ROLE OF MICROCREDIT TO ECONOMIC EMPOWERMENT OF WOMEN:

A Case Study of Chhatrakot Rural Municipality-5 kharjyang,Gulmi

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LETTER OF RECOMMENDATION

This thesis entitled **ROLE OF MICROCREDIT TO ECONOMIC EMPOWERMENT OF WOMEN: A CASE STUDY OF CHHATRAKOT RURAL MUNICIPALITY-5, GULMI** has been prepared by Ms. Indu Aryal under my supervision. I hereby recommend this thesis for examination by the thesis committee as a partial fulfillment of the requirements for the Degree of Master of Arts in Economics.

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APPROVAL SHEET

We certify that this thesis **ROLE OF MICROCREDIT TO ECONOMIC EMPOWERMENT OF WOMEN: A CASE STUDY OF CHHATRAKOT RURAL MUNICIPALITY-5, GULMI** submitted by Ms. Indu Aryal to the Central Department of Economics, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Master of Arts in Economics has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of said degree.

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ABBREVIATIONS/ACRONYMS

ADB/N	Agriculture Development Bank/ Nepal
CSC	Community Support Concern
IBP	Intensive Banking Program
INGO	International Non Government Organization
Ltd	Limited
MCP	Micro Credit Program
MFIs	Micro Finance Institution
NGOs	Non Governmental Organizations
NRB	Nepal Rastra Bank
RMDC	Rural Microfinance Development Center
RRDB	Regional Rural Development Bank
SHGs	Self-Help Groups
TU	Tribhuvan University
UN	United Nations
WB	World Bank

CHAPTER – I

INTRODUCTION

1.1 Background of the Study

Micro Credit plays a significant role in enhancing women's awareness, mobility, skill development and empowerment at community level. Ownership of assets within the household is the access to financial services. Management of enterprises within the household and economy indicates the development of women in the country. Those activities have considered as effective micro credit program. Most of the Nepalese women are living under low classes though some of them are living standard life of rural women is unbelievable. Rural women spend most of the time on agriculture and livestock related activities.

In the 1970's experimental programs in Bangladesh, Brazil and few other countries extended tiny loan to group of poor women to invest in small business. This type of micro enterprises credit has based on unity group lending in which every member of a group guaranteed the repayment of all members (www.wikipedia.org).

But, the microfinance is first set up in the form of German Bank in 1976 by Bangladeshi economist Muhammad Yunus as micro loans, who started with few pounds upwards, which have used for income generating activities such as buying rice to husk and sell, or to protect a borrower form having no pay extortionate rates to moneylenders for essential needs such as house repairs weeding and funerals. The loan gives at an interest rate is higher than the bank rates, to cover the high costs of administrating small loans, but lower than moneylenders rates. Saving also crucial to micro finance, both institutionally in that make up much of the loan capital, and also as a safe place for deposit their money (www.microfinancegateway.org).

Empowerment is giving somebody the power or authority to do something. Women empowerment is a continuous process where the powerless people become conscious of their situation and organize to improve it and access opportunities as an outcome of which women take control over their lives, set their

own agenda, gain skill, solve the problems and develop self- reliance (Snijder 2009 pp.186-187).

Female economic empowerment has usually about the increased access of women to financial resources, income generating assets or activities, saving, increased, financial decision making power and more economic independence (Mayoux, 2008).

Women's empowerment is giving women the skills and knowledge to take advantage of the many opportunities available to them to improve their lives. Providing women with an education, job training and basic services to ease household responsibilities are ways to empower women.

At present, women related plans, programs, strategies of NGO, INGO's have implemented to develop and empower them. Women are showing much interest on self-dependency. To make women independent economically, socially politically the programs such as micro-finance income generation, skill development in formal enterprises and predation for the formal and preparation of co-operatives are being under taken.

Female economic power also enhances the "Wealth and well-being of Nations." Women control their own income tend to have fewer children and fertility rates have showed to be inversely related to national income growth. Women are also more able and generally more willing than male counterparts to send daughter as well as son to School even they earn less than men. In turn, woman's level of education after her decision-making process when it comes to question about contraception, age of marriage, fertility, child mortality, modern sector employment and earning.

1.2 Statement of the Problem

Male and female are two wheels of same curt but in practice we can not get such consideration. Female are ignoring in every aspect. Plans or policies consisting women supporting concept are only focusing on few aspects of women which are not sufficient to empower women. Socially and politically, women are dominating by their counter partner because Nepal is male dominated country.

Women's empowerment and gender equality through mainstreaming women's participation in more productive activities is the long term strategy of poverty

alleviation. In Nepal, saving and credit and micro-credit development has been one of the primary interventions to address women's empowerment. Women are to increase their level of income so that they can support the household financially and have increased share in decision-making leading her to a process of self-empowerment. Many small income generation activities such as sewing and knitting, cattle rising, opening up small teashops are example of how to give women opportunity to earn income in the past years. The flexible nature of work makes it easy to combine income generation with domestic responsibilities.

Women have a central role in such production. This is becoming the source of income for rural women. Women are also extensively involved in informal trade selling food, vegetables, and snacks in roadside stalls and local market. Production credit for rural women has supported women's handicrafts. There is no other way of income source for the women in the rural areas. Due to the socio-cultural reason women has no chance to go for further job opportunity. By giving more emphasis to income generation programs the poverty level can reduce.

In this way being involved in the micro-credit may be one of the most remarkable solutions for women to generate income. It is a great opportunity deal for them and for the national income development given that the government will collect more royalties and taxes. This practice helps to empower the poor people and prevent the existence of socially back warded environments.

Therefore, this research study would be fruitful to evaluate the impact of micro-credit program in improving the live hood of rural women and creating income generation activities. In this way Micro credit program (MCP) and involvement of Nepal rural women is not only interesting from a research perspective but also beneficial to the progress of rural women and public policy making.

Some research questions of the study are as follows:

1. How can we assess the impact of microcredit program on the economic sector?

2. How can we evaluate the benefits for microcredit program on the non economic sector?
3. What is the impact of microcredit on living standard of women?

1.3 Objectives of the study

The general objective of the study is to analyze the impact of Micro credit program on women empowerment.

1. To assess the impact of microcredit program on the economic sectors,

2. To evaluate the benefits for microcredit program on non-economic sectors,

3. To examine the standard of living of beneficiaries from the micro credit program.

1.4 Significance of the Study

Nepal is a developing country. It is in the way towards development. Most of the people under this country are guided by vicious circle of poverty. Women are more victim of this problem. For the same reason, women are in search of way to empower themselves.

So, the present study focuses upon what role does micro finance play in women empowerment and poverty alleviation of women. The study also focuses on the role of microfinance in increasing the number of financial institutions. The study is based upon Kharjyang village Development of Gulmi district. The significance of the study is that it analyzes the impact of micro finance in women to get engaged in micro finance and consequences of women empowerment through micro finance. The present study provides the alternative way to get engaged in activities and empower themselves.

The study can be useful for researchers, policy makers and micro finance providers and policy implementer organization. It can also be the foundation for the further research work. Also, it can be beneficial for the improvement of women’s standard of living and for the participation of women in income generating economic activities.

1.5 Limitations of the Study

This thesis has mainly concerned with the role of Microcredit to improve economic condition of women through the Milijuli Microcredit at Gulmi.

The studies have following limitations.

1. The conclusion of the study may not be generalized for whole because this study has very specific like social, economic and cultural studies.
2. This study basically has concentrated on Chhatrakot Rural Municipality-5 Gulmi District.
3. This study has mainly based on primary data .

1.6 Organization of the study

The present study is divided into six different chapters. The first chapter is the introduction of the study which includes background of the study, statement of the problems, objectives of the study, significance of the study, limitations of the study and organization of the study. The second chapter includes literature review, global context and national context. Similarly third chapter includes the meaning of microfinance in SAARC countries. The fourth chapter highlights research methodology. In same way, the fifth chapter is presentation and analysis of data. At last, six chapter present summary, conclusion and recommendation of the study.

