

CHAPTER–ONE

INTRODUCTION

1.1 Background of the Study

This study intends to understand the changing role played by micro-finance programs for the empowerment of Women. It discusses on the case of women living in Gorusinge, settlement of Buddha Bhatika Municipality. It also attempts to understand changes brought by this programme on the socio-economic status of women who are involved in micro finance programme.

The social and economic empowerments are interrelated activities. Economic growth depends on capability of people. Qualified workers and entrepreneurs capable of using modern technologies in economic activities and it can contribute economic growth. A growth in economy can generate better job, earning opportunities and other sources of social and material well being of people.

Since the late seventies or after the Sixth Five Year Plan, (80/81), the poverty alleviation approach was integrated into the country's mainstream financial system, recognizing microfinance as an official poverty alleviation program. The sector gained further momentum after restoration of democracy in 1991 with the establishment of Grameen Bikas Banks (GBBs) in the five development regions. Since that period, other different forms of MFIs have been set up. The Nepalese microfinance sector currently comprises a wide variety of models e.g., cooperatives, the private and the government-owned GBBs/replications, government supported microfinance programs, and authorized Financial Intermediary Non-Government Organizations (FINGOs). (Meena Acharya and Puspa Ghimire, 2005)

Microfinance practices reflect the diversity of landscape and population density in Nepal. In the Terai region (plain); more densely populated, with better transport infrastructure and easier access to clients; the Grameen Bank model has been adapted by a large number of organisations. It is also a region where traditional financial organisations, such as commercial and development banks, operate. In the hills and mountains, community-based organisations, such as Self Help Groups, Credit and Savings Associations and Cooperatives seem the most adapted to the remoteness and isolation of local communities (Khanal, 2004).

In the past decade Micro-Finance has been recognized as an effective development intervention. Many Micro-Finance institutions and programs targeted to the poor have been emerged with the intervention by HMG, Multi/Bi lateral agencies, INGOs and NGOs. Within Nepal there are a wide range of institutions active in the Micro-Finance sector, each with its own way of going about the task of making financial services accessible to the poor ([www.microfinance](#) in Nepal). In this predominantly agricultural based economy Micro-credit is largely applied to agricultural and allied activities and livestock development. The small and marginal farmers benefit greatly from the Micro-Finance programs.

The microfinance sector in Nepal has expanded and became more diversified in recent years and apart from serving the poor, particularly women, may also fill the gap left by the progressive withdrawal of commercial banks from rural areas, due to the insurgency and cost savings measures. Diversification has from the commercialisation of leading NGOs and their transformation into rural microfinance banks. They compete with pre-established public Regional Rural Development Banks, using the same Grameen Bank methodology as many of the smaller Nepali microfinance institutions ([www.microfinance](#) in Nepal).

There are more than 400 registered Savings and Credit Cooperative Societies which provide financial services to their members. In addition to that there are large numbers of Savings and Credit groups promoted by NGOs and INGOs in the villages which are helping the poor to pool their savings and offer credit for the various needs of the members. Grameen Bikash Bank is one of them whom I choose to study. It also provides Micro-Finance services to a large number of Women clients through Grameen bank replication. There are many other NGOs, which have been providing micro-finance services to the poor through different models.

There are major micro-finance programs initiated by Nepal government aimed at providing Micro-Finance for productive activities to women: Production Credit for Women (PCRW), Micro-Credit Project for Women (MCPW), Intensive Banking Program (IBP), and Rural Self-Reliance Fund (RSRF). The formal financial sector providing micro-finance services through mandated Govt. Programs include the Nepal Rashtra Bank, the Agricultural Development Bank of Nepal, the Nepal Bank Ltd, the Rashtriya Banijya Bank and the Regional Rural Development Banks. (Sharma, 2003)

One of the major objectives of the micro finance programs being empowerment of its target users, various studies pertaining to impact assessment of micro finance programs are now being conducted. Compared to other areas mentioned above, this field of research is fairly recent and has provided a bright insight on the direction and growth of micro finance programs. The lessons learnt and impact assessment of MF programs has been useful in designing of new programs.

Despite ongoing development efforts, poverty remains rampant in Nepal with approximately 31% of the population living below the poverty line. The incidence of poverty is highest in rural areas, particularly in the remote areas. Currently, more than 2 million individuals in the rural population have access to microfinance services. This data represents approximately 8% of the population and approximately 26% of the people living below the poverty line. (Acharya,2005)

Microfinance has been one of the few effective tools for poverty reduction over the past years. Through the creation of sound microfinance institutions and systems, poor people can safely deposit money and accumulate funds for future investments or emergencies as well as access loans for productive purposes leading to higher incomes. Additionally, Sharma' review indicate microfinance produces an impact in other areas including good governance, participation in the political processes, women empowerment, social inclusion and conflict transformation. The outreach of sustainable and sound microfinance institutions to the rural and urban poor still needs, however, to be increased in order to further diminish poverty. (Sharma, 2003).

In Nepal, such (micro-finance) agencies including non-government organization, bi-lateral and multi-lateral development agencies and other local transnational organization which work for the betterment of people. And they are involved to implement self-earning programmes.

One of the important conditions required for promotion of these activities is to allow people opportunity to gain self-confident and participate on decision making process of such programmes. Collective participation in formulation and implementation of development program helps to identify their problem in appropriate way and find the way of their proper solution. It also enhances their skills and ability to deal with the people.(Kirsten Leikem, 2012)

Micro-finance is also one among the various programmes implemented by some of the agencies to provide support for economic empowerment and capabilities building of the poor and marginalized groups. This program is usually, encourages to people such as women, poor, Dalit etc, to generate investment funds through their cooperative organization. It helps them to involve themselves in saving credit cooperative association. Through this process it also helps people to interact with each other and learn about dealing with other institutions and agencies.(Pushpa Raj Sharma, 2004)

Almost everywhere, now exists several types of financial organizations, they provide financial services for the marginal section of the population. They render their services to the deprived socially and economically population. Poverty and social marginalization are significantly affecting the lives of many rural people in developing countries seriously hindering economic development. In every stage of life there are uncountable discrimination between men and women. Society always encourages men for their betterment of life where as women are always discouraged. Women have lower status than men, by tradition they receive limited chance for social mobility and access to information and education. The status of Nepalese women has been deeply affected by various religious, traditional evil customs. Social norms and evil practices have seriously affected the role and the status of Nepalese women.(Sharma, 2004)

In Nepal different types of programs have been launched such as Priority Sector Credit Program (PSCP), Small Sectors Credit Program (SSCP), Small Farmers Development Programs (SFDP), Integrated Rural Development Program (IRDP), production credit for rural women (PCRW), Participatory District Development Program (PDDP), Priority Sector Credit Program (PSCP), Intensive Banking Program (IBP), Grameen Bank Replication (GBR), Rural Self-Reliance Fund (RSRF), Micro-Credit for Poor Women (MCPW) which in fact are intended to empowerment the rural poor, especially women (NRB, March 2008). In Nepal, first formal sector micro lending began in 1956 with the establishment of Credit Cooperatives in the Rapti Valley of Chitwan district to provide financial services in rural Nepal (Sharma and Nepal, 1997). Later in 1963, the Cooperative Bank (converted in ADB/N in 1968) was established to provide financial services to the credit cooperatives. Thereafter, several credit cooperatives and the ward/village committees were established to extend credit at the grassroots level along with a

national level institution, i.e. Land Reform Savings Corporation. Thus, 1956-1970 is the beginning phase of formal micro-finance in Nepal.

In other words, micro-finance services can contribute Sustainable impact to relieve the income and consequently to enhance the human development indicator as a tool to reduce the poverty. It acts as a source for the supply of micro-finance services to reach the target rural poor population to lift them from below the poverty line (Mathema, 2008).

A World Bank study in 1998 reported that 5% of Grameen Bank, Bangladesh Rehabilitation Assistance Committee (BRAC), of Bangladesh Rural Development Bank (BRDB) borrowers moves out of poverty each year (Yunus, January, 2003).

The micro-finance programs have gained popularity in recent times as both national financial institutions as well as bi-lateral and multi-lateral agencies have started to link micro-finance programs with the development programs of the nation to address poverty reduction issues. So it is important to understand how these lending activities and other institutional process followed in the operation of micro finance programmes have contributed for the social and economic empowerment of women of Gorusinge ward 5 Budhabatika Municipality.

1.2 Statement of the Problem

Since the last two and half decades, many Credit Cooperation as Micro Finance works on poverty and poverty alleviation strategies have been undertaken by participation of women in economic sectors. Many MF are established in such rural area for betterment and settlement for women. And researchers are research the affect, result and changes of women life in many rural area but Gorusinge is one of the place where Micro finance situated and it provided loan for small business since its establishment in that place. From the beginning it tries to empowerment of women and generates awareness, confidence and self respect. But here no any researcher observes and research Micro Finance Programm and the improvement of economic level, cultural and political level in members. Thus I choose this area to study and it's near place from my hometown too.

Moreover, people in the society (women and men or girls and boys) are not equally capable and skilful. Therefore, an access, opportunity, and control over resources should be provided to these people according to their capability. If so they also can progress their daily life,

improve their economic condition and they can provide good education. Balance diet and health facilities on their children. So, here this MF helps to empowerment on women life distributing small loan for agricultural household and industrial business. (Yunus, 2003)

Nepal is one of the poorest countries in the world. It comes under 48 'Least developed Countries' (LDCs) currently designated by The United Nations. Nepal's GDP per capita per years is \$ 440 (Economic Survey 2010). The literacy rate of Nepal is 65.9 percent in which male are 75.1 percent literate and female are 57.4 percent (NLSS, 2011). Women on Nepal owned only about 19.71 percent of the land. They have headed in 25.73 percent of household (CBS 2011). They have very limited participation in political leaderships.

Studies show that Nepali women spend more than 25 percent more time than men on subsistence activities and domestic work. More than 16 percent of their daily labor involves fetching fuel and fodder (NLSS 2011). They lack access to health, education and economic resources. "Nepalese women are underprivileged and disadvantaged in terms of their socio-economic status in comparison to their male counterparts. Women are deprived of cash as well as decision making processes in many societies. They have different and serious experiences of being poor. Though women are capable to do all works efficiently but they did not get opportunity. Recent studies in developed countries indicate that poorer households are more dependent on the earning of women. Thus women need help to get rid out of this problem.

Nepal's government has shown its concern on poverty reduction from the very beginning of planned development. Result is not having satisfactory. Poverty has becomes obstacle for the social and economic empowerment of the deprived women groups.

