

CHAPTER- I

Introduction

1.1 Background of the Study

Women and micro finance program has long and global practice to involve women in productive sectors. Asian Development Bank (ADB) defines micro finance as a broad range of financial services such as deposits, loans, money transfers and insurance to small enterprises and households (ADB, 1999). Similarly, Rachel Rock (1997) has defined it as development of small amount of short term working capital and in some cases, long-term investment loans and provision of deposit facility to small scale business and household. Women are considered as economic producer very late even if they have been engaging economic activities in domestic sphere. Given the gender discrimination that has gone for centuries, it is very positive aspect that women are gaining access to micro finance services. Micro finance program recently is focusing women as a target because poor women are proven to be better loan clients than poor men. Poor women's earnings have greater impact on the family welfare and women are likely to be empowered through their greater economic contribution to the household.

In simple words, regular saving and credit is an opportunity for income generating activities for women who do not have access to banking institutions. Especially micro finance system tries to encompass rural women who have been living lower economic condition, and virtually having no resource, cash amount for investment. Women have lower status than men, by tradition they are limited in mobility and access to information and education. The status of Nepalese women has been deeply affected by various religious, traditional evil customs. Social norms and evil practices have seriously affected the role and the status of Nepalese women. The United Nation has defined the status of women in the context of their access to knowledge, economic resources and political power and their personal autonomy in the process of decision making. Acharya (1995) says that when Nepalese women's status is analyzed in this light the picture is generally bleak. It is assumed that micro credit services explicitly provides economic support for economic betterment as well as implicitly creates

public sphere in which women have to share with many public and personal issues . In course of regular interaction with many people, woman member have developed bargaining capacity, ideas of income generation activities and areas of investment.

In Nepalese society, rural women have to perform gender based roles. The United Nation has defined the status of women in the context of their access to knowledge, economic resources and political power and their personal autonomy in the process of decision making. When Nepalese women's status is analyzed in this light the picture is generally bleak. It is stated that women from different caste/ethnic group seem to possess better status than the women from Hindu caste group woman in Nepal lag behind men in many areas of life. In every stage of life there are uncountable discrimination between men and women. Society always encourages men for their betterment of life where as women are always discouraged. It shows the great difference and gap between men and women, is not seen to be fulfilled in the near future. "The term gender refers to the socio-cultural definition of man and women; the way societies distinguish and assign their socio-cultural roles. Gender is deeply woven into our ways of life. "It refers to the personal traits and social positions that members of a society attach to their being female and male" (Macionis, 2005). It affects the opportunity and constraints each of us throughout our life. In Nepal gender relation is institutionalized and practiced in common life from each individual family to society. The gender issue mainly involves hierarchy and ranking men and women differently in term of power, wealth prestige and other privileges.

Nepal has a long standing history of community co-operative groups. Traditionally these groups were based on kinship, ethnic, tribe, religion bounds. They are known by such names as Perma, Pareli, Gumba, Dharma Bhakari, Guthi, Dhikuri, Rodhi, Bhejas etc, which have been running for generations to meet the needs of their members through labor exchanges, meeting emergencies providing loans, preserving culture etc. The first formed credit co-operative in Nepal was started in 1954 through a government pilot project in Chitwan district. Its main aim was to provide the poor with access to credit.

In the beginning 1980s a new generation of autonomous, community based saving and credit organization emerged in Nepal most of which groups are promoted by local and international non-government development organizations (NGOs/INGOs) as part of their community development activities. Numerous models were introduced, but some adopted the credit union model in which local savings and credit grew into viable single purpose financial co-operatives. These efforts were actively supported by the association of Asian Conference and contribution of USC Canada- Nepal to this effort must be recognized.

Handikhola VDC, the study area lies on rural part of Makawanpur district, the popular clean city of Nepal. The village is situated 13 km away from Hetauda city. The village is bordered by Parsa Wildlife Reserve to the south and west; Padampokhari VDC to the east, and Basamadi VDC to the north. Handikhola VDC situated in between Churia Hill and Mahendra Highway. This village is in constituency No. 4 for the purpose of parliamentary election and area No. 10 for the purpose of DDC election. It is heterogeneous settlement in terms of caste ethnic composition but clusters of Newars, the traditional settlements are separated from new pattern of planning settlement. Not only Newars but also Brahmins, Chhetris, Tamangs and Others also claimed that they have long history of settlement in this village. Newar is the largest caste group in terms of total number of population. Chhetri is the second and Brahmin is the third largest caste/ethnic groups in the village. Other big cluster of Newars is also much identified caste in the local area. Recently large number of migrants have been started to live in the village. There are 17 clusters of settlement in the village. The total population of the village, according to CBS and the village profile, is 10959 and total number of household is 2539. (CBS 2001, Village profile 2008). Among them, male and female are 5328 and 5601 respectively.

