

SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON DALIT WOMEN

(A case study of Nocha VDC of Morang district)

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TU Reg. No. : 7-1-3-1073-2000

A Thesis Submitted to

Office of the Dean

Faculty of Management

Tribhuvan University

In partial fulfillment to the requirements for the

Degree of

Master of Business Studies (M.B.S.)

Kathmandu, Nepal

December 2013

RECOMMENDATION

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Entitled

SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON DALIT WOMEN

(A case study of Nocha VDC of Morang district)

has been prepared as approved by this department in the prescribed format for faculty of management. This thesis is forwarded for final evaluation.

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SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON DALIT WOMEN

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SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON DALIT WOMEN

(A case study of Nocha VDC of Morang district)

submitted through Shanker Dev Campus to Office of Dean, Faculty of management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement for Master's Degree in Business Studies under the supervision of Prof. Amuda Shrestha and Dhurba Subedi.

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ACKNOWLEDGEMENT

This study entitled **SOCIO-ECONOMIC IMPACT OF MICROFINANCE ON DALIT WOMEN** - A case study of Nocha VDC of Morang district is carried out for the partial fulfillment of Master's Degree in Business Studies from the Shanker Dev Campus, Kathmandu.

First of all, I would like to express my gratitude to Prof. Amuda Shrestha and Mr. Dhurba Subedi for their scholarly guidance and supervision to prepare this thesis work. I am grateful to Prof. Dr. Kamal Deep Dhakal for providing me an opportunity to work on this study. I am also deeply indebted to all my respected teachers for their valuable information and suggestions.

I owe to my parents and family members, who inspired and encouraged me in the preparation of the study. Similarly, I can't forget my Wife Sushila who supported intensively to complete my work.

I would like to express my sincere thanks to the official staffs and clients of Jeevan Bikash Samaj Office for their kind cooperation to provide the valuable information required for study and their help in data collection.

Finally, I owe my gratefulness to everyone who extends help in the preparation of this thesis and for encouraging me to conduct a research on the important topic in rural development.

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Abbreviations

ADB	-	Asian Development Bank
AGM	-	Annual General Meeting
BWTP	-	Bank with the Poor
BWTP	-	Banking with the Poor Network
C.V.	-	Coefficient of variance
CB	-	Commercial Banks
CBOs	-	Community-based Organizations
CBS	-	Center Bureau of Statistics
CMF	-	Center for Micro Finance
CSD	-	Center for Self-help Development
DEPROSC	-	Development Project Service Centre
DHO	-	District Health Office
ECCD	-	Early Child Care and Development
FCHV	-	Female Community Health Volunteers
GOs	-	Government Organizations
IBP	-	Intensive Banking Program
ILO	-	International Labor Organization
INGOs	-	International Non-governmental Organizations
IRIS	-	Institutional Reform and the Informal Sector
JBS	-	Jeevan Bikash Samaj
LIBON	-	Local Innovation For better Outcomes for neonates
MCHW	-	Maternal on Child Health Worker
MCPW	-	Micro Credit Program for women
MFIs	-	Micro-finance Institutions
NEFSCUN	-	Nepal Federation of Saving and Credit co-operative Unions
NGOs	-	Non-governmental Organizations
NHDR	-	Nepal Human Development Report
NPC	-	National Planning Commission
NRB	-	Nepal Rastra Bank
PAPWT	-	Poverty Alleviation Project in Western Terai

PCRW	-	Production Credit for Rural Woman
PRSP	-	Poverty Reduction Strategy Paper
PSLP	-	Priority Sector Lending Program
PVSE-	-	Poor, vulnerable and socially excluded groups
RMDC	-	Rural Micro-Finance Development Centre'
ROSCAs	-	Rotating Savings and Credit Associations
RSF	-	Rural Self-Reliant Fund
RSRF	-	Rural Self Reliance Fund
S.D.	-	Standard Deviation
SCGs	-	Savings and Credit Groups
SCO's	-	Saving and Credit Co-operatives
SFCLs	-	Small Farmers Cooperatives Limited
SFDP	-	Small Farmers development program
TBA -	-	Trained women Birth Attendance
TLDP	-	Third Livestock Development programme
UNCDF	-	United Nations Capital Development Fund
UNDP	-	United Nation Development Programme
VDC	-	Village Development Committee
VHW	-	Village Health Worker
WFP	-	World Food Programme

CHAPTER I

INTRODUCTION

1.1 Background

Nepal is one of the poorest countries in the world. Nepalese economy is characterized by its poverty with low per capita income. Approximately 31 percent population of the country is under poverty line.

According to National Living Standard Survey (III) 2010/11, poverty is high in the rural areas as compared to the urban areas. Approximately 31% people of rural areas are in below the poverty line whereas it is only 10% in urban areas.

Over the period of three decades (from 1976/77 to 2003/04), overall poverty only has been decreased by 5.3%, rural poverty by 2.6% and urban poverty by 7.4%. Third Nepal Living Standards Survey (NLSS-III) said Nepal recorded 5.7 percent decline in absolute poverty in between 2003-04 and 2009-10. It means there is no substantial achievement in poverty reduction efforts in Nepal. UN has also prioritized poverty reduction in millennium development goals. Main objective of the current Three Year current Interim Plan (2010 – 2013) is also to reduce unemployment, poverty and inequality in the country. (Three Year Interim Plan, 2010:26)

We have been determining goals and targets for long time, but failing to get them. Again goal has been set to reduce poverty, which can be attained by making easier access of resources to the poor community, marginalized groups and the people living in remote areas. Micro-credit is one of the solid ways to simplify access of financial resources to poor.

Generally, micro-credit services are rendered by formal and informal institutions and individuals. In Nepal, Rural development banks, saving and credit cooperatives, INGOs, donor institutions and some other organizations are rendering micro-credit services through GOs, NGOs and CBOs. Similarly, Community based informal institutions like: Dhukuti, community saving groups and local businessmen are providing micro-credit services to low income households, poor and people living in remote areas.

There are several types of formal microfinance institutions (MFIs) such as Regional Rural Development Banks, financial intermediary Non-Governmental Organizations, and saving and credit Cooperatives etc.

This study aims to find out and analyze the impacts of Joints efforts of JEEVAN BIKAS SAMAJ in terms of micro-credit and relevant other service provisions for economic and socio-cultural empowerment of local poor. It is believed that micro-credit not only contributes to the economic improvement of the poor but also helps to reduce the vulnerability, powerlessness, social exclusion and increase their access to basic services.

For example, it brings unorganized and diverse groups of poor into one umbrella. It encourages them to be united and utilize available means and resources within the group members in order to fulfill their economic, social and environmental needs. It encourages commercializing their skills and sources to get benefits from them (economic empowerment). Formation of groups minimizes their helplessness powerlessness and social exclusion and that ultimately makes them capable to live in the society with dignity (social empowerment). The increased social bargaining power makes them accessible to basic services such as education, health, water, sanitation, finance and roads. Thus, theoretically, there is close relation between micro-credit and empowerment of the poor. This study has revealed various aspects of economic and socio-cultural empowerment of poor dalit women. In addition, it has also suggested some measures to fulfill the identified gaps.

Globally, it is a proven fact that micro-credit service can contribute in empowerment of poor. However, sufficient studies have not been conducted so far in Nepal in this connection. Nocha VDC is one among those VDCs in Nepal where no such studies have been conducted so far. It means global proven fact is still to be tested in the local context. This study is a step towards it. Furthermore, keeping in mind the above reality, this study, therefore, has focused on the impacts of micro-credit programs with particular focus on dalit community's women giving equal importance on economic and socio-cultural dimensions.

This study has tried to measure both 'absolute' and 'perceived' value of economic empowerment in order to substantiate the 'numerical' achievement by 'non-numerical' achievements. Social empowerments were analyzed by

using by generally agreed indicators. This study has also identified the underlying problems/issues relating to the microcredit schemes and subsequently provided Suggestions to tackle them.

1.2 Focus of the Study

'Empowerment' may be defined from various perspectives in the development field. NHDR 2004(Empowerment and Poverty Reduction) has explored its meaning in the Nepalese context. That has defines empowerment as the process of transforming existing power relations (economic, political and socio-cultural) and of gaining greater control over the sources of power. There may be various components of empowerment; however, the report has identified three critical components, namely a) Economic empowerment, b) political empowerment and c) socio-cultural empowerment. These three dimensions of empowerment help the people, especially the poor and socially excluded groups such as women and dalit, to be able in influencing the decision-making process of households, community and state institutions.

Conceptually, this study has adopted the concept of empowerment set by the NHDR 2004 as it has been defined and agreed by group of experts such as economists, sociologists, political scientists and development professionals. As per the nature and objective of the study, it has omitted the political dimension of empowerment i.e. this study has only focus other two dimensions of empowerment such as a) economic and b) socio-cultural empowerment.

1.3 Statement of the Problem

As a tool of empowerment of women, many MFIs are providing Micro-credit services to women with the objectives to empower them economically and as well as socially. There is no need of research whether micro-credit services economically empower the women or not. Many researchers have already shown that micro-credit services have positive impacts on the empowerment of women and other poor groups.

However, it is yet to be systematically answered whether economic and social empowerment can go hand in hand in the context of poor and dalit

women living in rural areas of Terai in Nepal. This is the key problem to be solved by this study. Most of the reports are output oriented rather than outcome or impact oriented. Hence, there is a need of quantitative information supported by qualitative information. The studies done by university students are mostly related to economic impacts.

Can economic development stimulate social development? If yes, how does economic empowerment stimulate social empowerment of dalit women in Terai? What are the various dimensions of social empowerment? What are the major impacts of social empowerment? These questions are still to be answered evaluating both quantitative and qualitative information at a time.

Different MFIs are providing micro-credit services to the poor communities especially women, marginalized group, dalit and deprived groups in different parts of the country. One of them is Nocha VDC which is a small VDC of Morang district having 2100 household, 9 wards and 18,000 populations.

Jeevan Bikash Samaj has been providing micro-credit on social collateral of the group members. The noticeable fact is that all the groups are women groups. Some of them are totally poor and dalit women. Dalit are the most deprived group of our society. They are mostly backward both socially and economically. Because of our social norms, values and practices, our society puts women in lower position than men and that is the key factor for marginalization of women from every aspect of social and individual life. It is equally applicable to both rich and poor communities.

As explained earlier, dalit are mostly marginalized group. Among them too, dalit women are more marginalized than dalit men. So, researchers have various reasons to conduct studies from different point of view such as enterprise management, marketing and social perspectives. Analysis of the impacts of efforts made by women groups from empowerment (economic and social) dimension may be one of the important areas of study among them in this respect. The study is reasonable and has tried to answer systematically to the following research problem.

- Can dalit women run the 'business' of their choice that renders tangible benefits to them?

- Can they make 'profits' like other women micro-entrepreneurs and their male counterparts?
- Can their business activities positively empower them to overcome the social barriers?

1.4 Objectives of the Study

The overall objective of this study is to analyze the impacts of micro-credit on economic and socio-cultural empowerment of poor dalit women of Nocha VDC of Morang. It will fulfill the main objective by way of meeting the following specific objectives:

- Analyze the impacts of micro-credit on economic empowerment of the poor dalit women.
- Analyze the impacts of micro-credit on socio-cultural empowerment of the poor dalit women.
- Identify problems/issues for effective utilization of micro credit and provide suggestions to address such problems/issues.

1.5 Significance of the Study

The significance of the study is summarized as under:

-) Most of the studies on micro-credit programs are related to economic improvement of poor, vulnerable and socially excluded groups in terms of income generation. This study has evaluated one of such programs from empowerment dimension namely economic and socio-cultural dimensions. It may help micro-credit institutions, supporting agencies, development professionals and academics to realize the importance of micro-credit programs beyond the boundary of mere income generation. Especially they could realize how it is effective on economic and socio-cultural empowerment of dalit women living in Terai Nepal.
-) Analysis is based on both quantitative and qualitative information. Qualitative information is based 'feelings' or 'perception' of the respondents. In other words this study is based on the 'perceptions' of dalit women and 'statistics' of economic achievements reported by

the respondents. It gives economic and social picture of the achievements gained from microcredit programs.

- J Among the poor families too, women are poorer than men because of gender biased socially constructed values, norms and standards. Thus, no doubt, women are the most important target group which must be empowered first. This study has analyzed the cases of dalit women micro-entrepreneurs. Thus, it is indeed itself an important exercise in the area of women empowerment.
- J The findings of the study provide clear message to policy makers, planners, professionals, academics, development institutions and empowering agencies to realize the fact that empowering dalit women is not an isolated exercise but that is an indispensable component of each program which is strongly associated with every human development initiatives.

1.6 Limitations of the Study

- J The assumptions and limitations of this study are follows:
- J The conceptual framework of this study is based on the definitions of empowerment set by Nepal Human Development Report (NHDR, 2004) for more reliability because, as it has claimed, it has explored the meaning in the context of life in Nepal today.
- J This study is totally based on the micro-entrepreneurs of Nocha VDC of Morang District. Thus, it may not equally reflect the situation of other VDCs of Nepal which are economically, socio-culturally and ecologically different from Nocha VDC.
- J This study is only related to micro-enterprises run by dalit women. So, the findings and recommendations may not be equally applicable to microenterprises run by male and mixed groups.
- J The study aims at measuring the impacts of empowerment through microenterprise interventions. Thus, the conceptual, analytical and methodological perspective may be different in the context of measuring impacts of empowerment rendered by other type of interventions.

-) The study is centered only on the economic and socio-cultural dimensions of empowerment. It means it will omit other dimensions of empowerment such as political, spiritual and other dimension.
-) The aim of the impacts assessment is to assess whether they occurred or not. It means it is not the aim of this study to assess the level of impacts. Qualitative information has been analyzed based on the set indicators by applying 'YES/NO' criteria.
-) The study period is last five years from FY 2008 to 2012.

1.7 Organization of the Study

The information contained in this report has been grouped and placed in five chapters.

Chapter one provides broad introduction of the study i.e. background, focus area, problem statement, objectives, significance, limitations and outline of the report.

Chapter two provides brief information collected from review of available literature related to the study. Summary of information on micro-credit, poverty, women and their empowerment has been assembled in this chapter.

The third chapter studies about the research methodology. Research design, population and sample, nature and sample of data, data gathering procedure, data processing procedure and analysis of data, weight of choice and weight of respondent are discussed.

The fourth chapter is about presentation and data analysis. The chapter is the major part of the study. The chapter aims to make the critical analysis of micro finance impact on dalit woman.

The last chapter are mainly concentrated with findings, summary, conclusion and recommendation relating to the research topic.

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CHAPTER-II

REVIEW OF LITERATURE

2.1 Conceptual Review

2.1.1 Terai-Dalit Women: An Overview

Nepali Brihat Shabdakosh [Nepali Dictionary] published by Nepal Academy has defined 'Dalit' as a race or group of people deprived of equal rights and dignity in the society or people exploited or marginalized by unequal social systems. 'Depressed' is often used as synonym to 'Dalit' in contemporary literature. (Jan Utthan Pratisthan, 2061, p. 8)

The American Heritage Dictionary of the English Language has defined 'depressed' as lower in amount, degree, position and suffering from social and economic hardship.

Both dictionaries have given more or less similar meaning of 'Dalit'. According to the dictionary meaning, all socially and economically backward and deprived communities such as Chepang and Raute may be considered as 'Dalit' but in Nepali social practices they are not 'dalit' although backward. According to Dalit NGO Federation, dalit are the artisan (craftsman) caste group of Nepal and they are considered as untouchables in orthodox Hindu-Buddhist social-cultural model in Nepal.

According to Dahal and other the term Dalit refers to "Pani Nachalne" and "Chhoi Chito Halnu Parne" group or caste from whom water is not accepted and whose touch requires sprinkling of holy water. In other words, they are "untouchable castes" in Nepal. (Dahal, Gurung, Acharya, Hemchuri, Swarnakar, 2002:8)

Definitions adopted by Dalit NGO federation and Dahal and others seem more specific definition of 'Dalit' which is very close to Nepali social practice.

) Dalit in Terai region Nepal

Like Nepali society, Nepali Dalit as a whole is not a homogenous group. Within the 'dalit' community, some are 'more dalit' and some are relatively 'dalit' both from horizontally and vertically. Their different cultural practices

and occupations have made them heterogeneous group. Like other ethnic/caste groups in Nepal, their population is equally divided and their heterogeneity extends to language, religion and culture. Dahal and others have categorized them into three broad regional groups as follow: (Dahal, Gurung, Acharya, Hemchuri, Swarnakar, 2002:9)

- Dalits in the Hill Community
- Dalits in the Newari Community
- Dalits in Terai Community.

Kami (Blacksmith or Ironworkers), Sarki (Cobblers or leather workers) and Damai (Tailors and traditional musicians), Gaine (singers and musicians) and Badi (dancers) are normally considered as hill-dalit. Similarly Kusule, Khadgi (butcher), Poda (sanitary workers), Chyame or Chyamkhala, and Halahalu are generally considered as Newar-dalits. But Kusule and Khadki do not consider themselves as 'dalit'. National Dalit Commission has removed these groups from the list of dalit.

Traditionally, the Dalits or untouchable groups in the Tarai are Tatma, Khatwe (Mandal), Paswan (Dushad), Mushahar, Batar, Dhobi (Baitha), Chamar (Ram, Mochi), Dom, and Halkhor. By tradition, they are Hindus and employ their own priest to perform rituals. The total population size of Tarai Dalits was 582,347 according to the 1991 census, which is 3.1 per cent of the total population of Nepal. But the census had not given figures of various Dalit groups of the Tarai such as Batar, Tatma, Dom and Halkhor . Among the Tarai Dalits, the population of Chamar is highest (9.3%), followed by Mushahar (6.4%) and Dushad (4.2%). The Tarai Dalits with more than 20,000 populations is noted in 13 districts. The highest of percentage of Tarai Dalits among the Tarai districts are: Saptari, Siraha, Parsa, Rauthat and Mahottari.

Table 2.1 Distribution of Dalit in Terai region

S.N	District	Dalit	Population %
1.	Saptari	107647	18
2.	Siraha	104811	17.8
3.	Parsa	79374	16.8

4.	Bara	86153	16.5
5.	Mahottari	91914	16.1
6.	Dhanusha	97893	14.2
7.	Rauthat	73076	13.9
8.	Sarlahi	77659	12.4
9.	Sunsari	35348	5.9
10.	Rupandehi	36366	5.5
11.	Kapilwastu	25144	5.4
12.	Nawalparasi	28197	5.1
13.	Morang	37193	4.3

Source: CBS (1991), Table 25

Dalit Women in Terai

More or less, daily life of Nepali women regardless of economic and social status, language, culture and region are suffering from hardship. Same is the case of Terai-dalit women. Because of heterogeneity, cultural and regional disparities, like hill-dalit, Terai-dalit are also adopting diverse occupations to sustain their lives. Like most hill-dalit, Terai dalit, both men and women are engaged in economic activities and social activities. The information provided hereunder is based on the study jointly conducted by Dilli Ram Dahal, Yogendra Bahadur Gurung, Bidhan Acharya, Kamala Hemchuri and Dharma Swarnakar entitled "Situational Analysis of Dalits in Nepal," (2002).

