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**INTEGRATED MICROFINANCE SERVICES AND
WELL-BEING OF HOUSEHOLDS IN SALIN TOWNSHIP**

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**INTEGRATED MICROFINANCE SERVICES AND WELL-BEING
OF HOUSEHOLDS IN SALIN TOWNSHIP**

A thesis submitted as a partial fulfillment towards the requirements for
the degree of Executive Master of Banking and Finance (EMBF)

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ABSTRACT

This study aims to examine the integrated microfinance services provided by Pact Global Microfinance Fund (PGMF) in Sa Lin Township and to analyze the effect of the integrated microfinance services on the well-being of households in Sa Lin Township. The study used the descriptive method and simple random sampling method to explore the objectives. Quantitative research methods and multiple linear regression methods are used for data analysis. For primary data, a structured questionnaire is used to collect data from 388 households out of 13,660 households in Sa Lin township using the Taro Yamane Formula (1973). Secondary data were collected from textbooks, previous international research papers, periodical journals, documents, and reports of PGMF. In this study, integrated microfinance services mean a combination of financial services and non-financial services. Financial services include loan services, savings services, and the Beneficiary Welfare Program. Non-financial services include non-formal business education and health care services. According to the survey results, the significant factors affecting the effect of integrated microfinance services on the well-being of households are savings services from financial services and non-formal business education and health care services from non-financial services. According to the survey results, microfinance institutions (MFIs) need to raise awareness of loan services and beneficial welfare programs to help improve the living standards of people in their respective implementation towns.

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LIST OF ABBREVIATIONS

BWP	Beneficiary Welfare Program
CGAP	Consultative Group to Assist the Poor
MFI	Micro-Finance Institution
MFP	Myanmar Microfinance Project
MIS	Management Information System
MMK	Myanmar Kyat
MSME	Micro, Small & Medium Enterprises
NFBE	Non-Formal Business Education
NGO	Non-Government Organization
PGMF	Pact Global Microfinance Fund
PPHCS	Partnership for Primary Health Care Services
SAHEEA	Sustainable Access to Health: An Educational and Economic Approach
SCR	Strengthened Community Response
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

CHAPTER I

INTRODUCTION

Microfinance is primarily understood as a financial activity, but it actually emerged from important development considerations. The need for access to capital was specifically articulated by women during the United Nations' Conference on Women and Development in Mexico City in 1975. The term "microfinance" emerged later, and its association shifted from savings to microcredit to financial services. The main goal of microfinance has always been focused on development, with the ultimate aim of alleviating poverty and hunger. But these two goals cannot be adequately addressed without including the issue of health.

The integrated approach provides a combination or range of financial and social intermediation, enterprise development, and social services. A number of microfinance programs have sought to provide additional inputs to their financial products such as basic health services, health education, or health insurance products. The possibility of attaining both income/empowerment and the expertise to tackle crucial health issues may be facilitated by integrated packages, which consequently may enable microfinance providers to recover considerable costs through interest charges and fees for other services, thus extending their reach to a wider range of target groups.

The importance of an integrated approach to microfinance lies in its ability to address the complex and interconnected challenges facing rural communities. By providing comprehensive support, microfinance institutions can help entrepreneurs develop the skills and financial resources they need to thrive. This also includes access to education and healthcare services that can improve overall quality of life and well-being.

Integrated microfinance services can have a significant impact on the well-being of households, particularly in rural areas, by providing access to health services. Through these services, households can avail themselves of health services that may have otherwise been out of reach due to financial or geographic constraints. One of the key benefits of integrated microfinance services is that they can help to decrease health-related costs for households. This can help to reduce the overall financial burden of healthcare, making it more accessible and affordable for individuals and families. By providing loans for healthcare expenses or partnering with health -focused

organizations, integrated microfinance services can improve the health outcomes of rural households. In addition, integrated microfinance services can help to improve the availability and quality of health services in rural areas.

Good health enables people to engage in physical, social, and economic activities, and to contribute positively to society. When a person is healthy, they are likely to have higher levels of energy, greater cognitive abilities, and a more positive outlook on life. Illness and poor health can be financially burdensome, leading to increased healthcare costs and decreased productivity. Therefore, maintaining good health is crucial for leading a long, happy, and fulfilling life.

Microfinance services combined with health programs can help households access healthcare services that they may have otherwise been unable to afford due to lack of transportation or distance. The integrated microfinance services that include health services can bring wide-ranging benefits to the well-being of households, including better health outcomes, financial stability, economic development, and improved nutrition.

It frequently happened that the poor default on paying back their loans because of the ill health of the borrowers, the accumulated financial strain of health care and being unable to earn. Health is the first and foremost asset of people's work and their life. To attain its purpose of rendering financial protection to the impoverished, microfinance must tackle health security as a vital component of social security.

Healthcare providers who work together to improve the health of poor women and their families, using an integrated approach to health that links microfinance with health can be enormously important for development. Health financing that includes health micro-insurance, flexible savings and emergency health loans are helping the poor to access and manage the costs of health care. Housing loans and loans to access clean water and sanitation systems or even mosquito nets improve living conditions and lead to better and healthier lives. Microfinance only partially meets the needs of the poor. Loans can easily become irrelevant in the absence of appropriate mechanisms to improve health knowledge, access to appropriate services and to finance health and housing needs. MFIs should invest in the provision of contributory, participative primary healthcare, build capacities at the community level for the delivery of this service including the preparation of trained health workers at the local level and provide a range of financing products to enable greater access to health services. Healthcare providers need to look to the important social intermediary role that MFIs play in local

communities and the networks of millions of borrowers and savers that can be accessed through partnership with the microfinance sector.

As one of the longest-serving international NGOs in Myanmar, Pact which is based in US has been helping people here to improve their lives since 1997. Pact started to implement microfinance program of UNDP in middle tropical area in Myanmar. In 2002 the Pact particularly implemented partnership for primary health care services Project (PPHCS) (from 2002 to 2005) to develop healthcare services of rural areas without integrating with microfinance. The Strengthening Community Response (SCR) Project for TB, HIV/AIDS, and Malaria was implemented from 2005 to 2008. The Sustainable Access to Health: An Educational and Economic Approach Project (SAHEEA) was implemented in Min Bu, Myo Thit, Aung Lan, and Sa Lin by integrating microfinance with health programs from 2005.

Pact established Pact Global Microfinance Fund (PGMF) after getting microfinance license by handing over all microfinance services from donors not UNDP to PGMF in early 2012. PGMF stands as Myanmar's largest and successful microfinance institution. Microfinance services of Pact has reached over 2,333,000 households of rural areas since 1997. The most customers who have taken microfinance services of PGMF are female who live in over 17,625 villages across 97 townships. Among those 97 townships, Sa Lin township is included as a township that implemented integrated microfinance services. Sa Lin Township is located in Minbu District, Magway Region. As the integrated microfinance services make the well-being of households in rural areas, Sa Lin township was studied as the evidence of the place in which PGMF reinforced the well-being of households in the aspect of health and education to some extent.

1.1 Rationale of the Study

Poor health and limited access to healthcare are major contributors to poverty, with poverty in turn exacerbating these issues (Narayan & Patesch, 2000). Providing greater access to healthcare services is crucial, given the higher disease rates experienced by the impoverished (Mathers et al., 2008) and the negative impact of poor health on productivity and economic advancement (McIntyre et al., 2006). However, lack of affordability is a major obstacle to accessing healthcare, especially in the developing world. To address this issue, some microfinance institutions (MFIs) have begun offering new financial products aimed at providing healthcare options to the

poor. These innovative and scalable approaches represent an excellent opportunity for expanding healthcare financing options in underprivileged communities.

MFIs can play an important role by enabling households to borrow particularly cheaply for health costs. Health finance can remove some obstacles to receiving treatment and help control health crises and their related costs (Leatherman et al., 2010). The financial and time costs of illness and treatment are a large burden, representing a simultaneous assault of high treatment costs and reduced income due to reduction of productive labor. Health costs sometimes arrive in peaks of acute cost burdens over a few days or weeks rather than being dispersed uniformly over time; the amount and frequency of these costs have significant effects on funding health expenditures. Households' ability to cope is influenced by the type of disease, its intensity, and its duration (Russell, 2004).

Generally, households pay the costs of illness by using current income and savings, by reducing consumption, by borrowing money or by selling assets (Whitehead et al., 2001). When one borrows money or liquidates assets, it results in additional costs. These may include exceptionally steep interest rates or great depreciation of considerable assets, such as selling livestock at low rates, along with relinquishing future revenue streams (Leive & Xu, 2008). These financing and coping mechanisms can have long-term effects on households' ability to withstand future shocks, creating cycles of economic vulnerability and poverty (Leive & Xu, 2008).

Microfinance involves the intermediation of finances by dispersing small loans, accepting meager savings, and providing other financial products and services to aid the impoverished. Categories of MFIs vary based on the range of products and services they offer, with some opting for a "minimalist" approach of only financial services and others choosing an "integrated" approach of both financial and supplementary services. MFIs share the common goal of poverty alleviation primarily achieved through increasing and diversifying income opportunities for the poor. Microfinance is primarily centered on enabling underprivileged individuals to acquire credit in order to actively participate in activities that generate income. Increased incomes are used to increase assets, including permanent houses or savings accounts, that offer recourse during hard times, and consumption, especially in food, nutrition, and education (Hatch et al., 2002).

Recognizing the cycle of poverty and ill health, and witnessing its impact on clients' ability to repay, flourish, build assets and pull themselves out of poverty, some

microfinance institutions have added nonfinancial services, such as dialogue-based education and linkages to health products and providers, to impressive effect. Equipped with more income and decision-making authority, microfinance clients have choices often for the first time in their lives. As a result, coupling microfinance with behavior-change education can be especially powerful. Many MFIs are offering training in topics such as the prevention and treatment of diarrhea, malaria, and HIV/AIDS; breastfeeding; rational use of local health services; as well as self-esteem, microenterprise management and financial planning. The combination of greater knowledge of sound health practices and the increased income to act on that knowledge leads to dynamic, positive change (MkNelly et al., 1998).

Sa Lin Township, located in Central Myanmar, has a socio-economic background that reflects the challenges faced by communities in the region. Many residents rely on agriculture as their main source of income, and access to financial services is limited. The healthcare system is also underdeveloped, with prevalent knowledge gaps around disease prevention and management. It is against this backdrop that PGMF recognizes the importance of offering financial services. By providing access to credit, savings and insurance products, residents can better manage their income and develop a stable financial base. Non-financial services, such as business education and healthcare services, can also help improve the entrepreneurship and wellbeing of the community.

In terms of healthcare, PGMF's offerings can contribute to a reduction in preventable illnesses and improve the awareness and management of diseases in the community. Non-formal business education can help residents develop the skills needed to expand their businesses and increase their impact on the local economy.

PGMF's comprehensive offerings reflect a commitment to improving the wellbeing of Sa Lin Township and supporting the local community in realizing their full potential. Therefore, this study is conducted to show the evidence of benefits from integrating microfinance with health services, and it is better to use the model of integrated services than only microfinance services.

1.2 Objectives of the Study

The main objectives of the study on the integrated microfinance services and well-being of households in Salin township are as follows:

1. To examine integrated microfinance services provided by Pact Global Microfinance Fund in Sa Lin Township
2. To analyze the effect of integrated microfinance services on the well-being of households in Sa Lin Township.

1.3 Scope and Method of the Study

This study focused on descriptive and quantitative research methods to analyze the integrated microfinance services provided by Pact Global Microfinance Fund in Sa Lin Township. Only 13,660 household members were included in the PGMF's management information system (MIS) report as of December 31, 2019, before the COVID-19 outbreak. Sample size of the study is 388 households as a proportion (2.84%) of the total population (13,660 household members) by applying the Taro Yamane Formula (1973). The data was collected by using a simple random sampling method. Both primary and secondary data were used to achieve the objectives of this study. The primary data was collected by using structured questionnaires with a 5-point Likert scale. The survey was conducted on April 23. The secondary data was collected from textbooks, research papers, periodical journals, websites of local and international microfinance firms, etc. The multiple-linear regression method was used for data analysis.

1.4 Organization of the Study

This study is divided into five chapters. Chapter 1 consists of an introduction covering rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter 2 briefly explains the history of microfinance and focuses on key concepts and principles of microfinance, role of MFIs in poverty reduction, Minimalist, and Integrated Approaches of Microcredit, Well-being of Clients, and the previous studies. A conceptual framework has been built based on the findings of the authors of previous studies. Chapter 3 explains Microfinance Services

Provided by Pact Global Microfinance Fund. Chapter 4 provides survey design, demographic profile of the respondents, and analysis on the Effect of Microfinance Services on Well-being of Households. Chapter 5 presents the conclusion of findings, suggestions, and recommendations.

CHAPTER II

THEORETICAL BACKGROUND

This chapter presents the concept of microfinance, financial services, non-financial services, minimalist and integrated approach theory, well-being, previous studies, and conceptual framework of the study.

2.1 Concept of Microfinance

Microfinance is a form of financial development that has primarily focused on alleviating poverty through providing financial services to the poor (Barr, Michael S, 2005). People think of microfinance as lending small amounts of money to the poor. It is not only that, but it has a broader perspective which includes insurance, transactional services, and importantly, savings. Schreiner and Colombet (2001) identified microfinance as an attempt to improve access of poor who are neglected by banks, to small deposits and small loans. Inclusive of credit, savings, and insurance products, microfinance specifically caters to low-income groups (Kirkpatrick et al., 2002). Meanwhile, microfinance involves an extensive suite of financial services such as leasing, money transfer, savings, and loans that primarily serve microenterprises and households with limited income (Cornford 2002).

Microfinance comprises several services such as microcredit, micro savings, microbanks, micro remittances, micro guarantees, money transfers, and microinsurance (Armendariz and Morduch 2010). Information and communications technology is a financial service category that has the ability to reduce global poverty by granting necessary financial services to traditionally underserved individuals who are at risk of financial exclusion.

The way in which governments in various countries define microfinance varies greatly. The Reserve Bank of India (2000) defines microfinance as the furnishing of savings, credit, as well as other financial amenities and products of trivial sums to indigent individuals in urban, semi-urban, or rural regions to boost their income and standard of living. Microcredit, famously known as the provision of microloans to small-scale trades and industrialists who had no approach to recognized financial institutions, was initially what microfinance entailed (Yunus 1998). However, insufficient access to credit is widely accepted as the primary driver of poverty in

developing economies. The poor are unable to provide collateral for conventional financial services and transaction costs are too expensive for institutions to profitably lend to them. Microcredit focused on improving social welfare, including poverty reduction and social reform, with the ultimate goal of replacing commercial banks. NGOs were the principal players. As time has progressed, microfinance has evolved from only providing loans to the underprivileged to collecting savings from low-income households, providing insurance, assisting with money transfers, and even marketing and distributing clients' output in some locations (Armendariz and Morduch, 2010).