1.2. Statement of the Problems

In Nepal informal financial sector primarily comprises money lenders and traditional saving and credit association such as Dhikuties and other kind of associations. The Dhikuti is based upon the collection of equal amount of money from group member at regular intervals. The funds mobilized (Usually

compromising a significant by standards of rural Nepal are allowed to one member at a time in rotation).

The interest rates charged by money lenders are very high and often exceeding 60% per annum. As a result, loans from money lenders are generally used only for emergency purposes such as medical crisis or socio-cultural obligation such as wedding and funerals. The perceived normal rates of economic return on productive activities in rural areas means that loans from money lenders (at 60% and above) are very rarely used by low income household for investment productive and remain a last resort solution for emergencies or strict obligations.

“Women need to earn money” is proved by research, expressed by women, and felt by communities and countries as well. Women without ancestral property bureaucratic know-how and technical know-how confined or compelled them to be where they are. People might earn money either by getting by employment or earning cash through cash generating activities. For the formal one should have academic qualification and for the other one needs property or money. Most rural women lack both. So they need credit for creating self employment opportunities through the initiation of small scale enterprises, based on previous experience skill and knowledge, but the absence of formal credit institution, which are responsive to women’s work. Women are bound to accept indigenous borrowing system which is unreliable, incredible and costly for instances taking credit from relatives, money lenders, pawn brokers and shopkeepers.

Review of this program has indicated that the primary obstacles to access remain appropriate and bureaucratic procedures, prohibitive collateral requirements; and excessively high transaction costs incur by both lender and borrower. Recent initiative like the Micro-Credit Project for the women (MCPW) sponsored by the ministry of local development and various governmental and non-governmental clan of the Gramin Bank have served to modify the basic picture especially in the country’s hill region.

In Nepal, MCPW program has been implemented since 1994, to improve quality of life of rural women and their families to increase their socio-economic status. One approach for validating micro-finance for women is that women should have access to micro-finance so that it will result in the reduction of family poverty. So this approach focused on family. Another way of analysis is that women should have access to micro-finance so that it will result in women's individual empowerment through access to income and control over it. After implementation of the program, diverse consequences have been resulted. Detail sociological study of this aspect has not been properly carried out. A woman has no inheritance from parental poverty and enjoys only limited inheritance and disposal rights from her husband's property. Women have also to get permission session from man in the household to undertake any activities particularly economic activities. As women do not have living public space or business space of their own, they cannot do anything of their own; however they use space in the family or house.

Most Nepalese women particularly in rural areas are illiterate as well as economically backward. About 96% of economically active in rural areas, so women play a great role in alleviating poverty and contribute a lot in the socio-economic field. The advocacy of the micro finance program is that it leads to gender equality/equity and women's empowerment so that through access to income and control over it, women are able to make economic, social and political decisions. This proposition may not applicable equally in all socio-cultural background. Multidimensional impacts of micro finance program have been seen. So, I am interested to conduct sociological research on impacts of micro finance program in specific village. Micro credit program has both negative and positive impacts to the women. Positive aspects have been discussed on many research but negative aspects as well as cultural constraints, areas of loan and income investment have not studied much. On the basis of above mentioned background and problems faced by women in rural Nepal in the process of their engagement on micro-finance, this study tried to search answer of following questions in Handikhola VDC of Makawanpur district.

Why did they become member of micro finance program?

What are areas of preferences of investment of credit received from institution?

What is educational, economic, health and skill status of women?

What are major problems faced by women member?

How did they overcome problems?

How did rural women interpret micro-credit program?

1.3 Objectives of the Study

The overall objective of this research is to study impacts of micro-credit program on economic status of women of Handikhola VDC in Makawanpur. The specific objectives of the study are as follows:

-) To examine advantages of micro-finance program to rural women,
-) To identify priority areas at which women have used the credit received from their micro-finance program
-) To find out the problems faced by women in their socio-economic activities on saving/credit program.