A. Economic Life

Traditionally, Tatmas or Tantis are weavers and thus weaving cloth in the handlooms is considered their occupation. The Tatma-women are also involved in this work. Usually they supported their male counterpart in producing and marketing of the products or selling their skills. Over the time, they could not survive in modern market competition. And as a result, these days they are involved in agriculture as their main occupation. Many of them are landless thus they provide labor to the land owners. Both men and women are equally involved in this job.

Same is the case of the Khatwe-women. Although, The Khatwes do not have their traditional caste occupation, they do the soil cutting or earth-work as their caste occupation. Many of them are landless and work as tenant farmers and agricultural laborers in the house of landlords. The Batars have no traditional occupations as such. As means of livelihood, the Batars are farmers, tenant farmers as well as agricultural laborers. Like Tatma and Khatwe-women they are also equally involved in this profession.

In terms of traditional caste occupation, Chamars (Ram, Mochi) are cobblers, skimmers of dead animals, tanners, shoe -makers and scavengers. In addition, Chamars, also play musical instruments and drums during marriages as their profession. Currently most of them are involved in agriculture as tenant farmer, agriculture labourers and marginal farmers. Chamer-women fully support their male counterparts in agricultural activities.

Earth-work and catching rats are considered Musahar's traditional occupation. Traditionally, they also used to be collecting leaves and medicinal herbs from the forests and sale them in the market. They also collect omitted grains (Seela) from field. Musahars are mostly landless or marginal land holders. Like their male counterparts, Musahar-women are also equally involved in their traditional occupations.

Traditional occupation of Paswan (Dushad) is to sell fermented juice of Khajur and Tadi trees. They also claim to do the work as Chowkidar or watchman, but most of them do farming these days. The Dushads are mostly the landless people in the Tarai, who make their living either as tenants or agricultural wage labourers. Mostly Paswan-women are involved in agricultural activities.

Making a variety of baskets from the bamboo is the traditional caste occupation of Dom community. In addition, grave -digging and cremating dead bodies are also considered their traditional occupation. This is their main source of earning a livelihood. These days, many of them are also employed as sweepers in the municipality. Mostly Dom-women are involved in weaving and selling of bamboo baskets as well

as municipal waste sweeping. Dhobis are washer-men by tradition. Not only men but also women are equally involved in this profession.

Halkhor is one of the lowest Hindu untouchable groups in the Tarai. They are also properly known as Mehtar or sweepers. Traditionally, the Halkhor people are engaged in agriculture. They are indeed considered as slaves in the household of other high caste people. Now-a-days, mostly Halkhor-women are involved in municipal waste sweeping and agricultural activities as agriculture labourers, tenant farmers and marginal farmers. As explained above, Terai-dalit women are equally involved in their traditional as well as new jobs as their means of livelihood. However, like other poor women, they do not have control over the income.

B. Social Life

Terai-dalit women have dual responsibilities: I) equal involvement in economic activities and II) daily household work with childcare. Lack of control over household income and other resources, they are fully dependent on their male Counterparts. In comparison to hill-dalit women, Terai dalit women are more voiceless and powerless within household and society. This has further marginalized them.

Majority of women are illiterate. Although significant number of children does not go to school till date, majority of them are girls. Lack of land or land ownership, citizenship and migration certificates, they are deprived of basic service like water, sanitation and health services. Lack of information and knowledge about services, they are still unable to access to free of cost services too. Significant number of widowed and aged-women are not getting government provided widow and senior citizen allowance. Adolescent and reproductive health problems are not clearly reported so far. Use of liquor is very common among the dalit community. It has contributed in increasing domestic and gender-based violence. Dowry system has severely affected the life of women and girls. Every year several cases are reported on this issue. Recently, male members of the family started to go to India and different parts of the county in search of job for their livelihoods. This

trend has put pressure on the role and workload of women. Still women and girls are mostly suffering from wrong cultural practices and beliefs.

2.1.2 Poverty: An overview

Poverty is many things to many people depending up on the context. It is very easy to say and difficult to define. For some people it is hunger and lack of shelter. For others it is being sick and not being able to see a doctor or go for treatment. Poverty is also not having access to school and not knowing how to read. It is not having job, is fear for the future and living one day at a time. Poverty is lack of power, being powerless, representation and freedom. It has many faces, changing from place to place and across time. Most often, poverty is a situation people want to escape.

The World Bank Publication, *Voices of the Poor Volume II* has stressed that poverty should be perceived from the 'feelings' of the poor. In this connection it has quoted a poetic view of a poor man of Adaboya, Ghana, which is presented below:

"Poverty is like heat; you cannot see it;
you can only feel it; So to know poverty you have to go through it."

(Narayan and her friends, 2000: xvii)

These views of the poor man have suggested us to think poverty beyond the material well-being. Poverty is more than a lack of income. Poverty exist when an individual's or household's access to income, jobs or infrastructure is inadequate or sufficiently unequal to prohibit full access to opportunities. Social, spatial and political isolation or environmental degradation exacerbates the condition of poverty. (Petersen & Parnell, 8)

It has five major aspects.

First, many factors converge to make poverty a complex, multidimensional phenomenon.

Second, as expected, poverty is routinely defined as the lack of what is necessary for material well-being — especially food but also housing, land and other assets.

Third, poor people's definitions reveal important psychological aspects of poverty. Poor people are acutely aware of their lack of voice, power, and independence, which subject them to exploitation. Their poverty also leaves them vulnerable to rudeness, humiliation, and inhumane treatment by both private and public agents of the state from whom they seek help.

Fourth, the absence of basic infrastructure particularly, roads, transport, water and health facilities.

Finally, poor people focus on assets rather than income and link their lack of physical, human, social, and environmental assets to their vulnerability and exposure to risk. (Narayan and friends, 1999:26)

J **Causes (determinants) of poverty**

World Bank's flagship report World Development Report 2000/2001 has explained three major causes of poverty. They are: (World Bank, 2000/2001: 34)

- Lack of income and assets to attain basic necessities—food, shelter, clothing, and acceptable levels of health and education.
- Sense of voicelessness and powerlessness in the institutions of state and society.
- Vulnerability to adverse shocks, linked to an inability to cope with them.

National Planning Commission of Nepal has explained following points as causes of poverty (NPC, 2002:24)

- Low per capita income due to low economic growth
- Dependency on agriculture which is dependent on rainfall
- Lack of production of non-agriculture products
- Poor have very less access to control over the resources and to use or their development.
- Poor have no access to private sector services.
- Lack of good governance, centralized decision process, corruption and non- supportive institutional structure.

- Instable political situation. All policies and working modalities are changing with the change of government Social discrimination/exclusion etc.

From these two views on the causes of poverty, we can say that there is no single but multiple causes of poverty. Causes of poverty also depend on the context. Some of major underlying causes of poverty are presented below:

- Lack of employment and access to productive assets to earn sufficient income for livelihoods;
- Lack of human capabilities such as poor health, education, skill, social networks and exclusionary social, economic and political practices;
- Vulnerability to adverse shocks such as war, natural disaster, famine, economic crisis, political instability etc.
- Lack of sufficient government investment and good governance for poverty reduction.

J) ***Dimensions of poverty***

Traditionally poverty is perceived from single dimension i.e. income dimension. Although income is very important dimension, there are several other dimensions of poverty. According to Jeni Klugman, major dimensions of poverty are: I) income, II) productive assets, III) education, IV) health, V) security and VI). (Jeni Klugman:2)

World Development Report 2000/2001 has focused on I) income, II) assets, III) education, IV) health, V) voicelessness and powerlessness and VI) security/vulnerability dimensions. (World Bank, 2000/2001:15)

UNFPA has focused on I) health, II) education, II) social exclusion/powerlessness and IV) gender dimensions. (State of world population, people, poverty and possibilities, (UNFPA, 2002:15)

Recognized Nobel Prize winner economist professor Amartya Sen's notion of poverty, UNESCAP has highlighted I) income/employment II) productive assets, III) social safety nets, IV)

education, V) health, VI) basic services and infrastructure, VII) participation and VIII) dignity and respect dimensions.

Numbers of dimension of poverty stated above shows that poor suffer from multiple deprivations. Each dimension has its own level of impact on the poor. Addressing poverty from one dimension is impossible unless other dimensions are given equal priority. From above discussion we may say that income, human capability, security, basic services, social inclusion and gender are the key dimensions of poverty. Brief of each is presented below:

a. Income: Income is a basic and fundamental factor contributing the poor escaping from poverty and vice versa. Income is closely associated with employment and access to productive assets or resources. Income is the primary factor to maintain minimum level of expenditure on food and non-food items.

b. Human Capability: Human capability is important from two perspectives for addressing poverty –i) minimum human capability such as basic education, health condition, knowledge, skills and social networks are necessary to earn minimum level of income and ii) the minimum level of income may not be sufficient or sustainable if human capability is not at required level. For example, one may lose the job any time due to poor health condition. A typist may lose the job if the type writer is replaced by computer. In this competitive world, social network can play the vital role in getting the job.

c. Security: Human being has to suffer from natural disaster such as earthquake, floods, landslides, drought, famine, epidemic and human-made crisis such as war, economic crisis, political crisis, social breakdowns and violence etc. Although everyone has to suffer from it but poor are mostly and severely affected by these incidences. Effective security measures such as social safety nets, health insurance, and micro-insurance and disaster preparedness are essential to minimize the losses.

d. Basic Service and Infrastructure: Water, sanitation, energy, communication, road, market places and community infrastructure are some examples of necessary services and infrastructure for both

poor and non-poor people. Basically these services provide 'foundations' for other dimensions of poverty such as income, human capability, security etc.

e. Social Inclusion: Social exclusion is considered as one of the key characteristic of poverty. Empirical evidence shows that poor are systematically marginalized or excluded from social, economic and political life of human society. Discrimination in the name of caste, color, class, religion, region, sex and disability etc is common in our society too. It increases voiceless ness and powerlessness among the poor community. Hence social inclusion or integration is an essential measure to address poverty from social dimension.

f. Gender: Our society is a male dominated society. In some societies, women and girls are still considered as citizens of second grade. They do not have access to productive assets, resources and decision of family and society. Even if they have little access, they don not have control over assets, recourses and decisions. Poverty is not only the matter of family it is also a matter of individuals both men and women. Hence, due consideration of gender dimension is very important in our society.

) ***Measuring poverty***

Defining and measuring poverty are difficult tasks. Both monitory and non-monitory indicators are frequently used to measure the level of poverty. Traditionally poverty is measured in monitory term based on minimum level of per capita income or consumption expenditure on food and non-food items. Participatory tools are also used to measure poverty based on wealth. Poverty alleviation fund is adopting this tool to measure poverty in Nepal. Some organizations, particularly development organizations, are using very simple tools to measure the poverty based on living condition of the people. Micro-finance and sector based projects such as water and sanitation, agriculture promotion etc. are using these tools to measure poverty in Nepal. Apart from these tools, there are many other tools such as human development index, gender empowerment index, and human poverty

index but these tools of measuring poverty can only give relative picture not absolute picture. As explained above, globally, there are three major tools or methods to measure poverty. They are: (Chhetry, 2004)

- a) **Monitory Method:** Under this method, a poverty line is developed based on minimum level of per capita income or expenditure on food and non-food items. People who are below the poverty line are considered as poor and above the line are considered non-poor. Centre Bureau of Statistics has used this method to measure poverty in Nepal.
- b) **Participatory Wealth Assessment Method:** By its nature, local community itself assesses the wealth of the people residing in the locality. They set cut-off lines themselves building consensus among them through participatory process. People who are below the cut-off line are considered as poor and above the line are considered non-poor. Under poor category too, they often classify poor, middle poor and ultra poor. As explained earlier, World Bank funded and Government of Nepal executed Poverty Alleviation Fund is adopting this method in Nepal.
- c) **Rapid Assessment of Living Condition Method:** Under this method, a rapid assessment tools such as transect walk, rapid survey etc are used to assess the living condition of the people living in certain settlement. Types of house, roof or wall of house, occupancy rate of the room, cooking fuel, access and quality of drinking water, types of toilets etc are accounted. Like in wealth assessment method a common cut-off line is defined through discussion. People living below the cut-off line are considered as poor. Some NGOs and INGOs working in rural areas are using this method to measure rural poverty in Nepal.

ii) Poverty in Nepal

) **Poverty Trend in Nepal**

Currently 31% (approx.) population of the Nepal is below poverty line. According to, incidence of poverty is high in the rural areas as compared to the urban areas. Approximately 35% people of rural areas are in below the poverty line whereas it is only 10% in urban areas.

Table 2.2: Trend of poverty in Nepal

Survey Year	1976/77	1984/85	1995/96	2003/04
Nepal	36.2	41.4	42.0	30.9
Rural	37.2	43.1	44.0	34.6
Urban	17.0	19.2	23.0	9.6

Source: National Living Standard Survey, NRB

That's why poverty is perceived as rural phenomenon in Nepal. Over the period of three decades (from 1976/77 to 2003/04), overall poverty only has been decreased by 5.3%, rural poverty by 2.6% and urban poverty by 7.4%. It means there is no substantial achievement in poverty reduction efforts in Nepal. Very less achievement can be seen in the rural area (2.6%) which may not be regarded as significant for the period of three decades. Table 1.2 shows the trend of poverty in Nepal.

) **Women In poverty**

Available statistics show the greater inequality between men and women in Nepal and this stark reality is still exposing women to physically vulnerable situation and psychosocially intolerable professions. For instance, as affirmed by the census report 2001, literacy rate for women of 15 or above years is only 34.9 whereas it is 62.7 for men, which is nearly two times higher than women's literacy rate. There are only approximately 2 % unpaid men family workers whereas the percentage for women for the same category is 6%, which is three times higher than men's percentage. In addition, the share of women in wage employment in non-agriculture sector is 17.5% while it is 82.5% for men, which is approximately five times higher than women's share.

Table 2.3: Status of female and male in Nepal

Indicators	Female	Male	Nepal
Literacy rate for 15 and above years (%)	34.9	62.7	48.6
Unpaid family workers (%)	5.9	1.9	3.6
Share of Wage employment in non-agriculture sector (%) [10 and above years)	17.5	82.5	-
Mean years of first marriage	21.35	18.01	19.54

Source: Women in Nepal some statistical facts, 2004, CBS

2.1.3 Micro-Credit: An Overview

From the early 1970s, movements of women in various countries identified credit as a major constraint on women's ability to earn an income to improve their socio-economic position within household and society. Since then women focused micro-credit programs were designed and implemented to change the lives of the poor women of developing countries.

Micro credit is a small amount of money loaned to an individual or through group lending to the poor families by formal-sector institutions (e.g., commercial and development banks); semiformal bodies such as nongovernmental organizations and Cooperatives; other informal savings and credit organizations without offering any collateral. It reduces the high interest rate of local money lender. It is used as seed money to the poor to start their small business and they have to repay their loans in certain period like bi-weekly, monthly, half-yearly and so on. The word "micro credit" was not existed before the seventies. Now it has become a buzz-word among the development practitioners. In the process, the word has been imputed to mean everything to everybody. No one now gets shocked if somebody uses the term "micro credit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, or from credit unions, or from money lenders. The earliest initiatives for establishing micro-finance in Nepal date back to the 1950s, when the first credit cooperatives were established. For providing rural

financial services, this was the first step. These cooperatives primarily intended to provide credit only to the agriculture sector. The next milestone was SFDP in 1975 within ADB/N. This program covers the entire country and aims to organize farmers into small groups to provide credit without collateral. In 1981, NRB introduced the Intensive Banking Program (IBP) and compelled to the commercial bank to finance at least 7 percent on the priority sector, which was further increased to 12 percent in 1990. Now this compulsion has been phased out gradually. In 1992, Grameen Bikash Banks were initiated by the government sector, crossing a milestone in rural micro-financing in Nepal and NGOs started grameen banking activities in different areas.

Evolution of the micro-finance sector in Nepal (Source: CMF Nepal) is as follows:

- Credit co-operatives were established in the 1950s.Co-operative bank was established in 1963
- Small farmer groups were established under SFDP (1970s)
- SFDP was established under ADB/N (1975)
- Commercial banks began to follow priority sector lending directives (1974)
- The IBP program tries to involve commercial banks in micro-credit (1981)
- Gender based micro-credit – PCRW(1982)
- Gender programs refined - MCPW (1994)
- Replication of Grameen Banking model (1992)
- Co-operative act was established to support the credit cooperatives (1992)
- Government-run MF programs - Bisheswor with the Poor, Women's Awareness program, government peace movement etc.

The global repayment rate for micro credit loans is higher than 95 percent that allows MFIs to re-lend these funds to even more clients. By giving the world's poor a hand up, not a handout, microfinance can help to break the cycle of poverty in as little as a single generation.

) Role of Micro-credit in Poverty Reduction

According to the current estimated figures, 38 percent Nepali families are living below the poverty line and majority of them below the absolute poverty line. From this fact, we can easily understand that Nepalese women are in desperately underprivileged situation. Only around twenty five percent of the women are literate and are often malnourished or in poor health condition. (*Ujjwal Raj Pokharel, the Himalayan Times October, 2003*)

Since early 90s numerous activities are being implemented in Nepal to address the issue of poverty. Various programs executed by the government, semi-government, non-government and international non-government organizations. Micro-credit is increasingly attracting attention of many development organizations. An example of this can be seen by the estimated statistics of more than 650,000 members currently being engaged in micro enterprise activities in Nepal (Source: CMF Nepal). It emphasizes on the economic improvement or strengthening financial capabilities of the targeted beneficiaries.

Micro credit is one of the tools of poverty reduction. it provides saving and credit facilities to poor families without collateral that helps them to reduce need to borrow from money lenders at high interest rate, increase saving, greater capacity for self investment, capacity to invest in better technology, enhance ability to face external shocks etc.

Table 2.4 Relationship between Micro-credit poverty reductions (ADB, 2000:3)

Financial service	Results	Impact on poverty
Facilities of microfinance institutions (MFIs)	<ul style="list-style-type: none"> ▪ More financial savings ▪ Income from savings ▪ Greater capacity for self-investments ▪ Capacity to invest in better technology ▪ Enable consumption smoothening ▪ Enhance ability to face external shocks ▪ Reduce need to borrow from money lenders at high interest rates 	<ul style="list-style-type: none"> ▪ Reduce household vulnerability to risks/external shocks ▪ Less volatility in household consumption ▪ Greater income ▪ Severity of poverty is reduced ▪ Empowerment ▪ Reduce social exclusion

	<ul style="list-style-type: none"> ▪ Enable purchase of productive assets ▪ Reduce distress selling of assets ▪ Improve allocation of resources ▪ Increase economic growth 	
Credit Facilities	<ul style="list-style-type: none"> ▪ Enable taking advantage of profitable investment opportunities ▪ Lead to adoption of better technology ▪ Enable expansion of micro enterprises ▪ Diversification of economic activities ▪ Enable consumption smoothening ▪ Promote risk taking ▪ Reduce reliance on expensive informal sources ▪ Enhance ability to face external shocks ▪ Improve profitability of investments ▪ Reduce distress selling of assets ▪ Increase economic growth 	<ul style="list-style-type: none"> ▪ Higher income ▪ More diversified income sources ▪ Less volatile income ▪ Less volatility in household consumption ▪ increase household consumption ▪ Better education for children ▪ Severity of poverty is reduced ▪ Empowerment ▪ Reduce social exclusion

Source: Finance for the Poor: MF Development Strategy, ADB 2000

) **Micro-financing Institutions and Approaches in Nepal**

Nepal is one of the poorest country in the world and the poorest in the South Asia region. Its poverty reduction rate is low. Out of a population of 23 million, 38% are in below the poverty line. Most of the poor people live in rural areas and have little opportunity. Micro-finance could help poor people who have no collateral, but a willingness to work and a desire to do some business activities from which he/she will acquire employment as well as income.