Today, MFIs serve hundreds of millions of vulnerable borrowers in developing countries. It plays a major role in poverty reduction, especially in Africa, Asia, and the Pacific. That is not to say MFIs are invincible knights in shining armor on a mission to eradicate poverty and salvage the disadvantaged. Financial viability is still a concern for MFIs, and they must essentially behave like other firms that aim to be profitable or at least break even to survive (Zamore et al., 2019).

2.2 Microfinance Services

Microfinance services have been gaining popularity in rural areas of developing countries due to their ability to cater to the financial needs of the poor. These services are specifically designed to provide loans, savings, insurance, and other financial products to enable the underprivileged population to meet their basic necessities and improve their livelihoods. According to Chen and Huang (2007), microfinance is a vital tool for poverty reduction and has become a popular development strategy in many countries.

Loans are one of the primary microfinance services provided in rural areas of developing countries. These loans are usually small and are meant for income-generating activities such as farming, livestock rearing, and small business enterprises. The loans are provided without any collateral and are based on the borrower's ability to repay the loan. The interest rates charged for these loans are relatively low, making them affordable for the poor (Morduch, 1998).

Savings are another important microfinance service provided to rural areas of developing countries. These savings accounts are typically designed to be accessible to low-income individuals and are suitable for people who cannot afford to open traditional bank accounts. Savings accounts encourage financial literacy and provide

the poor with a secure place to deposit their money, enabling them to improve their financial stability (Khandker et al., 2010).

Insurance is another microfinance service offered in rural areas of developing countries. Insurance products are designed to protect individuals against unexpected events such as crop failure or illness. Insurance covers can be customized according to the needs of the individual, and premiums are affordable and accessible to the poor (Gine & Klöner, 2002).

Microfinance services have proven to be an effective tool in addressing poverty in rural areas of developing countries. The provision of loans, savings, and insurance has enabled the poor to meet their financial needs, improve their livelihoods, and enhance their economic status. Therefore, microfinance services are essential for sustainable development and economic growth in developing countries. Microfinance services are divided into financial services and non-financial services.

2.2.1 Financial Services

Financial services such as microcredit savings and repayment services are key tools of microfinance institutions that have the power to fight poverty in developing countries and improve the well-being of families. At this time, Microcredit has become a buzzword among both formal and informal lenders which includes pawn shops, friends and relatives, informal groups, non-government organization credit, and the credit offered by traditional banks, such as agricultural, livestock, and other credit.

The main reason behind the popularity of microcredit in the moneylenders' market is owed to its goal of serving poor people and alleviating their poverty, while other types of moneylenders are motivated by profit. Moreover, the given loan requires social collateral rather than physical collateral which opens a wide window for the poor to participate in the economic market and exploit the exits opportunities. The concept of microcredit is referred to the small amount of credit given to poor people especially women at reasonable interest for generates income through self-employment (Yunus,1998). The significance of microcredit can be viewed from multiple angles, one being the perspective of empowerment as a fundamental human right. This is because microcredit empowers the most marginalized individuals, particularly women, by providing them with the opportunity to secure employment and generate a livelihood. Microcredit is also read from the angle of the sustainable livelihood approach because it reduces poverty and enhances the wellbeing of poor. Microcredit can also be

interpreted as a tool of economic development because it promotes start-up new businesses, reducing poverty and creating jobs. Mamun et al. (2012) emphasized the importance of microcredit in business development and job creation for Malaysian microfinance clients. While Ahmad in 2012 and Burjorjee and Jennings in 2008 illustrated the beneficial outcomes of microcredit in Yemen by promoting the establishment of new businesses and alleviating poverty among female entrepreneurs, it is important to note that the opposing viewpoint exists. The importance of the loan terms to the clients' performance includes repayment flexibility, loan size, interest rate and others. Repayment policy may be of the utmost importance to the beneficiaries, especially the poor, who face a high level of risk and lack the capability of managing their loan.

Micro-saving offers a safe, convenient, and accessible saving platform for the poor and introduces sound financial, organizational, and institutional practices that align with household needs. Through micro-saving, the task of smoothing consumption is made easy for those, particularly women, who are unable to store money safely otherwise. It allows people to deposit money in small amounts for future use, without minimum balance requirements and often in conjunction with credit. Saving by the poor often comes in such small increments that conventional banks are not prepared to offer services to them, either because the transaction costs are unprofitable or because of other more lucrative investment opportunities. Although micro-saving does not change the need for people to pay service providers (such as health care) when they get sick, it is a form of prepayment. Micro-saving accounts work like any formal saving account in a bank but are designed to accommodate smaller deposits. (Durairaj et al., 2010).

MFI's provide a diverse range of savings services including insurance, deposits, compulsory and voluntary savings, and more. Although there are a variety of savings options available, voluntary, and mandatory savings are the most frequently utilized. Mandatory saving refers to the value of savings that the clients of microfinance are required to save as a condition of obtaining future loan. Mandatory savings can be a convenience savings account held outside the MFI or a deposit held by the MFI. In contrast, voluntary savings refers to the amount of savings kept by MFI clients which is not required as a condition of an existing to loan. Wisniewski (1998) indicated that the advantages of saving service can be read from the perspective of the clients as well as microfinance institutions. Saving services provide clients with various benefits such as liquidity management, access to cash, security, and division of savings, making them

a valuable mechanism. Alternatively, savings serve as an essential and appealing means of funding for microfinance due to three reasons: (a) they offer a cost-effective source of microfinance funds that can be easily acquired, (b) withdrawing smaller sums from savings accounts poses lesser liquidity risk than large savings, and (c) small deposits and savings are a more reliable capital source than sourcing from Central Banks or donor funds. Deposit-taking can generate high market demand for microfinance institutions and enhance their operations. Moreover, savings products are crucial for the impoverished population as they assist in reducing financial costs of lending while ensuring sustainable funding sources (Ledgerwood, 1999).

2.2.2 Non-Financial Services

The financial services that are provided by MFIs are important sources for job creation, new businesses formation, and livelihoods improvement. However, financial services alone are not enough to continuously improve the livelihood of the clients and enhance the sustainability of their micro and small businesses. Many studies and researchers have recommended the integration of nonfinancial services and microcredit. According to Ledgerwood (1999), microfinance is more than just a bank; it is a means to develop skills that allow individuals to effectively utilize financial resources. Morduch and Hayley (2002) point out that entrepreneurial skills and ability are essential to drive a successful microenterprise and not all microfinance institutions' clients are evenly able to take on credit. Nonfinancial services are important to the clients' households and their micro and small enterprises' performance. For Karlan and Valdivia (2006), the Peruvian village banking programme's entrepreneurial training had a significant impact on clients' savings, repayment and retention rates, and knowledge of business. Meanwhile, Hamdan et al. (2012) suggested that Malaysian microfinance institutions should prioritize teaching entrepreneurial and business skills to their clients prior to launching their microenterprises. Mensah and Benedict (2010) argue that entrepreneurship training has a potential to enhance the capacity of micro and small enterprises for jobs creation and growth in the South of Africa. They also assert that entrepreneurial training will be more effective when combined with microcredit services.

Parvin, Rahman, and Jia (2012) postulated that easily access to credit, skill training availability, access to information membership with development

organizations are important to successfully driving women to micro entrepreneurship in Bangladesh.

MEs development faces several constraints, including the absence of relevant laws and administrative procedures, limited institutional credit, imperfect market information, and insufficient opportunities for skill development (Nawai & Shariff, 2011). Entrepreneurship training has been acknowledged for its ability to motivate women entrepreneurs and advance their micro and small enterprises. To improve clients' livelihoods, the combination of financial and nonfinancial services has been recommended. However, the cost-effectiveness of this integration remains uncertain, prompting the need for subsidies from non-governmental and governmental sources to cover the cost of nonfinancial services provided by microfinance institutions to the impoverished. The 'integrated' approach to developing microenterprises, which fuses traditional loan methods with intensive entrepreneur training and technical assistance, has produced limited results, incurred high expenses, and required grant funding for sustainability or expansion (Mutua, 1994).

2.3 Minimalist and Integrated Approaches Theory

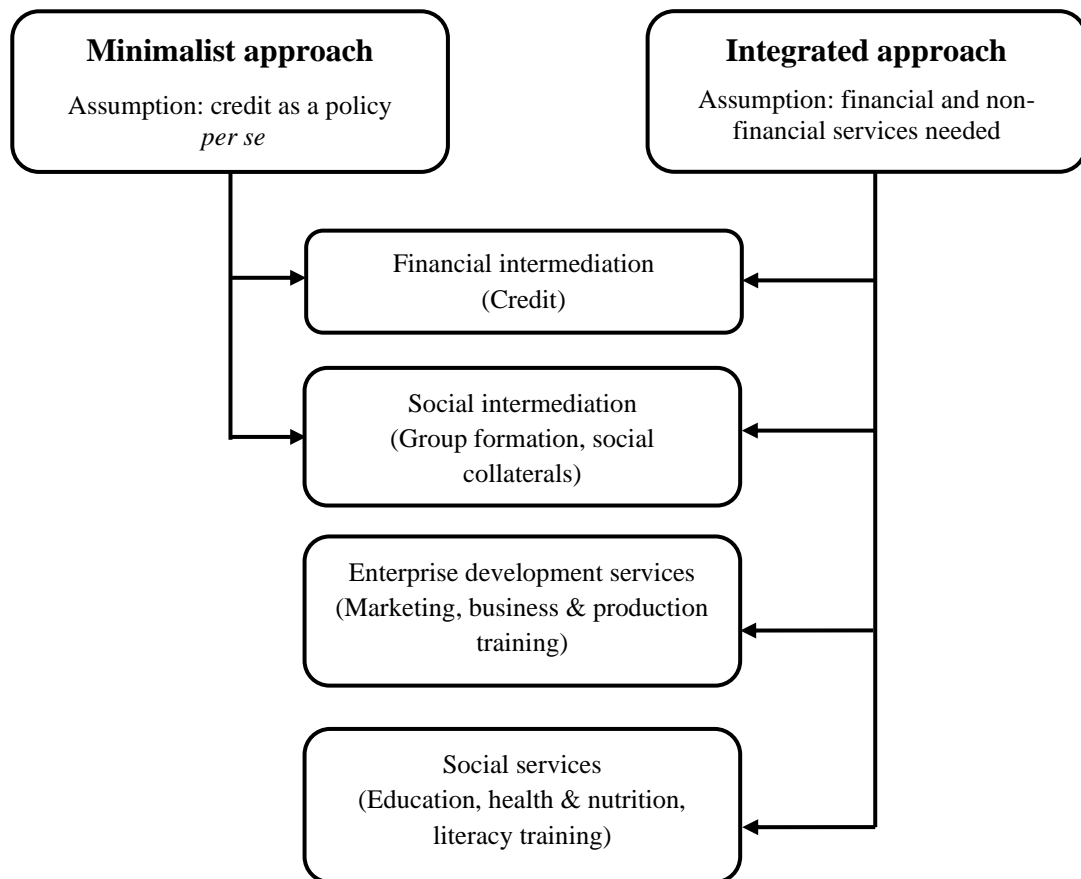
Ledgerwood (1999) identified the two approaches adopted by MFIs in providing various financial elements to clients as minimalist approach and integrated approach. MFIs that follow a minimalist approach offer basic financial services to their clients and apply this to the initial stages of financial development.

The fundamental services of microfinance comprise microcredit, micro savings, and insurance services, while MFIs that adopt the integrated approach provide supplementary microfinance services, including social intermediation, insurance, and non-financial services. The minimalist approach regards access to credit for low-income individuals as the sole component necessary for income generation. As a result, it perceives the provisioning of microcredit loans as a development tactic in itself. On the other hand, the integrated approach emphasizes the importance of providing not only credit to the poor but also a range of development-oriented services to combat the structural causes of poverty.

Typically, these non-financial services should include educational programs, community-based development programs, business and capability enhancing training, and so on (Robinson, 2001).

In terms of economic sustainability, operating costs incurred in minimalist approaches are much lower than in integrated microcredit programs. Minimalist programs frequently utilize distinct credit analysis and risk management approaches, which necessitate a certain degree of social mediation with loan officers while circumventing the expenses of supplementary developmental policies or services (Morduch, 1999).

Figure (2.1) Minimalist and Integrated Approaches



Source: Ledgerwood, 1999

Micro-financing is not a new concept it can be traced back to the late of three centuries before when the Friedrich Wilhelm Raiffeisen established the first cooperative lending banks to support farmers in rural Germany. Muhammad Yunus was found the modern concept of microfinance, when established Grameen bank in Bangladesh in the 1970s. The successful experience of Grameen Bank in combating poverty and flourishing the economic wellbeing of poor has attracted many government

and nongovernment organizations' attention to the possibility of replicating this experience. Ever since the inception of the Grameen Bank in 1975, there has been a significant rise in microfinance institutions in developing nations, notably Asia. Microfinance has gained a universal consensus as an effective tool for alleviating poverty and wellbeing improvement (Ledgerwood, 1999). It is regarded as a strategy to aid the regional economy. The vibrant expansion of microfinance initiatives can bring about various development goals, such as enabling self-employment, fostering new business startups, and promoting income equality. Besides catalyzing entrepreneurial ventures, microfinance also contributes to enhancing the financial welfare of households. For instance, clients' health, nutrition, children's education, and standard of their life.

Many microfinance studies started to recognize the importance of assessing the input and output of microfinance to approve the impact of microfinance and improve microfinance implementation. The output of microfinance differs from one institution to another according to the model of microfinance and the type of the provided product. For instance, microfinance can be a group scheme where the group members form themselves in a joint liability group and take loans under the social collateral while the group members are responsible to repay any default loan. In contrast, microfinance can be an individual scheme which services individual borrowers. In addition, it is worth noting that certain microfinance institutions offer a range of financial services such as loans, savings, and insurance, while others go beyond providing strictly monetary assistance by offering a variety of nonfinancial products aimed at promoting enterprise development, imparting valuable skills through training programs, and strengthening social capital among their clients (Robinson, 2001).

2.3.1 Minimalist Approach Theory

MFI has the ability to provide additional services to enhance their clients' financial capabilities. Debates exist regarding whether MFIs should be minimalist and offer solely financial intermediation or integrated by offering both financial and non-financial services. Social intermediation is commonly offered by many MFIs. The decision to offer non-financial services determines whether or not an MFI is minimalist. Minimalist MFIs primarily offer financial intermediation due to the belief that a lack of affordable and accessible short-term credit is the main obstacle to enterprise growth. Such organizations prioritize their comparative advantage in financial intermediation

while assuming that other entities will provide other necessary services. This approach offers cost advantages for MFI and allows it to maintain a clear focus, since it develops and provides only one service to clients. Minimalist or the institutionalist approach characterizes the ideology that prevailed during the 1990s, a period of great popularity for microfinance. The main objective of MFIs was to achieve financial viability to ensure their survival. This is consistent with the institutionalist view that an MFI's priority is to ensure its financial sustainability by becoming financially self-sufficient. The institutionalist is based on the idea that microcredit will never make a real difference to the general level of poverty in the world if its operations depend on subsidies (Dugas-Irena, 2007).