CHAPTER-II
LITERATURE REVIEW

2.1 International Context

Micro credit programs focused on women's empowerment. Helder (1964) defined empowerment of the gaining power by vulnerable is now often called empowerment from work with the powerless had been coming the idea that what the destitute, the hungry or the moneyless really need to power to solve their own problems. This outlook had developed over the two decades in rather different groups in poor and rich countries self-employment had a processed not a result. Professional advices of facilities in self-employment seek to enable awareness and choice but cannot control any outcome because the choices rest with the people who have empowered themselves.

Mayoux (2001) presented that Micro-finance which builds on and develops women's networks through group activities were considerable potential to contribute to women's empowerment in the context of developed countries like Australia, Finland, Norway, Sweden and other .However this potential had been being undermined by current 'Micro finance best practice' which focuses on financial sustainability and does not seek to build on interlink ages between micro finance and other development aims. The current preoccupation with social capital and its lack of analytical rigor risks further marginalizing attention to the underlying and critically important issues of gender inequality in rights and power. Unless Microfinance programs move beyond complacent assumptions about automatic contributions of group formation to women's empowerment they risk becoming little more than yet another cynical self-help means of shifting the costs of development onto poor women. Women were seeking to manipulate programs to the best of women's ability, undermining both poverty targeting and financial sustainability.

Khandker (2005) stated that creating an enabling environment for microfinance and women's empowerment can be achieved firstly, by promoting women's access to public services and employment opportunities. Public policies had promoted social inclusion and equal opportunities for poor women. Women was

becoming powerful catalysts for development when empowered through microfinance, but require access to childcare, health, education and skills, employment opportunities, and greater control over their fertility and children's education to enable to take advantage of the opportunities that microfinance can provide; secondly by establishing stronger partnerships between the private banking sector and microfinance institutions so that the market plays a more effective role in contributing to poverty alleviation. Multinational banks provide that micro loans had greater accessed to resources, banking technology, and broader range of financial services. These potential benefits however, need to be balanced against concerns arising from corporate lending practices and competition with microfinance institution serving the poor: thirdly by providing complementary services with microfinance such as literacy classes, business training and childcare. These were significant factors in improving both repayment rates and women's empowerment; therefore it has important to resist pressures on microfinance program to reduce operational costs by cutting back on such essential complementary services; and fourthly by including women's empowerment indicators in the design and evaluation of micro credit programs. Best practices has showed that microfinance is more effective when assets used as collateral or purchased with loans were solely or jointly in women's names: a range of saving products and facilities offering higher interested rates made available : the lending process includes participatory consultations, including for non-business loans such as health, education and housing.

Basu (2006) tried to examine the two basic research questions. First, the paper tried to attempt to study how a women's tendency to invest in safer investment projects can be linked to her desire to raise her bargaining position in the households. Second, in addition to the project choice, women empowerment had examined with respect to control of savings, control of income, control over loans, control over purchasing capacity and family planning in some sample household in Hooghly district of west Bengal. The analytical framework of the study was based on Nash bargaining game theoretic model. The first part was based on two household members make a few non co-operative production decision regarding a credit contract and risky business projects. This study was based on100 SHG

members in the Hooghly district, West Bengal in 2006. The empirical findings showed that the empowerment of women had established in weak form using the above indicators. This paper was important policy implications. It had appropriated to emphasize the strategy of financial inclusion in the wider context of economic growth and financial deepening. The author concluded that access to MFIs can empower women to become more confident, more assertive, more likely to take part in family and community decision and better able to confront gender inequalities.

Asim (2008) evaluated the impact of micro-credit programs on women empowerment in urban slums of Lahore (Pakistan). The study had chosen specialized institutions focusing on women; they were Kasha foundation and community support concern (CSC). The author constructed preference-based indicators including child-related and health-related decisions, economic decision, social mobility decisions, resource allocation decisions, and autonomy –based indicators including household purchase decisions. To explore the link between women empowerment and micro-credit participation, the author used three different estimates: simple parametric framework of conditional mean independence, randomization of treatment and vicariate probity model. The result had showed that micro credit intervention has no impact on child –related, health-related and economic and social mobility decisions. On average, women in treatment group were no more independent or autonomous than the control group in small household purchases. Participation in micro-credit program had found to be insignificant in explaining all the outcome indicators of empowerment

Amin (2008) stated that both positive and negative impact can be observed in the context of women empowerment from micro finance in Norwegian society. The jury had stilled out on whether micro finance had generated significant economic stability, women empowerment or gender equity. Moreover, Microfinance is diverse, complex and context specific. For poverty reduction and gender equity, the role of the state was very vital for creating an enabling. Framework where development interventions including microfinance can enhance and produce expected outputs. The author further presented that Microfinance is not a panacea

to tackle all the causes of poverty and it may take a long time to bring about gender equity and women's empowerment. Therefore, a comprehensive strategic and long-term policy packages had needed to reduce poverty and gender in equalities with the involvement and strong commitment, from all pertinent stakeholder like government, Non-governmental organizations, private sector and donors.

ROGER (2012) defined as provision of thrift credit and other financial services and product of very small amount to the poor in rural, semi urban and urban areas for enabling them to raise their income level and improve living standards. However, in many recent publications by media and researchers alike, the impact of micro credit had an exhaustively debated topic. The questions of a micro credit ranges from whether it had become activities of its own success. The purpose as well as the structure of micro credit model had also come under scrutiny. Though there had limited evidences to point out the micro credit had substantially improved the standard of living of poor as intended.

2.2 National Context

INAFI, SAP Nepal (2005) presented about significant impact on client across a wide range of economic and social indicators including increased income, improve nutrition, better food intake, better housing, low child's mortality, lower birth rate, higher adoption of family planning practices, better health care, better access to education for children, women empowerment, participation in social and political activities, etc. The paper concluded that gender should be made a part of the microfinance strategy. In general, Microfinance client was a good start but membership by itself may be empowering in view of this the microfinance institution should be encouraged to make gender concern more of a focus in its strategy and approach, especially in Teary Region where culture constraints to women's mobility and empowerment.

Chanda (2006) presented that in Nepal the majority of loans were giving out to women and the process helps them to uplift themselves and their communities out of poverty. Further than this, Microfinance program empowers women by bolstering their confidence and giving them the opportunity to attain greater

independence, and to have more of a say in household decision-making. Micro enterprises improve women's social, as well as economic status. In addition to supplying loans, microfinance initiatives provide training, assist with community development and help women to believe in themselves, giving them confidence in their own abilities. The formation of women's groups had encouraged, and women were preparing for social mobility and decision-making. Through microfinance, the women of Nepal were becoming more empowered as they become less impoverished. Women were at the frontline of every household in Nepal and most third world countries. Micro credit programs, if implemented correctly, had the potential reduced gender gap and empower women in such societies.

Microfinance Summit (2010) stated that Nepal is one of the poorest countries in the world. Women make up a large part of the poorest segments of society in Nepal. This causes massive negative flow-on effective to children, the wider community, and the entire country. In all societies the role of women was extremely central and important to the success of a country. It had no coincidence that in countries where women had empowered and had achieved greater levels of equality there were much less poverty and greater social cohesion. Women in Nepal had extremely underprivileged. Microfinance had been one of the few effective tools for poverty reduction over the past years. Through the creation of sound microfinance institutions and systems, poor people can safely deposit money and accumulation funds for future investments or emergencies as well as loans for productive purposes leading to higher incomes. Additionally, microfinance produces an impact in other areas including good governance, participation in the political processes, women empowerment, social inclusion, and conflict transformation.

Basyal (2011) assessed the financial access and women empowerment through gender equity improvement based on survey of clients of Nirdhan Uttan Bank limited.

The study found that micro credit bank had improved families' well being by increasing household's food insufficiency level, assets accumulation and children's education. The effectiveness of program in improving socio economic condition was more visible in the improvement in housing condition and possession of consumer durables. It had credited with: empowering women by increasing their self-confidence and decision making power enhancing family status, family co-operative and greater say in household spending.

Moreover, the access to credit not only gave women opportunity to contribute to the family business but they could also deploy it to assist the husband's business that increases her positive and influence within the household. Micro loans had enabled women to start nonfarm activities particularly: petty trade.

