

ECONOMIC IMPACT OF MICROFINANCE IN NEPAL
(A CASE STUDY OF RANIBAGIYA MUNICIPALITY, RUPANDEHI DISTRICT)

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial
fulfillment of the requirements for the Master's Degree

by

Binita Gautam

Roll No. 3764/18

Registration No. 7-2-559-78-2013

Central Department of Management

September, 2021

Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**Economic Impact of Microfinance in Nepal**: A Case Study of Ranibagiya Municipality, Rupandehi District." The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

Binita Gautam

September, 2021

Report of Research Committee

Ms. Binita Gautam has defended research proposal entitled "**Economic Impact of Microfinance in Nepal: A Case Study of Ranibagiya Municipality, Rupandehi District**" successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Lecturer Dr. Bal Ram Duwal and submit the thesis for evaluation and viva voce examination.

Name of supervisor: Dr. Bal Ram Duwal

Position: Lecturer

Signature:

Dissertation Proposal Defended Date:

January 13,2021

Name of supervisor: Dr. Bal Ram Duwal

Position: Lecturer

Signature:

Dissertation Submitted Date:

July 29 ,2021

Name of head of Research Committee: Prof. Dr. Sanjay K. Shrestha

Signature:

Dissertation Viva Voce Date:

August 24 , 2021

Approval Sheet

We have examined the dissertation entitled "**Economic Impact of Microfinance in Nepal: A Case Study of Ranibagiya Municipality, Rupandehi District**" presented by Binita Gautam for the degree of **Master of Business Studies**. We hereby certify that the dissertation is accepted for the award of degree.

.....

Lecturer Dr.Bal Ram Duwal

Dissertation Supervisor

.....

Lecturer Santosh Pokhrel

Internal Examiner

.....

Lecturer Santosh Kumar Ghimire

External Examiner

.....

Prof .Dr. Sanjay Kumar Shrestha

Chairperson, Research Committee

.....

Prof. Dr. Ramji Gautam

Head of Department

Central Department of Management

Date:

Acknowledgements

First of all, I would like to extend my sincere gratitude to Lecturer Dr. Bal Ram Duwal, Assistant Professor of Central Department of Management, who despite his busy schedule provided me well guidance and supervision to complete this thesis.

I am very much thankful to Prof. Dr. Ramji Gautam, Head of Central Department of Management who always helped and supported me for my higher education. I am also thankful to Prof. Dr. Sanjay Kumar Shrestha, Chairperson, Research Committee for the approval of this thesis.

I would like to express my sincere thanks to all the teachers and staffs of Central Department of management for their regular guidance and supervision.

My special thanks go to the respondents who provided me the required data and information. Without their cooperation and help this thesis would not come in this form.

Last but not the least, I am thankful to my parents and all family members for their regular contribution for my higher education.

Thank You

Binita Gautam

Central Department of Management

TABLE OF CONTENTS

Contents	Page No.
<i>Title Page</i>	<i>i</i>
<i>Certificate of Authorship</i>	<i>ii</i>
<i>Report of Research Committee</i>	<i>iii</i>
<i>Approval Sheet</i>	<i>iv</i>
<i>Acknowledgements</i>	<i>v</i>
<i>Table of Contents</i>	<i>vi</i>
<i>List of Tables</i>	<i>viii</i>
<i>List of Figures</i>	<i>ix</i>
<i>Abstracts</i>	<i>x</i>
CHAPTER I: INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem statement	6
1.3 Objectives of the study	7
1.4 Rationale of the study	7
1.5 Limitations of the study	8
1.6 Organization of the Study	8
CHAPTER II: LITERATURE REVIEW	10
2.1 Introduction	10
2.2 Theoretical review	10
2.3 Models of microfinance institutions in Nepal	11
2.3.1. Cooperative model	12
2.3.2 Small farmer cooperative limited (SFCL) model	12
2.3.3 Grameen bank model	13
2.3.4 Self-Help Groups (SHGs/Community Organizations (COs) Model	14
2.3.5 Village Bank (VB) Model	15
2.4 Determinants of eomen empowerment	16
2.4.1 Economic participation and oportunity	16
2.4.2 Economic freedom	17
2.4.3 Household management and decision-making	18
2.4.4 Perceived status within the household	19
2.4.5 Education and educational freedom	20

2.5 Review of empirical studies	21
2.6 Research gap	26
CHAPTER III: RESEARCH METHODOLOGY	27
3.1 Introduction	27
3.2 Selection of the study	27
3.3 Research design	27
3.4 Nature and source of data	27
3.5 Population and sampling	28
3.6 Data collection technique	28
3.7 Data processing and analysis	28
3.8 Conceptual framework	30
CHAPTER IV: DATA ANALYSIS AND PRESENTATION	31
4.1 Introduction	31
4.2 Socio-economic background of respondents	31
4.3 Impact of microfinance on income level	35
4.4 Socio-economic impact of the program on the status of women	38
4.5 Findings	46
4.6 Discussion	48
CHAPTER V: CONCLUSION AND IMPLICATIONS	51
5.1 Summary	51
5.2 Conclusions	52
5.3 Implications	53
5.3.1 Implications for Future Researcher	54
REFERENCES	55
APPENDICES	

LIST OF TABLES

	Page No.
Table 4.1: Distribution of Respondents by Caste/Ethnicity	31
Table 4.2: Distribution of Respondents by Age	32
Table 4.3: Marital Status of Respondents	32
Table 4.4: Educational Attainment of Respondent	33
Table 4.5: Family Sizes of the Respondents	33
Table 4.6: Land holding Size of the Respondents	34
Table 4.7: Involvement years of Respondents in the Program	34
Table 4.8: Loan Amount and Number of Borrower	35
Table 4.9: Monthly Income of the Borrower	36
Table 4.10: Correlation	36
Table 4.11: Summary of Regression	37
Table 4.12: Main Occupation of the Respondent before borrowing	39
Table 4.13: Main Occupation of the Respondents After borrowing	40
Table 4.14: Land Title to Women Members	41
Table 4.15: Responsible Person to Keep Account and Record in the Family	41
Table 4.16: Member in the Family Responsible to spend the loan Money	Error!
Bookmark not defined.	
Table 4.17: Distribution of Sample Women According to the Benefits Experienced	43
Table 4.18: Response on Regularity Situation of Loan Repayment	44
Table 4.19: Loan Utilization Schedule of the Sampled Women	45
Table 4.20: Number of Women Misusing the Loan.	46

LIST OF FIGURES

	Page No.
Figure 4.1: Main Occupation of the Respondent before borrowing	39
Figure 4.2: Main Occupation of the Respondents after borrowing	40
Figure 4.3: Responsible Person to Spend the loan Money	42
Figure 4.4: Usage of Loans	45

ABBREVIATIONS

ADBN	Agricultural Development Bank Nepal
CO	Community Organizations
Dr.	Doctor
GDP	Gross Domestic Product
GON	Government of Nepal
LDCs	Least Developed Countries
MF/I	Micro-finance Institutions
NGO	Non-Governmental Organizations
NRB	Nepal Rastra Bank
Vol.	Volume

ABSTRACT

This study has been carried out on “Impact of Microfinance on Women Empowerment in Ranibagiya, Sainamaina” is carried out by using primary data collection in the field survey. The field survey covers Sainamaina Municipality-5, Ranibagiya. 160 women aged 23 to 62 years are selected under the purposive samplings, who have taken loan at least one time.

The main objective of the study is to explore the impact of microfinance (MF) program for women empowerment in the study area. For the data collection, key informant interview, household survey and observation techniques are used and interview schedule and checklist are taken as tools. The statistical tools mainly percentage, correlation and regression analysis are used to analyze the data. SPSS computer has been has for the accurate calculation. To illustrate the research work, table and figures are used for data presentation.

The study shows that majority of the women are literate. Before the intervention of the program, 58.82 percent of sampled women are engaged in agriculture and after the intervention of the program, 57.5 percent of the women are engaged to earn their livelihood. After the program, women are especially attracted towards the retail business and private firms which are economically benefited. Even if the members are in economical problems, they have been saving regularly which shows that the poor people also can save small amount of money regularly.

The positive correlation between investment and changes in income level of the participants shows that the capability of the entrepreneurs for the repayment of the loan in due time is good. The saving and investment, high rate of repayment and utilization of loan have been satisfactory. This shows financial sustainability and viability of the program. However there is still room for improvement with regard to management of misuse of loan. The overall impact of the program is found to be satisfactory. Most of the participants of the survey have been able to increase their income and the program intervention has brought positive change in status of women. Increase in income along with empowering process increased in standard of living of women's family which endeavored change in livelihood.

The provision of loan disbursement to the women should be based upon the proper evaluation of the economic viability of the program. Training should be made well conscious about proper utilization and mobilization of saving and investment. The effort on monitoring and supervision should be increased. Credit should also be mobilized for developing socio-economic infrastructure.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. Access to a transaction account is a first step toward broader financial inclusion since it allows people to store money, and send and receive payments. A transaction account can also serve as a gateway to other financial services, which is why ensuring that people worldwide can have access to a transaction account is the focus of the World Bank Group's Universal Financial Access 2020 initiative (Kim, 2017).

Financial access facilitates day-to-day living, and helps families and businesses plan for everything from long-term goals to unexpected emergencies. As accountholders, people are more likely to use other financial services, such as credit and insurance, to start and expand businesses, invest in education or health, manage risk, and weather financial shocks, which can improve the overall quality of their lives (Bhattari, 2000)

Microfinance is a financial instrument including loans, saving, micro-insurance, remittance and other financial products that are tailored only to poor people. It is created in economy for the economic benefit of the poor, and that alleviates poverty. Microfinance loans help the poor to involve in income generating activities that allow them to accumulate capital and improve their standard of living. The poor stay poor because they have no access to finance. This is true since many poor women around the world are already benefiting from formal financial services. Previously, microfinance was known as microcredit or rural finance but nowadays it is known as inclusive finance. Microfinance is more popular and widely used instrument of poverty alleviation with the formation of Grameen Bank by Muhammad Yunus in the 1983s (Gibbons, 1995).

Grameen Bank is a retail microfinance institution and community development Bank founded in Bangladesh. It makes small loans (also known as microcredit) to the poor women without any physical collateral.

Grameen microfinance originated in 1976 after long research studied by Dr. Muhammad Yunus, Professor of University of Chittagong. Professor Yunus launched action research project to study how to design a credit delivery system to the rural poor from that research findings he got some ideas about banking services to the poor people. Because of his initiatives, in 1983 the Grameen Bank Bangladesh was established as an independent bank for the poor. It was first formal financial institution for the poor people in the world. As of November 2019, the total members of the Grameen Bank are 9.25 million and 97% of those are women (www.grameen.com.). Grameen Bank Bangladesh adopted individual lending model then after 2002 which also known as Grameen generalized system (GGS) (Lamichhane, 2020).

In 1974 Professor Muhammad Yunus provided small loans from his own pocket that is near about US\$27.00 to 40 women of poor families who were bamboo handicraft producers in Jobra village near Chittagong without any formal and legal documents (www.grameen.com.). Then after certain duration of time the women repaid that borrowed loans with interest. After that Yunus repeatedly gives them working capital, they timely repay that Yunus own money without delay. Then, Yunus inspired and believed poor people are bankable they can operate their business, they can improve their economic status if financial services are made available in easy ways by formal sector. Gradually, Yunus started Grameen project with technical and financial supports from international organizations for the social and economic improvement of marginalized as well as disadvantaged people (Grameen Bank, 2019).

Microfinance is a system of grassroots development finance. It deals with the poor people, low income group, the asset less, the marginalized, the exploited and the desperate. Micro-finance provides small loans to meet their diverse needs with simple procedure in homely atmosphere. It takes small and petty saving for safe keeping meeting their lump sum requirement in future. Thus, microfinance has been recognized as a vital socio-economic and financial mechanism to alleviate poverty, to promote development of entrepreneurship and increase confidence of disadvantaged people (Mathema, 2008).

Microfinance is the provision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack

access to banking and related services. Microfinance has proven to be an effective and powerful tool for poverty reduction. Like many other development tools, however, it has insufficiently penetrated the poorer strata of society. The poorest from the vast majority of those without access to primary healthcare and basic education; similarly they are the majority of those without access to microfinance (CMF, 2015).

Microfinance is one of the best alternatives to generate self-employment. It provides services to the communities who have no collateral to offer against the loans they take but have indigenous skills and strong desire to undertake economic activities for self employment and women empowerment. Women who could gain access to microfinance services have been able to create self-employment opportunities and have been economically and socially empowered through increased income earning from their small projects. The MF is and the wholesale lending institutions such as RMDC together have raised the level of awareness and the required skills of these women to successfully carry out locally feasible income generating activities. Many participating women have now become self-reliant both economically and socially with the acquired knowledge and skills, and the resultant income from the microfinance program (RMDC, 2002). Thus, microfinance has become a strong means to reduce poverty especially of the women. Among the many developmental programs implemented in Nepal, microfinance programs have a strong rural orientation and are targeted at the poor. They have been in continuous operation even during the period of conflict or Maoist war.

The Nepal Rastra Bank (NRB, 2020) under the "Priority Sector Loan Program" directed the commercial banks to provide institutional loans to the Priority Sector in April 1974. Accordingly; they were required to disburse five percent of their total deposit as loans to this sector such as agriculture, cottage industry and services.

In 1975, the Agriculture Development Bank, Nepal (ADBN), started Small Farmer's Development Program (SFDP) on a pilot basis in two Village Development Committees (VDCs) of the two districts, one in the hill and the other in Terai. The success of this pilot testing prompted the then government to expand it to all over the country. The number of Sub-Project Offices (SPOs) reached 422 covering 652 Village Development Committees (VDCs) by December 1996. Now, the SPOs are in the process of transformation into Small Farmers Cooperative Limited (SFCLs). Sana

Kisan Bikas Bank Limited (SKBBL) has also been established in 2002 to provide wholesale loans to the SFCLs. Thus far, 228 SFCLs have been formed with 139,368 members and 111,494 borrowers. As of April 2009 a savings amount of Rs. 916.18 million has been mobilized, a cumulative loan of Rs. 4,702.80 million disbursed to the ultimate clients (group members), out of which Rs. 3,898.51 million have been recovered leaving Rs. 804.29 million as outstanding. The overdue amount stood at Rs. 21.36 million and the overdue rate at 2.65% (Pandey, 2016).