The minimalist or institutionalist approach puts the MFIs at the center of interest. The focus is solely on the financial health of the MFI at the expense of the clients. The "best practices" guide developed by the institutionalists refers only to standards that can improve the financial performance of MFIs and does not refer to the practices that MFIs should have concerning their clients. This guide was designed to standardize these practices at the international level. Its adoption is seen as an essential step toward achieving financial self-sufficiency and access to capital markets (Morduch, 2000).

The institutionalist approach has gained increasing power and is supported by international organizations such as the World Bank, the United Nations, USAID, CGAP, etc. Its advocates aspire to have their vision recognized as the most effective and legitimate one for MFIs to fulfill their social mission.

This minimalist approach, also known as an institutionalist, believes that the financial independence of MFIs depends on their ability to increase the number of clients and achieve high repayment rates. The social aspect is not taken into account in this approach, nor is the question of the adequacy of services and products offered and their impact on clients. This approach considers that high repayment rates indicate client satisfaction with the services offered.

According to Ledgerwood (1999), the basis of this method is the belief that one essential element is missing for economic growth among impoverished individuals, i.e., affordable, and accessible short-term credit. Microfinance institutions such as credit unions or agriculture/farming banks execute minimalist programs. Rather than comprehensive aid, minimalist tactics solely provide financial intermediation, such as savings, credit, insurance, credit cards, and payment systems. While recognizing the

necessity of additional social and developmental resources for the poor, minimalist programs rely on external organizations to supply such services, as it is not within their operational objectives. The significant benefit of this strategy is that it focuses on a single objective, which improves its cost-effectiveness over time, allowing for a progressive reduction of subsidies that might have been vital during the program's inception (Ledgerwood, 1999).

2.3.2 Integrated Approach Theory

In the scheme of the global network of MFIs, which as of 2007 was serving approximately 155 million clients, there is still a relatively small number of MFIs that have pioneered the integrated approach and established successful models. An increasing quantity of MFIs have transformed into profit-driven institutions structured in the form of non-bank financial organizations, specialized commercial banks in microfinance, or microfinance sections within full-service banks due to the enticing opportunity to provide savings services for profit. In addition to being non-profit, another feature of most integrated MFIs is that they use some form of village-banking model where clients meet in groups on a regular schedule (Bajaj & Lydia, 2010).

Alongside individual MFIs who have tested integrating services, larger umbrella organizations have also lent support to this endeavor. A significant inquiry pertaining to an integrated MFI is how non-credit services can be provided without compromising the quality of financial services or hindering the institution's financial viability. According to Banerjee et al. (2010), the "parallel" and "unified" approaches are the two substantial paths to service integration. Each of these service integration methods presents its own benefits and obstacles. On one hand, parallel MFIs can offer a more diverse range of services due to their partnership flexibility; on the other hand, they may experience hindrances in terms of financing and coordination across dissimilar organizations. In addition, a women's rights and gender equality approach further underscores the provision of education beneath an MFI. Integrated MFIs are facilitating adult women to continue their education, which might have been truncated before or after completing high school, considering that numerous women and girls in developing countries do not receive parallel levels of regular education to their male counterparts, as outlined by Battilana & Silvia (2009).

Microfinance is considered a pathway to empowerment due to its ability to empower women to challenge and transform gender biases at all levels through its

strategic gender orientation (Berry, 2005). Incorporating diverse services into microfinance is more likely to be beneficial for customers since it addresses more diverse needs, allowing them to improve their lives more completely. Integrating culturally relevant social services with financial services increases the likelihood of human development; education and training help clients develop more knowledge and skills on useful topics; health care can make customers healthier and more productive people; and financial services can make customers more economically empowered.

Despite being able to access necessary financial services, many microfinance clients still face regular health issues that can prevent the movement out of the cycle of poverty. Integrating microfinance and health education can help protect the poor from and cope with health and financial shocks, seize economic opportunities, meet life cycle needs, and build assets (Berry et al., 2006).

Any MFI can deliver training, education, and healthcare to clients; their staff must first receive training in order for it to have a chance at being transformative for recipients. At the same time, not all MFIs have the means of paying for outside training when they face so much pressure to be internally financially sustainable. The beneficial outcomes of incorporating microfinance institutions reveal certain criticisms related to service integration. There are those who perceive potential hazards in assigning credit officers the role of instructing in both business acumen, health, and nutrition, as it may detract attention from the primary financial endeavors, namely lending and saving, which are commonly considered the cornerstone of microfinance (Bajaj & Lydia, 2010). The integrated approach is the trend towards commercial growth of MFIs and increasing pressure to make a profit in microfinance.

2.4 Well-being of Microfinance Clients

Well-being refers to the overall state of an individual's physical, social, and economic conditions. In the context of microfinance, the well-being of clients can be interpreted in terms of their economic, social, and health well-being.

Economic well-being of microfinance clients refers to their ability to generate sustainable income and improve their economic conditions. Microcredit programs aim to provide access to financial resources, enabling clients to start or expand their businesses and increase their income levels (Yunus, 1998). This, in turn, can contribute to poverty reduction and economic empowerment.

Social well-being encompasses the social relationships, networks, and collective benefits that clients derive from their participation in microfinance programs. By providing opportunities for group-based lending, microfinance programs foster social cohesion and mutual support among clients. Additionally, non-financial services such as educational programs and community-based development initiatives help improve clients' social capital, empowerment, and social standing within their communities (Robinson, 2001).

Health well-being involves the physical and mental well-being of microfinance clients. Improved access to financial resources can enable clients to invest in better healthcare, nutrition, and sanitation, leading to improved health outcomes (Morduch, 1999). Microfinance programs that offer health-related services, such as health education, preventive healthcare, and access to healthcare facilities, further contribute to the health well-being of clients.

Several factors influence the well-being of microfinance clients, particularly those in rural areas of developing countries. These factors include:

(a) **Income Generation:** The ability of microfinance clients to generate sustainable income is crucial for their economic well-being. Factors such as access to credit, market opportunities, and business skills play a significant role in shaping income generation (Yunus, 1998).

(b) **Social Capital:** Clients' social networks, trust, and cooperation within their microfinance groups and broader communities contribute to their social well-being. Social capital is built through group interactions, community engagement, and access to social support networks (Robinson, 2001).

(c) **Education and Skill Development:** Enhancing clients' skills and knowledge through educational programs and training opportunities is vital for their economic and social well-being. Acquiring business management skills, financial literacy, and vocational training can enhance clients' capacity to effectively manage their businesses and improve their economic prospects (Morduch, 1999).

(d) **Access to Services:** Access to non-financial services, such as healthcare, education, and infrastructure, significantly influences the well-being of microfinance clients. Microfinance programs that integrate these services alongside credit provision can address the holistic needs of clients and contribute to their overall well-being (Robinson, 2001).

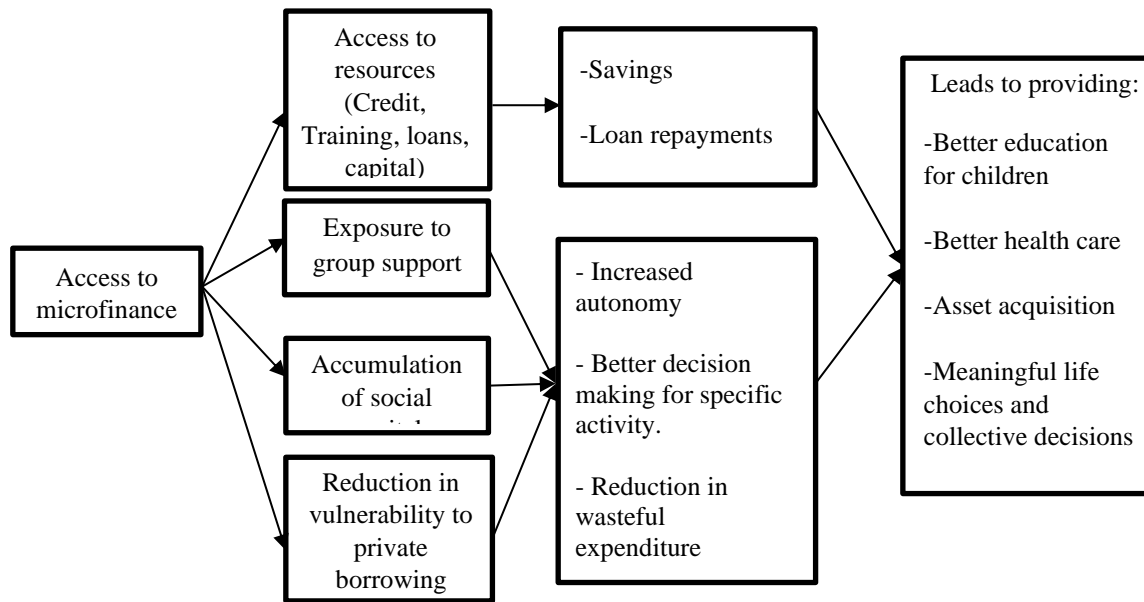
2.5 Previous Studies

In this section, three related studies about the impact of microfinance services are discussed. Gopaldaswamy, Babu, and Dash (2015) conducted a systematic review of the quantitative evidence on the impact of microfinance on poverty reduction in South Asia. The study synthesized the existing literature related to the impact of microfinance on the well-being of the poor in the South Asian context. The authors analyzed the impact on poverty reduction using the dimensions of access, coverage, activities generated, and outcomes, as the literature indicated a strong link between these variables and poverty reduction. Koh et al. (2021) conducted a study on the impact of microfinance services on the socio-economic well-being of urban vulnerable households in Malaysia. The study was to examine the effect of microfinance services on the socio-economic welfare of urban households in Malaysia. Gopaldaswamy et al., (2016) conducted a systematic review to assess the impact of microfinance on the wellbeing of the poor and identify the conditions necessary for microfinance to work for the poor in South Asia.

To study the impact of microfinance on the poor, the study of Gopaldaswamy, Babu, and Dash (2015) focused on the accepted outcome variables. Changes in the income levels of individuals and households were often used as a measure of impact since poverty reduction was one of the main objectives of microfinance. The extent to which female microentrepreneurs had been empowered was also seen as an outcome indicator. The outcome indicators included increased food consumption, improvement in nutrition status, better health and education outcomes, better employment opportunities, a strong social network, reduction in vulnerability to shocks, reduced inequality, empowerment indicators, and strengthened local economic and social development.

Figure (2.2) represents the potential benefits of microfinance to clients, particularly those who have limited access to resources. By providing access to credit, training, loans, and capital, microfinance can facilitate the accumulation of social capital, which is essential for economic success. This social capital can serve as a source of support and information, enhance social networks, and strengthen the ability to negotiate.

Figure (2.2) The Impact of Microfinance on the Poor in South Asia, 2015



Source: Gopaldaswamy et al., 2015

According to Figure (2.2), Microfinance also helps to reduce the vulnerability of low-income individuals to private borrowing, as these borrowers often charge very high-interest rates and impose unreasonable conditions. Savings and loan repayments help to increase autonomy and provide the necessary resources to make better decisions for specific activities. With access to microfinance, individuals are more likely to reduce wasteful expenditure and use resources efficiently.

Microfinance also has the potential to lead to broader benefits such as better education for children, better healthcare, asset acquisition, and meaningful life choices. By providing the necessary resources, microfinance can help individuals make informed decisions and choices that can have a positive impact on their lives and those of their families.

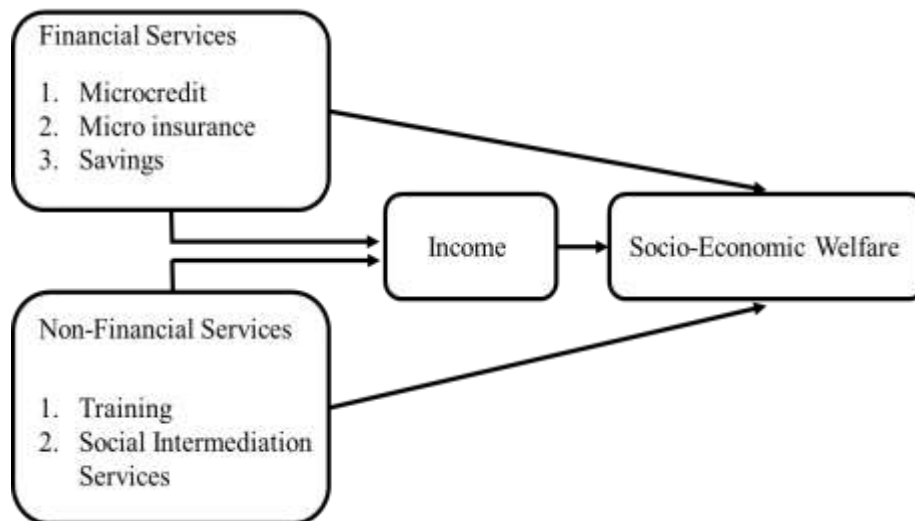
The study indicated that some of the impact would be felt at the micro level, such as the individual and/or household level, while others would be felt at the macro levels, such as the community, district, and national levels. The systematic review suggests that microfinance plays an important role in poverty reduction and underscores the need for a comprehensive approach that includes access to credit as well as non-financial services to achieve sustainable development.

The Figure (2.3) conducted by Koh et al., in 2021 aimed to determine the impact of microfinance services on the social and economic welfare of vulnerable households

in urban areas of Malaysia. The researchers collected data from 400 respondents in three urban areas of Malaysia using quota sampling to ensure a representative sample. The study used income as a mediating variable in the model to examine the relationship between microfinance services and socio-economic welfare of vulnerable households.

Figure (2.3) shows a model of financial and non-financial services that aim to improve socio-economic welfare. On the financial services side, there are two main components: microcredit and micro-insurance. In addition to financial services, the model includes non-financial services such as training and social intermediation. The ultimate goal of the framework is to improve socio-economic welfare, which is done through the provision of both financial and non-financial services. This is measured in terms of income, which would increase as a result of the financial services, and broader socio-economic welfare, which would improve as a result of the non-financial services.

Figure (2.3) The Impact of Microfinance Services on Socioeconomic Welfare of Urban Vulnerable Households in Malaysia.