Although many programs have been implemented for poverty alleviation in Nepal, only micro-finance programs are seen as a poor targeted and rural based. In Nepal agriculture based co-operatives were initiated in the 1950s as a first step in microfinance. Poverty alleviation rural based programs were initiated through the small farmers development program (SFDP) on a pilot test basis in 1975 by the ADB/N.

Success of these pilot tests in Dhanusa and Nuwakot districts encouraged policy makers to expand formal rural based micro-finance programs. The

SFDP is now being transformed into several autonomous, self-help organizations called Small Farmers Cooperatives Limited (SFCLs), which are managed by farmers themselves. Other micro-finance development programs, such as Priority Sector Lending Program (PSLP), Intensive Banking Programme (IBP), Production Credit for Rural Woman (PCRW) and Rural Self-Reliant Fund (RSF) have been implemented.

After the study on pros and cons of various microfinance development programs government began to rethink the delivery mechanisms of micro-finance. In 1992, government set-up two Grameen Bikash Banks as a replication of the Bangladesh Grameen model of micro-finance delivery. Government also created a situation to encourage participation in the micro-finance by the private sector. Subsequently Nirdhan, CSD, Chhimek, Jeevan Bikash and other organisations came into existence. RMDC was also established to support micro-finance institutions by giving wholesale credit, initiating training and other necessary support to the MFIs. Some Government directed Programs (TLDP, Bishweshwor with poor, PAPWT, Community Ground water project, etc.) have been implemented in coordination with NRB.

) **The Micro Finance Sector in Nepal**

Within Nepal there are a wide range of institutions active in the micro-finance sector, each with its own way of going about the task of making financial services accessible to the poor. The preferred terms to use to cover the all institutions are community-based sector and institutional sector.

Figure-2.1 MF Sector in Nepal



Source: www.cmfnepal.org

2.1.4 Empowerment: An overview

Empowerment has different meanings in different socio-cultural and political contexts. The terms include self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capable of fighting for one's rights, independence, own decision making, being free, awakening, and capability to mention.

"Empowerment is the process of transforming existing power relation and of gaining greater control over the sources of power; It builds people's capacity to gain understanding and control over personal, social, economical and political forces to act individually as well as collectively to make choices about the way they want to be and do things in their best interest to improve their life situation." (*Nepal human development report, 2004*)

"Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes." (*World Bank website*)

"Empowerment is of intrinsic value; it also has instrumental value. Empowerment is relevant at the individual and collective level, and can be economic, social, or political. The term can be used to characterize relations within households or between poor people and other actors at the global level." (World Bank, 2002: 10)

In broader sense, empowerment is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life.

However, perceptions of being empowered vary across time, culture and domains of a person's life: in India, a low caste woman feels empowered when she is given a fair hearing in a public meeting, which is comprised of men and women from different social and economic groups; in Porto Alegre of Brazil, citizens – both men and women feel empowered if they are able to engage in decisions on budget allocations; in Ethiopia, citizens and civil society groups report feeling empowered by consultations undertaken during the preparation of the poverty reduction support program; in the USA, immigrant workers feel empowered through unionization which has allowed

them to negotiate working conditions with employers; and in the UK, a battered woman feels empowered when she is freed from the threat of violence and becomes able to make decisions about her own life. All these things are only can by the freedom in own self to decide to live their life. It is a cross-cutting issue. From education and health care to governance and economic policy, activities which seek to empower poor people are expected to increase development opportunities, enhance development outcomes and improve people's quality of life.

Empowerment is defined as the process of transforming existing power relation and gaining greater control over the sources of power, it builds people's capacity to gain understanding and control over personal, social, economic and political forces to act individually as well as collectively to make choices about the way they wants to be and do things in their best interest to improve their life situation. This description captures the sprit of human development that cerates an environment in which people can develop their full potential to live with their needs and interest.

The four key elements of empowerment that must underline institutional reforms are:

- Access to information
- Inclusion and participation
- Accountability
- Local organizational capacity

- ***Access to information***

Information is power; informed citizens are better equipped to take advantage of opportunities, access services, exercise their rights, negotiate effectively and hold state and non-state actors accountable. Without information it is impossible to take action, timely and effectively. It can disseminate by different formal and informal way. It different media including radio, TV, internet, newspaper, workshop, meeting, seminar etc. Disclosure of information about the performance of institution promotes transparency in government, public services and the private sector.

Access to information in local languages from independent sources at the local level is particularly important.

- ***Inclusion and participation***

Inclusion means involvement of peoples from diversified group and ethnicity. Participation addresses how they are included and the role they play once included. Opportunities for poor people and other excluded groups to participate in decision-making are critical to ensure that the use of limited public resources builds on local knowledge and priorities and bring about commitment to change. However, sustaining inclusion and informed participation usually requires changing the rules to create space for people to debate on different issues. Similarly, participate in local and national priority-setting and to bring them on the mainstreaming of development.

- ***Accountability***

Accountability refers to the ability to call public officials, private employers or service providers to account, requiring that they be answerable for their policies, actions and use of funds. Mainly there are three type of accountability mechanism: political, administrative and public Political accountability of political parties and representatives in increasingly through elections, administrative accountability of government agencies through internal accountability mechanisms, both horizontal and vertical within and between agencies public and social accountability mechanism. It can hold providers accountable, control and power shift to other.

- ***Local organizational capacity***

Local organizational capacity refers to the ability of people to work together organize themselves, and mobilize resources to solve problems for common interest. Organized community are more likely to have their voices heard and their demands met then communities which little organizational but its effectiveness depends upon the capacity of organization. It is only when groups connect with each other across communities and form networks or associations-eventually becoming large federations with a regional or national presence that

they begin to influence government decision making and gain collective bargaining power.

These four elements are closely interlinked and can be successfully applied to four critical development objectives: ensuring the provision of basic services, enhancing local and national governance, broadening access to market and guaranteeing access to justice.

) **Dimensions of Empowerment**

Empowerment has three fundamental dimensions²²- Economic empowerment, Socio-cultural empowerment and Political empowerment.

▪ ***Economic empowerment:***

Most of us are most familiar with this dimension of empowerment. Economic empowerment means the access of people to control over the resources and economic activities for the expansion of their business as per their interest. It concerns the expansion of access to production assets, including physical and financial opportunities, it involves the distribution of capital and income generating opportunities, ensuring the working of market and relative prices can enhance the economic agency of citizens.

Economic empowerment can serve as a way of lessening the discriminatory gap between men and women or between poor and rich. Women's access to savings and credit gives them a greater decision-making role. A woman optimizes her and her household's welfare when she makes decisions pertaining to credit and savings. Investment in a woman's economic activity will improve her employment opportunities and thus have a 'trickle down and out' effect.

▪ ***Political empowerment:***

Democracy and freedom are the two main pillars of political empowerment. Basic political and liberal rights strengthen human capabilities and facilitate people's abilities to define their needs constructively. Democracy enables citizens to draw attention to their needs and to demand appropriate public action. It means to be aware about their rights and freely can raise voice for meaningful participation in decision making process. It involves enlarging the capabilities

associated with democratic self-governance. it ensures not only respect for the fundamental dignity of the human person and the basic rights asset out by international norms, but equitable representation in decision making process and institution especially those that can demand accountability from public servants and the private sector bodies entrusted with public resources. It includes freedom to participate in political dialogue, to dissent from majority or accepted views, and to mobilize for change. Political empowerment also comprises legal empowerment, generally understood as the process of acquiring the knowledge essential to protect one's rights and to assert them under the law.

▪ ***Socio-cultural empowerment:***

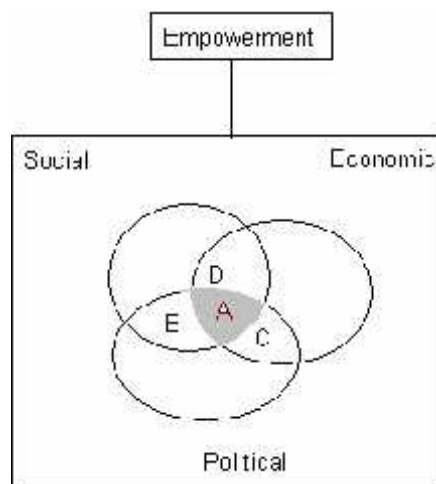
Socio- cultural empowerment is the process through which people and groups become aware of the societal and cultural forces at work in their lives and learn how to influence their dynamics particularly those of deep rooted social inequality and exclusion. It provides strength the social fabric by augmenting a complex network of human qualities –both individual and collective –whose sum and synergies we call "social capital". It is the process through which people and groups become aware of the interplay of societal and cultural forces at work in their lives and learn how they can act individually and jointly to influence and eventually control the dynamics of these factors. Socio-cultural empowerment therefore spans a broad spectrum of human development parameters, from access to safe water, primary health care and basic education through skill acquisition, including the ability to use communications media.

It encompasses social status, cultural expression and the sense of belonging to social entities that range from households through youth clubs and religious congregation to ethnic groups and a national polity. if we understand the term "culture" in the widely accepted sense of all the capabilities and habits acquired by human beings as members of societies we can begin to appreciate the weight of Nepal's deeply hierarchical social structure with their interlocking systems of cast and ethnicity. A woman gains more respect and plays a more

active role in the family and community through micro-finance and micro-enterprise development; it provides her with greater economic empowerment and increased self-confidence. A woman becomes more involved in society as a member of women's organizations, professional associations and political parties, adding her contribution to collective decision making.

These three dimensions are closely interlinked each other. Improvement in one dimension of empowerment can play a catalytic role in bringing change in the other two. Sustainable empowerment is defined as a situation where people are empowered socially, economically and politically. The Figure 1.1 shows the interactions between these three dimensions. Without economic empowerment makes people empowerment unsustainable (area B). Likewise area C represents a situation where a lack of social empowerment will make political and economic empowerment unsustainable. Hence promoting the sustainable empowerment (area A) requires an integrated empowerment led strategy for poverty reduction and human development.

Figure-2.2 Components of empowerment



) **Need of empowerment of poor women**

Social inequality In general phenomenal, but degree of social inequality is main concern. Nepal is one of the socially unequal countries in terms of

gender inequality in social, economic and political rights and status of women. One review showed that 38 of 61 such studies found that woman headed households are over-represented among the poor. Women are responsible for agricultural production and market work as well as unpaid non-market work. Unpaid work ranges from care for the children, other family member and domestic chores.

Surveys show that at least half of women's total work time is spent on unpaid work. Data from nine developing countries showed even larger differences, with women spending on average 34 per cent of their time on paid market work and 66 per cent on non-market work, compared to 76 per cent and 24 per cent, respectively, for men.

In rural Nepal, men spend eight hours a day on market work and only two hours on home production, but women work 7.4 hours for out of the household work, and five hours on home production. Women also overlap activities such as taking care of children while working in the home or in the fields. They often earn less than men for the same work, and have less opportunity to improve their skills. Many decisions about the distribution of resources between men and women are made within families. This is not a straightforward process; it involves negotiation and the use of power, which are in turn strongly shaped by social context. Control of resources is determined in part by what an individual brings into the household— physical assets, wages or other income, transfer payments or welfare receipts that may affect their ability to bargain. The threat of withdrawing from the household adds bargaining power, providing the threat is credible. It is a threat most commonly used by men in relation to wives, daughters and other female relatives. (UNFPA, 2002:26)

Out of the 9.5 million people who are currently working in Nepal, only 1.5 million (16 per cent) are in paid employment. Out of this number, 1.2 million are men and less than 400,000 are women. Eight million people (about 84 per cent) of the economically active population are self-employed, with the proportion of self-employed women being much higher than that of men. Eighty-two per cent of employed women are self employed and 12 per cent of those who are wage-employed. The figures for men are 69 per cent and 27 per cent respectively. Nepalese society is characterized by a patriarchal

system in which men have control over women's sexuality, and women's mobility is subject to heavy restrictions. The decision-making power of Nepalese women is weak.

Their level of self-esteem and confidence remains low. The caste system in Nepal has an impact on gender, placing poor women in a more advantageous position than those in a higher caste. Women of the low caste are ritually impure. They cannot achieve high status in Hinduism's prestige system, yet they possess social autonomy and economic power. The Constitutions of Nepal contain Articles stipulating equal rights for men and women. Since the new Constitution was adopted in 1992, the Government of Nepal has emphasized the need to amend discriminatory legislation. Nepalese law follows the patriarchal transmission of property and reflects the discriminatory conception of women. Nevertheless, some improvement has been seen over time. In 1976, the Civil Code was amended to establish equal rights for men and women on property law and inheritance. Some limitations on equality between men and women still exist, and control over the acquired property remains under male authority (father, brother or son). At present, these laws are still under revision: some changes to the National Code (11th Amendment Bill and Women's Rights) are being considered. The suggested changes include provisions that are likely to have a positive economic impact on women.

Daughters and sons are equally entitled to inherit the ancestral property. Previously, only unmarried daughters over 35 had this right. However, under the newly proposed provisions, at a certain point in time, daughters are requested to return their share of property to their brothers, because women are now entitled to inherit their husband's property. Inheritance rights are now granted to divorce women as well. Although these changes improve women's legal situation, some discriminatory clauses are still in place.

Moreover, the Lower House of Parliament passed the new amendments, but so far, the National Assembly has rejected them. Women are economically dependent on men, mainly as a result of the lack of property and inheritance rights. Women do not dispose of any capital to start a business and cannot offer collateral to financial institutions in order to obtain a loan. Although

women are theoretically equal to men in access to credit, in practice there are many social and cultural barriers to their financial activities. Due to mistrust of women entrepreneurs, bankers ask for additional guarantees of male guardians even when women offer adequate collateral. The problem is perpetuated by the long and complicated procedures for loan applications at banks and the women's low level of self-confidence, lack of skills and education. Moreover, working women are perceived as a negative factor for the status of the family. Therefore, women tend to work only when it is absolutely necessary for household subsistence. (Gobbi, Sabrina De Maria, 2005:5)

Need of empowerment of poor women are outlined below:

- Most of time, women are engaged in unpaid work than men.
- Women have less access and control over to resources.
- Women are dominated by the conservative traditions.
- Percentage of women's poverty is high than men
- Even they are excluded from their human rights and in different level of decision making.
- Women's voices and lived experience whether as member of family or workers (paid and unpaid) or citizens or consumers are still largely missing and have low bargaining power.
- Due to less opportunity, their intrinsic factors are very low than men, such as education, knowledge, self-confidence etc.

2.2 Contribution of Previous Studies in the Topic

2.2.1 Practical Review

There is abundance of literatures available on poverty, micro-credit and empowerment. World Development Institutions such as UN agencies (UNDP, UNICEF, WFP, and ILO etc.), The World Bank and Asian Development Bank etc. have a good wealth of literature which is sufficient to grasp the fundamental knowledge on poverty, micro-credit and

empowerment of poor, vulnerable and socially excluded groups. Poverty Report 2000, Nepal Human Development Report 1998, 2001 and 2004, Microfinance Program Impact Assessment 2003 of UNCDF, Voices of the Poor Volume I (Can Anyone Hear Us?, 1999), Volume II (Crying out for Change, 2000) and Volume III (From Many Lands, 2002) and World Development Reports of different years, Empowerment and Poverty Reduction: A Sourcebook of The World Bank, Finance for the Poor: Microfinance Development Strategy of Asian Development Bank are some examples in this respect. Many institutions and individuals have worked on these subjects in the context of developing countries including Nepal. A brief survey of the past works has been done to substantiate the research. A summary of review of the literature relevant to the research topic is presented below.

Latest survey report 'Worldwide Women's Poll and Empowerment Index' published by Avon Foundation states that everywhere in the world, the financially independent Woman entrepreneur has the potential to be a locus for success for the individual, her family, and her community (Avon, 2007:3). This report has measured women's views on empowerment considering six interrelated dimensions: i) Family Decision Making & Support, ii) Social & Civic Participation, iii) Financial Independence; iv) Health & Safety; v) Educational Opportunity; and vi) Work & Career Opportunity. According to the report, women of the world have given third importance to financial independence index as a women empowerment index while family decision making and support and social and civic participation are first and second in order of importance respectively. It clearly indicates that both income and non-income indicators are important to develop the sense of empowerment among women (Avon, 2007:10). United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)'s discussion paper "Microfinance for Poverty Reduction: Policy Issues and Challenges" (2007), emphasizes that instead of depending entirely on trickle-down effects for economic growth, target-oriented programmes are used to benefit the poor directly.

One effective way of generating income for the poor is by providing microcredit for self-employment programs. Microfinance is a powerful tool

for fighting poverty. There are numbers of innovations in microfinance in Asian countries such as Grameen Bikas Bank Model of Bangladesh, Self-help groups in India and Bank Rakyat Indonesia. The discussion paper has highlighted the need of scaling up availability of microfinance, increasing the access of poorest of the poor and linking the earlier microfinance beneficiaries to formal finance sector.

Maria Sabrina De Gobbi with contributions from Nara Hari Dhakal and Syed Tahir Hijazi has conducted a research entitled "Nepal and Pakistan Micro-finance and microenterprise development: Their contribution to the economic empowerment of women".

Based on the case studies of Sitalnagar branch of Nirdhan Uthan Bank and Shankarnagar Small Farmers Cooperatives Limited (Rupandehi) and Adharsa Savings and Credit Cooperatives and Mahila Sagan Bikas Kendra, a financial intermediary NGO (Chitwan), they concluded that microfinance can contribute in economic and social empowerment of the poor women (ILO, 2005: 23).

NHDR 2004 has explained the direct correlation between empowerment and poverty. According to the report, poverty reduction is impossible without empowerment of the poor. It has analyzed three dimensions of empowerment namely, 1) economic empowerment, 2) socio-cultural empowerment; and 3) political empowerment (UNDP, 2007:12). Since long time, many government, non-government and donor programs have been using microfinance as a tool of empowering poor women in Nepal (Nepal Country Profile, BWTP).

Based on the case studies of Nepal, Bangladesh, Philippines, Bolivia and Ghana, Syed M. Hashemi and Esther Rojas-Garcia have mentioned that micro-credit program participants [both men and women] were more empowered than non participants due to their physical mobility, ownership and control of assets, involvement in decision making, and political and legal awareness (Syed and Esther, 2004).

Similarly, from the case studies in Haiti, Kenya, Malawi and Nigeria United Nations Capital Development Fund (UNCDF) has published a report "Microfinance Program Impact Assessment" (2007). This report has clearly assessed the positive impacts of microfinance at individual,

household and enterprise levels. Microfinance has enabled poor people to acquire more assets, increase household welfare, and to better cope with vulnerability. The report has also found the remarkable impact of microfinance on empowerment of women. According to the report, women are more likely than men to spend their profits on household and family needs. Targeting women not only empowers them, but generates a multiplier effect that can enlarge microfinance impact.