The study reaches to the conclusion that no unique model of Micro credit bank had applicable for all situations. To provide micro credit services to large number of scattered poor people in the hills and mountains of the country through well managed operating costs, the program should be designed as according to its topographical differences and diversified settlements.

Paudel (2011) concluded that the status of women who were actively involving in microcredit had become strong in financial, educational, control over resource and decision making process both in family and in community. Hence, women had become empowered in both social and economic aspect of the development. Whereas, in comparison, the empowerment pace of women who were not beneficiated by such organization had been founding slow. The study used stratified random sampling as the method of sampling. The author had used both primary and secondary sources of data, and had based upon 80 respondents from the universe of 385 numbers i.e. taking around 21 percent sample size.The author did the case study of Bhanu VDC of Tanahun District in the study.

Dhakal (2012) explained that Micro credit was increasingly gained popularity as a reliable for poverty alleviation in Nepal. Women's empowerment was vital for the

uplifting the women's situation. In Nepal, different development program has launched after the establishment of democracy in 1950. Various targeted programs had implemented focusing on women condition and more had to be done for their development.

Research was searching something new again and again so, it was never ending process. Different scholars and researcher had given their different findings and conclusion in the field of ME. From the above review of literature it seems that this study was trying to find out something new in the field of women MF. This study had different from others in the case that was trying to find out women empowerment of Milijuli microcredit Kharjyang VDC, Gulmi. This study was trying to discuss about impact in case of saving activities, loan activities and it's recovery as well as investment and income. It was also trying to discuss about different profile of respondents.

By analyzed various literature it can be concluded that micro credit was one of the major tools for poverty reduction and women empowerment. Women had become able to manage, handle and operate such organization and such attempts of women had enhanced their status in society politically, socially and economically. But the above review literatures had also explored some problems that had found while implementing micro credit for women empowerment and emphasized to address these problems genuinely for the effective implementation and sustainability of such program. Research was searching something new again and again so, it was never ending process. Different scholars and researcher had given their different findings and conclusion in the field of ME. From the above review of literature it seems that this study was trying to find out something new in the field of women MF. This study had different from others in the case that was trying to find out women empowerment of Milijuli Kharjyang VDC, Gulmi. This study was trying to discuss about impact in case of saving activities, loan activities and it's recovery as well as investment and income. It was also trying to discuss about different profile of respondents.

2.3 Research Gap

Different scholars and researchers have given their different findings and conclusion in the field of women in microcredit. In the concern of women empowerment through microcredit is not don by other in selected area. However this study is conceptually new, so, for the researcher have the idea on it. This research paper is different from others in the case that is trying to find out the empowerment of microcredit on women of Chhatrakot Rural Municipality-5, Gulmi. Under Milijuli microcredit. This research is trying to discuss about impact incase of social empowerment of women, economic empowerment of women, change in their living standard. It is also trying to discuss about different profiles of respondents. Therefore, this study is useful to fulfill this gap.

CHAPTER-III

RESEARCH METHODOLOGY

Women development is a relative concept which indicates the growth in materials welfare and change in social, economic, political, legal, educational and cultural structure of society. In researcher's view, women development includes humanitarian, physical and intellectually satisfactory. This development is the result of relative, incessant, integrated progressive and structural changes. The main purpose of women development is to increase the women participation in income generating activities and other political, legal, social and organization aspects. The women development is also related to long- term changes in the society.

3.1 Research Design

As per the nature of the study it has been illustrated with the case study so the present research design of the study is descriptive cum analytical research. It is applied to analyze and interpret the quantitative data collected from the study area. The purpose of this study is to describe the role of micro credit program for the income generation and employment, the effect of micro credit on women empowerment and living standard. Such as Health, Education , income ,Saving and self-confident.

3.2 Site Selection

The settlements lying within the Kharjyang are the area for this study. As the study oriented to empowerment perspective, settlements lying within the influence of Microfinance groups within the community was primarily taken for the investigation. Thus, Chhatrakot Rural Municipality-5 of Gulmi district are the settlements particularly chosen for the assessment of this impact study as these settlements lies in the influence of saving and credit groups.

3.3 Description of the Sample

The universe of this study is Milijuli Microcredit of Chhatrakot Rural Municipality-5,Gulmi. Out of 168 (total) members of that microcredit 84 (50

percent) were selected as respondents from this Microcredit. While selecting sample, first of all researcher visited the Milijuli Microcredit office in Chhatrakot Rural Municipality. The researcher requested the manager to provide the list of actively participating members. After getting the list of 84 members of the Microcredit, the researcher chosen the members who have been involved before 2003. There were 68 women who actively participating all activities who were involving before 2003 to date. This is because of the empowerment of women and their role in decision making can be measured during 12 years their involvement. The researcher then distributed the questionnaire to them 68women are involving since 2003.

3.4 The nature of the study is descriptive as well as analytical and sources of Data

The study is based on the primary as well as secondary data, but the focus is given to survey using structured questionnaire, observation and interaction with different respondent. The secondary data for research is collected from books, Nepal Rasta Bank, Sana Kisan Bikas Bank Ltd, Finance, Journals, different websites, village development committee profile of Nepal, NGO and pamphlets etc.

3.5 Data Collection Tools and Techniques

Without using any technique of data collection, required information cannot be obtained. So, present study was survey of the sampled respondents, organizational assessment of selected saving and credit groups discussion with women members. Further, record review was done to assemble and analyze secondary data. The tools used in data collection are presented below.

3.5.1 Questionnaire

To get the primary data, the structured questionnaire was develop. Questionnaires were developed in such a way that the researcher has able to get data on general information about the respondents, on social participation, on decision making role, on gender discrimination, on income, on ownership of land, on occupation and on living standards of the respondents before and after the participation in

programmed. And the questionnaire is filled up researchers himself visiting all selected women.

3.5.2 Interview

One method of collecting primary data is to interview respondents to obtain information on the issues of interest to the researcher. Interviews can be structured and unstructured, and could be conducted either face to face or by telephone. In this study, a guidelines was developed for the interview of the household head, the purpose of interviewing household was to cross check the information obtained from filled up questionnaires.

3.5.3 Observation

Sometimes the researcher like to gather data without asking question of the respondents by observing people in their nature work, environment or in the lab setting and recording their behaviors. The researcher can play one of two roles while gathering filed observational data: non-participant observer and participate observer and controlled observation. In this study, the researcher visited the study area and observed the women's situation with the help of some well-reputed active and literate women of same Rural Municipality.

3.6 Standard of Living

The standard of living is closely related to quality of life. Standard of living refers to the level of wealth, comfort, material goods, and necessities available to a certain socioeconomic class in a certain geographic area, usually a country. The standard of living includes factors such as income, quality and availability of employment, poverty rate, affordable (or free) access to quality healthcare, quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, climate and safety etc. Ethnic group, Dalit women, Social excluded women etc. are the beneficiaries.

3.7 Validity and Reliability of Data

In order to minimize the possibility of getting incorrect answer, attention needs to be paid to validity and reliability. So data to be used should be true and genuine. Data are considered to be valid when measured what they are supposed to measure. On the other hand, data are consider to be reliable when given assurance that are reasonably close to the truth Pant (p.191). The needed data was collected from the annual reports that had been based on literature related to women empowerment.

To ensure the reliability, the work with this thesis started year with a considerable literature study. The literature came across was from several authors and researchers. Data were mainly collected from the published annual reports. Data given in the annual reports are verified by statutory auditor and proved to be accurate and fair to ensure reliability and validity.

3.8 Data Analysis and Interpretation

Both quantitative and qualitative studies have been used in the study. When the doubtful answer provided by the respondents, researcher made interview to the family head of the respondent family and taken the observation of the situation of the occupation of the respondent for the qualitative study. The collected data were processed by using simple statistical techniques viz: percentage, and regression. The data are presented through table.

CHAPTER –IV

Microfinance in SAARC Countries

4.1 Introduction

Microfinance was the provision of financial services to low income clients including the self-employed. Financial generally include saving and create. However, some microfinance organizations also provide insurance and payment services. In addition to financial intermediation, many microfinance institutions provide social intermediation services such as group formation, development of self-confidence and training in financial literacy and management capabilities among members of a group (Word Bank, 1997).