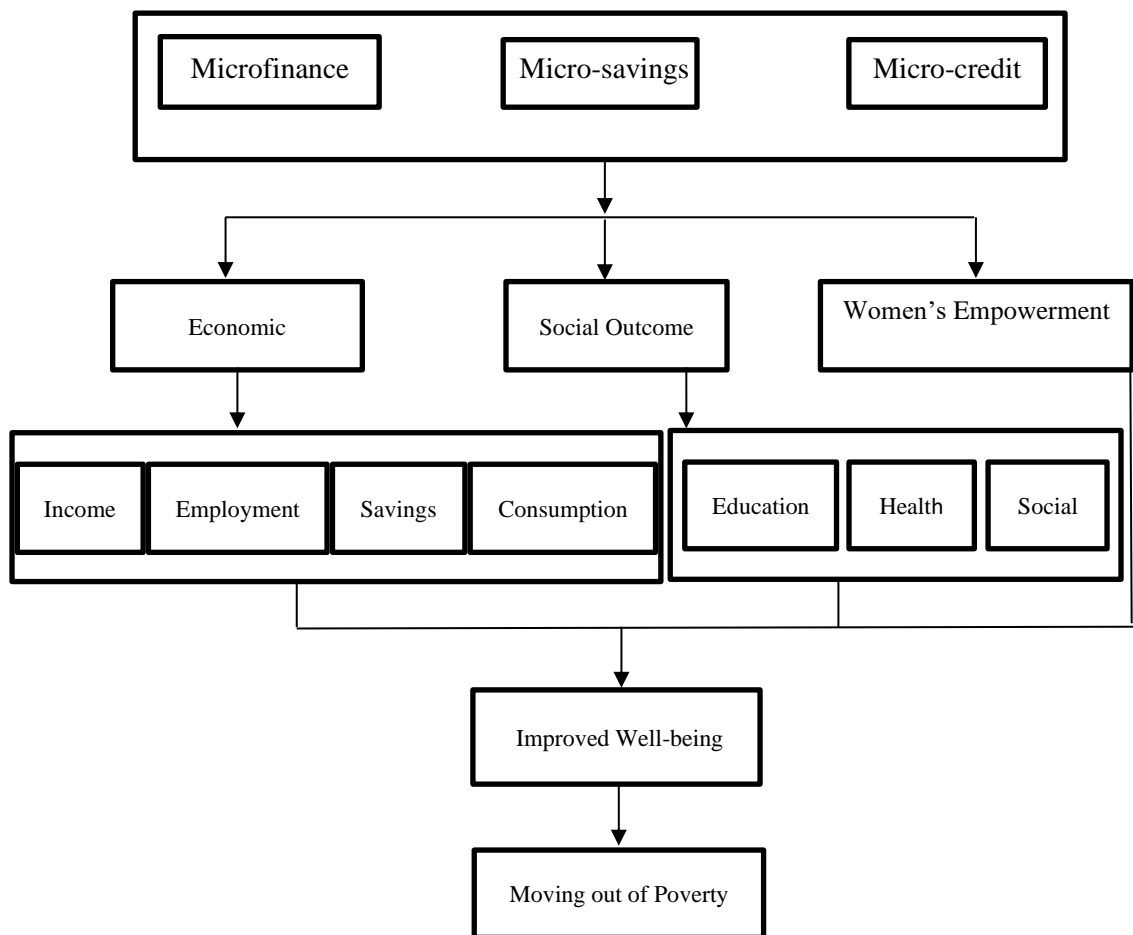
Sources: Koh et al, 2021

According to Figure (2.3), the results of the study showed that the majority of microfinance services, including microcredit, microinsurance, and training, had a significant effect on socio-economic welfare. Income was found to have a significant impact on socio-economic welfare, and the microfinance services, except for training, also had a significant impact on income. The results further indicated that most of the microfinance services had an indirect effect on welfare through income. By providing

access to microcredit, microinsurance, and training, microfinance institutions can help improve the financial capabilities and economic prospects of vulnerable populations, leading to greater socio-economic welfare. The study underscores the importance of incorporating income as a mediating variable in evaluating the impact of microfinance services on welfare outcomes.

Figure (2.4), conducted by Gopaldaswamy et al., (2016), is a systematic review to assess the impact of microfinance on the wellbeing of the poor and identify the conditions necessary for microfinance to work for the poor in South Asia. The study utilized multiple sources of data, including 11 electronic databases, hand searches of journals covering a 25-year period, past reviews since 1990, ten website searches, personal communications, and references in the identified studies.

Figure (2.4) The Impact of MF Interventions in Terms of Alleviating Poverty in the South Asian



Sources: Gopaldaswamy et al, 2016

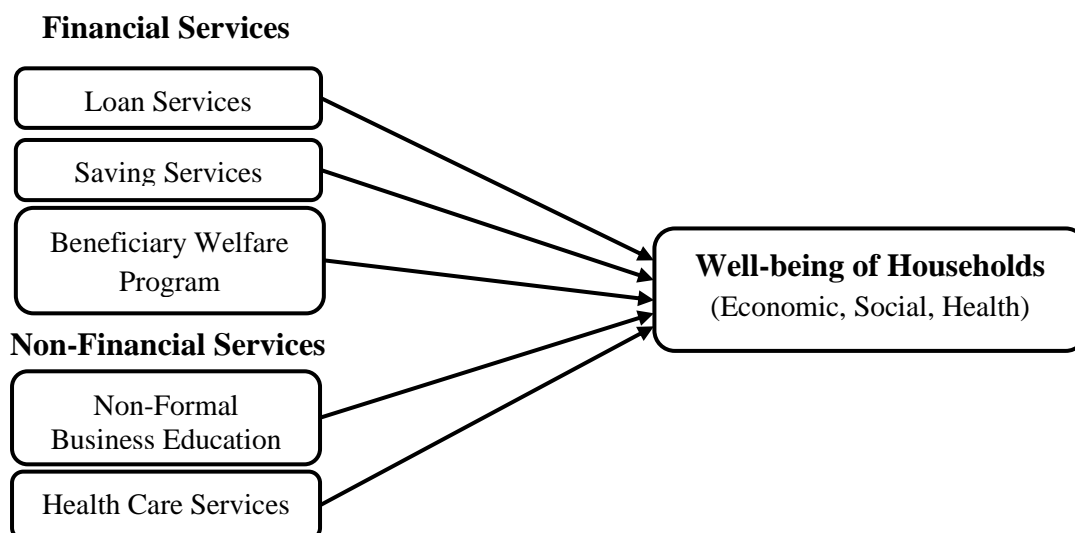
According to Figure (2.4), study found that there is inconclusive evidence regarding the impact of microfinance (MF) interventions on poverty alleviation in the South Asian context. While there have been marginal improvements in income, education, women's empowerment and employment, the effectiveness of MF programmes was found to be sensitive to the definitional parameters used, particularly in terms of women's empowerment. In terms of education, participation in MF programmes was found to lead to an increase in school enrolment, particularly for girls. MF programmes were also found to lead to asset creation and higher levels of consumption among participants. The study also found that credit-plus programmes, which provide additional non-financial support such as training and social intermediation, generated more positive impacts than standalone lending programmes. Additionally, the review identified spillover effects of MF programmes. When combined with other interventions, MF programmes have the potential to yield higher benefits for participants.

2.6 Conceptual Framework of the Study

The conceptual framework is developed based on previous studies of Gopaldaswamy, Babu, and Dash (2015), Koh et al., (2021) and Gopaldaswamy et al., (2016) to analyze the relationship between dependent variables and independent variables. The independent variables are financial services activities and non-financial services activities whereas dependent variable is well-being of households who got loans from Pact Global Microfinance Fund living in Sa Lin township. The Figure 2.5 presents the conceptual framework of this study.

Figure (2.5) Conceptual Framework of the Study

Integrated Microfinance Services



Source: Own Compilation, 2023

In this figure, integrated microfinance services are a combination of financial and non-financial services that are provided by microfinance institutions to the clients. In addition to providing microloans and other financial services, microfinance institutions also offer non-financial services such as business development services, training, education, health services, and other support services to help clients improve their livelihoods and become more self-sufficient.

The financial services activities of microfinance institutions (MFIs) typically involve providing small-scale loans to low-income individuals and microenterprises who lack collateral or credit history for income-generating activities, such as small businesses, agriculture, or home improvement projects. MFIs also facilitate savings products, such as savings accounts and recurring deposit accounts, and offer a range of insurance products, including health, life, and crop insurance. In addition, MFIs provide financial education through financial literacy programs and training to help clients manage their money and understand financial services.

MFIs also provide non-financial services, such as health services, including access to health information, education, and services, healthcare financing, and health insurance. They support clients and their families in accessing education services, such as scholarships, school fees, textbooks, and uniforms. Moreover, MFIs may provide social services, such as nutrition education, access to safe drinking water, and sanitation facilities, to enhance their clients' well-being and resilience.

The well-being of rural households that receive support from MFIs can be enhanced in several ways, through both financial and non-financial services. MFIs can address the financial, health, education, social, and empowerment needs of rural households, thereby enhancing their economic well-being, health well-being, women's empowerment, and education.

CHAPTER III

INTEGRATED MICROFINANCE SERVICES OF PACT GLOBAL MICROFINANCE FUND (PGMF) IN MYANMAR

This chapter describes the overview of PGMF, integrated microfinance services of PGMF and well-being of households in Sa Lin Township.

3.1 Overview of PGMF

Pact has been working Myanmar since 1997, when it began its microfinance operations in the Dry Zone under UNDP's Myanmar Microfinance Project (MFP). In 2002 the Pact particularly implemented partnership for primary health care services Project (PPHCS) (from 2002 to 2005) to develop healthcare services of rural areas without integrating with microfinance. The Strengthening Community Response (SCR) Project for TB, HIV/AIDS, and Malaria was implemented from 2005 to 2008.

In March 2004, Pact partnered with the Stromme Foundation to implement the "Sustainable Access to Health: An Educational and Economic Approach Project (SAHEEA)" project in three Dry Zone townships. The project goal was to increase women's access to financial and health services, enabling them to improve their livelihoods, elevate their community status and empower them with a decision-making voice in the community. In 2007, this project was then supported by the US Department of State and expanded to two additional townships, including Sa Lin.

In 2006, Pact was made the sole implementing partner for MFP, operating in the Dry Zone, Delta Region, and Shan State. With an annual client growth rate of 36 percent, Pact's program is considered the most successful microfinance in Myanmar. Pact's accomplishment can be credited to its two exceptional qualities: one, the offering of different loans, savings, and insurance products to clients, and two, assistance in the form of essential small business development support services aimed at encouraging small ventures. Complemented by sustainable interest rates, Pact's group lending model has resulted in a defaults rate of less than 1 percent.

In 2012, Pact has obtained MFI license from the Government of Myanmar to transform this project as a Myanmar microfinance institution (MFI) under the MFI law. After that, PGMF expanded to Rakhine State and Tanintharyi Division and provided financial services. With a loan portfolio currently over MMK 535 billion. PGMF today

manages approximately 26% of the non-government provided microfinance in Myanmar. PGMF operations have reached over 2.3 million households since 1997. PGMF's clients are over 97% women and live in over 17,625 villages across 97 townships.

PGMF has been providing financial services for more than 26 years since 1997 in Myanmar and has been the longest provider of health care services and financial services since 2004 in four townships, including Sa Lin Township.

However, at the end of June 2023, all of PGMF's operations in Myanmar were closed. Because PGMF is not able to stand as an INGO microfinance under The Myanmar Companies Law (The Pyidaungsu Hluttaw Law No. 29, 2017), nor is it able to remain an NGO microfinance institution under the new Organization Registration Law (State Administration Council Law No. 45/2022).

Due to the above-mentioned laws, it was closed on June 30, 2023, due to the failure of negotiations to convert from an INGO that operates microfinance to a microfinance company.

3.2 Integrated Microfinance Services of PGMF

Pact's long-serving microfinance programs in Myanmar were turned over to the new government-licensed entity Pact Global Microfinance Fund (PGMF) in 2012 as a result of new national microfinance regulations. This study focuses on "The Sustainable Access to Health: An Educational and Economic Approach Project (SAHEEA) project" funded by Stromme Foundation. SAHEEA project began with funding from Stromme Foundation in March 2005 with community mobilization, income generation (Microfinance services) and health activities in Min Bu and Myo Thit Townships of the Dry Zone of Myanmar. SAHEEA opened two additional branch offices, Saku branch in Minbu and Ma Htwel branch Myo Thit townships at 2006 June and 2006 December.

SAHEEA project then gradually expanded to Sa Lin Township in 2007 with the support of the Women's Issues Fund of the US State Department development funding mechanism. In 2009 May, Pya Loh branch located in the Aung Lan township was opened with the Women's Issues Fund II. SAHEEA uses an integrated and holistic approach to overcome poverty and to improve health issues in rural villages in Myanmar. It includes Microfinance services, strengthening community institutions, maternal and child health, livelihoods, food security and water, sanitation & hygiene (WASH). It forms Village Development Committees (VDCs) in targeted villages,

which are composed of elected village members who are not village authorities. Through VDCs, SAHEEA promotes capacity building for transparent and accountable community planning and participatory decision making, implementation and monitoring to create long-term impact (Pact, 2018). Village Development Funds (VDFs) are also established, and villagers raise funds from household contributions.

The SAHEEA project has implemented various activities in around 485 villages, including establishing 485 Village health Fund Development Committees, training many community members as health workers in TB, HIV/AIDS, Malaria, Diarrhea, child health and nutrition, water sanitation and family planning services. It is not only for poverty reduction but also as a platform to promote women's empowerment and involvement in local governance.

3.3 Background Study on a Sa Lin Township

Sa Lin Township is located in central Myanmar, in Minbu District, Magway Region. Sa Lin Township is 28 miles from east to west and 32 miles from south to north. It is bordered by the Ayeyarwaddy River to the east, the Sidoktaya township to the west, Pwintbyu township to the south, Seikphyu township and Saw township to the north. The township covers an area of approximately 893.14 square miles and is known for its hilly terrain and lush forests. Sa Lin Township is composed of (11) wards and (417) villages.

According to the 2019 Census, Sa Lin Township has a population of approximately 255,611 people, consisting of mainly ethnic is Burmese. The majority of the population lives in rural areas and relies on agriculture as the main occupation. Regarding the health sector, Sa Lin Township has one 50 bed township hospital, one 25-bed circuit hospital and three 16-bed circuit hospitals and (49) rural health centers. Regarding the financial services sector, there are one Myanma Economic Bank, one Myanmar Agriculture Development Bank, 4 private banks and 22 MFIs.

Sa Lin Township is considered one of the poorest areas in Myanmar, with high levels of poverty and limited access to basic services such as healthcare and education. Agriculture is the main source of income for most households, with crops such as paddy rice, maize, and beans being the main agricultural products. However, due to a lack of access to credit, farmers are often unable to invest in their farms, leading to low yields and income.