1.4 Significance of the Study

The study has following significance

Recent policies of the government are to promote micro-credit program, especially women' engagement and their empowerment through enhancing economic resources and skill based trading. Women empowerment and inclusion are also given priority in policy making process. Women to be empowered, they should have access and control over cash income. Through micro-credit program, women can have cash in their hand and opportunity to invest both in private and public. This study support policy input of government and private sectors.

Women's involvement in this sector is one of the most important options that have both challenges and opportunities to undertake this profession for economic and social empowerment of women. The study would be more helpful to understand socio cultural problems and capacity of women as well as policies of micro-financing. The study describes the process, obstacles and areas of

investment so that policy maker may think to make practical policy related to rural women.

The study has significance because it aims to identify the problem causing hindrance in the development of the women and to demonstrate the success of cases in MSSS program in Handikhola VDC. This study focused on how women developed social prestige, self confidence and feeling of equality right of male and female eradicating the existing backwardness, illiteracy and superstition.

The myth of income generating activities has really helped to uplift the socio-economic life of women and their living standard or more problems they faced because microcredit of the Handikhola VDC. Therefore this study explored unintended consequences of microcredit so it has multiple significances.

This study is for the partial fulfillment of Masters Degree in sociology. The researchers could consider all the direct and indirect impacts of the micro-credit program for women in further study, planning, implementation and monitoring of programs on coming days.

1.5 Organization of the Study

This dissertation has been divided into eight chapters. Following these introductory remarks, background of the study, statement of the problem, and objectives of the study, chapter two deals with review of literature related to micro finance related to gender and development. Third Chapter is about methodology, it presents field stay and techniques of data collection. Fourth chapter describes about general settings and women' status of the study area. Fifth chapter is about analysis and discussion on advantages of micro finance program to the women. Chapter six explores priority areas of loan and income investment. Chapter seven explores various problems faced by women members and unintended consequences of microcredit program. This chapter further discuss about women' concept of economic and gender empowerment. Finally, overall finding and concluding remarks are presented in the eighth chapter.

CHAPTER II

LITERATURE REVIEW

2.1. Theoretical Review

2.1.1 Gender Gap, Women and Development

Gender is deeply woven into our ways of life. *"It refers to the personal traits and social positions that members of a society attach to their being female and male"* (Macionis, 2005). It affects the opportunity and constraints each of us throughout our life. "In Nepal gender relation is institutionalized and practiced in common life from each individual family to society", (Acharya and Bennett 1981). The gender issue mainly involves hierarchy and ranking men and women differently in term of power, wealth prestige and other privileges.

The determinant of the gender discrimination is most considerably the division of labor which can be viewed in different spheres of life. Men have been engaged in the productive sphere while women, mainly have been confined in household work. *"Most productive work done by women is neither recognized in terms of surplus is completely discounted and house work is not evaluated at all"* (Bhasin, 2000). Literatures shows that women's roles in decision making is affected directly or indirectly by economic condition. "A woman who has greater economic participation tends to have greater power of decision making (Acharya, 1993)". Gender analysis breaks down and divides between the private and public spheres. Gender roles refers to behavior that is learnt, based on social conducting that is a response to socio-economic and environmental pressures and conditions within households and communities. Gender roles are fluid, but in society they are considered as appropriate activities for men and women. Lober (1994) aggregates that the gender is human invention, like language kinship, religion and technology. It is socially and culturally constructed roles and responsibilities assigned to men and women in a given culture, society and location based upon their societal structures that is learnt behavior over time. Without linking the concept of gender in development theories and process it is incomplete.

Ritzer (2000) analyzed four fundamental approaches in gender analysis. They are as follow:

- 1) Gender difference Approach: It beliefs that women's location in, and experience of, most situations is different from that of men in the situation.
 - a. Biological explanation: It linked the different patterns of hormonally determined development over life cycle of male and female, sex-specific variation in such traits as sensitivity to light and sound and to differences in left and right brain connections.
 - b. Institutional explanation: Institutional explanations posit that gender differences result from the different roles that women and men come to play with in various institutional settings
 - c. Social psychological theory: It beliefs that social and cultural practices push women's experiences and way of knowing themselves at margin and women will develop a different subordinate consciousness.
- 2) Gender inequality approach: The main theme of gender inequality is men and women are not only differently situated but also unequally situated.
 - a. Liberal feminist: It beliefs that gender inequality is the result of a patriarchal and sexist patterning of division of labor, and gender equality can be produced by transforming the division of labor.
 - b. Marxist feminist: Marxist feminists analyzed structural inequality with different groups of women.
- 3) Gender oppression approach: It beliefs on the principle of gender oppression in which women are oppressed, not just different from or unequal to, but actively restrained, subordinated, molded, and used and abused by men.
 - a. Psychoanalytic feminist: It attempts to explain patriarchy by reformulating the theories of Freud and his intellectual heirs.
 - b. Radical feminist: It based on beliefs that women are everywhere oppressed- violently oppressed- by the system of patriarchy and women are of absolute positive value as women against the universal devaluing of women.