The term microfinance was the financial serving such as saving, micro credit, transfer payment services and micro insurance system provided to farmers and entrepreneurs of low income group.(Nepal Rastra Bank,2008)

4.2 Microfinance in South Asia

In south Asia, the modern microfinance movement was born in Bangladesh in the 1970s as a response to the prevailing poverty conditions among its vast rural population. Astonishing growth rates in Bangladesh, particularly during the 1990s, created a new dimension for microfinance worldwide as microfinance institutions grew to include millions of clients. For the first time, a substantial proportion of the low-income families of a major developing country were served by the activity. The start of the twenty-first century reinforced this as the Bangladesh numbers continued to grow impressively; in India, a substantial microfinance system based on self-help groups (SHGs) developed. Other countries of the region made slower and later starts but had since established active microfinance sectors (www.microfinance.com).

4.3 Microfinance in Bangladesh

In Bangladesh, microfinance was a nation-wide actively. Microfinance program in Bangladesh had implemented by various formal financial institutions, specializes government organizations and non-government organizations. The growth of MFIs as well as total membership was phenomenal during the 1990s and continues

till today. Over the period of June 2003to June 2006, the growth rate was over 70 percent in terms of horizontal expansion of micro credit borrower. Microcredit program of NGOs and Garmin Bank play dominant role in the financial market. NGO-MFI serves more than 61 percent and Garmin Bank alone serves 24 percent of the borrowers. Among NGO-MFIs more than 80 percent of the outstanding loan disbursed by the top 20 NGOs, three of them were very large and had cover aged all over the country. About 90 percent of clients were female and loan recovery rate can be found near about over 90 percent. The Government of Bangladesh enacted Micro credit Regularity Act, 2006. The MRA act had made it mandatory for MFIs who had micro credit activities before the effective data.

4.4 Microfinance in India

In India, both formal and informal financial sector had found. The formal Banking institutions in India was serving only the needs of commercial sector and providing loans for middle and upper income group. The informal financial sectors consists the NGOs, Rural microcredit and self-group. They were engaged in activities related to community mobilization for their socio economic development had initiated saving and credit programs for their target groups. The community based financial system or microfinance activity can broadly be categorized into two models. Group-based financial intermediary and the NGO linked financial intermediary. Very popular microfinance institutions like SHARAN in Delhi, federation of thrift and credit Association in Hyderabad and SPARC in Bombay had adopted the first model. Other like SEWA in Ahmadabad and Baroda citizen's council in Baroda pertain to the second model. The experience of these informal microfinance intermediaries showed that although saving of group members, small in numbers do not attract high returns, it had still practiced due to the security reasons and for getting loans at lower rates compared to that available from money lenders.

4.5 Microfinance in Srilanka

Microfinance in Srilanka had gained a considerable level of maturity over the years. As a result, diverse type of institution providing microcredit services exists including co-operatives societies, Commercial Banks and Development Banks and

NGOs. There were several microfinance programs run by the government as well. The regulation and supervision of the microfinance sector in Srilanka occur within the fragmented and complicated structure. There was single body to regulate and supervise the operation of all MFIs. Instead, several Ministries, Department and Government acts control the operation of the MFIs. In Srilanka, MFIs had divided into banks and non-banks.

4.6 Microfinance in Pakistan

Financial sector in Pakistan comprises of Commercial banks, Development Banks, Microfinance, Non-Banking Finance Companies, stock exchange and Insurance Companies. Under the prevalent legislative structure the supervisory responsibilities incase of banks, Development Finance Institutions and microfinance Banks falls within legal ambit of State Bank of Pakistan while the rest of the financial institutions had monitored by other authorities such as security and exchange commission and controller of insurance. In Pakistan, It had estimated that 6.5million poor people who need microfinance services, but only 5 percent of them were being served by microfinance institutions. To solve this type of problem, the Khusli Bank had established in august 2000 by 14 private and 2 state-owned commercial banks as a flagship microfinance bank. It becomes an integral part of the Islamic Republic of Pakistan poverty reduction strategy and its microfinance Development program, developed with assistance of the Asian Development Bank, The primary objective of Khusali Bank had provide the sustainable microfinance services to the poor in order to reduce poverty and promote economic development through community building and social mobilization in country.

4.7 Microfinance in Maldives

The financial sector of Maldives consists of the Maldives Monetary Authority, six commercial banks and several non-banks financial institution. There was no any types of Microfinance institution in Maldives but BML had domestic bank (owned jointly by Government 51 percent and general public and island community 49

percent) had directly involved in providing targeted microcredit service in the Maldives.

To sum up, Microcredit institutions had been moving towards the positive way. Microcredit institutions had able to provide employment opportunity to most of the people. The clients of microcredit had able to generate income and had become economically empowered by being involved in economic activities.

4.8 Microfinance in Nepal

In the early 1960s, the co-operative movement becomes the first vehicle of microfinance in Nepal. As13 cooperatives provided flood victims assess to financial services adapted to their specific needs. In parallel, rural finance institutions were established such as Agricultural Development Bank of Nepal, which aimed at providing credit and marketing support to agriculture.

In 1974, the two state-owned commercial banks, Nepal Bank Ltd. And Rastriya Banijya Bank were directed by the central bank, Nepal Rastra Bank, to invest at least a portion (first 5% to increase as high as 12%) of their deposit liabilities in the ‘small sector’. This marked the beginning of the directed credit system in Nepal. In 1976, the scope of the small sector was broadened to include agriculture, cottage industry and services, and has since then been called the ‘priority sector’. The credit did not reach the poor as only influential and well connected people, with collateral, were able to access the program. This led to the development of targeted initiatives, such as the though partnerships with commercial banks. Under this approach, group guarantee for loan repayment were used instead of physical collateral.

CHAPTER –V

AN ANALYSIS OF MICROCREDIT TO ECONOMIC EMPOWERMENT OF WOMEN

5.1.Introduction

Research and discussion deals with profile of the study area, profile of the respondents, role of Milijuli Microcredit in the empowerment of women in Chhatrakot Rural Municipality-5 lies in the western part of the Nepal. The district of headquarter is Tamghas. It is 12 km eastern part from Tamghas. Out of 79 VDC of Gulmi district. The population of the Rural Municipality is 3623 (VDC profile,2015). The Rural Municipality is the garden of all castes and ethnic groups like Brahman, Magar, Chhetri, Kumal and dalit. Majority of the population of this Municipality depend on agriculture.

5.2 General Information about the Respondents

General information about family head, economic background, age, marital status, family size, caste, saving, occupation, education level etc. are the determinants of socio-economic empowerment and living standards of the respondents of the study area. It has included the result of respondents before and after joining microcredit program.

5.2.1. Age Distribution

For simplicity researcher has made categorized the respondents in different age groups. The study of age distribution of the borrowers the Chhatrakot Rural Municipality is presented in Table 5.1.

Table 5.1: Age Distribution of the Respondents

Age Group	Number of Respondents	Percent
16-25	9	13.23
26-35	14	20.58
36-45	18	26.47
46-55	15	22.05
56-65	12	17.64
Total	68	100.00

Source: Field survey, 2017.

Table 5.1 shows that there are 26.47 percent borrowers belongs to age group 36-45 and 22.05 percent borrowers belongs age group 46-55. Likewise Age group between26-35 represents 20.58 percent borrowers. In age group about 56-65, 17.64 percent borrowers have found. Likewise in age group 16-25 represents13.23 percent borrowers have found.

5.2.2 Caste Distribution

The caste distribution of the borrowers of the Chhatrakot Rural Municipality are presented in Table 5.2.

Table 5.2: Caste wise Distribution of the Respondents

Ethnic Group	Number of Respondents	Percent
Brahman	28	41.17
Chhetri	20	29.41
Kumal	8	11.76
Magar	10	14.70
Dalit	2	2.94
Total	68	100.00

Source: Field survey, 2017.

