

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Microfinance, also called microcredit, is a type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. That is to say, for the entrepreneurs who run small business, for the women and other low income people who are deprived of economic activities, microfinance becomes the easy source of financial services. For these people, commercial banks are not easily accessible since they require some mortgage which these people usually do not have. So, the microfinance become the alternative financial source for these sorts of people. Moreover, the goal of microfinance is to give low income people an opportunity to become self-sufficient by providing a means of saving money, borrowing money and insurance.

The main aim of microfinance is to empower women. Women make up a large proportion of microfinance beneficiaries. Traditionally, women (especially those in underdeveloped countries) have been unable to readily participate in economic activity. Microfinance provides women with the financial backing they need to start business ventures and actively participate in the economy. It gives them confidence, improves their status and makes them more active in decision-making, thus encouraging gender equality.

Most of the microcredit institutions and agencies all over the world focuses on women in developing countries. Observations and experience shows that women are a small credit risk, repaying their loans and tend more often to benefit the whole family. In another aspect it is also viewed as a method giving the women more status in a socioeconomic way and changing the current conservative relationship between gender and class when women are able to provide income to the household. There are many reasons why women have become the primary target of microfinance services.

A recent World Bank report (Women, Business and the Law, 2018) confirms that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard for all

people. At a macro level, it is because 70 percent of the world's poor are women. Women have a higher unemployment rate than men in virtually every country and make up the majority of the informal sector of most economies. They constitute the bulk of those who need microfinance services. Giving women access to microcredit loans therefore generates a multiplier effect that increases the impact of a microfinance institution's activities, benefiting multiple generations.

Nepal is among the world's 50 least developed countries (LDC's), sluggish economic growth, underdeveloped production with limited commodities to export, unbridled production growth, high concentration of labor force in agriculture etc. are some of the specific characteristics that indicates Nepal's underdeveloped economic structure. (Guire & Conroy, 2000)

Microfinance is one of the appropriate mechanisms to identify the poor and disadvantaged community and to address poverty by providing income, employment and capacity building opportunity to the poor, disabled, dalits, marginalized group and destitute including women and their socio-economic empowerment with the support of social mobilization. (Shrestha, 2007)

Empowerment is multidimensional as it covers financial independence, social awareness, psychological confidence and political consciousness of an individual. These elements can be categorized as economic empowerment, social empowerment, psychological empowerment and political empowerment.

Many developing countries in the world have unemployment, poverty and low economic growth. Therefore, people of these countries cannot improve their economic condition because the poor people of these countries have no access to proper financial services. Thus, in developing countries microfinance program is used worldwide to eradicate poverty, improving women's economic status and whole economic growth.

Social empowerment means a more equitable social status for women in society because the primary responsibility of any human society is to ensure human dignity to all members. It is often argued that facilitating women's access to money is not an effective means for achieving women's empowerment unless it is linked to other

kinds of activities like training on awareness of the impact of women's subordination, concept of self-esteem and on the meaning and benefits of empowering women.

Political empowerment is a process that enables women to increase their mobility and break their isolation, to develop their self-confidence and self-image and to establish their public presence whereby they participate in decision making in an expanding frame work of awareness and critical analysis to control and influence the direction of development. Political equality includes not only equal right to franchise but also more importantly, the right to access to the institutionalized centers of power.

Micro Finance for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years, there is questioning of whether microcredit is most effective approach to economic empowerment of poorest and, among them, women in particular. Development practitioners in developing countries often argue that the exaggerated focus on micro finance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor.

1.2 Statement of the Problem and Research Question

In the past, women were restricted to take part in any social and activities and not given roles in decision making in family. The situation was even worse in rural and remote areas. Now the situation has been changed. Women have given freedom to do what they wish. In today's scenario more women are engaged in income generating activities. This is because of NGO and other financial institutions that came forward to provide microfinance to poor women. They believe that a woman is the small credit risk and often benefits the whole family. The main aim of microfinance is to empower women. This induced the researcher to focus more on the empowerment of rural women who participates in the microfinance.

The women of Madhyabindu Municipality are involved in agriculture activities and serve as homemakers at home. The women have greater household responsibilities than man but the income source of women depends on their husbands' income.

Therefore, this study has some research questions to explore some specific findings regarding impact of microfinance program at study area.

Research Questions

1. What is the economic status of women after involving in microfinance program in the study area?
2. Does the program contribute significant improvement in the role of women in economic decision-making?
3. What is the impact of microfinance program in terms of education level, skill acquisition in the study area?

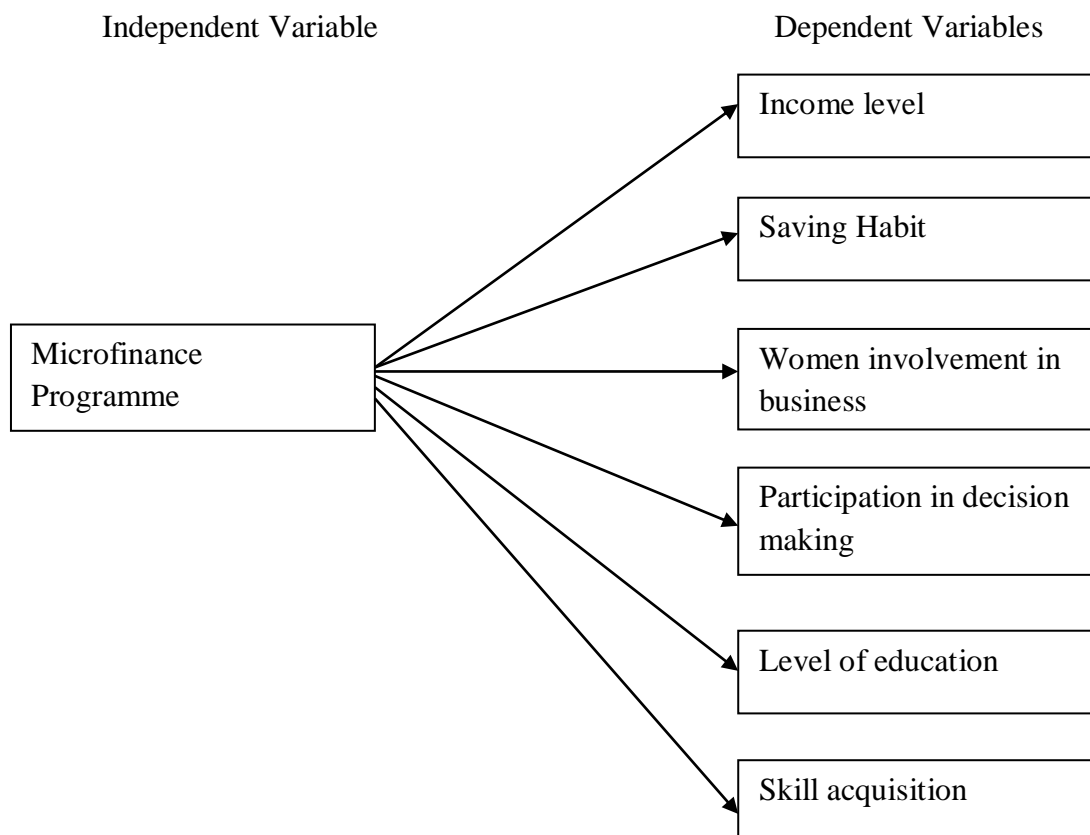
1.3 Objectives of the Study

Microfinance is an emerging concept of Nepal. The value of microfinance in Nepal is increasing day by day. The main objective of the study is to make inquiry into the micro finance program of Madhyabindu Municipality. The objectives of the study are as follows:

1. To examine the improvement of economic status of women in Madhyabindu municipality after participation in the microfinance programs of Mahila Bachat Thaha Rin Sahakari Sanstha (MBTRSS).
2. To find out the decision making status of women after participating in microfinance programs of MBTRSS.
3. To analyze the impact of microfinance program in terms of education level and skill acquisition before and after participating in microfinance program of MBTRSS.

1.4 Conceptual Framework

The theoretical framework helps to improve the living standards of women. The MFI also improve the women income, households, self-esteem and efficiency.



Women involvement in business:

Women involvement in small scale business is considered as the positive effort to enhance the family income as well as the economic development of the country. Women participation could expand their ability to make decisions in the family and would play an important role in the empowerment of women.

Participation in decision making:

Women have a right to equal participation once in leadership roles, they can make a differences that benefits to whole societies. In Nepal, as in most parts of south Asia, women commonly have less power and autonomy than men in making decisions about their own healthcare.

Saving habit:

Saving money is not natural habit. Saving money is one those things that is “easier said than done.” It is easy to say that you will save money every month but the end of the month comes around and there’s no money left to save. This is a common problem. That is why it is important to develop a habit when it comes to saving money.

Skills acquisition:

Skill acquisition can be define as the form of training by individuals or group of individuals that can be lead to acquisitions of knowledge for self-confidence. Youth empowerment as an act of skill development therefore signifies different creative measures of developing basic ideas through training in skills that are relevant to social and economic survival of nation.

Income level:

Income is the consumption and savings opportunity gained by an entity within a specified timeframe, which is generally expressed in monetary terms. However, for households and individuals, income level is the sum of all the wages, salaries, profit, interest payments, rents and other forms of earnings received in a given period of time.

Level of education:

Education is a process of facilitating learning, or the acquisition of knowledge, skills, value, beliefs and habits. Six categories are used for the level of education in vital statistics basic level, upper secondary level, lowest level, lowest degree level, higher degree level, and doctorate level.

1.5 Significance of the study

Micro finance is an emerging as a powerful instrument for poverty alleviation in a new economy. Microfinance for the poor people and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years , there is questioning of whether micro credit is most

effective approach to economic empowerment of poorest and, among them, women in particular. Development practitioners in developing countries often argue that the exaggerated focus on micro finance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor.

Micro-finance makes people literate by providing different trainings and conducting different programs. This study is important in Nepal because the government has initiated micro-credit through the government agencies and organized group of women who are providing commercial credit. Micro finance is now a proven strategy for the economic empowerment of women and small farmers.

This study is significant because for the first time, the government is promoting different development Banks and NGOs with the apex, organization like Rural Microfinance Development Center Ltd (RMDC) and co-operative institutions for promoting micro-finance program. This research tries to signify micro-finance in Nepal and how it helps to reduce poverty of country with the help of case study of micro finance program of Madhyabindu Municipality.

The following points will justify the significance of the study.

1. How are women collecting and mobilizing rural saving through micro-financing activity?
2. How do women improve their economic condition after participating micro finance programs?

1.6 Limitation of the Study

- 1) This study mainly focus on microfinance programs run by Mahila Bachat Tatha Rin Sahakari Sastha Ltd (MBTRSS). Which is based on primary data.
- 2) The study is based on women members. Women who have affiliated the institution 2 years back are selected.
- 3) This study mainly used socio-economic variables, level of education, participation of decision making, income level, and saving habits.
- 4) Data are collected from field survey, interview observation.

1.7 Organization of the Study

This study has been divided into five chapters.

Chapter I: Introduction

It consists of general background about microfinance and women empowerment, statement of the problems, objective of the study, limitation of the study and chapter plan of the study.

Chapter II: Review of Literature

It consists with the review of available relevant studies. It includes the conceptual review of the related books, journals, articles and the published and unpublished research works as well as thesis.

Chapter III: Research Methodology

It deals with research methodology; which includes general information about MFI MBTRSS, study area, research design, nature and sources of data, sample size, data collection technique and tools, data analysis and presentation.

Chapter IV: Presentation and Analysis of Data

This chapter is the major part of the whole study in which all collected relevant data are analyzed and interpreted by the help of different financial and statistical tools. In this chapter we explained the major findings of the study.

Chapter V: Conclusions

This chapter includes the summary, conclusion and the implication of the study. The findings are included in this chapter along with the suggestions and their implications. An Appendix, Reference section are enclosed at the end of the study.

CHAPTER- II

LITERATURE REVIEW

Generally this chapter deals with the literature related to the topic, deepest knowledge and understanding about the subject of fieldwork, reviewing literature, etc. Review of the literature helps to learn how others have defined and measured key concepts, identify data sources that other researchers have used, identify potential relationships between concepts. The purpose of literature review is to find out what research studies have been conducted in the chosen field of study.