- c. Socialist feminist: Socialist feminists' beliefs that structural oppression is the main obstacle for women. For them women's experience of difference, inequality, and oppression varies location within capitalism, patriarchy, and racism.
- 4) Third - Wave Feminism: the third wave feminist mediated by the terrains of race and multicultural alliances challenged dominant and exclusionary forms of white feminism, while incorporating dimensions of consciousness raising by powerful narratives.

2.1.2 Women and Development Practices (WID, WAD and GAD)

The term "women in development" (WID) came into use in the early 1970s, after the publication of Ester Boserup's (1970) 'Women's Role in Economic Development'. WID emerged in early 1970's and it focused on productive role of women. Its orientation is from liberal feminism. Its assumption is marginalization of women-women is overburdened. Advocacy is participation in public area. They organize program, especially for women. Emphasis on improve condition of women. Boserup was the first to systematically delineate on a global level the sexual division of labor that existed in agrarian economies. She analyzed the changes that occurred in traditional agricultural practices as societies became modernized and examined the differential impact of those changes on the work done by men and women. She concluded that in sparsely populated regions where shifting agriculture is practiced, women tend to do the majority of agricultural work, in more densely populated regions, where ploughs and other simple technologies are used; men tend to do more of the agricultural work. Finally, "In areas of intensive, irrigation-based cultivation, both men and women share in agricultural tasks", (Boserup, 1970). Boserup's research was later criticized by for its oversimplification of the nature of women's work and roles, but it was Seminal in focusing scholarly attention on the sexual division of labor and the differential impact by gender of development and modernization strategies. Ester Bosserup (1970) had develop the concept of integrating women

into development (WID), as a critic to WID, women and development (WAD) approach development emerged in second half of 1970s. Both concepts tended to focus in the development of income generating activities, without taking much into account the time burden that such strategies place of women.

The demarcation between the WID and the women and development (WAD) approaches is not entirely clear. Historically, the WAD approach probably emerged in the second half of the 1970s it also focused on productive role of women. Gender and Development (GAD) has become an established field over the past thirty years. Its orientation is from Marxist feminism. Its assumption is structural subordination Devaluation of women's work. Advocacy is access to resources. They organize program, especially for women. Emphasis on improve position of women. It draws some of its theoretical base from dependency theory although dependency theory, for the most part, like Marxist analysis, has given remarkably little specific attention to issues of gender subordination. "The WAD approach grew out of a concern with the explanatory limitations of modernization theory and its implementation of the idea that the exclusion of women from earlier development strategies had been an inadvertent oversight" (Boserup, 1970). In essence, the WAD approach begins from the position that women always have been part of development processes and that they did not suddenly appear in the early 1970s as the result of the insights and intervention strategies of a few scholars and agency personnel. Achola Okello Pala noted that the notion of *"integrating women into development"* was inextricably linked to the maintenance of economic dependency of Third World and especially African countries on the industrialized countries (Cited by Pala, 1977). The WAD perspective focuses on the relationship between women and development processes rather than purely on strategies for the integration of women into development. The WAD perspective recognizes that Third World men who do not have elite status also have been adversely effected by the structure of the inequalities within the international system but it has given little analytical attention to the social relations of gender within classes. The question of gender and cross-gender alliances within classes has not been systematically addressed. Theoretically the WAD perspective recognizes the impact of class, but in practical project design and implementation terms, it tends like WID, to group

women together without taking strong analytical note of to class, race or ethnicity, all of which may exercise powerful influence on women's actual social status.