Graham Dwyer in his article, "Pawnshops Seen in New Light" published in ADB Review (2003) argue to see pawning as a tool for providing microfinance services to the poor especially in Indonesian and Sri Lankan context. Pawning is probably the oldest method of lending, dating from the days of Babylon, the Bible, and ancient China. It is not so different from exploitative traditional money lending practices, hence, today many policymakers would like to see it curtailed. He urged that yet the prejudices against pawning are usually based on unrealistic or incorrect assumptions. The clients are able to convert their non-financial assets quickly into cash for short periods, whenever needed. Lender and client both benefits from minimum transaction costs.

People having low income and assets profiles and those who do not have easy access to formal micro-credit services can take the quickest service from pawning shops. Although pawning is also traditional money lending practice but it is less exploitative than other traditional practices and can be seen as an option for financing for the low income earners. Hence he urges to give a fresh look at this activity.

Malhotra and her friends have explained women empowerment from six dimensions namely i) economic, ii) socio-cultural, iii) familial/interpersonal, iv) legal, v) political and vi) psychological dimensions at three levels such as i) household, ii) community and iii) broader arenas (Malhotra and friends, 2002:14) Asian Development Bank's policy document "Finance for the Poor: Microfinance Development Strategy" (2000), has clearly pointed out the importance of microfinance for poverty alleviation. At the same time the Bank believes that microfinance alone can improve the livelihood of the poor in isolation without linking it to overall poverty alleviation programmes. To increase the access of poor in

microfinance services as well as to achieve sustainable development impacts, the strategy suggested improving the outreach of the microfinance institutions through community mobilizations.

(DEPROSC-NEPAL) and Micro Finance International, Canada in their study report "Critical Issues in Nepal's Micro-finance Circumstances" (1997) has examined the effectiveness and outreach of microfinance organizations in Nepal and identified the critical issues currently faced by these organizations. The major critical issues identified by the study are – i) financial viability of microfinance institutions including financial selfsufficiency, financial reporting and subsidies; ii) transformation of government programs from retail banking to wholesale banking; iii) expansion of the provision of financial services to the Hills; iv) encroachment or unfair competition between microfinance institutions; and v) lack of appropriate institutional structures and the inability to form a federation of microfinance institutions. The study has provided recommendations to government, donors and microfinance institutions separately to consider above critical issues while designing and implementing microfinance schemes and products.

Mayoux has summarized the current debate on micro-finance and gender in three 'paradigms' namely i) financial self-sustainability, ii) Poverty alleviation and iii) Feminist empowerment paradigms (Mayoux, 5-7).

2.2.2. Review of unpublished Thesis/Dissertations

Khadka(1998) carried out a study on "Micro Credit Project for women: A Case study of Pokhara", The objectives of his study were to find out Sectoral nature of investment and loan. The major finding of his study is group loan is more effective than individual, the share of retail shop sector is significant. Similarly the study concluded that participant's monthly income and employment level have been increased after the implementation of the project, loan distribution varied in different ward, and employment and income is generated significantly. He has suggested that loan should be provided in

the production sector, time and area of the program should be extended, loan should be provided in equal proportion in each ward and to the lower caste to raise their living standard.

Maskey (1998) conducted the study on the topic of “Empowerment of women through income generating programme in Dhankuta District”. To examine the status of women in relation to decision making process was the major objectives of her studies. She has conducted that the programme like PDDP was found to be essential for development in all the villages of Nepal, Women were actively participate in all the activities, they have good co-operation among themselves, people earned a lot of money by their business etc. The recommendations made on the basis of her study are: Monitoring and evaluation of the programme should be done regularly, Literacy programme should be expended, Women should be involved in different training provided by the programme.

Pokharel (1999) had the study entitled “Impact of Micro Finance on deprived class: A case study of self help banking program of Self Help banking development in Lahan Municipality”. His major objective was to find out the financial effectiveness of self-help banking program. He found the programme has increased the literacy rate, reduced the social embarrassed and increased income level of women. He had recommended that repayment should be judged according to the investment and production low and have to focus on the provision of financial service only and it is better not to mix social welfare services with the delivery of financial service. Social service should be provided separately form the financial services.

Mahat (2001) had the study entitled “The Role of Micro Finance Program of Mahila Jagriti Multiple Co-operative to improve the socioeconomic status of women: A Case Study Bhimphedi VDC of Makwanpur”. The major objective of his study was to examine the role of micro finance program to improve the socioeconomic status of women. Major findings were 78% of women has used loan from saving scheme initiating the income generating activities to enhance their households’ income, the micro-credit program is considered as

a powerful weapon for reducing poverty and also increasing the better participation of women groups in the social and economic development process that ultimately support for socio economic upgrade of women.

Parajuli (2002) had a study entitled “A study of the socio-economic impact of the saving credit project of women’s group saving on capital formation in Nibuwatar VDC, Makawanpur”. The major objective was to examine socio-economic impact brought by saving/credit project in women and he concluded saving credit scheme has been effective tools for addressing their need at the time and it supports to upgrade the socio-economic status of women.

Regmi (2003) conducted the study on “Socio-Economic Status of women: A case study of Mahandevsthan VDC, Kathmandu District”. The major objective of her study was to draw the socio-economic profit of the women and to examine the nature of women’s poverty. The study reveals that 75% women of the VDC were found to be literate, agriculture and household work is the main occupation of the women and agriculture is the main source of family income, women involvement in decision making process is very low. She has recommended that women should be trained in cottage industries such as weaving, handicraft, production and sewing, compulsory primary education to girls.

Dangi (2003) had made a study entitled “women’s economic participation to their house hold management in Terhantum District”. The main objective of his study was: to study the socio-economic condition of women and their role to support in the family economy, women’s participation in the household activities and decision making process. Findings of his study reveal that the women are found to have concentrated mainly on household and kitchen chores, they are back warded, and they have nominal share in property ownership, decision making role. He has suggested that the overall literacy rate should be increased, employment opportunities should be made available for the educated girls and women, Government should launch various poverty alleviation programmes with special focus as the poor and disadvantaged women.

Ghimire (2002) has main objective to make assessment of impact of micro-credit program in Kahun VDC in his Master's Thesis entitled "Impact of Microfinance: A case study of micro-credit program for women in Kahun VDC, Kaski". Its major findings is small business started by micro credit has economically profitable, their mobility, capabilities, living standard has been increased and found they are very loyal in repayment that 85% women repaid the loan within due time. The study concluded that micro-credit program is effective for empowering women from both social and economic dimensions.

Joshi (2005) had a study entitled "Women empowerment through micro-finance: A case study of Women Development Section program in Yutuki, Dakshinkali, and Kathmandu". The overall objective of the study is to assess the role of MF services of WDS on women empowerment. The major findings were they have increased their personal, in family as well as in the community, financial independency as well as mobility has been increased. He has concluded the program has been making the women socially, economically and politically empowered but it's not enough further education, capacity building training should provide to the women and national level strict rules have to make participation in lower to upper decision level.

Some studies conducted on impacts of micro-credit on women have revealed similar results. More or less, most of the studies have concluded that micro-credit have positive impacts on socio-economic empowerment of women in Nepal. Dhakal's study (1995), Gyannawali's study (2000), Ojha's study(2002), pandit's study(1997), Paudel's Study(1997) and Shrestha's study(2004) are some example in this respect (Ghimire, 2005:22-31).

2.2.3 Research Gap

Above abstract of studies represents the contemporary views and status of empowerment of poor women through microfinance services. Most of the studies have concluded that microfinance can substantially contribute in

economic and social empowerment of women. Nevertheless, the studies done so far have following gap in the subject area:

Most of the studies are related to empowerment of microfinance on 'poor' in general and 'women' in particular. Out of the studies on women, most of them have analyzed impacts of microfinance on 'mixed groups of women'. There is lack of specific analysis of impacts of microfinance on specific social group of women. Till date more focus on economic empowerment and less focus on socio-cultural empowerment of women have been given in analyzing the impacts of microfinance on women.

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CHAPTER-III

RESEARCH METHODOLOGY

3.1 Research Design

Research design is the outline of a plan to test the hypothesis and should include all the procedures that follow.

Research design is the plan, structure and strategy of investigation conceived so that to obtain answers to research questions and to control variance (Karlinger: 2000, 300).

The research design refers to the entire process of planning and carrying out a research study (Wolff and pant, 2000: 53).

To conduct the study descriptive, cross-sectional and analytical approach has been adopted. Descriptive approach has been used mainly for conceptualization of the problem. Cross sectional approach has been used to identify changes of similarities between the periods of time. Analytical approach has been followed mainly to analyze the relationship among credit, return, income, investment, saving, repayment and other variables of social behavior changes.

3.2 Analytical Framework

Major financial ratios have been used to get 'absolute' value of economic empowerment. Some measures derived from Nepal Human Development Report 2004 have been used. According to NHDR (2004), economic dimension is basically related to the 'expansion of access to productive assets, including physical and financial opportunities, to pursue economic gains'.

Financial Ratios include:

- Loan/Credit Utilization ratio
- Credit Repayment Ratio
- Return on Investment/Expenditure ratio,
- Return on Loan/Credit ratio
- Saving on income ratio

According to the world bank, productive assets normally include human assets such as job skills, physical assets such as access to basic infrastructure, financial assets such as savings and access to credit, natural assets such as forest, river etc and social assets such as networks of contacts and reciprocal obligations that can be called on in time of need and influence over resources. (UNDP, 2006/2007) Each type of asset can play a critical role in economic improvement of the poor. Social assets are mostly related to social empowerment. Therefore a) human assets, b) physical assets, c) financial assets and d) natural assets can play more direct and immediate role in the economic gains of the poor. Productive natural assets are not present in the study areas. Thus, this study will analyze the 'expansion of access to productive assets' in terms of human assets, physical assets and financial assets.

John Ambler (1999: 4) has more clearly defined these assets as capital. According to him human capital [assets] refers to the skills, knowledge, beliefs, attitudes, ability to labor, and good health. In the context of micro enterprises creation and management, an entrepreneur at least needs required skills of business handling, knowledge of overall management and marketing and good health to physically run the business. Indeed, skill, knowledge and good health may be perceived as critical parts of human assets.

Therefore, these three aspects of human assets will be analyzed in this study. Similarly, physical capital [assets] refers to the basic infrastructure such as affordable transport, water supply and sanitation systems, shelter, energy services etc. Thus impacts on these aspects of physical assets will be analyzed in this study. Similarly, financial capital [assets] refers to the financial resources available to the poor such as stocks (e.g., savings and credit provision) and regular inflows of money (e.g., wage labor, remittances, subsidies, transfer payments, other entitlements). To run the business one should have access to credit provision for investment and access to saving provision to accumulate the surplus earnings for future investment. Therefore only these two aspects of financial assets will be analyzed in this study.

Defining socio-cultural empowerment, NHDR 2004 has defined socio-cultural empowerment as: "It is the process through which people and groups

become aware of the interplay of societal and cultural forces at work in their lives and learn how they can act individually and jointly to influence and eventually control the dynamics of these [socio-cultural] factors. It encompasses social status and sense of belonging to social entities that range from households to national policy"

Three conclusions can be drawn from this definition, i.e. socio-cultural empowerment: a) increases social status of poor, b) encourages poor to learn how they act individually and jointly to influence and control the dynamics of socio-cultural factors and c) make poor being instrumental in making the social entities socially just from households through communities to public polity d) education status of their children. This study has analyzed these four aspects of social empowerment.

3.3 Sources of Data

Mainly primary data & information collected through a questionnaire survey and on-the-spot interactions (focus group discussion, observations, key informants survey etc) have been used for study. Beside this, secondary data and information have also been used where they are necessary. Concerned Bank, library and information/resource are the sources for secondary information.

3.4 Population and Sample

Jeevan Bikas Samaj (JBS) is a national level NGO established in 21 September 1997 in order to improve the socio-economic and cultural circumstances of marginalized people. It is a non-partisan, non-political, non-profitable and non-religious organization serving the back warded, disadvantaged and resource poor community. JBS is initiating awareness through advocacy and strengthening the leadership capability of the hitherto excluded and disadvantaged groups.

Since last one decade, JBS has been fighting against poverty and unconsciousness. Now it has been providing financial, social, political, educational, health and other various services in seven districts of southern-east Nepal. Its major services have been focusing on marginalized people

and hard-core poor people, till the period (17th March 2011) 76,154 deprived families are taking microfinance services from 40 different branch office of the organization.

JBS is currently operating in Jhapa, Morang, Sunsari, Dhankuta Ilam, Udaypur and Shindhuli districts of Nepal. Presently, it is providing its microfinance service and other community development works (Social awareness, health, environment conservation, conflict diminution etc) in 184 VDC and 7 municipalities in these 7 districts. It started the journey with micro-finance in line with Grameen model in five VDCs i.e. Amahi Bariyati, Sorabhag, Nocha, Kadmaha and Pokhariya of Morang district on January 26, 2003 with a small capital. Now, it has been providing its service to more than 76,154 poor families and disadvantage households through its microfinance program. Out of those only one VDC has been taken as sample size. In this particular VDC different women has been utilizing micro credit facility provide by JBS. But, the study has focused dalit women of the VDC. So 100% dalit women have been taken as sample size.

3.5 Field work methods

Following field work methods has been used for detail data and information collection:

- a. Household survey through structured questionnaire
- b. Field observation
- c. Interview & Interaction meeting with service providers

Household survey through structured questionnaire has been conducted to obtain key data & information from selected households (please refer ANNEX I for questionnaire). It was backed up by focus group discussion and field observation that were carried out to get hold of the real picture of physical situation and also get impression of it. Interview & interaction meeting with concerned authorities of JEEVAN BAKASH SAMAJ were organized to get their views and to make clarity on implicit issues, data and information. Checklists have been used to keep the interaction on right track. Similarly, the social leaders of the community who have good knowledge of micro-credit supports and the changes seen within the households and community was

consulted to obtain those data & information that can't be collected from other methods used this study.

3.6 Sampling process and the sample size

Enterprises running at five years were considered as eligible for assessment in the assumption that those running less than the period cannot make changes in empowerment level in general. Following steps were followed to select the representative samples from the population:

Step 1: To make the samples more representative, population of selected location were divided into dalit and non-dalit group.

Step 2: Dalit Cluster were selected.

Step 3: 100% samples were selected due to small size of population.

3.7 Data processing and presentation of findings and recommendations

Following steps were followed for data processing and presentation:

Step 1: All the data were compiled on the basis of the indicators of economic and Socio-cultural empowerment

Step 2: Numerical data has been classified, tabulated and analysis through the financial tool ratio and statistical tools like Arithmetic Mean, Percentage, Coefficient of Variance, Standard Deviation, Correlation, Probable Error, Pie Chart, Bar Chart, Time series. A brief explanation of statistical tools employed in this study is as below:

- **Arithmetic Mean (\bar{X})**

Mean is the central value on an average. A Simple arithmetic mean is determined by dividing the sum of values by number of the observations.

$$(\bar{X}) = \frac{\text{Sum of Values}}{\text{No of Observations}}$$

$$\frac{X_1 + X_2 + \dots + X_n}{N}$$

Where,

N= No. of Observation

X_n= Individual value for n number

▪ **Standard Deviation (σ)**

The standard deviation of a series of value is defined as the square root of the mean of the distribution. It measures the absolute variability of the distribution. A small value of standard deviation indicates a high degree of uniformity of the observation as well as homogeneity of a series. The opposite is true in case of large value of standard deviation.

$$\text{Standard Deviation (S.D.) } \sigma = \sqrt{\frac{\sum(x - \bar{x})^2}{n}}$$

▪ **The Coefficient of Variance (C.V.)**

The coefficient of variance is the relative measure of dispersion comparable across distribution that is defined as the ratio of standard deviation to the mean expressed in percent.

$$\text{Coefficient of Variance (C.V.)} = \frac{\text{S.D.}}{\text{Mean}} \quad \text{i.e.} = \frac{\sigma}{\bar{x}}$$

▪ **Karl Pearson's Coefficient of Correlation(r)**

It is the statistical tool that can measure the intensity or magnitude for the linear relationship between two variables. A Great British Biometrician and statistician Karl Pearson propounded this theory which is known as Karl Pearson's coefficient of correlation. Higher the positive value indicates higher the relationship between variables and vice versa. The

value of 'r' should lies between +1. Where +1 denotes the perfect positive correlation between two variables and -1 denotes vice versa. When value is 0, that denotes no correlation between the variables, both are independent.

$$r = \frac{N(\sum xy) - (\sum x) \cdot (\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2]} \sqrt{[N\sum y^2 - (\sum y)^2]}}$$

Where,

N= Number of Years

r= Correlation coefficient

x= Value of X Variables

y= Value of Y Variables

- **Probable Error**

The probable error of the correlation co-efficient is computed to interpret the value and to measure the reliability of the coefficient of correlation. The probable of error is computed by using following formula.

$$P.E.(r) = 0.6745 \frac{1-r^2}{\sqrt{N}}$$

Where,

N= Number of Years

r= Correlation coefficient

- **Financial Ratios:**

$$1. \text{ Utilization Ratio} = \frac{\text{Investment}}{\text{Loan}}$$

$$2. \text{ Credit Repayment Ratio} = \frac{\text{Loan Repayment}}{\text{Loan Taken}}$$

$$3. \text{ Return on Investment/Expenditure Ratio} = \frac{\text{Net Income}}{\text{Investment/Expenditure}}$$

$$4. \text{ Return on Loan/Credit Ratio} = \frac{\text{Net Income}}{\text{Loan Amount}}$$

$$5. \text{Saving on Income Ratio} = \frac{\text{Saving}}{\text{Net Income}}$$

- Step 3: Non-numerical impacts has been accounted/calculated based on the indicators by applying 'YES/NO' criteria for each cluster and category. At the same time critical issues were also be noted down,
- Step 4: Based on the facts of impacts and identification of critical issues, conclusion was drawn,
- Step 5: Prepared draft report based on the conclusion, suitable recommendations have been made,
- Step 6: Final report has been prepared by incorporating comments and suggestions received from the joint meeting.

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CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

Study has been conducted in April 2013. The primary data were collected from Individual house hold survey and secondary data were from Jeevan Bikash Samaj (JBS) micro-credit and JBS NGO. The case study was done on the role of credit program of JBS to improve social and economic status of dalit women of Nocha VDC of Morang District. The micro credit program helps for women empowerment. Under this component, it is envisaged to increase the access of women to control over and use of resources through JBS NGO, JBS micro-credit and their groups. Emphasis is also laid on capacity building of individuals and institution, which ultimately enhance decision making capacity over households as well as in communities. Therefore, in another word, the single factor would not be effective for the empowerment of individuals. The data and information are collected by interviews, questionnaires, focus group discussion and key person's views. In this study only two dimensions of empowerment were analyzed i.e. Economic Empowerment and Social Empowerment. Collected data is presenting as below.

4.2 Socio-economic Status of Respondents:

The social status of the respondents is categories by following points;

-) Caste/ethnicity
-) Age and marital status
-) Education
-) Religion
-) Family size

Similarly, the economic status is analyzed by following points

-) Occupation
-) Ownership in land and Food sufficiency

4.2.1 Respondents by caste and ethnicity

Nocha VDC has multi-ethnic/caste communities consisting about 14 ethnic groups/castes (Baseline Survey, 2013). Out of 14, only two castes from untouchable (Dalit) women have significance number of Micro-credit funded business.