2.1 Conceptual Review

2.1.1 Concept of Microfinance

According to the World Bank the term “microfinance refers to the provision of financial services to low income clients, including the self-employed. Financial, generally include savings and credit; however, some microfinance organizations also provide insurance and payment services. In addition to financial intermediation, many MFIs 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 MF often includes both financial intermediation and social intermediation. MF is not simply banking; it is a development tool. The several impact studies done in microfinance program show that the program can bring a lot of positive changes in the lives of the poor. However, the fundamental challenge of microfinance is to reach ever-increasing number of poor people through sustainable financial institutions. Ensuring that people, especially those who are very poor, so receive access to financial services is often difficult. Many MFIs have therefore resorted to targeting to ensure that the poor and the poorest of the poor are indeed served (World Bank, 1997).

Professor Muhammad Yunus is considered as a leader and innovator in the modern microfinance world. Yunus first tried to connect the poor people with the bank located in the campus .It did not work. The bank said that the poor are not credit worthy .Then he offered to become a guarantor for the loans to the poor. He was stunned by the result. The poor paid back their loans every single time. But he kept confronting difficulties in expanding the program through the existing banks. Several years later,

he decided to create a separate bank for the poor to give loans without collateral. In 1983 Grameen bank was started. It now works all over Bangladesh, giving loans to 2.5 million poor people 95 percent of whom are women. In cumulative way, the bank has given a total loan 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 1995, and 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 percent 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 percent, 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 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.

The biggest problem for expanding the outreach is not the lack of capacity, but strangely, the lack of availability of donor money to help microfinance program get through initial years until they reach the break-even level. Beyond that level, these programs can expand their outreach with loans from the market or from deposits. In most countries microfinance program are not allowed to take deposits by the regulatory bodies. If microfinance program could open the doors for taking public deposits, expansion of outreach could be very rapid because this would free them from dependence on donor money. It is a very strange phenomenon in many countries to see that conventional banks with repayment rate of below 70 percent are allowed to take huge amounts of public deposits year after year, but microfinance institutions with record of over 98 percent recovery are not allowed to take public deposits.

The most important step to end poverty is to create employment and income opportunity for the poor. But orthodox economics recognized only wage-employment.

It has no room for self-employment is the quickest and easiest way to create employment for the poor. Credit can be self-employed instantaneously. Can we really reduce extreme poverty by half by 2015; the millennium development goal? The answer is probably yes, if microfinance can really contribute for socioeconomic uplift as stipulated. Each human being is too resourceful and intelligent. Poverty and the human species just do not go together. But in reality, it has happened because we created wrong mindset, which does not allow poor people to know their own potential. All we have to do is to remove the heavy crust that keeps their full potential is an agenda we must take up seriously, to make sure pure efforts to reach 2015 goal become a thumping success (Yunus, 2003).

2.1.2 History of Microfinance

Microfinance arose in 1980 as a response to doubts and research findings about state delivery of subsidized credit to poor farmers. In 1970s government agencies were the predominant methods of providing productive credit to those with no previous access to credit facilities- people who have been forced to pay usurious interest rates or were subject to rent-seeking behavior. Government and international donors assumed that the poor required cheap credit and saw this as a way of promoting agricultural production by small landholders. In addition to providing subsidized agriculture credit, donors set up credit unions inspired by Rafflesian model developed in Germany 1864. The focus of these cooperatives was mostly on saving mobilization in rural areas in an attempt to "teach poor farmers how to save".

Beginning in 1980s, subsidized, targeted credit model supported by many donors was the object of steady criticism, because most programs accumulated large loan losses and required frequent recapitalization to continue operating. It became more and more evident that market –based solutions were required. This led to a new approach that considered micro finance as an integral part of the overall financial system. Emphasis shifted from the rapid disbursement of subsidized loan to target populations toward the building up local, sustainable institutions to serve poor (Adams, Graham, et. All, 1984).

At the same time, local NGOs began to look for more long term approach than the unsustainable income generation approach to community development. In Asia Dr.

Mohammed Yunus (Nobel Award Winner) Bangladesh led the program with pilot group lending scheme for landless people. This latter became the Grameen Bank, which now serves more than 2.4 million clients (94 percent of them are women), and has become a model for many countries. In Latin America, ACCION International supported the development of solidarity group (Scheider, 1997).

2.1.3 Overview of Micro Finance Program

In simplest term, micro-finance is defined as the financial services provided to the deprived group of the people and small entrepreneur to help them in developing self-employment opportunities and income generating activities. Small size loan, compulsory saving, small scale entrepreneur, diversified utilization and simple flexible terms and conditions are the determining characteristics of its definition (Robinson, 2001).

In the book *Microfinance Handbook "Sustainable Banking with the poor"* Joanna Leader Wood defines microfinance as the provision of the financial services to low-income clients including saving and credit. Some microfinance organizations also provide insurance and payment services. The concept micro finance institutions (MFI's) is used as a common concept of all the institutions providing financial services to the low-income people such as credit union, non-government organizations (NGOs) and commercial banks.

In addition to financial intermediation, many MFI provide social intermediary services such as group information, development of self-confidence, and training in financial literacy and management capabilities among member of a group (Ledgerwood, & Juanna, 1998).

The definition of microfinance often includes both financial intermediation and social intermediation. Thus microfinance is not simply banking. "It is a development tool focused towards the socio-economic uplift of the poor.

2.1.4 Importance of Microfinance for Women

Microfinance is a part of development finance rural or urban targeted toward specific groups of people male or female falling in the lower bracket of society. Microfinance is a program which provides opportunities to those who are usually considered non-bankable due to poverty, lack of sufficient property for the collateral purpose and do not have capacity to save small amount of money, receive loan at their doorsteps without collateral in a very simple way which can be seed to build their economic foundation and empowerment.

The most important features of microfinance are that many micro credit institutions and agencies worldwide have targeted poor women for their program because poverty is seen in family and in the children of that family. The living standard of children, their food, clothing, education, health etc clearly depict the status of their family. Everywhere in the world women has the responsibility of caring the children and managing the house, if women get money they spend for the food, clothing's, health and education of their children and family members. This is the reason that worldwide an estimated 75 percent of microfinance clients are women. Everywhere in the world the experience have shown that women repay loan better than men and observed that loans to women tend to more often benefit the whole family than loans to men do. Giving women the control and the responsibility of small loans raises their socio-economic status. Microfinance is a powerful instrument for self-economic agent of change. Prof. Muhammad Yunus, founder of Grameen Bank in Bangladesh says for women to be granted the loans has a definite effect on the family. There is no need to do more research on that today. Children benefit automatically with better clothes and food. We can see the situation changing, men often spend the money on themselves; women spend it on the family. Therefore the microfinance is important for the socio economic development of poor and rural people through the women empowerment. Women should be encouraged to participate in such programs and they should be empowered.

2.1.5 Women's Socio-Economic Condition through Microfinance

According to Muhammad Yunus, founder of the Grameen Bank, 'women have plans for themselves, for their children, for their home, the meals. They have a vision. A man wants to enjoy himself. The women's world banking program has found that men will only invest about 40-50 percent of their earnings into their family, while women will invest about 92 percent of their earnings into their families (NSCDP 1998). Studies conducted in the field to evaluate women's empowerment as a result of access to credit have looked at a variety of measures. The study of Bangladesh chose to examine the indicators of empowerment as geographical mobility, economic security, ability to make small or large purchases, involvement in major decisions, and relative freedom from family domination, political and legal awareness and participation in public protests and political campaigning (Hashemi et al., 1996).

A study based in Nepal chose to examine leadership development, confidence, increase in individual expenditure, and change in attitude, participation in community activities and increase in savings amongst women (NSCDP, 1998).

Many supporters from women's organizations worldwide have changed micro credit or microfinance organizations with the responsibility of affecting change at the grassroots level. Since women represent a majority of the poorest of the poor, such programs have already targeted them. Economic empowerment has been shown to occur in most microfinance program as the most natural result of microfinance.

The Grameen Bank and other microfinance organizations specially targeted their loans to female clients. Economic empowerment has been measured in terms of women having control over the loans, profits and savings, flexibility or autonomy on decision making in financial matters particularly the expenditure and assets creation, family assistance in enterprise, taking products to market and doing most of the accounting themselves.

The National savings and credit development project in Nepal noted that 86 percent of the women polled in their study had control over their loan expenditures, and 67 percent of female respondents had control over the savings generated from their enterprises (NSCDP, 1998). The study based in Bangladesh found that women participating in micro finance programs had higher degrees of economic

empowerment than the control group of women with no loans (Hashemi et al., 1996). Many programs claim that there are other social benefits resulting from their income generating activities. Perhaps the most significant of these has been the opportunity for women to meet regularly, build solidarity, share ideas, interface with the local officials and development personnel, and understand clearly about their country's political and power systems.

Important psychological benefits have been observed in that women participating in these programs tend to develop an improved sense of self-esteem. In some cases, women leaders have engaged and developed their skills and knowledge.

The Grameen Bank, as a pioneer of microfinance programs in South Asia, is also known for being catalyst for social change in Bangladesh. It has added features to its simple group lending model that have led to change in the social and political lives of women. According to Aminur Rahman, the "Public transcript" of the Grameen Bank is to:

- Increase women's earning capabilities to bring faster changes in household social economic conditions.
- Organize women in groups to raise their collective consciousness for social empowerment.

Certain components of the Grameen bank programs have served to help it work toward these goals. The "Sixteen Decisions" of Grameen Bank have tried to expose women to ideas about nutrition and childcare. In addition, the Grameen Bank encourages women who have been repeat borrowers, to take out loans for their homes. One caveat to this program is that women must put the property title in their own names and not their husbands. Over 400,000 men have agreed to allow their wives hold their title to their home because housing is so scarce in Bangladesh. This enables women to have more control over her life and can increase her status in her husband's eyes (UNIFEM, 2008).

The Nepali study found that over half of the women participants felt that their families treated them with more respect than before they had joined the program. An additional 40 percent felt that they were respected as equals to their husbands by their families (Sharma & Upreti, 2003). Therefore, all of these targeted programs focus on

poverty prevailing among the rural people of Nepal. Credit is believed to remove financial constraints as well as bringing economic power, engaging women in productive work and earn an income, not only to level household consumption, but also for generating savings and future investment.

2.1.6 Critical Review of Women Empowerment through Microfinance

The strategy of loan to women as a tool of empowerment is quite debatable. Access to and control over resources, participation in the households level decisions making process (Kabeer, 2001) and fulfillment of other gender needs are considered as the empowerment of women through the access to microfinance. Kabeer (2001) explicitly says, 'the entire family is much more likely to benefit personally and socially, when loans are directed at women rather than men'. Sample MFI also claim in the same line, once the women have their own income (access to and control over resources); it is most likely to help their children for the improvement of nutrition, education and health. In addition, the women in the groups have increased awareness, developed self-confidence, become aware of their rights and have high participation in decision-making process.

“Women’s empowerment through MF” explain that the majority of women in Nepal are involved in self-employment activities as a means of generating income and supporting their families. While the critics say, it is merely a strategy to assure higher repayment rather than empowerment. Moreover, Ahmed et al., (2001) have concluded based on their study on Bangladesh Rural Advancement Committee's (BRAC) clients that involvement of women in the microfinance and income generating activities has created emotional distress, anxiety and tension. Symptoms of depression are also reported in some cases. Kabeer (2001) also pointed the intensification of tension within the household because of delay in repayment. On the impact of micro credit project for women found that the most of the respondent have used their loans to start their own enterprises and have as a result become more confident, mobile and enterprising. Their social status has perceptively increased within the family and society. Their increased involvements in group and community activities are to a large extent supported by the men and other members of control over their assets and incomes. The women believe that the effect of this on their attitude, decision making

power, participation in community activities and leadership capabilities has been substantial.

2.1.7 Dimensions of Empowerment

Empowerment has three fundamental dimensions Economic, Socio-cultural Political.

a. Economic empowerment

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

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

b. Socio-cultural empowerment

Socio- cultural empowerment is the process through which people and groups become aware of the societal and cultural forces at work in their lives and learn how to influence their dynamics particularly those of deep rooted social inequality and exclusion.

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

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

c. Political empowerment

Democracy and freedom are the two main pillars of political empowerment. Basic political and liberal rights strengthen human capabilities and facilitate people's abilities to define their needs constructively. Democracy enables citizens to draw attention to their needs and to demand appropriate public action. It means to be aware about their rights and freely can raise voice for meaningful participation in decision making process. It involves enlarging the capabilities associated with democratic self-governance. It ensures not only respect for the fundamental dignity of the human person and the basic rights set out by international norms, but equitable representation in decision making process and institution especially those that can demand accountability from public servants and the private sector bodies entrusted with public resources. It includes freedom to participate in political dialogue, to dissent from majority or accepted views, and to mobilize for change. Political empowerment also comprises legal empowerment, generally understood as the process of acquiring the knowledge essential to protect one's rights and to assert them under the law.

