilities to set up or to expand income generating activities relating to agriculture and its allied activities and non-farm sector, and thereby is poverty reducing mechanism(FAO 2017). Microfinance is needed a very traditional and familiar form of business. Microfinance has turned out to be useful development assistance product. It reached millions of poor people and emerged as a revolution. It is a viable alternative that reached the hitherto unreached for their social and economic empowerment through financial and social intermediation. Microfinance is the extension of small loans to very poor people, especially women to help boost their income generation potential through self-employment (Microcredit Summit, 2007). In today economy landscape, participation of women has dramatically improved in economy. Improvement in economic participation of women is essential to eliminate of poverty as well.

Microcredit programs that have targeted women have been found to be effective as it ensures that the net benefits that accrue from increased income does not

only help the women but that, the welfare of the family and particularly children are improved reducing the overall poverty of beneficiary families. One of the common features of microcredit is that the loan is to create self-employment in non-formal sectors for income-generation. However, the fact that microcredit helps the poor out of poverty particularly in the developing world is not universally accepted. This is because there is still skepticism about the ability of microcredit to make a major dent in the poverty situation in third world countries (Elahi and Danopoulos, 2004). Despite the skepticism, microcredit has been embraced by national governmental organizations, nongovernmental organizations (NGOs) and world development bodies as well as the international donor community as a means of alleviating and eventually eradicating poverty (Nissanke, 2002). As a result, there has been a surge in the number of microcredit institutions and organizations operating in the developing world including Myanmar. These programmes are mainly geared towards providing credit to micro-borrowers majority of who are women groups to engage in income generating activities in an attempt to lift them out of poverty. The use of microcredit to fight poverty is supported by the empirical literature that access to it facilitates the adoption of modern production technologies and overall household welfare (KHAN, R. S., Nagashima, S., & Talukder, R. K. (1999)).

In Myanmar Society, Women are placed equal status with the men and take an important role in managing the entire household. However, economic participation of women is still limited. Women have a large share of responsibility for the family, society and spend most of their time in unpaid family work. The status of women in contemporary rural area, in terms of their involvement in economic activities, promoted through development programmes initiated by a non-government organization. When a woman supports her family economically, she is involved to a greater extent in the family's household management and decision making process. Many needy women did not take loans since they succumbed to fears of violating religious principles or were too nervous to handle a relatively large quantity of money on their own. Nonetheless, the organization attempts to help them all through with different economic plans that improve their access to credits and through different social development programmes that facilitate collective action (Begum, A., and Chakraborty, K. (1995)).

Microfinance firms well provided the rural area development by supporting the loan fund for people in rural area. Most of the microfinance program target to women beneficiaries that can encourage the women to participate in household income generation activities. In addition, microfinance firms provide not only the financial resources but also other supporting activities such as cash management training, creating community network and other financial services. Microfinance firms can well support the improvement of people's social -economics conditions in rural area.

1.2 Objectives of the Study

The main objectives of the study are

1. To explore the situation of microfinance initiatives in Twantay Township
2. To examine the effect of microfinance on income generation of women in Twantay Township.

1.3 Method of Study

In this study, the descriptive research method is applied to achieve objectives of the study. Both primary data and secondary data are used. The primary data are collected by using structured questionnaire. To obtain the required data, the simple random sampling method is used in this study. In this paper, 100 was selected from among 150 in Twantay Township, Yangon Region are surveyed by using face to face interview and make interviews with questionnaire. The secondary data are collected from textbook, Government Office, academic journal, previous research paper and the respective website.

1.4 Scope and Limitation of the Study

This study focused on income generation activities of rural women in Twantay Township, Yangon Region. Because of duration of doing this research is only 6 months, 100 respondents was selected as sample size.

1.5 Organization of the Study

This thesis is organized into five chapters. Chapter one is the introduction which contains rationale of the study, objective of the study, method of the study,

scope and limitation of the study and organization of the study. It proceeds further to give a brief description of the organization of each chapter. Chapter two is literature review. Chapter three is Background of microfinance in Myanmar. Chapter four is analysis on survey. Chapter five consists of the findings and suggestion.

CHAPTER II

LITERATURE REVIEW

2.1 Income Generating Activities (IGAs)

The main thrust of the women's development activities would be to assist women in the sustainable establishment of income generating activities to be undertaken in or near the home in some pilot villages. Majority of the low income and rural women depend on low paid informal sector. IGAs tend to give women a higher status within the family and studies generally indicate that the greater the amount of income under women's control the greater amount devoted to their children's education, health and nutrition. As previously mentioned generally incomes of women are used for the increase of the wellbeing of the family. However it is essential to guarantee that women will have the control of the funds (saving funds loans etc.) and the free disposal of them to implement IGAs. During the feasibility study project staff should be very careful on not raised expectations.

An IGA should correspond to the needs of women; the failure of this kind of project generally comes from a gap between identifying women's needs and designing viable project. Potential IGAs should concern activities where women can use skills they already possess. Rural women have skills to do small-scale plant and agricultural and animal production, processing and preservation. Areas for potential promotion include home gardens (aromatic and medicinal plants and herbs vegetables), indoor plants, flowers, fruit tree nurseries, animal production dairy products, sewing, knitting embroidering, carpet making. Considered before undertaking any of these rural enterprises since lack of marketing expertise is the major weakness of this kind of programme. The aim of an IGA is to produce for the market and furthermore it can be called micro or small-scale enterprise, whether it is managed at individual or group level. One of the main criteria to choose an IGA should be its profitability.

If the Project is providing assistance to these small enterprises, the emphasis must be on orientating them from the social welfare perspective and towards the provision of business development services In order for this strategy to succeed, it is

essential that a clear distinction be made between the social welfare assistance and a development strategy that focuses on tapping the economic potential of women producers. With regards to welfare assistance, IGAs are generally targeted at a group of beneficiaries that has no prior involvement in the cash economy; IGAs offer women the opportunity to join the labor force and to learn necessary, skills for involvement in economic activities. These activities, however, are designed with a reliance on outside grants built into the project. They are not designed to be self-sustaining business operations. On the contrary business development focuses on a certain level of profitability to ensure self-sustainability. Women involved in small business development generally should have knowledge of the prevailing economic environment and business conditions.

IGAs can be seen as the initiation phase in the progression to small business development. It is difficult to make the transition from being unemployed and lacking in skills to being self-employed and capable of managing a business operation. The first step is to acquire specific technical skills. Once women have this experience the next step is to upgrade those skills and introduce women to basic business concepts and procedures. The transition from a social welfare to a micro and small enterprise approach is reflected by a market-driven approach.

In order to promote the income generation of women in grass-root level, the assistance of various Non-Governmental Organizations are also regarded as crucial role. Microfinance is the extension of very small loans to the unemployed, to poor entrepreneurs who are not bankable. The majority of these individuals lack collateral, and are unable to gain access to traditional credit. It is a financial innovation, which originated in developing countries where it has successfully enabled extremely impoverished people (mostly women) to engage in self-employment projects that allow them to generate an income.

Women have become the center focus of many micro credit institutions and agencies worldwide. The reasoning behind this is the observation that loans to women tend to more often benefit the whole family than loans to men do. It has also been observed that giving women the control and the responsibility of small loans raises their socio-economic status, which is seen as a positive change to the family and their living standard.

The effect of income generation micro credit programs and most of the evaluations report have indicated a positive effect both on household outcomes such

as income, wealth and asset accumulation and on individual outcomes like employment, health and nutrition (Parvin, G. A., Ahsan, S. R., & Chowdhury, M. R. (2004)). Income generation micro credit program has been acknowledged as it has allowed the poor to be more self-reliant and substantially encouraged women to engage in economically productive activities. Eventually it has empowered women by enabling them to make economic decision making, family planning, children survival rate, health and nutrition and children education especially girls' education (Steele, Amin and Naved, 1998).

2.2 Types of Microfinance

The Microfinance was started in early 1980s by the Grameen Bank. In the late 1980s, Microfinance institutional was providers mushroomed when many non-profit NGOs, recognizing the importance of stable income and capital accumulation in reducing poverty, started targeted savings and credit programs for income generating self-employment. Claims and supporting evidence can be found in the literature on microfinance – provided with or without complementary services – resulting in a range of positive effects, from income growth and consumption smoothing effects to gender and social empowerment (Armendáriz de Aghion, B., & Morduch, J. (2000)).

Microfinance is a form of financial development that has primarily focused on alleviating poverty through providing financial services to the poor. Most people think of microfinance, if at all, as being about micro-credit i.e. lending small amounts of money to the poor. Microfinance is not only this, but it also has a broader perspective which also includes insurance, transactional services, and importantly, savings. According to James Roth, “Microfinance is a bit of a catch all-term. Very broadly, it refers to the provision of financial products targeted at low-income groups. These financial services include credit, savings and insurance products. A series of neologisms has emerged from the provision of these services, name micro-credit, micro-savings and micro-insurance”. The Canadian International Development Agency (CIDA) defines microfinance as, “the provision of a broad range of financial services to poor, low income households and micro-enterprises usually lacking access to formal financial institutions”

There are basically the formal and informal types of microfinance services provided by specific institution. According to Goodland, Onumah, Amadi and Griffith (1999; 02), the formal sector comprise those institution which are subjected to

government and central bank regulation, saving and credit cooperative unions and finance programmes operated by NGOs. They include sophisticated but unregulated institutions (credit unions, indigenous banks, and pawn shops), money lenders, merchants, shopkeepers, pawnbrokers, loan brokers, landlords, friends and family, money guard, savings group, rotating savings and credit association, accumulations, accumulated savings and credit associations and employers.

Majority of the microfinance offer and provide credit on a solidarity-group lending basis without collateral. There is also a range of other methodologies that MFIs follow. Some MFI start with one methodology and later on move or diversify to another methodology so that they do not exclude certain socio-economic categories of clients. So it becomes important to have a basic understanding of methodologies and activity of MFIs.