Table 5.2 shows that the about 41.17 percent member of borrowers are belonging to Brahman Caste. About 29.41 percent of the respondents are come form the Chhetri caste. Likewise, 11.76 percent respondents are belonging to the Kumal and Magarcaste14.70 percent of the respondents are belonging. Similarly 2.94 percent respondents are found from Dalit.

5.2.3 Education Status

Educational status plays a vital role everywhere. The respondents are classified according to their educational level in Table 5.3.

Table 5.3: Educational Status of the Respondents

Education status	Number of Respondents	Percent
Illiterate	5	7.35
Literate	63	92.64
Total	68	100.00
For literate		
Primary	48	76.19
Lower secondary	8	12.69
Secondary	5	7.93
Higher Secondary	2	3.17
Total	63	100.00

Source: Field survey, 2017.

Table 5.3 shows that the education status of the respondents of the research area of the Chhatrakot Rural Municipality-5. About 7.35 percent borrowers of the research area are illiterate and 92.64 percent respondents are literate and in which 76.19 percent respondents are able to get education at primary level. About 12.69 percent respondents are able to get education at lower secondary level and 7.93 percent respondents are able to get education at secondary level. About 3.17 percent respondents are able to get education at higher secondary level and above.

5.2.4 Marital Status

The marital status of the borrowers in the research area Chhatrakot Rural Municipality- is presented in Table5.4

Table 5.4: Marital Status of the Respondents

Married Status	Number of Respondents	Percent
Married	55	80.88
Unmarried	7	10.29
Widow	4	5.88
Other(divorced ,Separated)	2	2.90
Total	68	100.00

Source: Field survey, 2017.

Table 5.4 shows that there is all involvement of the women in microcredit program. About 80.88 percent borrowers are related to the married categories.

Similarly, 10.29 percent borrowers are unmarried, 5.88 percent borrowers are widows and only 2.90 percent of the borrowers are related other categories. i.e. 1 borrower is staying like divorce without, legal divorce and there is no other respondents related to the divorce

.

5.2.5 Family Head

Family head of the borrowers are presented in below Table 5.5

Table 5.5: Distribution of Respondents According to Family Head

Head	Number of Respondents	Percent
Wife	7	10.29
Husband	49	72.05
Other	12	17.64
Total	68	100.00

Source: Field survey, 2017.

Table 5.5 shows that among sixty-eight respondents only seven respondents were head of the house, that is only 10.29 percent women, were head of the family. Similarity, 72.05 percent head of the household were husband of respondents and 17.64 percent includes father in law and mother in law. So only some respondents are head of the household.

5.2.6 Source of Income

Source of income of different respondents is presented in the table

Table 5.6: Source of Income

Source	No of Respondents	Percent
Agriculture	30	44.11
Business	17	25.00
Tailoring	9	13.23
Poultry	8	11.76
Other	4	5.88
Total	68	100.00

Source: Field survey, 2017.

Table 5.6 shows that most of the respondents are involved in Agriculture occupation. According to the data, 44 percent of respondents are involved in Agriculture, 25 percent respondents are involved in business, 13 percent respondents are involved in Tailoring, 12 percent respondents are involved in poultry and 6 percent respondents are involved in other business.

5.2.7 Reason of joining Microcredit program

Different respondents were involved in Microcredit program with different motives which are mentioned in table.

Table5.7: Reason of joining Microcredit program

Reason	Number of Respondents	Percent
To meet current expenses	5	7.35
To improve economic standard of a family	45	66.17
To be self- dependent	18	26.47
Total	68	100.00

Source: Field survey, 2017.

Table 5.7 shows that only 7 percent of the respondents joined the microcredit institution with the aim of meeting current expenses. Similarly, most of the respondents that 66 percent of the respondents joined the microcredit institution with the view to improve the economic standard of the family Similarly,26 percent respondent join the microcredit institution to become self-dependent.

5.2.8 Respondents Having Land Ownership

Number of respondents having land ownership is presented in table 5.8

Table 5.8: Respondents having land ownership

Land ownership	Number of Respondents	Percent
Respondent	18	26.47
Husband	32	47.05
Other	18	26.47
Total	68	100.00

Source: Field survey, 2017.

Table 5.8 shows that out of total 68 respondents having land, 26 percent respondents have land ownership with them .In the same way, the percentage of respondents husband having land ownership is 47. And, the percentage of other people having land ownership is 26. According to the field survey, other people having land ownership include father in law and mother in law of respondents

5.2.9 Area of Land with Respondent and Land used for Cultivation

According to field survey, the total area of land with respondents and area of land used for cultivation is shown in table 5.9

Table 5.9: Area of Land and Land use for Cultivation

A

Land for cultivation(in ropani)	Number of Respondents	Percent
1-2	4	5.88
2-3	30	44.11
3-4	4	5.88
4-5	4	5.88
5-6	23	33.82
6-7	2	2.94
7-8	0	-
8-9	1	1.47
9- Over	0	-
Total	68	100.00

Source: Field survey, 2017.

Table.5.9 indicates that 4respondents have 1-2 ropani of land with them. 30 respondents have 2-3 ropani of land, 4 respondents has 3-4ropani of land, 4 respondents has 4-5 ropani of land,23 respondents has 5-6 ropani of land, 2

respondents has 6-7 ropani of land,7-8 ropani of land has no respondent,1 respondents has 8-9 ropani of land and 9 over respondents do not have land.

5.2.10 Purpose of taken loan

Different respondents have taken loan amount for different purposes which are presented in table 5.10.

Table 5.10: Purpose of Taken Loan

Purpose	Number of Respondents	Percent
Agriculture	30	44.11
Business	10	14.70
Tailoring	19	27.94
Others	9	13.23
Total	68	100.00

Source: Field survey, 2017.

Table 5.10 shows that 44 percent of the respondents took loan for the purpose of agriculture. In the same way, about 15,28and 13 percent of the respondents took the loan amount for the purpose of business, tailoring and goat keeping respectively.

5.2.11 Income before and after joining MCP

Income level respondents involved in microcredit is presented in table 5.11

Table 5.11: Income level

	Before joining MCP		After joining MCP	
Income group per month (NRs)	Number of Respondents	Percent	Number of Respondents	Percent
Less 1500	20	29.41	-	-
1501-2500	24	35.29	16	23.52
2501-3500	15	22.05	20	29.41
3501-4500	9	13.23	22	32.35
Above 4501	-	-	10	14.70
Total	68	100.00	68	100.00

Source: Field survey, 2017.

In the study Area Occupation denotes employment of the people in different sector for earning purpose. Women of the study area are demanded in different size of amount.

It is usually difficult to table out individual household's income because the members of the household do not like to respond to this question for the fear of publicity of their economic status. It is especially difficult in a society like ours where material wealth is used as a tool to place a family or an individual in the hierarchy of society. As a result, respondents give answers with caution. To estimate the household income the probable sources of a household income to be considered are sales of crops and animal products. To know the changes in income before and after the project intervention the personal questionnaire has been used.

Table 5.11 shows that the income effects after programmed intervention has been positive on the borrowers of the programme in the study area. Table 5.11 shows that before borrowing there is at least 29.41 percent of the borrowers who have income less or equal to Rs. 1500 but after programme intervention it has reduced to 00 percent. Table further shows that before borrowing there are at least 35.29 percent of the borrowers who have income about 1501 to 2500 but after programme intervention it has reduced to 23.52 percent. Likewise, table shows that before borrowing there is at least 22.05 percent of the borrowers who have income 2501 to 3500, and 13.23 percent of the borrowers who have income 3501 to 4500 but after programme intervention those have increased to 29.41 percent and to 32.35 percent respectively. There was no one borrower with income more than Rs. 4501 before borrowing. But after programme intervention this frequency reaches to 10 percent.

Data on income level shows that the members associating with this programmed has significantly increased their average income after intervention of programed.