The Government of Nepal (GON) and the central bank introduced Grameen Bank (GB) approach of Bangladesh by establishing two GBBs, one in the Far-Western Development Region and another in the Eastern Development Region in the year 1992. Soon after 3 more GBBs were also established one each in the remaining three development regions. Five private GB-model replicating banks and several Financial Intermediary Non-Government Organizations (FINGOs), and Savings and Credit Cooperative Societies (SCCSs) also came into existence following the GB approach which enhanced the accessibility of the poor to the microfinance services at their doorstep. The group members understand the problems and capabilities of all members, and the Loan Officer, who goes to provide service at the doorstep, also gets an opportunity to closely assess the reality of the local situations (Gibbons, 1995). Both these factors help to effectively use the loan funds provided to the group members and a system of close monitoring for productive use of loans is also made possible by the decisions of the group together with the Loan Officer. The total coverage of members and borrowers by the 60 principal MFIs following GB approach stand at 842,205 and 655,536, respectively in July 2008 (Mathema, 2008). The cumulative loan disbursement has reached Rs. 41,508.50 million, loan recovery Rs. 35,061.97 million and the outstanding Rs. 6,446.53 million. The total overdue loan stood at Rs. 264.75 million generating an overdue rate of 4.10% on average. The total savings mobilized by July 2016 stood at Rs. 2,229.24 million (34.58% of loan outstanding) (INAFI SAP-Nepal 2018).

Either most of their activities are not access to economic value or under valued so that they are unable to generate sufficient income and when they are considered as low income earner, rural traditional society does not take appropriate step to their health condition, and education, and under the absence of these elements poverty reduction becomes only a sadistic story. Deprivation from proper technical knowledge and

managerial skill they are also left out from the credit market and resources. Thus, they are less able to make significant improvement in their economic condition.

Microfinance has been proved to be a most significant facilitator to poverty reduction and women empowerment. It is an inevitable means of breaking the vicious circle of poverty and to uplift the economic status of the poor women. Nepal initiated rural micro-financing since 1970 through the establishment of credit cooperatives, implementation of Priority Sector Credit Program and Small Farmer Development Program (SFDP) (Lekhak, 2004).

Generally loans are provided on the group guarantee without any physical collateral, building a rule of thumb that when someone betrays to repay rest members are fully responsible even for that repayment so that group is formed from same geographical region with similar socio-economic background. Thus the whole study focuses the economic effect of micro-credit for the women development. The study has been conducted in Sainamaina municipality especially Ranibagiya area.

Since poverty is the main barriers for today's world without solve it no one can get really success in every part of country's development. Nepal is least developing country and faces this problem. Around 21% of people are under poverty. Nepalese govt. and other sectors of Nepal are trying to solve this problem from various methods. Microfinance is such a source which help to solve this problem, with the help of microfinance, Nepal get success in poverty alleviation. This microfinance is an effective tool to increase the life standard of women and give socio-economic status of people in society.

In Nepal, most of the women are suffering from poverty. The greatest challenges of women empowerment is the psychology of surrounding Nepalese society. In Nepal, women are highly unskilled, illiterate, unemployed, low rate of wages than men's, limited access to family assets and underrepresentation in public and political system. They are playing role as root of family but ever economically uncounted. Still they are facing many challenges. These challenges are: low economic empowerment, low right of family decision making, assets less, unsecure workplace, early marriage, deprived of the right to decide pregnancy.

This research paper focus on impact of microfinance for women and how it help to poverty reduction with the help of case study of this ward, how it helps to develop

local level women's financial condition, how it helps to save small amount of money and its mobilization, and how it emphasis on poorest of poor women's financial condition through microfinance activities. This study is focused to know the economic impact of microfinance and changing of economics status of those women of study area.

1.2 Statement of problem

Although women, who comprise half of the population of the country, have always been involved in national development, they are still marginalized from the opportunities such as economic resources, property, income and employment as well as other resources due to illiteracy, ill health, poverty and discriminatory conservative social taboos. There is a wide disparity between man and women regarding the achievement in educational attainment and income. In Nepal, land is important asset. Even then women rarely own land because land is inherited paternally. This hinders the women for obtaining credit hence income generating activities (Sharma, 2003).

In a country with a low income, low saving and low capital formation, there is always a vicious circle of poverty and therefore no single action would effective to improve the women's status and overall poverty alleviation. In this case when women's income and role in decision making increase, a little bit mentioned problem will be solved, if not completely. There may be many problems, which hinder the socio-economic upliftment of women (CMF, 2015).

It is believed that rural women became empowered when organized in groups, an approach that not only brings about economics of scale, more efficient delivery of services and higher productivity, but also builds up women's confidence and strengthens their ability to participate in and influence the process of development. But the problem with our country/society is that women are not organized in groups.

Microfinance is one of the major contributions in the sphere by bringing all the rural people in participation. Women's participation is also its much emphasized aspects to make women economically strong by handling the rural level saving and other programs weekly meeting, loan proposal, repayment, compulsory deposits etc. the aim of the research is to measure the effectiveness of the microfinance on income generation of rural women in the area situated for the study and suggest for the improvements in our male dominated society where women are not practically free

either in choosing economic and income- generating activities or to dispose her earned income (Dahal,1998). The research has focused on the following research problems: Impact of microfinance on income level, The social economic effect of micro credit program, The loan utilization and loan repayment situation of women.

So, microfinance institutions should fund their loans through savings accounts that help poor people especially women. Therefore, this research is in order to find out the economic impact of microfinance in Sainamaina Municipality of Rupandehi district in reference to the services provided by Chhimek Laghu Bitta Bikas Bank Limited.

Therefore, this study has some research question to explore some specific finding regarding on economic impact of microfinance program at study area.

Research questions

- i. What is the impact of microfinance on income level?
- ii. What is the socio-economic effect of micro credit program?
- iii. What is the loan utilization and loan repayment situation of women?

1.3 Objectives of the study

The objective of this study is to assess the economic impacts of microfinance services in their clients based on the case of Chhimek Laghu Bitta Bikas Bank Ltd. in Sainamaina municipality of Rupandehi district. Followings are the specific objectives:

- i. To examine the impact of microfinance on income level.
- ii. To analysis the socio-economic effect of micro credit program.
- iii. To analysis the loan utilization and loan repayment situation of women.

1.4 Rationale of the study

The study is target for the microfinance and women empowerment. The study is based on the microfinance of women in Ranibagiya area of Sainamaina Municipality of Rupandehi. As Grameen foundation helps the needy women to improve the living standard of the people by providing the financial loan to the people. The scope of the study is the microfinance will meet the target goal that microfinance has promise to give. If women are empowered, she will educate the children and will help to reduce the problem in the society. If all family members are literate slowly the problem can be reduced. The study of the thesis will help to find the impact how microfinance can help to empower women. The growth of the microfinance will help in the progress to build up smaller and larger microfinance. The training and the capacity can be

developed in every individual. Creating the job opportunities through the support of the microfinance helps each woman to achieve its goal. The study focuses how the microfinance is working for the progress in the women empowerment. The women are living in a sustainable life or not can be studied and how effectively microfinance is working will provide a good review on the topic.

1.5 Limitations of the study

The limitations of the study are listed below.

- i. Sample does not cover all peoples in the study area.
- ii. Due to diversities in social, cultural, traditional and economic norms the recommendation suggested and conclusion derived may not be applicable in other areas.
- iii. This study focused only the Sainamaina Municipality, Ranibagiya area of Rupandehi.
- iv. The study is only limited to 160 sampled women who are engaged in micro-credit program having involvement of more than 2 years.
- v. The relevancy of the result is based on the responses from selected respondents and published.

1.6 Organization of the Study

This study has been organized into five chapters.

Chapter I: Introduction: This chapter deals with major issue of the study along with general background, statement of the problems, objectives of the study, significance of the study, limitations of the study and organization of the study.

Chapter II: Literature review: This chapter comprises review of literature which consists of concept and evolution of microfinance, the significance of microfinance, interrelation between women and microfinance and conceptual framework. This chapter provided a framework with the help of which this study ha been conducted.

Chapter III: Research methodology: Research methodology describes the methods and procedures used in this study which deals with selection of the study, research design, nature and sources of data, population and sampling procedure, data collection technique and data analysis.

Chapter IV: Results and findings: This chapter is the main analytical part of the study. It highlights the microfinance in Nepal including microfinance sector development, practices of microfinance, providers of microfinance, and regulations in MF, funding organization and supporting organizations.

Chapter V: Conclusion and implications: Finally this chapter deals with summary, conclusions of the study and implications.

Reference and questionnaires are incorporated at the end of the research.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

This chapter is basically concerned with the review of literature relevant for the impact of microfinance on income generation in Sainamaina Municipality, Ranibagiya area. Relevant literature and articles has reviewed from national and international publications pun as well as unpublished reports, thesis and journals etc. This chapter is divided into two parts conceptual review and research review.

2.2 Theoretical review

Microfinance itself has a wider meaning than just providing services to clients loans, savings facilities, insurance, guarantees, remittances, as well as non-financial services and products targeted at low income customers. Microfinance essentially includes ethical and moral values and social responsibility to eradicate global poverty as a noble mission. The concept of microfinance is not new and has existed for centuries in the world. Most of the microfinance practices were based on mutual trust and transactions were carried out by numerous traditional and informal systems that have existed in developing countries for centuries. Most of the credit transactions were granted without personal of other kind of collateral (Ghimire, 2015).

Over the past two decades, MFIs have adopted innovative techniques of providing microfinance services to the poor, especially in LDCs. Two main approaches on the role of microfinance intermediation in poverty reduction can be identified (Remenyi, 2002). In terms of the first approach that is portrayed as the minimalist approach and credit-plus approach.

Minimalist approach: The MFIs offer only financial services in the form of credit. These MFIs are unwilling to provide non-financial services due to multiple reasons ranging from high administrative costs to high transaction costs. In that sense, the primary focus of these MFIs is institutional profit and viability.

Credit-plus approach: It provides other services in addition to financial services. These non-financial services may include skill development, training, educational activities, marketing assistance, supply of inputs and business development services.

According to them, the provision of credit alone will not guarantee that the receivers of credit use scarce capital in productive manner so that the recovery of loans is not ensured. These services that include mainly the services that would assist entrepreneurs and the self-employed in developing their businesses are provided with, or prior to, the provision of key financial services, namely credit facilities. It is interesting to note that these services are increasingly being recognized as an important component of microfinance intermediation as they are associated with the viability and sustainability of the enterprise. Moreover, it is believed that the viability and sustainability of enterprises will in turn ensure financial viability and sustainability of the relevant MFIs. Even though this is not a direct financial service, it is part of the financial package offered by a financial institution and should be kept in mind when outreach of financial intermediation is studied.

2.3 Models of microfinance institutions in Nepal

Microfinance is a financial service aimed at low-income individuals or at those who do not have direct access to typical banking services. Microfinance encompasses a number of financial services like micro-credit, micro-lending, micro-insurance, savings and money transfer among others. A microfinance institution (MFI) provides financial services to the communities who cannot offer collateral against the loans they take but have skills and desire to undertake economic activities for generating income and self-employment. MFIs range from small non-profit organizations to commercial banks. Based on the concept that access to financial services can help elevate low-income individuals out of poverty, microfinance programs are implemented in Nepal with a strong rural alignment, especially aiming at the poor (Ghimire, 2015).

With the history of quite a few decades, MFIs in Nepal have been following a few prominent microfinance models. These comprise of Cooperative model, Small Farmer Cooperative Limited (SFCL) model, Grameen Bank model, and Community based organizations (COs) or Self-Help Groups (SHGs) model. In addition, Village Bank (VB) is also considered a separate program/model of microfinance in Nepal. Brief descriptions of these models are as follows:

2.3.1. Cooperative model

Cooperative models developed by Robert Owen (1828) in Scotland are mostly implemented by the Saving and Credit Cooperatives (SCCs) under which a wide range of savings and loan products are provided to the members. The SCCs target all community members in a given locality regardless of their social and economic status. However, organizations established by development programs stress more on serving the disadvantaged population. As per the Cooperative Act 1992, a group of 25 persons from a community can form a cooperative by registering it with the Department of Cooperatives, Ministry of Agriculture and Cooperatives. These cooperatives take savings deposits from their members and whoever wants to put savings in the cooperative is extended membership. The SCCs generally require mandatory savings from their members. However, members can also choose from a variety of services such as individual or group saving products, deposits, and festival and educational savings. Members are also provided with loans covering specific areas, such as agriculture, housing, micro enterprises, or for some social or emergency purposes. Loans so provided have a minimum term of three months to three years (www.microfinance.com).

The SCCs are governed by Cooperative Laws and are supposed to be self-regulated. However, some cooperatives that have been providing services to non-members after being licensed from Nepal Rastra Bank (NRB) for banking services come under NRB's regulation and supervision (Devkota, 2002).

Although the SCCs serve almost all the districts in Nepal, they are considered a more suitable financing model for the hilly and mountain residents as they provide both savings and financial services to the members in a homely atmosphere without much bureaucratic hassle. Due to low cost operation, their interest rates are also lower than that of other financial institutions.

2.3.2 Small farmer cooperative limited (SFCL) model

A SFCL is a multi-service cooperative formed to provide financial as well as non-financial services, like, social mobilization, training and technical support services, to its members (farmers), mostly in rural areas. Managed by the members themselves, it also provides financial loans in wholesale. A SFCL's services are targeted only at

small farmers and are generally confined to a single Village Development Council (VDC) serving round 500 household catering 200-700 clients within a community.

SFCL has a three tiers structure. At the village level, promoters help local household members to form groups; at the ward level, the farmers' groups with proximity and common interest are combined into intergroup associations; and at the VDC level, all groups and inter-groups are represented in the Executive Committee. The Executive Committee, comprising of the members elected by the General Assembly, is responsible for hiring the Manager and other staffs and for ensuring the smooth and effective operation of the organization by deciding on the rules and regulation needed. Regular meetings are organized by the grassroots' groups to collect compulsory savings, loan repayments and applications for loan demand. Respective inter-groups appraise these loan applications and forward them to the Executive Committee with their recommendations for making the final decision. The loans are extended mainly with collateral security. However, rare cases of loans provided without collateral security can be observed as well. Sana Kisan Bikash Bank (SKBBL) provides these MFI's with wholesale loans while the Federation of SFCL's regularizes and supervises their financial activities (Shrestha, 2013).