2.2.1 Group Lending

Group based lending is one of the most novel approaches of lending small amounts of money to a large number of clients who cannot offer collateral. The size of the group can vary, but most groups have between four to eight members. The group self-selects its members before acquiring a loan. Loans are granted to selected member(s) of the group first and then to the rest of the members. Most MFIs require a percentage of the loan that is supposed to be saved in advance, which points out the ability to make regular payments and serve as collateral. Group members are jointly accountable for the repayment of each other's loans and usually meet weekly to collect repayments. To ensure repayment, peer pressure and joint liability works very well. The entire group will be disqualified and will not be eligible for further loans, even if one member of the group becomes a defaulter. The creditworthiness of the borrower is therefore determined by the members rather than by the MFI.

The group formation guides to lower transaction costs for the MFIs, but on the other hand there are social costs related with this process. These social costs can be a negative restraint to group borrowing and joint liability approaches, and include coercive peer pressure, loss of faith and the likelihood that the poorest and most vulnerable will remain excluded or further stigmatized. Such social costs are higher in some societies than in others, depending upon underlying social relations (which influence the ease/difficulty of group formation) and the distances that people must travel to participate in-group activities. In rural areas, these costs can be higher.

2.2.2 Individual Lending

Unlike MFIs, there are very few conventional financial institutions which provide individual loans to low-income people because poorer clients are considered higher risk clients due to their lack of collateral, plus the labor-intensive nature of the credits and hence the lack of profitability of small-credits

2.2.3 Credit Unions

Credit unions are the organizations that are formed on the basis of financial relation of savings and loans between its members. They accumulate savings from its members and provide short-term credit to the needed members. The demand for loans in general exceeds the supply of savings. In most rural areas credit unions are still the solitary source of deposit and credit services, besides the informal financial market. Because credit unions have social as well as commercial objectives, they may have a key role to play in offering pro-poor financial services. It has been observed that some women have not benefited much from the credit unions because the level of savings required is too high. Credit unions have achieved financial self-sufficiency within the last few decades.

2.2.4 Village Banking

Village banking is a kind of financial services model that assists poor communities to establish their own credit and saving associations, or village banks. Village bank provides non-collateralized loans to its members and a place to invest savings and promote social solidarity. The sponsoring agency provides loan for the village banks and village banks in turn provide individual loans to its members. Peer pressure and peer support among the members are considered as the bank guarantees of these loans, to ensure repayment where small working capital is repaid every four to six months by its borrowers. Borrowers start with a very small loan and gradually they establish loan ceiling. Loan sizes depend on the amount which borrower has saved. Member's savings are kept for the purpose of lending or investing to increase the resource base of the bank. Commercial standards are applied to determine interest rates and fees.

2.2.5 Self Help Groups/Associations

Rotating Savings and Credit Associations (ROSCAs) exist in several parts of the world but recognized under different names, like as Tontines and Seuss. They are known to be female dominated organizations that save small amount of money and members can borrow from common pool on a rotating basis. These types of organizations or self-help groups have sometimes been used by MFI for group lending among the members.

2.3 Microfinance and Rural Development

There is a significant different between increasing income and poverty. In the early 1990s, World Bank support to rural finance was largely restricted to the managed by parastatal banks. Hulme and Mosley (1996) argued that well-organized programs can from poverty. The impact of a loan on a borrower's income is related to the level of income as those with higher incomes have a greater range of investment opportunities and so credit schemes are more likely to benefit the middle and upper poor. Impacts on rural livelihoods proved limited, largely restricted to the better off, and low recovery rates, high cost, and a "credit only" approach inhibited the development of these banks as sustainable institutions. However, they also showed that when MFIs such as Grameen Bank Provided credit to poor households, those households were able to raise their incomes and their assets (Hulme& Mosley, 1996). Wright (2000) argued that by increasing the income of the poor, MFIs are not necessary reducing poverty. It depends on what the poor do with this money, so focusing only on increasing income was not enough. The focus needs how to help the poor sustain a specified level of well-being (Wright, 2000) by providing them a verity of financial services to their needs so that their net wealth and income security can be improved. The donor community and governments reassessed their approach and developed a new market-based paradigm characterized by a broad range of financial services (rather than just credit) offered to all rural people (not just farmers) at market interest rates. Institutionally, the emphasis shifted to an instance on operational efficiency financial viability of rural financial institutions.

The vital role of rural finance derives from its contribution to the three strategic goals of rural development and rural poverty reduction: (i) rural economic growth; (ii) inclusion and participation of all rural people in development; and (iii)

reduction of vulnerability to economic, physical, and other shocks (world bank 2005 III). Regarding rural economic growth, access to financial services helps small farmers to improve productivity through investment in irrigation, production equipment, input or hired labor, and also to invest in post-harvest handling, processing, and marketing. Substantial agricultural development-and development of related processing and marketing facilities in rural area-and real increases in the income of rural families have happened almost nowhere without access to financial services. Rural finance can also help create opportunities for non-farm enterprises, in businesses ranging from handicrafts to commerce and telecommunications.

Where rural finance has been able to include the rural poor, as with the “microfinance revolution” or financial cooperative, it has helped to resolve a key constrain to poverty reduction by providing resources that allow the poor to invest and so pursue new economic opportunities. Rural finance reduces vulnerability through savings and access to credit which help rural households manage seasonal liquidity shortages, and meet planned life events such as marriage and childbirth and unplanned life events such as health emergency and death. Access to insurance services help the rural people directly mitigates some of these risks. Well-functioning rural financial systems can also help the poor families receive remittances reliably and at low cost. For more than 30 years microfinance has been portrayed as a key policy and program intervention for poverty reduction and ‘bottom-up’ local economics and social development. People with more financial resource than the rest of the population make use of their local knowledge of individuals or money lender, but formal credit is not widely available for people who need to find funds for funds for their economics activities. For most rural people, commercial banks do not provide these services. As a result, most economically active rural people depend on family support or on high-cost informal sources like traders or money lenders. Financial cooperatives provide financial services to a significant part of the rural population, thus filling an important gap on the continuum of financial services providers from commercial banks to the informal providers such as village moneylenders and friends and relatives.

2.4 Role of Microfinance Program for Rural Women

A majority of microfinance programmes target women with the explicit goal of empowering them. However, their underlying premises are different. Some argue

that women are amongst the poorest and the most vulnerable of the underprivileged. Others believe that investing in women's capabilities empowers them to make choices, which is valuable in itself, and also contributes to greater economic growth and development.

The impact of microfinance can be broadly divided into three categories. The first category examines the impact of microfinance on poverty (Hulme & Mosley, 1996; Pitt & Khandker, 1998; Copestake & James, 2002; Khandker, 2005; Tedeschi, 2010). The second strand of literature deals with the impact of microfinance on women's empowerment (Hashemi & al, 1996; Steele & al, 1998; Rahman & al, 2009; Pitt & al, 2006; Garikipati, 2012). The third series of studies highlight other effects of microfinance, such as the impact on education, health, nutrition, consumption level and build assets (Deloach & Lamanna, 2011; Gertler & al, 2006; Jacobsen, 2009; Kouassi, 2008; Leatherman & Dunford, 2010; Hazarika & Sarangi, 2008). However, most of the evidence of the impact of microfinance interventions around the world remains highly controversial and limited on micro-economic foundations (household or business data). Recent work macroeconomic levels as Imai Gaiha, Thapa and Annim, 2010; Ahlin & al, 2011 concluded that microfinance is a powerful tool against poverty. Microfinance targets those without land or assets, and 90 percent of micro credit recipients are women. The reasoning behind this is that observations that loan to women tend to more often benefit the whole family than loans to men do. It has also been observed that give women the control and the responsibility of small loans raises their socio-economic status, which is seen as a positive change to the family and their living standard. Micro credit institution usually have upper loan limits, but few have a policy of graduating a borrower from the program, since borrowers of large loan are low risk after being in the system for several years and are also financially more efficient. Borrowers can choose the activity to be financed by the loan, such as poultry farming, petty trade and shop-keeping, cattle raising, or handicrafts.

Despite the diversity in microcredit schemes, many share two characteristics: they target poor women and often rely on some type of group-based lending. Women's economic dependency is on men (father, husband, brother) as men are considered as assertive and breadwinners of the family, they are focused on materialistic success. Because of son preference traditions of society dominated by

religious belief, women are found discriminated starting from birth to upbringings, education, employment opportunities and freedom for taking part in the decision making process in the family and society. Women are found greatly confined to household and soft nature of farmyard activities. Even in 21st century, majority of the daily work performed by females is hardly measured in terms of economy with unequal opportunity even in the total household income. It is important, that the women are generating the income following the training as it is hypothesized that women are earning income following their involvement in Income Generation Programme (IG program).

Women empowerment implies that women have power and ability to do activities as like men counterpart but they have the least authority to do something at their own initiation. It necessitates the endorsement of various National Programmes and policies which ensures their right and authority to involve in all the developmental as well as economic activities carried out in a society, or in a nation. Women's empowerment in relation to microcredit has been studied extensively within the context of this type of microcredit scheme. Women's empowerment can be broadly defined as an "expansion in the range of potential choices available to women" (Kabeer, 2001: 81). It has been argued that access to microcredit can foster changes in individual attitudes of women (e.g. increased self-reliance), power relations within the household (e.g. control over resources) and social status (Malhotra et al., 2002). Mayoux (2006) argues that the inter-linkages between microcredit and women's empowerment are delineated differently by existing paradigms. In Myanmar, many NGOs and INGOs initiated micro credit programs for upgrading women's economic participation and poverty reduction and help boost the living standard of urban poor women in some way.

2.5 Previous Study of Microfinance

Since 1980s, but mainly during the 1990s, a new wave of microfinance took over: "a commercial revolution" was encouraged by powerful international institutions and private sector as the only solution to reach all the unmet demand for banking service (Otero, 1999; Robinson, 2001; Drake & Rhyue, (2002)). Whereas for the former position microfinance is the best way to solve poverty through the empowerment of poor people through a reconfiguration of their role as financial consumers (Robinson, 2001), the latter put in evidence the lack of challenge to the

system and the vagueness of the assumption incarnated in the microfinance project (Rogaly, 1996; Bateman, 2010).