Perhaps most significantly, the GAD approach starts from a holistic perspective, looking at "the totality of social organization, economic and political life in order to understand the shaping of particular aspects of society" (Young, 1987: 2). GAD is not concerned with women per se but with the social construction of gender and the assignment of specific roles, responsibilities and expectations to women and to men. In contrast to the emphasis on "exclusively female solidarity which is highly prized by radical feminists, the GAD approach welcomes the potential contributions of men who share a concern for issues of equity and social justice" (Young, 1987). GAD emerged in early 1980's and it focused on reproductive and productive role of women. Its orientation is from socialist feminism. Its assumption is denial of human rights. "Both reproductive and productive roles are important. Advocacy is women's rights, human rights" (CEDAW 2003). They organize program, especially for gender, sensitive gender responsive. It gives emphasis on self-determinism of women. It is balanced approach.

The GAD approach does not focus singularly on productive or reproductive aspects of women's (and men's) lives to the exclusion of the other. It analyses the nature of women's contribution within the context of work done both inside and outside the household, including non-commodity production, and rejects the public/private dichotomy which commonly has been used as a mechanism to undervalue family and household maintenance work performed by women. Both the socialist/feminist and GAD approaches give special attention to the oppression of women in the family and enter the so-called "private sphere" to analyze the assumptions upon which conjugal relationships are based. GAD also puts greater emphasis on the participation of the state in promoting women's emancipation, seeing it as the duty of the state to provide some of the social services which women in many countries have provided on a private and individual behavior. The GAD approach sees women as, agents of change rather than as passive recipients of development and it stresses the need for women to organize themselves for more effective political voice. It recognizes the

importance of both class solidarities and class distinctions but it argues that the ideology of patriarchy operates within and across classes to oppress women. Consequently, "Socialist feminists and researchers working within the GAD perspective are exploring both the connections among and the contradictions of gender, class, race and development" (Maguire, 1984). A key focus of research being done from a GAD perspective is on the strengthening of women's legal rights, including the reform of inheritance and land laws.

2. 1.3 Micro-finance as a Component of Development Program

Microfinance refers to financial services offered to individuals that are excluded from the traditional financial system (considered 'un-bankable'—lacking collateral, steady employment, and a verifiable credit history). Aspects of microfinance, such as microcredit are designed to help lift individuals, families, and communities out of poverty by providing small amounts of start-up capital for entrepreneurial projects, which will then presumably help individuals to generate income, build wealth, and exit poverty.

One aspect of microfinance that distinguishes it from the traditional financial system is the "joint liability concept," where groups of individuals, usually women, group together to apply for loans, and hold joint accountability for repayment of the loan. The premise is that providing individuals access to financial services will better enable poor households to move away from subsistence living, to a future oriented outlook on life and an increased investment in nutrition, education, and living expenses. Furthermore, "Microfinance is unique as a development tool because of its potential to be self-sustaining" (Business Week, 2005).

A variety of studies have found positive impacts produced by the implementation of microfinance programs in poor and impoverished areas of the world. First, "Microfinance programs can be an effective way to provide low-cost financial services to poor individuals and families. Second, such programs have been shown to help in the development and growth of the local economy as individuals and families are able to move past subsistence living and increase disposable income levels" (Khandker, 2005). Many studies have shown that

microfinance programs were able to reduce poverty through increasing individual and household income levels, as well as improving healthcare, nutrition, education, and helping to empower women. For example, "Standard of living increases, which help to eradicate extreme poverty and hunger, have occurred at both the individual and household levels as a result of microfinance programs" (Khandker, 2005). Furthermore, it has been demonstrated by some research that microfinance programs increase access to healthcare, making preventative healthcare measures more affordable to the poor. In addition, "More children are being sent to school and staying enrolled longer" (Morduch, 1998). Finally, it has been shown that such programs can help borrowers to develop dignity and self confidence in conjunction with loan repayment, and self-sufficiency as a means for sustainable income becomes available. "Since microfinance services are primarily focused on women, it is argued that this leads to the empowerment of women and the breaking down of gender inequalities, through providing opportunities for women to take on leadership roles and responsibilities" (Goetz and Gupta, 1995).

Women's World Banking (WWB) is a global not for profit financial institution, established in 1979, to advance and promote the full economic participation of women. As a network of nearly 50 affiliates in 40 countries of Africa, Asia, Latin America and Europe, WWB represents the only global local network to opening poor women entrepreneur access to financial information, and markets WBB has played a leading role in showing that poor women entrepreneurs are responsible for saving and borrowing and hence they have the potentiality of restructuring the economy of their countries. WBB and its affiliates have served over 500000 micro enterprises clients, the vast majority being women who had no previous access to formal financial institution. WBB affiliates have guarantee over 200000 loans averaging \$200 each with repayments exceeding 95% in the process, WBB affiliates have developed over 3000 persons/savings and technical services to micro entrepreneurs WBB has established global leadership in demonstrating that the women led organization can built productive alliance with local banks to open up women entrepreneurs to credits. "As a global network of local

organization, women's world banking is positioned for major impact the 1990's" (Barry, 1993).