There are several microfinance institutions operating in Sa Lin Township, providing both financial and non-financial services to the local population. Financial services include loans for agriculture, small businesses, and housing, as well as savings products. Non-financial services include training in agriculture, business, and financial management. However, access to these services is still limited, particularly for women and marginalized communities.

The integration of financial services and non-financial services can have several potential benefits and improve well-being for both health and business sectors. PGMF implemented integrated financial services and non-financial services in Sa Lin township; therefore, households in Sa Lin township were getting more capital, better health care infrastructure, efficient payment systems for loans, insurance benefits, and collaboration on health financing. Households in Sa Lin township can enhance their operations, expand their reach, and ultimately improve health and economic outcomes for individuals and communities.

PGMF's Integrated Microfinance Services provided more employment opportunities and new business opportunities to households in Sa Lin Township. Women lead to the economic empowerment of individual women through encouraging women-led microenterprises, which results in women's increased income and control. Women's access to savings and credit results in women's greater economic role in household decision-making. When women control decisions regarding financial issues, the household's welfare improves. An economically active woman, with her own savings and increased income, which is shared within the family, has more economic power.

Access to savings and credit raises women's voices and facilitates women's economic decisions at home. This may lead to increased expenditure on the household and the children. And also increased economic activity and control over income by women via access to credit can result in improved women's skills, knowledge, mobility, status within community and social networks. This may lead to wider participation in social and political processes and institutions.

3.4 Integrated Microfinance Services in Sa Lin Township

To address the burden of health costs among the poor, MFIs should offer integrated financial and health-related services. The portfolio of PGMF services included health education, community health workers, health savings, health loans,

linkages to health providers and the sale of health products (e.g., Toilet bowls and pipes, Medicines and accessories that don't require doctor's instructions, Mosquito repellent pills, and oral rehydration solution). The effectiveness of merging health financing in the shape of health savings and health loans for microfinance customers, and the financial feasibility for MFIs while generating beneficial health, social, and monetary consequences for patrons, was examined by the initiative. In this study is to find how microfinance services effect on the well-being of households in Sa Lin township if health care services are additionally provided.

The Microfinance project which was started in 2004 integrating with health services has been operating until now. As mentioned in the introduction, this SAHEEA Project provided microfinance services such as loans, savings, and BWP to member households as well as non-financial services such as non-formal business education (NFBE) training, health-related training, and establishing a village health fund. Although the donor's donation period has ended but the villages can manage have been implementing continuously as the health education training, funding, and training of fund management was conducted.

Since the training to raise funds and to manage it systematically has been given, the microfinance teams of raising funds have been operating to increase funds and health related provisions have been running till present. The rural villages have been monitoring. This study intends to serve as a model for other microfinance institutions to improve the well-being of households using an integrated service model with the microfinance system.

3.4.1 Financial Services in Sa Lin Township

PGMF offers its customers a range of financial services to safeguard and enhance their standard of living. PGMF provides loans for micro- and small businesses, livestock, agriculture, education, and health emergencies; provides deposit services; and gives its clients access to a quasi-insurance product designated to protect beneficiaries from external shocks like death, disaster, and childbirth.

A. Loan Services

If applicants want to get a loan, it needs to meet the criteria of being a member of a Credit and Saving Group and having passed Group Recognition Test, developing their own microenterprise, saving bi-weekly/once every 28 days depending on the

repayment schedule and agreement to pay an annual fee of 2% of the loan disbursed amount, of which 1.5% as processing fee and other charges and 0.5% as beneficiary welfare fund. Interest rate on all loan products is 28% effective rate as per Myanmar Microfinance Law, while in case of education and health loan, interest rate is 24%. PGMF does not collect any physical collateral from its clients. Social group pressure is the main mechanism to ensure repayment. Also, the group is responsible for repayments if one of its members cannot pay the loan installment.

(i) Loan Product Features

The feature of loan products are as follows:

Business loan - This is the first loan a borrower can receive upon becoming a Credit and Saving Group member.

Extra loan - Designed for borrowers who have already established a micro-enterprise and need more capital for business expansion or taking advantage of business seasonality during the peak season of their existing micro enterprise.

Enterprise loan - Designed for borrowers who have already established a successful micro-enterprise and need capital to expand the existing micro-enterprise into a small enterprise. Priority should be given to enterprises which create more employment opportunities for local people.

Asset Loan - Designed to help clients acquire agricultural, transportation and manufacturing machinery.

Agriculture loan - Designed for farmers who are in need of capital for seasonal crop cultivation. The loan term depends upon the crops and can vary from region to region.

Social Loan (Education loan) - Designed to meet the requirements of parents to pay enrollment fees, cost of books and stationery, uniforms, etc. (For assistance with school fees, books, etc.).

Social Loan (Health loan) - Designed to meet costs for child delivery and medical emergencies (For health emergencies of clients or first-degree relatives).

Social Loan (Home Improvement Loan) - Designed to improve client's living condition (To improve client's living condition. For example: access to electricity, access to drinking water, digging tube well, renovation of house (e.g., better roof, walls, ceiling, floor), house relocation due to environmental risk).

B. Savings Services

PGMF encourages its clients to develop a habit of saving money for building corpus, emergency fund and meet capital requirement for business. The saving program is designed based on the concept of 'Poor can Save', with the methodology of: Small, Frequent and Simple. The Loan Officer records all savings per client into the member passbook of the client. The objectives are to establish ownership spirit of MFI and clients, build up saving habits and saving practice for the clients, meet the capital requirement for income generating activities and cover emergency needs for family members. The general principles are to create flexibility for clients for both deposit and withdrawal, discourage upfront saving for any types of loan under any circumstances, do simple procedures for withdrawal, in case of emergency, saving withdrawal is timely allowed and interest on saving is calculated on a daily basis and accrued monthly.

(i) Compulsory Savings

All clients must deposit compulsory saving in every loan installment. Compulsory saving amount for each installment will be automatically calculated by the computerization system and will be subject to a maximum of 5% of the disbursed loan amount. PGMF provides 14% interest per annum to its clients on compulsory savings. Due interest is calculated based on the closing saving balance of each day and accrued monthly based on daily interest calculation. Social loans (education and health loans) will be excluded from any saving requirement.

(ii) Voluntary savings

PGMF encourages voluntary savings to bring the small surpluses into a useful lump sum and offers two kinds of such account.

(a) Voluntary 1 SAVINGS (V1): PGMF encourages its clients to make voluntary savings in addition to compulsory savings where: 10% interest per annum is given to the clients. The due interest is calculated based on the closing saving balance of each day and accrued monthly based on daily interest calculation.

(b) Voluntary 2 SAVINGS (V2): Clients are required to deposit compulsory savings depending upon the loan amount disbursed. At the end of the loan term, compulsory saving amount of respective loan type will be transferred to Voluntary-2 saving which acts as a Fixed Deposit where: 13% interest per annum is given to the clients if savings balance is maintained throughout the year. If the client

makes a withdrawal and the remaining balance goes down compared to the balance of the financial year opening date, hence all accrued interest of previous months and interest to be earned for rest of the year will be reduced to 10%. The due interest is calculated based on the closing saving balance of each day and accrued monthly based on daily interest calculation. Clients may transfer any balance they wish from V1 to V2 at any point of time.

Members can save any amount depending upon their capacity. Saving withdrawals are allowed at any point in time but clients must submit a formal request to receive the funds during the next regular meeting. In case of an emergency, if a member is not available, his/her authorized person along with the center chief and respective group leader can withdraw a maximum 75% of compulsory savings and voluntary saving balance at the unit office. Approval of the TM is required in such cases.

C. Beneficiary Welfare Program

The purpose of the Beneficiary Welfare Program (BWP) is to cover the death of a member, Childbirth, and natural disasters (fire, flood/erosion, windstorm, landslide, earthquake) etc. are to provide support assistance in order to mitigate the damage while hindering the socio-economic development of the people that PGMF serves. In order to support this, members must contribute money to the social support fund as determined. The rate of the added amount for business loan, micro-small enterprise loan, agriculture loan, extra loan, loan for businessmen (enterprise loan) and equipment lease loan (lease loan, etc.) which are income-increasing business loan except for the social loans intended for social events, education loan for education and health loan for health is (0.5) percent of the loan amount added per year. As a PGMF organization, (10) percent of the social support fund will be added to the fund list every year. For this additional income, the fund balance at the beginning of the month will be calculated as (0.83) percent of the monthly allocation and will be added to the social support fund list at the end of each fiscal year (September 30). Providing cash from the fund to affected members has been made depending on the circumstances of the loss, such as canceling the borrowed loan balance and not collecting it.

It is mandatory for all PGMF members to participate in the social assistance program. The social support program is for PGMF members only. All eligible members are the ones who have held at least one savings account or one type of loan

within six months. This means that members who do not continue to withdraw loans until six months will also be eligible for benefits later. The members are subject to the loan rules established by the organization and need to follow the loan repayment plan and regulations so that they can enjoy the specified benefits.

(i) Benefit Plan and Terms

PGMF provides the following benefits plan and terms to their members.

Death of a member: 100,000/-(100,000 Kyats) will be given as a subsidy for the death of a member. Loan Outstanding is allowed to be written-off from the Loan Outstanding Balance. However, suicide is not covered.

Death of spouse/close family member: For the death of a husband or wife/close family member, members can enjoy a maximum of 50 thousand kyats for one time, one hundred thousand kyats for the death within five years. However, loan write-off is not allowed from the loan outstanding balance. Suicide is not covered. In order to have the right to enjoy, if there is no husband or wife, members can nominate someone out of mother, father, brother and sister, children or nephew and niece, and grandfathers and the grandmothers. If no one is nominated, they are not eligible for the grant.

Childbirth: For childbirth, members can get financial support from a minimum of 30 thousand kyats to a maximum of 50 thousand kyats. Loan write-off is not allowed from the loan outstanding balance. Only cash support is available. Miscarriage is covered by benefits, but abortion is not. If members give birth at home (or rural health center), 30,000 Kyats are supported. If members give birth in a hospital, they will receive a subsidy of 50,000 Kyats. A hospital should be a minimum level circuit hospital or a private hospital with at least inpatient/outpatient facilities and operating theatres. Rural health centers with only maternity rooms are not considered as hospitals.

Natural disasters: If the home building is completely destroyed and lost, a maximum of 100,000 kyats can be enjoyed. Loan write-off is allowed from the loan outstanding balance if the investment is lost.

3.4.2 Non-Financial Services in Sa Lin Township

All new clients are required to attend two NFBE modules comprising of two training sessions each to qualify for loans. Given that most PGMF clients have

minimum education levels, the modules use simple techniques to help improve their income, develop habit of savings, and give information about PGMF.

The portfolio of PGMF services included health education, community health workers, health savings, health loans, linkages to health providers and the sale of health products (e.g., Toilet bowls and pipes, Medicines and accessories that don't require doctor's instructions, Mosquito repellent pills, and oral rehydration solution).

A. Non-Formal Business Education (NFBE)

The NFBE sessions are the starting point of regular group activities and are conducted in batches per village. Especially for new targeted villages, it might happen that part of the clients have already started the training whereas other clients are still in the process of group formation. The NFBE training of the PGMF is to ensure clients engage in income generating activities with the help of loan disbursed and generate financial awareness with the support of PGMF and help clients break the poverty cycle.

The PGMF's NFBE course consists of four sessions. These are: (a) better tomorrow; (b) how to start a business and make it successful; (c) Profit utilization and importance of savings; and (d) Beneficiary Welfare Program.

(i) Better Tomorrow

This session explains to the clients about the definition of poverty and understanding the need of doing income generating activities which will help them break poverty cycle. The part also highlights PGMF credit methodology and non-financial services like providing educational training.

(ii) How to Start a Business and Make it Successful

This session provides information about selecting a business which is profitable, legally sound and in line with PGMF environment policy. In addition, clients are introduced to the concept of the five fingers method for successfully running the business.

(iii) Profit Utilization and Importance of Savings

This session provides clients with knowledge of the systematic and appropriate allocation and use of profits, which can contribute to their business growth. This part is helping them earn more income, which will ultimately improve their living standards.

Therefore, the clients will also be familiarized with the concept of savings and the benefits associated with them. And also, to develop the habit of saving and make

them understand that their deposited money is completely safe with PGMF. The habit of regular savings will help clients build both a corpus and an emergency fund.

(iv) Beneficiary Welfare Program

This session helps clients to understand objectives of the program, contribution made and types of benefits which can be availed. It also explains that the benefits are not only restricted to the clients and their family members but are available for other members and their family members too.

B. Health Services

The discussion about infectious diseases such as tuberculosis, HIV/AIDS, cholera, malaria, and dengue fever. In discussing infectious diseases, a story poster for the situation of family suffering due to wrong behaviors for each disease and posters are used to show how families can be happy without getting infected due to proper behavior. Discussions of how each disease is transmitted, ways to protect the symptoms experienced and how to care for the patient are made. Selection and assignment of appropriate volunteers from the community for community-based prevention and control of infectious diseases are made. Basic household medicines and other related materials needed to effectively carry out disease prevention and care activities along with the selection of volunteers are provided. Enabling community volunteers to coordinate and connect with relevant department staff under the Ministry of Health, establishing the community health and development fund and providing guidance for the operations to be carried out to increase the fund and helping to contribute are conducted. Improving the quality of management and leadership of executive committee members to sustainably increase community health and development funding and educating and discussing seasonal infectious diseases.

The questionnaire asked households about how they get the services provided by PGMF, how they improve, and what they think about the services, as well as survey methodology and results, will be described in Chapter 4.

CHAPTER IV

ANALYSIS OF THE INTEGRATED MICROFINANCE SERVICES AND WELL-BEING OF HOUSEHOLDS IN SA LIN TOWNSHIP

This chapter of the study is dedicated to the interpretation of results that were gathered from the questionnaire. It contains research design, respondents' profile, analytical methods, and tools used in this research, and the outcome of multiple linear regressions method.

4.1 Research Design

This study examines the integrated microfinance services provided by Pact Global Microfinance Fund and analyzes the effect of microfinance services on the well-being of households in Sa Lin Township. Descriptive and quantitative research methods are applied in this study. Not only Primary but also secondary data are used in this study. Primary data is collected from 388 households who requested a loan from Pact Global Microfinance Fund from Sa Lin Township. Target population of this study are microfinance loan customers who requested a loan through Pact Global Microfinance Fund according to 2019 data. The survey is conducted in April 2023. The sample size of this study was 388 respondents out of 13,660 households in Sa Lin Township using Taro Yamane formula (1973).