The supremacy of the market as the most efficient mechanism to guarantee equality of opportunity hold by the proponents of commercial microfinance (Otero, 1999; Robinson, 2001) is counterattacked by the important role assigned to the state by those critiques that highlight the important of collective organizations (Fernando, 2006, Weber 2006, Bateman 2010). At the end, one of the most significant controversies is the dispute between seeing poverty simply as lack of capital (Smith & Thurman, 2007; Robinson, 2001) or if it is more about a multidimensional phenomenon (Rogaly, 1996; Harper & Dichter, 2007), like the critiques suggest, and how to evaluate the impact on it. Okurutetal(2013), in a study of 150 households in Kgatleng District in Botswana, also suggested that microfinance has a positive and significant effect on household welfare and gender empowerment. Proponents of micro credit consider increasing the Poor's access to institutional credit an important means of ending poverty (Yunus, 1983). Binswanger and Khandker (1995) also argued that access to credit helps the poor people to smooth out their consumption over the lean periods of the year; hence credit plays an important role in improvement of household welfare.

Other scholars also noted that access to credit enables the rural poor households to enhance their productive capacity with potential implications for increased household income and employment opportunities (Heidhues, 1995; Adugna and Heidhues, 2000; World Bank, 1989). Hossain (1988), in a study of Grameen Bank clients, suggested that the income of the microfinance borrowers was significantly higher as compared to non-borrowers, hence implying the positive impact of microfinance. Evidence by Hashemi and Morshed (1997) also suggested that household's participation in the Grameen Bank led to an improvement in their welfare and also enhanced the household's capacity sustain their gains over time.

Kamal (1996) also argued that microfinance had a positive impact on the welfare of the borrowers as evidenced by the fact that per capita income of the borrowers was higher than the non-borrowers. Johanna (2013), using cross sectional data for Burma, noted that access to microfinance had a positive and significant impact on women empowerment at one percent significance level. Kabeer (2001) pointed out that the conflicting impact of microfinance on women empowerment is due to differences in understanding of intra household power relations by the authors.

Chowdhuryetal (1991), in their study in Bangladesh, concluded that women who participated in BRAC microfinance programme had more income and owned more assets than the nonparticipants Mustafaetal (1996) also observed that the BRAC microfinance clients had increased household expenditures, more assets and better coping mechanisms in lean periods as compared to non-clients.

CHAPTER III

BACKGROUND OF MICROFINANCE IN MYANMAR

3.1 Microfinance in Myanmar

Myanmar is the second largest country in Southeast Asia in size (behind Indonesia); According to the 2014 census data, it has an estimated population of 62 million in which 26% of the population is living under poverty line in 2009. More than two-thirds of the population lives in rural areas. Myanmar has one of the lowest population densities in the region and the most densely populated areas are Yangon. Myanmar is one of the poorest countries in Southeast Asia, with a per capita income of approximately \$1,455 in 2017. It ranks 3rd out of 184 countries in the 2018 Global Climate Risk Index and 12th out of 191 countries in the INFORM Index for Risk Management. The financial sector is small and highly underdeveloped. Four state-owned banks and 19 private banks dominate in the financial sector of Myanmar. Overall, the outreach of the formal banking sector is severely constrained so that only less than 20% of the population has access to formal financial services. In the sectorial assessment outreaches are 2.8 million Microfinance clients, with a total loan portfolio of 236 billion Kyats (US\$283 million)

Microfinance is widely seen as a key development tool to promote financial inclusion and alleviate poverty in Myanmar. Financial institutions play a critical role in a country's economic development. 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 actors in microfinance services of the country are INGOs, LNGOs, cooperative and private financial companies. The earliest movement of cooperatives in Myanmar was started with credit cooperative society in Myinmu, Sagaing Region since 1905, then many saving and credit societies were silently functioning and alive for many years. INGO have been delivering microfinance service to provide financial assistance to the poor in both rural and urban areas of Myanmar for over a decade. In 1995, with the support of UNDP/UNOPS project, GRET has initiated microfinance by developing village credit

scheme in Chin State. Since that time, GRET has been delivering microfinance in five township of Chin State. After that in 1997, as subcontractor of UNDP under Human Development Programme, PACT Myanmar, Grameen and GRET delivered microfinance service in three areas of Myanmar; Dry Zone, Ayeyarwaddy Delta and Shan State respectively since 2006, PACT has been chosen as the sole implementing agency to carry on UNDP microfinance projects in these three zones. UNDP, a long-time supporter of microfinance, has provided more than US\$30 million for microfinance over the past 15 years. UNDP is developing a new three-year microfinance plan for 2013–2015. The creation of a poverty scorecard for Myanmar based on Grameen’s Progress out of Poverty Index (PPI) supports this new strategy. Now, PACT/UNDP is the largest among microfinance NGOs in Myanmar which has over 365 thousands borrowers. After that, World Vision, save the Children (Dawn Microfinance Program), AMDA have entered into microfinance service of the country in 1998, 2002 and 2002 respectively. There are also numbers of local NGOs providing microfinance service to the poor in the country. Furthermore, government organization such as the Union Solidarity Development Party (UNDP) and the Myanmar Women Union also contribute in microfinance services of Myanmar although they are not significant actors in microfinance. At the period of having no specific microfinance regulation in Myanmar, microfinance organizations faced a lot of constraints and limitations in delivering of their service under the supervision and regulation of the Central Bank with financial institution law. In November 2011, the government passed the new Microfinance Law, paving the way for expansion of microfinance services by allowing local and foreign investors to establish wholly privately owned MFIs in country. This law also provided a legal footing for those existing microfinance providers that had been operating “illegally” before the law’s passage. Nevertheless, the number of promising providers (i.e., institutions with the potential to scale up in a sustainable and responsible way) remains limited, and the financing gap is wide. The financial infrastructure in Myanmar is still in its infancy stages compared to its ASEAN neighbors.

Use of informal providers of credit and transfer services in both urban and rural areas is widespread despite the additional risks and expense (10–20 percent per month) (LIFT2012). The authors estimate that current microfinance outreach is 2.8million micro clients. International and national nongovernment organizations (NGOs), such as Partner Agencies Collaborating Together (PACT), GRET, World Vision, and Proximity, have pioneered microfinance methodologies since the mid-1990s with some success.

3.2 Credit Policy in Microfinance

A credit policy is an institutional method for analyzing credit requests and its decision criteria for accepting or rejecting applications (Grirma 1996).

Credit policy is important in the management of accounts receivables. A firm has time flexibility of shaping credit policy within the confines of its practices. It is therefore a means of reducing high default risk implying that the firm should be discretionary in granting loans (Pandey, 1995). Policy save time by ensuring that the same issue is not discussed over and over again each time a decision is to be made. These ensure that decisions are consistent and fair and that people in the same circumstance get treated in the same manner (Khandkar and Kan, 1998). According to Mc Naughton (1996), credit policy provides a frame work for the entire management practices. The main reach for policy is to ensure operation's consistency and adherence to uniform sound practices. Policy should be the same for all and is the general rule designed to guide each decision, simplifying and listening to each decision making process. A good credit involves effective initiation analysis credit monitoring and evaluation.

The credit standards of criteria used to decide the type of client to whom loans should be extended. Kakuru (1998) noted that it's important that credit standards be basing on the individual credit application by considering character assessment, capacity condition collateral and security capital.

Character it refers to the willingness of a customer to settle his obligations (Kakuru, 2002) it mainly involves assessment of the moral factors.

- a) Social collateral group members can guarantee the loan members known the character of each client; if they doubt the character then the client is likely to default.

- b) Saving habit involves analyzing how consistent the client is in realizing own funds, saving promotes loan sustainability of the enterprise once the loan is paid.
- c) Other sources of income. Other source should be identified so as to enable him serve the loan in time. This helps micro finance institutions not to only limit loans to short term projects such qualities have an impact on the repayment commitment of the borrowers it should be noted that there should be a firm evidence of this information that point to the borrowers character (Katende, 1998).

Capacity, this is subjective judgment of a customer's ability to pay. It may be assessed using a customer's ability to pay. It may be assessed using the customer's past records, which may be supplemented by physical or observation. Condition, this is the impact of the present economic trends on the business conditions which affects the firm's ability to recover its money. It includes the assessment of prevailing economic and other factors which may affect the client ability to pay (Kakuru, 2000).

Collateral security, This is what customers offer as saving so that failure to honor his obligation the creditor can sell it to recover the loan. It is also a form of security which the client offers as form of guarantee to acquire loans and surrender in case of failure to pay; if borrowers do not fulfill their obligations the creditor may seize their asset (Girma, 1996).

According to Chan and Thakor (1987), security should be safe and easily marketable securities apart from land building keep on losing value as to globalization where new technology keeps on developing therefore lender should put more emphasis on it.

3.3 Regulatory Framework of Microfinance in Myanmar

After the peaceful revolution to democratization in Myanmar, the Republic of the Union Myanmar was born on 30 March 2011. The new government of Myanmar has been undertaking waves of reforms and the policy trend of designing socially-oriented economic reforms is to ensure livelihoods and create job opportunities for citizens, to improve living standards, and social and economic status of the eight priorities of economic reforms. The government formed the Rural Development and Poverty Reduction Working Committee and held workshop for strategies of poverty

alleviation. Microfinance, one of the effective poverty alleviation mechanisms, has come to be encouraged as a consequence of economic reform in Myanmar. The most significant change in policy environment for microfinance is that the Congress passed the Microfinance Law in November 2011. After that, the Ministry of Finance and Revenue set out the Microfinance Directive and Instruction 1 & 2 and the Notification 277/2011 on 23 December 2011 that forms the Microfinance Supervisory Committee, Region/State Microfinance Business Development Working Committee and mandates Myanmar Microfinance Supervisory Enterprise. The Microfinance Supervisory Enterprise announced the Directives and Institutions in Myanmar on 23 December 2011. Moreover, Financial Institutions Law (1990) is being revised. Revised Foreign Investment Law has passed in November 2012.