2.3.3 Grameen Bank model

This popular model, founded in 1976 by the Nobel Laureate, Professor Muhammad Yunus in Bangladesh, is quite popular worldwide and has been adapted by a large number of organizations. First introduced in Nepal in the early 1990's, the Grameen Bank model is comparatively more feasible in Terai, where the economic activities are more flourished with a relatively more developed market and road infrastructure. Under this approach, peer groups, each comprising of five members, are formed. Three to ten such peer groups form a center at a particular location – close to a village, where they meet once every week or fortnight or month as decided by the members. A group chairperson and a center chief, elected by each group and each center respectively, oversee the activities of group members and maintain group discipline, check loan utilization and ensure that loan installments are timely repaid. In the meetings, group members collect savings and make demand for loans and also settle the loans or interest due and repay loan installments as per schedule. Additional loans may be provided to the members using the group fund managed by the group members. Loans are made initially to two members, then to two others and finally to

the last member, with a four to eight week interval between each disbursement. Such loans do not require collateral security. However, group guarantee for repayment is mandatory. Subsequent loans can be accessed only upon the successful repayment of existing loans by all group members. The MFI field staff facilitates the group meetings and also verifies the utilization of disbursed loans (Yunus, 1993).

The typical loan offers of MFIs under Grameen methodology are general loans, seasonal loans, specific loans (sanitation, housing) and the loans issued from the group fund while the savings products comprise of the compulsory group fund savings, and any additional personal, voluntary savings. In recent years, several leading Nepalese microfinance providers have started offering diversified saving schemes such as pension fund savings, education savings, and micro-insurance covering risks related to health, life and livestock in Grameen Generalized System (GGS) (Yunus, 1993).

Nirdhan Utthan Bank Limited, Chhimek Bikas Bank Limited and Swabalamban Bikas Bank Ltd. are some Nepalese MFIs operating under the Grameen Bank Model.

2.3.4 Self-Help Groups (SHGs/Community Organizations (COs) Model

Based on the concept of “self-help”, SHG’s are small groups of individuals formed into groups of ten to twenty and operating a savings-first business model whereby the member’s savings are used to fund loans. In a SHG usually women from a similar class and region come together to form a savings and credit organization. They pool financial resources to make small interest bearing loans to their members. The terms and conditions and accounting of the loan are set by designated members in the group. The ‘Dhukuti’ system is one such example of a very old form of self-help group in Nepal which has been in operation for over four decades (Pandey, 2016).

Community Organizations (COs)/ SHG’s are formed at the VDC level with the assistance of the Local Development Fund (LDF) under Participatory District Development Project (PDDP) and Decentralized Local Governance Support Program (DLGSP). Local community residents are organized into CO’s, either separately for men or women or together irrespective of the gender. Similar to other MFI’s, the CO’s too mobilize mandatory and other types of savings. Their lending schemes generally offer loans at 10-12% interest per annum to the borrowers. Members apply for loans and collect due installments during a CO’s regular meetings. The interest

rates and other terms and conditions of loans are determined by the CO's if they lend money using their own savings. However, if the member seeks a loan amount that is more than what the CO can provide from its savings, the member would have to fill a separate application form addressed to the Local Development Fund (LDF). The CO recommends the loan and forwards it to the LDF for approval. Similarly, Poverty Alleviation Fund (PAF) too organizes the local groups of the target families called CO' with the help of local NGOs. They are informal groups and not linked up with any financial institutions. These groups are provided with seed fund at the rate of Rs. 3,000 per family member and are charged about 10% interest per annum.

2.3.5 Village Bank (VB) model

Village banks are credit and savings associations that are managed and run by the community members. Established by NGO's with an objective to provide members with access to financial services, VB's build community self-help groups and help members accumulate savings. A typical village bank consists of 25 to 50 members, who are low-income individuals, seeking to improve their lives through self-employment activities. Aiming to enhance the social status and intra-household bargaining power of women, VB's mostly seek more female participation.

VB lends loan to the members from the loan capital extended to it by the sponsoring MFI. All members sign a loan agreement with the village bank to offer a collective guarantee, thus providing moral collateral for each extended loan. A member generally gets Rs. 3,000 to 10,000 at a time, depending on the amount of savings available in the bank. The loan cycle must end and all loans must be paid back at the end of the 16th week to get new loans released. Members are usually requested to save twenty percent of the loan amount per cycle. New loans or collective income generating activities are funded using members' savings, thereby ensuring that the money stay within the village bank. No interest is paid on savings but members receive a share of profits from the village bank's re-lending activities at the end of each loan cycle in proportion to the savings deposits. In a VB, loans are generally charged at 24% interest per annum and interest is collected on upfront basis.

A VB's management is generally handled by the chair, the secretary and the treasurer elected by the members. The members are also responsible for establishing the by-laws, distributing loans to individuals and collecting payments. All the documents,

relating to the records, minutes and books of accounts maintained by the management, are put in a tin box, triple locked by all the three officials and opened and locked in the meeting in front of all the members to confirm transparency to all the members. This model is most suitable and advantageous in the remote and less accessible districts of Nepal.

Over the past few decades, microfinance in Nepal has witnessed quite a many changes and adapted to various operating models with varying degrees of success. Individuals, especially women and rural residents, have been able to create self-employment opportunities and empower themselves economically as well as socially through increased income earning from their small undertakings due to the access to micro-financial services. With different models working for different terrains and traditional models being adapted to suit the current times and need, microfinance has evolved into a novel economic development tool for alleviating poverty through self-sufficiency, financial inclusion, and socioeconomic empowerment (World Bank, 2017).

2.4 Determinants of women empowerment

2.4.1 Economic participation and opportunity

In present era of consumerism, perception in respect of requirement of unlimited physical facilities is on a constant increase. This leads to the need of more monetary resources at the level of family, which makes a case for every adult member of the family to contribute in terms of money. With women representing one-half of human capital, limiting the ability of women to contribute impedes economic growth. Gender Inequality in Sub-Saharan African and East Asian countries is 15-20% observes that ensuring equal access to women with respect to financial and development opportunities empowers women, expedites progress towards gender equality and can translate into improved national and international economic efficiency. Economic growth and women's empowerment are the key concepts to develop theories as "Simultaneous relationship" to understand the existence of relation between them. Women emerging as actors of society to help in shaping up the inclusive policies as they are getting equal access to economic opportunities. This coupled with the spread of education across genders has increased the awareness among women about the

need to make monetary contributions to the family. So much so, that woman has starting taking 'Work' as a right than just a responsibility (Sharma, 2001).

The effects of economic contribution on women empowerment are hard to capture. While some studies show economic globalization reducing gender inequalities and increasing women's status indicate non-significant, negative or curvilinear relationships.

The monetary contribution of women in household is being viewed as a symbol of status in society in particular. Women who contribute monetarily are perceived to be indispensable member of family by general public though the fact may be different within the family structure where her status among family may not be treated to be as high as in society. It cannot thus be assumed that contribution in household income will always lead to higher status and further to empowerment. While, in some families, women enjoy equal status irrespective of their monetary contribution; in some others, the situation may be reverse such that despite making monetary contribution, women may not enjoy equal status (Scogging, 1999).

2.4.2 Economic freedom

Having control over one's own resources carries positive implications for improved ability and empower relations for the holder, suggesting that cash savings were a strong indicator of the woman's improved and evenly balanced power relations within the household. Besides contributing economically to the family, having freedom to spend it as per her own wishes, remains a core indicator of a woman's empowerment. The purpose of women joining professional careers is commonly assumed to be the improvement in their financial status, which may lead to freedom of fulfilling their own shopping desires-including jewellery, clothing, holiday trips, etc. and their desires in terms of family-including electronic appliances, furniture, property, etc. It is also assumed commonly that the women have full freedom to spend their earnings as per their own wishes, while in reality, those earnings may usually be handed over to their senior member of family. The right to spend their money as per their wishes does not necessarily come with the women making monetary contributions to the family.

Vogler argued that the partner with the larger income was likely to play a dominant part in decision making. It is also observed that the power relations between husbands and wives would become more evenly balanced if wives start gaining access to

economic resources through paid employment. On the contrary, this could become reality only in rare cases.

There are also instances where women enjoy economic freedom even without making economic contribution to the family. For example, Kabeer pointed out that in rural areas women have a longstanding practice of having "Secret savings" for themselves, which ensures them a sense of economic autonomy.

Differences are also observed in the ways women use their freedom to spend their earnings. While, in earlier times, women earnings were used as savings for future requirements; in present era, there are examples of women who only spend their earnings on themselves without any savings or contribution in household expenditure. Further, women entrepreneurs tend to invest a major part of their earnings for the expansion of their business (Abdussalam, Johari & Alias, 2013).

2.4.3 Household management and decision-making

This indicator attempts an important evaluation of women where empowerment and decision making at household matters go hand in hand. In the countries where women are usually the homemakers for their families, they consider the decision-making autonomy with regard to household management as their prime right. Handapangoda reported that greater monetary contribution to the household offers women an active agency to have a stronger voice in family decision making and evenly balanced marital power relations. The decision making in household sphere plays a significant role for women. In terms of resource equity, literature shows a generally positive relationship with gender equality. Better livelihoods help women gain greater bargaining ability, become more independent in taking personal and household decisions, overcome spousal resistance, leading to influence the cause of gender inequality.

Kabeer presented evidence from studies on South Asia suggesting that, within the family, the purchase of food and other items of household consumption and decisions related to children's health, appear to fall within women's arena of decision making; while the decisions related to the education and marriage of children and market transactions in major assets tend to be more clearly male oriented. It is also assumed by family members that the outlook of a working woman is widened as compared to a

non-working woman, because of her increased vision and awareness about the present environment (Kabeer, 1998).

There is different evidence on the household freedom to women in nuclear and joint families. In most of the nuclear families, women enjoy equal right to take decisions on household expenditure, whereas it is limited in the case of joint family system where the women may not even be consulted on major decisions irrespective of her economic contribution to the family.

2.4.4 Perceived status within the household

The perceived status of women could not develop as an extensively utilized subjective indicator of measuring women empowerment. The woman working out has to face huge challenges both at household and professional level. It requires women to be multi-talented if they opt for professional careers since the need to balance their work life and family life comes along. It is commonly viewed that the work of women outside the home should not interfere with their proper duties of nurturing and caring for children. The women play dual responsibility to take care of the family with respect to food, child education, guest's hospitality and other similar duties.

Adhikari and Shrestha, (2013) pointed out that absence from home for a long time makes women vulnerable to the questions about character. Women have to perform multiple tasks of being a breadwinner, a homemaker and a mother-to-be-at-home. More actively performing the role of a breadwinner may lead them to achieve a better and more reasonable status as a breadwinner but a lower evaluation in the other two roles. The traditional approaches to measuring poverty assign no economic value to unpaid domestic work. It makes a strong case that women should be recognized and appreciated within the family for their timeless devotion. Their work needs to be appreciated by the family members. On the contrary, previous studies reveal that very rare cases are found on any material appreciation or recognition of the women by their family members.

Further, it is perceived that women enjoy good status in society if they are working for their family. In early times, only few professions were treated to be respectful for women to work and were honoured in society and within family also. But in the modern era, no work is treated as hazard for women to be employed though it may confine the status of being appreciated by family within. The women who spend long

hours on their work are perceived to be careless for household activities and are not appreciated for her contribution to the family. The children of the family feel lonely in the absence of their mother and come up with complaints. Also, it has been found that bonding with their children is less during the childhood but with the passage of time when they are grown up, they realize the situation and feel appreciated for the mother. It has been also seen that at the time of retirement, the family members wholeheartedly appreciate the dedication of women on both the front.

2.4.5 Education and educational freedom

Education empowers women to achieve more in their social, career, economic and family lives. It is believed that men and women have a similar distribution of innate abilities. Gender inequality in education leads to less opportunities getting provided to no less able (than men) women. This may lower the productivity of the human capital in the economy and thus lower economic growth. Dollar and Gatti observed that lowering the impact of male education on economic growth will raise the impact of female education. One can view this factor as similar to a distortionary tax on education that leads to a misallocation of educational resources and thus lowers economic growth. This effect could affect economic growth directly through lowering the quality of human capital. In addition, it can also reduce the investment rate as the return on investments is lower in a country with poorer human capital.

Gender bias in education and employment appears to have a significant negative impact on economic growth which further leads to higher fertility and child mortality. Hill and King also studied the impact of gender differences on education in an empirical growth context. Instead of trying to account for growth of GDP, they relate levels of GDP to gender inequality in education. It is found that a low female-male enrolment ratio is associated with a lower level of GDP per capita, over and above the impact of levels of female education on GDP per capita (World Bank, 2020).

The effects account for a considerable portion of the differences in growth experience between the developing regions of the world. Gender inequality in education may generate a poverty trap which would justify public action to escape this low-level equilibrium with self-perpetuating gender gaps in education. Barro and Lee and Barro and Sala-i-Martin suggested that a large gap in male and female schooling may signify backwardness and may therefore be associated with lower economic growth.

As female education is believed to promote the quantity and quality of education of their children (through the support and general environment educated mothers can provide their children), this positive externality is likely to exist.

Moreover, to the extent that similarity in education opportunities at the household level generates positive external effects on the quality of education. Reduced gender inequality may be one way to promote such external effects. For example, it is likely that equally educated siblings can strengthen each other's educational success through direct support and play inspired by educational activities. Similarly, couples with similar education levels may promote each other's life-long learning (Abdussalam, Johari & Alias, 2013).

The effect of educational inequality reduces the employment chances of women at higher positions and lower availability of human capital to the country that will further be hurdle in the growth of the economy. Promoting female education appears to therefore have a higher payoff there than elsewhere.

2.5 Review of empirical studies

Some empirical study has been conducted by previous researcher which are presented below:

Acharya, (2012) explored the role of microcredit program for women of Bhadaure Tamagi VDC of Kaski district. The study followed descriptive research design and based on primary sources of data. From this research study it was found that the overall impact of microcredit program for women's earning beneficiaries and living standard is positive. It has positive impact on clothing and sheltering facility after the intervention of the program. The condition of loan recovery have a positive impact up on the regularity of loan payment. Among the sample women, 4% could not repay both the principal and interest, 28% could repay only interest and not principal and 18% could repay only principal and not interest regular. Since all the respondents of the program have taken loan at least one time from the program. Out of the total investment of microcredit program, the highest proportion of investment is made on poultry farming (35.95%), and the lowest is made on goat keeping (18.21%). The main sectors of taking loan were poultry farming, buffalo keeping, retail business and goat keeping.