The 5-point Likert scale is used in the structured questionnaire for measuring the perception of respondents. The structured questionnaire consists of two sections; Part A collects the demographic figures of respondents while Part B identifies the financial service activities provided by Pact Global Microfinance. In the 5-point Likert scale survey question, numerical values are ranked from strongly disagree to strongly agree like strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, and strongly agree = 5.

The descriptive statistics are considered, using Statistical Package for the Social Sciences, to examine the integrated microfinance services provided by Pact Global Microfinance Fund. In addition, multiple linear regression models are operated to analyze the effect of microfinance services on the well-being of households in Sa Lin Township.

The sample size is calculated by Taro Yamane Formula (1973), which are as the following:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{13,660}{1 + 13,660(0.05)^2}$$

$$n = 388 \text{ households}$$

where, N = Population of study

K = Constant (1)

e = degree of error expected

n = sample size

Based on the above formula, the sample size for this study was 388 households.

4.2 Reliability Test

The reliability of a measure is established by testing consistency and stability. Consistency indicates how well the items measuring a concept organize together as a set. Cronbach's alpha is a reliability coefficient that indicates how closely related a set of items. The range of coefficient of Cronbach's alpha and its reliability level is as shown in Table (4.1).

Table (4.1) Rule about Cronbach's Coefficient Alpha

No.	Coefficient of Cronbach's Alpha	Reliability Level
1	More than 0.9	Excellent
2	0.80 – 0.89	Good
3	0.70 – 0.79	Acceptable
4	0.60 – 0.69	Questionable
5	0.50 – 0.59	Poor
6	Less than 0.59	Unacceptable

Source: Sekaran & Bougie, 2009

Table (4.2) shows that the validity and reliability test results of all variables including integrated microfinance services that include loan services, saving services, beneficial welfare program, non-formal business education, healthcare services and well-being of households.

Table (4.2) Reliability Test

No.	Factors	Number of Items	Cronbach's Alpha	Interpretation
1	Loan Services	13	0.895	Good
2	Saving Services	13	0.898	Good
3	Beneficial Welfare Program	8	0.949	Excellent
4	Non-formal Business Education	9	0.888	Good
5	Healthcare Services	8	0.899	Good
6	Well-being	15	0.904	Excellent

Source: Survey Data, 2023

Since the alpha coefficients of the two variables are above 0.900, they have excellent internal consistency. This means that the items within each of the two variables are highly correlated with each other, suggesting that they are measuring the same underlying construct reliably. The alpha coefficients of the remaining four variables are above 0.800, indicating good internal consistency. This means that the items within these variables consistently measure the same underlying construct. Hence, the questions in the structured questions are consistent, and it can be concluded that the findings are valid and reliable in this study.

4.3 Demographic Profile of Respondents

The initial phase of analysis is to determine the characteristics of the respondents who participated in the study. The demographic characteristics of the respondents are developed in terms of background information of their personal characteristics. Firstly, the demographic profile of 388 respondents such as gender, age, education, occupation, monthly income, marital status, numbers of income generating person, literacy, and knowledge about loan application, times of taking loans, the reason of taking loans and knowing to take loan from PGMF are gathered. Each characteristic has been analyzed in terms of absolute value and described in percentage. The summary table of demographic characteristics is mentioned in Table (4.3) for a clearer understanding.

Table (4.3) Demographic Profile of Respondents

Sr. No.	Particulars		No. of Members	Percentage
1	Gender	Male	16	4.12
		Female	372	95.88
2	Age (Years)	21 – 30	32	8.25
		31 – 40	110	28.35
		41 – 50	118	30.41
		51 – 60	103	26.55
		61 and above	25	6.44
3	Education level	Not educated	13	3.35
		Under primary	128	32.99
		Primary & Monastery	140	36.08
		Medium-technical education	63	16.24
		Above Medium-technical education	31	7.99
		Graduated	13	3.35
4	Occupation	Grocery Shop owner	70	18.04
		Cow farming	19	4.90
		Goat farming	1	0.26
		Paddy trading	1	0.26
		Pig farming	10	2.58
		Farmer	214	55.15
		Dress maker	10	2.58
		Carpenter	2	0.52
		Casual workers	61	15.72
5	Monthly Income (In Kyats)	Under 350,000	32	8.25
		350,000 – 450,000	186	47.94
		450,000 – 550,000	107	27.58
		550,000 – 650,000	44	11.34
		650,000 – 750,000	19	4.90
6	Marital Status	Not married	34	8.76
		Married	310	79.90
		Divorced	8	2.06
		Widow	34	8.76
		Separated	2	0.52
7	No. of people with income in the household	1 Person	25	6.44
		2 Persons	155	39.95
		3 Persons	99	25.52
		4 Persons	68	17.53
		More than 4 Persons	41	10.57
8	Literacy	Yes	386	99.48
		No	2	0.52

Source: Survey Data, 2023

For gender, out of the 388 respondents, 96% are female and 4% are male. In the age group, most of the respondents are between forty and fifty years. In addition, the majority of the respondents are primary and monastery education level. But there are some respondents who are at university level. Most of the respondents are farmers and most respondents have monthly income between 350,000 MMKs and 450,000 MMKs. Most of the respondents are married, and two family members have income.

Table (4.4) Respondents Relationship with PGMF

Sr. No.	Particulars		No. of Members	Percentage
1	No. of times the loan was taken	1 st time	1	0.26
		2 nd time	31	7.99
		3 rd time	68	17.53
		4 th time	29	7.47
		5 th time	48	12.37
		More than 5 th times	211	54.38
2	The reason for taking the loan	Expanding an ongoing business	300	77.32
		Financial need	70	18.04
		Starting a new business	18	4.64
3	From where have you heard about PGMF's institution?	Neighbors	121	31.19
		Friends	39	10.05
		Relatives	25	6.44
		Advertisement	3	0.77
		Staff of the institution	177	45.62
		Others	23	5.93

Source: Survey Data, 2023

Table (4.4) shows the relationship between respondents and PGMF. Most respondents take loan services more than five times and the main reason to take the loan is to expand their ongoing business. Most of the respondents heard about the Pact Global Microfinance Fund from its staff.

4.4 Respondents Perception of Integrated Microfinance Services and Well-being of Households

In this study the integrated microfinance service factors are loan services, saving services, beneficial welfare program, non-formal business education and healthcare services.

Well-being of households in Sa Lin Township are identified in terms of integrated microfinance services. The mean scores and standard deviations of the statements of each variable in integrated microfinance services are exhibited in detail in Table (4.6) to Table (4.13).

Structured questions with 5-point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree) was used to find out the respondents' perception of integrated microfinance services and well-being of households. The range of mean scores is as shown in the following Table (4.5).

Table (4.5) Rule about Mean Score

No.	Mean Score	Interpretation
1	4.30 – 5.00	Very high
2	3.50 – 4.29	High
3	2.70 – 3.49	Moderate
4	1.90 – 2.69	Low
5	1.00 – 1.89	Very Low

Source: Zaki and Ahmad (2017).

According to Table (4.5), Zaki and Ahmad (2017) identified mean rating scale to interpret the survey data. The mean score is between 1 and 1.89 the degree of perception is interpreted as very low; 1.90-2.69 is low; 2.70 -3.49 is moderate; 3.50 -4.2 is high; and 4.30 - 5.00 is very high (Zaki and Ahmad, 2017).

4.4.1 Respondents' Perception of PGMF's Financial Services

In this study, it was observed that respondents liked PGMF's Financial Services for the following reasons:

The loan program provided by PGMF helps the people of Sa Lin starts a new business. It also increases business efficiency. Repayment procedures are convenient for borrowers and do not involve lengthy procedures for loans taken.

Also, saving money in PGMF is beneficial to the family and becomes a habit of saving, thus making it possible to manage consumption needs and health expenses.

PGMF's Beneficiary Welfare Program (BWP) can provide support to mitigate losses that hinder the socio-economic development of members. PGMF's BWP provides cash benefits, written-off loan balances on the death of members, and grants on the death of a spouse or close family member.

(1) Loan Services

In this study, one of the integrated microfinance services provided by Pact Global Microfinance Fund to households in Sa Lin is the loan services measured in thirteen items. According to the 5-point Likert type scale (Zaki and Ahmad, 2017) with respect to loan services, the results of mean value are shown in Table (4.6).

Table (4.6) Perception on Loan Services

Sr. No.	Description	Mean	Standard Deviation
1	PGMF's easy provision of loans to its members	4.02	.159
2	The reasonable interest rate offered by PGMF	4.05	.227
3	PGMF's provision of satisfying loans to rural people	4.04	.236
4	The loan application process that is easy to understand and follow from PGMF	4.02	.175
5	The absence of lengthy procedures in obtaining a loan from PGMF microfinance.	4.04	.236
6	The guarantee of loan approval when applied for from PGMF microfinance institution	4.02	.273
7	PGMF's loan program that is supportive of the people in Sa Lin	4.07	.270
8	The suitably made repayment procedures that PGMF offers to its borrowers	4.05	.259
9	The business performance increase brought about by PGMF's loan service	4.05	.244
10	The output increase of enterprises due to PGMF's loan service	4.02	.268
11	The ability to start a new business enabled by PGMF's loan service	4.05	.260
12	The assurance of children attending school afforded by PGMF's loan service	4.05	.284
13	The ease of access to health centers brought about by PGMF's loan service	4.01	.292
	Overall Mean	4.04	

Source: Survey Data, 2023

The Table (4.6) shows the results of a survey conducted to measure various aspects of PGMF's loan service, where a score of 4.04 is the overall mean. The three highest mean scores are for PGMF's loan program that is supportive of the people in Sa Lin (4.07), the suitably made repayment procedures that PGMF offers to its borrowers

(4.05), and the reasonable interest rate offered by PGMF (4.05). These descriptions indicate that PGMF's loan service is well-designed to support the borrowers' needs and provide them with a satisfying experience. Furthermore, the overall mean score of 4.04 means that the majority of borrowers agree with the loan services provided by PGMF.

(2) Saving Services

Saving services among integrated microfinance is evaluated with thirteen items. Mean values were measured on a 5-point Likert scale as follows:

Table (4.7) Perception on Saving Services

Sr. No.	Description	Mean	Standard Deviation
1	Enhancement of family savings through microfinance from PGMF	4.06	.267
2	Benefits of saving money in PGMF for me and my family	4.10	.318
3	Development of saving habits after joining PGMF microfinance	4.08	.285
4	The choice of PGMF for savings entrustment	4.03	.252
5	Savings helped us solve our problems in the past.	4.04	.260
6	Savings possibility after taking a loan from PGMF	4.07	.284
7	Approval of PGMF microfinance's savings opportunity	4.03	.231
8	Utilization of savings from PGMF microfinance for business expansion	4.07	.293
9	Increase in capital resources through savings for covering health services	4.03	.272
10	Increase in capital resources through savings for covering children's education expenses	4.04	.285
11	Repayment of loan facilitated by savings	4.09	.288
12	Smoothing of irregular income through savings for managing consumption needs	4.06	.247
13	Increase in income levels for generating more wealth through savings	4.06	.281
	Overall Mean	4.06	

Source: Survey Data, 2023

The Table (4.7) displays the mean scores for various perceptions related to saving services offered by PGMF microfinance. The three highest mean scores are 4.10 for the perception of benefits of saving money in PGMF for me and my family, 4.09 for repayment of loan facilitated by savings, and 4.08 for the development of saving habits after joining PGMF microfinance. These perceptions received the highest ratings from the respondents, indicating that they highly perceive these aspects of PGMF's saving services. The overall mean score is 4.06, meaning that the respondents generally have a high perception of PGMF's saving services.

(3) Beneficial Welfare Program

In this study, there are eight items regarding the beneficial welfare program of integrated microfinance services provided to households in Sa Lin. The survey was conducted by the questionnaire to find out means value as shown in Table (4.8).

Table (4.8) Perception on Beneficial Welfare Program

Sr. No.	Description	Mean	Standard Deviation
1	The Beneficiary Welfare Program (BWP) provided by PGMF	4.27	.446
2	Support assistance provided by BWP to mitigate losses hindering socio-economic development of members	4.23	.436
3	Cash benefits and loan balance write-offs provided by PGMF on death of members	4.30	.457
4	Cash assistance from PGMF received in a short period of time	4.22	.424
5	Allowance provided by PGMF's BWP in case of death of husband, wife, or a close family member	4.29	.454
6	Support provided by Beneficiary Welfare Program for home damage and agricultural loss due to natural disasters	4.16	.392
7	Entitlement of every member to PGMF's BWP	4.25	.439
8	Contributions to PGMF's BWP fund by both members and PGMF itself.	4.24	.432
	Overall Mean	4.24	

Source: Survey Data, 2023

The Table (4.8) shows the mean scores for various descriptions of the Beneficial Welfare Program based on the perceptions of the respondents. The three highest mean scores for Perception on Beneficial Welfare Program are: cash benefits and loan balance write-offs provided by PGMF on death of members with a mean score of 4.30, allowance provided by PGMF's BWP in case of death of husband, wife, or a close family member with a mean score of 4.29 and the Beneficiary Welfare Program (BWP) provided by PGMF with a mean score of 4.27. These scores indicate that the respondents perceived these aspects of the program as highly beneficial. Overall, the average mean score for all descriptions is 4.24, which represents that the respondents generally had a positive perception of the Beneficial Welfare Program.

4.4.2 Respondents' perception of PGMF's Non-Financial Services

In this study, it was observed that respondents like PGMF's Non-Financial Services for the following reasons.

Non-formal business education courses can help families manage their finances. In addition to supporting the acquisition of education and health knowledge, it always meets the needs of its members. In addition, with the knowledge gained from business education courses, they can use the loans successfully.

On the other hand, PGMF's efforts to provide health education, establish health funds in villages, and provide emergency health loans to its members are very supportive.

(1) Non-Formal Business Education

The measurement of the non-formal business education of integrated microfinance services in providing education to households who requested loan in Sa Lin contains nine items. The values of mean are determined by 5-point Likert scale as follows (Table 4.9):

Table (4.9) Perception on Non-Formal Business Education

Sr. No.	Description	Mean	Standard Deviation
1	Vocational or work-related training received from PGMF	4.03	.236
2	Well-organized features of the training (topic, depth, length, frequency, timing etc.)	4.02	.287
3	Necessary training for household finance provided by PGMF to create a knowledgeable microfinance environment	4.02	.291
4	Opportunities for members to improve their work skills through training	4.03	.290
5	Clear understanding of vocational or work-related training provided by PGMF staff	4.03	.299
6	Non-formal business education training program to support knowledge about family finance, education, and health	4.04	.280
7	Frequent provision of trainings	4.01	.238
8	Successful loan usage enabled by business education trainings	4.04	.224
9	Relevant training courses always in line with members' requirements	4.05	.227
	Overall Mean	4.03	

Source: Survey Data, 2023

The Table (4.9) represents the mean scores for different aspects of non-formal business education perception. The three highest mean scores are for "relevant training courses always in line with members' requirements" with a mean of 4.05, followed by "non-formal business education training program to support knowledge about family finance, education, and health" and "successful loan usage enabled by business education trainings" both with a mean score of 4.04. Overall, the participants have a highly positive perception of the non-formal business education program with an overall mean score of 4.03. The scores state that the training is well-organized, relevant, and useful in improving work skills and household finance knowledge.