Micro-finance is one of the major programs implemented for bringing change in the situation. It emphasizes participation of women to manage this institution. This organizations organize weekly meeting, demand provide administrative service during loan proposal, repayment, compulsory deposits etc, the aim of the research is to measure the effectiveness of the micro-finance on income generation of rural women of the studied area. It also intends to understand its contribution for the improvement of the capital and level of awareness among women.(Alshebami and khandare, 2015)

It has attempted to seek answer to the following questions:

- Why did they become member of micro-finance program?
- What are areas of preferences of investment of credit received from institution?
- What changes are brought about by micro-finance program on the social life of women?

1.3 Objective of the Study

The general objective of the study is to analyze the effect of Micro-finance program for the empowerment of the women in Gorusinge ward, 5 of Buddhabatika Municipality. The specific objectives of the study are:

- To study process of evolution and contribution of micro finance program for increased level of awareness of women in Study area.
- To understand changes brought about by micro finance program on the social and economic life of women

Thus, this study provides information on how women can develop social prestige, self-confidence and feeling of equality eradicating the backwardness, illiteracy and superstition.

CHAPTER -TWO

REVIEW OF LITERATURE

2.1 Micro Finance

Microfinance, one of the integral parts of formal financial system, has been reviewed extensively in the context of South Asian countries (Bangladesh, India, and Nepal). The Microcredit Summit (2002) held in New York City had pledged to achieve the Millennium Development Goals, i.e. cutting absolute poverty by half by the year 2015 and sustainable finance for the very poor. Viewing its relevancy in achieving poverty alleviation goal, changing economic status and empowerment of women by providing loan have also been reviewed.

Micro-finance institutions provide social intermediation services such as group formation, development of self confidence, and training in financial literacy and management capabilities among members of a group. Thus, the definition of Micro-Finance often includes both financial and social intermediation and a development tool.

The main objective of micro-finance is to increase access of rural people to financial services to undertaken income generating activities and improve their livelihoods and promote good quality of life to improve socio economic conditions of the poor and deprived women and disadvantage groups. To facilitate this process, both government and non-government organisations have launched various programmes. Besides this, micro-finance program also help to access larger loans, based on repayment performance, which help to create income and employment opportunities for the poor people by mobilizing their saving, which become assistance to the poor and marginalized women and disadvantaged groups. Besides this, micro-finance also helps to promoting the locally available technology for the best use of the internal available resources.(Shalik Ram Sharma, 2003)

In 1983 Grameen bank was started by Professor Muhammad Yunus for the poor, to give loans without collateral. It now works all over the world, Bangladesh, giving loans to 2.5 million poor people, 95 per cent of whom are women. In cumulative way the bank has given a total loan of about us \$3.75 billion. Financially, it is self-reliant – it has stopped taking donor money since 1995, stopped taking loans from domestic market since 1998. It has enough deposits to carry out

its lending program. Impact studies done on Grameen Bank by independent researchers find that 5 per cent of borrowers come out of poverty every year, children are healthier, education and nutrition level is higher, housing conditions are better, child mortality was declined by 37 per cent, status of women has been enhanced. Ownership of assets by poor women, including housing, has improved dramatically. Now the obvious question that anybody might ask - if poor people can achieve all this through their own efforts within a market environment, why isn't the world doing more of this? Grameen type micro finance has spread around the world over the last two decades. Nearly 100 countries have Grameen type microfinance program. In 1997, a Micro finance summit was held in Washington DC, which adopted a goal to reach 100 million poorest families with micro finance and other financial services, preferably through the women in those families, by 2005. The result is encouraging thus the target has been extended to reach 175 million by 2015.

In Nepal gender relation is institutionalized and practiced in common life from each individual family to society. The gender issue mainly involves hierarchy and ranking men and women differently in terms of power, wealth prestige and other privileges. Men have been engaged in the productive sphere while women have been confined to household work. Literatures show that women's roles in decision making are affected directly or indirectly by economic condition. "A woman who has greater economic participation tends to have greater power of decision making" (Acharya 1995).

Over last few years, development agencies have attempted to address some of these problems by introducing micro-finance programs offering saving and credit services to rural communities. Many of the micro-finance initiatives, which have the economic goals of reducing poverty, also attempt to tackle the changes and awareness of marginalization of the women. The above review shows that micro finance brought changes in women life gradually since its establishment. Change is natural process. The fact remains that society is an ever-changing phenomenon, growing, decaying, renewing and accommodating itself to changing in the course of time. M. D. Jenson says "Social change may be defined as modification in ways of doing and thinking of people. And Koenig, S. says "Social change refers to the modifications which occur in the life patterns of a people." On the basis of these definitions social change refers to the modifications which take place in the life patterns of people. Social change occurs in all

societies. No society remains completely static. This is true of all societies, primitive as well as civilized. Society exists in a universe of dynamic influences.

In the studied area, Gorusinge, the society was based on rural and most of the population was involved in agriculture. Production is only for their livelihood not for earning money and struggle for the normal food, clothes, and schooling. Many of them earning low income by teaching schools, selling some foods and very few families member has the betterment of their family. But after the established of micro finance in that place gradually femals are aware of their capabilities. At the starting time many women were not participant in many programs. They think it was not good for them and they were not understand properly what they heard by peoples and discuss programe because many women was illiterate and low family background. There are many cultural debates happened about small things. Some women think that they were illiterate and poor so other so called rich males and female dominate them. But now they too become the members of such finance programme and started small business. This programme lunched different trainings: Tailoring, beauty parlor, hotel/cook, vegetable farming, goats farming, pig farming, computer training, poultry farming, Business training, making candels, agarbatti, doormate, kusan, galaicha, weaving clothes, , electric, radio-tv, watch reforming etc. Through such training activities many woman as well as men was capable for earning money. Apart from this, micro finance provide loan without collateral to own members for business propose. And joined members all are satisfied for their investment in finance.(Annual report, Gorusinge Municipality, 2071)

Micro-credit is taken as anti-poverty tool which helps in the development and growth of the local economy as individuals and families are able to move past subsistence living and increase disposable income levels. Micro credit has emerged as a key strategy in achieving the goals of women improvement set by global conference. (ADB, 2001)

Since the two last decades, rural society slowly changed from the traditional to modernity. Means modernism and capitalism concept are accepted and move towards on it. The population changes, technologies expand, material equipment changes, ideologies and values take on new components and institutional structures and functions undergo reshaping. The speed and extent of change may differ from society to society. Some change rapidly, others change slowly. The deterministic theory of social change is a widely accepted theory of social change among

contemporary sociologists. According to this theory there are certain forces, social or natural or both, which bring about social change. It is not reason or intellect but the presence of certain forces and circumstances which determine the course of social change. (Purohit and Mohan, 2016)

Sumner and Keller insisted that social change is automatically determined by economic factors. Keller maintained that conscious effort and rational planning have very little chance to effect change unless and until the folkways and mores are ready for it (pg. 48).

According to Sayers “financial programme intermediate between people who want to save and the people, who want to secure money to spend on capital goods. Sayers also stated that a financial system raises the level of savings through the development of money and capital markets in an economy” (Sayers, 1967, pp. 16, 17). In capitalist society money are important and when people get money their life standard too increased. From Micro finance program helps to increase awareness, participatory, confidence and economic capabilities on people through trainings and loan. So such micro finance helps people become rich from the poor. Because it’s main goal is to reduce poverty by launching various types of economic programme in rural based area. We know that if we are not focused on poverty reduction and women’s empowerment, the country will not become developed. And such financial institution spread to illuminate poverty from the world. Similarly, in Nepal too such institution works on women’ participation on economic field, education, and health facilities.

From the observation, questionnaires, and discussion with women in my research field, I found changed in many things of women’s life before and after the intervention of this micro finance programme. Previously, 90 percent of women was illiterate almost all women was householders. Their food nutrition also week, I heard that previously many children suffer from mal nutrition and almost all children was study in government school and many children from low economic and low caste were not access to school. But now 80 percent of women were able to write their names and read simple Nepali and English books slowly. Due to the different trainings many women are engaged in their small business. Some started tailoring, some in poultry firm, and some in beauty parlour and so on. Previously, almost all women were passed their time talking with each other but now almost all women busy on their works. Starting to earn money, wearing

beautiful clothes, eating balance diet and 95 percent children were attend school. Once in a month there were organized several types of programme and women were participate and shares their views and discuss on burning issues. It shows confidence and awareness has been increased day by day. But few women are still dummed due to illitration, unawareness, incapable and low income, thus through this study get the result that people in the society (women and men or girls and boys) are not equally capable and skilful. Therefore, an access, opportunity, and control over resources should be provided to these people according to their capability.

Gender is deeply rooted into our ways of life. It affects the opportunity and constraints for each of us. The gender is human invention like language, kinship, religion and technology. It is socially and culturally constructed roles and responsibilities assigned to men and women in a given culture, society and family. In the context of Nepal gender discrimination creates hierarchy between men and women in every sector. Society creates rule of women that what should she done and what should not be done. Such environment is the responsible of low socio-economic status of women. (Acharaya, 2008)

About half of the total population of Nepal is women. Women living in rural Nepal suffer from economic, social conditions and from the educational point of view also. It is open secret that women are backward and are compelled to live in deplorable rural condition. Women who work harder than men are also bearing family different types of programs to promote the social and economic condition of women.

Micro finance program helps to change the women empowerment in economic and social life. The last quarter of the twentieth century was a period of rapid growth in all areas of human life: economy, politics, environment, culture, society and even interpersonal relations. These global processes gave rise to major social transformations throughout the world.(Pushpa R.Sharma,2004) In the same way, my studied area Gorusinge ward, 5 has become gradually move towards the change and development in socio- economic sectors. It was a rural area and most of the people were engaged on agriculture and daily wages. But since last two decade, there has been changed in human life as well as income. Slowly and gradually awareness also created in the people. There is Grameen Bikas bank is situated and almost fifty percent of the population were became the members. Data shows, many uneducated poor women are highly affected by such MF programme and able to start own small business to fulfill their daily needs.

Marx says “that human society passes through various stages, each with its own well-defined organisational system. Each successive stage comes into existence as a result of conflict with the one preceding it. Change from one stage to another is due to changes in the economic factors, namely, the methods of production and distribution”. (pg.265)

The fact that the modern capitalistic system has been moving towards its doom because the conditions it produced and the forces it unloosed make its disintegration inevitable. In it the class struggle is simplified, revealing itself more and more into the clear-cut conflict of two great classes, the bourgeoisie and the proletariat.

In the context of Nepal, Women were less participate in every field as economic, political, social and decision making is the major problem which affect empowerment them. Though government, planners, INGOs NGOs and many others institution were raise voice, several written document were published, many program were run but the status of women has not develop as our planned and poverty still not been alleviated completely. In comparison between boys and girls, girls are less number in school and colleges, few numbers in government sectors, few numbers in political and less number in planned maker. In this case, women are to be proved as weak, uneducated and incapable in our society. But after the micro finance program run in several places the position of women are changed. When society changes gradually peoples are also changed.