These three dimensions are closely interlinked each other. Improvement in one dimension of empowerment can play a catalytic role in bringing change in the other two. Sustainable empowerment is defined as a situation where people are empowered socially, economically and politically.

2.1.8 Microfinance Model Used in Nepal

Different types of microfinance models used in Nepal are as follows:

a) Saving and Credit Cooperatives Model

As of mid-April 2006, around 8,045 co-operatives have been registered with the Department of Co-operatives of which 2,692 are savings and credit co-operatives (SACCOs) and 447 or 5.55 percent of them are women SACCOs. Such SACCOs provide micro finance services to their members for running income generating activities. Out of 2,692 SACCOs only 19 savings and co-operative have received licenses from NRB for limited banking transaction. A separate legal framework called co-operative Act- 1998 governs co-operative societies.

SACCOs is an effective means for small scale lending through internally generated funds and tool of promoting self-help development practices among its members. It has make rural life easier. SACCOS provide services which are; i) saving and credit services, ii) education and training, iii) community development services.

b) The Grameen Bank Model

The Grameen model is popular in the microfinance world because of its specific characteristic i.e. targeted to serve the poor, services available through doorstep service, loans are collateral free, there is a good payment rate, lending focused on women, finance are managed by banking professional and the strong impact on marginalized groups. Grameen which comes from the word village provides credit to poor women to acquire assets for self-empowerment. Prof. Muhammad Yunus propounded this model as a simple act of trust in lending with collateral with minimal conditions. The very poor clients often do not have the capacity to manage fund and to repay the loan resulting negative impact but these days, most of the Grameen type institutions have changed the weekly meeting arrangements into fortnightly transactions. Grameen Bank Model is a unique model implemented separately by both the government and the local NGOs in Nepal. These banks have been replicating the Grameen Banking Model of Bangladesh which is an innovative outreach model. Nirdhan, Swabalamban Bikas Bank (SBB), Chhemeki Bikas Bank and Deprose Development Bank are the NGO-promoted microfinance development banks.

Transformation of NGOs into development banks is the recent development in the Nepalese microfinance sector as in other developing countries. These banks cater the credit needs of the poor women in rural areas. The poor women had limited access to institutional credit services at their doorstep. Under this banking system a rural woman with less than 0.6 hectare of land in the hills can participate in a group, which is comprised of five women. These banks /NGOs work to improve access of women to formal credit for income generating activities as a means to reduce their level of poverty.

c) Small Farmers Cooperative Ltd. (SFCL) Model

The agriculture development bank (ADB) of Nepal in 1975 introduced the small farmer development project (SFDP), a poverty alleviation initiative where small farmer groups were formed and credit channeled through them to promote economic and social development self-help activities at the grass roots level. ADB\N has also set up Sana Kisan Bikas Bank (SKBB) in 2002 to meet wholesale credit requirement of SFCLs for on lending to small farmers. There are 428 SFCLs plus on NGO working as MFIs, which avail loan funds from Sana Kisan Bikas Bank Limited (SKBBL).

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

In Nepal, there are several forms of informal self-help groups such as ‘Dhukuti’, mothers group and many other groups with specific objectives. These types of SGH needs not be pro poor focused. Mostly lower middle and middle class people are involved in this type SHGs.

Another most popular informal self-help group is “Aama Samuha”. Mothers group is mainly formed and activated by the local women with one or more objectives that could be related to income generation aspect and/ or removing social evils and bring about positive changes in the society.

Many rural development projects also do have microfinance component where the project authorities encourage local people for forming self-help groups to carry out project activities. Some examples include participatory district development project (PDDP). These projects encourage formation of informal or formal group and

development of linkage with other services providing institution. They also mobilize saving and conduct credit activities among their member. Some of them registered as SCO with the department of cooperatives and some are operating in informal manner.

e) FINGO/INGO Model

i. Financial Intermediary NGO (FINGO)

Two types of NGOs are operating-some are social intermediary NGOs known as SFINGOs, which do not perform any micro financing activities, and deal only with social intermediary task for micro entrepreneurs in rural areas. These are known as community based organizations (CBOs). Other financial intermediaries NGOs (FINGOs) registered by the District Administrative Office under the Society Registration Act 1978, and licensed from NRB under Financial Intermediary Act, are included in the formal MFIs in the Nepalese Microfinance sector. The number of such NGOs has reached to 44(NRB, 2004c).Actually, the FINGO cannot be identified as a Microfinance model in the same sense as cooperatives or GBBs can be identified. The FINGO is unique for Nepal; and it serves as an option for NGOs involved in microfinance activities to become formal financial institutions out of more than 25,000 NGOs registered in the country. Most of the authorized (sometimes non-authorized also) NGOs, FINGOs, and SCCs are working as a linkage programmed between commercial banks and individual clients. Many FINGOs and Financial Cooperatives (FINCOPs) are working as financial intermediaries in various NRB/government/donors-funded projects.

ii. International Non-government Organizations (INGO)

International non-government organizations (INGOs) are actively supporting local NGOs and cooperatives to provide microfinance (MF) in Nepal. Some INGOs operate their own program with other services deliveries such as literacy, training, health, and education in collaboration with local and professional NGOs. Mostly, INGOs in Nepal are providing technical assistance including program development, group formation, staff and clients training, and financial management .Sometimes they provide revolving funds in the form of social and consumption loans to meet the immediate needs of the clients, and provide grants to NGOs covering operating costs and other expenses

2.2 Empirical Review

2.2.1 Review of Journal Articles

Sharma (2003) 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. The article attempts to analyze the extent of the access provided, and the generation of employment opportunities, by the formal and semi-formal microfinance institutions programs in addition to identifying the problems faced in attaining financial sustainability by them. In view of the increasing need for microfinance services in terms of both the amount and coverage, NRB needs to enhance its capabilities to regulate, supervise and monitor large number of MFIs and also come up with innovative and suitable credit policies/regulations that would create an enabling environment for MFIs to grow and attain sound financial health. Some of the desired roles for HMG are demonstrating firm commitment towards poverty alleviation through action, stopping direct involvement in running and managing MFIs, stopping owning MFIs, and handing over presently owned shares of such institutions to the private sector through appropriate and transparent mechanism.

Bhatta (2005) with the recent introduction of the Grameen Bank methodology in microcredit programs, it is hoped that rural development will finally impact poverty alleviation in Nepal. However, extreme poverty and hostile topography, and hence lack of markets, make it very difficult for any microcredit program to have much impact. It is argued here that the government should continue to place heavy emphasis on two key issues in any future program: expansion into the hills and mountain regions and specifically targeting poor women. Without these two elements, no microcredit program is going to have much impact on poverty reduction.

Malik and Muhammad (2005) presented that approximately 60 percent of clients of microfinance institutions throughout the world are women. Three arguments are used to prioritize women access to microfinance services. First, is poverty second is increased efficiency and sustainability and third one is equality in empowerment. Empowerment is a process of change by which individual or groups gain power and ability to take control over their lives. It involves increased well-being, access to

resources, self-confidence, self-esteem and respect, participation in decision-making and bargaining power and increased control over benefits and their own life. Microfinance program tends to focus on promoting changes at individual level. However, the scope of empowerment for individual women is usually limited by inequalities and discrimination. The authors concluded that microcredit schemes do not facilitate in empowering poor women and eradicate poverty. The impact on women were enhancement in women's ability to influence family affairs, decision-making, increased self-confidence, improve their status, increased gender relations at home and reduction in domestic violence.

Majorana (2007) assessed the impact of rural microfinance project based on observation and analysis of MFIs working in Kathmandu, Dhanusa, Sunsari and Morang districts. Author found that the microfinance program aimed at women empowerment has contributed to indifferent ways. They treated their saving as a means of building up an assets base and gaining a certain independency from their husband. The programs have increased women's self-confidence and their influence in household decision-making process has increased. From this analysis of the study concluded that the microfinance services have reached the poor and poorest families. The women clients have improve their confidence, leadership, decision-making power and entrepreneurial skills after participating in the microfinance program.

Bashyal (2008) explained about the microcredit based on primary information found that though microcredit has positive and reproductive work. The study has depicted that clients of husbands seems very positive in sharing workload that their wives were doing before. Women's control loans and benefits however remains compromised. The program has access to more year of schooling for both male and female children equitability no discrimination was found between son and daughter in sending school. More interesting decision-making role among the credit groups regarding the family planning and message of their daughter found increased. Field observation also showed that the clients are more accessed to general health care service from the hospital. From the overall impact evaluation, it can be concluded that microfinance can achieve the first three out of eight goal of millennium development purposed by the millennium summit 2000.

RMDC (2008) studied about the impact of microfinance program on socioeconomic status of ultimate beneficiaries by using primary and secondary information in Kathmandu district. The study revealed that the impact of microfinance services on participating women was positive to their household income. An increase in income improves the socioeconomic condition of participating women. The credibility of borrowers also has increased in the other sectors through their increased income. This was possible because of their involvement in the program. It has been considered as a positive impact of microfinance. The microfinance program has greatly empowered the women in all respects. This study showed that microfinance promotes diversification of income source and bring about positive change in investment, income and saving made from each category of income source. Microfinance program generates self-employment that generates income to meet daily necessities of the poor women and their families. Microfinance program also improves the education status of children of member women as they get required information from the implementers. Beside this microfinance program increase their own decision making power without any interference from their male counterparts.

Swaina and Wallentin (2009) in their article 'Does microfinance empower women? Evidence from self-help groups in India' concluded that their study strongly indicate that SHG members are empowered by participating in microfinance program in the sense that they have a greater propensity to resist existing gender norms and culture that restrict their ability to develop and make choices.

Noreen (2011) described that microfinance program for women have positive impact on economic growth by improving women income generating activities. The author attempts to explore the determinants of women empowerment and its effect on decision making by using regression analysis. The data were collected from Bahawalpur City. The author found that age, education of husband, marital status, no. of sons, father assets and loan amount are influential factors rather than many other factors are the socioeconomic determinants of women empowerment. Age effects positively and significantly but its variation is not much. Older women are much mobile, have a greater access to resource and to make decision both inside and outside the home. Education of husband also gives the females more say in domestic decision- making. The economic determinant loan amount also contributes to the

women empowerment at household level. Most of the women make financial and business decision by themselves and use their loans by themselves. Microfinance loans have positive effect on women domestic decision making.

Sarumath and Mohan (2011) explained that the main aim of microfinance is to empower women. Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation. Microfinance in women's empowerment are considered into three dimensions namely psychological, social and economic. Microfinance brought courage and self-confidence and improved their skill and self-worthiness. Microfinance improved the literacy level of rural women improved awareness in children education to high level of respondents.

Leikem (2012) explained that another series of positive impacts exist in what has been Termed the wider impact of microfinance sifting focus to analyzing effects on the communities and societies of the borrowers. The general argument for the wider impact of microfinance, it is that it generates greater social networks and a greater sense of community, which translate into accumulation of information contributing to greater political participation, education rate and better health care. These social qualitative measures are argued to be more difficult to measure than quantitative measure and have been cited, as important evidence of microfinance is ability to reduce poverty. The study concluded that overall microfinance has provided important contributions to development world. It was found that savings are vital and are perhaps more important to poor. The poorest are probably better served by direct subsidies rather than loans. Although microfinance is certainly not a panacea for poverty, it can prove itself a useful tool in fight against poverty.

Loomba (2012) concluded that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in India. Microfinance loan avaiement and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self-worthiness of women participants of self-help group

linkage program in Ghaziabad. Microfinance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Reaching poor people on massive scale with popular products on a continuous basis involves rethinking the basic assumptions and making the changes. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity.

Adhikari and Shrestha (2013) the concept of micro-credit was developed to mobilize small savings of poor people to create deposit, which may be accessible to unreachable and un-bankable poor, especially women. The study has highlighted that microfinance is an effective tool for bringing positive impact on the economic status of the respondents along with their family members. It has helped to generate extra income for their family and their own use. The extra income allows the respondents family to buy nutritious food, access to modern health care services and they can afford to send their children to the school.

Agarwal (2016) has concluded that micro finance can contribute to solving the problems of inadequate housing and urban services as an integral part of poverty alleviation programs. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrower without imposing unbearably high cost of monitoring its end use upon the lenders. A promising solution is to provide multipurpose lone or composite credit for income generation, housing improvement and consumption support. Consumption loan is found to be especially important during the gestation period between commencing a new economic activity and deriving positive income. Careful research on demand for financing and savings behavior of the potential borrowers and their participation in determine the mix of multi-purpose loans are essential in making the concept work.