(2) Healthcare Services

In this study, there are eight items regarding healthcare services of integrated microfinance services when providing microfinance services to households in Sa Lin. The survey was conducted by the questionnaire to find out the mean value shown in Table (4.10).

Table (4.10) Perception on Healthcare Services

Sr. No.	Description	Mean	Standard Deviation
1	Health education provision by PGMF	4.07	.265
2	Establishment of health fund in villages by PGMF	4.08	.299
3	Hospital visits of Sa Lin members due to microfinance participation	4.04	.303
4	Increased awareness of Sa Lin members regarding vaccine/medicine use by PGMF	4.03	.332
5	Integrated microfinance and health programs in Sa Lin by PGMF	4.06	.302
6	Provision of emergency health loans and loans for healthcare and education by PGMF	4.12	.360
7	Active involvement of PGMF in public health field in Sa Lin township since 2005 through health education and provision of maternity benefits and other health-related services	4.12	.400
8	Provision of primary healthcare services by PGMF health team with a focus on disease prevention and promotion of well-being	4.03	.312
	Overall Mean		4.07

Source: Survey Data, 2023

The Table (4.10) shows different healthcare services provided by PGMF and their respective mean scores for perception. The three healthcare services with the highest mean scores are provision of emergency health loans and loans for healthcare and education (4.12), and active involvement of PGMF in public health field in Sa Lin township since 2005 through health education and provision of maternity benefits and

other health-related services (4.12), and establishment of health fund in villages by PGMF (4.08). This implies that the participants highly agree with healthcare services provided by PGMF.

Table (4.11) Overall Mean Value of Integrated Microfinance Services Factors

Sr. No.		Factors	Mean	Std. Deviation
1	Financial Services	Loan Services	4.04	.16470
		Saving Services	4.06	.18420
		Beneficial Welfare Program	4.24	.37357
2	Non-Financial Services	Non-formal Business Education	4.03	.19275
		Healthcare Services	4.07	.24772

Source: Survey Data, 2023

The Table (4.11) shows the mean scores for different financial and non-financial services provided by a company or organization. The highest mean score was given to the Beneficial Welfare Program, with a score of 4.24, indicating that it is well-received by the users or communities.

The second-highest mean score of 4.06 is shared by two services - Savings Services and Well-being Services, indicating that they are also highly valued by the users.

In terms of financial services, Loan Services received a score of 4.04, which is lower than the mean scores for Saving Services and Beneficial Welfare Program. This can indicate that the users may not find the loan services as accessible or beneficial as other financial services.

Non-formal Business Education and Healthcare Services received mean scores of 4.03 and 4.07, respectively. However, since the scores are still above 4, they are still well-received by users, indicating that the non-financial services offered by the organization have shown some positive impact on its users.

4.4.3 Well-being of Households

Well-being consists of fifteen items. In relation to the 5-point Likert scale, almost all measured variables indicate high-level results. The mean values are shown below.

Table (4.12) Well-being of Households

Sr. No.	Description	Mean	Standard Deviation
1	The assistance of PGMF microfinance services in investing for business profits	4.07	.282
2	Sa Lin households' utilization of microfinance services from PGMF for meeting needs	4.05	.234
3	Coping with financial crises through PGMF microfinance	4.05	.233
4	Income increases from PGMF microfinance	4.06	.232
5	Reduction of private money lenders dependency with PGMF microfinance	4.06	.241
6	Participating in PGMF microfinance aiding children's schooling	4.04	.213
7	Improvement of the educational environment at home through participation in PGMF microfinance	4.05	.284
8	Purchasing sufficient stationery for children through participation in PGMF microfinance	4.07	.287
9	Increased purchasing power due to PGMF services	4.07	.298
10	Increased consumption level resulting from PGMF microfinance	4.05	.244
11	Awareness enhancement of safe drinking water usage (filtered/boiled) due to PGMF health education programs	4.04	.261
12	Proper utilization of toilets by Sa Lin people from participating in PGMF health education programs	4.06	.277
13	Household living standards improvement through microfinance services	4.08	.286
14	Children's education standards improvement through microfinance services	4.09	.291
15	Healthcare improvement aided by microfinance services.	4.13	.349
	Overall Mean	4.06	

Source: Survey Data, 2023

The Table (4.12) shows the mean scores of various aspects related to the well-being of households as a result of microfinance services provided by PGMF. The three highest mean scores are for "healthcare improvement aided by microfinance services" (4.13), "children's education standards improvement through microfinance services" (4.09), and "household living standards improvement through microfinance services" (4.08). These indicate that PGMF microfinance services have a positive impact on healthcare, education, and household standards of living. Other aspects with high mean scores (above 4.0) include assistance in investing for business profits, reduction of private money lenders dependency, increased purchasing power and consumption level, and coping with financial crises. Therefore, most respondents highly perceive the well-being of households as PGMF provided integrated microfinance services.

4.5 Relationship between Integrated Microfinance Services on Well-being

The correlation analysis is conducted to describe meaningful relationships between integrated microfinance services (loan services, saving services, beneficial welfare program, non-formal business education, healthcare services) and well-being of households.

The correlation analysis is conducted between integrated microfinance services and well-being of households. It serves as a means to measure the relationship between independent variables and the dependent variable. In the Pearson correlation test, the significance level is typically set at 0.05, corresponding to a confidence level of 95% (Malhorta, 2010).

Table (4.13) Correlation among Integrated Microfinance Services and Well-being

Independent Variables	Well-being of Households	
	Pearson Correlation	Sig. (2-tailed)
Loan Services	0.495**	0.000
Saving Services	0.667**	0.000
Beneficial Welfare Program	0.266**	0.000
Non-formal Business Education	0.497**	0.000
Healthcare Services	0.431**	0.000

Source: Survey Data, 2023

According to correlation analysis Table (4.13), there are correlations among loan services, saving services, beneficial welfare program, non-formal business education, healthcare services and well-being of households at 0.01 significant level.

4.6 Effect of Integrated Microfinance Services on Well-being of Households in Sa Lin Township

Multiple linear regression analysis is also performed to reveal the effect of the independent variable (integrated microfinance services) on dependent variable (well-being of households in Sa Lin). The result of the multiple linear regression is illustrated in the following Table (4.14).

Table (4.14) The Effect of Integrated Microfinance Services on Well-being of Households in Sa Lin Township

Dependent Variable: Well-being	Unstandardized Coefficients		β	t	Sig.	VIF
	B	Std. Error				
(Constant)	0.694	0.152		4.571	0.000	
Loan Services	-0.066	0.047	-0.062	-1.392	0.165	2.010
Saving Services	0.369***	0.042	0.386	8.699	0.000	2.015
Beneficial Welfare Program	0.014	0.016	0.030	0.888	0.375	1.131
Non-formal Business Education	0.342***	0.038	0.375	8.975	0.000	1.779
Healthcare Services	0.173***	0.029	0.244	5.918	0.000	1.735
R Square	0.626					
Adjusted R Square	0.621					
F Value	127.914***					
Statistically significant indicate *** at 1%, ** at 5%, and * at 10% level						

Source: Survey Data, 2023

The regression table shows the results of a multiple regression analysis where the dependent variable is well-being, and the independent variables are loan services, saving services, beneficial welfare program, non-formal business education, and healthcare services.

The model shows that saving services, non-formal business education, and healthcare services have a statistically significant positive effect on well-being, as indicated by their positive unstandardized coefficients (0.369, 0.342, and 0.173, respectively) and significant t-values (8.699, 8.975, and 5.918, respectively). This means that an increase in the use of saving services, non-formal business education, or healthcare services by one unit is associated with an increase in well-being by the corresponding value of the coefficient.

On the other hand, loan services and the beneficial welfare program do not have a statistically significant effect on well-being, as indicated by their non-significant t-values (1.392 and 0.888, respectively). This means that these variables are not useful predictors of well-being in this model.

The overall model is significant, as indicated by the F-value of 127.914 and a statistically significant value ($p < 0.01$), meaning that the model as a whole is useful in explaining the variation in well-being. The R-squared value indicates that the model explains 62.6% of the variability in well-being, which is a relatively good fit.

The VIF values for all the independent variables fall below the threshold of 10, indicating that multicollinearity is not present among these variables. Overall, the results suggest that saving services, non-formal business education, and healthcare services are important factors that positively contribute to the well-being of individuals.

CHAPTER V

CONCLUSION

This conclusion section presents findings and discussion drawn from the results of data analysis regarding the integrated microfinance services affecting well-being of households in Sa Lin. Then, the recommendation section presents the suggestion and the needs for further studies.

5.1 Findings and Discussions

The results reveal that most of the respondents are female, and most respondents are between forty to fifty years who earn hard for their family. Although most respondents went to attended primary school and monastery, there are some respondents who went to university. It means that there are few educated people as it is in an underdeveloped township. The fact that most of the respondents are farmers means they may need social and health care as their earnings may not be enough for their family. Most respondents are married and therefore they must earn money to be able to cover their expenses. The fact most respondents take loan services more than five times means that the households in Sa Lin can continue expanding their family business. Most respondents know the microfinance services from PGMF staff. It means that there are more things to do to raise awareness of microfinance services in Sa Lin as microfinance institution.

Relating to the first objective of examining integrated microfinance services provided by Pact Global Microfinance Fund in Sa Lin Township, the results of the survey show that the borrowers highly value PGMF's loan service, where the loan program that is supportive of the people in Sa Lin received the highest mean score. This indicates that PGMF's loan service is well-designed to cater to the needs of the borrowers. Furthermore, the borrowers also highly value PGMF's saving services, with the perception of benefits of saving money and development of saving habits receiving the highest mean scores. The perception of the Beneficial Welfare Program is also high, with cash benefits and loan balance write-offs provided by PGMF on death of members receiving the highest rating.

The non-formal business education training program and healthcare services provided by PGMF are also highly valued by the respondents, with relevant training

courses and successful loan usage enabled by business education trainings receiving the highest mean scores in non-formal business education perception. In healthcare services, emergency health loans, active involvement of PGMF in public health, and the establishment of health fund in villages received the highest ratings. Finally, the well-being of households as a result of microfinance services provided by PGMF is highly perceived by the respondents. Healthcare improvement, children's education standards improvement, and household living standards improvement received the highest mean scores, indicating that PGMF's integrated microfinance services positively impact the well-being of households.

When the effect of integrated microfinance services on well-being of households is analyzed, the results indicate that saving services, non-formal business education, and healthcare services are significant predictors of well-being. As individuals increase their usage of these services, their well-being also increases. However, the findings suggest that loan services and the beneficial welfare program do not have a significant effect on well-being. This can indicate that these programs may need to be re-evaluated to assess their effectiveness in contributing to well-being, or it may suggest that these services may not be significant predictors of well-being in this context.

5.2 Suggestions and Recommendations

After reviewing the findings, the recommendations and suggestions that came out are as follows:

In the analysis of loan services of integrated microfinance services, while the loan program is perceived positively by respondents, it may be useful to explore ways to further improve access to health centers through PGMF's loan service to increase its rating.

This study found that the choice of PGMF for savings entrustment, approval of PGMF microfinance's savings opportunity and the increase in capital resources through savings for covering children's education expenses received slightly lower ratings. PGMF may consider making changes to better support these aspects of family savings.

Through the beneficiary welfare program, improvements may be needed to enhance support provided by the BWP for home damage and agricultural loss due to natural disasters.

According to the findings of the study, improving the frequency of provision of training may further increase satisfaction among members.

With regard to healthcare services, there may be a lack of awareness among the beneficiaries regarding the healthcare services and benefits provided by PGMF. Therefore, PGMF may need to create more awareness and educate the beneficiaries about their health-related services and benefits.

Another aspect with a relatively low mean score is the provision of primary healthcare services by the PGMF health team. This could indicate that the respondents may not fully agree with the quality or frequency of the primary healthcare services provided by PGMF. Therefore, it is recommended that PGMF focus on improving the quality and accessibility of their primary healthcare services to better serve the needs of the beneficiaries.

The finding described it may be useful to explore ways to further enhance awareness enhancement of safe drinking water usage and participating in PGMF microfinance aiding children's schooling to improve the ratings for these aspects.

It is suggested that loan services and the beneficial welfare program do not have a significant effect on well-being. Therefore, PGMF may consider re-evaluating these programs to assess their effectiveness in contributing to well-being or explore other services that are more effective in contributing to well-being for households.

5.3 Needs for Further Studies

This study focuses only integrated microfinance services (loan services, saving services, beneficial welfare program, non-formal business education and healthcare services) and their influence on well-being of households and the effect of integrated microfinance services on well-being of households in Sa Lin.

This research was only conducted for microfinance services provided by PGMF. This research was conducted on the rural members of PGMF. This result is a result based on rural credit, and if research is done at the Micro-small and medium enterprise (MSME) level, it should consider conducting research on how the result at MSME level will affect well-being of households. Therefore, there is still a need to conduct socio-economic and well-being research.

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APPENDIX A

Survey Questionnaire

Dear Respondents,

I am a student at Yangon University of Economics pursuing a master's degree in Banking and Finance. This is a Questionnaire to be filled in by the beneficiaries of Pact Global Microfinance Fund (PGMF) in Sa Lin. This research is carried out on the partial fulfilment of the requirements for the completion of a master's degree in Banking and Finance Programme of Yangon University of Economics. You can be sure about the confidentiality of your responses since it is restricted for the mere proper conduct of the study. Above all I express my heartfelt gratitude to every respondent of my questionnaire for sharing me your valuable information and time.

SECTION (A) Demographic Factors of Respondent

Below are some questions to get a better overall view of the respondent. Please note that all data remains anonymous.

Respondent's Details

1. What is your gender?

- Male Female

2. What is your age range?

- less than 20 years 21 - 30 years 31-40 years
 41-50 years 51-60 years > 60 years

3. What was your last educational stage?

- Not educated Under primary Primary & Monastery
 Medium-technical education Above Medium-technical Education
 Graduated

4. What is your job?

- Grocery Shop owner Farmer Dress maker Carpenter
 Casual workers Others, please specify

5. Monthly Income (MMK)

- Under 350,000
- Between 350,000 – 450,000
- Between 450,000 – 550,000
- Between 550,000 – 650,000
- Between 650,000 – 750,000

6. Marital Status

- Not married
- Married
- Divorced
- Widow
- Separated

7. How many people have income in the household?

- 1
- 2
- 3
- 4
- More than 4

8. Do you know how to read?

Ability to read.