5.2.12 Saving before and after joining MCP

Saving level respondents involved in microcredit is presented in table 5.12

Table 5.12: Saving level

	Before joining MCP		After joining MCP	
Saving group per month (NRs)	Number of Respondents	Percent	Number of Respondents	Percent
Less 50	25	36.76	-	-
51-100	38	55.88	18	26.47
101-500	5	7.35	32	47.05
Above 501	-	-	18	26.47
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.12 shows that before being involved in microcredit, 36.76 percent respondents saving less than 50. But after being involved in microcredit institution, all respondents did have some amount of saving more than 50.Before joining microcredit 55.88 percent respondents saving less than 100 but after joining microcredit 26.47percent respondents did have some amount of saving more than 50, again before joining microcredit 7.35 percent respondents saving between 101-500 but after joining microcredit 47.05 percent respondents did have some amount of saving between 101-500.Similarly, before joining in microcredit no respondents did not have any amount of saving but after joining 26.47 respondents did have saving amount of more than 501

5.2.13 Investment before and after joining MCP

Investment level respondents involved in microcredit is presented in table 5.11

Table 5.13: Investment level

Before joining MCP			After joining MCP	
Investment group	Number of Respondents	Percent	Number of Respondents	Percent
Agriculture	40	58.82	16	23.52
Poultry	6	8.82	26	38.23
Tailoring	5	7.35	14	20.58
Goat keeping	17	25.00	12	17.64
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.13 shows that the different between investment after and before joining microcredit. Before joining in microcredit 58.52 percent respondents did have invest in agriculture, but after joining microcredit 23.52 percent respondents did have invest agriculture. Before joining microfinance 8.82 percent respondents did have invest in poultry, but after joining microcredit 38.23 percent respondents did have invest in poultry. Before joining microfinance 7.35 percent respondents did have invest in tailoring but after joining microcredit 20.58 percent respondents did have invest in tailoring, Similarly before joining microcredit 25 percent respondents did have invest in goat keeping but after joining microcredit 17.64 percent respondents did have invest in goat keeping.

5.2.14 Change in Toilet structure before and after joining

Before joining MCP			After joining MCP	
Type of toilet	Number of Respondents	Percent	Number of Respondents	Percent
Not toilet	20	29.41	-	-
Local toilet	40	58.82	42	61.76
Flush toilet	8	11.76	26	38.23
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.14 shows toilet structures of the borrowers before and after loan. 29.41 percent borrowers were not using toilet before loan but, after loans it has decreased and reduced into 0.00 percent. Likewise, 58.82 percent borrowers were using local toilet before taking loan. But after the participation in MCP it has decreased and reduced into 61.76 percent. It further shows that 11.76 percent borrowers of the study area were using flush toilet before taking loan. But after the participation in MCP it has increased and reached into 38.23 percent.

Data on toilet structure used by respondent's shows that the members associating with this programme has significantly able to made better toilet structure then before taking participation in micro credit programme.

5.2.15 Change of decision making role of household activities

Decision on Children Education

The decision making role in household on schooling of children's of the borrowers' families of the research area of the Chhatrakot Rural Municipality before and after taking involving in MCP is presented in Table 5.15.

Table 5.15: Children education

	Before joining MCP		After joining MCP	
Schooling of children	Number of Respondents	Percent	Number of Respondents	Percent
Male only	45	66.17	15	22.05
Female only	18	26.47	25	36.76
Both	5	7.35	28	41.17
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.15 shows that about 66.17 percent borrowers family's male person of the study area had been making the decision about the schooling of the children before taking loans but, after loans it has decreased and came down into 22.05 percent. Similarly, 26.47 percent borrower's family's female person of the research area had been making the decision about the schooling of the children before taking loans but, after loans it has increased and reached into 36.76 percent. Likewise, 7.35 percent male & female person of borrowers' family of the study area had

been making the decision about the schooling of the children before taking loans but, after loans it has increased and reached into 41.17 percent.

Data on decision making role in household on schooling of children of respondents shows that the members associating with this programme has significantly increased in their decision making role in household on schooling of children after involving in program.

Social Empowerment of Women

Sociological empowerment of women often addresses members of women that social discrimination processes have excluded from decision-making processes through discrimination based on gender. There are some indicators related to the social empowerment of women.

5.2.16 Change in Social Participation

The membership in any social organization of the borrowers of the study area of the Kharjyang VDC is presented in Table 5.16.

Table 5.16: Membership in Social Organization

	Before joining MCP		After joining MCP	
Number of social organization	Number of Respondents	Percent	Number of Respondents	Percent
No	59	86.76	25	36.76
One	9	13.23	33	48.52
More than one	-	-	10	14.70
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.16 shows that 86.76 percent borrowers of the research area were not participating in any social organization before taking loans. After taking the loans it has decreased but, 36.76 percent borrowers of the study area are until not participating in any social organization. Only 13.23 percent borrowers were taking membership of one social organization before loan. But after taking loan from microfinance, membership has increased and reached in 48.52 percent. Membership of more than one social organization before loans of borrowers were

zero but, after participation 14.70 percent borrowers are taking membership of more than one social organization.

Data on membership in social organization of respondents shows that the members associating with this programme has significantly increased their participation in social organization after intervention of program.

5.2.17 Attending Meeting of Social Organization

The meetings attending of the social organization in a month by the borrowers of the research area of the Kharjyang VDC before and after taking loans is presented in Table 5.17.

Table 5.17: Attending Meeting

	Before joining MCP		After joining MCP	
Meeting attained in a month	Number of Respondents	Percent	Number of Respondents	Percent
Not attending	50	73.52	15	22.05
One time	18	26.47	35	51.47
More than one	-	-	18	26.47
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.17 shows more than 73.52 percent of the borrowers of the study area were not attending meeting of any social organization before taking loans. But after loans it has decreased and reduced into 22.05 percent. Similarly, 26.47 percent borrowers were attending the meeting of social organizations two times in the month but after taking loan form microfinance, it has increased and reached into 51.47 percent. Meeting attending of the social organization 4 times in a month of borrowers were zero before loans but, after loans it has increased and reached into 26.47 percent.

Data on meeting attending in a month by respondents in social organization shows that the members associating with this programme has significantly increased their meeting attending participation in social organization after intervention of programme.

5.2.18 Means of communication before and after joining

Table 5.18 shows the having means of communication and media of the borrowers families. The percent of borrowers who had only radio before participation was 73.52 but, after it has increased 29.41 percent. Likewise, the percent of women borrowers who had only T.V and only mobile before participation were 13 and 4.45 percent after loans increased and reached into 22.05 percent. The percent of women borrowers who had mobile before participation ware 7.35 percent, 4.44 percent, after loan all means communication and media have increased and reached into 48.52 percent. There is on one borrower who has able to reach in daily newspapers. It is because more then half percent of the borrowers are uneducated and literate only and there is no availability of newspapers near the study area.

Table 5.18: Increment in Communication Media

	Before joining MCP		After joining MCP	
Communication media	Number of Respondents	Percent	Number of Respondents	Percent
Radio	50	73.52	20	29.41
TV	13	19.11	15	22.05
Mobile	5	7.35	33	48.52
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Data on communication and media shows that there is a little increasing numbers of borrowers after the participation in microcredit programme. But the approach on communication and media by the borrowers is no considerable.

5.2.19. Change on Occupation

The occupation status of the borrowers of the study area of the Chhatrakot Rural Municipality before and after taking loan form microcredit is presented in Table 5.19.

Table 5.19: Occupation

	Before joining MCP		After joining MCP	
Occupation	Number of Respondents	Percent	Number of Respondents	Percent
Agriculture/ Household	32	47.05	10	14.70
Vegetable	9	13.23	13	19.11
Business	3	4.41	14	20.58
Poultry	-	-	8	11.76
Goat keeping	7	10.29	12	17.64
Buffalo	17	25.00	11	16.17
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.19 shows that he share percent of agricultural/ household sector in total was 60 47.05percent before lone but after loan it has decreased and reduced into 14.70 percent. An agricultural activity includes all activities except cash corps. The share percentages of vegetable, small business, Poultry, goat keeping, and buffalo keeping sectors in total were 13.23, 4.41, 0, 10.29, and 25 percent respectively before lone but after the loan those are increased and reached into 19.11, 20.58, 11.76, 17.64, and 16.17 percent respectively. Poultry farm established by the 11.76 percent borrowers after the lone and poultry farm was nil before lone.