Morduch (1998) attempted to look specifically at the role microfinance plays in helping the poor, and reported mixed results, including some positive and some negative impacts of microfinance in alleviating poverty and helping the poor. The United Nations inter-agency working group on gender and development (UNIAWG-GND) was established in 1994, to review co-ordinate and develop UN system strategies and action specially being declaration and the platform for the action and it has established panels to recommend cost effective small credit accessible to the poor, particularly women, and the strategies for tackling these issues.

Micro credit is taken as anti-poverty tool. Such programs have been shown to "help in the development and growth of the local economy as individuals and families are able to move past subsistence living and increase disposable income levels" (Khandker, 2005). "The economic improvement of women has been on the global agenda for long time and after years of number crunching, policy heart-burn and eradicates debates; micro credit has emerged as a key strategy in achieving the goals set by global conference" (Pyakurel 2005, Thapa 2003).

A global movement has been launched toward the end of 1996, to reach 100 million of the world's poorest families especially the women of those families with credit for self employment by the year 2005. American agency, RESULTS educational fund had hosted the first world micro-credit summit held in Washington DC to launch this global movement during February 2-4, 1997. The summit saw the convergence of 2000 people across the global representing 100 countries including Nepal. In this micro-credit movement, the UN interagency (IAWAN-G&D) UNIFEM, ILO is a main supporting agency through the various NGO, self-help group, and sub group in the world. The successful step taken in Asian region to the micro-credit system is Bangladesh Grameen Bank and SEWA (Self Employment Women's Association), Grameen Bank, in India.

2. 2. Empirical Review

2. 2.1 Micro Finance Program and its Role in Empowerment of Women

Micro finance programs have the potential to transform power relations and empower the poor women. In well-run microfinance programs, there is a relationship of respect between the provider and the client that is inherently empowering. The basic theory is that micro finance empowers women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities. This economic empowerment is expected to generate increased self-esteem, respect and other forms of empowerment for women beneficiaries. Involvement in successful income-generating activities should translate into greater control and empowerment. "Closer examination shows us, however, that this equation may not always hold true and that complacency in these assumptions can lead MFIs to overlook both opportunities to empower women more profoundly and failures in empowerment" (UNIFEM, 2000). The ability of a woman to transform her life through access to financial services depends on many factors—some of them linked to her individual situation and abilities and others dependent upon her environment and the status of women as a group. Control of capital is only one dimension of the complex and ever-changing process by which the cycles of poverty and powerlessness replicate them. Women also face disadvantages in accessing information, social networks, and other resources they need to succeed in business and in life. Only by evaluating the needs of women will an MFI be able to maximize its empowerment potential.

Programs related to poverty reduction are considered development activities. There are several points of view about the influence for women in micro-finance. Women constitute the half of the world's population. However, since the ancient times they have been suffering from inequality, subordination and discrimination in the society. In Nepalese context, although women constitute more than 50% of the population, their overall situations are extremely pathetic and backward. "In spite of the ambitions, commitments and programs of government and I/NGOs over many years, women's status and situation in society have not changed significantly" (Pyakurel, 2005).

In Nepal, MCPW program has been implemented since 1994, to improve quality of life of rural women and their families to increase their socio-economic status. Micro-finance programs are focusing women as a target because poor women are proven to be better loan clients than men. Gopal Sharma (2002) notes that poor women's earnings have a greater impact on the family welfare and women are likely to be empowered through their greater economic contribution to the household. It is positive aspect that women are gaining access to micro-finance services. "Women need access to micro finance service and deserve it because they are good clients, it does not mean that only they should be burdened with the onerous task of providing for family" (Sharma 2002). Women's poverty impacts multiple aspects of development and multiple dimension of empowerment. One approach for validating micro-finance for women is that women should have access to micro-finance so that it will result in the reduction of family poverty. So this approach focused on family. Another way of analysis is that women should have access to micro-finance so that it will result in women's individual empowerment through access to income and control over it. A woman has no inheritance from parental poverty and enjoys only limited inheritance and disposal rights from her husband's property. Women have also to get permission session from man in the household to undertake any activities particularly economic activities. As women do not have living public space or business space of their own, they cannot do anything of their own; however they use space in the family or house.