In the Microfinance Law, there are two categories of Microfinance institutions: deposit taking institutions and non-deposit taking institution. Both of these institutions are not allowed from funding with public deposits but allowed compulsory saving of members of deposit taking institutions. According to directive 1/2011 of Microfinance Supervisory Committee, key requirements for licensed MFIs are determined on 4th August 2011 as follows:

- a) Have a legal status as cooperative, an NGO, or a private local or international company or organizational.
- b) Have a minimum capital of 15 million Kyat for non-deposit taking and 30 million Kyat for deposit taking.
- c) May provide loans and voluntary deposit. (for time-being)
- d) Having interest rate of micro-lending for 100 Kyats is 2.50 Kyat per month (not more than 30 Kyat per annum).
- e) Have interest rate of deposit/saving for 100 Kyats is 1.25 Kyat per month (not less than 15 Kyat per annum).
- f) Microfinance initial license fee charged is 0.1 percent of capital money of MFI as well as annual license fee and license fee for additional capital money of MFIs.

This will be amended according to the conditions of market. Although minimum capital requirement is set, capital adequacy, liquidity requirement, asset quality and portfolio diversification are not regarded in the law. There is a gap between interest rates of MFIs and formal banks in which formal bank charge minimum deposit rate from 10 to 8 percent, and the maximum loan rate from 15

percent to 13 percent. Therefore, banks cannot lend at an interest rate above 13 percent; this efficiently curtails their ability to lend profitably to low-income segments of the population.

Myanmar Microfinance Business Supervisory Enterprise (MSE) is mainly responsible for licensing MFIs, monitoring MFIs, and reporting to Microfinance Supervisory Committee. Microfinance license for MFIs in Myanmar has no maturity. However, Microfinance Supervisory Committee has authority to cancel license of MFIs who break the Microfinance law. A MFI which is looking to open new branch needs the approval of both the Regional and the Supervisory Committee. Even MFIs are required to keep their accounts and periodic reports with standardized formats prescribed by MSE. MFIs have to appoint auditor, who is responsible to prepare auditing report, by approval MSE. In chapter four of the Notification, some degree of consumer protection is included; MFIs are required to notify regularly to their customers of the terms and the conditions associated with their deposits and loans, including interest rate and the calculation methods. Moreover, MFIs are prohibited from taking in appropriate opportunity, in a dishonest manner for themselves or for others.

According to the Microfinance Law and its Notifications, Rural Development and Poverty Reduction Working Committee (RDPRWC) was formed by the President's office, which is led by one of the vice presidents. This working committee cooperates with the Microfinance Business Development working Committee.

Microfinance Supervisory Committee is formed with thirty members from appropriate government departments and led by the Minister of Finance and Revenue. The main responsibility of this supervisory committee is implementation of policy and regulating and judiciary overview for MFIs including translation of policy and instructions of RDPRWC. These are setting minimum capital requirement, interest rate cap, license fee etc.; as well as judiciary on penalty for MFIs, linking with international financial organizations and INGOs, and evaluating the status of MFIs.

State/region and Nay Pyi Taw Council Microfinance Business Development Working Committee are formed with appropriate person and supervisors in respective states and regions. These working committees have the authority to give command and instructions to MFIs in their States/Regions.

MSE is transformed from Myanmar Small Loan Enterprise (MSLE) which provided small loans with collaterals. MSE has 92 supervisory officials at the state

level and an average of five to six staff per state. It has 32 staff in Nay Pyi Taw, including 10 supervisory officials. MSE has to do the following five tasks.

- a) Scanning applications of MFIs for license.
- b) Setting the standardized accounting format and implementation report format.
- c) Supervision and close monitoring to MFIs.
- d) Reporting the status of MFIs.
- e) Implementing the tasks given by the supervisory committee and the working committee.

3.4 Demands for Microfinance in Myanmar

Microfinance has developed over the last two decades in Myanmar to become an increasingly important source of formal financial services for individuals and small businesses unable to gain access to conventional banking products and services. It can provide individuals with a safe place to save money in interest-bearing accounts as well as with a way to borrow money at reasonable interest rates to meet their needs and the needs of their families over time. Microfinance can also serve as a source of credit for small businesses to purchase equipment and make other investments to improve their productivity, create new jobs, and raise incomes. Microfinance rarely competes directly with banks. Instead, MFIs are complementary, providing financial services to customers that tend to be poorer and who often live in rural and often isolated areas. MFI services are less costly and less risky for under-served customers when compared to informal (and unregulated) alternatives, such as 'loan sharks' and other unlicensed money-lenders.

One of the is weak public trust on deposit service due to experience of bankruptcy of private banks in 2003-2004 and corporatize crisis in 1980s. Moreover, high inflation rate of the country over the past decade (average over 20 percent from 2000 to 2009) is a very influencing factors that eradication incentive of depositors to save their money in bank. Informal savings system such as rotating savings and credit associations (RSCAs) are popular among the poor and low income women in both rural and urban areas although this system has the rick of misuse and abuse of the members who collect and keep the saving money of all members. This shows that poor and a low income person has no accessibility and interest to save money in

formal bank so that sustainable and reliable saving service is necessary for them. For insurance and payment service, any MFIs in the country cannot provide these services yet. There was only state-owned insurance company in Myanmar until the last two years; it is scale and outreach. Although private insurance companies have entered into the insurance service of Myanmar in these years, they are not interested to provide their service to the poor people and their productive activities.

A recent survey of 4,000 households conducted by LIFT found that only 16 percent of households used formal financial services. Interestingly, poorer households borrowed mostly for food purchase and health emergencies, whereas higher income households borrowed for input purchase and business investments (LIFT 2012). (Hookway2012). Poor and low income people, unmet demand estimate by the demand for microcredit is close to US\$1 billion (UNCDF 2012). While the agricultural sector represents 43 percent of GDP and employs 54 percent of the population, only 2.5 percent of all outstanding loans are made to this sector (Seward 2012). Before the passage of the Microfinance Law in November 2011, only PACT UNDP was allowed to operate in Myanmar legally. All others operated without legal status, which essentially prevented them from developing or scaling up their microfinance programs. Since then, most international NGOs and NGOs have received or will soon receive their MFI license.

The UNDP–PACT project is the largest microfinance initiative; it reports over 360,000 active borrowers and over 420,000 depositors. In addition, although 60 specialized agriculture development companies support 200,000 farmers with loans each harvest season, the largest one has fewer than 7,000 clients. Informal lenders and semi-formal village revolving funds or community based organizations are also widespread. Finally, several political and government organizations deliver credit.

Approximately 80 percent of total outreach and portfolio is accounted for by PACT, UNDP. UNDP initiated a microfinance project during the second phase of UNDP's Human Development Initiative in 1997. The project activities were initially implemented by three international NGOs (Grameen Trust from Bangladesh in the Delta Region, GRET from France in Shan State, and PACT from the United States in the Dry Zone). Following an evaluation and in light of concerns about high costs of maintaining three distinct operations that had differing results, project implementation

across the three regions was consolidated under one management system. In 2006, PACT was selected through an international bidding process to be sole implementing agency. As of March 2012, PACT, UNDP operated in 25 townships covering 5,984 villages 20 With 105 branches and a total staff of 1,780, PACT UNDP is the largest operator in Myanmar, it reports that it reaches 365,410 active borrowers with a loan portfolio of 42,456 million kyats (US\$51 million).

3.5 Number of Microfinance Institution in Myanmar

The Financial Regulatory Department (FRD) in the Ministry of Finance is responsible for all nonbank supervision, with the exception of some financial cooperatives that are supervised by the Ministry of Cooperatives. As of December 2017, 168 MFIs, namely NGOs, INGOs, Local and international companies as well as joint ventures, operated under the regulation and supervision of the FRD.

Table (3.2) Number of Microfinance Institutions in Myanmar

| Sr. No. | MFI | Number | Percent |
|----------------|-------------------|---------------|----------------|
| 1 | INGOs | 4 | 2% |
| 2 | NGOS | 22 | 13% |
| 3 | Local Companies | 106 | 60% |
| 4 | Foreign Companies | 41 | 23% |
| 5 | Partnership Firms | 3 | 2% |
| | Total | 176 | 100% |

Source: FRD report, 2018

According to the Table (3.1), Myanmar has total 176 micro finance institutions including total number of INGOs (4), NGOs (22), local companies (106), foreign Companies (41) and partnership firms (3).

The amount of the Paid-up capital of the Microfinance Institution is totaling 337,433.460 million in Kyats and the amount of loans disbursement, totaling 4,129,184.04 million in Kyat has been made to 3,461,121 borrowers. Microfinance is being operated in 18608 villages, 1801 quarter and 232 townships at April 2018.

Pact's longstanding and the largest microfinance operations in Myanmar were turned over in 2012 to the new government-licensed entity Pact Global Microfinance Fund (PGMF) as a result of new national microfinance regulations that Pact played a

leading role in developing. Pact Global Microfinance Fund (PGMF) has over 98% female clients without specially targeting women.

3.5.1 Background of Pact Global Microfinance Fund (PGMF)

Pact is an international development organization based in Washington DC, USA, working in 30 countries throughout the world. Pact is a non-profit, non-religious, non-racial and non-government organization. In 1997 UNDP in Myanmar introduced project in the second phase of Human Development Initiative (HDI) and project activities were initiated in the Delta Zone, Shan State and Dry Zone. In Human Development Initiative (HDI-III: 1999-2002) the microfinance activities continued through the microfinance project 'Sustainable Livelihoods through Microfinance for the poor'. Between 1997 and 2005 three implementing partners were engaged in the respective zones and states: PACT in Dry Zone During 1997-2005, GRET (France) in Shan Zone during 1997-2005, and Grameen Trust (Bangladesh) in Delta (1997-2003), continued by Economic Development Association (EDA-India) during 2003-2005. The project objective was to progressively develop locally managed self-sustaining microfinance operations to serve the needs of poor households. During this project the microfinance operations progressively expanded their outreach and became operationally self-sufficient. Later in March 2005, in order to consolidate the three operations into a single entity, PACT was selected as the single implementing partner.