Table 4.1. Respondents by caste and ethnicity

Ethnic Group No. of Respondents	No. of Respondents	Percentage
Mushahar	11	44
Dusad (Paswan)	14	56
Total	25	100

Source: Field Survey, April 2013

Table shows ethnic composition of respondents. Respondents are taken from dalit community. Table states that Dusad community have majority with 56 percent. While, 44 percentage respondents are from mushahar community.

4.2.2 Age and Marital status of sampled respondents

Age is the basic characteristic, which affect the social economic and political structure. Such as Marital status, affect in the family income and other activities. The age and marital status of the respondents are given below:

Table-4.2 Respondents by Age and Marital status

S.N.	Age group (Years)	No. of respondents (n)	Percentage	Marital Status
1	25-30	6	24	Married
2	31-35	8	32	Married
3	36-40	5	20	Married
4	41-45	6	24	Married
Total	-	25	100	-

(Source: Field Survey, April 2013)

Age and marital status of the respondents are shown in the table. It can be observed that out of the 25 respondents, 6 of them (24%) are from the age group of 25-30 years. 8 of them (32%) are from the age group 31-35.

Similarly, 5 of them are in the age group 36-40 and 6 of them (24%) are in the age group 41-45.

The table shows that 75 percent of the respondents are highly productive i.e. 19 respondents are in the age group of 25-40. And all of them are married. It also says that micro- finance programs are lucrative to women who are married.

4.2.3 Family Size of sampled respondents:

Family size refers to the number of person in the family. The family size depends upon numerous factors i.e. type of family, education of couple, numbers of birth and living children, preference of male child, family planning users etc.

Table 4.3 Family size of Respondents

Family type	No of households	Family size	No. of Household	Percentage
Single	19	3-5	8	32
		6-8	12	48
Joint	6	9-11	3	12
		11-19	2	8
Total	25		25	100

(Source: Field Survey, April 2013)

The table shows that family size of the average Nepalese people is always relatively larger. This is because of certain traditional beliefs and the lack of awareness about the prevalent consequences in those communities. From the data we can see that out of 25 respondents, 12 (48 %) of them have a family size consisting of 6 to 8 family members, 8(32 %) of them have 3 to 5 members whereas 3 (12 %) of them have 9 to 11 and more than and 2 (8%) of them have membership of 11-19 persons. The majority size of family is small because the maximum families are separated from joint family, as when they separated, the both families are eligible to take loan separately to stand on their feet.

4.2.4 Religion Composition by Sampled Respondents

Nocha VDC has the different three religion composition that is Muslim, Hindu and Christian. Majorities are Hindu, Muslim and Christians are nominal. All the

sampled respondents are from Hindu community (*Source: Field Survey, April 2013*)

4.2.5 Educational status of the respondents

Literacy is one of the pre-requisite steps for the overall development of individuals as well as a community. Educational status of the respondents is presented below:

Table 4.4 Educational status of the respondents

S.N.	Educational Level	Frequency (n=19)	Percentage
1.	Literate	7	28
2.	Illiterate	18	72

(*Source: Field Survey, April 2013*)

Literacy rate of respondents is very low, i.e. 28 percent. 72 percent of them are illiterate. Illiteracy is one of the major problems of dalit community in Terai region. Because of poverty and social assumption they were not able to study.

4.2.6 Respondents by Occupation

Mainly the respondents are found engaged in livestock (pig and hen) farming and groceries. So, they are divided into two categories: Livestock farming & agriculture and Small business

Table 4.5 Respondents by Occupation

Occupation	No. of Respondents	Percentage
Livestock farming and agriculture	10	40
Small Business	15	60
Total	25	100

(*Source: Field Survey, April 2013*)

The table represents two occupation distributions of the respondents. It shows that majority of respondents (60%) percent depend upon livestock farming & agriculture and remaining 40 percentage on small business such as grocery and vegetable sales in local markets. Previously they have been fulfilling daily needs by wage laboring but after they engaged in MF program, they are able to change their profession. On the basis of available data, it can be said that they are in better positions in terms of generating income from MF program.

4.2.7 Ownership in land and Food sufficiency

The ownership in land and food sufficient of the respondents is presented in below table.

Table 4.6. Ownership in land and Food sufficiency

Land Ownership	Respondents	Food Sufficiency	No of respondents
Less than one Kathha	13	Up to a quarter	11
2-3	7	Two quarters	7
4-5	5	Three quarters	4
		Whole Year	3
Total	25		25

(Source: Field Survey, April 2013)

From the table it is clear that most of the respondents (13%) have no land for farming. They are borrowing others land for farming purpose. The table shows that majority of the respondents are having food problem throughout the year. Only, 3 of them have sufficient food available for a year. They don't have enough land about because of their family size they have full access to food throughout year. And, some of them own 5 kathha land but they are unable to feed their member for the whole year, due to high family size.

4.3 ECONOMIC EMPOWERMENT

4.3.1 Measurement of Absolute Values

I. Loan/Credit Utilization

The JBS has been providing credit to the dalit women for their small business under their rules and regulations of interest and repayment. The dalit women were only dependent upon the loan provided by JBS. Pig farming is only one income sources of their family and they had to return their loan with interest at time. To bear these all kinds of expenses the credit should be utilize properly. If not they would fail to continue their business and to return loan. The proper utilization of loan enhances the efficiency of business and could able to return the credit in time and get profit. Both credit and utilization are two sides of coin. Credit and investment of the respondents is presented in below table.

Table 4.7 Loan/Credit Utilization

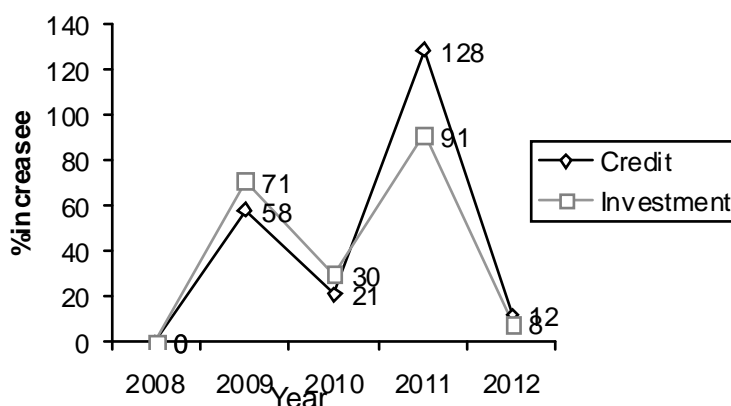
Year	Loan/Credit	% change in Credit	Expenditure/ Investment	Change (%) in Investment	Loan Utilization (%)	Unutilized Loan (%)
2008	38,500	-	20,800	-	54.03	45.97
2009	60,900	58	35,600	71	58.46	41.54
2010	73,960	21	46,300	30	62.60	37.40
2011	168,500	128	88,400	91	52.46	47.54
2012	188,800	12	95,240	8	50.44	49.56
Mean	106132	55	57268	50	55.60	44.40
S.D.	60628.09	-	29430.56	-	-	-
C.V.	57.13	-	51.39	-	-	-

(Source: Jeevan Bikash Samaj)

The table shows that both credit and investment have been increasing over the period. The percentage changes of both loan and investment are increasing. But, credit has higher rate of growth. The mean increasing percentage of credit is 55 whereas investment has only 50 percentage average growth rate.

The table presented above says that credit and investment both are highly fluctuating. But, because of high coefficient of variance (57.13%) credit is more volatile than investment (51.39%). This fact has been clearly displayed in below graph.

Figure 4.1 Trend of Credit and investment

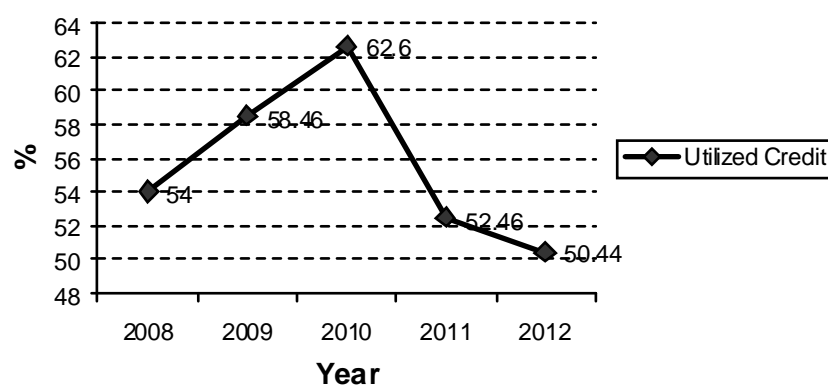


The graph shows that percentage changes in credit and investment are dependent on each other. When credit is increased, investment does so and vice versa. In the year 2009, Percentage Changes in credit is 63 and

percentage change in investment is 123, i.e. almost twice than change in credit. But, in 2010, scenario is different where both factors have same level of changes. The scenario of 2010 changes in 2011, where again credit increased in high rate, investment does so. But, this time there is not huge difference as in 2009. Year 2012 follows the trend of 2010, where credit and investment both fall, but, in higher rate compared with 2010. From the figure we can say that, micro-credit entrepreneurs take credit once in two year period and invest it throughout the period. Nominal percent increase in credit also supports this fact.

The bar diagram shows that Investment is almost half than credit. Data presented on table 4.7 indicates the average credit utilization rate is 55.6 percent. Similarly, it has average credit of 106132 and average investment amounts 57,268. These figures show that people are not able to utilize their credit properly. This is particularly because of short time span for repayment. According to Bank rule, they have to repay their credit amount within 15 days. In such case, if they invest certain in business they won't be able to pay within 15 days. So, they use some amount for repayment purpose. Credit utilization refers to use of credit as investment in business and other type of income generation investment.

Figure 4.2 Trend of Credit utilization



The graph shows that credit utilization rate is quite stable. In the year 2010 utilization rate is 62.6 percent that is the highest one. Similarly, in the year 2012 only 50.44 percent of credit has been utilized. Table 4.7 indicates that average credit utilization rate is 55.6 percent, which indicates that approx. 50

percent of the loan amount has been invested and remaining amount were paid for repayment purpose.

Correlation between Credit and investment

The significance of the relations between two variables during the study period can be tested by applying Karl Pearson's correlation coefficient (r). The formula to find out correlation coefficient (r) by using direct method is as follows.

$$r = \frac{N(\sum xy) - (\sum x) \cdot (\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2]} \sqrt{[N\sum y^2 - (\sum y)^2]}}$$

Where,

N= Number of Years

r= Correlation coefficient

x= Value of Expenditure/Investment

y= Value of Loan/credit

Statistical significance of correlation coefficient

- a. If $r < P.E. (r)$, then the value of r is not significant
- b. If $r > 6 \times P.E. (r)$, then r is definitely significant
- c. In other situations, nothing can be calculated with certainty.
- d. If r lies between 0.7 and 0.999 (-0.7 to -0.999), there is a high degree of positive (or negative) correlation between the variable.
- e. If 'r' lies between 0.5 and 0.699, there is a moderate degree of correlation between the variable.
- f. When r is less than 0.5, there is low degree of correlation between the variable.

From the calculation, we have correlation (r) = 0.9953 (See Appendix table 1)

$$\begin{aligned} \text{Probable Error (P.E.)} &= \frac{1-r^2}{\sqrt{N}} \\ &= 0.0028 \end{aligned}$$

$$\text{Then, } 6 \times P.E. = 6 \times 0.0028 = 0.017$$

Since r is greater than 6 x PE(r) and the value of r is between 0.7 and 0.999. So, r is more significant and in the other aspect there is high degree of correlation between two variables. Hence, it can be said that there is high degree of positive correlation between credit and investment of the business. That signifies that if credit increases investment also increase.

II. Credit Repayment Ratio

The client/dalit women have to return the credit according to bank's rules and regulations. Credit repayment ratio shows the performance of client in their business that they are earning or not from their business. Regular repayment in setting cycle is very important to continue their credit and business otherwise they could not get further credit from JBS. Credit repayment status of study period is presented below. The higher rate of repayment with higher rate of credit utilization rate indicates the good performance of business. The repayment amount calculated only on principle return amount; interest payment is not included on the amount.

$$\text{Credit Repayment Ratio} = \frac{\text{Loan Repayment}}{\text{Loan Taken}}$$

Table 4.8 Credit Repayment

Year	Credit	Repayment	Repayment Rate (%)
2008	38500	20500	53.25
2009	60900	35000	57.47
2010	73960	37600	50.84
2011	168500	85400	50.68
2012	188800	98600	52.22
Average	106132.00	55420.00	52.89
S.D.	60628.09	30715.62	-
C.V.	57.13	55.42	-

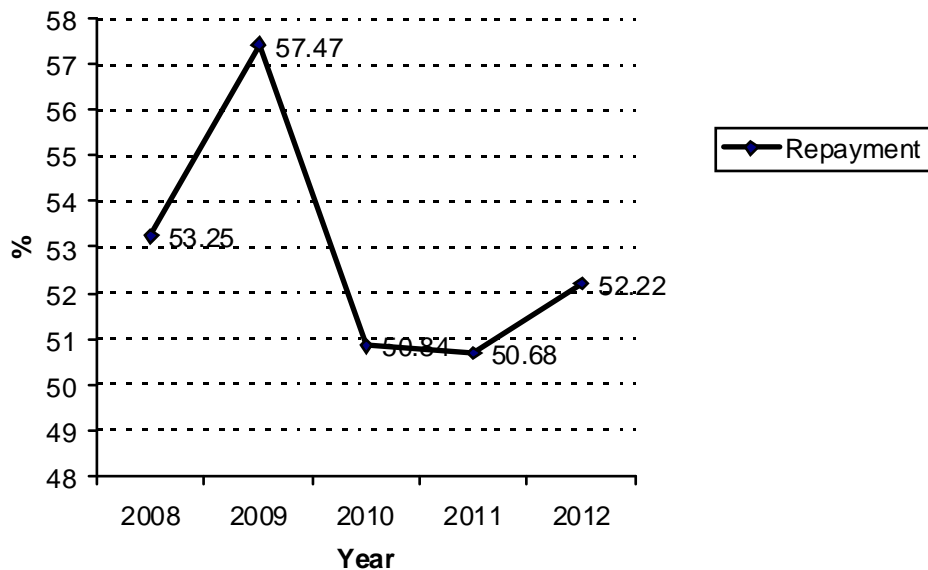
Source: Jeevan Bikash Samaj

Table states that the mean repayment rate during the period is 55.42% and it is above 50 in every year. The highest repayment rate is 57.47 percent in the year 2009.

Repayment rate has lower standard deviation which says that repayments are more consistent. Similarly, repayment has lower Coefficient of Variation (C.V.) than Credit which indicates that people are more consistent with repayment schedule than credit. Year wise Trend of

credit and credit repayment amount is graphically presented in below figure.

Graph 4.3 Credit repayment Rate



In the graph repayment percentage is shown in Y-axis and year in X-axis. The graph shows that repayment rates have been changing year by year except in two years: 2010 and 2011. The highest difference among payment is about 7 percent. This different is because of unusual cash flow from their business and farming.

▪ **Correlation between credit and repayment**

The significance of the relations between two variables can be tested by applying Karl Pearson's correlation coefficient (r). The formula to find out correlation coefficient (r) by using direct method is as follows:

Where,

$$r = \frac{N(\sum xy) - (\sum x) \cdot (\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2]} \sqrt{[N\sum y^2 - (\sum y)^2]}}$$

N= Number of Years

r= Correlation coefficient

x= Value of Repayment

y= Value of Loan/credit

We have correlation (r) = 0.9986 (See Appendix Table 2)

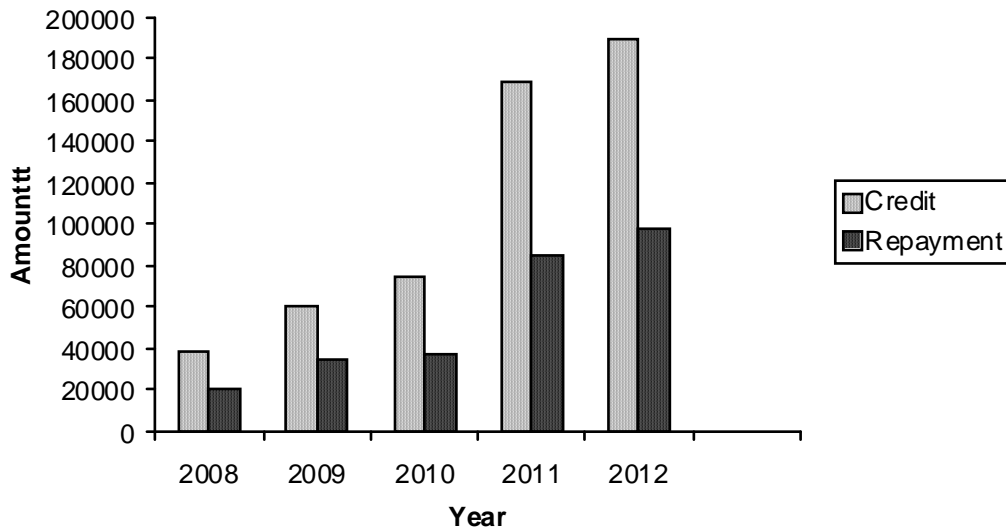
Then, Probable Error (P.E.) = $0.6745 \frac{1-r^2}{\sqrt{N}}$

$$PE(r) = 0.000044$$

$$6 \times PE(r) = 6 \times 0.000844$$

$$= 0.005064$$

Graph 4.4 Credit and Repayment Status



Since r is greater than $6 \times PE(r)$ so, value of ' r ' is highly significant here. Thus, it can be concluded that there is highly positive correlation between credit and repayment, higher the credit higher the repayment rate.

III. Return on Investment/Expenditure ratio

This ratio shows the relationship between net income and investment. In other words, It measures the net income earned on the investment, indicates the earning power of their business and shows how effectively the investments were made.