The fact that agriculture is the primary occupation for all caste/ethnicities, and at least one family member is engaged in this sector except landless clients, credit was highly demanded for business and livestock purpose, whereas it is very low for agriculture and cottage industry and it is even zero percent in manufacturing sector. Female employment is higher in agriculture sector than male member, and agriculture was found as the main income source in all the VDCs studied.(Acharya and Ghimire, 2005)

Before joining the credit programme, most of the poor household particularly low caste groups were engaged in agricultural labour. But after the programme intervention, the disadvantaged groups are likely to engage in business trade and livestock or in non-farm activities. The performances of income generating activities, increased loan sizes in every next loan cycle, increased number of times borrowed, and changed pattern of expenditure on

consumption and other social indicators proved that there is significant increase in income level. People, who are landless or poor with resources, are engaged in non-farm activities financed by microloan and are earning some additional income. Moreover, the overall average loan size varies by number of times the members borrows. The more a client goes on borrowing, given that the previous loans are paid or there is no loan pending, the size of loan increases significantly, indicating positive impact on income.

Amartya Sen viewed that “In a poor community.... the perception of poverty is primarily concerned with the commodity requirements of fulfilling nutritional needs and perhaps some needs of being clothed, sheltered, and free from disease” (Sen, 1982, p. 161).

The Tenth Plan has looked at poverty more from human and social dimensions. The Interim Poverty Reduction Strategy Paper (I-PRSP 2001) prepared under the suggestion of Nepal Development Forum meeting 2000, had set a goal of reducing poverty rate to 30 percent by the end of the Tenth Plan period. Actually, PRSP is the reorientation of policies and programmers towards achieving Millennium Development Goals (MDGs) as it has incorporated most of the contents of MDGs such as, literacy, birth/death rates, and access to the basic social and economic infrastructures with particular focus on the deprived classes, women, and remote area.

However, the incidence of poverty between 2003/04 and 2009/10 has declined by 5.7 percent according to the recently published poverty monitoring report (2010) by the Central Bureau of Statistics. According to this report, the estimated poverty headcount is 25.16 percent as compared to 31 percent estimation provided by the Nepal Living Standard Survey (NLSS, 2004).

Poverty is a major challenge for the development of Nepal because of difficult geographical position, socio cultural and resource constraints among the higher percentage of population. These constraints compel them to lead a life below the poverty line. Traditionally, the concept of poverty was linked with income level of the population, but in fact poverty is being analyzed from different perspectives as well. In addition to income, overt year is also related to living at standard of the people and their participation in the society. The analysis of poverty is multidimensional and is to be examined from the perspective of status of income, human development and social inclusion. These prospective is international therefore, poverty as such embraces the aspects of economic, social and political dimensions.(Acharya and Ghimire, 2005)

In other words, micro-finance services can contribute sustainable impact to relieve the income poverty and consequently to enhance the human development indicator as a tool to reduce the poverty of people. It acts as a source for the supply of microfinance services to reach the target rural poor population to lift them from below the poverty line (Mathema, 2008).

Micro-finance is an important tool for empowerment of women in Nepal and other developing countries. Like other strategies of empowerment micro-finance is also strategy implemented for the promotion of women and economically marginalized population.

For Longwe Women empowerment is enabling women to take an equal place with men, and to participate equally in the development process in order to achieve control over the factors of population on an equal basis with men (Oxfam, 1999).

As a strategy, the processes of empowerment may start with multiple approaches such as income generation, awareness, adult education, family planning, health clinics etc, provided the ultimate goal of freedom from all kinds of oppression. The end product of empowerment is the development of personality, which is self-confident, which understands the processes of social interaction, economic resource allocation and has the power to decide, and also has enough options for choosing where to work and how one wants to live (Acharya, 1997).

The process of empowerment in Nepal's context may be viewed in the following dimensions:

- Increasing women's access to economics opportunities and resources- such as employment, credit and wealth, increasing land and technology and apparently non-economic resources such as education, knowledge and health which are primary to human development.
- Raising women's consciousness about the symptom and cause of prevalent oppressive religious, economic, cultural and, familial and legal practices.
- Strengthening women's self-confidence. An individual for this is the rise in women's self-esteem and increased capacity to interact with world beyond the domestic circle.

2.2 The Social and Economic Change by Micro-Finance programs

Micro-finance is an important instrument of development as it helps to promote credit to humans. Micro-finance is usually established to help the poor families overcome from poverty. Usually, micro-finance programs are targeted to the poor particularly; the women. Independent study shows that micro-finance has a host of positive impacts on families that receive it. A World Bank study in 1998 reported that 5% of Grameen Bank and Bangladesh Rehabilitation Assistance Committee (BRAC), Bangladesh Rural Development Bank (BRDB) borrowers move out of poverty each year (Yunus, January, 2003).

The role of micro-finance in disaster situations and post conflict area has also been well documented, enabling families to rebuild economic activities and livelihoods. Studies have also showing significant impact on its members across wide range of economic and social indicators, including increased income, improved nutrition, better food, better consumption on clothing, better housing, lower child mortality, lower birth rate, higher adoption of family-planning practices, better healthcare, better access to education for children, empowerment of women, participation in social and political activities, etc (Yunus, January, 2003).

Women's poverty impact has multiple aspects of development and multiple dimension of empowerment. One approach for validating micro-finance for women is that women should have access to micro-finance so that it will result in the reduction of family poverty. Another way of analysis is that women should have access to micro-finance so that it will result in women's individual empowerment through access to income and control over it. A woman has no inheritance from parental poverty and enjoys only limited inheritance and disposal rights from her husband's property. Women have also to get permission from men in the household to undertake any activities particularly economic activities. As women do not have living public space or business space of their own, they cannot do anything of their own; however they use space in the family or house.

Micro Credit Project for Women (MCPW) in Nepal is an influence of the successful of PCRW program. Nepal Government, Ministry of Local Development has implemented "Micro-Credit Project for Women (MCPW)" through its Women Development Division (WDD) since early 1994. The project aims to improve and enhance the socio-economic status of women and

promote their participation in national development, thereby contributing towards poverty reduction. In order to achieve the basic goals, the objective of the project was to increase the income and employment opportunities for poor women in selected rural and urban areas of the project districts. Asian Development Bank (ADB) has provided loan to implement the project activities. The scope of the project is to cover 12 districts of which Dang, Salyan, Pyuthan, Baglung, Parbat, Kaski, Chitwan, Lalitpur, Bhaktapur, Siraha, Saptahari and Dhankuta. Beside this, WDD is executing agency for group formation and training of women beneficiaries (MCPW Progress Report 1995).

Like the other countries in South Asia, many studies and research had found that the micro-finance program has made a remarkable contribution to poverty alleviation in Nepal. No doubt those micro-finance institutions are providing financial services to rural poor households living in below subsistence economy. The micro-finance rural development banking program, financial intermediary NGOs and savings and credit cooperatives extend their collateral free credit services generally targeted to married and household heads either in the form of group guaranty or with collateral to individuals. The quarterly newsletter of Rural Micro-finance Development Centre data shows that around 2,048,742 rural people have already had access to microfinance services in Nepal, which is 8.09% of the total population and 26.1% of those are living below the poverty line, of which 1,233,058 are women, representing 9.37% of all Nepalese women. This information clearly shows that unmarried youth and male youth do not have access to financial services provided by micro-finance institutions. So this is obvious that micro-finance institutions do not target youth population for their services (Pradhan, 2008; quoted in Khatiwada, 2009).

Women of low income level and deplorable conditions means that they fall within the boundary of income level as fixed by NRB that may vary from time to time. Thus, the maturity period of such credit that is provided as the working capital and fixed assets loan, has been fixed according to the nature of the credit. This scheme limit of loan varies according to the nature of the business, as such maximum 30,000 rupees is provided per women for agriculture production, 40,000 rupees is provided per women for small industry and maximum of 2, 50,000 rupees is provided per women for small scale business in urban area. This program is very helpful for women because it provides credit to women without collateral, but with group guarantee (World Bank 2000, ADB 2009).

Before utilizing and having such micro-credit loans women have to be involved in training and know about utilization and technical aspect. Such program is organized on the basis of geographical background. So, as it is the provision under this scheme that the loan is provided to the group of such women. However, women of urban areas can have such loan to generate employment opportunities on personal basis also without forming any group. To form group and to submit the proposal to the mentioned branches of the bank for loan, there should be a body which consists of women development officer of women activist in the district where micro-credit project are in operation and local NGO support unit is available as credit agent.

Asian Development Bank is supporting micro-credit program for women in 12 districts and 5 municipalities of Nepal to help improve the socio-economic condition of 20,000 women by providing small loans to women without collateral. Technical support to NGOs is given so that credit to women without collateral is provided but with group guarantee (ADB 2007).

Micro credit programs are focused in rural poverty stricken area. Hence these programs influence motive and aware people about their economic poverty and create opportunities to earn for the same. This would ultimately raise his/her standard, then his/her family and at last the society.

CHAPTER-THREE

RESEARCH METHODOLOGY

This chapter describes in detail how the study was conducted. It contains study approaches, data sources and data collection methods, sample sizes of the respondents and indicators used for impact assessment. Selection of the microcredit programme and the study area are also provided. Grameen Bikash Bank Limited (GBBL) whose head office is located at Gorusinge, Kapilvastu District, is selected for case study purpose. Grameen Bikash bank is a Grameen-type poverty-focused microfinance programme, transformed from a non-government organization to an established development bank of Nepal. It has exclusive feature of lending to women selecting as its borrowers within the specified poverty limit; and the loan flow is made basically in the small-scale income generating businesses. The research is based on descriptive and discussion method. It does not seek to explain relationship between dependent and independent variables through testing a hypothesis. Simple number, cross tabulations, percentage, and bar diagrams are used to present impact information derived from the field. A two months' field study was conducted during January and February to acquire primary data. Evaluations made are more objective oriented towards the fact-findings relating to pre and post-socio-economic conditions of the respondents.

The research methodology is a way to systematically solve the research problem. It is a science of studying how research is done scientifically. All those techniques and method which are used during the course of research are termed research method. The research has both academic and non-academic purposes and importance. By applying different research method we get the actual result of how micro-finance helps for women's empowerment in target society. Methodology helps in collecting data, discover or find out valuable facts, which will be useful for further application also.

3.1 Selection of Study Area

I had selected Gorusinge (word no 5), to study the positive impact of micro-finance in women who were involve on such financial project. Gorusinge is situated in kapilvastu. According to population census of 2011 the total number of households of the wards is 1262 and total numbers of population in the ward is 6579 of which 3345 (50.84%) are females and 3234

(49.16%) are males. Most of the population in Gorusinge consists of Pahadi migrants from nearby hill districts especially from Arghakhanchi, and Dang.