Aryal, (2013) examined the effectiveness of rural development program and is to carry out the detail study of rural development program in Khilung Deurali VDC of Syangaja. The study was mainly based on primary sources of data, however; secondary sources of data were also used in the research. From this study it was found and concluded that the program has made positive impact of the women living standard by generating employment and increasing productivity. Most of the women's income is sufficient for one year living or less. The performance of the project in terms of achievement of loan disbursement and recovery has been found very well in study period. So the repayment of loan was very satisfactory in the following years. It was 100 percent successful. The identification encouragement and training of local leadership saving and its mobilization, loan disbursement and its recovery should be a basic objective in any program.

Adhikari and Shrestha, (2013) examined the economic impact of microfinance in Nepal in Manamaiju VDC, Kathmandu. The study was focused on primary sources of data and it was descriptive research. The study also has highlighted that microfinance is an effective tool for bringing positive impact on the economic status of the respondents along with their family members. It has helped to generate extra income for their family and their own use. The extra income allows the respondents family to buy nutritious food, access to modern health care services and they can afford to send their children to the school. Hence, the study found out that the microfinance has significant impact on investment and saving in small households.

Tehra, (2014) noted that with help of SHGs microfinance activities have successful in attaining their goals for self-employment, women empowerment, income generating activities and poverty alleviation. Study found that the SHGs are very beneficial for the Socio-Economic Development of BPL families as well as low-income families. It is also found that with help of microfinance many groups had started group business and personal work.

Kundu, (2016) concluded that microfinance initiatives like the self help bank linkage program have been promoted in India due to its positive economic impact. The findings suggest self help group participants have significant and higher empowerment and SHG programs of microfinance services positively contributes to financial change in household condition and empower women.

Fernando, (2016) examined that the MFIs charging high prices to cover costs for any business was an essential practice. The study reports that the highest interest rates charged by most of the MFIs in the region ranged from 30 percent to 70 percent a year on a reducing balance basis. The question arises why microcredit rates are so high? Because of these four key factors: the cost of funds; the MFI's operating expenses; loan losses; and profits needed to expand their capital base and fund expected future growth, determined the rates. Imposing ceiling on microcredit interest rates was not the permanent solution of the problem, although lower microcredit interest rates will help to increase the availability of affordable finance for poor household.

The study has shown evidence in the Asia Pacific region, which strongly supports the view that liberal interest rate policies fuel the growth of the microfinance industry. More than 50 million poor people have access to microcredit from formal and semi-formal institutions in the region. The study has explained in detail about the general impact of ceilings on microcredit interest rates such as, short term, medium term and long-term effects on supply as well as in demand side. In those countries where interest rate ceilings have been a major characteristic of the market, growth of outreach had been disappointingly low. In most of the developing economy, the best available investment opportunities for a majority of poor households involve those with moderate returns. Household in this category cannot be expected to have the same ability to service loan taken at high interest as those who realize high returns on their investments. Similarly, poor households need credit to meet expenditure on health, education and many lifecycle events. Policy makers can oppose requests to impose rate ceiling that will slow down the growth of the MFI industry and result in reducing the supply of microcredit and other financial services, harming rather than helping poor and low income households.

Pathak, (2016) found out the advantages, limitations, and conclusions of micro-financing, to know the changes in society brought by SFCL after its implementation; to study the financial sustainability and viability of SFCL; to know about the role of SFCL Shankarnagar in women empowerment; to know about the major problems of SFCL/Shankarnagar Rupendehi. The study followed descriptive and exploratory research design and was based on primary sources of data. From the study it was

found that the small Farmer's participation in SFCL after handover is increasing. The position of share increasing positively. So it is good sign for SFCL. It helps to increase internal sources. Profit of SFCL increases every year. Position of deposits through members in increasing way. It is also seen that borrowed bank loan is decreasing. Loan and advance to total deposit ratio is flexible during study period. Loan loss ration is normal just to meet legal provision. Toilet facility, drinking water facility, use of store, bank saving, group saving and forest conservation all are in increased ratio. Women education rate is increase by 96.55% after SFCL activities. Women are aware on their rights and capacity to women empowerment in increase in the Shankarnagar VDC Rupendehi.

INAFI SAP-Nepal, (2018) conducted a thematic research study on the "Impact of Microfinance Services on Poverty Reduction in Nepal". The main objective of the study was to find out the overall impact of microfinance services on poverty reduction in the country. The study focused on (i) outreach of microfinance, (ii) access, use and contribution of microfinance, (iii) micro-enterprise development, (iv) managing risks and vulnerabilities by clients, (v) empowerment of women, and (vi) poverty reduction.

Primary data were used for the analysis. In the study, both 'before and after' and 'with and without' approaches were used. The major finding of the study was the positive impact of microfinance on poverty reduction. Microfinance enabled the poor to enhance their access to financing for income growth and welfare improvement through micro-enterprise development and increased ability to address vulnerability and economic empowerment; Microcredit was used for production (66%) and the remaining for consumption. Microfinance contributed to reduce poverty in client households. Respondents increased their incomes by 56 percent after participation in the microfinance programs. Beneficiaries have increased slightly more financial, physical and human capital than non-clients; Microcredit has served to lessen their dependency on moneylenders, reducing the average interest rate burden especially for the poor; Microcredit has promoted micro-enterprise activities, which in turn have increased wage and self-employment opportunities for the beneficiaries and the community people. There is great need to expand the MFIs in high hills and mountains, where the majority of poor lives.

Niaz, (2019) carried out on women empowerment as a pivotal issue of developing countries, particularly in Asia and Africa. Zero poverty and gender equality are the distinctive goals among SDGs of UN. Considering the empirically tested impact of microfinance on women empowerment in different regions of the world, this paper assesses the impact of microfinance on empowerment and poverty alleviation in women living in Pakistan. This impact has been analyzed comprehensively with better empirical methodology (Ordinary Least Square – OLS and Propensity Score Matching – PSM) and comparatively a larger cross-sectional dataset of 670 respondents. From the values of the responses, Multidimensional Poverty Index (MPI) has been developed to assess the multidimensional poverty levels of the respondents. Results showed that exposure to microfinance has a positive impact on women empowerment, poverty alleviation, and social status of women by raising their income level. Therefore, it is concluded that microfinance and MFIs are considered to be an effective mechanism for attaining the SDGs in Pakistan.

Jain, (2020) examined how far microfinancing services positively affect the empowerment of Nepali women living in the eastern part of Nepal. A purposive sampling method was used and responses of 97 women were collected through structured questionnaires. The women were using microfinance services on their own and at least for the last three years. Results indicate that the use of microfinance services (credit and saving) helps women to empower. Easy access to financial services and satisfaction with the loan payment period causes no difference in the improvement of women's empowerment. Saving service is significantly associated with women's household decision-making, major decision-making in the domestic context, and availability of basic household needs. Microfinance services contribute to women's socio-economic empowerment and their children's education.

Kumar, (2020) focused microfinance initiatives play a crucial role in economic development, employment generation and women empowerment. The active participation of women in Self Help Groups (SHGs) has a positive impact on their member's empowerment. This paper is an attempt to identify factors contributing to the empowerment of women through microfinance initiatives. This empirical analysis uses information collected through structured questionnaire, selecting solely based on their capacity to explain the different dimensions of women empowerment. Result of the study also provides more effective design for efficient microfinance initiatives among self-help group members. After analysis, the factors most contributing to the

empowerment of women SHG members emerged are; Political Engagement, Mobility & independence, Economic benefits, Self confidence & Respect, relevance of education, Protest against social ills and Financial planning & control.

2.6 Research gap

The literature review is a major component of this conceptual framework. The purpose of literature review in research is to situate the proposed research in the context of what is already known in the field. It should be able to provide the conceptual basis for the current work on the one and helps to narrow down the proposed topic on the other hand. From the above reviews, it is found that there are several studies on microfinance impact on women empowerment in Nepal. These studies are the attempt to identify factors contributing to the empowerment of women through microfinance initiatives. Pathak, (2016), Niaz ,(2019), Jain, (2020) and many more researchers have attempted several studies on factors contributing to the empowerment of women through microfinance. They analyze the information collected through structured questionnaire, selecting solely based on their capacity to explain the different dimensions of women empowerment. These studies could not identify the detail impact analysis of microfinance on women empowerment. In Nepal, several studies have been done in the microfinance sector such as impact on income, loan, education, assets and outreach, poverty reduction etc. There is gap between present research and previous research conducted.

So, this study has been undertaken to examine the relationship between microfinance and economic upliftment of women. In addition, this study also focuses the role of micro-credit for change which is an additional part of this paper. This study deals with certain concept of women's economic empowerment and the available literature relating to women empowerment and capacity building especially about the contribution of microfinance program in women's economic upliftment in Nepal. The study further analyzed the microfinance is the choice for the women to escape out of the problems and solve the economic problems. The study point out the economic problems that the women are facing and build a good research at how the women can be empowered. The several ways are discussed how the women can maintain good living standard and built up the progressing economy in the country.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

The overall objective of the study is to assess the impact of microfinance on women of Sainamaina Municipality, under Chhimek Laghu Bitta Bikas Bank. This chapter has been divided into five sections: Selection of the Study, Research Design, Nature and Source of Data, Population and Sampling Procedure, Data Collection Technique and Data Processing and Analysis.

3.2 Selection of the study

Sainamaina Municipality, Ranibagiya area is the study area selected for this study. It is located in the western part of the Butwal Sub-Metropolitan City. It lies on about 15 km west from Butwal Buspark. The study area is limited within Ranibagiya area. The study is analyzed on the basis of the performance of participating people from micro enterprise groups. Most of the people are engaged in agricultural and small business in Ranibagiya area. Youths are migrating foreign countries for the employment opportunities and specially women are engaged in agricultural and small business sectors. To fulfill their small and non-collateral loan, Chhimek Laghu Bitta Bikas Bank is working with them. The bank is not only providing small scale loan but it also helping to increase their economic status by providing soft loan. Hence, to examine the significant impact of micro-credit program on women status, this study is conducted in Ranibagiya area of Rupandehi.

3.3 Research design

To meet the objective of the study, descriptive research design has been adopted. Descriptive approach has been utilized mainly to identify the problems and analytical approach has been followed mainly to analyze the relationship between income, investment and other variables.

3.4 Nature and source of data

This study is based on primary sources of data. These primary data are quantitative in nature. Emphasis has been given to collect primary data or information through questionnaire.

3.5 Population and sampling

Who are engaged with Chhimek Lagu Bitta Bikas Bank were taken as population of the study. A sample is a collection of items or elements from a population. Hence, a sample is only a portion of subset of the population. It comprises some observation selected from the population. The whole member of Chhimek Lagu Bitta Bikas Bank are considered as the size of the population (272) (Chhimek Lagu Bitta Bikas Bank, Loan Department, Ranibagiya, Rupandehi, 2021). This study covers some sample women members for the purpose of study because of the limitation of area, budget and time. Since the impact of micro-credit program cannot be measured with 1 year time period. It is assumed that micro-credit members who have more than 2 years may have significant effect on their economic status. Hence, the member who are engaged before 2 years in this micro-finance were taken as sample because no any significant impact can be measured from recently involved women in micro-credit program. According to the record of Chhimek Lagu Bitta Bikas Bank, only 160 women have more than two years time period in the involvement in micro-credit program. Hence, they were selected as sampled and interviewed. For this study, all the members who have more than 2 years period of involvement in micro-credit program have been selected using purposive sampling method.

3.6 Data collection technique

This study has used the primary data. So the required data are collected from the primary data collections. According to nature of the problem, required data/information are collected with the help of interview, household survey.

3.7 Data processing and analysis

To illustrate the research work, tables and figures are used for data presentation. In this research, some statistical tools mainly percentage, correlation and regression analysis are used to find out the effectiveness of total loan amount borrowed on income increase per month. SPSS computer software is used for the accurate calculation. The personal experience, field observation and information from individuals have been used while elaborating and interpreting data.

1. Arithmetic mean (\bar{x})

Arithmetic mean value can be obtained when the total of all the values in a distribution is divided by the number of values in the distribution. Symbolically,

$$\text{Arithmetic Mean } (\bar{x}) = \frac{x_1 + x_2 + x_3 \dots \dots \dots + x_n}{N}$$

2. Correlation analysis

Karl Pearson's coefficient or coefficient of correlation measures the degree of association between two variables i.e. x_i (loan amount borrowed in the study) and y_i (income increase per month in the study). It helps us in analysing the covariance of two or more variables. For instance after deriving correlation analysis one can able to find the relationship between loan amounts borrowed and income increase per month.

$$r_{xy} = \frac{\sum xy - n\bar{x}\bar{y}}{\sqrt{[\sum x^2 - n(\bar{x})^2][\sum y^2 - n(\bar{y})^2]}}$$

The value of correlation coefficient lies between -1 to +1.

If $r = +1$, There is perfect positive relationship.

If $r = -1$, There is perfect negative relationship.

If $r = 0$, There is no correlation at all.

3. Regression analysis

Regression analysis calculates equation that provides value of dependent variables (income increase per month in this study) for given value of independent variables (loan amount borrowed in this study). The primary objective of the regression analysis is to show the relationship between total loan amount borrowed and income increased per month. For instance, after deriving regression equation one can able to find out the effect of the loan amount borrowed on income increase per month.

Income increase per month (y_i) is regressed with loan amount borrowed (x_i) to examine the value of dependent variable (y_i) for any given value of independent variable (x_i) and vice versa.

Regression equation of y_i on x_i can be expressed as:

$$y_i = a + bx_i$$

Where, y_i = income increased per month

x_i = loan amount borrowed

a = constant

b = coefficient of loan amount borrowed

4. Z- Test (Two proportion test

Z-Test is used to test the significance of parametric test for sampling of attributes.