On the other hand PACT has implemented "Sustainable Access to Health; an Educational and Economic Approach" Project (also Known as SAHEEA Project) in 2004 at Min Bu and Myo Thit Townships funding from Stromme Foundation conducting community mobilization, income generation and health activities with Memorandum of Understandings (MOUs) of the Ministry of Health since there were no microfinance laws.

Introduced to microfinance in 1997 under UNDP, after 17 years of successful implementation, today UNDP marked the end of the first chapter of this nationwide grassroots microfinance campaign that improved the lives of some 630,000 households in Myanmar over a 17-years period, and new beginning in the provision of financial service by an independent microfinance operator. The important milestone in the memorandum of understanding between UNDP and the Union Ministry of Cooperative of Myanmar, as well as transfer agreement for the project funds and

assets with PACT, a non-government organization (NGOs), which has been the main implementation partner for this project. The agreements ensures that all funds and assets of the project will remain in the country and continue to be provide services to present and future beneficiaries across Myanmar, while also contributing to the expansion of the microfinance sector.

To increase the financial inclusion of rural poor in Myanmar through the provision of both financial and non-financial service. There are (3) types of financial services, credit, savings and quasi-insurance. In particular, credit for business agriculture, livestock, health and education. Saving is to help build the resilience of rural communities to external shocks and to provide for future investment. And non-financial services are fundamental business training to help clients and save more effectively.

For many years the project was the only initiative in Myanmar formally allowed to provide micro-lending and saving services to people in rural areas who otherwise had no access to banking services. Its contributions to microfinance sector development were in the form of technical assistance, training and equipment and, most crucially, comprised a pool of money from which borrowers would take and repay loans at interest rates much lower than those they would pay in the informal sector. Established Pact Global Microfinance Fund (PGMF) in 2012 and received a microfinance license from the Ministry of Finance presently serving 10,062 villages in 73 townships 873,717 active borrowers with an outstanding portfolio of 306,371 Kyats in millions, PGMF today manages over 80 percent of the NGO-provided microfinance in Myanmar.

PACT envisions a world where those who are poor and marginalized exercise their voice, build their own solutions, and take ownership over their future.

People with limited livelihoods choice gain the resources to be income secure. PGMF will be the home of services, tools, technology, innovation partnerships, products, and financial assets that achieve excellence in sustainable traditional microfinance lending.

Increase family income and achieving better living condition through sustainable credit service with service with a reasonable interest rate and terms-fulfilling capital requirement of the economically poor households.

To provide financial and non-financial service too poor to come out of the poverty cycle. Moreover PGMF offers credit without collateral and beneficiaries have

the freedom of use the credit for whatever micro enterprise they believe will improve their income.

CHAPTER IV

Analysis on Survey

4.1 Survey Profile

Twantay is a Township in the Yangon Region of Burma (Myanmar). It is located west across the Hlaing River from the city of Yangon. The principal town and administrative seat is Twantay. The township is home to the Shwesandaw Pagoda (known as “Golden Hair Relic Pagoda” in English). The longest man made canal in Myanmar is Twantay canal and it is also a shortcut waterway to Ayawaddy River to Yangon River which divides Twantay Township with its length of 35km and there is one bridge that spans the canal is called Twantay Bridge.

This study was undertaken in September, 2018. The respondents were selected by random sample method from among the member in Twantay Township. A sample of 100 respondents was selected from among 150 members in Twantay Township. The questionnaire design is prepared to find out the microfinance effect on women’s income generation activities in Twantay Township.

4.1.1 Profile of Twantay Township

In Twantay township, there were 220 villages are organized into 65 village tracts and 8 urban wards. Twantay Township is well known for its pottery activities handled by a few families since several generations. It is also area of fish farming in Yangon region. The questionnaire design is prepared to find out the income generation activities for women initiated of the households in the rural area resulting from most of the microfinance program of the pact global microfinance fund.

4.1.2 Demographic Factors and Population of Twantay Township

In Twantay Township, there are more females than males with 96 males per 100 females. The majority of the people in the Township live in rural areas with only (19.0%) living in urban areas. The population density of Twantay Township is 313 persons per square kilometer. There are 4.3 persons living in each household in

Twantay Township. This is slightly lower than the Union average. The proportion of productive working population between 15 to 64 years of age in Twantay Township is 65.4 per cent.

4.1.4 Demographic Characteristics of Beneficiaries

Table (4.1) participants to our research were identified according to some so demographics variable. It shows that the majority of the respondents were observed to be in active working group 31-50 clients are found to be between age 31 and 40 years the most dominant 38%. It suggests that they are most economically active as they had lots of responsibilities in term of catering/ helping to center for their dependents.

According to the survey on the education level of the beneficiaries, 75% are of primary school level, 10% are of middle school level, 9% are of non-literacy or monastery school level and 6% are of high school level. As the result of the study, it is found out that the majority of the beneficiaries are literate, accounting for 91% and non-literacy or monastery school level are the majority, only 9% of the total. It also classified the respondents in terms of educational experience. It could which they manage and lives and manage the households and business. Therefore, it can be regarded that these women have a certain level of knowledge to expand and sustain their business well.

Table (4.1) Demographic Characteristics of Beneficiaries

| | | | |
|---|------------------------------|------------|-------------|
| Age(years) | <20 | 1 | 1% |
| | 21-30 | 21 | 21% |
| | 31-40 | 38 | 38% |
| | 41-50 | 29 | 29% |
| | 51-60 | 11 | 11% |
| | Total | 100 | 100% |
| Educational Level | primary | 75 | 75% |
| | middle | 10 | 10% |
| | high school | 6 | 6% |
| | non-literacy or monastery | 9 | 9% |
| | Total | 100 | 100% |
| Marital Status | Married | 85 | 85% |
| | Divorced | 6 | 6% |
| | Widowed | 1 | 1% |
| | Single | 8 | 8% |
| | Total | 100 | 100% |
| Family Member | ≥ 2 | 7 | 7% |
| | 3-5 | 60 | 60% |
| | 5-7 | 29 | 29% |
| | <7 | 4 | 4% |
| | Total | 100 | 100% |
| Number of Children in Family (under 18 year) | Nil | 13 | 13% |
| | <2 | 53 | 53% |
| | 3-4 | 33 | 33% |
| | >5 | 1 | 1% |
| | Total | 100 | 100% |

Source: Survey data, 2019

Show that a few 8% respondents were single, 6% were divorced while 1% were widowed. Show that married persons constituted 85% of the respondents, then only the beneficiaries are qualified to apply loan for not only their business but also the business of the spouse, children education, and well-being of all family member.

And the beneficiaries' have between 3 to 5 family member of 60% and between 5 and 7 family members of 29%. The welfare of a family is associated with the earning capacity of the family. It can be seen that how many family member each respondent have because a large family size usually has higher expense than a smaller family. Family members contribute to this small-scale business as additional workers.

According to the table, it is found that the number of children in family (under 18 years) of credit society of sample household 13% of the respondents had no children in their family. 53% of the respondent had less than 2 children in their family. 33% of the respondents had 3 to 4 children in their family and the rest 1% of the respondent had no children in their family.

4.1.5 Economic and Social Condition of Twantay Township

Most farmers are lack farming skill that can decrease their production, lack of inputs also contributes to the problem of the property. The average gross income for small scale farmer is kyat 600,000 per year. The main economic sectors are agricultural and fishing. In addition, most of the people rely on the trade sector. Most of the businesses are small scale. Some business can't expand their business even they have the opportunities because they are the lack of finance. Thus, Microfinance program can support people for their business activities.

There are 2 Basic Education High School, 10 Basic Education Middle School and 40 Basic Education Primary School. In health sector there are on 200 Bedded Government Township Hospital and several rural health centers. According to the census data, School attendance in Twantay Township drops after age 11 for both males and females. Compared to the Union, the school attendance of males and females in Twantay Township is lower than that of the Union at starting age 13 and markedly lower at 17 onwards.

In the employment sector, 35.8 per cent of the employed persons aged 15-64 are skilled agricultural, forestry and fishery workers and is the highest proportion, followed by 18.5 per cent in elementary occupations. In Twantay Township, the proportion of employed persons working in the industry of "Agriculture, forestry and

fishing” is the highest with 46.5 per cent. The second highest industry is “Wholesale and retail trade; repair of motor vehicles and motorcycles” at 11.2 per cent.

The majority of the households in Twantay Township are living in bamboo houses (53.5%) followed by households in wooden houses (35.1%). Some 73.0 per cent of the households in Twantay Township have improved sanitation facilities (flush toilet (0.7%), water seal (improved pit latrine) (72.3%). Compared to other townships in Yangon Region, Twantay belongs to the (60-80) proportion group of households with improved sanitation facilities. In Twantay Township, 39.7 per cent of households use improved sources of drinking water (tap water/ piped, tube well, borehole, protected well/spring and bottled water/water purifier). In Twantay Township, 16.4 per cent of the households use electricity for lighting. This proportion is lower than electricity usage compared to other townships in Yangon Region. The percentage of households that use electricity in Yangon Region is 69.3 per cent. The use of battery for lighting is the highest in the township with 29.5 per cent. In rural areas, 31.9 per cent of the households mainly use battery for lighting.

4.2 Survey Design

This chapter presents research design, the effect of microfinance on the women initiated of income generation activities. In order to carry out this objective both primary and secondary data are used in this study. Primary data are collected by using structured questionnaire. A sample 100 is chosen random sampling methods. It was designed for face to face interview with individual household member. The objective of the survey is the rural woman is the availability of funds to initiate small scale business or to upgrade their current business. This questionnaire includes questions related to demographic characteristics of borrowers; the questionnaires are close type questions. The second part contains information business condition of beneficiaries, income condition of beneficiaries, living condition of beneficiaries and perception of beneficiaries on microfinance program.