Many people in this area are link to micro-finance program organize by different organization where NGOs, INGOs and Government. Gorusinge is located near to my home place, so thinking on the easy to study, this site is selected. The people of the area mostly depend on subsistence agriculture. Due the infertility of the land, they mostly depend on the micro-finance or micro-credit loans through which they can run their micro-enterprise. They provided loans to women and disadvantage groups without collateral.

3.2 Limitation of the Study and Sampling

The study was concentrated only on Gorusinge, ward 5 of the Buddhabatika Municipality. Generally collecting information from all members is not possible. So the study is based on simple random sampling method. Through this sample every group has equally chance to include in the sample. Every possible sample of a given size has the same chance of selection. Particularly it studied only 50 women members out of all 60 groups. There are every five members has one group but I choose only 50 groups and through the method of random I took one member from each groups and analyzes their progress on socio-economic and awareness. The outcome of this study may not represent the actual picture of other areas of the country. Its information may vary from similar types of information in other areas.

The main objective of this study shows Micro Finance Programe helps to empowerment women in different levels. In this society, women are in different status of education, economy, prestige and participation. According to their level of capacity, MFs provide opportunity of loan, leadership and social activities. Who are able to handle programe they would get chance to become the committee members and who would not hold leadership they become members only. And economic status also play role to get high and low loan from such institutions. Thus, MFs program intends to empowerment women in various levels, high standard women get more oppourtunity and low standard women get low oppourtunity in every sectors as economic, political and socially. Though women are empowerment in varies level MFs played the great role to change and makes better life of every women.

3.3 Sources of Data

Primary Sources

The study consisted of primary as well as secondary data. The primary data were collected from the field survey in three programme operated village development committees (VDCs) of kapilvastu district. For study purpose, both quantitative and qualitative data were collected from the field using appropriate tools including interview and focus group discussions because to measure the real impact of MF services, quantitative data alone will not fulfill the queries about social and gender impact.

The qualitative data were collected from Focus Group Discussions (FGD) with the clients, the non-clients, and with the group leaders using participatory research tools, and observations from the field. Informal discussions were also made with the husbands of the clients focusing mainly on gender equity aspects regarding the benefit sharing among male and female members and also sharing domestic workload, or in permitting women to work outside the home. Researcher's observations at interpersonal behavior and feelings of the clients during the survey period provided an opportunity to understand the situation for additional information. Family planning, intra-household decision-making roles among senior members such as, mother-in-law and father-in-law in buying and selling of livestock, seeking medical treatment for children and the women herself when they fall sick, and selling and purchasing of agricultural products are the important household areas to be decided. Similarly, the non-clients were interviewed to collect primary data for investigating the comparative advantages of the programme regarding forest resources management like use of forests for different purposes, future plan for using alternative sources of energy, and other economic changes over the period of three/four years. The non-clients, for study purpose, are defined as new clients (women) or the new members, who have just entered and are waiting for loan from the Grameen Bikash bank. .

Secondary Sources

The secondary data were collected from the published and unpublished literature on related themes and from the records of various microfinance organisations to understand the concept and

to develop a theoretical background. For new ideas and current trends in the concerning field, abstract, reports, occasional papers, journals, and other relevant publications published from various academics were reviewed. Similarly, unpublished reports and proceedings of the national and international seminars were also studied to have knowledge and understanding on issues related to microfinance in Nepal. The national level social, demographic, and gender-related statistics were collected from the reports published by the Central Bureau of Statistics and from concerning Ministries. The large numbers of financial and statistical data were collected from the manuals, and policy guidelines published from the Nepal Rastra Bank, the central bank of the country. The latest regional and global information was retrieved from various Websites through the internet.

3.4 Data Processing and Data Analysis

After the completion of the data collection both primary and secondary data have been processed manually. The collected quantitative data was first processed edited and coded. After doing this the data were classes/categories and numerals or other symbols are given to each item according to class in which it falls. Secondly, the processed data was presented in tabular form. Some specific comparative indicators presented through diagram. To make Quantitative data is then analyze and interpreted with the help of statistical tools. Simple statistical tools is use to analyze the data. Mainly tables, charts are uses as require. Qualitative data are analyzes descriptively.

Primarily the study is based on qualitative and quantitative analysis. The information obtain from structured and semi-structured questionnaire is use to interpret data.

In short the nature of the study is basically descriptive, which help to acquire knowledge which is more useful. Simple statistical tools like percentages, average are use to presents socio-economic scenario of all respondents.

CHAPTER - FOUR

EVOLUTION AND CONTRIBUTION OF MICRO FINANCE PROGRAMS IN STUDY AREA

4.1 Evolution of Micro-Finance Program in Nepal

Micro-finance is a scheme that aims to provide small loans and savings facilities to those who are excluded from commercial bank's services. This programme promoted as an essential strategy for reducing of poverty in all of its forms. Access to these facilities is seen as a way to providing the poor with opportunities for self-reliance through entrepreneurship, social empowerment programmed for women and their communities.

In Nepal micro-finance programs are targeted to reduce poverty among rural population. It helps them to increase their level of household's consumption and also helps them for generating savings and future investment.

In Nepal rural credit was begun in 1956 with the opening of Credit Cooperatives in Rapti and in 1963, the government established the Cooperative Bank, which was later converted into the Agricultural Development Bank Nepal (ADB). Thereafter, in 1971, the government introduced the Cooperative Revitalization Program. It authorized the Agricultural Development Bank Nepal to run cooperatives under its guidance and management. In 1976, 'Sajha Program' was launched and the Cooperatives were renamed as 'Sajha Societies'. In this way, the government enacted a new Cooperative Act in 1992 to ease promotion and development of cooperatives as a vehicle of economic development in the rural areas. The government also emphasized the role of cooperatives for extending credit facilities and other services to the rural people in its Eight National Plan.

Micro-Credit Project for Women (MCPW) was another activity in micro-finance sector of Nepal. This program was launched in 1994 with the financial assistance of ADB. The main objective of this program was to provide various types of skill oriented trainings particularly to women to undertake divergent income generating activities, institutional strengthening of NGOs and the provision of micro-credit to women. The major outcome of Micro-Credit Project for

Women (MCPW) is that women groups were organized as cooperatives. (Puspa R.Sharma, 2004)

4.2 State of Micro-finance in Nepal

The government of Nepal and NRB have made great efforts in conducting various rural financial programs since the 1970s decade in poverty alleviation drive led by Periodic Plans through the aid of different participatory financial institutions such as commercial banks, development banks, rural development banks, saving and credit cooperatives, NGOs and micro-finance institutions. The main objective of such initiatives is to improve and upgrade the economic and social condition of rural people especially those living on the abject poverty line. (Bashyal , 2008)

There are multiple areas at which micro-finance program has produced advantages to women. This chapter attempts to highlight those advantages focusing on the case of women in the study area. Specifically it deals with the advantages available in a) group formation and development of collective identity, b) group mobilization in use of resources, c) income generating training and d) availability of loan for the agriculture and business.

The first and foremost function of the micro finance programme was to form women groups in the community. They named the group to remember collective identity of the member women. Single name represents many women. This is initiation of collective identity of the women. There are 60 groups within ward no 5 (Gorusinge), at least 5 member can form a functional group and their names were registered. Before group formation staff of micro-finance usually organized motivate and orientated program in communities. Orientation sessions can also be organized on the basis of demand of women. After the orientation and motivation sessions interested women regularly contact microfinance staff and form a group. Group formation is one of the basic functions to obtain loan from the micro finance institution. One group consists of 5 to 7 members. Groups are organized by interested women themselves and they select one chairperson and one secretary from the group. Interested women are involved in basic training of group management, rule and regulation of the organization. Group meeting is held once in a month i.e. on first Saturday or last Saturday of each month. Group chairperson is authorized to maintain discipline in the group.

Meeting place is fixed where all meetings are held. This place is called center and all the banking transactions are held at the center. Each of the women can express her voice and personal feelings and social justice regarding loan distribution. All of them are familiar to the rules and regulations of micro finance institution. Everyone knows her role and responsibilities in the meeting and loan return.

After meeting trainings are given to the interested members. Trainings are considered as an essential entry point of the programme, which are not compulsory but highly complementary for the group member before getting loan. Usually micro finance's staff organized training after formation of group. The trainings are conducted for a fixed period normally for a week. One of micro-finance staff authorized to evaluate and take the group recognition test of the members. The purposes of the trainings are to make aware to the responsibilities of the group members and also know about the possible areas for the investment for better income generation. It also helps to generate collective feeling and sense of cooperation among themselves. The group members are taught all the processes and procedures of getting and repaying of loans. Every member has to have their own personal idea of investment, planning and estimation of income generating activities to be an eligible candidate to receive the loan.

Regular group savings and utilization that savings are the main function of the women's groups. The regular savings of the group has been mobilized by the member of the same group. They made rule of Rs. 15% interest rate for seed money mobilization. They did not mobilize money out of group. In the name of regular savings, they organized regular meetings of each group. In the meeting they not only talk about mobilization of saving and loan money, but also talk about socio-cultural and economic aspect of the community. The registered group may receive emergency fund without interest if anyone face emergency. For this purpose the group leader has to recommend and micro-finance staff observe the situation. In general borrower woman has to return group savings within three months. When a woman gets loan from micro finance, she has to return on installment basis. Loan completion deadline also varies on the basis of amount of loan she received. Less than Rs. 30000 loan it has to be repaid within one to two year. More than Rs. 30000 it has to be returned within three years. Borrower member is obliged to deposit 10% of the credit amount in the group fund saving, for which members are required to save at least 500 rupees per 15 day. This group fund can be utilized as an emergency

fund by the group members. They mobilize saved fund by themselves turn wise on the rate of Rs 2 per hundred per month. If they used group fund, they have to pay 18% interest rate of the principle amount. But the interest rate of loan received from micro finance is 12%. There are some conditions to get loan from micro-finance. At first family head's agreement letter or signature is mandatory because family head will be responsible to return back loan if unintended accidents happened. Similarly, Group head's recommendation is needed. If unintended consequence happened, micro-finance institution tries its best to recover the loan as far as possible.

The regular meetings are not merely about savings and credits of the fund. Group members and micro-finance staff exchange success life stories and case studies of the women who had success in generating good amount of money. Similarly, they share their experiences of adopting new occupation, problems and solutions of the problems. Staff and knowledgeable member recommended beginners ways for the betterment of income. Sometimes members shared personal problems of low income and loss of the business. They cooperate when a member does not have required cash for deposit in the micro finance institution. They borrowed from each other for short period of time. So, women working in the group have been building confidence and social capital by helping each other in their problems.

4.3 Income Generating Training

All women were not equally educated, skillful and talented to mobilize loan into income generating activities. Some of them have been trained in more than one area. Few women did not receive any skill based training. The detail training of the respondents is given below.