Data on occupation of the borrowers shows that the impact of the loan on women borrowers works positively. Not all but some women change their occupation traditional to cash crops. This means the impact of loan on women's occupation works positively.

5.2.20 Self Confidence Level

The women increase their self confidence after taking loan from the MCP. Self-confidence level of the respondents before and after borrowing is presented in Table 5.20.

Table 5.20: Self-Confidence Level

	Before joining MCP		After joining MCP	
Self confidence	Number of Respondents	Percent	Number of Respondents	Percent
Ability to put own interest to family	34	50.00	18	36.76
Ability to put own say in family	17	25.00	25	36.76
Ability to put own say in community	17	25.00	25	36.76
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.20 shows that about 50 percent women borrowers, who only had to ability to put own interest to the families before loan, after loan it has reduced into 36.76 percent. Similarly, 25 percent women borrowers had ability to put own say in family discuss before the programme, after the programme it has increased

reached into 36.76percent. Likewise only 25 percent borrowers had ability to put own say in community before the MCP but after the program it has increased reached into 36.76 percent.

Data on confidence level of the women shows that the programme has able to increase the self confidence level of the women after the participation by the women borrowers of the study area of the Kharjyang VDC.

5.2.21 Family member treatment

The decision making role on family member's treatment of the borrowers' families of the study area of the Kharjyang VDC before and after taking loans is presented in Table 5.21.

Table 5.21: Family Member treatment

	Before joining MCP		After joining MCP	
Family member treatment	Number of Respondents	Percent	Number of Respondents	Percent
Male only	36	52.94	17	25.00
Female only	20	29.41	30	44.11
Both	12	17.64	21	30.88
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Table 5.21 shows that about 52.95 percent of the borrowers family's male person of the study area had been making the decision about the family members treatments before loans but, after loans it has decreased and came down into only 25 percent 29.41 percent of the women respondents herself had been making decision about the family members treatments before loans but, after loans it has increased and reached into 44.11 percent. About 17.64 percent both male and female persons of the borrowers family altogether had been making the decision about the family members treatments before loans but, after loans 30.88 percent male and female persons of the borrowers family altogether has been making the decision about the family members treatments.

Data on decision making role in household activities about family member's treatment of borrowers shows that the members associating with this program has significantly increased in their decision making role in household for family member's treatment after involving in program.

5.2.22 Change in House Structure

Table 5.22shows the control over income of the borrowers before and after taking loan form cooperative. 52.94 percent borrowers of the study area had been giving their income to their husband or other persons of the family before taking loan but, after loan it has decreased and reduced into 14.70 percent. 27.94 percent borrowers of the study area had been keeping their income by self but asked to their husband or other persons of the family when it has to spent their income

before taking loan but, after loan it has increased and reached into 26.47 percent Only 19.11 percent borrowers of the study area had been keeping their income by self and spend as their own interest before taking loans form cooperative. But after taking loans it has reached into 58.82 percent.

Table 5.22: House Structure

	Before joining MCP		After joining MCP	
Type of house	Number of Respondent	Percent	Number of Respondent	Percent
Stone ,mud and straw	36	52.94	10	14.70
Stone, mud and stone	19	27.94	18	26.47
Stone, mud and tin	13	19.11	40	58.82
Total	68	100.00	68	100.00

Source: Field survey, 2017.

Data on house structure of respondent shows that the members associating with this programme have not significantly but moderately able to made better house structure then before taking participation in microfinance programme.

CHAPTER –VI

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Summary of Findings

Following major findings have been drawn from the study:

- After involved in micro-credit program, women participates themselves have realized that their confidence level has been increase to great extent. Women clients are happy that they have become able to earn by themselves and become independent.
- Women involved in micro credit program have become able to improve their living standard. Their living style has been changed towards positive direction. They have become able to create name and fame in their family and in the society too.
- After the involvement of women in microcredit of program, they have become able to make household decision. women are respected by each member in their family although they used to gate neglected before. Their household decision making power and confidence level has been increased.
- After being participated in microcredit program, their income level has been increased in comparison to before being involved in microcredit program. Together with increment in the income level, saving rate than before. Due to this their living standard has been changed and their poverty status has been reduced.
- The women clients of microcredit program have realized that their ability and capacity to deals with others, to tackle with problems and to go against suppressions and dominations has been increased. They used to hesitate and fear to do such things. They can get exposed to society and community with out any hesitation and fear at present.
- Most of the women do have access towards earned money to utilize in needed sector. They can make decision about were and how to utilize the money amount.
- Women looks very much satisfied with the service and activities of microcredit program. They look happy as they have become able to

create different name and fame in the society and have been participating in economic activities.

6.2 CONCLUSION

Microcredit program has been playing vital role for the empower of women. Due to this program women have been socially and economically empowered. They are providing economic contribution towards their family, society and towards their nation as well. Empowerment is a complex process of change that is experienced by all individuals somewhat differently. Women need, want, and profit from credit and other financial services. Strengthening women's financial base and economic contribution to their families and communities plays a role in empowering them.

In our cases, access to credit may be the only input needed to start women on the road to empowerment and living standard. But power is deeply rooted in our social systems and values. It permeates all aspects of our lives from our family to our communities, from our personal dreams and aspirations to our economic opportunities. It is unlikely that any one intervention such as the provision of credit or the provision of training will completely alter power and gender relations. Women often value the non-economic benefits of a group-lending program as much as or more than the credit.

Some of the most valued benefits that women get after taking participation on micro credit programme include increased on women participation in social organization, increased household decision-making power, able to decrease discrimination within family as well as society, increased respect and prestige from both male and female relatives and community members, able to generate income and able to uplift living standard of their families.

6.3 Recommendations

In the field study, some women were found to be illiterate. In presence days also, some women were such that they could not read and write. It was found that they feel difficulty in working due to illiteracy. It is really difficult to work in society without being literate in present context. So, it has been realized that there should be conduction of literacy class for such women by microcredit related institution. Such classes should be conducted at favorable time for those women.

- A group of women is more powerful then single women, micro credit program can be effective if group lending strategies are implemented. This way, women can cooperate and work towards a common goal instead of competing each other. Group lending also allows women to solve problems in their business much better.
- There is need to shift the program from agricultural based to small industries and business promoted activities because there is high operation cost in agricultural based activities.
- Group saving are great important in the rural economy. Though most of the programs have saving scheme, it is not sufficient so that there is need to adopt incremental approach.
- The position of the program staff should be permanent so that it could perform their responsibilities with confidence concentration.
- In some cases It is found that, women autonomy has been narrowed by their families especially by their husbands in investment, saving, income and other activities. Therefore, beneficiaries family or husbands should be participated counseling conducted by concern offices so that women autonomy can be raised.
- Only microfinance indeed will not bring expect change in the living conditions of the poor people of Nepal. Thus it needs to involve various actors/stakeholders in the poverty program. More and more local bodies should be involved in paining and mobilizing the resources.

- Female clients should be prioritized in microcredit institutions in order to motivate inspire them to involve in economic activities. Such as, Interest rate must be decreased and loan amount must be increase.
- Installment period provided by the cooperative must be increased and it must be two months installment period for two years.