The high ratio indicates the high utilization of investment and lower ratio indicates the non utilization of assets in full capacity. The ratio can be get by using following formula-

$$\text{Return} = \frac{\text{Net Income}}{\text{Investment}}$$

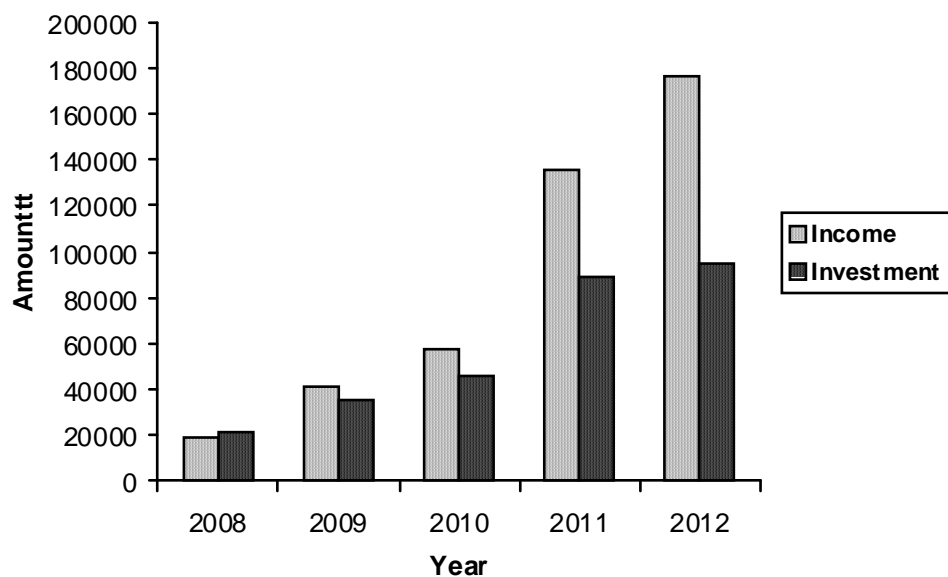
Table 4.9 Return on Investment

Year	Investment	Increase (%)	Net Income	Return (%)
2008	20,800	-	19500	93.75
2009	35,600	71.15	40650	114.19
2010	46,300	30.06	57560	124.32
2011	88,400	90.93	135985	153.83
2012	95,240	7.74	175800	184.59
Average	57268	49.97	85899	149.99
S.D.	29430.56	-	59749.80	-
C.V.	51.39	-	69.56	-

Source: Jeevan Bikash Samaj

The table shows Net Income and investment both are increasing. However, Net income has been growing in increasing trend with higher rate, but, Investment is highly fluctuating. Another Fact is that average increase in investment is about 50 percent but average return rate is about three-fold of investment. Below picture displays clear picture of the scenario.

Figure 4.5 Return on Investment Trend



The rate of return is in highly increasing trend with very strong growth rate. Dalit women were getting very good return from their investment. This is

mainly because of the initial subsidy amount. Initially bank provided subsidies to the borrower to lure them for credit. Similarly, regular skill enhancement and experience of the borrower is also contributing for the growth. When they made some income from their investment, subsequently they would reinvest it, which also contributed for healthy growth. Return on investment is increasing with credit. It increased in moderate pace in initial years. But, from the year 2010 it is in increasing trend. That shows that for next few years borrowers are set to gain high profit, if they are able to maintain same increase in investments.

) **Relationship between Investment and Return**

Hence, we use Karl Pearson's correlation coefficient (r) to find significance of the relationship between two variables. We have,

$$r = \frac{N(\sum xy) - (\sum x) \cdot (\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2]} \sqrt{[N\sum y^2 - (\sum y)^2]}}$$

From the calculation (Appendix Table 3)

Karl Pearson's Correlation Coefficient (r) = 0.9897

Now, Calculation of Probable Error (P.E.),

P.E. (r) = 0.00726 ,

then, 6 x P.E. = 0.0435

Since Correlation (r) is greater than 6 x PE(r) so, is value of 'r' is highly significant here. Thus, it can be concluded that there is highly positive correlation between credit and repayment; that means higher the investment, higher the income

VI. Return on Loan/Credit ratio

This ratio examines the condition of return on total credit provided to the client, how effectively returns were taken from the mobilization and utilization of credit. It also indicates overall performances and profit on business. This ratio is most important to identify whether the business is well efficient to utilize its total loan or not. The higher return indicates the higher return on the business. This ratio can be computed by using following formula.

$$\text{Return} = \frac{\text{Net Income}}{\text{Loan amount}}$$

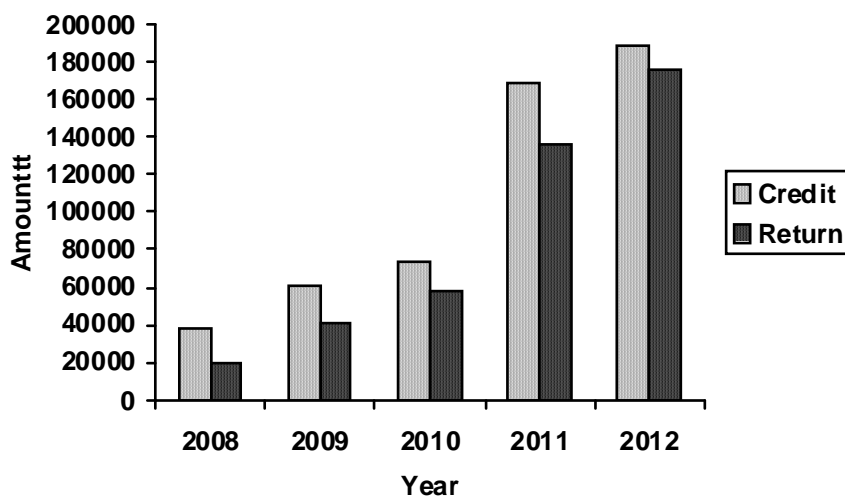
Table 4.10 Return on Loan/Credit

Year	Credit	Net Income	Return (%)
2008	38500	19500	50.65
2009	60900	40650	66.75
2010	73960	57560	77.83
2011	168500	135985	80.70
2012	188800	175800	93.11
Average	106132	85899	80.94
S.D.	60628.1	59749.80	-
C.V.	57.13	69.56	-

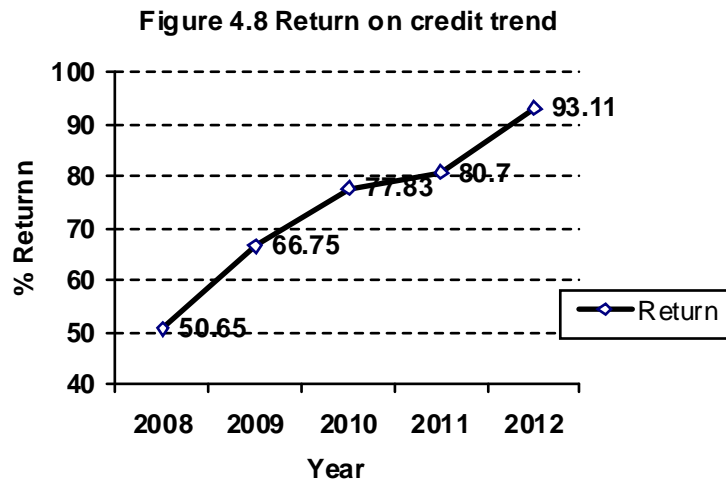
Source: Jeevan Bikash Samaj

The table shows that net income is growing in healthy rate over the year posting the highest rate of 93.11 percent in the year 2012. Because of experience and practice borrowers are able to make good profit every next year. Average return percentage for the period is 81 percent that is overwhelming for those investors. Because of the Increasing trend net income has higher C.V. (69.56%) than credit (57.13). By nature, profit increases in earlier but when it reaches at optimal level it becomes consistent. Contrary to C.V. Standard Deviation of investment is quite lower than credit which shows investments are little bit less fluctuating than credit. The graph displayed below shows the level of credit and investment

Figure 4.7 Credits and Returns



The overall return is increasing over the years that might be the caused of regular skill enhancement on farming and increasing awareness about credit utilization on business. Mean ratio of return is 81% which is good rate of return on business but individual year wise analysis shows first two year has poor return rate. The trend of return ratio is presented below:



Return in credit is in increasing trend with smooth rate. That indicates higher earnings next few years. Pace of return deemed in year 2011, but, from the 2012 it is back in track. Growth rate of return varied because of natural conditions like: Rain, cold and hot.

) Relationship Between Credit and Investment

The significance of the relations between two variables during the study period can be tested by applying Karl Pearson's correlation coefficient (r). The formula to find out correlation coefficient (r) by using direct method is as follows.

We have,

$$\text{Karl Pearson's coefficient of Correlation (r)} = \frac{N(\sum xy) - (\sum x) \cdot (\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2]} \sqrt{[N\sum y^2 - (\sum y)^2]}}$$

Where,

N= Number of Years

r= Correlation coefficient

x= Value of Credit

y= Value of Net Income

Now, we have Correlation(r) = 0.9941 (see appendix table 4)

Again, Calculation of Probable Error (P.E.) =

$$P.E. = 0.00357$$

$$\text{Then, } 6 \times P.E. (r) = 6 \times 0.00357$$

Since Correlation (r) is greater than 6 x PE(r) so, value of 'r' is highly significant here. Thus, it can be concluded that there is highly positive correlation between credit and Investment; that is higher the credit, higher the income.

V. Saving on income ratio

This ratio examines how much money is saved for reinvestment or other purpose. The ratio shows the size of saving from income. It also shows whether the income has totally been expended or not? The lower ratio indicates lower reinvestment capacity and higher ratio indicates higher reinvestment capacity.

According to their business nature and financial status they have provision to withdraw saving after one year. So drawing amount is deducted from the following year. Thus mean saving rate is more appropriate than year wise rate. Women were forced to save the certain amount from the monthly income in the beginning.

$$\text{Saving Return} = \frac{\text{Saving}}{\text{Net Income}}$$

Table 4.11 Saving on income

Year	Net Income	Saving	Saving Rate
2008	19500	7600	38.97
2009	40650	18650	45.88
2010	57560	23600	41.00
2011	135985	53056	39.02
2012	175800	77900	44.31
Average	85899	36161.2	41.84
S.D.	59749.80	25720.54	
C.V.	69.56	71.13	

Source: Jeevan Bikash Samaj

The above table shows mean saving percentage is 42% that that shows borrowers have sufficient amount for reinvestment. Saving rates are not in increasing or decrease trend. The higher saving rate is 46 percent in the year 2009 and the lower rate is 39 percent in 2008, so, saving is not consistent. From the data presented in the table, one normal assumption can be made that saving are volatile because borrowers invested some of the income for domestic purpose. The below graph depicts the level of net income and saving comparatively on year to year basis.

Figure 4.9 Income and Saving

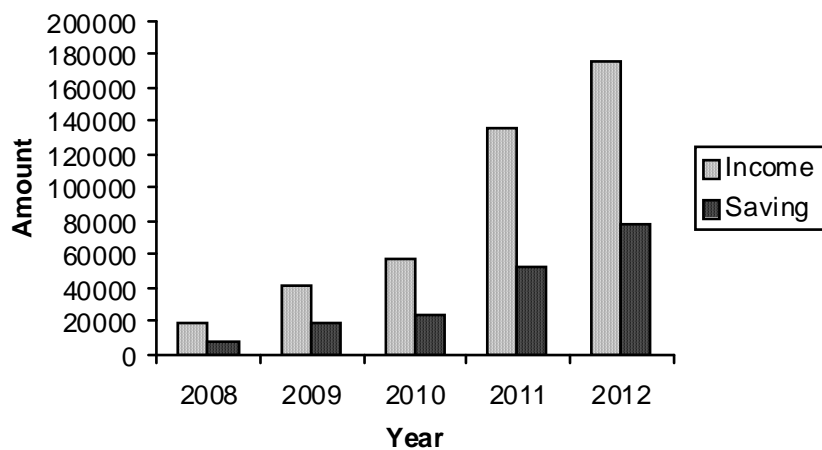
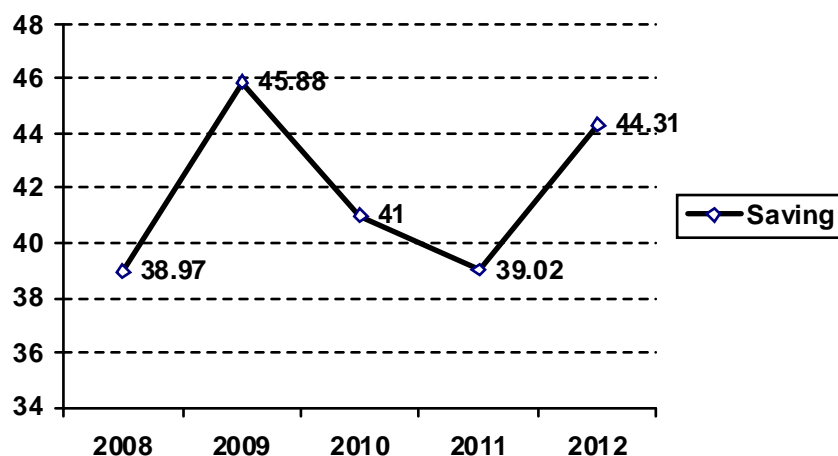


Figure 4.10 Saving Trend



The graph shows that saving rate is fluctuating over the years with higher rate of 44.88 percent in year 2009 and lowest rate 38.97 in 2008. Saving rate

depends on expenses, when there high expense saving rate decreases and vice versa. Here saving rate is varying because of increased expenses of respondents, such as: increase in children education expenses, use of pesticides to protect grains from unfavorable environmental conditions and insects.

Relationship between Saving and Income

For this purpose, we use Karl Pearson's correlation coefficient (r) method. The formula to find out correlation coefficient (r) by using direct method is as follows.

$$\text{Correlation} = \frac{N(\sum xy) - (\sum x) \cdot (\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2]} \sqrt{[N\sum y^2 - (\sum y)^2]}}$$

Where,

N= Number of Years

r= Correlation coefficient

x= Value of Saving

y= Value of Net Income

From the calculation we have, (see appendix table 5)

$$r = 0.9947$$

Now, calculation of Probable Error (P.E.) =

We have,

$$\text{P.E.} = 0.00318$$

Since Correlation (r) is greater than 6 x PE(r) so, value of 'r' is highly significant here. Thus, it can be concluded that there is highly positive correlation between credit and Investment; that is higher the income, higher the saving.

VI. Summary of Correlation between variables

S.N.	Variables	Correlation(r)	Significance
1.	Credit and Investment	0.9953	High degree of Positive Correlation
2.	Credit and Repayment	0.9986	High degree of Positive Correlation
3.	Income and Investment	0.9879	High degree of Positive Correlation
4.	Income and Credit	0.9941	High degree of Positive Correlation
5.	Income and Saving	0.9947	High degree of Positive Correlation

4.3.2 Measurement of qualitative value

Microfinance not only for economic improvement, it also contributes for quality improvement of people. In the study these values are studied as asset. Three aspects of assets a) human assets, b) physical assets, c) financial assets of economic empowerment are analytically presented but natural asset is not included.

I. Human Assets/Capitals

Human capital /assets refer to the skills, knowledge, beliefs, attitudes, ability to labor, and good health. In the context of micro enterprises creation and management, an entrepreneur at least needs required skills of business handling, knowledge of overall management and marketing and good health to physically run the business. Indeed, skill, knowledge and good health may be perceived as critical parts of human assets and analyzed as below-

Table-4.13 Human Assets/Capitals

S.N.	Indicators	Improvement				Percentage (%)
		No	Little bit	High	Total Respondents	
1.	Business Skill and Knowledge(BS&K)	0	6	19	25	0:24:76
2.	Marketing and Management(M&M)	0	9	16	25	0:36:64
3.	Health	3	10	12	25	12:40:48

(Source: Field Survey, April 2013)

- *Business Skill and Knowledge*

The table 4.13 shows that microfinance program is very effective for business skill and knowledge expansion. After the intervention of program 76 percent of the respondents were found having these qualities highly improved. They don't have any business skill prior intervention of the program. Similarly, 24 of the respondent were found having little bit business skill and knowledge improved.

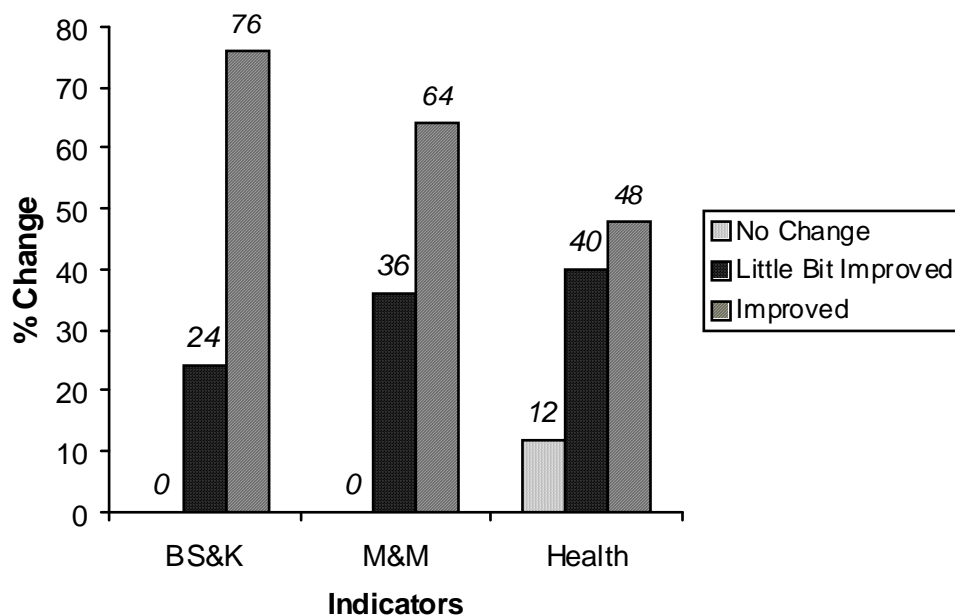
- *Marketing and Management*

Marketing and Management skill is very important for the success of business. Without these skills no one can succeed in business. Above tables shows that 64 percentage of the respondents were able to improve these quality in high degree. Similarly, 36 percent of the respondents were found with little bit improvement on these skills.

▪ *Health*

Good health is major for the success of business. To measure Improvement on heath condition health expenses of respondents were taken. The table shows that 48% of the respondents have strong increment on health expenses. Similarly, 40 percent of respondents health expenses were little bit increased and 12 percent have not increased their health expenses. Below graph shows these all measurements comparatively.

Figure 4.11 Human Assets/Capital Status



II. Physical Assets/Capitals

Physical capital/asset refers to the basic infrastructure such as affordable transport, water supply and sanitation systems, shelter, energy services etc.

Focal points of analysis are:

- I. Means of transportation
- II. Drinking Water facilities

III. Improvement in shelter/Housing

IV. Sources of energy

Table-4.13 Physical Assets/Capitals

S.N.	Indicators	Effect			Percentage (%)
		<i>Improved</i>	<i>No change</i>	<i>Total</i>	
1.	Means of transportation	20	5	25	80:20
2.	Drinking water	17	8	25	68:32
3	Shelter	7	18	25	28:72
4.	Energy source	13	12	20	52:48

(Source: Field Survey, April 2013)

) *Means of transportation*

Table 4.14 shows that 80% respondents' means of transportation was improved. Previously they are compelled to walk on foot to reach local market, but, now they have own bicycle. 20 percent of them are still compelled to walk on foot.

▪ *Drinking Water facilities*

68 percent respondents have built their own tube well for drinking water and remaining 32 percent are still using their neighbor's tube well.