Table No.4.1: Status of Income Training received by respondents:

Sl/No	Name of training received by respondents	Number of Respondents	Percentage
1	Beauty Parlor	8	16%
2	Tailoring	5	10%
3	Hotel /cook	3	6%
4	Vegetable farming	3	6%
5	Goats farming	4	8%
6	Pig farming	2	4%
7	Computer training	4	8 %
8	Business training	8	16%
9	Agarbatti (incense stick) and Candle stick making training	5	10%
10	Bee keeping training	4	8%
11	None	4	8%
	Total	50	100%

Sources: Field Survey, 2016

The table shows that most of the women were trained but not all trained women involved on the same occupation they have been trained. For example 5 (10%) women had received tailoring training. Similarly 8 (16%) women had been trained on beauty parlor but only 8 (16%) women applied parlor as an income occupation or in the business. 3 (6%) women were involved in hotel/cooking training and 18 women were involving in farming training i.e. 3 (6%) vegetable farming, 4 (8%) in goats farming, and 2 (4%) in pig farming, 4 (8%) women were involved in training like making candle, 4 (8%) women were involved in bee keeping training and 4 (8%) women were never trained in trainings organized by micro finance institution or government or non-government organization. Women are interested to receive training and searching profitable and easy occupation. According to Shanti Pokhrel, member of micro-finance institution of Gorusinge ward 5, women received many occupational training because of economic insecurity, dissatisfaction on present income and search of better options. As above from training Rita

Sapkota started making Candel and Agarbatti and sold to the market and earns money. She is one of the representative characters of this society. From her activities we know that women move towards the earning money business. Though she starts small business she used to busy on earning money.

4.4 Availability of Loan for Women

The main component of the micro-finance institution type of micro-credit institutions is to provide credit for women on income generating activities. The main body of the research is related to loan amount, areas of investment, consequences of the micro credit program and changes of income as well as status of women members. Availability of loan also for women also differed from person to person. All members did not received same amount of loan. Availability of loan depends upon area of loan investment, technical skills of receiver, economic

status and recommendation of group members. Easy loan makes difference on the life of skillful women if they handle properly. Distribution of loan amount among selected women during field work is presented on the table.

Table 4.2: Distribution of Loan amount among the selected women

Sl/No	Amount	Number of respondents	Percentage
1	25000-34000	15	30%
2	35000-44000	8	16%
3	45000-54000	12	24%
4	55000-64000	6	12%
5	65000-74000	3	6%
6	75000-84000	2	4%
7	85000-94000	0	0.00%
8	95000-104000	4	8%
	Total	50	100%

Sources: Field Survey, 2016

According to the table 12 (24%) of the respondents had taken a loans amounts between Rs 45000-54000 and 15 (30%) of the respondents has taken a loans amounts between Rs 25000-34000, and about 8 (16%) of the respondents had taken a loans amounts between Rs 35000-44000, 6 (12%) respondents has taken a loans amounts between Rs 55000-64000, 4 (8%) of the respondents had taken a loans of Rs 95000-104000, 3 (6%) respondent had taken a loans of Rs 65000-74000, and only 2(4%) respondent has taken a loans between Rs 75000-84000.

Loan Receivers

Micro Finance focus only on the women's betterment of life. It gives facilities of small loan without collator and gives large amount of loan with collator. Who has low income and low status they apply for small amount of money 20 thousand to 40 thousand and start small business. And who had better level of income they would apply for huge amount of loan but they should show land collator and other properties. From such loan women built to self confidence to running their business. Hari Kala KC also get loan 20,000. From it she bought rickshaw for her husband and from 5000 she starts small tea shop. After 3 months she start departmental store and become the honor of the departmental store. She earns 18 to 25 thousand per month. She built

small house too. And she sends her child at good school. She is also one of the representative women in 60 groups.

Table No. 4. Loan Receivers

Sl/No	Who spent from loan	Number of respondents	Percentage
1	Respondent	35	70%
2	Husband	12	24%
3	Father-in-law	2	4%
4	Mother-in-law	0	0%
5	Other	1	2%
	Total	50	100%

Source: Field Survey 2016

The table shows that 35 (70%) females respondents who are able to spend money from loans, the total of 12 (24%) of the loans spent by husband of the respondents, 2 (4%) of the households father-in-law spent money from loans. And in 1 (2%) of the household money from loans are spent by other members like father and mother.

The purpose of loan:

Micro Finance proved loan for the Agriculture, Local business, cottage industry, Domestic and socio-cultural purpose for women only. From such loan women are used to start business and earn money. As a result their status has been increase in society. Family members and other social members were respecting them. Women were active in social program, they were go their child school for paying money. Even in taking decision at home they were play vital role. In this research women self respect too increase in high level.

Table: 4.4: The Purpose of Loan:

Sl/No	Purpose of loan	Number of respondents	Percentage
1	Agriculture	12	24%
2	Local level business	16	32%
3	Cottage industry	4	8%
4	Construction	6	12%
5	Foreign employment	6	12%
6	Domestic, socio-cultural purpose	4	8%
7	Other purpose	2	4%
	Total	50	100%

Source: Field Survey 2016

Field survey shows that 12 (24%) of the respondents spent money on the agriculture. 16 (32%) of the respondents are spending their money from loans in the purpose of the local level business like little hotel, cosmetic shops, and other income generating business. About 6 (12%) of the respondents had spent their money from loans for the purpose like construction of the houses, little hotel, little enterprises, 4 (8%) of the respondents spent money for cottage industries like candle, incense stick handcraft industry, 4 (8%) of the respondents spent money from loans for domestic, social cultural purpose, and other 2(4%) of the respondents spent money for buying sewing machine, and 6 (12%) of the respondents spent money for foreign employment for their relative. From Hari kala kc case study also shows Micro Finance solve the problem of women.

Table 4.5: The Empowerment Status of Women Respondents

Table 4. 5 The Empowerment status of women Respondents

Sl/No	Indicator of Change	Number of Respondents	Percentage
1	Increase right in decision Making	10	20%
2	Increase in leadership capacity	9	18%
3	Increase self-confident	16	32%
4	Increase in right to spent	10	20%
5	Increase in participation in community activities	4	8%
7	Other	0	0%
8	No Change	1	2%
	Total	50	100%

Source: Field Survey, 2016

From the above table and chart it can be said that after joining the micro finance program 16 (32%) of the female respondents have developed self confidence, 9 (18%) have developed a

leadership capacity in themselves, 10 (20%) have increase right in decision making, 10 (20%) have increase in right to spent, 4 (8%) of the respondents now can participate in community activity, no change found in 1 (2%) of the respondents.

4.5 Cooperative Society in Gorusinge ward 5

Micro-finance Program in Gorusinge ward 5 was started in 2068 B.S Chaitra, which providing loans for different production activities on which women and men living in Urban settlement are involved. They have made investment of their loans on business, cottage industries, construction, tea-shop etc. In Gorusinge there is only one Cooperative Society which had invested Rs 2237324 and repaid Rs 2569102. The monthly balance is Rs 20-25 lakh. The Cooperative paid the money paying interest at a rate of 12% per annum and provided credit to members at a rate of 15% per annum.

Cooperative Society in Gorusinge has covered 2670 (women 1700, and 970 are men) population. There are 540 household in Gorusinge ward, 5. There are 300 members in Cooperative Societies in Gorusinge ward, all of 300 women members are active borrowers of the bank.

Figure No 4. (A): Caste/Ethnic Composition of Respondents

Source: Field Survey, 2016

This chart represents caste/ethnic composition of the women respondents in the study area. Out of total sample size, Brahmin share largest. They are 44% of the total sample. Whereas other caste/ethnic groups like Chhetri 16%, Magar 12%, Newar 4%, Gurung 8%, Tharu 6%, and other minority group such as Rai, Dalit, Madeshi comprises 10% of the total population of the sample. This table we can shows that majority of the people in the samples are Brahmin, and from here we can conclude that in this area Brahmin women are more interested in taking loans from micro-finance institution in order to improve their standard of living.

Age group of Respondents

All women are not economically active and generate income to the family. Young age girl are involved in education or household activities such as cooking and taking care of their little brothers or sisters. Women above 60 years are also less active for income generation because they have household responsibility rather than earning. Their sons and other family members were considered earners. They mostly take care of small children in their home. Age ratio of the selected respondents is from 30 to 50 age group were chooses. But generally from 21 to 70 ages group were presented in the following table.

Table No 4.6: Age Ratio of the Respondents

Sl/No	Age Group	Number of Respondents	Percentage
1	21-30 years	8	16%
2	31-40 years	25	50%
3	41-50 years	14	28%
4	51-60 years	2	4%
5	61-70 years	1	2%
	Total	50	100%

Source: Field Survey, 2016

The age distribution ratio of the study area shows that 8(16%) of the total respondents involved in this program are between the age of 21-30 years. The highest numbers of the respondents are

between the age of 31-40 years 25 (50%). The age between 41-50 years are constituted 14 (28%) of the total respondents, between the age 51-60 years constituted 2 (4%) of the total respondents, at last 1(2%) of my respondent is between the age of 61-70years. So from the above age grouping we can say that women from 31-40 years ages are mostly responsible for taking care of their family and become more mature to think about their children’s future and their responsibility to be a mother. From here we can know that the middle age women are the dominant age group to be a member of micro-finance project.

This table shows that majority of the women in the samples are women whose age are between 31-40 years, and this also shows that women whose age are 31-40 years are more interested in taking loans from micro-finance institution in this area, because of their maturity and interest to do something for their family in the absent of male member.

Family Type

Their favorite family type is joint family in which husband and his parents, brothers, wife and their unmarried children lives together. All of them expressed burden of responsibility, economy and cultural complexities living in a joint family. Family sizes of the selected respondents are presented in the following table.

Table No. 4.7: Family types of Respondent

Sl/No	Family Types	Number of Respondents	Percentage
1	Joint	30	60%
2	Small/Nuclear	18	36%
3	Extended	2	4%
	Total	50	100%

Source: Field Survey, 2016

This table shows the family type of the women respondents. Family also makes differences on decision making and control over income. According to reports, 30 (60%) of the respondents live in joint family, 18 (36%) of the respondents live in nuclear family, and 2 (4%) percent of the women live in the extended family.

This table shows that majority of the women in the sample are from joint families, and this also shows that women from joint families are more interested in taking loans from micro-finance institution. Family sizes of the selected respondents is presented in the following figure.

Figure No: 4. (c): Family Sizes of Respondents

Source: Field Survey, 2016

There are 15 (30%) households having below 5 members and 32 (64%) household with 5-10 members and only 3 (6%) household have above 11 members in their family. Samples are from extended family, and this also show that women from extended family are more interested in taking loans from micro finance institution in this area because of the absence of their male partners and poverty and the responsibility of their children and other family members.