4.3 Survey Research

The microfinance of beneficiaries for this include The second part contains information business condition of beneficiaries, income condition of beneficiaries, living condition of beneficiaries and perception of beneficiaries on microfinance program.

4.3.1 Business Condition of Beneficiaries

The economic condition of beneficiaries can be identified by lending condition of beneficiaries, experience on small business of beneficiaries, type of business occupation, effect of investment on beneficiaries.

A. Lending Condition of Beneficiaries livelihood

Lending Condition of the beneficiaries can be classified, seen by amount taking loan and loan size in terms of business types. Microfinance 98% focuses on the rural women as micro enterprise loan for running business and group lending methodology. Interest rate for micro enterprise loan is 2.5% per monthly and 15% annual interest on savings. Repayments frequency will be after two week and loan size for micro enterprises loan start from 100,000 Kyat to 350,000 Kyat. The amount of loans taken is show on table (4.2).

Table (4.2) Current Loan Size of Beneficiaries

| Current Loan Size | Number | Percent |
|--------------------------|---------------|----------------|
| 100,000-200,000 | 11 | 11% |
| 200,001-300,000 | 24 | 24% |
| 300,001-400,000 | 0 | 0% |
| 400,001-500,000 | 54 | 54% |
| 500,001-600,000 | 5 | 5% |
| 600,001-700,000 | 6 | 6% |
| Total | 100 | 100% |

Source: Survey data, 2019

Accounting to the table (4.2), the majority of the beneficiaries (54%) take loans the amount between 400,001 MK and 500,000 MK. Second majority of respondents take the loan between 2001,000 MK and 300,000 MK and third majority of respondent take between 100,000 MK and 200,000 MK.

Table (4.3) Duration of Current Loan by Beneficiaries

| Current Loan | Period | | | | | Number |
|-----------------|-----------|----------|-----------|----------|----------|-------------|
| | 2-3 | 3-4 | 4-5 | 5-6 | <6 | |
| 100,000-200,000 | 11 | - | - | - | - | 11% |
| 200,001-300,000 | - | 6 | 18 | - | - | 24% |
| 300,001-400,000 | - | - | - | - | - | - |
| 400,001-500,000 | 54 | - | - | - | - | 54% |
| 500,001-600,000 | - | - | - | 5 | - | 5% |
| 600,001-700,000 | - | - | - | - | 6 | 6% |
| Total | 65 | 6 | 18 | 5 | 6 | 100% |

Source: Survey data, 2019

According to the Table (4.3), current loan sizes are between 400,001 and 500,000 MMK of the 54 respondents. The other current loan sizes are 100,000 between 200,000 MMK of respondents 11 people are 2 and 3 years. 11 people can lend more 200,000 MK but these women are not taken. Most of the respondents are taking the loan for the 2-3 years because of higher loan duration may more increase the loan amount. Most of the borrowers have the barriers to repay their loans in right time if they borrow higher loan amount.

B. Experience on Small Business of Beneficiaries

The descriptive findings of the beneficiaries' business experience before joining the microfinance program is shown in Table (4.4).

Table (4.4) Experience on Small Business of Beneficiaries

| Business Experience | Number | Percent |
|---------------------|------------|-------------|
| Yes | 32 | 32% |
| No | 68 | 68% |
| Total | 100 | 100% |

Source: Survey data, 2019

Experience on small business of beneficiaries before joining microfinance programs can be seen in table (4.4). It has been found that 32% of beneficiaries are currently doing different kind of business while 68% are working as casual labor and/or salary staff. It highlights that 68 percent of the respondents lack of business

experience before joining this programs because of they have no financial capital to make their own business.

C. Type of Business Occupation

The effect of microfinance on household's business is shown in Table (4.5). In this study business type classified into seven types- trade, worker, farmer, retail shop, livestock, service and dependent.

Table (4.5) Effect of Microfinance on Household's Business

| Type of Business | Before | | After | |
|------------------|------------|-------------|------------|-------------|
| | Number | Percent | Number | Percent |
| Trade | 14 | 14% | 14 | 14% |
| Worker | 44 | 44% | 13 | 13% |
| Farmer | 6 | 6% | 6 | 6% |
| Retail shop | 14 | 14% | 18 | 18% |
| Livestock | 7 | 7% | 45 | 45% |
| Service | 3 | 3% | 3 | 3% |
| Dependent | 12 | 12% | 1 | 1% |
| Total | 100 | 100% | 100 | 100% |

Source: Survey data, 2019

After joining the microfinance program, dependent situation of beneficiaries are significantly decreased from 12% to 1%. Most of the beneficiaries have the income to make their own business. Thus the percentage of retail shop increased 14% to 18% and the percentage of livestock increase 7% to 45%. According to the analysis most of the beneficiaries are utilized their generated income for their livestock program. This findings highlight the microfinance program can encourage their beneficiaries to make the livestock.

D. Effect of Investment on Beneficiaries

The effects of investment of beneficiaries as shown in Table (4.6). Investment statuses of beneficiaries are divided into five groups, such as Decrease Greatly, Decrease, stayed the same, improved, and Improved Greatly.

Table (4.6) Investment Status of Beneficiaries

| Investment Status | Beneficiaries | |
|--------------------------|----------------------|----------------|
| | Number | Percent |
| Decrease Greatly | 0 | 0% |
| Decrease | 0 | 0% |
| Stayed the same | 33 | 33% |
| Improved | 65 | 65% |
| Improved Greatly | 2 | 2% |
| Total | 100 | 100% |

Source: Survey data, 2019

According to the survey result, all of these beneficiaries highlight that their investment level increased. Among of these respondents, 65% of the respondents' investment level improved rather than previous conditions. This is the logical findings because of respondents are effectively utilized their loan funds for generate the income. Higher income generation activities depend on their investment level.

4.3.2 Income Condition of Beneficiaries

The effect of microfinance on beneficiaries' income condition can be identified by having regular income, effect of microfinance on beneficiaries' income condition.

A. Working Household Members of Beneficiaries having Regular Income

Data on respondents who came from household with members having regular income is given in Table (4.7).

Table (4.7) Working Household Members of Beneficiaries having Regular Income

| Household Members with Regular Income | Number | Percent |
|--|---------------|----------------|
| 0 | 21 | 21% |
| 1 | 27 | 27% |
| 2 | 33 | 33% |
| 3 | 16 | 16% |
| 4 | 3 | 3% |
| Total | 100 | 100% |

Source: Survey data, 2019

Table (4.7), 33% of respondent have 2 person regular income in their household, 27% of respondent have 1 person with regular income in their household, 16% of respondents have 3 person with regular income in their household, 3% of respondents have 4 person with regular income in their household, and the table seen that have not been the household members with earn regular income in 21% of respondents.

B. Effect of Microfinance on Beneficiaries Income Condition

The welfare of a household depends largely upon the status of household income. Information on the status of total household income during the last 12 months is given Table (4.8).

Table (4.8) Effect of Microfinance on Beneficiaries Income Condition

| Change in Income per Monthly (,000) | Before Joining Microfinance Firm | | After Joining Microfinance Firm | |
|--|---|----------------|--|----------------|
| | Number | Percent | Number | Percent |
| >200 | 18 | 18% | 14 | 14% |
| 200-300 | 59 | 59% | 51 | 51% |
| 300-400 | 16 | 16% | 23 | 23% |
| 400 -500 | 5 | 5% | 7 | 7% |
| <500 | 2 | 2% | 5 | 5% |
| Total | 100 | 100% | 100 | 100% |

Source: Survey data, 2019

Table (4.8), shows the changes in income per monthly in household before and after joining the microfinance program. The beneficiaries who have the income ranged from less than 200,000 kyats less their income 4% after joining the microfinance program. The beneficiaries who have the income ranged from 200,000 kyats to 300,000 kyats less their income to 51% because less income beneficiaries spend their loan to their household spending instead of expand their business. The beneficiaries who have the income ranged from 300,000 kyats to more than 500,000 kyats increase their income when compare the before joining the microfinance program and after joining the microfinance program. These findings points out these income level beneficiaries can effective use loans for their income generation activities.

C. Effect of Microfinance on Beneficiaries Saving Condition

Saving condition of the beneficiaries is before and after joining microfinance program. In the table can be seen in (4.9).

Table (4.9) Saving Condition of the Beneficiaries

| Personal Saving | Before Joining | | After Joining | |
|-----------------|----------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent |
| Yes | 26 | 26% | 100 | 100% |
| No | 74 | 74% | 0 | 0% |
| Total | 100 | 100% | 100 | 100% |

Source: Survey data, 2019

According to the table (4.9), the majority 100% of the respondents have the personal saving after the joining Microfinance firm. Because all beneficiaries must have saving account in their Microfinance firm, expect the Express loan product. Therefore, expect this group of client, each of the beneficiaries must have at least one saving.

4.3.3 Living Condition of Beneficiaries

The effects of microfinance on living condition of the beneficiaries can see housing condition, possession of assets, food expenditure, education expenditure and health expenditure.

A. Housing Condition of Beneficiaries

Housing Condition of the beneficiaries can be classified into three types. They are Bamboo, Wooden, and Brick noggin types. The beneficiaries' types of housing condition can be seen in table (4.10).

Table (4.10) Housing Condition of Beneficiaries

| Housing Condition | Beneficiaries | Percent |
|--------------------------|----------------------|----------------|
| Wooden | 29 | 29% |
| Bamboo | 67 | 67% |
| Brick | 4 | 4% |
| Total | 100 | 100% |

Source: Survey data, 2019

It is found out that 67% of the beneficiaries live in bamboo house. The beneficiaries who live in wooden and brick house are 29% and 4% respectively. According to the interview results, some of the beneficiaries who live in bamboo houses were living in huts before taking the loan. After loans they could renovate their houses and upgraded their living standard. The beneficiaries of house condition are own. All bamboo house are renovation after one year until rain reasoning.