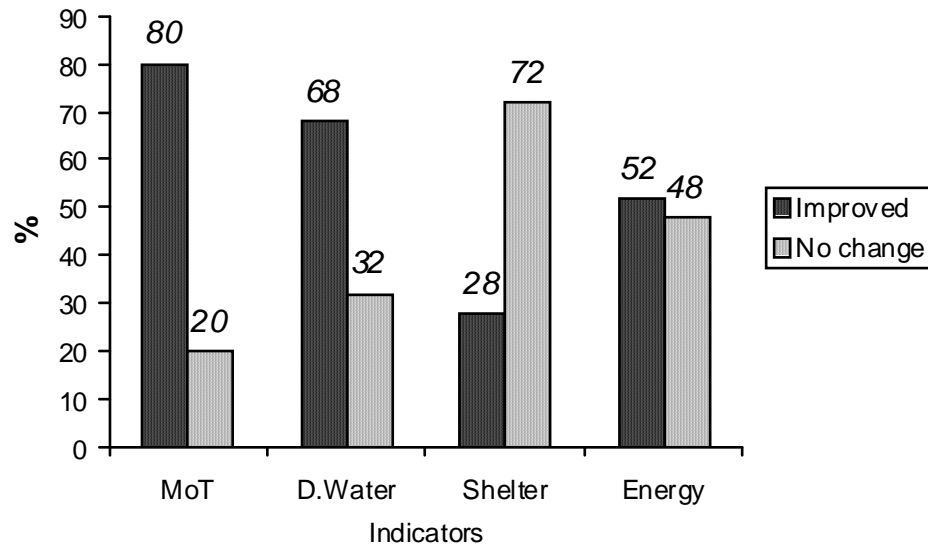
▪ *Improvement in shelter/Housing*

After the intervention of the microfinance program 28 percent of the respondents are able to build their own house. Previously, they were living in rented house. Similarly, 72 percent of the respondents already have their own house so, they don't need to build new one. But, after the intervention of program they are able to maintain their shelter timely.

▪ *Access to energy source*

The table shows that 52 percent of respondents are able to improve energy sources. Previously they were not using electricity for lighting, now-a-days they have their own electricity meter.

Figure 4.12 Graph showing Status of Physical Assets



II. Financial Assets/Capitals

Financial capital/asset refers to the financial resources available to the poor such as saving/credit provision and regular inflows of money. To run the business, they should have access to credit provision for investment and access to saving provision to accumulate the surplus earnings for future investment. Therefore only these two aspects of financial assets had been analyzed in this study.

Focus point of analysis

I. Access to credit provision

II. Access to saving provision

Table 4.15 Financial Assets/Capitals

S.N.	Indicator	Effect			Percentage (%)
		Yes	No	Total	
1.	Access to saving facilities	25	0	25	100:0
2.	Saving form Business	25	0	25	100:0
3.	Access to loan sources	25	0	25	100:0
5.	Loan taken from	-	-		
	Jeevan Bikash	-	-	20	80
	Local Creditors	-	-	5	20

(Source: Field Survey, April 2013)

From the table it is known that 100% respondents have access to saving and credit facilities. They also have the access to sources of loan and are able to make saving from business. Majority of respondents (80 percent) are taking credit from Jeevan Bikash Samaj but at the same time, some of them (20 percent) every respondent are compelled to take loan from the local creditors too. That is basically due to tighten lending policy and procedural lengthiness that takes long time to get money. But, it was found that after the intervention of program those people who were not proving money are ready to provide them loan. It signifies that respondents' creditworthiness has been increased.

IV. Economic Situation before intervention of Micro credit program

During the course of data collection and field visit respondents were asked different type of questions to know about their economic condition.

Major issues of them are described below:

Human Assets/Capitals:

Previously, Dalit women of the VDC had been fully dependent up on the family (especially husband). Similarly, their family was also dependent of wage labor. They had been working as agricultural labor. Beside agriculture labor they also used to go for other labor work.

They only have skill and knowledge about wage labor so, they kept business quite apart. They thought that to run business it needs lot of money. They have to work to fulfill their hand to mouth necessity, so, they were totally careless about health hazards. They used to stool in open place nearby the house, didn't keep clean surroundings.

Physical Assets/Capitals:

Before they involved in MF program, their living standard was very low Houses were made by bamboo and dry grass. Even, some of them were living in landlord's house. Handfuls of them were able to manage drinking water They had very few amount of land only for their settlement. Similarly, they didn't have own means of transportation, so they had to walk on bare foots.

Financial Assets/Capitals:

Previously, none of the NGOs or INGOs had been implementing development activities in that VDC targeting dalit. So, none of them were involved in

financial activities. If they need credit need they had to depend on local creditors and pay high interest. Only few of them were able to get money from local creditors with limitations. The maximum limit was two thousands.

If they failed to pay loan in time, they would face mental torture from creditors. Addition to this, creditors compelled them to work for free. Even small amount of loan were getting higher day by day because of high and compounded interest rate. Sometimes they have to work for them for long time in their agricultural and household work to reduce their loan. They didn't have the sufficient income for daily fooding purpose so saving was extremely rare.

In short it can be said that before the MF program economic situation of dalit women in Nocha VDC was very poor. They have nominal assets, income and opportunities.

4.4 SOCIO-CULTURAL EMPOWERMENT

To measure socio-cultural empowerment four dimensions has been taken.

- a) Social status
- b) Skill to influences socio-cultural factors
- c) Influence in decision making process, respondent children
- d) Education status of

4.4.1 Social Status

Social status includes social recognition, respect and freedom in personal, family and community level: how recognized s/he is in the society, how other members of the family behave? These all define one's social status.

Table 4.16 Increase in Social Status

S.N.	Indicators	Effect			Percentage (%)
		Yes	No	Total	
1.	Personal level	25		25	100
2.	Family level	25		25	100
3.	Community level	25		25	100

(Source: Field Survey, April 2013)

Table 4.16 represents respondents' social status in three levels. All respondents feel their social status has been increased in each level.

After the involvement in MF programs women are now engaging in income generating activities as well as in different awareness program. That helped them to express their view in community. Subsequently, they became self-sufficient to fulfill their need. Then, people started accepting their presence. That signifies that MF program really helped to improve respondents' social status.

4.4.2 Ability to analyze socio-cultural factor

This refers to the ability of respondents to analyze traditional socio cultural practices (such as: gender based discriminatory practices) and determine what is good and what is bad. Particular focus has been given to the practices that drive women backward.

Skill to influence could be in three levels i.e. personal, family and community level that encourage poor to learn how they act individually and jointly to influence and control the dynamics of socio-cultural factors.

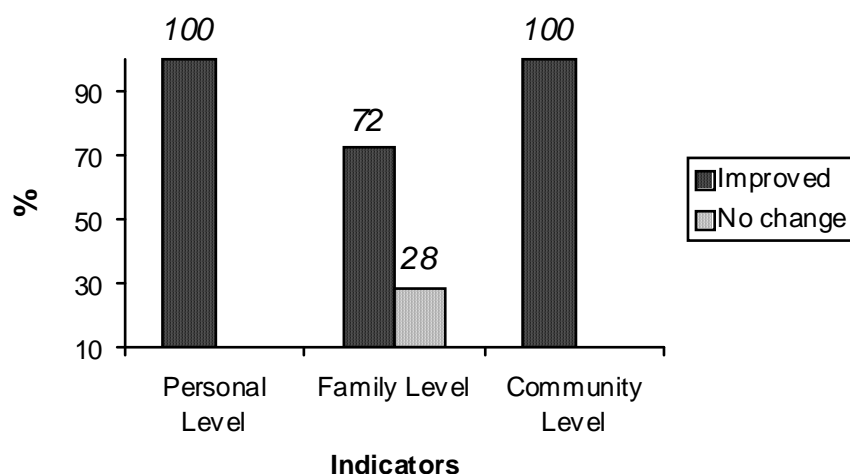
Table 4.17 Ability to analyze socio-cultural factor

S.N.	Indicators	Effect			Percentage (%)
		Yes	No	Total	
1.	Personal level	25		25	100
2.	Family level	18	7	25	72:28
3.	Community level	25		25	100

(Source: Field Survey, April 2013)

Table shows very high improvement in analytical capacity of the respondents. This is basically due to interactive and motivational workshops organized by JBS. Initially, all the respondents were unaware about their social rights and norms. But, after the involvement they were able to discuss and analyze social practices. These figures are presented in graph below:

Figure 4.13 Ability to analyze socio-cultural factor



Personal level and community level analyzing ability of the respondents increased by cent percent. But, family level analytical capacity is below that level (72). That is because of skeptical family tie ups. Some of the respondents found quite dominated at home. Contrary to this fact, most of the respondent told that now their husbands have started asking their view for any family matter. This symbolizes increasing involvement of female in decision making process.

4.4.3 Influence in decision making process

In this study the role and influence of dalit household women’s decision making process includes in different level i.e. in household/family level, in community level and in development and Governmental level to make poor being instrumental in making the social entities socially from households through communities to public polity.

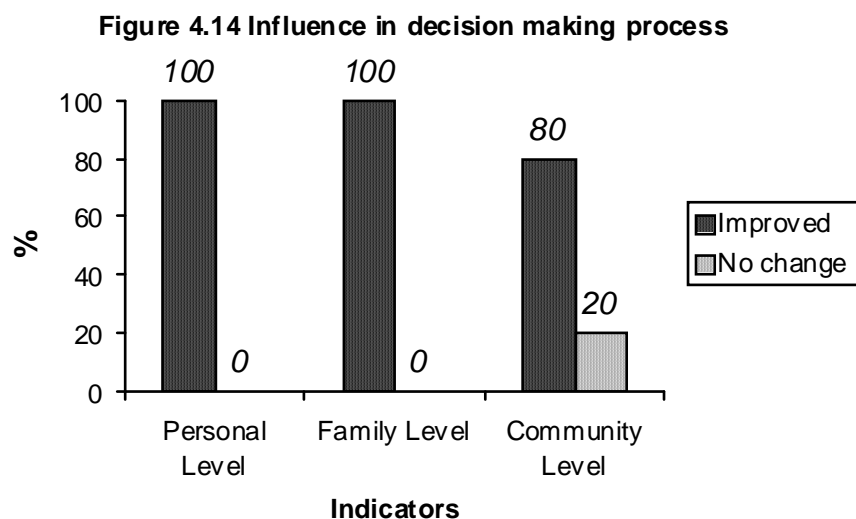
Table 4.18 Influence in decision making process

S.N.	Indicators	Effect			Percentage (%)
		Yes	No	Total	
1.	Personal level	25		25	100
2.	Family level	25		25	100
3.	Community level	20	5	25	100

(Source: Field Survey, April 2013)

Table 4.18 shows the increment of role and influence of respondents in their family and person level by 100 percent. That is now they can influence each and every decision to be taken in family level. But, they are still dominated in

community level. 80 percent of the respondent felt they have ability to influence community. That shows male has started hearing women's advice in family and community level. Below graph shows comparative figures.



4.4.4 Education status of children

Education status of respondents' children signifies behavioral change for education. To measure awareness of the respondents for education two major aspects has been taken.

- a) No. of respondents investing their earning for education
- b) Class standard of the children

Table 4.19 Education status of children

S.N.	Education Expenses	Households	Percent
1.	Yes	25	100
2.	No	0	0
	Total	25	100

Table 4.20 Table showing Educational Level of children

S.N.	(Class)	Households	No. of Children	Household Percentage (%)
1.	Primary (up to 5 Class)	6	10	24
2.	Lower Secondary (6 to	10	12	40

	8)			
3.	Secondary Level (9 to S.L.C)	7	7	28
4.	Higher Secondary(+2)	2	2	8
Total		25	31	100

(Source: Field Survey, April 2013)

The table shows all respondents have been spending some amount for children's education. This shows that MF program is highly effective for changing people's attitude toward education. The other hidden fact is that none of the respondents' children are deprived from education.

If we look at class distribution table 24 percent of the respondents' children are reading in primary level, 40 percent in lower secondary level, 28 percent in secondary level and very few 8 percent respondents' children are getting higher education. These figures show continuity in schooling and increasing new enrollment too. The analysis shows the positive changes in the level of awareness on education. Another important fact is that none of the respondent is willing to discontinue study of children.

4.4.5 Socio-cultural situation before intervention of MF program

Based on the discussion with respondent, questionnaire collection and baseline survey the socio-cultural situation of the dalit women of the Nocha VDC before the intervention of MF program is described below:

- **Social status:**

Before the intervention of program dalit women of the Nocha had been fully directed by the family for everything, their basic need to freedom. The community was fully dependent in wage labor, all of them used to work for local riches. In addition to this, women had been doing household work too. Male members of the family used to decide everything. Women could not go anywhere besides wage laboring.

Family member never felt the need of advice and participant of women in family level. This totally demoralized their personal confidence too. Women themselves never thought their advices and participation are useful. Women's

have less access in fixed and cash assets as well. So, they were fully dependent upon male member. Household economy was led by the male, they directed for everything

Social status and income level together with understanding and awareness level were definitely too low than current status. Any social organization didn't implemented programs targeting them, no groups were formed and none of them were involved in any social organization. They were not talking with the new face/visitor

Awareness level of the women was very low. They only used to follow the traditional cultures. They are not aware about education and sanitation. They passed same culture and message to their children what they have been following. They have been discriminating their son and daughter unknowingly. They also followed culture of child marriage.

- **Ability to analyze socio-cultural factor**

Previously, Social status of the women was very poor. They were compelled to live within the boundary of their household work. They didn't get any opportunity to develop their personal skill and knowledge.

Their participation in individual and family level socio-cultural activities was just as helper. They were not allowed to participate in community level social and cultural activities. So, they were unable to play significant role in socio-cultural factors. Only male were the actor of socio-cultural factors.

- **Education status of children:**

Previously, Education level of the women as well as community was very poor. They didn't have the knowledge of school education. Most of them didn't send their children to school. They thought schools are only for wealthy children. They did got opportunity to participate any awareness program.

To conclude, it can be said that before the intervention of program socio-cultural situation of the women of Nocha VDC was in miserable condition. Dalit community itself is very poor and ethnic minority community that is suppressed by the upper caste. In addition, women were suppressed by male dominated system of family. They had no access on asset and income. Women were closed within household and livelihood work. They didn't have the exposure and knowledge of socio-cultural factors. They were


not involved in any decision making process from family level to community. They were being treated as dumping site of traditional social culture and values.

4.5 Major Findings

The major findings from this study are presented below.


A. Economic Empowerment

1. Findings from numeric value analysis

 **Credit Utilization analysis:** Credit and investment both have been increasing over the period. But, credit has higher growth rate. The mean increasing percentage of credit is 55 whereas investment has only 50 percentage average growth rate. Credit and investment both are highly fluctuating. But, because of high coefficient of variance (57.13%) credit is more volatile than investment (51.39%). Only 55.60 percent credit has been invested for the business and 44.44 percent portion of credit seems unutilized.


Thus, it can be concluded that huge percentage of credit has been used for mainly two purposes: repayment and domestic expenses. This is particularly because of short time span for repayment. According to Bank rule, they have to repay their credit amount within 15 days. In such case, if they invest certain in business they won't be able to pay within 15 days. So, they use some amount for repayment purpose.

Similarly, correlation between credit and investment (r) is 0.9953. Hence, it can be said that there is high degree of positive correlation between credit and investment of the business. That signifies that if credit increases investment also increase.

 **Credit repayment ratio analysis:** Repayment is in good position. Mean repayment rate during the period is 55.42% and it is above 50 in every year. The highest repayment rate is 57.47 percent in the year 2009.


There is high positive correlation between credit and repayment. The trend of the repayment has more fluctuated than credit.

Repayment rate in comparison with utilization rate shows the repayment is in higher position with higher utilization of credit. Thus it can be conclude utilization of credit effects the repayment of credit. Repayment rate has lower standard deviation, which says repayments are more consistent than credit. Similarly, repayment has lower Coefficient of Variation (C.V.) comparing to Credit which indicates that people are more consistent with repayment schedule.


 **Returns on investment ratio analysis:** Net Income and investment both are increasing. However, Net income has been growing in increasing trend, but, Investment is highly fluctuating. Another Fact is that average increase in investment is about 50 percent but average return rate is three times than investment.

The rate of return is in highly increasing trend with very strong growth rate. Dalit women were getting very good return from their investment. This is mainly because of the initial subsidy amount. Initially bank provided subsidies to the borrower to lure them for credit. Similarly, regular skill enhancement and experience of the borrower is also contributing for the growth. When they made some income from their investment, subsequently they would reinvest it, which also contributed for healthy growth.

Since Correlation between investment and return is 0.9897. That shows high degree positive correlation between credit and repayment; that means higher the investment, higher the income.

 **Return on credit ratio:** Net income is growing in healthy rate over the year posting the highest rate of 93.11 percent in the year 2012. Because of experience and practice borrowers are able to make good profit every next year. Average return percentage for the period is 81 percent that is outstanding. Because of the Increasing trend net income has higher C.V. (69.56%) than credit (57.13). By nature, profit increases earlier in high rate but when it reaches at optimal level it becomes quite stable. Contrary to C.V. Standard Deviation of investment is quite lower than credit which shows investments are less fluctuating than credit.


The overall return is increasing over the years that might be the caused of regular skill enhancement on farming and increasing awareness about credit utilization on business. Correlation between return and credit is 0.9942, that shows high degree of positive correlation between credit and Investment; that is higher the credit, higher the income.

 **Saving and income ratio:** After the involvement in MF program, Dalit women are able to save significant portion of income. Mean saving ratio is 42 percent that shows borrowers have sufficient amount for reinvestment. Saving rates are not in increasing or decrease trend. The higher saving rate is 46 percent in the year 2009 and the lower rate is 39 percent in 2008, so, saving is not consistent. From the data presented in the table, one normal assumption can be made that saving are volatile because borrower have to invest some of the income for domestic purpose.

Since Correlation between saving and income is 0.9947. That shows highly positive correlation between credit and Investment; that is higher the income, higher the saving.

2. Findings from qualitative value analysis

Based on the above analysis, discussion with respondents and questionnaire collection the impacts after intervention of program on economic situation of dalit women of Nocha VDC following listings air identified.

 **Human Assets/Capitals:** The analysis shows their skill and knowledge were expanded from agriculture wage labor to different small businesses. Table 4-13 shows that MF program is very good way to provide business skill and knowledge. After involvement in MF 100% dalit women are now business literate. Similarly, all of them have marketing and management knowledge. 64 percent of the respondents said that they their marketing and management knowledge was highly improved. MF program of Jeevan Bikash proved to be highly effective to aware them about health and sanitation issues

🌍 **Physical Assets/Capitals:** Analysis of table and figure 5.14 shows very strong improvement in all physical facilities of respondents'. 80% respondents' means of transportation was improved. Previously they are compelled to walk on foot to reach local market, but, now they have own bicycle. But, 20 percent of them are still compelled to walk on foot. Similarly, 68 percent respondents have built their own tube well for drinking water and remaining 32 percent are using their neighbor's tube well.

After the intervention of the microfinance program 28 percent of the respondents are able to build their own house. Previously, they were living in rented house. Similarly, 72 percent of the respondents already have their own house so, they don't need to build new one. But, after the intervention of program they are able to maintain their shelter timely. Similarly, 52 percent of respondents are able to improve energy sources. Previously they were not using electricity for lighting, now-a-days they have their own electricity meter.

🌍 **Financial Assets/Capitals:** 100% respondents have access to saving and credit facilities. They are saving certain amount from their income. Now, they have access to local banking and saving credit facilities in micro level They also have the access to sources of loan and are able to make saving from business. Majority of respondents (80 percent) are taking credit from Jeevan Bikash Samaj at the same time, some of them (20 percent) every respondent are compelled to take loan from the local creditors too. That is basically due to tighten lending policy and procedural lengthiness that takes long time to get money. But, it was found that after the intervention of program those people who were not proving money are ready to provide them loan. It signifies that respondents' creditworthiness has been increased.