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Appendix-I

List of Respondents

SN	Name of Respondents	Income per Months		Loan Amounts	Income Generated by Loan	Saving per Month
		Before	After			
1	Sita Gautam	4000	5000	15000	1600	100
2	Narmada Gautam	2000	3000	15000	1700	100
3	Kalpana Gautam	2500	3500	10000	1500	75
4	Sirjana Gautam	2500	4000	30000	3000	200
5	Gita Gautam	2500	3500	15000	1700	100
6	Rukmani Gautam	1500	3000	30000	3100	200
7	RadhaBhandari	3000	4500	25000	3000	175
8	Basanta Bhandari	2500	3500	15000	1500	75
9	Deepa Acharya	4000	5000	20000	2000	125
10	Mina Aryal	2000	3500	30000	3000	200
11	Radha Gautam	1500	2000	15000	1500	100
12	Sarshwati Gautam	2000	3000	15000	1700	100
13	Laxmi Pandey	2500	4000	25000	2500	175
14	Suna Gyawali	3000	4500	15000	1600	100
15	Bindu Gyawali	2000	3000	15000	1800	125
16	Sushma Gyawali	2500	4000	25000	2500	150
17	Sumitra Paudel	1000	2000	5000	700	25
18	Jayanta Paudel	2000	3000	15000	1400	75

19	Rita Paudel	1500	2500	20000	2200	125
20	Chandrakala Pandey	3000	4000	20000	2400	125
21	Laxmi Aryal	2000	3000	20000	2000	125
22	Madhu Gaire	2000	3000	20000	2100	150
23	Mankumari Gaire	2500	4000	30000	3200	175
24	Samikshya Gyawali	2500	4000	15000	1700	75
25	Binita Gautam	2500	3500	10000	1200	75
26	Bindu Gautam	2000	3000	10000	1200	75
27	Gauri Aryal	1500	3000	15000	1300	75
28	Parbati Archarya	1500	2500	10000	1000	50
29	Laxmi Khatri	3000	3500	5000	600	25
30	Puja Khatri	2000	2750	5000	700	25
31	Sangita Basnet	2000	3000	20000	2200	150
32	Aasha Basnet	2000	3000	10000	1300	50
33	Divya Khadka	2000	2500	5000	700	50
34	Sangita Basnet	2500	3500	5000	600	50
35	Hira Basnet	4000	5000	10000	1200	50
36	Juna Basnet	3000	3500	10000	1000	50
37	Lila Basnet	1500	2500	20000	2200	150
38	Kopil Basnet	4000	5000	10000	1200	50
39	Tara K.C.	2000	3000	10000	1000	50
40	Shanta K.C.	1000	2000	10000	1200	50
41	Apsara Karki	2000	2500	20000	2400	150
42	Bhagwati K.C.	2000	3000	15000	1500	75

43	Nainakali Karki	1500	2500	20000	2150	150
44	Bhima Khadka	4000	5000	20000	2200	150
45	Chandrawati Karki	2500	4000	20000	2300	125
46	Harikala Basnet	4000	5000	15000	1600	100
47	Sova K.C.	2000	3000	15000	1700	100
48	Dina K.C.	2500	3500	10000	1500	75
49	Dhana Maya Kumal	2500	4000	30000	3000	200
50	Maiya Kumal	2500	3500	15000	1700	100
51	Jureli Kumal	1500	3000	30000	3100	200
52	Pampha Kumal	3000	4500	25000	3000	175
53	Hira kumara Kumal	2500	3500	15000	1500	75
54	Mankala Kumal	4000	5000	20000	2000	125
55	Ganga Kumal	2000	3500	30000	3000	200
56	Shusila Kumal	1500	2000	15000	1500	100
57	Indira Nepali	2000	3000	15000	1700	100
58	Shanta Nepali	2500	4000	25000	2500	175
59	Kabita Magar	3000	4500	15000	1600	100
60	Ranju Khasu magar	2000	3000	15000	1800	125
61	Manju Khasu Magar	2500	4000	25000	2500	150
62	Mina Magar	1000	2000	5000	700	25
63	Goma Buchha	2000	3000	15000	1400	75
64	Shanti Buchha	1500	2500	20000	2200	125
65	Pabitra Thapa	3000	4000	20000	2400	125
66	Rita Thapa	2000	3000	20000	2000	125

67	Jayanti ThapaMagar	2000	3000	20000	2100	150
68	Nita Thapa Magar	2500	4000	30000	3200	175

Appendix-2

Questionnaire

1. Personal Information

1.1 Name of Respondents: Phone:

VDC: Kharjyang Age:

Locality

1.1 Cast/ethnic group

1.2 Education:

Illiterate ☐ Literate ☐

1.3 Level of Education- Primary……

-Secondary……..

- Higher secondary……

1.4 Marital status

- Married…… -Unmarried……-Widow……

- Divorced……

1.5 Head of the household

-Respondent ……- Husband……- Other

1.6 How many members are there in your family? :–

…….

1.7 How much land does your family cultivate?

Amount of land	Ropani
OWN land	
Otherland	
Land given to cultivate to other	

1.8 Who cultivate the land?

Owner cultivate herself☐ Tenant cultivates ☐

2. Information about MCP

2.1 Why did you join the Microcredit program?

- To earn more income and to improve family condition ☐
- To be self dependent. ☐
- Other specify:

2.2 Economic Benefits:

- Saving mobilization ☐ Easy to take loan ☐ curtail unproductive expenses ☐ To develop saving habit ☐

2.3 Non economic benefits:

- Develop social concept☐
- Social awareness lowered social evils ☐
- Health and sanitation ☐
- Others :

2.4 Have you taken any loan from the Microcredit program?

Yes ☐ No ☐

2.5 What was amount and purpose of taking loan? What is the what is the amount of income generated from the loan?

S.N	Loan amount	Purpose	Total monthly income generated in rupees

2.6 Is the loan fully spent in particular purpose or not?

Spent ☐ not spent ☐

2.7 If No, them where have you used it?

I have in cash ☐ Household needs ☐ others: ☐

2.8 Did you pay the loan?

Paid totally ☐Paid partially ☐ Not paid at all ☐

2.9 Did you pay the loan from the amount of income generated from the loan?

Yes ☐ No ☐

2.10 If No, then what is the source of amount: ……

2.11 Do you have any saving or not Yes ☐ No ☐

2.12 If yes, them what is the monthly saving (in rupees):

2.13 For what purpose the saving is used?

To pay pack the loan ☐ to lend the so one else ☐ taking idle ☐ Pension saving plan ☐ other

3. Social Empowerment of women from Microcredit movement

3.1 Is there any change in social participation Yes ☐ No ☐

If yes,

a. Membership of social organization Before☐ (how much):

After ☐ (how much):

b. Attending meeting of social organization

Before (How many):

After (How may):

1.2 Is there any change in self confidence level? Yes☐ ☐

If yes, then

a. ability to put own interest to family Before ☐

After ☐

b. ability to put own say in family discuss Before ☐

After ☐

c. ability to put own say in social discuss Before ☐

After ☐

3.3 Is there any change in decision making role in household activities?

Yes ☐ No☐

If yes, then

a. Schooling of children

Male only: Before ☐ after ☐

Female only: Before ☐ after ☐

Both Before ☐ after ☐

b. Family member treatment:

Male only: Before ☐ after ☐

Female only: Before ☐ after ☐

Both Before ☐ after ☐

4 Economic Empower of women from Microcredit movement

4.1 Average monthly income before and after joining the MCP (In Rupees)

Before (In Rupees):

After (In Rupees):

4.2 Do you have land in your name?

Yes ☐ No ☐

Is there is any change in your land ownership?

Yes ☐ No ☐

If yes, then

Before how much	After how much

4.3 Occupation status before and after joining the micro credit program?

	Before		After
)	Agriculture / household	☐	Agriculture / household ☐
)	Vegetable ☐		Vegetable☐
)	Poultry livestock☐		Poultry livestock☐
)	Small business☐		Small business☐
)	Buffalo ☐		Buffalo☐
)	Goat ☐		Goat☐
)	Other job specify		Other job specify

5 Status of living standard

5.1 Is there any change in your house after joining this program?

Yes☐ No☐

If yes, then types of house

Before: Made with stone, mud and straw

Made with stone, mud and stone

Made with Brick, mud and tin

After: Made with stone, mud and straw

Made with stone, mud and stone

Made with Brick, mud and tin

5.2 Is there any change in your toiled after joining this program?

Yes ☐ No ☐

If yes, then type of toilet

Before: Local toilet ☐ Flush Toilet ☐ Not Toilet

After: Local Toilet ☐ Flush Toilet ☐ Not Toilet

5.3 Is there any change in having communication media after joining this program?

Yes☐ No ☐

If yes, then

Before: Radio ☐ Television ☐

Daily news papers☐ Mobile ☐ others

After: Radio ☐ Television ☐

Daily news papers☐ Mobile☐ other

5.4 Have you taken any kind of skill developing training after joining the program?

Yes☐ No ☐

If yes, then maintain:

5.5 Any suggestion or comments from your side that can help to make the program more effective:

……

……