Z- Test is used under the following assumptions;

When sample size is 30 or more then 30

3.8 Conceptual framework

Independent variable

Dependent variable

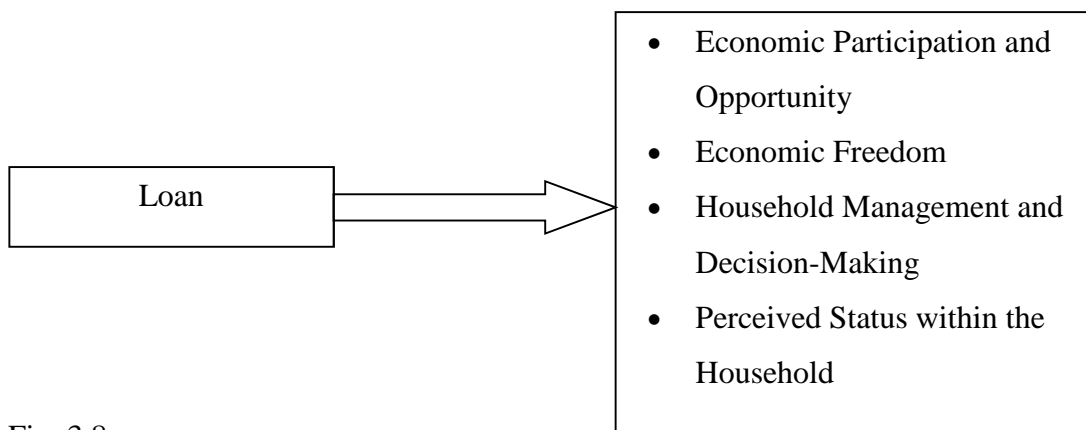


Fig: 3.8

Source: Yunus, 1993.

The presented framework clearly shows the overall framework of the research. Micro loan is the independent variable which results women empowerment through economic participation, economic freedom, household management, perceived status within household, education, and health.

CHAPTER IV

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter has presented analysis and interpretation to fulfill the objectives of the study. The main component of microfinance program conducted by Chhimek Bikash Bank for women especially to income generation activities and poverty alleviation, enhance living standards as well as to encourage them for compulsory saving and voluntary saving. These banks have been conducted micro-credit programmes in various parts of Rupandehi District. However, this study is focused on Ranibagiya area of Sainamaina Municipality.

4.2 Socio-economic background of respondents

This section consists of general information like distribution of respondents by caste/ethnicity and age, marital status of respondents, educational attainment of respondents, family sizes of respondents, land holding size of the respondents and involvement years of respondents in the program of Sainamaina, Ranibagiya.

Table- 4.1

Distribution of Respondents by Caste/Ethnicity

Caste/ethnicity	Total	Percentage
Chhettri	100	62.5
Newar	28	17.5
Brahmin	24	15
Magar	4	2.5
Gurung	4	2.5
Total	160	100

Source: Field survey, 2021

Table 4.1 shows that caste structure of respondents in the study area. It shows that the majority of respondents belonged to Chhettri caste. 62.5 percent came from Chhettri caste, 17.5 percent came from Newar caste, and 15 percent came from Brahmin caste while Magar and Gurung caste had the same 2.5 percent involvement in the sampled population.

Table 4.2*Distribution of Respondents by Age*

Age group	Total	Percentage
20 to 30	4	2.5
30 to 40	56	35
40 to 50	64	40
50 to 60	28	17.5
60 +	8	5
Total	160	100

Source: Field survey, 2021

The youngest among the member surveyed was 23 years old while oldest was 62 years old. The table shows that 2.5 percent of the women members are between 20 to 30 years age group, 35 percent of the women members are between 30 to 40 years age group, 40 percent of the women members are from 40 to 50 years age group, 17.5 percent of the women members are between from 50 to 60 years age group and 5 percent of the women members from 60 above age group.

Table 4.3*Marital Status of Respondents*

Marital status	Total	Percentage
Married	140	87.5
Unmarried	0	0
Widowed	8	5
Separated	12	7.5
Total	160	100

Source: Field survey, 2021

Table 4.3 shows that majority of the members surveyed were married. The percentage of married respondents was 87.5. There were no any unmarried respondents. Only 5 percent respondents were widowed and 7.5 percent of the members were separated/divorced.

Table 4.4
Educational Attainment of Respondent

Educational level	Total	Percentage
Illiterate	24	15
Literate	40	25
Under SLC/SEE	72	45
Above SLC/SEE	24	15
Total	160	100

Source: Field survey, 2021

Table 4.4 shows that among the sampled women, majority of the women are literate. The table shows that 85 percent were literate while only 15 percent were illiterate. It shows that among the literates, 25 percent respondents could write their name, 45 percent respondents were under SLC/SEE, 15 percent respondents completed above SLC/SEE level.

Table 4.5
Family Sizes of the Respondents

Family member	No. of household	Percentage
1-3 members	14	7.5
4-6 members	132	82.5
7-9members	16	10
10-12members	0	0
Total	160	100

Source: Field survey, 2021

Data on table 4.5 shows the most of the members are living with a family, and according to the composition of data on family, 90 percent of the members belonged to smaller sized households with 1 to 6 members. About 10 percent members came from medium sized households with 7 to 9 members. There were no any large sized households among the respondents.

Table 4.6
Land holding Size of the Respondents

Size of land	No. of households	Percentage
Landless	0	0
0-1 Ropani	60	37.5
2-3 Ropani	64	40
4-5 Ropani	16	10
6-7 Ropani	16	10
Above 7 Ropani	4	2.5
Total	160	100

Source: Field survey, 2021

Data on size of land holding shows that, all of the sampled respondents held land which varied in the size of land. There were no any landless respondents. 37.5 percent of the women surveyed held land upto 1 Ropani. 40 percent of the respondents held land between 1 to 3 Ropanies. Same 10 percent of the respondents held the land size between 4 to 5 Ropanies and 6 to 7 Ropanies. Only 2.5 percent respondents held the land size above 7 Ropanies.

Table 4.7
Involvement years of Respondents in the Program

Years	No. of respondents	Percentage
2 Year	12	7.5
3 Years	16	10
4 Years	76	47.5
5 Years	56	35
Total	160	100

Source: Field survey, 2021

Table 4.7 shows that 7.5 percent respondents involved in the program with the duration of 2 year, 10 percent respondents involved with the duration of 3 years, 47.5 percent respondents involved in the program with the duration of 4 years and 35 percent respondents involved in the program with the duration of 5 years.

4.3 Impact of microfinance on income level

This section provides the information about the loan amount borrowed and the number of the borrower, monthly income of the borrower, loan amount borrowed and income increase per month, correlation and summary of regression.

Table 4.8

Loan Amount and Number of Borrower

Loan amount (Rs)	No of Borrower	Percentage
2500-75000	20	12.5
7500-12500	24	15
12500-17500	16	10
17500-22500	52	32.5
22500-27500	20	12.5
27500-32500	8	5
32500-37500	0	0
37500-42500	20	12.5
Total	160	100

Source: Field survey, 2021

Table 4.8 shows that the scenario of the loan amount and the percentage of the total borrowers. Since the borrowers are so curious about the use of loan they demand according to the need of their enterprises and investment. Out of the 160 sample women, 12.5 percent women had borrowed Rs.2500-7500. 15 percent women had borrowed Rs.7500-12500. About 10 percent women had borrowed Rs. 12500-17500. 32.5 percent had borrowed Rs. 17500-22500. 12.5 percent women had borrowed Rs.22500-27500. 5 percent women had borrowed Rs.27500-32500 and 12.5 percent women had borrowed Rs.37500-42500.

Table 4.9
Monthly Income of the Borrower

Investment Sector	No. of Borrower	Investment	Total income before the borrowing	Total income after the borrowing	Increase income due to intervention
Farming (Vegetable)	92	390000	45800	91300	45500
Livestock	16	75000	10000	23200	13200
Retail Business	8	60000	16000	23500	7500
Weaving Clothes	8	45000	7000	13000	6000
Hotelier	4	20000	5500	8200	2700
Poultry Farming	4	20000	7000	11000	4000
Private Firm	28	180000	50000	75000	25000
Total	160	790000	141300	245200	103900

Source: Field Survey, 2021.

This fact has proved that the members associated with the program have significantly increased their average income after intervention of program.

I. Attempt has been made to find out the correlation regression related between that loan amount borrowed (x_i) and increased in income per month (y_i)

I. (a) Correlation between x_i and y_i (r)

The result was obtained by using SPSS computer software which is given as below:

Table 4.10
Correlation

Loan amount borrowed	Pearson Correlation	Loan amount borrowed	Income increased per month
		1.000	.572
	Sig. (2-tailed)		0.000
	N	160	160
Income increased per month	Pearson Correlation	0.572	1.000
	Sig. (2-tailed)	.000	
	N	160	160

Table 4.10 shows that the coefficient of correlation between loan and income increased is found 0.572. The correlation coefficient lies in the range of moderate

uphill (positive) relationship. The correlation coefficient 0.572 denotes the relationship is moderately strength between loan amount and income increased of the women. Women income level is positively related with their loan amount. Similarly, p-value less than 0.05 reveals there is significant relationship between loan amount and women's income increment.

Decision

The value of correlation coefficient lies between -1 to +1.

If $r = +1$, There is perfect positive relationship.

If $r = -1$, There is perfect negative relationship.

If $r = 0$, There is no correlation at all.

So, the coefficient of correlation (r) = 0.572, which is not so low and not so high. It is moderate. Thus investment is slightly positively correlated with changes in income level of the respondents.

I. (b) Regression of Increases in income per month (y_i) on loan amount borrowed (x_i)

We have regression line

$$y_i = a + bx_i$$

Where,

y_i = computed value of y

a = autonomous increase in y

b = slope of y_i on x_i [b measures how the change in dependent variable (y_i) exists with the change in independent variable i.e. x_i]

Here the result was obtained with the help of SPSS computer software, which is given as below:

Table 4.11

Summary of Regression

Equation	Dependent variable	Independent variable	Constant	Coefficient of loan amount borrowed	t Value	f Value	Adj. R ²
$Y_i = a + bx_i$	Income increased per month	Loan amount borrowed	1492.857	0.051	4.295	18.445	0.327

Table 4.11 shows the value of a and b as:

$$a = 1492.857$$

$$b = 0.051$$

Income increased per month is explained by loan amount borrowed by 51%

Implication we should conduct further research by including other independent variables also to explain the increased income per month. The adjusted R^2 0.327 reveals that income increased is explain by loan is 32.7% and remaining 67.3% income increased is explain by other variable.

Interpretation

Since the coefficient b is positive there is a positive relationship between y_i (increase in income per month) and x_i (loan amount borrowed), hence increase in income is positive function of loan amounts borrowed.

We now see how the dependent variable y_i i.e. increase in income per month is dependent on loan amount or independent variable (x_i).

i) Suppose, loan amount (investment), $x_i = 0$

$$\text{Then } x_i = a = 1492.857$$

This illustrates that even if there is no investment autonomous function (part) exists, which simply refers to a constant value. It further implies that although loan amount has its vital role to generate income, social and other micro economic factors also have some role to generate the total income.

ii) Suppose loan amount (investment) $x_i = \text{Rs. } 100$

$$\begin{aligned} \text{Then } y_i &= a + bx_i \\ &= a + 0.051 \times 100 \\ &= a + 5.1 \end{aligned}$$

This illustrates that if we invest Rs.100 it will generate Rs. 5.10 income per month, that means this regression analysis shows a positive trend between investment and increased in income level of sampled women.

4.4 Socio-economic impact of the program on the status of women

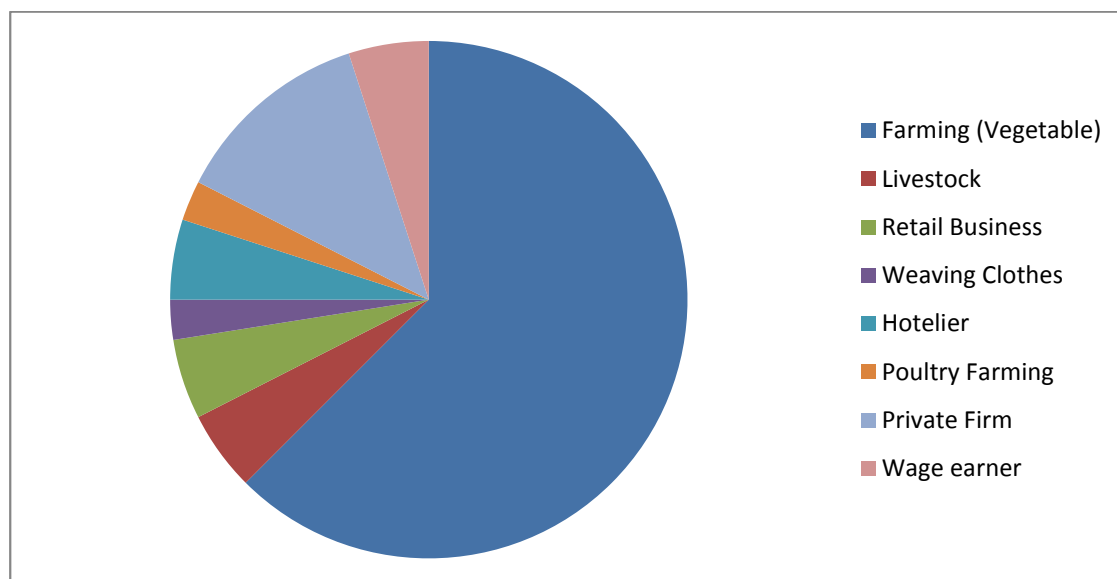
As the study is focused on the role of microfinance in socio-economic impact on status of women in Nepal, it is thus, imperative to glance at the status of Nepalese women. The table 4.13 gives the bird's eye view of status of women in Nepal.

Table 4.12*Main Occupation of the Respondent before borrowing*

Occupation	No. of borrower	Percentage
Farming (Vegetable)	100	62.5
Livestock	8	5
Retail Business	8	5
Weaving Clothes	4	2.5
Hotelier	8	5
Poultry Farming	4	2.5
Private Firm	20	12.5
Wage Earner	8	5
Total	160	100

Source: Field survey, 2021.

Figure 4.1

Main Occupation of the Respondent before borrowing

According to the table 4.12 and graphical representation 4.1, 62.5 percent of the members' survey resulted that their main occupation was farming (vegetable). 5 percent women kept livestock, 5 percent women were in retail business, 2.5 percent women were engaged in weaving clothes, 2.5 percent women were hotelier, 2.5

percent women were engaged in poultry farming, and 12.5 percent women had their own private firm while 5 percent of women identified themselves as wage earners.