Educational Status of the Women

Education empowers the human beings; it increases the status of living. Education provides people with the knowledge and skills to contribute and take benefits from development efforts. Education is a key indicator of human development. It has a positive role in the success of life. Primary education is a principle mechanism of fulfilling the

minimum learning needs of the people needed for effective participation in the economic, social, political and civil activities.

Education plays a most important role in the development of the nation. Without education development is not possible. Educational status of a people plays a key role in the effort of any endeavor to uplift the society from repression and scarcity needs less to say it has a positive in the success of rural people.

Table No.4.8: Educational Status of the Respondent:

Sl/No	Educational Level	Number of Respondents	Percentage
1	Literate*	13	26%
2	Illiterate	18	36%
3	SLC Pass	9	18%
4	10+2 Level Pass	3	6%
5	Bachelor level Pass	4	8%
6	Master Level Pass	3	6%
	Total	50	100%

*literate for the purpose e.g. this people refers to those who have below matriculation level of education.

Sources: Field Survey, 2016

This table shows that 18 (36%) of women are illiterate who had never gone to school, out of this 13 (26%) of the women are literate (who study below matriculation), they somehow knew to read and write, they got opportunity to participate in formal or non-formal education. Among them 9 (18%) of women had completed SLC, and only 3 (6%) were able to complete their intermediate level. On the other hand 4 (8%) were able to complete their Bachelors level and at last 3 (6%) were able to complete their Masters Level.

Marital Status of Women

Marital status makes differences on women's responsibility and economic and work burden. Implicitly micro-finance institutions target people who are in worse condition in their life. This program influence people who are in their worse condition in their life. This program is usually influence women than men. ([www.http://en.wikipedia.org](http://en.wikipedia.org))

Table No. 4. D: Marital Status of Women Respondents

Source: Field Survey, 2016

In the field Survey I find majority of the respondents are married women which comprises 32(64%), followed by widow comprises 8 (16%), unmarried 7(14%) and at last separated women who are living away from their husband's house who comprises 3 (6%) of the total respondents.

The above table shows that the majority of women in my samples are married, and this also show that married women are more interested in taking loans from micro-finance institution. Because they also have to look after their family and children, they have to pay tuition fee of their children and have to meet health budged the sickness for older members of their family, this reason also forced them to join micro-finance institution.

Sumitra GC, one of the single widow women from 8 all together, who is happy in her life now. She gives credit to the micro- credit institution because it helps to invest in Hotel. She face many problem in her life and poor condition but after joining and getting loan from MFs her economic and social status would be better than before. Her detail story is explained below.

Through her case study proved that according to female status of economic and social MFs provide facilities. And it helps to improve economic life of women and also helps to empowerment of women.

Landholding Size of Women

Land is the most important source of wealth of farmers. Without abundant land, it will difficult for any of them to get means of living. It is argued that landholding is considered as the major indicator for the identification of poor in Nepal. It is an important source of rural income and employment generation. Land is a major indicator to justify economic status of

household. Land ownership is mandatory in some banking institutions to get loan from banking institutions. Land is not only economic variable but also is an indicator of social status gained by women. ([www.http://en.wikipedia.org](http://en.wikipedia.org))

Status of households and women's land ownership of the selected respondents is presented in the following table.

Table No 4.9: Land ownership of the respondents:

S/No	Land Size	Number of Respondents	Percentage
1	Landless	18	36%
2	Up to 5 kattha	22	44%
3	6 to 10 kattha	1	2%
4	11 to 19 kattha	1	2%
5	Above 1 Bigha	8	16%
	Total	50	100%

Source: Field Survey, 2016

The Land holding pattern of the respondents of Gorusinge ward shows that 18(36%) of the respondents are landless, 22(44%) of the respondents have up to 5 kattha of the land in their name, 8(16%) of the respondents have above 1 Bigha land, 1(2%) respondents have 6 to 10 kattha land and 1(2%) respondent have 11 to 19 kattha of the land in her name.

The types of house of the respondents

Housing condition shows the real economic status of the people. In the study area, respondents have various types of houses like mud wall with thatched roof, stone wall with tin roof, cemented without garden, cemented with garden. If the earning improves, the housing condition will also improve. Whether micro-finance had played significant role for improving the earning of villagers or not should be measures with the help of housing condition of its members.

Table No 4.10 : The House of the Respondents:

Sl/No	Types of House	Number of Respondents	Percentage
1	Mud wall with thatched roof	2	4%
2	Stone wall with tin roof	32	64%
3	Cemented without garden	16	32%
4	Cemented with garden	0	0%
	Total	50	100%

Sources: Field Survey 2016

The majority of 32 (64%) of the respondents are lives in the house which is made up of stone wall with tin roof, 16 (32%) of the respondents are lives in cemented house without garden, and 2 (4%) of the respondents are lives in the house made of mud wall with thatched roof.

Household head

Household head have decisive decision making power in many cultural groups. Family members feel social and livelihood security under family head. To start new occupation household's support is necessary otherwise, difficult and conflict may starts in the family. So household head is powerful decision maker as well as has authority of the family. Situation of household head in the family of women respondents are presented in the following table.

Table No 4. 11: Household Head of the Respondents:

Sl/No	Household Head	Number of Respondents	Percentage
1	Respondents	15	30%
2	Husband	25	50%
3	Both	8	16%
4	Others	2	4%
	Total	50	100%

Source: Field Survey, 2016

The household position of the respondents is female dominated. There are 15 (30%) female respondents who are headed their households, and there are 8 (16%) households in which

decision in house are taken collectively by both husband and wife and at last there are two houses in which decision on the households are taken by father-in-law and father, who are head in their family.

This Chapter represents the linkages between socio-economic and micro-finance in the respondents. On the basis of this background of the respondents we can discuss, how much changes in the level of awareness brought by micro-finance program among the women respondents, which will be discussed in the next chapter.

CHAPTER- FIVE

CHANGES ON THE LEVEL OF LIFE AND AWARENESS BROUGHT BY MICRO-FINANCE PROGRAM

5.1 The concept of Change

Change is the law of nature. Social change also is natural. It may occur either in the natural course or as a result of planned efforts. By nature we desire change. Our needs keep on changing. To satisfy our desire for change and our changing needs social change becomes a necessity. The truth is that we are anxiously waiting for a change. According to Green, ‘The enthusiastic response of change has become almost a way of life.’

The fact remains that society is an ever-changing phenomenon, growing, decaying, renewing and accommodating itself to changing conditions and suffering vast modifications in the course of time. M. D. Jenson. “Social change may be defined as modification in ways of doing and thinking of people.” Koenig, S. “Social change refers to the modifications which occur in the life patterns of a people.” On the basis of these definitions it may be concluded that social change refers to the modifications which take place in the life patterns of people. Social change occurs in all societies. No society remains completely static. This is true of all societies, primitive as well as civilized. Society exists in a universe of dynamic influences.

In Nepal’s context, Micro Finance too has shown great concern about women awareness for economic and social status. Microfinance institutions, both formal and informal, provide financial services which help in creating self-employment and income opportunities among the poor. NRB has made a number of innovative attempts for developing microfinance framework in the country. Bajracharya (1994); Joshi reviewed the development trends of modern financial system and trends in lending by the Nepalese commercial banks (CBs) with the provisions given by different Acts in Nepal.

Although microfinance system was in practice for hundreds of years throughout the world, it developed in African and Asian countries, particularly, after the 1970s using certain methodologies. The focus of microfinance institutions (MFIs) is to expand micro loans to support economic activities of the poor and disenfranchised encompassing a range of financial

services such as loans, savings, and insurance to help these people. In addition, several MFIs have focused on women's empowerment as their explicit goal. The basic theory of empowerment is that putting capital in women's hands can generate income and contribute financially to their households and communities, when they can socially be mobilised in community-based or non-government organizations (CBOs/NGOs). Thus, they can be empowered both economically and socially, and this empowerment is expected to generate as awareness increased self-esteem, respect, and other forms of empowerment for women beneficiaries (Cheston, 2002).

Littlefield and Rosenberg (2004) stated that the poor people could also be served profitably on a long-term basis and in some cases on a large scale. Actually, well-run MFIs can perform as the mainstream commercial banks do. Cooperatives provide microfinance in the form of credit to individuals and groups with limited resources. Savings are the strong bases of cooperatives to make them sustainable and capable of fulfilling both the economic and social needs of their members and the communities where they are operating. In cooperatives, the money that is lent out, come from the members. So the members are not merely the clients but owners of the institution. Micro finance Program has contribution to Produced changes at the level of life and awareness to women who are involved in micro finance Program.

Indicators of Empowerment

Empowerment is a process by which powerless people become conscious of their own situation and organise collectively to gain greater access to public services or to the benefits of economic growth. Empowerment includes women's sense of internal strength and confidence to face life. They could right to make choices and the power to control their own lives within and outside the home. They could built the ability to influence the direction of social change towards the creation of a more just social and economic order nationally and internationally. Micro Finance has play the vital role to empowerment women.

Some of the indicators of empowerment are:

Legal empowerment

Legal empowerment enforcement of legislation related to the protection of human rights. It includes the number of cases related to the legal rights of divorced and widowed women heard in

local courts, and increase and decrease in violence against women. At Gorusinge, MFs institute 8 widow members in 50 participation. Their situation is not well as married women because their husband was only the source of earning money. 3 women were separated from their husband through legal process. Through this research, there is not any women violence happened from anyone. Though 50 members are the representative members of this society. Thus, this research generalize the legal situation of women.

Political empowerment

There is only 10 percent of women participation in political sectors in this area. Though 33 percent of seats held by women in local councils and decision-making bodies in nationalize. There are 16 percent women involved in decision-making positions in local area. The ratio of 70 percent of women registered as voters in local as well as national election. 20 percent of union members who are women, this data show the political empowerment is increase in Gorusinge women.

Economic empowerment

Banks, public services, teaching and business are helps to built economic empowerment. MFs too play the major role to uplift the level of economic empowerment in women. Here 40 percent female are employments, though they are engaged in local business or public or private service. Women has busy on household with self business. 22 percent has own land property. And they control over own property too. It shows the increasing level of economic empowerment in women.

Social empowerment

Participation of women in social development program, local institution, training, decision making shows the actual level of social empowerment. Here 30 percent of women were taking participation on meeting, development program and others. Through this research found that the participation of women in their children school meeting too. They herself visit for pay fees and asking their child progress report and they had interest in taking participate in school program

too. It shows their self confidence and decision making powers were increasing. Thus, MFs program helps to create social empowerment in women.