B. Possession of Assets

This table shows beneficiaries' assets possession before joining the program and after joining the program.

Table (4.11) Possession of Assets

| Items | Assets Own | | Increase |
|---------------|-----------------------|----------------------|-----------------|
| | Before Joining | After Joining | |
| TV | 47 | 73 | 26 |
| Motorcycle | 18 | 21 | 3 |
| Bicycle | 25 | 30 | 5 |
| Mobile Phone | 42 | 66 | 24 |
| Gold | 2 | 4 | 2 |
| Refrigerator | 0 | 1 | 1 |
| Business Tool | 32 | 45 | 13 |
| Solar Battery | 29 | 60 | 31 |
| Other | 10 | 13 | 3 |

Source: Survey data, 2019

After entering the microfinance, most of the beneficiaries respondents 31 increase of solar battery, respondents 26 increase of TV sets, respondents 24 increase of mobile phone, respondents 13 increase of business tool, respondents 5 increase of bicycles, respondents 3 increase of motorcycle and other (necessary), and respondents 1 increase of refrigerator. The majority of respondents 31 increase of solar battery because electrical power some does not have in their household. TV set, mobile phone, and other necessary for social economic therefore refrigerator and motorcycle for business tool in their household

C. Food Expenditure

The effects of microfinance on food expenditure can be seen in table (4.12). Kinds of family food status of respondents are divided into five groups, such as Decrease Greatly, Decrease, stayed the same, improved, and Improved Greatly.

Table (4.12) Family Food Status

| Family Food Status | Beneficiaries | |
|--------------------|---------------|-------------|
| | Number | Percent |
| Decrease Greatly | 0 | 0 |
| Decrease | 6 | 6 |
| Stayed the same | 83 | 83 |
| Improved | 11 | 11 |
| Improved Greatly | 0 | 0 |
| Total | 100 | 100% |

Source: Survey data, 2019

According to the survey finding, 83% of the respondents are stayed the same to eat the foods normally and family food status is remained the same as usual. 11% of the respondents are able to eat the better food in their family. But 6% of the respondents are not able to eat good and nutritious food regularly because of their income so that they eat vegetable rather than meat and fish. The effects of microfinance on the family health care status of respondents can be seen in table (4.12).

D. Education Expenditure

Most of the Borrower are married and have up to 7 children. Only one of them is a single. Number of children in family (under 18 years) can be seen in table (4.13). There classify four group.

Table (4.13) Number of School Children in Family

| Number of Children | Number | Percent |
|---------------------------|---------------|----------------|
| Toddler | 19 | 19% |
| <2 | 48 | 48% |
| 3-4 | 32 | 32% |
| >5 | 1 | 1% |
| Total | 100 | 100% |

Source: Survey data, 2019

According to the table, it is found that the number of school children in family of credit society of sample household 19% of the respondents had no school children because the 19% of children under the 6 years old. 48% of the respondent had less than 2 school children in their family. 32% of the respondents had 3 to 4 school children in their family and the rest 1 % of the respondent had more than 5 school children in their family.

The effects of microfinance on the children education status of respondents can be seen in table (4.15).

Table (4.14) Status of Children Education

| Status of Children Education | Beneficiaries | |
|-------------------------------------|----------------------|----------------|
| | Number | Percent |
| Decrease Greatly | 0 | 0 |
| Decrease | 0 | 0 |
| Stayed the same | 10 | 10% |
| Improved | 76 | 76% |
| Improved Greatly | 14 | 14% |
| Total | 100 | 100% |

Source: Survey data, 2019

According to the survey findings, it is found that the status of children education improved after borrowing from microfinance program. 76% of respondents agreed to improve their children education status improved after joining the microfinance program. Because of the beneficiaries most spend better than the before joining the microfinance program. 10% of respondents are staying the same and 14% of respondents are greatly improved. After borrowing, household spend money on their children education more than before borrowing. So, higher educational attainment reflects a higher standard of living.

The effects of microfinance on the family health care can be seen in table (4.15).

Table (4.15) Family Health Care Status

| Family Health Care Status | Beneficiaries | |
|---------------------------|---------------|-------------|
| | Number | Percent |
| Decrease Greatly | 0 | 0 |
| Decrease | 0 | 0 |
| Stayed the same | 99 | 99 |
| Improved | 11 | 11 |
| Improved Greatly | 0 | 0 |
| Total | 100 | 100% |

Source: Survey data, 2019

According to the survey findings, 99% of the family healthcare situation are stayed the same. And then, 11% of the respondents mentioned their family health care situation improved after joining the microfinance program. This findings highlight the most of the respondents are utilized their loans for other socio and economic conditions instead of health care situation.

E. The Role of Beneficiaries' Decision Making in Family

Information has also been collected on the persons who usually take the lead in making decision. Table (4.16) can be seen.

Table (4.16) Decision Markers in Family

| Household | Beneficiaries | |
|-------------------|---------------|-------------|
| | Number | Percent |
| Self | 46 | 46% |
| Self and Spouse | 38 | 38% |
| Male and Relative | 3 | 3% |
| Female Relative | 5 | 5% |
| Other | 8 | 8% |
| Total | 100 | 100% |

Source: Survey data, 2019

About 46% respondents of the beneficiaries themselves assumed the role of a principle decision marker within their household. 38% respondents of the beneficiaries reported to have the authority to make decisions within the household in consultation with their spouse. 8% respondents of the beneficiaries are other, 5% respondents of the beneficiaries are female relative and 3% respondents of the beneficiaries are male relative. Thyself-decision is report to have authority to make decision within the household in consultation with their spouses.

4.3.4 Perception of Beneficiaries on Microfinance Program

The beneficiaries' perception on microfinance program can be seeing table (4.17). According to the survey carried out, beneficiaries indicated their perceptions using the scales with 1= strongly agree, 2= agree, 3= neither agree nor disagree, 4= disagree and 5= strongly disagree.

Table (4.17) Perception of Beneficiaries on Microfinance Program

| Questions | Mean Value | SD |
|--|------------|---------|
| The rate of interest of micro credit is reasonable | 1.75 | 0.51981 |
| The procedure of obtaining loans from MFIs is easier than conventional banking | 1.76 | 0.6215 |
| Income has increased | 2.05 | 0.7159 |
| Saving has increased | 1.90 | 0.7588 |
| better access to education | 2.10 | 0.7588 |
| Better access to healthcare | 2.18 | 0.7347 |
| Role of decision making process has increased | 2.24 | 0.7928 |
| Operational assistance received from MFIs was helpful to run business | 2.21 | 0.9352 |
| Employment opportunities have increased | 2.38 | 0.9721 |
| Improvement in the living standard of the Family | 1.72 | 0.69756 |

Source; Survey data, 2019

The table (4.17) shows that the mean for perception of beneficiaries are shown positive perception on microfinance program. Most of the respondents are agreeableness on the statements of microfinance programs. According to the table, beneficiaries strongly agree to interest rate of the Microfinance as reasonable. This is because the interest rate in community level, informal loans are still high. The survey results show that the Microfinance programs' procedure of obtaining loans from this firm is easier than the conventional banking. This is because microfinance program has simple procedure for obtaining loans for their beneficiaries. The beneficiaries acknowledge increasing amount in their incomes and boosting savings after taking loan. Beneficiaries who find increase in their income by taking loan from Microfinance program could also increase their savings. Their expenditures go more to education and health care of their children; this leads to better accessibility to education and health of their families. In Microfinance firms, all beneficiaries who apply the loan need to attend the meeting and training such as home budgeting training, growing business, cash management etc. Therefore beneficiaries can carefully make decision and manage their loan to expand their business and

employment opportunities. As a result, all of the beneficiaries' perception on Microfinance program is positive and bear good impression.

The client opinion on loan service will be analyzed. In order to find out positive and negative aspects of credit service, the structured interview questions are used to analyze the findings of survey collected from the respondents and face to face discussed.

Most of 100 respondents (59 percentages) prefer microfinance programme because of lower interest rate than the other informal sources of credit (informal lender). A large informal sector exists and is composed of money lenders and hundys (informal domestic and international transfer). Informal providers are expensive and can be unreliable. Money lenders are reported to charge 10-20 percent interest per month, an indication of significant demand for microcredit (LIFT 2012).

The factor of repayment system is second place with 20 percentages and the factor of acceptable regulations/ disciplines stand on the third prefer place with 10 percentages. The repayment system of microfinance is based on four principles. The first is the principle of dynamic incentive to loan repayment. This means that the lending institution will offer the prospect of a larger loan once an individual borrower has been able to repay the current loan. This alone is supposed to be an incentive to the clients to finish repaying the current loan and qualify for a larger one. The second is the principle of joint responsibility borrowing. This means that a group of borrowers rather than individual is responsible for repaying microfinance loans. If the individual borrower defaults, the whole group is held responsible. The third is the principle of peer monitoring and peer pressure. The individuals within a group monitor and bring pressure to bear on each other to ensure that all loans are repaid on time. Finally, joint liability borrowing is uprooted to thrive due to the principle of forced savings. Individual borrowers are forced to save a fixed regulated amount of money every month.

The factor of repayment system is the most unlike factor of respondents among the other factors. It stands 36 percentages and followed by guarantee policies (27 percentages) and nothing (19 percentages). People dislike the factor of repayment system because the system is produced to protect the microfinance institution for not losing their loans and do not think about the borrower's sides. Even though there are guarantee policies for microfinance credit, people don't trust them like the banks.

Some people do not have any idea about microfinance and do not deal with them for the loan. Thus, microfinance institution should do more awareness programme about their initiatives to the urban area and explain their activities.