Table 4.13

Main Occupation of the Respondents After borrowing

Occupation	No. of borrower	Percentage
Farming (Vegetable)	92	57.5
Livestock	16	10
Retail Business	8	5
Weaving Clothes	8	5
Hotelier	4	2.5
Poultry Farming	4	2.5
Private Firm	28	17.5
Wage Earner	-	-
Total	160	100

Source: Field survey, 2021.

Figure 4.2

Main Occupation of the Respondents after borrowing

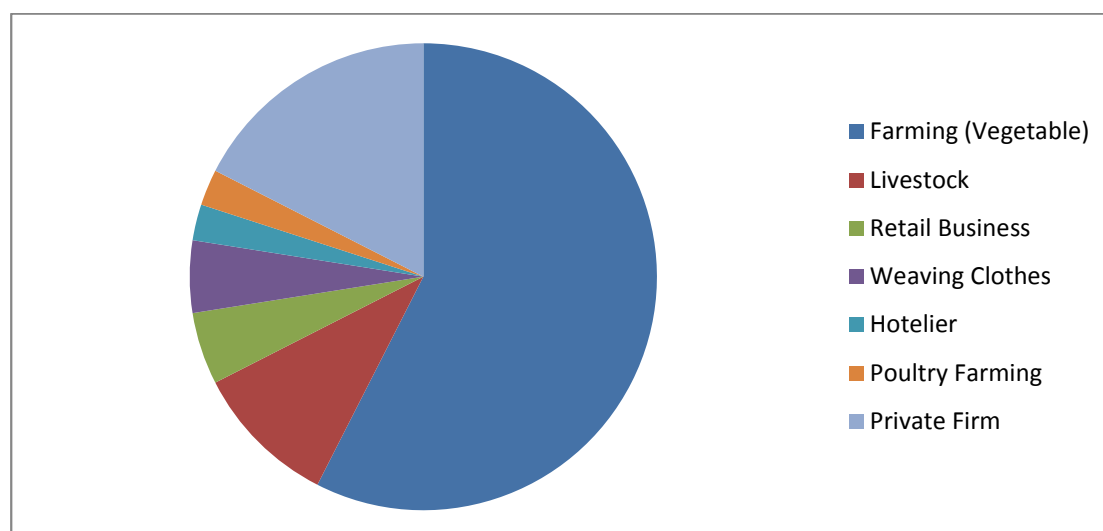


Table 4.13 shows the slight changes in the main occupation after the borrowing. According to the table 4.14 and graphical representation 4.2, 57.5 percent of the members' survey resulted that their main occupation was farming (vegetable). 10 percent women kept livestock, 5 percent women were in retail business, 5 percent women were engaged in weaving clothes, 2.5 percent women were hotelier, 2.5

percent women were engaged in poultry farming, and 17.5 percent women had their own private firms while none of women identified themselves as wage earners. After implementation of the program, women have started different occupations according to their own entrepreneurship talents. Thus after implanting microfinance program, women have left previous traditional occupation and have started such business which are economically beneficial.

Table 4.14

Land Title to Women Members

Category	No. of Respondent	Percentage
Did not have	120	75
Had	40	25
Total	160	100

Source: Field survey, 2021.

In terms title of land in a family, women members are not in well position. 75 percent of the respondents did not have land-ownership in their own name. 25 percent of the respondents had title to land. Table 4.15 shows that third-fourth of the women members involve in the program are deprived of land ownership.

Table 4.15

Responsible Person to Keep Account and Record in the Family

Responsible Person	No. of Respondent	Percentage
Herself	52	32.5
Husband	100	62.5
In Laws	8	5
Total	160	100

Source: Field survey, 2021.

Most of the respondent's family is headed by male members. 62.5 percent respondent's husband kept record and account. Only 32.5 percent of respondents keep account themselves while 5 percent of the respondent's in-laws kept the record of the account. This might be because of the patriarchic society, where male members have always upper hand in family affairs.

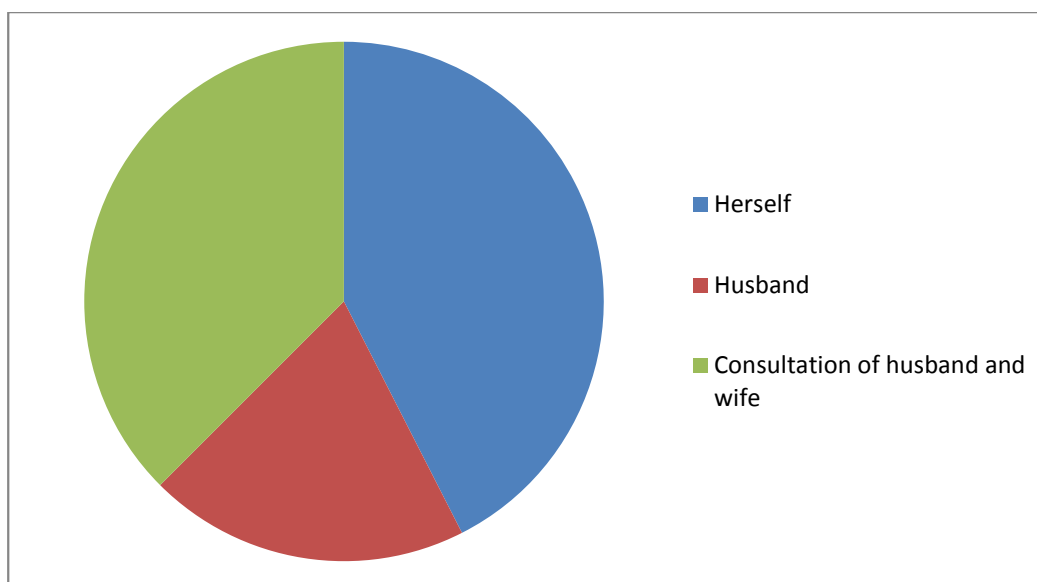
Table 4.16
Member in the Family Responsible to spend the loan money

Responsible Person	No. of Respondent	Percentage
Herself	68	42.5
Husband	32	20
Consultation of husband and wife	60	37.5
Total	160	100

Source: Field survey, 2021.

Figure 4.3

Responsible Person to Spend the loan Money



The data on responsible person in the family to spend the loan money could be taken as encouraging. 42.5 percent of the respondents themselves spend the loan money; while 37.5 percent spend the loan money in the consultation of their husband and about 20 percent of respondents have no responsibility (control) over the spending of the money.

Benefits from the program

As the program has been implanted through the groups of homogeneous women, groups play an important role in uplifting and making women members aware. Almost all groups conducted their meeting on time and collected saving from members.

92.5 percent of the respondents replied that they have felt positive changes in their life after joining the group and 7.5 percent said that they have not felt change after joining the group. Those who have felt changes are now aware of the situation surrounding them and they share one another's experience in the groups.

Leadership in any organization plays a key role in its dynamism. Women members in this study are found to choose their chairperson and secretary on the basis of academic qualification and experience. None of the group holds an election to choose the chairperson or secretary and none of the group member become chairperson or secretary on a rotational basis. In some of the cases, age factor is found being considered for the selection of chairperson but not the secretary. They all are convinced that secretary should be the one who can keep account with in the group and is capable in dealing with microfinance officials.

Women members identify several benefits from microfinance program. It is seen that it is a positive impact on their children's education, family planning areas, and children's marriage. Misunderstanding with spouse has also decreased.

Table 4.17

Distribution of Sample Women According to the Benefits Experienced

Benefits	No. of Respondent	Percentage
Increased right within the family to take decision	128	80.00
Leadership capacity developed	48	30.00
Increase self confidence	96	60.00
Increase right to spend	112	70.00
Change in attitude	68	42.5
Increased participation in community activities	32	20
No any changes	12	7.5

Source: Field survey, 2021.

Table 4.17 shows that 70 percent of the respondents have gained more rights to spend; while 60 percent felt that their self confidence has increased after joining the program. About 30 percent of respondent's leadership capacity has increased after becoming the member of group. 20 percent think that their participation in community activities has increased and 42.5 percent reported that their attitude has been changed, while 7.5 percent women have found no changes in their lives.

Repayment rate

The loan repayment is another crucial aspect of the lending activity of any financial institution. If the loans are not repaid on time, it will not only affect the turnover capacity of financial institution and disturb the borrowing and lending environment between financial institution, the borrowers and among the borrowers themselves. So regularity in the repayment of loan is an essential condition of the performing loan. The response on regularity situation of loan is shown in table 4.18.

Table 4.18

Response on Regularity Situation of Loan Repayment

Investment Sector	No. of Borrower	Regularity in the repayment of both the principal and interest		Do not pay both the principal and interest regularly	
		Number	Percent	Number	Percent
Farming (Vegetable)	92	76	82.6	16	17.4
Livestock	16	12	75	4	25
Retail Business	8	8	100	0	0
Weaving Clothes	8	4	50	4	50
Hotelier	4	4	100	0	0
Poultry Farming	4	4	100	0	0
Private Firm	28	24	85.7	4	14.3
Total	160	132	82.5	28	17.5

Source: Field Survey, 2021.

The above table reveals that out of the total sample population, 82.5 percent women are found to be regular in the repayment of both the principal and the interest in time. But 17.5 percent of women are found to be irregular in repayment of both principal and interest.

On sector wise basis, 82.6 percent from farming (vegetable), 75 percent from livestock, 100 percent from retail business, 50 percent from weaving clothes, 100 percent from hotelier, 100 percent from poultry farming and 85.7 percent from private firm are found to be regular in repayment of both principal and interest. Similarly 17.4 percent from farming (vegetable), 25 percent from livestock, 50 percent from weaving clothes and 14.3 percent from private firm are found to be irregular in repayment of both principal and interest. The result signified that the ratio of participants repaying of both principal and interest is significantly higher. But still some of the members have failed to pay principal and interest in due date. Among the different groups the regular repayment situation of retail business, hotelier and poultry farming are better

than the repayment situation of farming (vegetable), livestock, weaving clothes and private firm.

Utilization of Loan

Microfinance program has been mobilizing loans for various purposes. In this study, attempts have been made to find out whether mobilized loans are properly utilized or not. Loan utilization schedule of sampled women are presented in table 4.20.

Table 4.19

Loan Utilization Schedule of the Sampled Women

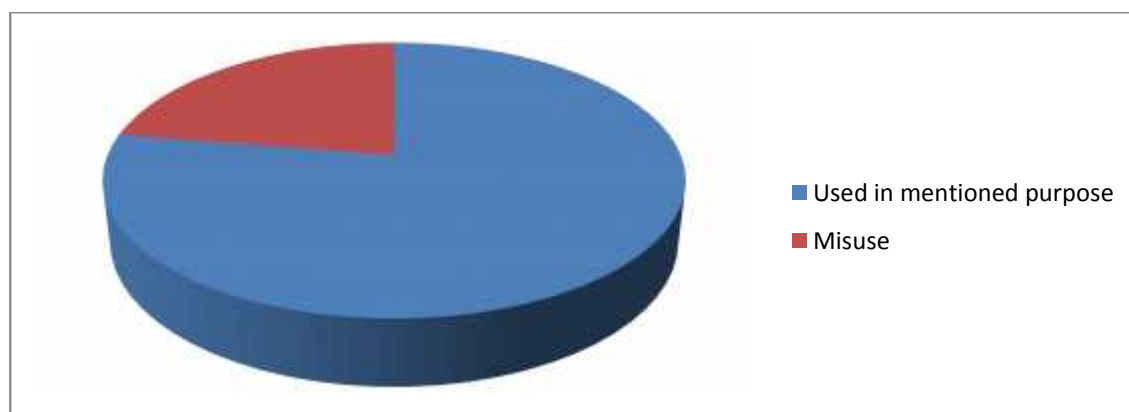
Investment Sector	No. of Borrower	Used Loan for the mentioned sector		Misusing of the loan	
		Number	Percent	Number	Percent
Farming (Vegetable)	92	64	69.5	28	30.5
Livestock	16	12	75	4	50
Retail Business	8	8	100	0	0
Weaving Clothes	8	8	100	0	0
Hotelier	4	4	100	0	0
Poultry Farming	4	4	100	0	0
Private Firm	28	24	85.7	4	14.3
Total	160	124	77.5	36	22.5

Source: Field Survey, 2021.

The table 4.19 denotes that among the total participants, 77.5 percent women have used the loan for the mentioned purposes while 22.5 percent women have used as the loan for various purpose other than the objectives of the loan.

Figure 4.4

Usage of Loans



On sector wise basis, 69.5 percent from farming (vegetable), 75 percent from livestock, 100 percent from retail business, 100 percent from weaving clothes, 100 percent from hotelier, 100 percent from poultry farming and 85.7 percent from private firm have invested their loan on the mentioned purpose. Likewise, 30.5 percent from farming (vegetable), 25 percent from livestock and 14.3 percent from private firm were used their investment other than the objective of the loan.

From the forgoing analysis, it has been found that larger numbers of women have used the loans for the mentioned purposed and smaller numbers of women used the loan for various purposed other than the objectives of the loans.

Table 4.20

Number of Women Misusing the Loan.

Using areas of loan	No. of respondents	Percentage
Food/ Clothes	16	44.44
Household appliances	8	22.22
Marriage	4	11.11
Others	8	22.22
Total	36	100

Source: Field Survey, 2021.

Table 4.20 shows that among the loan miss-users, 44.44 percent women misuse their loan amount to purchase food and clothes for their family, 22.22 percent women use the loan to buy household appliances, 11.11 percent women use the loan for the marriage of their children while 22.22 percent women didn't want to mention the areas.

4.5 Findings

This study used correlation as well as regression analysis to accomplish the objectives of the study. Correlations and simple regression equations are used to test the relationship between investment and changes in income. Similarly different indicators such as pie chart, repayment rate and loan utilization schedule are used to fulfill the objectives of the study. The major findings of the study are noted as follows:

- i. The respondents of the program have taken loan on 7 sectors such as farming (Vegetable), livestock, retail business, weaving clothes, hotelier, poultry farming, and private firms.