Health empowerment and Education

Improvements in women's health and education are also the indicators of empowerment. Studies support that utilization of health services reduces maternal mortality. Using a nationally representative sample of 7878 previously pregnant women from Nepal we examined if gender empowerment is associated with health service use. Findings showed that three of the five indicators of empowerment – women's age at birth of their first child, their education and knowledge about sexually transmitted diseases – significantly increased utilization of health services, especially antenatal and delivery services. Women's opinion about wife beating and their participation in intra-household financial decisions were insignificant. Implications for social work practice are discussed (pandey, 2016). In the study area, the health condition of women changed in 54 percent. They conscious on health of own and their family members. In this study area many NGOs and INGOs were run short program of health. This MF institution also runs about Nutrition, Maternity, Sanitation, Water purification program and so on. Through such activities increase health empowerment. Education also play important role for women empowerment. 26 percent of women were literate, 14 percent women were cleared SLC level and 14 percent were cleared Bachelor level. This data shows the increasing level of education and it helps to uplift empowerment.

5.3 Changes in the Occupation of Respondents

In the study area occupation denotes employment of the people in different sector for earning purpose. Women of the study area are involves in different occupations before and after their involvement in micro-finance programs.

Table 5.1: Main Occupation of the Respondents before their involvement in program:

Sl/No	Main Occupation	Number of Respondents	Percentage
1	Agriculture	18	36%
2	Goat Farming	2	4%
3	Pig Farming	2	2%
4	Poultry Farming	0	0%
5	Business	5	10%
6	Daily Wages Labor	14	28%
7	Government Job	3	6%
8	Other job	6	12%
	Total	50	100%

Source: Field Survey, 2016

Table shows that respondents were engaged in variety of economic activities before their intervention in programs such as in agriculture 18 (36%), goat farming 2 (4%), pig farming 2 (4%), government job 3 (6%). Out of total member 14 (28%) were engaged in Daily wages labor, and 5 (10%) were engaged in business. And remaining where engaged in other different occupations.

Table 5.2: Change in the Occupation of Respondents after intervention of program

Sl/No	New Occupation	Number of Respondents	Percentage
1	Agriculture	7	14%
2	Goat Farming	5	10%
3	Pig Farming	3	6%
4	Poultry Farming	2	4%
5	Business	22	44%
6	Daily Wages Labor	2	4%
7	Government Job	4	8%
8	Other job	5	10%
	Total	50	100%

Source: Field survey, 2016

Table shows that there are changes in the occupations after joining the micro finance programme. The respondents are engaged in variety of economic activities such as in business 22 (44%), in agriculture 7 (14%), in goat farming 5 (10%), in pig farming 3(6%), and 5 (10%) of respondents were engaged in other income generating activities, daily wages labor 2 (4%), government job 4 (8.) etc. after their intervention of the program.

5.4 Changes in Income Level of Respondents

In the study area income denotes the earning of the finance borrowers through any productive activity. The income may be in the form of money, articles as food grain, milk, domestic animal husbandry and small industries etc. to know the changes in income before and after the program intervention.

Table 5.3: Changes in Income Level of respondents:

SI/No	Before			After	
	Income rate	Number of respondents	Percentage	Number of Respondents	Percentage
1	00-00	3	6%	0	0%
2	1-5000	10	20%	2	4%
3	5001-10000	20	40%	10	20%
4	10001-15000	12	24%	16	32%
5	15001-20000	3	6%	13	26%
6	20001-25000	1	2%	6	12%
7	25001-30000	1	2%	2	4%
8	30001-35000	0	0%	0	0%
9	35001-40000	0	0%	1	2%
Total		50	100%	50	100%

Source: Field survey, 2016

Effect of the intervention of micro-finance programs on the income of the respondents at the study area has been positive. Table shows that before their involvement in the program 3 (6%) of the respondents were jobless but after their involvement in the micro-finance programs they started earn some money. In another case, before their involvement on micro-finance program only 12 (24%) of the respondents earned Rs 10001-15000 per month, but after involvement, 16 (32%) of the respondents earned Rs 10001-15000, on another case before their involvement in micro-finance only 3 (6%) of the respondents used to earns Rs 15001-20000, but

now after their involvement in the micro-finance program 13(26%) of the respondents earn Rs 15001-20000, per month. In yet another case, 1 (2%) of the respondent used to earn Rs 20001-25000 but now 6 (12%) of the respondents earn that amount of the money per month.

5.4 Living Standards of the Respondents

Standard of living refers to the level of wealth, comfort, material goods and necessities available to a certain socio-economic class in a certain geographic area. The standard of living includes factors such as income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, hours of work required to purchase necessities, gross domestic product, inflation rate, number of vacation days per year, affordable (or free) access to quality healthcare, quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, environmental quality, climate and safety. The standard of living is closely related to quality of life ([www.http://en.wikipedia.org](http://en.wikipedia.org)).

Living Standard of the respondent is often analyzed in terms of consumption pattern, sheltering pattern, clothing etc.

Change in Traditional food habits after their intervention in MF Program

Out of the total households surveyed, two-fourth households reported the amount of expenditure on foods. The amount spent on food has increased day by day; there was a wide variation among caste/ethnicity on expenditure on foods.

Table 5.5 Change in Traditional food habits

Sl/No	Change in Traditional foods like rice, bread, pulse and vegetable with Nontraditional fooding adding milk, egg, meat etc. in traditional fooding	Number of Respondents	Percentage
1	Change Very Much	27	54%
2	Little Change	17	34%
3	No Change	6	12%
	Total	50	100%

Source: Field survey, 2016

The table and chart shows that after intervention of program there is change in the traditional food habits of respondents. According to survey, after intervention of the program 17 (34%) of the respondents changed their traditional food by little bit, 27 (54%) of the respondents changed their traditional food very much. Before intervention the respondents used to eat meat once in a month or in the festival times only, but now they eat it when they desire to eat. They also started to eat other expensive food items, but there are 6 (12%) of the respondents who did not change their traditional food yet due to the low income.

Clothing Pattern of Respondent

Out of the total households surveyed, one-fifth households reported the amount of expenditure on clothing. The amount spent on clothing has increased by at least two folds. There was a wide variation among caste/ethnicity on expenditure on clothing. The higher the caste/ethnic levels the rate of increase on expenditure on clothing was also found to be higher in figure shows.

Figure 5.a: Clothing Pattern of respondents:

Source: Field survey, 2016

Table and chart shows after the intervention of the program 25 (50%) of the respondents change their clothing pattern by little bit and 20 (40%) of respondents changed their clothing patterns very much, but 5 (10%) of the respondents did not change their clothing pattern

Table 5.6: Sheltering pattern of respondents

Sl/No	Change in Sheltering Traditional compose of wood, soil & straw Modern compose of wood, soil, brick, tile.....etc	Number of Respondents	Percentage
1	Change Very Much	15	30%
2	Little Change	30	60%
3	No Change	5	10%
	Total	50	100%

Source: Field survey, 2016

Table and shows the sheltering pattern of the respondents. According to the table 30(60%) of respondents live in a house made of stone with tin roof, 15 (30%) of the respondents live in a house made of cement and 5 (10%) of the respondents live in their traditional house. So we can say that the sheltering pattern of respondents have changes after intervention of the program.

Changes among Respondents

After becoming the members of this programme, the respondent's awareness, decision making power, leadership, and self confidence level are increased from the past women status.

Table 5.7: Empowerment Changes among Respondents:

Sl/No	Indicator of Change	Number of Respondents	Percentage
1	Increase in right to decision making	8	16%
2	Increase in leadership capacity	10	20%
3	Increase self-confidence	19	38%
4	Increase in right to spent	8	16%
5	Increase in participation in community activities	4	8%
6	Other changes	0	0%
7	No Change	1	2%
	Total	50	100%

Sources: Field survey 2016

Fig. 5 (b) Empowerment changes of respondents

Survey shows that after joining micro-finance program 19 (38%) of the respondents has gained self confidence, they can able to face any problem by themselves, they became more confident. 8 (16%) of respondent have increase in right to decision making. 10 (20%) increase in

leadership capacity. 8 (16%) of respondent have right to spent money and at last 4 (8%) of the respondent have increase in participation in community activities. Only 1(2%) of my respondent is not able to change her life after joining the micro finance program.

5.5 Changes in the Status and the Prestige of Respondents

Status means rank, social position, relation to other relatives, importance and prestige means respect, reputation, or influence derived from achievements power association etc.

Table 5.8: Changes in the Status and the Prestige of Respondents

Sl/No	Any Change	Number of Respondents	Percentage
1	Yes	47	94%
2	No	3	6%
	Total	50	100%

Sources: Field survey 2016

The table shows that 47 (94%) of the respondents are able to change their status and prestige. On the other hand, it also shows that 3 (6%) of the respondents are not able to gain any change in their status and prestige.

Table 5.9: Change in the Economic condition of Respondents:

Sl/No	Any Change	Number of Respondents	Percentage
1	Yes	49	98%
2	No	0	0%
3	Do Not Know	1	2%
	Total	50	100%

Source: Field survey, 2016

The reports show that 49 (98%) of the respondents were able to change their economic condition. Now after joining the micro finance program and participating in trainings provided by them they are able to improve their economics conditions.

As a result of increased economic standard, the amount of annual expenditure on consumption (include food items and non-food items) has increased dramatically. More than 90 percent households reported their increased annual expenditure on consumption. But caste/ethnicity has its influence on the expenditure on consumption also. Dalits preferred increasing expenditure on household daily consumption while Brahmin/Chhetri/Thakuri and Janajati increased expenditures on health and sanitation (as they are more conscious in health matters), and housing respectively. Dalits gave importance to basic need while other two cast/ethnicities gave importance to relatively luxurious items and/or invested for future.

Before joining the credit programme, 82 percent of the poor household particularly low caste groups were engaged in agricultural labour. But after the programme intervention, the disadvantaged groups are likely to engage in business trade and livestock or in non-farm activities. The performances of income generating activities, increased loan sizes in every next loan cycle, increased number of times borrowed, and changed pattern of expenditure on consumption and other social indicators proved that there is significant increase in income level. Clients, who are landless or poor with resources, are engaged in non-farm activities financed by microloan and are earning some additional income. Moreover, the overall average loan size varies by number of times the client borrows. The more a client goes on borrowing, given that the previous loans are paid or there is no loan pending, the size of loan increases significantly, indicating positive impact on income.

CHAPTER- SIX

SUMMARY AND CONCLUSION

6.1 Summary

For our underdeveloped country like Nepal, the rightful way of mobilizing resources can bring quick development and the micro finance program plays a vital role in bringing this positive change.

We have earlier mentioned that micro finance is a mechanism targeted to the poor, to support by providing resources in the form of credit and aims to make them aware on various social and economic aspects. Experiments have provided that micro credit program for people is useful in empowering people status and in reduce their poverty.

As group saving is a pre- requisite of availability the loan money, saving group is an important part of the program. Beside the income generating project group members are talking credit from within the group at the time of energy

So group saving has become their good source of money otherwise they would have to go to the money lender and it is accumulated the resource for future use. They all felt that it has cumulated a good habit of saving whether the sources of saving is project income of any other sources.