Nepalese women particularly in rural areas are illiterate as well as economically backward. About 96% of economically active in rural areas, so women play a great role in alleviating poverty and contribute a lot in the socio-economic field. The advocacy of the micro finance program is that it leads to gender equality/equity and women's empowerment so that through access to income and control over it, women are able to make economic, social and political decisions. Parajuli and Thapa (1993) found that low level of decision making authority is the female and they have little decision-making authority in economy activities. Although major policy level decisions are taken by men, operational level decisions are taken by women. "There must be increment in

productivity of the available resources so that they lead for better status to uplift their own socio-economic condition of the family and society as a whole" (Parajuli and Thapa, 1993). Similar case is found in WFDD (1993) who has studied that policy level decisions are made by men, operational level decisions are important to get maximum number output from the farm operation. Another important reason regarding better performance among women borrowers stressed by MFIs is that hunger and poverty are more women's issues than the men's. According to Pyakurel (2005), "Women experience hunger and poverty in much more intense ways than men. Women traditionally have to stay home and manage the family, even though they may have virtually nothing to manage with. The mother has to go through the traumatic experience of not being able to feed her children during the days of famine and security. Give some opportunity to fight against hunger and poverty, a poor woman turns out to be a more natural and able fighter than a poor man. Poor women have the intense drive to move up; they are hard working, concerned about their human dignity, children's present and future, willing to make personal sacrifices for the well being of the children".

2.2.2 Micro Finance and Women Empowerment in Nepal

Micro-credit project for women (MCPW) in Nepal is an influence of the successful of PCRW program. His majesty's Government, ministry of local Development has implemented "Micro-credit Project for Women (MCPW)" through its Women Development Division (WDD) since early 1994. The project aims to improve and enhance the socio-economic status of women and promote their participation and integration in National development, thereby contributing towards poverty reduction. In order to achieve the basic goals, the objective of the project was to increase the income and employment opportunities for poor women in selected rural and urban areas of the project districts. Asian Development Bank (ADB) has provided loan to implement the project activities. The scope of the project is to cover 12 districts of which Dang, Salyan, Pyuthan are in Mid-western development region Baglung, Parbat and Kaski in western development region, Chitwan, Lalitpur, and Bhaktapur in central development region and siraha saptahari and Dhankuta Eastern Development region. Beside Urban areas and Nepalgunj, pokhara, Dhumre, Katmandu, Bhaktapur and Dhankuta are also

included as project areas. During the fiscal year 1994/95 the project activities were initiated in nine project district and three urban areas. However during this fiscal year 1995/96 project activities have been expanded in 12 project districts including Baglung, Parbat, Bhaktapur where women development section have been newly established. WDD is executing agency for group formation and training of women beneficiaries (T.A No 1903 NEP) and institutional support to NGOs (T.A No 1904 NEP) components of the project (MCPW Progress Report 1995). About half of the total population of Nepal is women. Women living in rural side of Nepal possess deplorable economic and social condition from the educational point of view also. It is open secret that women are backward in comparison to that they are compelled to posse's deplorable rural life. Women who work harder than men are also bearing the huge family different types of program to promote the social and economic condition of women.

In this regard, recently (1994/95) "HMG Nepal and Asian Development Bank have agreed to provide SDR-254900 loan to NRB for "Micro Credit Project for Women". In this connection NBL has also enlistment of income and prominence through agriculture production, micro enterprise and small business oriented scheme which generate employment opportunity and income to the women of selected areas having low income level" (ADB 2009).

"Women of low income level and deplorable condition means the women who fails within the boundary of income level as fixed by NRB that may vary from time to time. Thus, the maturity period of such credit that is provided as the working capital and fixed assets loan, has been fixed according to the nature of the credit, and this is not more than 7 years. According to this scheme limit of loan varies according to the nature of the business, as such maximum 30,000 Rs. is provided per women for agriculture production, 40,000 Rs. is provided per women for small industry and maximum of Rs. 2, 50,000 is provided per women for small scale business in urban area. This program is very helpful to women because it provides credit women without collateral but with group guarantee" (World Bank 2000, ADB 2009).