- ii. Out of the total investment of microfinance, highest proportion of investment is made on farming (vegetable) sector followed by private firm, livestock, retail business, weaving clothes, hotelier and poultry farming.
- iii. All of the respondents of the program have taken loan at least one time from the program.
- iv. About 62.5 percent of the sample women are engaged in agriculture before the intervention of the program. After the intervention of the program, 57.5 percent of the women are engaged in agriculture to earn livelihood.
- v. After intervention of the program, women are especially attracted towards the private firms and livestock which are economically profitable.
- vi. Increase in income due to investment program is positive since the result of correlation and regression analysis is found to be significant between those two variables.
- vii. The perception of the users group towards the program is positive. Even not a single woman opined against the program.
- viii. 87.5 percent of the women are married, 7.5 percent are separated or divorced and 5 percent of the women are widowed. There are no any unmarried in the sample population. The age structure of sample women are in the range of 20 to 65 years.
- ix. Most of the participant women are found to be literate. According to sample survey, 85 percent of women are found to be literate and only 15 percent of women are found illiterate. Thus literacy rate of the women are more than national literacy rate of the women in Nepal.
- x. The participants' women are from the different ethnical groups. In research study, it has been found that the participant from socially privileged groups (Brahmin, Chhettri and Newar) is 95 percent and from socially backwards groups (Magar and Gurung) is 5 percent.
- xi. Even, if the members are in economic problems, they have been saving regularly for their future, which proves that the poor people also can save small amount of money regularly.

- xii. Most of the participant repay the loan in due time. In research study, it has been found that 82.5 percent women repaid the loan in due time and 17.5 percent women did not repay the loan in due time.
- xiii. About 22.5 percent sample women misused their loan for household and personal expenses.
- xiv. Since the coefficient b is positive there is a positive relationship between y_i (increase in income per month) and x_i (loan amount borrowed), hence increase in income is positive function of loan amounts borrowed.
- xv. If Rs.100 is invested, it will generate Rs.5.10 income per month, that means this regression analysis shows a positive trend in between investment and increased in income level of sampled women.

4.6 Discussion

Microfinance is a financial instrument including loans, saving, micro-insurance, remittance and other financial products that are tailored only to poor people. It is created in economy for the economic benefit of the poor, and that alleviates poverty. Microfinance loans help the poor to involve in income generating activities that allow them to accumulate capital and improve their standard of living. The poor stay poor because they have no access to finance. This is true since many poor women around the world are already benefiting from formal financial services.

Microfinance is the provision of financial services to low income clients or solidarity groups lending including consumers, and the self-employed who are deprived from formal financial and related services. Kabeer, (1998) presented evidence from studies on South Asia suggesting that, within the family, the purchase of food and other items of household consumption and decisions related to children's health, appear to fall within women's arena of decision making; while the decisions related to the education and marriage of children and market transactions in major assets tend to be more clearly male oriented. Women empowerment is correlated with an appropriate provision of foods, health, shelter, education opportunities, and access to finance who are extremely deprived from government social services. Economic impact of women has direct effects on poverty reduction. The broader effect on societal values may well be far more significant. There are various influencing factors of women social and economic life structure such as financial resources and level of awareness. Limited access of women to land, housing, collective bargaining power, infrastructure, water,

transportation, electricity, family decision, education and unsecure workplace, early marriage, deprived of the right to decide pregnancy and low level of participation in community activities are main obstacle of women empowerment. The growth of microfinance which specifically target to low income individual as potentially useful for the promotion of financial inclusion and addressing some women poverty related issues.

Microfinance program have been playing a vital role in the social, psychological as well as economic upliftment of women in the study area. Tehra, (2014) noted that with help microfinance activities have successful in attaining their goals for self-employment, women empowerment, income generating activities and poverty alleviation. It is considered as an entry point or powerful vehicle towards empowering women. Members of MFIs have more control over saving and income generated from the business, the greater role in family decision, greater freedom from family control, participation in social and political activities and increased activities outside activities.

Microfinance is one of the important and strong pillar of economic creation. It also as known as an important engine/vehicle for economic transformation and social change and economic empowerment of rural women's. It becomes catalyst for social change and women's empowerment. Microfinance is a powerful tool for women empowerment. Higher the income, the better the asset position of the borrower. Niaz, (2019) showed that exposure to microfinance has a positive impact on women empowerment, poverty alleviation, and social status of women by raising their income level. It is essentially the promotion of self-employment. This study proposes a synergetic conceptual framework on the general relationship between microfinance program and women empowerment. This study is based on the theoretical lenses, past literature, the logical explanation and best practices and my work experience. The next step is to test if the proposed conceptual framework and the propositions are academically legit and empirically supported.

As the aim of the study was to assess the impact of microfinance on women of Sainamaina Municipality-5, Ranibagiya under Nepal Gramin Bank, Nirdhan Utthan Bank Ltd., NESTO Nepal, Chimek Bikash Bank. The study has found that the participant women have increased their economic income and awareness after involving in the program. The volume of investment and saving are positively

increased in each year. As far as women's status is concerned, there are still many things to be done which will be discussed on recommendation.

CHAPTER V

CONCLUSION AND IMPLICATIONS

5.1 Summary

In recent years there has been growing realization of the importance of women participation in the development process and need for their advancement. As a consequences numerous national as well as international organization have been established which carry out program targeted at enabling to women to became aware of their situation and exploit potential to gain relative economic independence together with a better position in their households as well as society. Provision of credit is generally regarded as strong potential force for achieving the goal of poverty alleviation. Microfinance since its evaluation has been roved as an effective tool to strengthen various programs to reduce poverty and itself as a way to attack poverty the implementation of microfinance program, focusing on women as a target group has produced substantial impact on economic empowerment of women through their economic self sufficiency.

The overall objective of the study is to assess the impact of microfinance on women of Sainamaina Municipality-5, Ranibagiya under Nepal Gramin Bank, Nirdhan Utthan Bank Ltd., NESTO Nepal, Chimek Bikash Bank. The study has been carried out in the Ranibagiya Area. The proved objective of the study is to assess the impact of microfinance program for women. The total participants of the program are 272; out of these 160 women are sampled for the purpose of the study. The study is generally based on primary data. To conduct these studies, descriptive and analytical approach has been adopted.

The study has found that the participant women have increased their economic income and awareness after involving in the program. The volume of investment and saving are positively increased in each year. As far as women's status is concerned, there are still many things to be done which will be discussed on recommendation.

Two reasons can be perhaps being cited for this partial improvement in women relative well being. First exposures to income earning activities in a single generation can not perhaps wipe-out centuries of cultural conditioning. Secondly owing to their low absorptive capacity, who has got large scale credit in absence of sufficient income

opportunities. The borrower women are increasingly depending on their husband in order to make better use of credit that can be represented as loss of independence.

The result of the investment is found to be positive upon the earning of the respondent. Similarly, the study reveals that most of the respondents have repaid the loan and interest in due time and majority of the participant has utilized their investment properly. Thus overall impact of the program is found to be positive, their standard of the living has been improved and hostility is better now.

The age range of respondents are 23 to 62 years, 7.5 percent respondents have been involved in the group from 2 years, 10 percent respondents have been involved from 3 years, 47.5 percent respondents have been involved from 4 years and 35 percent respondents have been involved from 5 years. 90 percent women are from small and nuclear family with 1-6 members and 10 percent women are from medium family with 7-9 members.

5.2 Conclusions

Microfinance institutions have been an excellent job on enabling the poor and landless to access institutional credit. It is noteworthy achievement of microfinance institutions in the study area that it has reached out to traditionally low caste and depressed indigenous people, focusing on the most deprived population and targeted women. It has increased the income levels of the targeted area, consequently have created self employment, thus to some extent their status too. Self-confidence, improved status and respect from family members, relatives and neighbors are some of the major positive achievement gained by the participating women. It has been able to disburse loan with minimum interest rate. So it is financially viable, it has affected positively in socio-economic aspect of the borrowers and other too.

Some of the conclusions can be derived about the program as implemented in the study area of Ranibagiya area. The conclusions can be mentioned as follows.

- i. The group activities, regular saving and investment, high rate of repayment and utilization of loan found to be satisfactory. This shows financial sustainability and viability of the program in Ranibagiya area is guaranteed. However, there is still room for improvement with regard to management of misuse of loan.

- ii. The positive correlation between investment and changed income level of the participants shows that the capability of the entrepreneurs for the repayment of the loan in due time is good.
- iii. Saving on the basis of the investment is found to be highly effective aspect of the program upon which income generating activities are based.
- iv. The study shows that once the women are involved in the program, they have able to achieve some kind of benefits in one form or other.
- v. Regression equation shows that since the coefficient b is positive there is a positive relationship between y_i (increase in income per month) and x_i (loan amount borrowed), hence increase in income is positive function of loan amounts borrowed. Similarly, if Rs. 100 is invested, it will generate Rs. 5.10 income per month, that means this regression analysis shows a positive trend in between investment and increased in income level of sampled women.
- vi. The overall impact of the micro-credit program conducted by Nepal Gramin Bank, Nirdhan Utthan Bank Ltd., NESTO Nepal, Chimek Bikash Bank is found to be satisfactory. Most of the participants of the sample survey have been able to increase their income and the program intervention has brought changes in status of women. Increase in income along with empowering process increased in standard of living of women's family which endeavored change in livelihood.

5.3 Implications

Based on the study, following suggestions are recommended for further improvement and successful implementation of the program:

- i. Group saving has a great importance in the rural economy. Though the credit groups are supported to deposit a certain amount but here is need to adopt incremental approach, i.e. saving should be increased as income starts to increase from the program.
- ii. Investment has increased the income so productive investment should be raised, which may promote loan repayment and utilization of loan.
- iii. Training should be conducted in order to make conscious about proper utilization and mobilization of saving and investment. The effort on monitoring and supervision should be increase to make effective use of loan and to sustain program.

- iv. To supervise the use of loan and to provide effective skills to advice on the management of loan, field staffs should be trained regularly. So that the clients of the program received technical as well as marginal guidance to manage microfinance program.
- v. There is need to shift the program from agriculture based to small industry and other business promoted activities. Since there is higher operational cost in agriculture base activities.
- vi. There is the marketing problem, it was indeed observed that there were marketing constraints to solve the farm produce, mostly in vegetable farming. Women produce vegetables with expensive cost but in the time of sell of produce there is the problem of market, which must be solved.
- vii. The provision of loan disbursement to the women should be based upon the proper evaluation of the economic viability of the projects.
- viii. Microfinance has played a vital role in uplifting economically rural poor. It is also believed by Professor Yunus that microfinance or accessible credit to rural people can help to alleviate poverty. Microfinance can be regarded as one instrument in an integrated approach to rural development, balancing microfinance with training, marketing and enterprises development services. In simple terms, what good is a loan to weave sweater if there is no market to sell them or no road to transport them. So authorities and policy makers have to realize that microfinance is not only a panacea to alleviate rural property, credit should be mobilized for developing socio-economic infrastructure.

5.3.1 For future researcher

This study focused on the role of micro-credit for change which is an additional part of this paper. This study deals with certain concept of women's economic empowerment in Sainamaina area of Ranibagiya municipality and the available literature relating to women empowerment and capacity building especially about the contribution of microfinance program in women's economic upliftment in Nepal. This study has tried to find out the economic impact of microfinance on women. However, there are some lack and limitations which are not addressed by this research. So, further researcher can fulfill the research gap conducting research on other rural areas of Nepal taking social, cultural and environmental effect of microfinance.

References

- Abdussalam, O.I., Johari, F. and Alias, M.H. (2013). The determinants of women empowerment and its impact on poverty alleviation: A case of Kwara State, Nigeria. *Asian Journal of Social Science and Humanities*, 2(5): 342-347.
- Acharya, K.N. (2012). *Impact of microfinance: A case study of microcredit program for women*. An unpublished thesis submitted to Shanker Dev Campus, T.U., Kirtipur.
- Adhikari, D.B. & Shrestha, J. (2013). Economic impact of microfinance in Nepal: A case of the Manamaiju VDC, Kathmandu. *Economic Journal of Development Issues*, 15 & 16 (1-2): 1-14.
- Agricultural Development Bank/Nepal (2003). *Annual report*. Kathmandu: ADB/N.
- Aryal, H.N. (2013). *Microfinance under rural development program: A case study of Khilung Deurali VDC Syangja*. An unpublished thesis submitted to Central Department of Management, T.U., Kirtipur.
- Asian Development Bank (2020). *Key Indicators: Education for global participation*. Manila: ADB/M.
- Beijing Platform for Action (1995). *Fourth united nations world conference on Women*. Beijing, China.
- Bhattarai, B (2000). *Report on easy credit helps rural women find their feet*. Kathmandu: CECI-Nepal.
- Center for Microfinance (2003). *A directory of MFIs in Nepal*. Kathmandu: Center for Microfinance.
- Central Bureau of Statistics (2011). *Statistical pocket book: Nepal*. Kathmandu: CBS.
- CMF (2015). *Principles of microfinance*. Kathmandu: Center for Microfinance.
- Devkota, K. (2002). *Concept, products and methodologies of microfinance*. Kathmandu: Microfinance Development in Nepal.
- Dhakal, K. (1998). *Environment and sustainable development* (2nd ed). Kathmandu: Modern Printing Press.
- Fernando, N. (2016). *Understanding and dealing with high interest rates on microcredit*. Manila: Asian Development Bank.

- Ghimire, N. (2015). *Impact of microfinance, A case study of microcredit program for women In Nepal*. Kathmandu: Unpublished Dissertation
- Gibbons, D. (1995). *The Grameen reader*. Bangladesh: Grammen Bank.
- Grameen Bank, Bangladesh (2019) *Monthly report*, Issue No. 479, December 03, 2019. Bangladesh.
- INAFI SAP-Nepal (2018). *Microfinance services in insurgency and conflict: A case study of Nepal, INAFI, SAP-Nepal*. Kathmandu Nepal Rastra Bank Economic Report.
- Jain, B. (2020). Microfinance services and women empowerment in Biratnagar. *Journal of underrepresented and minority progress*, 4(2): 251-270.
- Johnson, Susan and Ben Royaly. (1997). *Microfinance and poverty reduction*. UK: OXFAM,
- Kabeer, N. (1998). *Can't buy me love? Re-evaluating gender credit and empowerment in rural Bangladesh. Discussion Paper*, No. 363. Institute of development studies, Sussex.
- Kaur, P. (2014). Outreach and sustainability of microfinance institutions in India in pre and post Andhra Pradesh microfinance crisis in context of South Asia. *Global journal of finance and management*, 6(6), 569-574.
- Kerlinger, F.N. (2000). *Foundation of behavior research*. New York: Rimechart & Winston.
- Kim, J. (2017). *Financial inclusion*. USA: Universal Financial Access (UFA).
- Kumar, K. (2020). Empowering women through microfinance: Evidence from Uttar Pradesh, India. *Journal of Critical Reviews*. 7(7): 1-2.
- Lamichhane, B.D. (2020). Microfinance for women empowerment: A review of best practices. *Interdisciplinary journal of management and social sciences*, 1(1): 13-28
- Lamsal, T.S. (2005). *Impact of microfinance program for womens poverty reduction: A case study of chartare youth club of Baglung District*. Kathmandu: Unpublished Dissertation
- Lekhak, B. P. (2004). *Microfinance in Nepal and the case study of SFCL Anandavan Rupandehi, ADBN*. Kathmandu: Unpublished Dissertation.
- Mahajan, B.K. (1997). *Methods in Biostatitistic*. New Delhi: Lordson Publishers.