B. Socio-Cultural Empowerment

Based on analysis of collected questionnaires, discussion with stakeholder and respondents about socio-cultural situation of the dalit women various facts were uncovered. They are presented below:

📌 **Social Status:** Social status of dalit women has been increased positively. After the involvement in MF programs women are now engaging in income generating activities as well as in different awareness program. That helped them to express their view in community. Subsequently, they became self-sufficient to fulfill their need. Then, people started accepting their presence. That signifies that MF program really helped to improve respondents' social status. Their level of confidence has boosted and they got recognizant in family as well as in community level. Cent percent of respondents felt their confidence level boosted and similar percent felt that they are accepted as equal stakeholder of the family and society. They have already formed women group within a cluster in their own leadership.

📌 **Ability to analyze socio-cultural factor:** Analyzing ability of dalit women were found increased substantially. This is basically due to interactive and motivational workshops organized by JBS. Initially, all the respondents were unaware about their social rights and norms. But, after the involvement they were able to discuss and analyze social practices. Personal level and community level analyzing ability of the respondents increased by cent percent. But, family level analytical capacity is below that level (72). That is because of skeptical family tie ups. Some of the respondents found quite dominated at home. Contrary to this fact, most of the respondent told that now their husbands have started asking their view for any family matter. This symbolizes increasing involvement of female in decision making process.

📌 **Influence in decision making process:**

Level of awareness, capabilities of the women has been increased after the intervention of program. Now most of them have the capabilities to influence in socio-cultural factors that indicates their influence in decision making process also has been increased positively. Table 4.18 shows the increment of role and influence of respondents in their family and person level by 100 percent. Now they can influence each and every decision to be taken in family level. But, they are still dominated in community level. 80 percent of the

respondent felt they have ability to influence community. That shows male has started hearing women's' advice in family and community level.

 **Education status of their children:**

Their business income is supporting in their children's education, they became able to send their children continually in school. Available data in table 5.18 shows positive changes on the awareness level about education. Majority of them are sending their children in school and moreover seems their regular continuity in schooling. Moreover the trend shows the awareness about education is increasing and together students are increasing in lower level enrollment.

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CHAPTER V

SUMMARY, CONCLUSION & RECOMMENDATION

5.1 Summary

The research was done in Nocha VDC of Morang district located at 10 kilometers south from East-West highway. Bhamins and Tharus are the major ethnicity of Nocha. Mushahar and Dusad have majority among lower-caste (Dalit). Primary objective of the MF program in Nocha is to empower deprived and low-caste community socially and economically. This is the core concept of MF program worldwide. This seems to be a sound strategy for the country like Nepal.

JBS's MF program has proved itself as successful strategy for women empowerment in Nocha VDC. After the intervention of program women access to micro credit has been increased sustainability because of collateral free loan. The program has been able to increase the self-esteem and self confidence to women through personal saving, regular income, bi-monthly meetings, exposure, trainings and the frequent interaction with other women in the community. They are now in good position either economically or socially.

However, the limited mobility of women has also been observed to have direct relationship with decision making ability in their family and community level. Repayment of loan is satisfactory, but there are some problems in utilization of credit. That was basically because of the short repayment period. 15 days interval repayment provision is the main problem for full credit utilization. Because the business they operated is in small scale, so, they couldn't generate regular cash-flow to pay the loan amount within the schedule.

MF program is not only able to generate income but also it helped Dalit women to harness their potential. It brought them forward from their limited world and created an environment for interaction with other members. They have got an opportunity to discuss their problems in mass. Similarly, leadership ability of the women has been nurtured some extent.

The greatest challenge of micro-finance is expanding saving and credit services to the poor. Because they don't have any resources to use them,

they don't have any idea to utilize them. But, JBS's MF program proved itself very successful. After the intervention of program women have started saving for future, which made them self-reliant and confident. Now, they have their own business, so, they needn't to beg with their family member. They have good business management skill. They have increased their productivity of their limited assets as well as increased financial status. Some major findings are listed below:

-) Women were being socially as well as financially empowered gradually.
-) Dalit Women are mobilizing credit, getting regular income and acting as a helping hand to meet the family need.
-) They have developed the self-confidence and leadership skill.
-) They have good business management skill.
-) Dalit women started engaging themselves in social works.
-) Involvement in decision making process from family to community.
-) Ability to analyze and determine which social practices are good and bad.
-) More social exposures and training.
-) Significant changes in socio-economic status of Dalit women.
-) Women have regular income and they could get credit in low interest rate without collateral in emergency.
-) They are more aware about education, sanitation and health.

Although they are now self-sufficient and are able to feed their family, different social traditions pushing them back to the hell of social jeopardy. But, there is significant difference after the intervention of MF program. There are social and traditional restrictions to speak and behave freely with outsiders. These all barriers are only applied to the women. In, addition they are bounded by traditional social norms.

Literacy is one of the pre-requisite steps for the overall development of individuals and community as well. In general scenario of the Nepal, Women's literacy rate is very poor than men more over to Terai women than hill women, Nepalese social norms and values discourage women for decision-making especially for rural women. They have less power in decision-making in all spheres of life; gender inequality is a main problem. Same problems were found in Nocha VDC.

5.2. Conclusion

Selected community is a one of deprived community of Nepal. People hate them saying untouchable. More often they are excluded from the basic facilities and opportunities provided by government.

The Micro saving and credit scheme is being popular in this community. The financial analysis of business shows that their business is in profitable position. The community has succeeded to utilize the saving and credit and generate profit. However still some efforts are needed for to sustain these improvements and further financial soundness of the program.

All community members were found satisfied with the program, although, they expect some improvement in process. The saving and small credit program is highly popular in the community basically for the economic reasons along with human and social development. Amount of loan distribution and collection procedures are not satisfactory, the significant chunk of loan is being used by borrowers for repayment. This is quite impractical.

Sustainability of the program is highly dependent on the qualitative and quantitative factors. In quantitative aspects the most of the indicator are showing financial soundness. But, qualitative factors are demanding some improvement.

The project has been playing a vital role to change women's socio-economic status. The women's groups were formed, strengthened and supported with training, counseling, necessary inputs and their skill, knowledge and capabilities has been increased to enhance their business handling ability, which indicates economic empowerment.

On the other hand the gender disparity has remarkably decreased; women's confidence level has been raised from their personal level to the community level. They are challenging their conservative tradition and trying to maintain their own social status. MF program has increased the awareness in education, health and sanitation.

These all changes have been increasing their skill to influence the factors of decision making process which indicate their social empowerment.

5.3. Recommendations

- 📌 Because of 15 days interval repayment schedule all the borrower are holding their money to repay in time. This provision compelled them to hold some money idle. So, it is recommended to maximize the repayment interval to at least one month. That will definitely improve credit utilization rate and increased income. Similarly, repayment schedule should have flexibility according to the business nature and repayment track of client.
- 📌 Improved provisions for repayment are necessary to reduce the gap between credit growths. There is big difference in credit growth every year.
- 📌 Actual need identification, periodic meeting and monitoring mechanism should be regular and effective to pump up and alert them for optimum utilization of credit.
- 📌 Return on investment ratio is very strong, but, return on credit ratio is just satisfactory. So, it is recommended to develop a mechanism to make investment from their credit, not to use credit for repayment and household expenses.
- 📌 Saving rate is good, but maintaining it in long run may be difficult. So, different programs to develop entrepreneurial skill should be launched.
- 📌 Members of Jeevan Bikash are still taking loan from local money lender with high interest rate. This is because of the long procedure and delay in reimbursement. So, it is recommended to ease the procedure and reimburse as soon as possible.
- 📌 To enhance their business they should be encouraged to regular monthly saving and reinvestment of capital.
- 📌 The Bank has been providing technical support in terms of market link and business management. Beside these support it should train them for business planning and expansion.
- 📌 For the sustainable improvement of respondents' social and economic condition, it is recommended to transfer the technical skill and knowledge about business management, credit cycle, market identification and other aspects of the business to the member.

- ✚ It is recommended that certain time of the women's forum should use in regularly to make aware on gender disparity, conservative social norms and attitude for social change.
- ✚ After the intervention of MF program financial status of Dalit women increased substantially but, there is still need of social empowerment. So, there should be focus on social empowerment too. Especially, in education, sanitation and health.
- ✚ Co-ordination, co-operation between member and bank should be further strengthened. Success of the program depends on mutual cooperation.

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Appendix I

सर्वेक्षण प्रश्नावली (Questionnaire)

क. व्यक्तिगत विवरण (Personal Information)

- १) ऋणीको नाम: २) जात/जाति :.....
- ३) ऋणीको मुख्य पेशा : ४) घरमुलीको नाम :.....
- ५) परिवार सङ्ख्या: जम्मा () महिला () पुरुष ()
- ६) ठेगाना: गाविस : वडा नं :..... टोल :
- ७) उमेर : ८) धर्म :
- ९) परिवारको किसिम : () संयुक्त () एकल १०) परिवार संख्या.....
- ११) जग्गा स्वामित्व आफ्नै () मोहि () भाडामा () भएमा, कट्टा.....
- १२) शिक्षा : () साक्षर () निरक्षर () स्कुल पढ्दै गरेको परिवार संख्या
- १३) आम्दानीबाट कति समय खान पुग्छ ? () ३ महिना () ६ महिना () ९ महिना () वर्षभरी
- १४) अति आवश्यक समयमा तपाईं नगद कहाँबाट प्राप्त गर्नु हुन्छ ? () बैंक () समुह () साहु
- १५) व्यवसाय/ब्यावसायीक खेती कहिले देखि शुरु गर्नु भयो ?.....

ख. आर्थिक सशक्तिकरण (Economic Empowerment)

१) मानवीय सम्पत्ति/पूँजी (Human Asset/Capital)

- ज) व्यवसायिक ज्ञान तथा दक्षता (Business Skill & Knowledge) :
अहिलेको जित्कै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()
- ज) बजारीकरण तथा व्यवस्थापना (Marketing & Management) :

अहिलेको जत्तिकै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()

। स्वास्थ्यमा सुधार र स्वास्थ्य सम्बन्धि चेतना :

अहिलेको जत्तिकै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()

२) व्यवसायको कमाईबाट भौतिक सम्पति/पूँजीमा पहुँच (Access to asset/capital from business earning)

। सुलभ यातायात (बस, ट्रक, रिक्सा, टाङ्गा, ट्रयाक्टर आदि)को पहुँचमा वृद्धि :

अहिलेको जत्तिकै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()

। ७। खानेपानी तथा सरसफाई सुविधामा वृद्धि :

अहिलेको जत्तिकै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()

। आवास सुविधा

अहिलेको जत्तिकै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()

। उर्जा (विजुली, शौर्य उर्जा, गोबरग्यास आदि)

अहिलेको जत्तिकै थियो () अहिलेको भन्दा कम थियो () छँदै थिएन ()

३) वित्तीय स्रोतमा पहुँच (Access to Financial Source)

। वचत गर्ने सुविधामा पहुँच : छ () छैन ()

। वचत गरेको छ? छ () छैन ()

। ऋणको स्रोतमा पहुँच छ? छ () छैन ()

। ऋण लिनु भएको छ? छ () छैन ()

लिएको भए, संस्थाको नाम :

ग) सामाजिक-सांस्कृतिक सशक्तिकरण (Social-cultural Empowerment)

१) सामाजिक प्रतिष्ठा (Social status) : यस अन्तरगत महिलाहरूको क्षमता, आत्माविश्वासको तह, व्यक्तित्व

र स्वतन्त्रताका विषयमा पहिचानको अनुभव समावेश गरिएको छ ।

। व्यक्तिगत तहमा वृद्धि : छ () छैन ()

। पारिवारिक तहमा बृद्धि : छ () छैन ()

। सामुहिक तहमा बृद्धि : छ () छैन ()

२) सामाजिक-सांस्कृतिक विषयहरूले प्रभावको विश्लेषण कला (*Ability to analyze socio-cultural factor*) : यस अन्तर्गत लामो समय देखि निरन्तरता दिदै आएका सामाजिक सांस्कृतिक परम्पराहरूलाई विश्लेषण गर्न सक्ने र सामाजिक विकासको लागि सही वा गलत पहिचान गर्न सक्ने महिलाहरूको दक्षतालाई आधार मानिएको छ ।

। व्यक्तिगत तहमा बृद्धि : छ () छैन ()

। पारिवारिक तहमा बृद्धि : छ () छैन ()

। सामुहिक तहमा बृद्धि : छ () छैन ()

३) निर्णय प्रक्रियामा प्रभाव (*Influence in decision making process*) : यस अन्तर्गत

निर्णय प्रक्रियामा महिलाहरूको भूमिका तथा प्रभाव पार्नेसक्ने महिलाहरूको दक्षतालाई आधार मानिएको छ ।

। व्यक्तिगत तहमा बृद्धि : छ () छैन ()

। पारिवारिक तहमा बृद्धि : छ () छैन ()

। सामुहिक तहमा बृद्धि : छ () छैन ()

घ) जीवन विकास समाजबाट वित्तिय सुविधा लिएपछि तपाईंले कस्ता परिवर्तन भएको अनुभव गर्नुभएको छ ?

क्र.सं	वित्तिय सुविधा लिनु अघि	वित्तिय सुविधा लिएपछि
१.		
२.		
३.		
४.		

५.		
६.		
७.		

ड) ऋण चक्र र वित्तिय तथा ब्यवसायीक परामर्श सम्वन्धि कुनै सुभाब भए लेख्नुहोस

१.	
२.	
३.	
४.	
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Appendix II

Micro Finance Sector in Nepal

Institutional Sector

- ***Nepal Rastra Bank (NRB)***

NRB is a central bank and an apex institution of the financial system. It has placed various efforts to develop the micro-finance system in Nepal. It introduced the priority sector (small sector) lending program in 1975 and the intensive banking program in 1981. Further, in 1992, NRB participated in equity and management to develop the Grameen Banking system by introducing regional rural banks as a replication of Bangladesh Grameen Banking model. NRB plays a vital role to develop the microfinance system in Nepal through introducing policy, systems and institutions as well.

- ***RSRF (Rural Self Reliance Fund)***

In 1990, HMG/N introduced a fund of NRs. 10 million to provide a wholesale fund for small cooperatives and rural based NGOs to on lend to micro entrepreneurs. Further in 1999, government provided additional support of NRs. 10 million to the RSRF. Since the beginning, the fund has been handled by NRB. Up to mid July 2008, RSRF sanctioned loans to 52 NGOs and 150 cooperatives amounting to NRs. 22.25 million and 40.46 million respectively.

- ***Rural Micro-Finance Development Centre (RMDC)***

Under the financial support of ADB/Manila, NRB, banks and financial institutions together injected equity to form the micro-finance apex institution Rural Micro-Finance Development Centre' (RMDC), incorporated in 1998 mainly to extend wholesale fund to the micro-finance institutions. As of mid July 2002, RMDC had approved NRs. 204.8 million in loans to 17 MFIs and disbursed NRs. 107.8 million. Its mandate includes capacity building for MFIs and ultimate borrowers in addition to providing a fund for on lending to them.

RMDC, a micro-finance apex wholesale institution, it has provided wholesale loans to different MFIs (Grameen Bikash Bank, Development Bank, NGOs, SCOs).

Commercial Banks (CB) According to the NRB directive, commercial banks need to extend at least 3 percent of their total loan outstanding to the deprived sector. CBs are extending the 3 percent fund in equity and also providing wholesale loans to MFIs. At present, 17 commercial banks are extending credit to the deprived sector, amounting to NRs. 3482.6 million.

- ***Small Farmer Development Bank (SFDB)***

SFDB was established in 2002 under the development bank act of 1996 to provide wholesale funds to Small Farmer Co-operatives Ltd. (SFCLs). SFCLs were developed by the SFDP of ADB/N to make groups of small farmers self-reliant and sustained. Until now, the total number of SFCLs affiliated with the SFDB is 35 and the total number of groups within the SFCL is 3,434. The total loans disbursed to the group members' amounts to NRs 25.4 million.

- ***Development Banks***

Some development banks formed under the development bank act 1996 are implementing micro-finance activities in rural areas. Prior to becoming development banks, some institutions were active as NGOs in the field of social development, as well as in micro-finance. Among these banks, 5 are regional rural development banks in the government sector and 6 are micro finance development banks established by private sector.

- **Community Based Sector**

- **FINGO (Financial Intermediary Non-government Organization)**

Those NGOs that are operating in financial services transactions and opting for an NRB license are referred to as FINGOs. NRB has initiated to NGOs providing license and a mechanism in financial intermediation activities to provide financial services such as micro finance services to address the lack of institution providing MF services in many areas of the country. Financial intermediation activities are defined as the borrowing and on-lending of funds, but do not include direct deposit taking from the public. The last session of parliament approved changes in the Financial Intermediary Act of 1998, which now allows FINGOs to collect savings from the members of groups.

As a replicator of Grameen Model, some NGOs were established to extend credit facility to the rural poor: Nirdhan (1991), CSD (1991), Chhimek,

Deprosc (1994). In 1996, the development bank act came into existence and the above-mentioned NGOs became development banks. Since the financial intermediary act was implemented in 1998, 37 NGOs have received permission to extend credit and collect savings from the rural poor in group-based activities. The main objectives of these NGOs are to extend micro credit activities and help towards raising the living standard of the poor.

- ***Saving and Credit Co-operatives (SCOs)***

SCOs are member owned, controlled and capitalized organizations, which provide financial services to members. There are more than 2,300 SCOs registered with the Cooperative Department in Nepal and approximately 400 of these are a member of the national federation, NEFSCUN. Savings and Credit Groups There are tens of thousands of unregistered SCGs in Nepal, some of which are quite large even though they are not registered either as NGOs or co-operatives. The vast majority of these SCGs grew out of assorted development initiatives (literacy programs, water and forestry user groups, mother and child programs, etc.) into which a savings component had been introduced, if only to strengthen the livelihood that the group would continue to meet and be active, after the specific program intervention had been completed. Given that the limited prospects of such smaller groups and the problems that promoting agencies face in maintaining outreach to large numbers of scattered, small groups, considerable attention is being paid nowadays to mechanisms for federating and institutionalizing these groups.

- ***Traditional Savings and Credit Groups***

Nepal has a long history in the operation of traditional savings and credit associations, often referred to in the literature as a Rotating Savings and Credit Associations (ROSCAs), but known locally as Dhukuti or similar terms. These tend to be nonregistered, but quite formally structured in terms of membership rights and obligations, etc.

- **Regulation Of MFIs**

Micro credit institutions are regulated by various laws. These are: Nepal Rastra Bank Act (2002), Agriculture Development Act (1967), Cooperative Act (1972), Finance Company Act (1985), Development bank act 1996 Social Welfare Act (1991), Company Act (1947), Financial Intermediary Act (1998) and Insurance Act. There is some difficulty to regulate all micro-credit institutions because there are many MFIs established under different acts doing micro-finance activities. The ultimate responsibility to develop, regulate, monitor and supervise is of NRB. NRB issues different directives time to time to regulate development banks which are engaged in micro-finance, in effort to develop MFIs activities. Similarly, it also regulates other institutions operating under NRB.