- Yes
- No

9. How many times have you took a loan before this one?

- 1
- 2
- 3
- 4
- 5
- More than 5 times

10. Why did you take this loan?

- Expanding an ongoing business
- financial need
- For Health
- Starting a new business
- Others, specify

11. From where have you heard about this institution?

- Neighbors
- Friends
- Relatives
- Advertisement
- Staff of the institution
- Others

Please continue to Section B.

SECTION (B) Financial Service Activities Provided by Pact Global Microfinance

Fund

Please tick (√) in the box to indicate how agreeable you are with the following statements. The measurements are remarked as 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neutral (N), 4 = Agree (A) and 5 = Strongly Agree (SA).

Part I: Could you please describe your perspective regarding the loan service of PGMF in the following statements?

Sr. No.	Statement	Scale				
		1	2	3	4	5
1	PGMF easily provides loans to members.					
2	The Interest rate is reasonable.					
3	PGMF provides the rural people with satisfying loans.					
4	The loan application process is easy to understand and follow.					
5	Getting a loan from PGMF microfinance does not involve lengthy procedures.					
6	Loans applied for PGMF microfinance institution are always granted.					
7	The loan program provided by PGMF is supportive for people in Sa Lin.					
8	The repayment procedures are suitably made for borrowers.					
9	Loan service increases the business performance.					
10	Loan service increase output of the enterprise.					
11	Loan service enables to start a new business.					
12	Loan service ensures children attend school.					
13	Loan service leads to ability to access health centers.					

Part II: Could you please describe your perspective on the saving services provided by PGMF in the following statements?

Sr. No.	Statement	Scale				
		1	2	3	4	5
1	Microfinance from PGMF enhances the savings in the family.					
2	Saving money in PGMF is beneficial for me and my family.					
3	I have a saving habit after I joined the PGMF microfinance.					
4	I chose PGMF to entrust my savings.					
5	Savings helped us solve our problems in the past.					
6	Savings can be made after taking a loan from PGMF.					
7	I approve the provided saving opportunity from PGMF microfinance.					
8	Savings from PGMF microfinance can help business expand.					
9	Savings increase capital resources to cover health services.					
10	Savings increase capital resource to carter for children's education.					
11	Savings enables repayment of loan.					
12	Savings soften irregular income to manage consumption needs.					
13	Savings increase income levels to generate more wealth.					

Part III: How would you identify the beneficial welfare program of PGMF in the following statements?

Sr. No.	Statement	Scale				
		1	2	3	4	5
1	BWP provided by PGMF is beneficial for all members.					
2	The Beneficiary Welfare Program (BWP) can provide support assistance to mitigate the losses that hinder the socio-economic development of the members.					
3	PGMF provides cash benefits and write-offs of loan balances on death of members.					
4	Cash assistance from PGMF get in a short period of time.					
5	In case of death of husband or wife or a close family member, PGMF's BWP provide the allowance.					
6	Beneficiary Welfare Program also provides support for home damage and agricultural loss due to natural disasters (fire, flood, erosion, windstorm, landslide, and earthquake).					
7	Every member is entitled to BWP of PGMF.					
8	PGMF's BWP fund is contributed not only by members themselves but also by PGMF.					

Part IV: Could you please describe your perspective regarding the Non-formal Business Education services provided by PGMF in the following statements?

Sr. No.	Statement	Scale				
		1	2	3	4	5
1	I have received vocational or work-related training from PGMF.					
2	The features (topic, depth, length, frequency, timing etc.) of the training are organized well.					
3	PGMF provides necessary training for the household's finance to create an environment in which people are knowledgeable about microfinance.					
4	Members get training opportunities, therefore, to improve their work skills.					
5	I understand clearly about vocational or work-related training provided by PGMF staff.					
6	A training program for non-formal business education can support getting knowledge about family finance, education, and health.					
7	Trainings are frequently provided.					
8	Business education trainings enables successful loan usage.					
9	Trainings courses are always relevant to the requirement of the members.					

Part V: Could you please describe your perspective in the following statements regarding the healthcare services provided by PGMF?

Sr. No.	Statement	Scale				
		1	2	3	4	5
1	PGMF provides health education.					
2	PGMF establishes a health fund in villages.					
3	Members from Sa Lin regularly visits the hospital for health check-up because of participating in microfinance.					
4	PGMF increases the awareness of members from Sa Lin regarding use of vaccine/medicine.					
5	PGMF practices integrated microfinance and health programs in Sa Lin.					
6	The PGMF provides emergency health loans along with loans for healthcare services and education.					
7	PGMF became actively involved in the public health field starting from 2005 in Sa Lin township through health education and provision of maternity benefits and other health related.					
8	PGMF health team provides a wide range of primary health care services, but the main thing is to provide simple, lifesaving health information focus on disease prevention and promotion of well-being.					

Part VI: Could you please describe your perspective on the state of wellbeing regarding the microfinance services provided by PGMF in the following statements?

Sr. No.	Statement	Scale				
		1	2	3	4	5
1	PGMF microfinance services help member invests to make profits in their business.					
2	The households in Sa Lin meet their needs by acquiring microfinance services from PGMF.					
3	PGMF microfinance helps to deal with the financial crisis of the family.					
4	PGMF microfinance increases the income of the family.					
5	PGMF microfinance reduces dependency on private money lenders.					
6	Participation in PGMF microfinance helps children go to school.					
7	Participation in PGMF microfinance improves educational environment at home.					
8	Participation in PGMF microfinance helps to purchase enough stationery for children as required.					
9	Purchasing power has increased after getting the services of PGMF.					
10	Consumption level has been increased by getting microfinance from PGMF.					
11	There is increased awareness regarding the use of safe drinking water (Filtered/boiled) because of the health education programs of PGMF.					
12	People from Sa Lin can properly use toilets as a result of participating in health education programs of PGMF.					
13	Microfinance services enhance living standards of households.					
14	Microfinance services improve children education standards.					
15	Microfinance services assist in improving healthcare.					

Thank you very much for your participation.

APPENDIX (B)

Statistical Output

Reliability Statistics

Cronbach's Alpha	N of Items
.895	13

Item Statistics

	Mean	Std. Deviation	N
LS1	4.02	.159	388
LS2	4.05	.227	388
LS3	4.04	.236	388
LS4	4.02	.175	388
LS5	4.04	.236	388
LS6	4.02	.273	388
LS7	4.07	.270	388
LS8	4.05	.259	388
LS9	4.05	.244	388
LS10	4.02	.268	388
LS11	4.05	.260	388
LS12	4.05	.284	388
LS13	4.01	.292	388

Reliability Statistics

Cronbach's Alpha	N of Items
.898	13

Item Statistics

	Mean	Std. Deviation	N
SS1	4.06	.267	388
SS2	4.10	.318	388
SS3	4.08	.285	388
SS4	4.03	.252	388
SS5	4.04	.260	388
SS6	4.07	.284	388
SS7	4.03	.231	388
SS8	4.07	.293	388
SS9	4.03	.272	388
SS10	4.04	.285	388
SS11	4.09	.288	388
SS12	4.06	.247	388
SS13	4.06	.281	388

Reliability Statistics

Cronbach's Alpha	N of Items
.949	8

Item Statistics

	Mean	Std. Deviation	N
BWP1	4.27	.446	388
BWP2	4.23	.436	388
BWP3	4.30	.457	388
BWP4	4.22	.424	388
BWP5	4.29	.454	388
BWP6	4.16	.392	388
BWP7	4.25	.439	388
BWP8	4.24	.432	388

Reliability Statistics

Cronbach's Alpha	N of Items
.888	9

Item Statistics

	Mean	Std. Deviation	N
NFBE1	4.03	.236	388
NFBE2	4.02	.287	388
NFBE3	4.02	.291	388
NFBE4	4.03	.290	388
NFBE5	4.03	.299	388
NFBE6	4.04	.280	388
NFBE7	4.01	.238	388
NFBE8	4.04	.224	388
NFBE9	4.05	.227	388

Reliability Statistics

Cronbach's Alpha	N of Items
.899	8

Item Statistics

	Mean	Std. Deviation	N
HCS1	4.07	.265	388
HCS2	4.08	.299	388
HCS3	4.04	.303	388
HCS4	4.03	.332	388
HCS5	4.06	.302	388
HCS6	4.12	.360	388
HCS7	4.12	.400	388
HCS8	4.03	.312	388

Reliability Statistics

Cronbach's Alpha	N of Items
.904	15

Item Statistics

	Mean	Std. Deviation	N
WBH1	4.07	.282	388
WBH2	4.05	.234	388
WBH3	4.05	.233	388
WBH4	4.06	.232	388
WBH5	4.06	.241	388
WBH6	4.04	.213	388
WBH7	4.05	.284	388
WBH8	4.07	.287	388
WBH9	4.07	.298	388
WBH10	4.05	.244	388
WBH11	4.04	.261	388
WBH12	4.06	.277	388
WBH13	4.08	.286	388
WBH14	4.09	.291	388
WBH15	4.13	.349	388

Descriptive Statistics

	N	Mean	Std. Deviation
Loan_Service	388	4.0378	.16470
Saving_Service	388	4.0591	.18420
Beneficiary_Welfare_Program	388	4.2452	.37357
Nonformal_Business_Education	388	4.0301	.19275
Healthcare_Services	388	4.0693	.24772
Wellbeing_Households	388	4.0644	.17578
Valid N (listwise)	388		

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.791 ^a	.626	.621	.10819	.626	127.914***	5	382	.000	1.622

a. Predictors: (Constant), Healthcare_Services, Beneficiary_Welfare_Program, Loan_Service, Nonformal_Business_Education, Saving_Service

b. Dependent Variable: Wellbeing_Households

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.694	.152		4.571	.000		
Loan_Service	-.066	.047	-.062	-1.392	.165	.497	2.010
Saving_Service	.369***	.042	.386	8.699	.000	.496	2.015
Beneficiary Welfare_Program	.014	.016	.030	.888	.375	.884	1.131
Non-formal Business Education	.342***	.038	.375	8.975	.000	.562	1.779
Healthcare Services	.173***	.029	.244	5.918	.000	.576	1.735

a. Dependent Variable: Wellbeing_Households

Correlations

		Loan Service	Saving Service	Beneficiary Welfare Program	Non-formal Business Education	Health care Services	Well-being House holds
Loan Service	Pearson Correlation	1	.667**	.266**	.497**	.431**	.495**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	388	388	388	388	388	388
Saving Service	Pearson Correlation	.667**	1	.266**	.467**	.468**	.642**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	388	388	388	388	388	388
Beneficiary Welfare Program	Pearson Correlation	.266**	.266**	1	.070	-.009	.140**
	Sig. (2-tailed)	.000	.000		.167	.859	.006
	N	388	388	388	388	388	388
Nonformal Business Education	Pearson Correlation	.497**	.467**	.070	1	.603**	.674**
	Sig. (2-tailed)	.000	.000	.167		.000	.000
	N	388	388	388	388	388	388
Healthcare Services	Pearson Correlation	.431**	.468**	-.009	.603**	1	.624**
	Sig. (2-tailed)	.000	.000	.859	.000		.000
	N	388	388	388	388	388	388
Wellbeing Households	Pearson Correlation	.495**	.642**	.140**	.674**	.624**	1
	Sig. (2-tailed)	.000	.000	.006	.000	.000	
	N	388	388	388	388	388	388

** . Correlation is significant at the 0.01 level (2-tailed).

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	372	95.9	95.9	95.9
	Male	16	4.1	4.1	100.0
	Total	388	100.0	100.0	

Age Group

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21-30 years	32	8.25	8.25	8.25
31-40 years	110	28.35	28.35	36.60
41-50 years	118	30.41	30.41	67.01
51-60 years	103	26.55	26.55	93.56
>60 years	25	6.44	6.44	100.00
Total	388	100.00	100.00	

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not educated	13	3.35	3.35	3.35
Under primary	128	32.99	32.99	36.34
Primary & Monastery	140	36.08	36.08	72.42
Medium-technical education	63	16.24	16.24	88.66
Above Medium-technical education	31	7.99	7.99	96.65
Graduated	13	3.35	3.35	100.00
Total	388	100.00	100.00	

Job

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Carpenter	2	0.52	0.52	0.52
Casual Workers	61	15.72	15.72	16.24
Cow farming	19	4.90	4.90	21.13
Dress Maker	10	2.58	2.58	23.71
Farmer	214	55.15	55.15	78.87
Goat Farming	1	.26	.26	79.12
Grocery Shop Owner	70	18.04	18.04	97.16
Paddy Trading	1	.26	.26	97.42
Pig Farming	10	2.58	2.58	100.00
Total	388	100.00	100.00	

Monthly_Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Under 350,000	32	8.25	8.25	8.25
Between 350,000-450,000	186	47.94	47.94	56.19
Between 450,000-550,000	107	27.58	27.58	83.76
Between 550,000-650,000	44	11.34	11.34	95.10
Between 650,000-750,000	19	4.90	4.90	100.00
Total	388	100.00	100.00	

Marital_Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Divorced	8	2.06	2.06	2.06
Married	310	79.90	79.90	81.96
not married	34	8.76	8.76	90.72
Separated	2	0.52	0.52	91.24
Widow	34	8.76	8.76	100.00
Total	388	100.00	100.00	

Income_Household

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 Person	25	6.44	6.44	6.44
2 Persons	155	39.95	39.95	46.39
3 Persons	99	25.52	25.52	71.91
4 Persons	68	17.53	17.53	89.43
more than 4	41	10.57	10.57	100.00
Total	388	100.00	100.00	

How_to_read

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	2	0.52	0.52	0.52
yes	386	99.48	99.48	100.00
Total	388	100.00	100.00	

Took a loan before this one

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 time	1	0.26	0.26	0.26
2 times	31	7.99	7.99	8.25
3 times	68	17.53	17.53	25.77
4 times	29	7.47	7.47	33.25
5 times	48	12.37	12.37	45.62
more than 5 times	211	54.38	54.38	100.00
Total	388	100.00	100.00	

take_this loan

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Expanding an ongoing business	300	77.32	77.32	77.32
Financial Need	70	18.04	18.04	95.36
Starting a new business	18	4.64	4.64	100.00
Total	388	100.00	100.00	

heard_institution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Advertisement	3	0.77	0.77	0.77
Friends	39	10.05	10.05	10.82
Neighbors	121	31.19	31.19	42.01
other	1	.26	.26	42.27
Other	22	5.67	5.67	47.94
Relatives	25	6.44	6.44	54.38
Staff of the institution	177	45.62	45.62	100.00
Total	388	100.00	100.00	