- Mathema, V.R. (2008). *Microfinance in Nepal*. Kathmandu: Centre for Microfinance.
- Moser, C. (1993). *Gender planning and development theory. practice and training*. London: Routledge. .
- Nepal Rastra Bank (2020). *Annual Publication*. Kathmandu: Nepal Rastra Bank.
- Niaz, M.U. (2019). Effect of microfinance on women empowerment: A Case Study of Pakistan. *Paradigms*. 13(1): 53-60.
- Pandey, D.R. (2016). *Issues & problems on microfinance in Nepalese context Facing by microfinance Banks*. Nepal Micro Finance Banker's Association, Kathmandu.
- Pathak, Y. (2016) *Microfinance in Nepal and Its effect in ADB/N under Small Farmers Co-operative Limited (SFCL), Shankarnagar, Rupendahi*. Unpublished Master's Thesis, Central Department of Management, Tribhuvan University.
- Remenyi, J. (2020). Microfinance: A tool for poverty reduction. *Sri Lankan Journal of Agrarian Studies*. 10 (1); 52-69.
- Rural Microfinance Development Centre (2002). *Annual Report 2001*. Kathmandu: RMDC.
- Rutherford, S. (2000). *The poor and their money*. Delhi: Oxford University Press.
- Scoggins, A. (1999). *Women's empowerment through microfinance? The Case of the Micro-Credit Project for Women*. Occasional Paper No. 2, Abstract of Research Findings from South Asia.
- Sen, A. (1982). *Poverty and Famines: An essay on entitlement and deprivation*, London: Oxford University Press.
- Shakya, K. (2003). *Literature review in research*. The economic journal of Nepal. Vol. 26, No. 4, Pp. 269-309.
- Sharma, M.L And Thapa P.(2008). *Women In rural microfinance programme in the western hills of nepal. reflection from sahakarya project area*.
- Sharma, S.R. (2003). *Microfinance against poverty: The nepalese scenario*. economic review Occasional Paper. Kathmandu: Nepal Rastra Bank.
- Shrestha, P. (2013). *Financial performance of small farmers' cooperative limited in Nepal*. Kathmandu: Oriental Publication.

- Soti, B. (2004). *Micro-credit program and social-economic upliftment of women: A case study of Chitwan District*. Unpublished Dissertation.
- Susan, Johnson & Rogaly, B. (1997). *Microfinance & poverty reduction*. Oxfam (UK & Ireland).
- Tehra, V. R.(2014), An empirical case study of Women Self Help Group (SHG) functioning in Nanded City. *Multi Disciplinary Edu Global Quest (Quarterly)*, Volume 3, Issue 4#12, October 2014
- Upreti, T.P. (2004). *Microfinance In Nepal*. *Nepal Rastra Bank Newsletter*. Annual Publication 2060 B. S. Kathmandu: Nepal Rastra Bank.
- Wood Joanna L at Al. (1997). *Critical Issues In Nepal's Microfinance Circumstances*. MF International, Canada and Development Project Service Center, Nepal.
- Woolff, Haward K. and Pant, P.R. (2002). *A handbook for social research and thesis writing*. (3rd Ed). Kathmandu: Buddha Academic Publications and Distributor.
- World Bank (1998). *Bangladesh: Poverty alleviation microfinance project*. Staff appraisal report, Washington, DC: South Asia Region, Private Sector Development and Finance Division.
- World Bank (2002). *Nepal Development Forum: Economic Update 2002*. Kathmandu: World Bank.
- World Bank (2002). *Poverty and Vulnerability in South Asia*. Washington DC: World Bank. .
- World Bank (2005). *World Development Report 2005: A better investment climate for everyone*. New York: World Bank.
- World Bank (2017). *Microfinance Hand Book*. New York: World Bank.
- World Bank (2020). *World Development Report*. New York: Oxford University Press.
- Wright, G.A.N. (2018). *Microfinance systems: designing quality financial services for the poor*, Dhaka: The University Press Ltd.
- Yunnus, M. (1993). *The poor as the engine of development*. Mirpur Two, Dhaka: Grameen Bank.
- Yunnus, M. (1994). *Grameen Bank as I See It*. Mirpur Two, Dhaka: Grameen Bank.

Web Page: www.microfinance.com

Web Page: www.microfinance.com

Web Page: www.accioninternational.Org

Web Page: www.gdrc.Org/Icm/Network/Networking.Html

Web Page: www.Investopaedia2017

Web Page: www.microfinance.gateway.org

4.6. What was your main occupation before joining the program?

- a) Agriculture
- b) Live stocks
- c) Poultry
- d) Business
- e) Government services
- f) Private Firm
- g) Others Services (Specify)

4.7. Why did you join the program?

- a) To earn more income and to improve family condition
- b) To give company to friend
- c) To be self-dependent
- d) Other (Specify)

4.8. Where did you take loan from in need before joining the program?

.....

4.9. What was the interest rate?

.....

4.10. Did you have to keep anything in pawn in borrowing money?

.....

4.11. Is the loan fully spent in particular purpose or not?

- a) Spent
- b) Not Spent

4.12. If not, then where have you used it?

- a) Kept in cash
- b) Spent in other household needs
- c) Other (Specify)

4.13. From which source do you do loan servicing?

- a) Profit earning from previous loan
- b) A portion of the current loan
- c) Getting further loan

4.14. How do you pay interest?

- a) From profit
- b) From the loan taken
- c) Getting next loan
- d) Other (Specify)

4.15. How do you pay the loan?

- a) Both principal and interest
- b) Only principal
- b) Only interest
- d) Nothing paid

4.16. Do you have any saving?

- a) Yes
- b) No (go to No.5)

4.17. If yes, what purpose the saving is used?

- a) Household needs
- b) Reinvested in previous work
- c) Children education
- d) Feasts and festivals
- e) Payback the loan
- f) Health expenses
- g) Household expenses
- h) Other (Specify)
- i) All of the above

5. Family Status

5.1. What is your occupation after the program intervention?

- a) Buffalo Keeping
- b) Agriculture
- c) Wage earner
- d) Retail business
- e) Bee keeping
- f) Poultry Farming
- g) Hotel
- h) Other (Specify)

5.2. Have you saved the money regularly in the group?

- a) Yes
- b) No

5.3. How many children did you use to send school before joining the group?

- a) Boy
- b) Girl

5.4. As your involvement increased in the following areas after joining the group?

- a) Family planning Yes No
- b) Children's marriage Yes No
- c) Asset purchase/ sale Yes No
- d) Children's education Yes No
- e) Other (Mention it)

5.5. How do you spend your income?

- a) Independently
 - b) Depending on other
- (Specify)

5.6. Who is responsible person in various intra-household decisions making process?

- a) Self
- b) Husband
- c) In laws
- d) Consultation of husband and wife
- e) Other

5.7. Do you think that you can support yourself if left alone?

- a) Yes
- b) No
- c) Don't know

5.8. After joining the group, quarrel with husband has

- a) Increased
 - b) Decreased
 - c) Constant
- Why?

.....

5.9. How do your family members and relatives deal with you after joining the group?

- a) Appreciate
- b) Criticize

How?

5.10. After joining the group, is there any work that you can perform now which you couldn't do earlier?

.....

5.11. What are the main benefits of joining the Microfinance Group?

.....

APPENDIX II

LOAN AMOUNT BORROWED AND INCOME INCREASE PER MONTH

S. No.	Loan Amount Borrowed	Income (Before)	Income (After)	Change in Income
1	20000	2000	5000	3000
2	20000	1800	4500	2700
3	15000	4000	7000	3000
4	40000	6000	10000	4000
5	40000	9000	13500	4500
6	10000	8000	10000	2000
7	20000	1000	3500	2500
8	20000	3500	6200	2700
9	25000	2500	4500	2000
10	25000	3500	6800	2300
11	25000	3000	6200	2200
12	20000	2500	7000	4500
13	40000	10000	13500	3500
14	15000	1800	4000	2200
15	5000	1500	3000	1500
16	5000	1000	3000	2000
17	20000	7000	11000	4000
18	25000	1000	2700	1700
19	25000	2000	4200	2200
20	40000	3000	5400	2400
21	30000	1200	3500	2300
22	20000	1500	3500	2000
23	15000	3200	5000	1800
24	10000	4000	5500	1500
25	10000	1800	3500	1700
26	5000	1000	2000	1000
27	10000	2500	5000	2500
28	20000	2000	4000	2000
29	5000	1500	3000	1500
30	20000	5500	8200	2700
31	20000	7000	10000	3000
32	20000	3000	4500	1500
33	30000	1500	3000	1500
34	15000	7000	10000	3000
35	40000	8000	13000	5000
36	10000	2000	4200	2200
37	5000	3000	4800	1800
38	20000	7000	11500	4500

39	20000	3000	6000	3000
40	10000	1500	4000	2500
41	15000	1800	4000	2200
42	5000	1500	3000	1500
43	5000	1000	3000	2000
44	20000	7000	11000	4000
45	25000	1000	2700	1700
46	25000	2000	4200	2200
47	40000	3000	5400	2400
48	30000	1200	3500	2300
49	20000	1500	3500	2000
50	15000	3200	5000	1800
51	10000	4000	5500	1500
52	10000	1800	3500	1700
53	5000	1000	2000	1000
54	10000	2500	5000	2500
55	20000	2000	4000	2000
56	5000	1500	3000	1500
57	5000	1000	3000	2000
58	20000	7000	11000	4000
59	25000	1000	2700	1700
60	25000	2000	4200	2200
61	40000	3000	5400	2400
62	30000	1200	3500	2300
63	20000	1500	3500	2000
64	15000	3200	5000	1800
65	10000	4000	5500	1500
66	10000	1800	3500	1700
67	5000	1000	2000	1000
68	10000	2500	5000	2500
69	20000	2000	4000	2000
70	25000	3500	6800	2300
71	25000	3000	6200	2200
72	20000	2500	7000	4500
73	40000	10000	13500	3500
74	15000	1800	4000	2200
75	5000	1500	3000	1500
76	5000	1000	3000	2000
77	20000	7000	11000	4000
78	25000	1000	2700	1700
79	25000	2000	4200	2200
80	40000	3000	5400	2400
81	30000	1200	3500	2300
82	20000	1500	3500	2000

83	15000	3200	5000	1800
84	10000	4000	5500	1500
85	10000	1800	3500	1700
86	5000	1000	2000	1000
87	10000	2500	5000	2500
88	20000	2000	4000	2000
89	5000	1500	3000	1500
90	20000	5500	8200	2700
91	20000	7000	10000	3000
92	20000	3000	4500	1500
93	30000	1500	3000	1500
94	15000	7000	10000	3000
95	40000	8000	13000	5000
96	10000	2000	4200	2200
97	5000	3000	4800	1800
98	25000	2000	4200	2200
99	40000	3000	5400	2400
100	30000	1200	3500	2300
101	20000	1500	3500	2000
102	15000	3200	5000	1800
103	10000	4000	5500	1500
104	10000	1800	3500	1700
105	5000	1000	2000	1000
106	10000	2500	5000	2500
107	20000	2000	4000	2000
108	5000	1500	3000	1500
109	20000	5500	8200	2700
110	20000	7000	10000	3000
111	10000	4000	5500	1500
112	10000	1800	3500	1700
113	5000	1000	2000	1000
114	10000	2500	5000	2500
115	20000	2000	4000	2000
116	5000	1500	3000	1500
117	5000	1000	3000	2000
118	20000	7000	11000	4000
119	25000	1000	2700	1700
120	25000	2000	4200	2200
121	40000	3000	5400	2400
122	30000	1200	3500	2300
123	20000	1500	3500	2000
124	15000	3200	5000	1800
125	10000	4000	5500	1500
126	10000	1800	3500	1700

127	5000	1000	2000	1000
128	10000	2500	5000	2500
129	20000	2000	4000	2000
130	25000	3500	6800	2300
131	25000	3000	6200	2200
132	20000	2500	7000	4500
133	40000	10000	13500	3500
134	15000	1800	4000	2200
135	5000	1000	3000	2000
136	20000	7000	11000	4000
137	25000	1000	2700	1700
138	25000	2000	4200	2200
139	40000	3000	5400	2400
140	20000	2000	4000	2000

**APPENDIX III
REGRESSION**

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Loan amount borrowed	.	Enter

- a. All requested variables entered.
- b. Dependent Variable: Income increased per month

Model Summary

	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics
Model					R Square Change
1	.572	.327	.309	766.58482	.646

- a. Predictors: (Constant), Loan amount borrowed
- b. Dependent Variable: Income increased per month

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10840000	1	10840000	18.445	.000
	Residual	22330000	158	587652.279		
	Total	33170000	159			

- a. Predictors: (Constant), Loan amount borrowed
- b. Dependent Variable: Income increased per month

Coefficients

		Unstandardiz ed Coefficients		Standardize d Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	1492.857	264.497		5.644	.000
	Loan amount borrowed	.051	.012	.572	4.295	.000

a. Dependent Variable: Income increased per month

Correlations

		Loan amount borrowed	Income increased per month
Loan amount borrowed	Pearson Correlation	1.000	.572
	Sig. (2-tailed)		.000
	N	160	160
Income increased per month	Pearson Correlation	.572	1.000
	Sig. (2-tailed)	.000	
	N	160	160

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

Annex-IV

Checklist

- i. Do women make decisions about use of saving and credit in the households?
- ii. How far has micro finance contributed to increasing income from women's own economic activities or household activities in which women participate?
- iii. How far has micro finance enabled women to negotiate change in their position in the household and community?
- iv. What is the impact on availability of other financial services?
- v. What is the impact on perceptions of women's role in society?
- vi. What is the impact on poor non-participants? Social inclusion in local organizations.