2.2.2 Review of Related Theses

Neupane (2014) has concluded in his thesis *The effectiveness of microfinance in Nepalese economy. A case study of Pratapur VDC, Nawalparasi*, that microfinance has supported the poor women and indigenous deprived sector with loans and other economies activities. It has further extended the working hour of people, and also

supported them to commercialize their occupation and get the economic benefit from these. All these have helped to develop entrepreneur skills in the local level. Moreover, Neupane has concluded that the consumption and clothing pattern of people have also changed with the involvement of MFPs.

Thapa (2006) in his thesis *Micro-finance Programs and Economic upliftment of women*. He has concluded that microfinance has offered opportunities for poor women to come out of their household confinement, to organize themselves in group and to work in productive and social activities. He has further examined the socio-economic activities of MFPs and has concluded that training for improving farming techniques and micro-enterprises have helped members to shift from the traditional agriculture to cash crop production, which yield higher returns. Moreover, MFPs have increase women mobility and awareness on health of family planning. Besides, he has also recommended that MFP widen their area by appointing staffs to hear and understand their problem and to find out alternative as well as solution. So, that they should not be victimized by excess burden of dept.

Shakya (2016) conducted thesis of *International Business on Microfinance and Women Empowerment* and has summarized the positive impact of microfinance in empowering women. He has concluded that with microcredit programs, women living in village have become self-confident and are encouraged to take up leadership positions in their families. These programs have helped women in creating decision making opportunities inside their household matters. Moreover, women are economically and socially empowered after joining the microfinance program. Shakya has further observed that women start business by taking micro loan from MFPs with the loan, they are not only able to increase their income but also enhance their financial and social life.

2.3 Research Gap

The literature review signified that the microfinance is a developmental tool; it gives financial services to poor, low-income people and women to improve their economic condition. The microfinance program helps income generating activities to poor and women, which helps to empower them socially and economically towards self-sustain life. This studies showed that the involvement in business for earning and repayment

rate of loan and its interest is also good of women members as compared to male. Besides this, it helps to increase the decision making power of women and participation in social issues.

All the researches are concentrated on assessing the impact of microfinance which institution wise, model wise or gender wise. None of these studies captures the effect of microfinance program classwise. As meaning of MF consists very broad definition of micro fund mobilization to know the real impact of microfinance, all relevant aspect of societies should be evaluated. In the same concern, this research selected women as a matter of study, which is majority in population but ignored from the stream of sustainable development of country and dominated by rich. Mainly, this research is focused on women empowerment and which the boundary of empowerment; this research has taken economic improvement of women their socio-economic status. However, this study is entirely new in Madhyabindu Municipality, no research related to MF has so far been done in Madhyabindu Municipality. This research justifies the present work about MF.

CHAPTER-III

METHODOLOGY

3.1 Mahila Bachat Tatha Rin Sahakari Sastha (MBTRSS)

Mahila Bachat Tatha Rin Sahakari Sastha is one of the famous institutions of Madhyabindu Municipality. MBTRSS started its MFPs since 2067 B.S. In spite of limited scope and resources, the organization has achieved a significant success in poverty reduction on rural area of Madhyabindu municipality through the socio-economic upliftment and empowerment of backward communities and women. The data from (MBTRSS) are chosen because this institution is concerned with the empowerment of backward and marginalized women of rural area of Madhyabindu municipality, which this study aims to analyze.

MBTRSS is conducting various awareness related programs; such as saving and credit programs to improve social, economic, and political condition of deprived and backward communities.

3.2 Research Design

As per nature of study, the study has used both quantitative and qualitative research design and has used descriptive research design to collect the options and to know about behavior of beneficiaries. Analytical study has tried to analyze the collected data and information more accurately and critically evaluation of those information and data. The cluster sampling method is used. The study is mainly focused on microfinance programs run by Mahila Bachat Thatha Rin Sahakari Shastha Ltd. in Madhyabindu municipality.

3.3 Nature and Source of Data

This study is based on primary data. This study is mainly based on, the primary data. The primary data is collected from household survey, questionnaire and observation method. The related secondary data obtained for literature review were from documents, reports, journals, office web side, reports co-operatives, and bank that operate microfinance program Madhyabindu municipality.

3.4 Population and Sample

There are many institutions which are operating microfinance program in Madhyabindu municipality. The study is based on microfinance program of Mahila Bachat Tatha Rin Sahakari Shastha Ltd. Nepal. At present, there are 600 members of MBTRSS in this municipality. From total member 150 members have been taken as the sample population for detailed study. The sampling is random sampling where 25% of the population. The detailed description about sample and population has been presented as below.

Table 3.1

Total Respondents and Sample Size of Respondents

S.N.	Particulars	Total Respondents	Sample Size of Respondents
1	Bhramin/chhetri	192	50
2	Janajati	315	85
3	Dalit	93	15
	Total	600	150

Source: MBTRSS Report – 2018

3.5 Data Collection Technique and Tools

To collect primary data household survey and interview method are used. Total population is 600. Out of total population 150 members are selected as sample. The cluster sampling is used to divide the member in specific group then simple random sampling is applied to research the household survey. Subjective and objective types of structured questionnaire are developed to collect primary data in household survey. The questions are designed to collect information of two-time period. Two times means the data before MFPs intervention and after the MFPs intervention.

The secondary data are collected from the publication of MBTRSS. Other different published articles, documents, books etc. are also used to obtained necessary information.

3.6 Data Presentation and Analysis

The data collected using different technique are given due attention to process and present them in suitable format. Therefore, that it can be analyzed using analytical, descriptive as well as simple quantitative statistical tool. Descriptive method like percentage, mean, trend analysis is used. Results obtained are presented in the forms of tables and figures. The statistical tool Z-test and Chi-square test are used to test the significance of parametric test for sampling attributes.

3.6.1 Percentage Analysis

A percent is a way of expressing numbers as fraction of 100 and is often denoted by % sign. Percent is a proportion stated in terms one hundred that is calculated by multiplying by fraction. In presents the result in absolute term. In the study, these tools are used to measure the proportion of respondent's occupational movement, saving purpose.

3.6.2 Z-Test

Z-test is used to test the significance of parametric test for sampling attributes. Z-test is used under the following assumptions:

- When sample size is 30 or more than 30.
- The samples have been drawn for normal population.
- The sizes are independent.
- Z-test is applicable under,
- Test of significance of single mean.
- Test of significance between two mean.
- Test of significance single proportion.
- Test of significance between two proportions.

It is a significance test of proportion in which the population is divided into the mutually disjoint classes possesses a particular attribute and other does not possess that attribute. In the study Z- test is used for testing significant of double mean where both two samples are drawn for sample population. Z-test is used for increase in income level, change in land holding size of respondents after joining the MFPs.

In this study 5%, level of significance is used to test the change. Therefore, it is given as:

Let, n_1 & n_2 denote the size of large sample and let, X_1 & X_2 denote the observed number of event.

Now,

$$P_1 = \text{Observed sample proportion of event A before MFP} = \frac{X_1}{n_1}$$

$$P_2 = \text{Observed sample proportion of event A after MFP} = \frac{X_2}{n_2}$$

$$Z = \frac{p_1 - p_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where, } \hat{P} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2}, \quad \hat{Q} = 1 - \hat{P}$$

3.6.3 Chi- Square Test

This test explains the magnitude of discrepancy between expected frequency and observed frequency. A chi-square test is used to determine whether two attributes are independent of each other. Chi-square test is use to find out poor perception, experience, social response. This is often using to know the difference between theory and observation.

Therefore, it is given by

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

$$E = \frac{\sum O}{n}$$

Where, O=observed frequency

E=expected frequency

Condition for application χ^2 - test

Total number of frequency should be large as 50

Sample observation should be independent

In this study to test women perception 5% level of significance with respective degree of freedom (n-1)

CHAPTER-IV

RESULTS

This chapter deals with collected data regarding to the main objectives of study. In this chapter, we analyze the collected data in various headings and sub headings to fulfill the main objectives of research study. This chapter shows the analysis of the various issues like occupational change due to involvement in MFIs, change in income after involving MFIs, involvement in business, decision power and women perception below sequentially.

4.1. Socio-Demographic characteristics of Respondents

Being the study of MF targeted to the poor people, this research work has studied women from Mahila Bachat Tatha Rin Sahakari Shastha Ltd. (MBTRSS); to know the poor women's activities researcher have asked various structural questionnaires. Therefore, this selection consists various information of respondents like an age, caste/ethnicity, educational status and marital of respondents. There are 98.67 percent married and 1.33 percent unmarried poor women with eight different caste all poor people are mostly literate. These all are scattering of following term:

4.1.1 Age

Age is such a factor that characterize person. From research paper it is clear that age below 20 and above 70 was not approaching microfinance as comparing with other age group. It is tabulated as below:

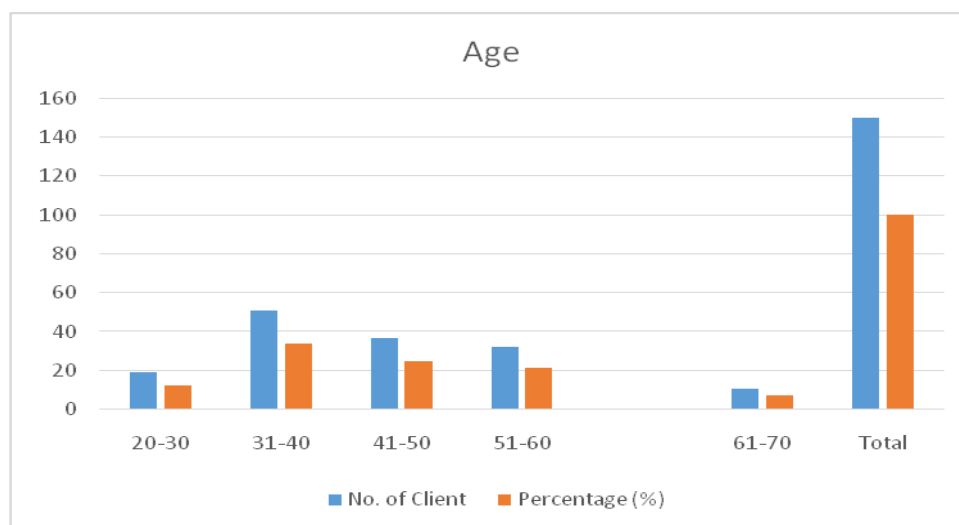
Table No. 4.1
Age of Sampled Respondents

Client age range	No. of Client	Percentage (%)
20-30	19	12.67
31-40	51	34
41-50	37	24.67
51-60	32	21.33
61-70	11	7.33
Total	150	100

Source: Field Survey, 2018

The graphical representation of the respondents according to different age group has shown below.

Figure 4.1
Graphical Representation According to Age Group



Out of sample, age having (31 to 40years) women respondents were more participatory and enthusiastic than others. It shows that the members of this group were more attracted by this program. Respondents of age (61 to 70years) have least participation.

4.1.2 Education Level

Literacy rate of nation is one of the indicators of development. Literacy rate is must for demographic research. From research paper it is concluded that women were literate through adult education programs given by different government institutions.

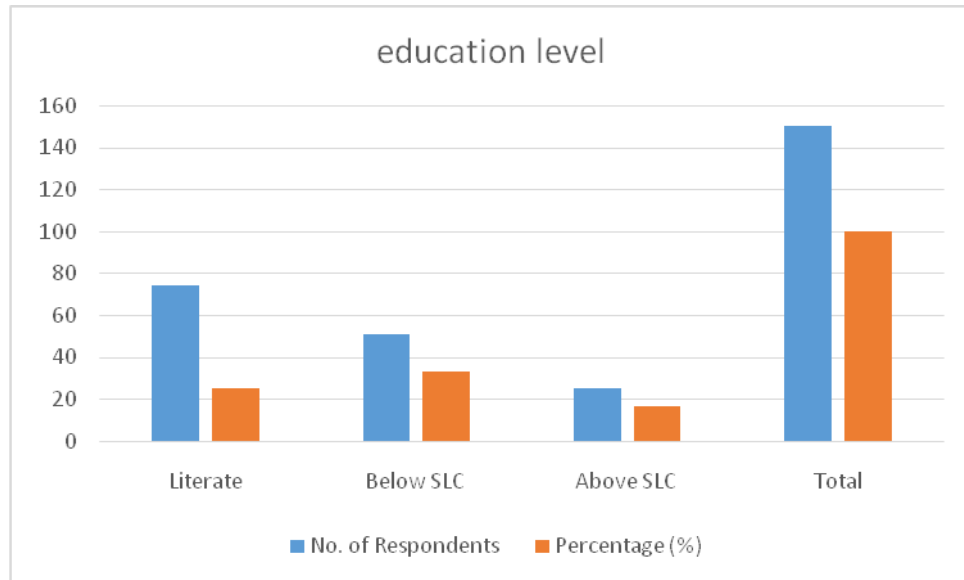
Table No. 4.2
Education Level of Sampled Respondents

Educational Level	No. of Respondents	Percentage (%)
Literate	74	25.00
Below SLC	51	33.30
Above SLC	25	16.67
Total	150	100

Source: Field Survey, 2018

The graphical representation of the respondents according to education level has shown below:

Figure 4.2
Graphical Representation of Educational Level of Respondents



It shows that 49.33 % respondents are literate (who can write few words like their name, address etc.). However, they are taking literacy class after involvement in microfinance program. It was found that 34% respondents are below SLC. (16.67%) have passed SLC out of 150 respondents.