The study of the saving groups showed that the micro finance/ credit program is increasing the income of the participating families. The program contributed in developing the confidence of people and increase interest in community activity of people.

Loans from formal institutions to the disenfranchised and those without any financial security were always taken as an impossible idea. In light of this thinking, a new approach known as microcredit programme was developed thirty years ago. The term “microcredit,” which used to refer only to credit-focused programmes, has now gradually transformed to “microfinance,” a broader concept dealing with credit, savings, and insurance. And these services are provided by the formal microfinance institutions (MFIs) governed by certain acts and rules.

Widespread context of rural poverty in the country especial target for women, emergence of large numbers of MFIs, and the increased volume of loan investment in economic fields are rationale of the study. Since the late seventies or after the Sixth Five Year Plan, (80/81), the poverty alleviation approach was integrated into the country's mainstream financial system, recognizing microfinance as an official poverty alleviation programme. The sector gained further momentum after restoration of democracy in 1991 with the establishment of Grameen Bikas Banks (GBBs) in the five development regions. Since that period, other different forms of MFIs have been work on women empowerment by focusing economics participation.

Focus on women's empowerment in the study is justified on the ground that the greater proportion of credit disbursed by various programmes is being offered to women. And women can be empowered only when they are benefited both with quantitative as well as qualitative change in their living standard along with improvement in the gender equity aspects like benefit sharing between female and male members of the household. Furthermore, mass poverty and its impact on valuable resources (mainly forest) on the one hand and the absence of sustainable policy implementation on the other are other major concerns of the study. While addressing this important issue, the study has shown the link between microfinance and forest resource management.

Though income is one indicator of socio-economic impact, it is much problematic to measure the income from small borrowers' enterprises. Therefore, researcher has tried to assess the result using beneficiaries' expenditure pattern on food, clothing, health care, children's education, and their control over credit and income generating activities as important indicators. Women's influences on important household decisions like family planning, marriage of their daughters, family cooperation, self-confidence, and savings mobilisation are used as empowering tools. The increased benefits (change) in these aspects can fulfill the individual needs of the women reflecting their ability to benefit from programme participation. Change in household energy types and future plan by the programme participants and non-participants are other indicators used to assess indirect impact on forest resource management/conservation.

The programme participants included 50 clients of GBB of ages 25 to 45, all of whom were economically participate in the credit programme at least from five years. By using sample and comparative indicators, the result derived from the study show that average size of

landholding among the credit groups increased by 20 percent in all groups. From the food sufficiency perspective, the programme intervention brought drastic change in household nourishment level. Findings in response to social impacts indicate that more than 50 percent of respondents reported an increased expenditure on housing, health care, and education irrespective. In the case of the schooling of the children, 86% respondents sent their children to schools after intervention of MFIs. They were found to have access to more years of schooling for both female and male children equitably. However, caste/ethnicity has hindered the equitable increase in the access to livelihood assets.

The results derived from the study suggest that microfinance has improved family's well-being by increasing household's food sufficiency level, asset accumulation, and children's education. It has been credited with empowering women by increasing their self-confidence and decision-making power with influenced family status, family cooperation, household spending, and by increasing their social capital by joining some type of community-based or non-government organisations. Moreover, the access to credit not only gave woman opportunity to contribute to the family business but she could also deploy it to assist the husband's business that increases her prestige and influence within the household. But it must not be thought that all loans are used for entrepreneurial activities.

6.2 Conclusion

A country like Nepal whose economy is based on agriculture and the majority of women are involved in this sector. Micro-finance program is the best way to uplift women economically as well as socially. And it is one of the best tools of poverty reduction by enhancing resources to the marginalized groups of society. Women and disadvantage groups are deprived of cash as well as decision making processes in many societies. They have different and serious experiences of being poor. Income generation and access to cash resources strengthen women's individual and social capacity to decision making as well as political participation. Although the process of empowerment varies from culture to culture, several types of changes are considered to be relevant in a wide range of cultures. Some of these changes include increased participation in decision making, more equitable status of women in the family and community, increased political power and rights, and increased self-esteem. Although micro-finance institutions are the true evidence of creating empowerment of women.

In, Nepal till 5th five year plan women's development programs were ignored by policies makers. In the 6th five year plan the policies makers decide to formulate policies to generate increased employment opportunities for workers, training in different vocations and necessary facilities relating to capital market provided. In the seventh, eighth, ninth, tenth, eleventh, twelfth and thirteenth plans were continued emphasis on micro finance programmes role in women development.

Micro-finance programs provide fruitful initiatives as it reaches door to door of rural poor and them to save and engage in economic activities especially women, who are confined to in the homes and household chores. Micro-finance is also one of the worthiest ways to expose women in the society. So, they can realize their equal importance in the society. They can understand their ability, their hidden talents and skills.

The information and evidence that are available from different books, articles, documents and many more sources give us a mixed picture, showing successes as well as some limitations on the empowerment of the women and disadvantaged groups. Some where they are successful in gaining empowerment, awareness, enhancing economic security, and are able to change their status. Micro-finance programs can strengthen women's economic autonomy and give them the means to pursue non-traditional activities. In this theoretical concept women member of micro-finance programs perform in the public place should be analyzed. Thus, gender empowerment through micro-finance is interesting research area in terms of women involvement in transaction of cash economy. Monetary activities and business activities are mostly dominated and captured by males. Similarly, caste, marital status and place dominate the involvement in independent decision making over the goods and having access over income resources to empower women.

Increase in self-confidence of people is as important as materialistic achievement through community development during the initial stages of development. Therefore, better reliance on the participation of women in community project makes vital development program. People get involved in the program planning and its execution by them are organized in to farmers organization, youth club or women association. Realizing this fact Government of Nepal has conducted many institutions for micro-finance program

Through this study we can conclude that Micro finance programe gives oppourtinity to the women as per their capability. If women are educated they get opportunity to become the committee members and give responsible for management. And who are illiterate they become only members. In the same way, which has not sufficient property they get low amount of loan and who has huge property they use their property as collator, they get huge amount of loan. The indicators of empowerment education, political participation, social mobilization, economic status, health, self confidence and leadership play the vital role on women empowerment. The whole role of the program is to be associated in multi-dimensional ways, which in this study is not possible due to various constraints of social and economically. Anyway, the impact of program of income generation and living standards is positive though it is not satisfactory.

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**QUESTIONNAIRES FOR WOMEN OF GORUSINGE BUDHABATIKA
MUNICIPALITY**

Date:.....

Questionnaire no.....

PERSONAL INFORMATION

(A.a) Name of the Respondent:.....

A.b Zone..... District:..... Municipality.....

Ward:..... Locality

(A.c) Age-.....

(A.d) Sex : (1) Male (2) Female (3) Third Gender

(A.e) Caste/ Ethnic group:

(1) Brahmin (2) Chhetri (3) Magar

(4) Newar (5) Tamang (6) Gurung (7) Other

(A.f) Education Qualification

(1) Literate (2) Illiterate (3) SLC Pass

(4) 10+ 12 (5) Bachelor level (5) Master level

(A.g) Marital Status:

(1) Married (2) Unmarried

(3) Widow (4) Separated

(A.h) Family head:

(1) Respondent herself (2) Husband (3) Both (4) Other

(A.i) Family size:

(1) 1 to 4 members (2) 5 to 10 member (3) 11+members

(A.j) What is your main Occupation before and after joining MF program

Occupation	Before	After
(1) Agriculture		
(2) Goat farming		
(3) Pig farming		
(4) Poultry farming		
(5) Business		
(6) Daily wages labor		
(7) Government job		
(8) Other Jobs		

B. ECONOMIC STATUS

(B.a) What type of house do you have (own or rented)

- (1) Mud wall with thatched roof
 (2) Stone wall with tin roof (3) Cemented with Garden

(B.b) Toilet Position:-

- (1) No toilet (2) Temporary toilet (3) Permanent toilet

(B.c) Land size:-

- (1) Landless (2) Up to 5 Kattha (3) 6 to 10 Kattha
 (4) 11 to 19 Kattha (5) Above 1 Bigha

B.d) Do you have land in your own name

- Yes No

B.e) Which animals do you domesticate?

- (1) Buffaloes..... (2) Pigs(3) Cows (4) Goats...
 (5) Cocks & Hens (6) Other animals.....

B.f) Is the food that you produce sufficient?

- Yes No

If No,

How many months for the year ?.....

C) SAVING AND CREDIT

C.a) Do you participate in any programme organized by micro credit?

- (1) Mostly participate (2) Occasionally participate (3) None

C.b) Have you taken any loan

- Yes No

If yes,

Name of the institution?.....

When?.....

How much?.....

At what interest rate?.....

C.c) How many times have you taken loans?

- (1) 1 time (2) 2 times (3) more than two times

C.d) In household who spends the loans

- (1) Respondent (2) Husband
(3) Father- in -law (4) Mother -in-law (5) Others

C.e) For what purpose the loan spent?

- (1) Agriculture/husbandry (2) Local level business
(3) Cottage industry (5) Foreign employment
(6) Domestic purpose (7) Others

C.f) Is the loan fully spent in particular purpose or not

Spent Not spent

If not, then where have you used it

- (a) Have in cash (b) Others specify
(c) Have spent on other household need animals

C.g) How is your business performance?

- (1) Highly profitable (2) Profitable
(3) Not profitable (4) Losses

If losses, how did you repay yours loan

- (1) By Selling agricultural product (2) From salary
(3) Profit from other business (4) Others sources

If profitable, then

What is your monthly income before and after intervention in the program?

- (1) Before: Average Rs.....
(2) After: Average Rs.....

C.h) How much is your monthly savings

- (1) up to 500 (2) Rs. 501-1000
(3) Rs. 1001-1500 (4) 1500 above

C.i) After paying the loan, what have you done to the remaining income?

- 1) Spend on Household daily need 2) Spend on education,
3) Health of children and family members

4) Invested in other income generating projects

5) Others specific.....

D) EMPOWERMENT/ CHANGE IN SOCIAL STATUS

D.a) Did you undergoes any training program

Yes No

If yes, Name of the training.....

D.b) Are you satisfied with this micro-finance program?

Yes No

If Yes, How you satisfied from this project/program

- (1) Increased right within family to take decision
- (2) Leadership capacity developed
- (3) Increased self-confidence
- (4) Increased right to spend
- (5) Increased participation in community activities
- (6) Others

D.c) Do you think your poverty has been reduced by joining the programme?

(1) Yes (2) No (3) Do not know

D.d) Has there been any change take places in your Living Standard after joining the Micro finance programme

Yes No

D.e) How many children did you send to school before joining the program after joining.

Before (1) Son..... (2) Daughter.....

After (1) Son..... (2) Daughter.....

D.f) Do you have any suggestions or comments to makes this programmed more effective?