

ABSTRACT

Microfinance is a special financial program which provides small loans to poor people who could not access to the traditional bank loans. It is usually offered by financial institutions like banks or non-profit making institutions based on the group lending method.

The study of microfinance attracts more attention recently because microfinance is believed to be able to create a wider and deeper financial market in developing countries. Microfinance is also studied by governments as one of the policy instruments for rural development and poverty relief.

The overall objective of this research is to determine the consequence of Microfinance project on rural women's socio-economic condition in Dry zone area in Myanmar. Based on the above objective, the study was conducted to compare the Microfinance beneficiaries' and non-beneficiaries' living conditions, and to examine relationships of Microfinance mechanism in term of training and investment with rural women's socio-economic condition.

This research uses a subtype of ex post facto design of survey method. 254 sets of questionnaires are used as an instrument for collecting the primary data. The target population is women who currently access to the Microfinance project and who do not in the Dry Zone area of Myanmar.

The analysis carried out the data in frequency form by using descriptive analysis. The reliability of observed data is testified by using reliability test that determines the repeatability or internal consistency of the scale as a whole, to which the items in questionnaire are related to each other. Comparison test is used to test the differences of socio-economic conditions between Microfinance beneficiaries and

non-beneficiaries in seven sets of hypotheses. Correlation test examines the relationship between Microfinance mechanism and socio-economic conditions in seven sets of hypotheses.

Results from the comparison test confirmed that six out of seven hypotheses had statistical significant differences. Only the hypothesis of children's education did not show the difference between Microfinance beneficiaries and non-beneficiaries. It showed that Microfinance beneficiaries had better socio-economic condition than non-beneficiaries did. From the findings, we can conclude that Microfinance improve the socio-economic conditions of poor women and their households in the study area.

Results from the relationship test showed women's income was significantly related to training and investment. In addition, household health and women's social opportunity had relationship with women's income. Other three hypotheses testing relationship between women's income and children education, housing condition and household consumption did not show the statistical significant. It proved that Microfinance mechanism had improved the women's income. However, the women's income utilization into household socio-economic conditions was still at low level. In associate with higher income, women gained higher role in household and community.