4.1.3 Marital Status

Microfinance has played a vital impact in alleviating poverty largely, and enhancing the social status of poor people. For example, Grameen Bikash Bank of Bangladesh was actually initiated to serve poor rural women. In our country, it has been implemented for poor married women too. Although many clients are married, unmarried are also attracted towards this program. The status of women changed after involving in this program. Thus, an attempt has been made in this section to identify the specific marital status of respondents.

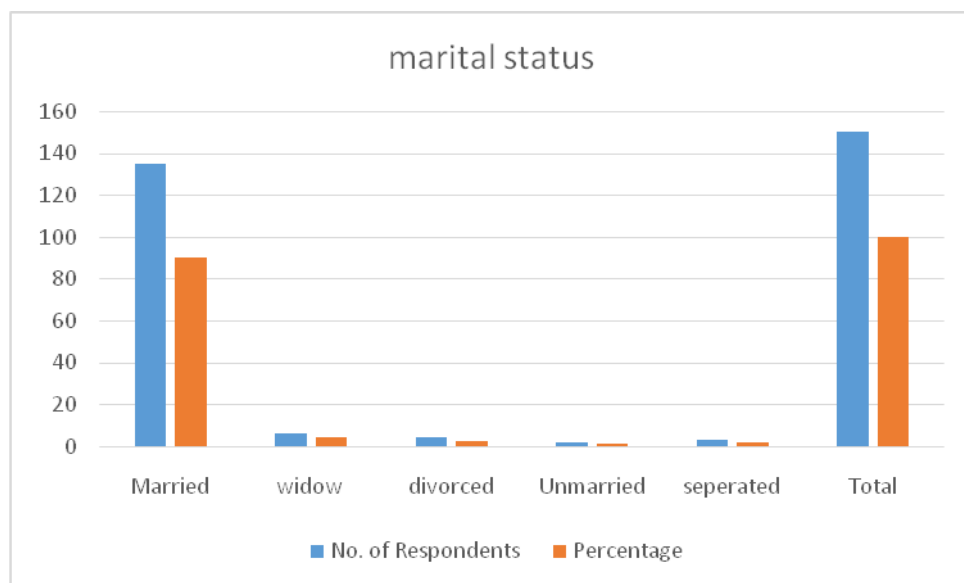
Table No. 4.3
Marital Status of Respondents

Marital Status	No. of Respondents	Percentage
Married	135	90.00
widow	6	4
divorced	4	2.67
Unmarried	2	1.33
seperated	3	2
Total	150	100

Source: Field Survey, 2018.

The graphical representation of the respondents according to marital status has shown below:

Figure 4.3
Graphical Representation of Marital Status of Respondents



The above diagram indicates that 135 respondent i.e. 90% was married, 1.33% was unmarried. It shows that married women were in active state.

4.1.4 Caste or Ethnicity

Even now, cast discrimination is one of the major problems in rural areas of Nepal. Ethnicity is also one of the most important indicators for the impact of the microfinance program. This helps in somehow identifying whether women belonging to marginalized community are involved and benefitted from the microfinance program. Lower caste women are also being active by this kind of program.

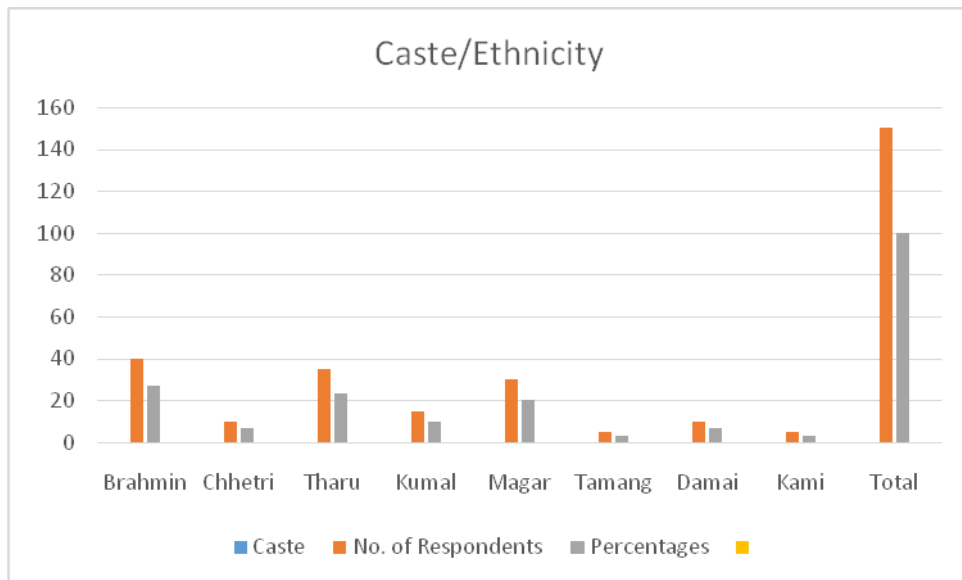
Table No. 4.4
Distribution of Respondents as Caste or Ethnicity

Caste	No. of Respondents	Percentages
Brahmin	40	26.67
Chhetri	10	6.67
Tharu	35	23.33
Kumal	15	10
Magar	30	20
Tamang	5	3.33
damai	10	6.67
Kami	5	3.33
Total	150	100

Source: Field Survey, 2018

The graphical representation of the respondents according to cast or ethnicity shown below.

Figure 4.4
Graphical Representation of Caste or Ethnicity of Respondents



4.2. Economic Impact of Rural Women

This study has incorporated with various economic impacts issues under this heading. Under this heading the study deals with significance of change in income after involving MFIs. Occupational change due to involvement in MFPs, income earning level. Test of such subheading are presented sequentially.

4.2.1. Occupational Movement

This topic deals with the occupational change of respondents after involving MFPs. In study area, the changing structure of occupation after involving MFPs is presented as:

Table 4.5
Occupational Movement of Respondents before and after MFPs

S. No.	Occupation	No. of Respondents and Percentage			
		Before MFPs	% of Before	After MFPs	% of After
1.	Agriculture	89	59.33	40	26.67
2.	Business	9	6	20	13.33
3.	Poultry	12	8	25	16.67
4.	Service	15	10	30	20
5.	Selling Milk	19	12.67	25	16.67
6.	Others	6	4	10	6.67
	Total	150	100.00	150	100.00

Source: Field Study - 2018

Table 4.5 shows that 59.33 percent of total respondents are involved in agricultural occupation. After the involvement in agricultural occupation involvement has decreased from 59.33 percent to 26.67 percent. The percentage of business has increased from 6 percent to 13.33 percent; credit facilities, different training conducted like as agriculture, livestock into modern occupation such as trade and shop, cash crops etc. service included wage earners, labors, private job, government job etc. The numbers of respondents involved on poultry has increased from 8 percent to 16.67 percent after than before intervention of MFPs. The numbers of respondents involved on service has increase after than before MFPs from 10 percent to 20 percent. The result indicates that MFPs has transformed the beneficiaries from dependent on other resources self-dependent on own resource. The percentage of selling milk has increased from 12.67 percent to 16.67 percent after than before intervention of MFPs. Other occupation comprises remittance earning jobs, short time profession before the intervention of MFPs. After the intervention of MFPs others occupations are increased from 4 percent to 6.67 percent.

4.2.2 Monthly Income of Respondents before and after involving MFPs

Income is the outcome of investment on monetary and non-monetary efforts. The heading has taken both level of income of respondents before and after involving MFPs and analyzed by using mean and Z-test.

Table 4.6

Monthly Income Level of Respondents before and after involving MFPs

Income Series (Rs.)	No. of Respondents	
	Before MFPs	After MFPs
0-5000	69	30
5000-10000	42	25
10000-15000	28	32
15000-20000	10	29
20000-25000	1	17
25000-30000	0	12
Above 30000	0	5
Total	150	150

Source: Field Survey – 2018

Summary of Income level of Respondents before and after involving MFPs

	Before MFPs	After MFPs	Results
Average income (Rs.)	6900	13633.33	49.39% (increased)

The summary table 4.6 (Appendix-I) shows that positive change on average income of respondents after involving the MFPs. The average income of respondents before MFPs was Rs. 6900 and after the involvement in MFPs their monthly income has increased by 49.39 percent than the average income become Rs. 13633.33. It is concluded that economic condition of almost member has been improved after involving MFPs.

This fact can be proved by using statistical test as following:

To test the hypothesis $n_1 = n_2 = 150$

Setting the hypothesis

Null hypothesis (H_0) $\mu_1 = \mu_2$ i.e. there is no change in income level of respondents after and before MFPs.

Alternative hypothesis (H_1) $\mu_1 < \mu_2$ i.e. there is increase in income level of respondents after than before MFPs.

Since $n=150$, we use Z-test,

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\sigma^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Calculated value $|Z| = 8.72$ (From Appendix-II)

The tabulated value of Z at 5% level of significance for one tailed test is 1.645.

Decision

As the calculated value of $|Z|$ (8.72) is greater than tabulated value $|Z|$ (1.645), the null hypothesis is rejected. Thus, it is concluded that income level of respondents has significantly increased after involving MFPs.

4.2.3 Saving Status of Respondents

Saving is one of the major components associated within the boundary of MF. Therefore, MFIs are enforcing their clients to save because they have made the provision of regular monthly meeting with small amount of deposit. MBTRSS have the provision that their clients must have Rs 100 during their monthly meeting. Saving status indicates that what is the situation of saving of respondents before and after involve on MFPs. After involving MFI all members have to develop their saving habit. Increase in income, generating activities, access of financial service, compulsory saving in every group meeting provided by MFI played vital role to change the saving status of respondents.

Table 4.7**Monthly Trend of Saving of Respondents before and after involving MFPs**

Saving Series (in Rs.)	No. of Respondents	
	Before MFPs	After MPSs
No saving	75	0
0-1000	20	10
1000-2000	15	12
2000-3000	17	18
3000-4000	9	20
4000-5000	7	18
5000-6000	5	32
6000-7000	1	16
7000-8000	1	10
8000-9000	0	6
9000-10000	0	5
Above 10000	0	3
Total	150	150

Source: Field Survey 2018

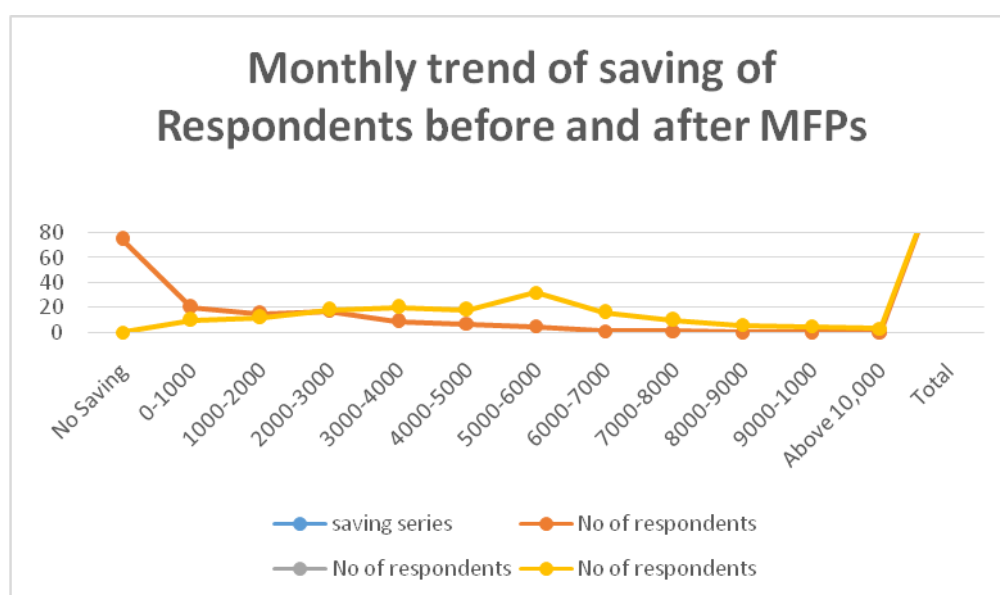
Figure 4.5**Representation of Monthly Saving**

Table 4.7 and figure 4.5 shows that of the respondents have no saving before involving MFPs but after involving MFPs the number of not saving respondents become zero. Only 13 respondents were make small proportion of saving of their monthly income Rs. 0-2000 has decreased with 35 numbers after involving MFPs. The decreased number of respondents sifted from lower saving group to higher saving group. Only 17 respondents were saving of their monthly income Rs.2000-3000 before MFPs but the number of respondents of saving Rs. 2000-3000 has increased with 18 members after MFPs. Before involving MFPs, 9 respondents saving Rs. 3000-4000, but after involving it is increased with 20 respondents. Similarly, 7 respondents were saving of their monthly income Rs. 4000-5000 and 5 respondent were Rs. 5000-6000 before involving MFPs but after involving MFPs the number of respondents has increased 18 and 32 respectively. 1 respondents save Rs.6000- 7000 before the MFPs implementation but 16 respondents fall in this saving group after MFPs implementation. Figure 4.1 shows that there are 7 respondents on the second position of saving Rs. 7000-8000 before MFPs. It is found that 6 respondents save Rs.8000-9000, 5 respondents save Rs. 9000-10000 and only 3 respondents save above Rs. 10000 after the MFPs. Above fact shows that the number of respondents who can save is in increasing rate. This result indicates that the saving status of all respondents who are involve in MFPs have been changed positively after implementation of MFPs.