CHAPTER V

CONCLUSION

5.1 Findings

This study was conducted for examining the effect of microfinance initiatives on income generation of women in Twantay Township. In addition, this study was to examine the situation of microfinance initiatives in Twantay Township. There were 100 respondents were used in the study and qualitative and quantitative method of research were employed to arrive this results. The study area was Twantay Township and the respondents included the clients participating in the microfinance activities of PACT Myanmar Organization.

The microfinance firms is become the vital role for reducing the poverty of developing countries. The rural people require credit at various stages of their lifecycle, whereas most microfinance programs currently focus on providing credit for enterprise. Myanmar also is the developing countries, thus the service of microfinance is very high demand for Myanmar because most of the rural people are difficult to access the other credit source. Microfinance firms provide the credit access to rural people. Most of the microfinance firms are private sector organization. They provide not only financial access but also other supportive factors such as technical assistance for beneficiaries' business exploration. Pact Global Microfinance Fund is by far Myanmar's largest microfinance institution. As one of the longest-serving international NGOs in Myanmar, Pact has been helping people here to improve their lives. Microfinance is a powerful instrument against poverty. To make it more effective, it is necessary to build flexible and reliable financial services that respond to the diverse needs of the rural people.

These findings were emphasized the study of main objectives of this study. The main objective of this study was to explore the situation of microfinance initiatives in Twantay Township and the second one was to examine the effect of microfinance initiatives on women income generation activities of study area.

This study emphasized on the activities of Microfinance firms in selected villages of Twantay Township. The study found that most of the respondents' ages are between 31 and 40 that population third large after the birth rate and under 25 years old in Myanmar population. 85% of respondents are married and then 75% are primary education level. The educational systems in developing countries are not completely closed to children from a poorer socio-economic background. Before joining the microfinance program, 68% of the respondents have no business experience. Microfinance programs provide the credit access to do business. Doing the business can generate the income. Most of the respondents used loan for livestock. Before joining the Microfinance programs, 26% of the respondents saved their income but after joining the microfinance programs all of these respondents had saving behavior. After joining this microfinance programs, 11% of respondents improved their food expenditure and children expenditure. Microfinance program provide not only financial access but also health care program provide in their beneficiaries. Microfinance is providing financial services targeted at individuals and small businesses that lack access to conventional banking and related services. Point out of these income level beneficiaries can effective use loan for their income generation activities. Possess assets such as TV, motor cycle, business tools, and different types of luxury goods etc., after joining Microfinance programs. Their household facilities are improved, like better sanitation and greater chance for renovation for their houses.

According to the evaluation of microfinance program, most of the respondents are not preference on loan repayment system because they argued that loan payment period is very short. It can be concluded that microfinance program support the women to generate income by providing the financial assess. Most of the beneficiaries can well utilize the loan amount for their income generation activities.

5.2 Suggestions

Most of the microfinance firms target the rural women for providing the financial services. Provide to the financial services to women that cause the effect of income generation activities for women. Micro-finance assisted income generating activities are activities that generate opportunities to generate incomes to family. Such activities may include: agriculture, livestock rearing and fishing, they are directed

towards economic focus aiming at increasing the cash income to participating families and improving their livelihoods.

Women participation in income generation activities can enhance the economics and social conditions of household in rural area. micro-finance assisted income generating activities are seen to be quite helpful for opening economic opportunities for rural women who may not afford to be employed outside their home for socio-cultural reasons.

In other words, putting financial capital in the hands of rural women may enable them invest in income generating activities and improve food security of their families. Major income generating activities pursued by PACT Myanmar institution in the Twantay Township are – livestock, agricultural, worker and retail shop.

According to this study, the following suggestions are as follows-

1. Developing entrepreneurship programs that assist to women for their income generating activities in long term.
2. Generating alternative loan processes that are more flexible than current credit scoring system.
3. Delivery of non – financial education in the areas such as health promotion, child protection and care, sanitation, etc. should be considered through initially, printed matter and then through workshop at a community level.
4. Establishing the adequate initial loan amount for their client.
5. Women should be more focus for using their loans on income generation activities instead of the other activities.

Based on this research, many beneficiaries, who repaid the loans and succeed in their business required larger funding for expansion of their business. Therefore it would be better in expanding the duration of the loans and also give the opportunities to generate income.

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Appendix
Questionnaires

**A Study of Income Generation Activities for Women Initiated by Microfinance Firms in
Twantay Township**

Name of the interviewer: _____ Survey Code Number: [_____]

Date of the interview : _____ Data entered on computer by: _____

Data verified by : _____

Name of Respondent : _____

Ward No./Village : _____ Township Name: _____

Client information only: (Complete from program records, when possible, or by asking client.)

Date joined program : [___/___/___] Client's current loan cycle :

[_____]

Amount of 1st program loan: [_____] Amount of current loan :

[_____]

Before Business 1.Trade 2.Worker 3.Farmer 4._____

After Business 1. Trade 2.Worker 3.Farmer 4._____

Is client behind in repayments? (circle): **Y / N**

1. What is your Gender
1. Male 2. Female
2. What is your age?
3. Marital status
1. Married 2. Widowed 3. Divorce or separated 4. Single
4. Do you have any educational experience?
1. Primarily school 2. Middle School 3. High School
4. Undergraduate 5. Graduated
6. Monastery or Non-literacy
5. How many persons in your household
- a. Adults—18 years of age or older
- b. Children—under 18 years of age
6. a. How many persons in your household are working—engaged
- in work that earns income?
- b. How many persons in your household have a job that earns
- them a regular income (fixed salary)
7. Who is the principal decision maker in your household
- A. Self-Male relative female relative
- B. Self and spouse
- C. Female Relative
- D. Male Relative

8. Did you have any business experience before entering this program?
1. Yes 2. No

a. Please describe household income before entering this program_____

b. Please describe household income after entering this program_____

9. A. How was your investment status after entering this program?
1. Worsened 3. Stay the same
2. Bad 4. Improved
5. Better Improved

10. A. How was your Family Food status after entering this program?
1Worsened 3. Stay the same
2Bad 4. Improved
5 Better Improved

11. A. How was your Children Education after entering this program?
1. Worsened 3. Stay the same
2. Bad 4. Improved
5. Better Improved

12. A. How was your Health Care after entering this program?
3. Worsened 3. Stay the same
4. Bad 4. Improved
5. Better Improved

13. Do you have saving before entering this program?
1. Yes 2. No

14. **Do you have personal saving after entering this program?**
1. Yes 2. No

If yes where do you keep your personal saving?

1. Microfinance 2. Bank 3. Informal Saving in ward
4. Others

15. a. Housing status

1. Hut 3. Wooden

2. Bamboo 4. Brick

b. Housing status before entering this program?

1. House Own 2. Rent

3. Others (Government House, stay with parents)

c. Housing status after entering this program?

1. House Own 2. Rent

3. Others (Government House, stay with parents)

16. a. Please describe before entering assets condition?

1. Television -----

2. Motor cycle-----

3. Bicycle-----

4. Car-----

5. Business tools-----

6. Mobile Phone-----

7. Washing-Machine-----

8. Refrigerator-----

9. Others (Exp; Furniture, Cookware, etc)-----

b. Assets condition after joining this program

1. Television -----

2. Motor cycle-----

3. Bicycle-----

4. Car-----

5. Business tools-----

6. Mobile Phone-----

7. Washing-Machine-----

8. Refrigerator-----

9. Others (Exp; Furniture, Cookware, etc)-----

14 a. How was the status of your money using for your family health care before entering this program?

- | | |
|----------------------|------------------|
| 1. Decreased Greatly | 3. Stay the Same |
| 2. Decreased | 4. Increased |
| 5. Increased Greatly | |

b. How was the status of your money using for your family health care after entering this program?

- | | |
|----------------------|------------------|
| 1. Decreased Greatly | 3. Stay the Same |
| 2. Decreased | 4. Increased |
| 5. Increased Greatly | |

15. How was your education support status to your children after entering this program?

- | | |
|----------------------|------------------|
| 1. Decreased Greatly | 3. Stay the Same |
| 2. Decreased | 4. Increased |
| 5. Increased Greatly | |

If education supports status improve

- | | |
|---------------|------------------|
| 1. Pre-school | 3. Middle School |
| 2. Primary | 4. High School |
| 5. University | |

17. Which of the following have you done after taking the loan?

- | | | |
|---|---|----------------------------|
| 1 | = | Strongly Agree |
| 2 | = | Agree |
| 3 | = | Neither agree nor disagree |
| 4 | = | Disagree |
| 5 | = | Strongly Disagree |

| | | | | |
|--|----------------|---|---|-------------------|
| The rate of interest of micro credit is Reasonable | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| The procedure of obtaining loans from MFIs is easier than conventional banking | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| The income has increased | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| The savings has increased | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| Better access to education | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| Better access to healthcare | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| Role in decision making process has increased | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| Operational assistance received from MFIs was helpful to run the business | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| Employment opportunities have increased | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |
| Improvement in the living standard of the Family | Strongly agree | ← | → | Strongly disagree |
| | 1 | 2 | 3 | 4 5 |

18. Name **one** thing you like most about the Microfinance Program (*Do not read answers.*)

1 = Lower interest rate than other informal sources of credit (informal lenders)

2 = Adequate loan for investment

3 = Group solidarity and/or group dynamics

4 = Training services

5 = No collateral required

6 = Acceptable regulations/disciplines

7 = Transparent procedures (no bribery/corruption)

8 = Repayment system

9 = Other (specify) _____

19. Name **one** thing you don't like most about

(Do not read answers.)

1 = High interest rates

2 = Size of initial or subsequent loans too small

3 = Loan cycle too long or too short

4 = Problematic group dynamics (with leaders or at meetings)

5 = Meeting frequency too often or meetings too long

6 = Meeting place/office not convenient

7 = Repayment frequency and amount

8 = Guarantee policies

9 = Slow disbursements

10 = Dislike behavior/ attitude of credit officer

11 = Other (specify) _____

12 = Nothing _____

20. What would you like to advise me in order to improve activities?

Thank you so much for your kind corporation.