4.2.4 Land Holding Size of Respondents

Land is a means of production, which is also assets of people. Land holding size can be considered as a measurement scale of household. Therefore, the size of land holding show the economic status of household. Here the land holding comprising two types of land like as the land which is fir cultivation and which is for grassland.

Table 4.8
Land holding size of Respondents before & after MFPs

Series(in Kattha)	No. of Respondents	
	Before MFPs	After MFPs
0-2	55	25
2-4	37	34
4-6	27	46
6-8	19	23
8-10	9	14
10 above	3	8
Total	150	150

Source: Field Survey -2018

Summary of land holding of Respondents before and after involving MFPs

	Before MFPs	After MFPs	Results
Average income (Rs.)	3.6533	4.88	25.20% (increased)

The summary table 4.8 (Appendix II) shows that positive change on average land holding size of respondents after involving the MFPs. Respondents average land holding size before MFPs was 3.65kattha after involving in MFPs their average land holding size has been increased by 25.20percent and become 4.88kattha By this fact it can concluded that economic status of respondents has improved due to involving the MFPs.

This fact can be proved by using statistical test as following:

Setting Hypothesis

Null Hypothesis (H_0): $\mu_1 = \mu_2$ i.e. there is no significant change in the land holding size of respondents after the MFPs.

Alternative Hypothesis (H_1): $\mu_1 < \mu_2$ i.e. there is significant increase in land holding size of respondents after the MFPs.

Since $n=150$ we use Z- test

$$Z = \frac{\overline{X}_1 - \overline{X}_2}{\sqrt{\sigma^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Calculated value of $|Z|=3.90$ (from Appendix- II)

Tabulated value of $|Z/|$ at 5% level of significance for one tail test is 1.645.

Decision

Since, calculated value of $|Z/|$ is greater than tabulated value of $|Z/|$. The null hypothesis is rejected. Thus, it is calculated that the land holding size of respondents has significantly increased after implementation of MFPs in study area.

4.3 Decision Power

Inclusion in social and family decision-making process empowers the women because it develops the perception of women. It enables women to make themselves as an integral part family and society as well. Therefore, increased outreach of women to the decision-making process on social units either in the family or in the society implies the dignity of works. Therefore, the present study deals with the empowerment of women through enhancement of decision-making power with special reference to the microfinance services rendered By MBTRSS in Madhyabindu Municipality to its clients. So, different variables regarding the decision are identified. They are food and clothing, children education and entertainment, agriculture and agro-production, saving decision pattern of respondents.

4.3.1 Expenditure on Food and Cloths

In this section, the question is about the decision on food and clothes with women respondents before and after involving MFPs. The reply of respondents as follows;-

Table 4.9
Decision about Expenditure on Food and Cloths

Who make decision?	Before MFPs	After MFPs
Self	87	127
Other	63	23
Total	150	150

Source: Field Survey-2018

Table 4.9 shows that out of 150 respondent only 87 respondents should not make decision about expenditure on food and cloths before involvement in microfinance. After involving microfinance program there is positive change in study area. So, the result shows after involvement 127 respondents take decision own self only 23 respondent depends on their husband to take decision about expenditure on food and cloths.

Test Hypothesis

Null Hypothesis (H_0): $P_1 = P_2$ i.e. there is no significant change in population proportion in the concern of women decision about expenditure on food and cloths before and after involving MFPs.

Alternative Hypothesis (H_1): $P_1 < P_2$ i.e. there is significant change in population proportion in the concern of women decision about expenditure on food and clothes after than before involving MFPs.

Since, $n=150$, we use z-test

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Calculated value $|Z|=5.21$ (from Appendix IV)

The tabulated value of z at 5% level of significance for one tail test is 1.645.

Decision

Since, the tabulated value of Z (1.645) is lower than calculated value. Therefore, we can say that there is significant change in population in the concern of women decision about expenditure on foods and cloths after than before MFPs.

4.3.2 Children, Education

In this section the question is about who make decision on children education before and after involving MFPs. The reply of respondents as:

Table 4.10
Decision about children Education

Who make Decision?	Before MFPs	After MFPs
Self	21	112
Other	129	38
Total	150	150

Source: Field Survey 2018

Table 4.10 shows that only 21 respondents make decision about children education and 129 respondent are dependent on their husband and other family member to take a decision. But after involving in microfinance program they became aware about children education. So, table shows that 112 respondent take decision themselves about their children education.

Test of Hypothesis

Null Hypothesis (H_0): $P_1 = P_2$ i.e. there is no significant change in proportion of women population in the concern of decision about children education and entertainment before and after involving MFPs.

Alternative Hypothesis (H_1): $P_1 < P_2$ i.e. there is significant change in proportion of women population in the concern of decision about children education and entertainment after than before involving MFPs.

Since, $n=150$, we use z-test

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Calculated value $|Z|=12.47$ (from Appendix V)

The tabulated value of z at 5% level of significance for one tail test is 1.645.

Decision

Since, the tabulated value of Z (1.645) is lower than calculated value. Therefore, we can say that there is significant change in population proportion in the concern of women decision about children education after than before MFPS.

4.3.3 Agriculture and Agro-production

In this section, the question is about the decision on agricultural related decision like as sales and purchase of agro product about the plantation, harvest etc. before and after involving MFPS. The reply of respondents as follows;

Table 4.11
Decision on Agriculture and Agro-Product

Who make decision?	Before MFPS	After MFPS
Self	39	112
Other	111	38
Total	150	150

Source: Field Survey-2018

Table 4.11 shows that out of 150 respondents. Only 39 respondent take decision on agriculture and agro-product and 111 respondent depends on their other family member to take a decision. But after involvement number of self-respondent are increase women also aware about the agriculture due to help of agricultural training. This table shows the positive change.

Test of Hypothesis

Null Hypothesis (H_0): $P_1 = P_2$ i.e. proportion of women population is not interested in the concern of women decision on agriculture and agro-product related issues before and after involving MFPs.

Alternative Hypothesis (H_1): $P_1 < P_2$ i.e. proportion of women population is interested in the concern of women decision on agriculture and agro-product related issues after than before involving MFPs.

Since, $n=150$, we use z-test

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Calculated value $|Z|=8.48$ (from Appendix VI)

The tabulated value of z at 5% level of significance for one tail test is 1.645.

Decision

Since, the calculated value of $|Z|$ (8.48) is higher than tabulated value of Z (1.645). Therefore, we can say that there is significant change in population proportion in the concern of women decision about Agriculture and Argo product after than before MFPs.

4.3.4 Decision on Saving

The question is asked to know about their decision on saving to respondents before and after involving MFPs. The reply of respondents as:

Table 4.12
Decision on Saving

Who make decision?	Before MFPs	After MFPs
Self	35	105
Other	115	45
Total	150	150

Source: Field Survey-2018

This table 4.12 shows that out of 150 respondent only 35 respondents take decision on saving 115 respondents depends on their other family members. But after involving in microfinance there is significant change in their behavior. Most of the respondents take decision on saving.

Test of Hypothesis

Null Hypothesis (H_0): $P_1 = P_2$ i.e. proportion of women population is not interested in the concern of women decision about saving before and after involving MFPs.

Alternative Hypothesis (H_1): $P_1 < P_2$ i.e. proportion of women population is interested in the concern of women decision about saving after than before involving MFPs.

Since, $n=150$, we use z-test

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Calculated value $|Z|=8.13$ (from Appendix VII)

The tabulated value of z at 5% level of significance for one tail test is 1.645.

Decision

Higher the calculated value indicates that proportion of women population is significantly increased due to MFPs id the concern of decision about saving.

4.4 Education

4.4.1 Children Enrolled in Private/Public School

In present context child, education is most essential responsibility of every parent. Every parent wants to give quality education to his or her children. The level of education quality is determined by economic status of a household. In Nepal there are two type of educational institution i.e. government and private school. The education provided by private sector is better than government; and private education is more expensive than the education provided by government school the number of children

sending by respondents either to private or government school could be better measuring rod of economic status of respondents. Therefore, we have taken how many children enrolled in government or private school before and after MFPs.

Table 4.13
Number of children enrolled in Private/Government school before and after MFPs

Category	Number of Students	
	Before MFPs	After MFPs
Government School	107	29
Private School	27	111
Total	134	140

Source: Field Survey-2018

Figure 4.6
Number of children sending to school before and after MFPs

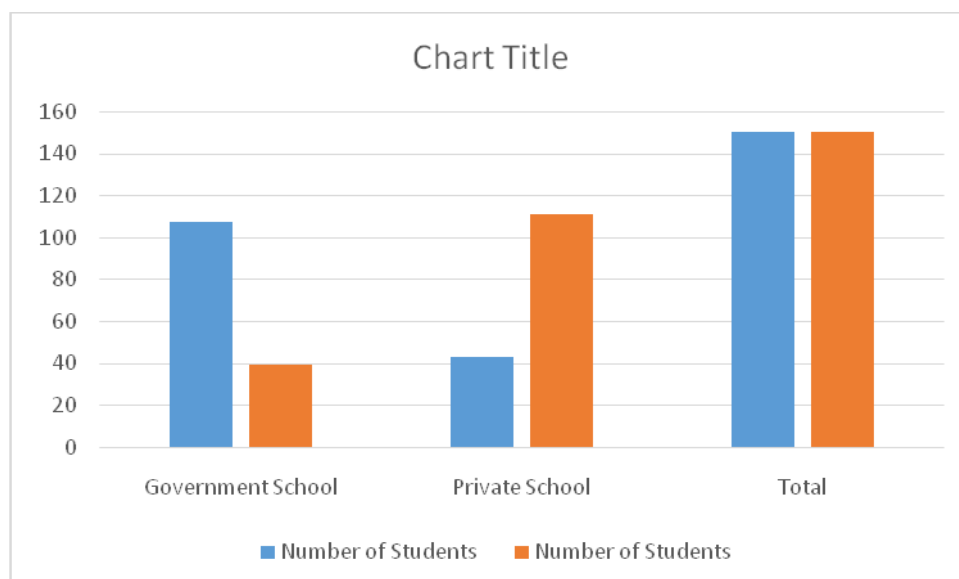


Table 4.13 and Figure 4.6 shows that out of 150 children, 107 children were enrolled in government school and 43 children were enrolled in private school before MFPs. After the MFPs, the number of children enrolled in public school has decreased. After the implementation of MFPs there is only 39 children enrolled in public school and out of 107 children 111 children enrolled in private school. Increased in income level

of respondents the number of children enrolled in private school is increased. This fact indicate that the positive effect of MFPs on economic condition of respondents.

4.5 Skill Acquisition

Micro-finance provides necessary training to the client for strengthening their groups and improves or develops their clients' entrepreneurial and income-generating skills. The training programs embrace a wide variety of subjects, such as literacy and non-formal education, gender sensitization, entrepreneurial and occupational skills development, group management and development, leadership development and so on other, which help them to uplift their lifestyle.

4.5.1 Effect of Training to Run the Project

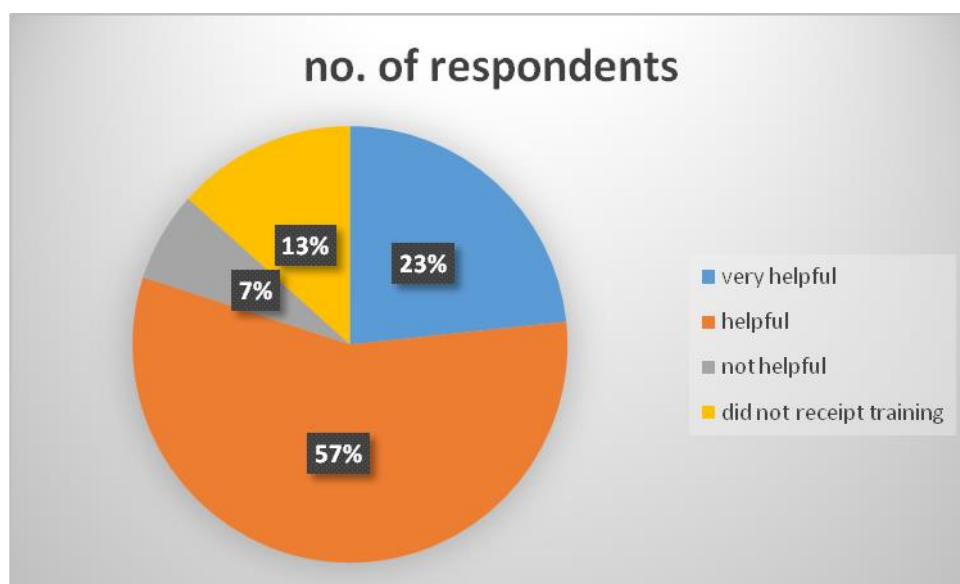
To change in behavior an increase in capabilities will typically be required. A common way of increasing capabilities is to offer training to the person concerned in order to increase their knowledge within the given area.

Table 4.14
Effect of Training to Run the Project

Category	No. of Respondents	Percentage
Very Helpful	35	23.33%
Helpful	85	56.67%
Not Helpful	10	6.67%
Did not Receipt Training	20	13.33%
Total	150	100.00%

Source: Field Survey-2018

Figure 4.7
Effect of Training to Run the Project



The data of table 4.11 and figure 4.3 shows 23.33 percent found that the training they received was very helpful to run the project. 56.67 percent respondents said the training is useful. Similarly 6.67 percent said the training is not useful in the sense that the training package is improperly designed. 13.33 percent of the respondents has not received the training yet. The figure clearly reveals that the training is useful to run the project but the nature of training should be demand-led rather than supply -led.

4.6 Women Perception

This section includes the women perception about MFPs. The focus of this section is to give feedback to MFIs and to know the confidence level of women after involving MFPs. Similarly, this section also checks the social perception and reaction to women after involving MFPs. How the society response to those women who are involving MFPs?

4.6.1 Social Response on women Mobility, Decision-making and Leadership

To know about society's response on their mobility, leadership, and decisional change; the question has asked to respondents. Respondents replied as:

Table 4.15
Social Response on Women Mobility, Decision-making and Leadership

Response	Best	Better	Good	Bad	Very bad	Total
No. of respondents	37	65	42	6	0	150
Percentage (%)	24.67	43.33	28	4	0	100

Source: Field Survey-2018

Above table 4.15 shows that response of society on women mobility, decision making and leadership out of 100 percent, society gives 43.33 percent better response. Only 4 percent society give bad response to my respondents.

Test of Hypothesis

Null hypothesis (H_0): there is not any significant association between women involvement in MFPs and social response to women; response is as usual to women before and after involving MFPs.

Alternative hypothesis (H_1): there is significant association between women involvement in MFPs and social response to women; response is as usual to women before and after involving MFPs.

Here, we use χ^2 test;

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Calculated value of $\chi^2 = 96.46$ (From Appendix -VIII)

Tabulated value of χ^2 at 5% level of significance for 4 degree of freedom is 9.49

Decision

Since, calculated value of χ^2 is higher than tabulated value; so, we can say that women involvement in MFPs and social response to women's mobility, leadership and decisional power of women have positively associated; society perceive positively to those women who are involved in MFPs.

4.6.2 House Types of respondents

The types of house is Wood made and RCC. Types of house shows the economic status of respondents. The question is asked to know what types of houses the respondents have before and after involving in MFPS. The reply of respondents are:

Table 4.16

House types of respondents before and after MFPS

Types of house	Before MFPS	After MFPS
Wood made	110	65
RCC	40	85
Total	150	150

Source: Field Survey 2018

Figure 4.8

House type of respondents before and after MFPS

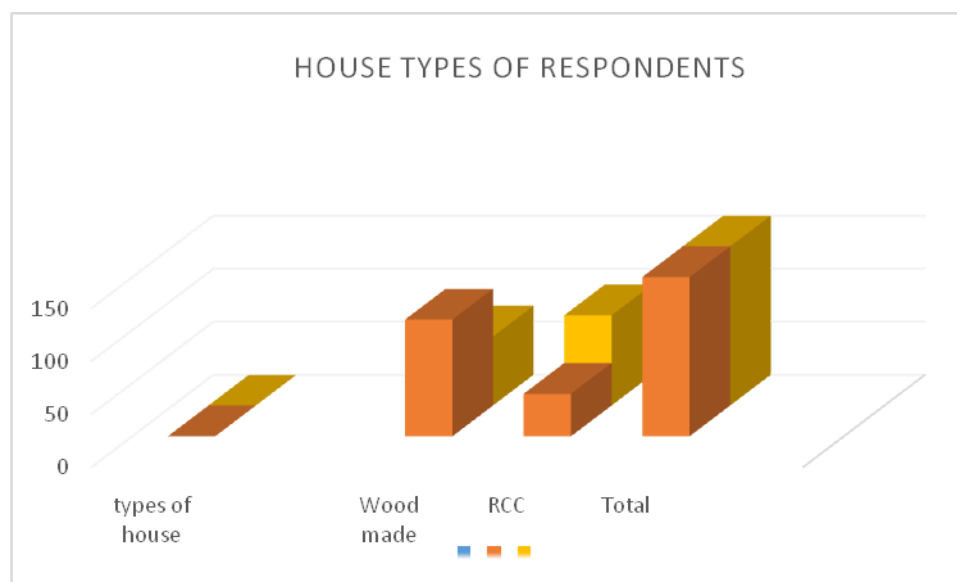


Table 4.16 and figure 4.8 shows that only 40 respondents have RCC house 110 respondents have wood made house before involving microfinance. After involving microfinance they improve their lifestyle, maximum houses are RCC. This is positive impact of microfinance program.

4.7 Major Findings

The major findings of the study can be presented below in point wise:

1. The age of majority of women are between 31-60 years. So, those MFPs have oriented to earning aged group.
2. MFPs of MBTRSS have women and target group oriented; MFPs have provided to eight different casts including 25 percent literate and 90 percent married women.
3. By easily getting MFSs, women are changed their traditional occupation and started modern type of business. So out of 100 percent 20 percent women start service, 16.67 percent poultry and selling milk and 13.33 percent business. This is positive impact of micro lending of MFI.
4. The monthly average income level of women is increasing from Rs.6900 to Rs13633.33; which is 49.39 percent positive change in income level after involving MFPs.
5. MBTRSS has made provision for compulsory saving, personal saving, pension saving of MFP has made the respondents to save even a small amount of money in study area; so, their habit of spending unnecessarily is discouraged.
6. Due to increase in income level of respondents; 111 children are enrolled in private school and 29 children are enrolled in government school after MFPs; not only their sons but also sent their daughters to private school. In aggregate economic condition of women seems to be better after involving MFPs.
7. Today women are able to make decision about their expenditure on food; cloths, and education of children out of 150 respondents 127 respondents are take decision themselves only 23 respondents are depends on their family member.
8. Out of 150 respondent 112 respondent women are also decision about land, agricultural product, saving and investment which were used to take by male only.
9. Women perceive MFSs positively; 43.33 percent social response and reaction is better, women are becoming self-dependent, self-conscious and self-motivated to become as dynamic as their family co-ordinations.

10. All calculated value of variables Z-test and chi-square is higher than tabulated value. Tabulated value of Z and chi-square are 1.645 and 9.49.

All tests derived from economic impact gives positive result; so, women are becoming socio-economically active and their economic condition also better than before. All tests derive from decision making ability also provide positive result; perceptual test also gives positive result. Therefore, MFPs are desirable for women.

CHAPTER-V

CONCLUSIONS

This final chapter involves summary, conclusions and implications of the research work. The facts and findings from primary data analysis are presented in this chapter.

5.1 Summary

Microfinance is financial and social intermediation to poor or especially women. As financial and social intermediation, it provides financial services like micro credit, micro saving, micro insurance etc. Women who could gain access to microfinance services have been able to create self - employment and socially and economically empowered through increased income earning from their small business.

In this study the objective is to examine the improvement of economic status of women and to analyze the impact of microfinance in terms of education level, and skills acquisition in the study area. And to find out the decision making status of women after participating in microfinance program of Mahila Bachat Tatha Rin Sahakari Sastha Ltd.(MBTRSS).

Several scholars have presented the relationship of microfinance programs and women empowerment. Malik and Mahammad (2005) has prioritized women's access to microfinance with three arguments: poverty reduction, increased efficiency and sustainability, and equality in empowerment. Likewise, explaining the direct correlation between empowerment and poverty. NHDR (2004) has argued that women can be empowered only by reducing poverty which is possible through microfinance programs. Similarly, Majorana (2007), Noreen (2011) and Leikem (2012) have also described about the positive impact of microfinance program on economic growth of women. Empowerment is a situation where women have their self-dependency, free mobility, free participation and on their desired sector. Empowerment through microfinance is defined as women become economically, socially and politically strong; and able to make proper decision about social

activities. So, in this study the concern of empowerment on economically, socially strong and power on decision-making and their involvement in the society.

In this study social and economic impact of MF consist various sub-headings like as income, saving, occupational change, child education. Another aspect of improvement consist their life style. Similarly, the perception of women about MF includes women perception, social response to women and dependency level.

The main focus of the study is to make improvement in economic status and change in decision making power of MFP in Madhyabindu Municipality conducted by Mahila Bikash Thatha Rin Sahakari Sastha. By taking required samples from study area, data have been collected by structure questionnaire and interview; collected data are analyzed, tested, interpreted by using descriptive as well as statistical approach. Mainly percentage, Z-test, mean and chi-square test are used. Economic is analyzed by using mean, Z-test and percentage; decision power is analyzed by using z-test, women perception is analyzed by using chi-square test. After testing raw data following facts are find:

The findings of the study are most of the beneficiaries of MFI are relatively poor; they have low income are focused by MBTRSS. Income level of women is increased to RS 6900 by from RS 13633.33 which is 49.39 percentage positive change in income level after involving MFPs. The value of $|Z|$ (8.72) is greater than tabulated value $|Z|$ (1.645), the null hypothesis is rejected. Thus calculated, it is concluded that income level of respondent have significantly increased after involving MFPs. calculated value of chi-square is higher than tabulated value. So, we can say that there is significant association between MFIs and fulfill their small household expenses. All calculated value is higher than tabulated value of Z (1.645) and chi-square value also higher than tabulated value (9.49). So, this study shows the positive impact in women empowerment.

5.2 Conclusion

This study has raised issues about women empowerment and taken women supporting program. Therefore, the whole study is based on women and the impact of MFP; the needed data are taken from working area of MBTRSS. Under this study women empowerment, include economic empowerment and decision-making power. In this

study to find out the impact of MFPs on its clients before and after its implementation the various variables have been developed and the data are collected from primary sources and tested by using various tools. The following conclusions have drawn from the study.

Economic status of all the respondents have found better after the MFPs implementation. As a whole, the result of this heading is positive; which is found from various tests. Therefore, it is concluded that MFPs run by Mahila Bachat Tatha Rin Sahakari Sastha have create positive economic impact on women. On the decision-making aspect of empowerment also gives positive result; so, rural women are becoming conscious and they are taking part in family decisional aspects. From the study, we find the positive result on social responses, perception and women experiences. Therefore, it can be concluded that MFP is a desirable and effective tool to improve empower the women in study area. Training for improving farming techniques and micro-enterprises has helped members to shift from the traditional agriculture to cash crop production, which yields higher returns.

All the results show that positive effect of MFPs on empowering women beneficiaries in the study area. The empowerment status of rural women in Madhyabindu Municipality can be significantly, increasing their income generating activities by providing financial support. The overall conclusion of this study is that the level of women empowerment is satisfactory at the household as well as social level.

5.3 Implication

This research may be useful to the microfinance organization to shape their future plans in the empowerment of women. The major implications of this study are as follows:

1. For social entrepreneur this research may help to find the appropriate sector of investment and to find the market.
2. For local government bodies this research may be a guideline to shape their plans and policies field of women empowerment and poverty alleviation.
3. This research may be useful to the NGO that are working in the field of women to get an overview of the economic strength of women and to shape their plan and policies.

4. The researcher believes it would be helpful to uplift the present situation and provide guidelines for further planning and implementation of microfinance program.
5. Effective mechanism should be exercised to uplift all categories; uneducated, poor, lower castes and lower classed women which result effective impact of microfinance on research area.
6. Effective skill development, entrepreneurship training should be given for proper utilization and mobilization of saving and investment.

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APPENDIX-I

Income of Respondents

Monthly Income	Midpoint (X)	Before MFP frequency (f ₁)	f ₁ X	$x_1 = X - \bar{X}_1$	x_1^2	f ₁ x ₁ ²
0-5000	2500	69	172500	-4400	19360000	1335840000
5000-10000	7500	42	315000	600	360000	15120000
10000-15000	12500	28	350000	5600	31360000	878080000
15000-20000	17500	10	175000	10600	112360000	1123600000
20000-25000	22500	1	22500	15600	243360000	243360000
25000-30000	27500	0	0	20600	424360000	0
30Above	32500	0	0	25600	655360000	0
Total		Σf ₁ =150	Σf ₁ X= 1035000			Σf ₁ x ₁ ² = 3596000000
	Midpoint (X)	After MFP (f ₂)	f ₂ X	$x_2 = X - \bar{X}_2$	x_2^2	f ₂ x ₂ ²
0-5000	2500	30	75000	-11133.33	123951036.8	6817307024
5000-10000	7500	25	187500	-6133.33	37617736.88	1504709475
10000-15000	12500	32	400000	-1133.33	1284436.88	35964232.64
15000-20000	17500	29	507500	3866.67	14951136.88	224267053.2
20000-25000	22500	17	382500	8866.67	78617836.88	786178368.8
25000-30000	27500	12	330000	13866.67	192284536.8	384569073.6
Above 30	32500	5	162500	18866.67	355951236.8	0
		N=150	Σf ₂ X = 2045000			Σf ₂ x ₂ ² = 9752995227

Calculation of mean income before and after involving MFP (\bar{X}_1) = $\frac{\sum f_1 X}{N}$

Average income before involving MFP (\bar{X}_1)

$$(\bar{X}_1) = \frac{\sum f_1 X}{N}$$

Calculation of mean income after involving in MFP

Average income after involving MFP (\bar{X}_2)

$$(\bar{X}_2) = \frac{\sum f_2 X}{N} = \frac{2045000}{150} = 13633.33$$

Test of two samples mean of mean income before and after MFP

$$\begin{aligned} \text{Standard deviation of income before MFP } (\sigma_1^1) &= \sqrt{\frac{\sum f_1 x_1^2}{N}} \\ &= \sqrt{\frac{3596000000}{150}} \\ &= 4896.26 \end{aligned}$$

$$\text{Variance } (\sigma_1^2) = (4896.26)^2 = 23973332.61$$

$$\begin{aligned} \text{Standard deviation of income after MFP } (\sigma_1^2) &= \sqrt{\frac{\sum f_2 x_2^2}{N}} \\ &= \sqrt{\frac{9752995227}{150}} \\ &= 8063.496 \end{aligned}$$

$$\text{Variance } ((\sigma_2^2) = (8063.49)^2 = 65019870.98$$

If two samples are drawn from same population

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\sigma^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

For calculating (σ^2)

$$\sigma^2 = \frac{n_1 \sigma_1^2 + n_2 \sigma_2^2}{n_1 + n_2} = \frac{150 * 23973332.61 + 150 * 65019870.98}{150 + 150} = 44496601.8$$

Now,

$$\begin{aligned} Z &= \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\sigma^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}} \\ &= \frac{6900 - 13633.33}{\sqrt{44496601.3 \left(\frac{1}{150} + \frac{1}{150} \right)}} \\ |Z| &= 8.72 \end{aligned}$$

Tabulated value of z for left tail test is 1.645

Calculated value is greater than tabulated value.

Summary of Income level of Respondents before and after involving MFPs

	Before MFPs	After MFPs	Results
Average income (Rs.)	6900	13633.33	49.39% (increased)

APPENDIX-II

Land Holding Size of Respondents

Land Holding Size	Midpoint (X)	Before MFP frequency (f ₁)	f ₁ X	x ₁ = X - \bar{X}_1	x ₁ ²	f ₁ x ₁ ²
0-2(kathha)	1	55	55	-2.6533	7.0400	387.2
2-4	3	37	111	-0.6533	0.4268	15.7916
4-6	5	27	135	1.3467	1.8136	48.9672
6-8	7	19	133	3.3467	11.0669	210.2711
8-10	9	9	81	5.3467	28.5872	257.2848
10 above	11	3	33	7.3467	53.9740	161.9220
Total		150	$\sum f_1 X = 826$			$\sum f_1 x_1^2 = 1901.24$
Land Holding Size	Midpoint (X)	After MFP frequency (f ₂)	f ₂ X	x ₂ = X - \bar{X}_2	x ₂ ²	f ₂ x ₂ ²
0-2(kathha)	1	25	25	-3.88	15.0544	376.36
2-4	3	34	102	-1.88	3.5344	120.1696
4-6	5	46	230	-0.12	0.0144	0.6624
6-8	7	23	161	2.12	4.4944	103.3713
8-10	9	14	126	4.12	16.9744	237.6416
10 above	11	8	88	6.12	37.4544	299.6352
Total		$\sum f_2 = 150$	$\sum f_2 X = 732$			$\sum f_2 x_2^2 = 1137.8401$

Calculation of mean land holding size before and after involving MFP

The mean value of land holding size before involving MFP (\bar{X}_1)

$$(\bar{X}_1) = \frac{\sum f_1 X}{N}$$

The mean value of land holding size after involving in MFP

$$(\bar{X}_2) = \frac{\sum f_2 X}{N} = \frac{732}{150} = 4.88$$

$$\text{Standard deviation of income before MFP } (\sigma_1^1) = \sqrt{\frac{\sum f_1 x_1^2}{N}}$$

$$= \sqrt{\frac{1081.4367}{150}}$$

$$= 2.6851$$

$$\text{Variance } (\sigma_1^2) = (2.6851)^2 = 7.2096$$

$$\text{Standard deviation of income after MFP } (\sigma_2) = \sqrt{\frac{\sum f_2 x_2^2}{N}}$$

$$= \sqrt{\frac{1137.8401}{150}} = 2.7542$$

$$\text{Variance } (\sigma_2^2) = (2.7542)^2 = 7.5856$$

If two samples are drawn from same population

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\sigma^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

For calculating (σ^2)

$$\begin{aligned} \sigma^2 &= \frac{n_1 \sigma_1^2 + n_2 \sigma_2^2}{n_1 + n_2} \\ &= \frac{150 * 7.2096 + 150 * 7.5856}{150 + 150} \\ &= \frac{1081.4400 + 1137.8400}{300} \\ &= 7.3976 \end{aligned}$$

Now,

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\sigma^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}} = \frac{3.6533 - 4.88}{\sqrt{7.3976 \left(\frac{1}{150} + \frac{1}{150} \right)}}$$

$$|Z| = 3.9005$$

Tabulated value of z for right tail test is 1.645

Calculated value is higher than tabulated value.

Summary of land holding of Respondents before and after involving MFPs

	Before MFPs	After MFPs	Results
Average income (Rs.)	3.6533	4.88	25.20% (increased)

APPENDIX - III

Now, p_1 = sample proportion of respondents who make decision about expenditure on foods and clothes before involving MFPs.

$$\text{Or, } p_1 = \frac{X_1}{n_1} = \frac{87}{150} = 0.58 \quad (X_1=87)$$

p_2 = sample proportion of respondents who make decision about expenditure on foods and cloths after involving MFPs.

$$\text{Or, } p_2 = \frac{X_2}{n_2} = \frac{127}{150} = 0.85 \quad (X_2=127)$$

Test of statistic H_0

$$Z = \frac{p_1 - p_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where, } \hat{P} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2} = \frac{150 * 0.58 + 150 * 0.85}{150 + 150} = 0.72$$

$$\hat{Q} = 1 - \hat{P} = 1 - 0.72 = 0.28$$

$$Z = \frac{0.58 - 0.85}{\sqrt{(0.72)(0.28)\left(\frac{1}{150} + \frac{1}{150}\right)}}$$

$$|Z| = 5.21$$

APPENDIX-IV

Now, p_1 = sample proportion of respondents who make decision about children education and entertainment before involving MFPs.

$$\text{Or, } p_1 = \frac{X_1}{n_1} = \frac{21}{150} = 0.14 \quad (X_1=21)$$

p_2 = sample proportion of respondents who make decision about children education and entertainment after involving MFPs.

$$\text{Or, } p_2 = \frac{X_2}{n_2} = \frac{129}{150} = 0.86 \quad (X_2=129)$$

Test of statistic H_0

$$Z = \frac{p_1 - p_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where, } \hat{P} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2} = \frac{150 * 0.14 + 150 * 0.86}{150 + 150} = 0.5$$

$$\hat{Q} = 1 - \hat{P} = 1 - 0.5 = 0.5$$

$$Z = \frac{0.14 - 0.86}{\sqrt{(0.5)(0.5)\left(\frac{1}{150} + \frac{1}{150}\right)}}$$

$$|Z| = 12.47$$

APPENDIX-V

Now, p_1 = sample proportion of respondents who make decision about marketing of agriculture and agro-product before involving MFPs.

$$\text{Or, } p_1 = \frac{X_1}{n_1} = \frac{39}{150} = 0.2600 \quad (X_1=39)$$

p_2 = sample proportion of respondents who make decision about marketing of agriculture and agro-product after involving MFPs.

$$\text{Or, } p_2 = \frac{X_2}{n_2} = \frac{112}{150} = 0.7467 \quad (X_2=112)$$

Test of statistic H_0

$$Z = \frac{p_1 - p_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where, } \hat{P} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2} = \frac{150 * 0.2600 + 150 * 0.7467}{150 + 150} = 0.5034$$

$$\hat{Q} = 1 - \hat{P} = 1 - 0.5034 = 0.4967$$

$$Z = \frac{0.2600 - 0.7467}{\sqrt{(0.5034)(0.4967)\left(\frac{1}{150} + \frac{1}{150}\right)}}$$

$$|Z| = 8.48$$

APPENDIX-VI

Now, p_1 = sample proportion of respondents who make decision about saving before involving MFPs.

$$\text{Or, } p_1 = \frac{X_1}{n_1} = \frac{37}{150} = 0.2467 \quad (X_1=37)$$

p_2 = sample proportion of respondents who make decision about saving after involving MFPs.

$$\text{Or, } p_2 = \frac{X_2}{n_2} = \frac{107}{150} = 0.7133 \quad (X_2=107)$$

Test of statistic H_0

$$Z = \frac{p_1 - p_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where, } \hat{P} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2} = \frac{150 * 0.2467 + 150 * 0.7133}{150 + 150} = 0.48$$

$$\hat{Q} = 1 - \hat{P} = 1 - 0.48 = 0.52$$

$$Z = \frac{0.2467 - 0.7133}{\sqrt{(0.48)(0.52)\left(\frac{1}{150} + \frac{1}{150}\right)}}$$

$$|Z| = 8.09$$

APPENDIX-VII

Test of statistic H_0

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where, O = observed frequency

E = expected frequency

$$E = \frac{\sum O}{n}$$

n = No. of observation

2Calculation of Chi – Square χ^2

O	E	$(O - E)^2$	$\frac{(O - E)^2}{E}$
37	30	49	1.6333
65	30	1225	40.8333
42	30	144	4.8
6	30	576	19.2
0	30	900	30
			$\sum \frac{(O - E)^2}{E} = 96.47$

Calculated value of $\chi^2 = 96.47$

Degree of freedom = (n-1) = (5-1) = 4

Tabulated value of χ^2 at 5% level of significant with 4 degree of freedom is 9.49