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

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

Based on the reviewed literatures it can be said that micro finance program is one of the best tool of poverty reduction by enhancing resources to the marginalized groups of society. Women are deprived of cash as well as decision making processes in many societies. They have different and serious experiences of being poor. Income generation and access to cash resources strengthen women's individual and social capacity to decision making as well as political participation. Although the process of empowerment varies from culture to culture, several types of changes are considered to be relevant in a wide range of cultures. Some of these changes include increased participation in decision making, more equitable status of women in the family and community, increased political power and rights, and increased self-esteem. Although most microfinance institutions can share anecdotal evidence of empowerment, very few have studied the effects of their programs on empowerment. The information and evidence that are available give us a mixed picture, showing successes as well as some limitations. Microfinance programs can strengthen women's economic autonomy and give them the means to pursue nontraditional

activities. In this theoretical concept women member of micro fiancé programs perform in the public place should be analyzed.

To conclude the chapter, the generalization made by conceptual and empirical literatures are not equally applicable in all places and socio cultural background. Theoretically, the researcher agrees with the propositions made by the scholars but empirical data showed different experiences of the women in different culture. Some unexpected consequences were found in my field study which was not covered earlier studies. It shows the possibilities of new experiences in other cultural background. Empirical studies showed positive aspects of micro-credit programs. They were not neutral because every development programs could have both positive and unexpected consequences. The researcher's position is to unravel both positive and negative aspects of the program in the selected area. Thus, Gender empowerment through micro finance is interesting research area in term of women involvement in transaction of cash economy. At the same time social and cultural domination of monetary activities and business activities are mostly captured by males. Similarly caste, marital status and place dominate that involvement independent decision making over the goods and having access over income resources, empower women. Negative impacts, unexpected consequences and some loopholes of the programs were not properly studied.

CHAPTER III

RESEARCH METHODS

This chapter describes the methodological design and procedure to carry out the present study. It introduces the selection of the study area, research design, sampling procedures as well as data collection methods. Finally data analysis procedures are described. Interview, observation, key informants interview, focus group discussion and case studies were research methods used in this research.

3.1 Research Design

The research design of the study includes both exploratory and descriptive research. This is narrative and explorative research of micro-finance program among women. A descriptive method has given description of women members of micro finance services with respect to their caste, family size, access of property, education level as well as working experiences. And, explorative research design has explored the relationship between women's status and saving credit program.

3.2 Nature and Sources of Data

The nature of data was both qualitative and quantitative. Qualitative data were collected through observation, key informant interview and case study method and quantitative data were collected through interview questionnaire and survey sampling. Both primary and secondary types of data were collected. The sources of primary data was the field work where as the source of secondary data include both published and unpublished literatures i.e. books, journals, articles, research reports, Ph.D. thesis etc.

3.3 Selection of Study Area and its rational

Handikhola VDC was purposively chosen as research site for the study to make the investigation easy. It is near to my home place, so thinking the cost effective and convenience for the study, this site was selected. For income generating

activities, the 'Mahila Sahayogi Sahakari Sanstha (MSSS) has provided loan to rural women in this area without collateral. Of the forty three VDCs, Handikhola VDC where MSSS activities are being implemented by the branch office of MSSS. Handikhola VDC is considered to be one of the successful programs areas in rural area in Makawanpur district.

3.4 Universe and Sampling Procedure

Handikhola VDC is the universe of the study where more than 1000 women of 9 wards of the VDC are directly benefited from the MSSS program. Among 9 wards, three wards (1, 3, and 5) were selected randomly. There were 300 women member in the selected wards and out of them, 60 women were selected through simple random sampling for this study. To make a detail study 2 case studies were selected purposively on the basis of their involvement in the MSSS.

3.5 Methods of Data Collection

3.5.1 Interview

Most of the information of household level required for this study was taken interviews with the targeted population of the study. Both structured and unstructured interview schedules were used while conducting the interviews. Similarly, unstructured interview were conducted to other members of the study area to obtain information about the program and to know the change and empowerment of women of the study area after the program implementation. Interview schedule was used to collect required data as research tool.

3.5.2 Observation

Both non-participant and participant observation was used to collect the necessary data for this study. The observation information such as women participation on banking program, income generation activities, trainings and women group meetings and other activities were obtained through semi-participant observation. Similarly, women's pattern of work, use of other benefits, and engagement in other activities were studied to understand the change in their decision-making role and the role at power exercise and change in life style. The observation was made to the possible extent through the

participant observation for the socio-political activities of women. Rest of the data was collected as per need. Checklists were used as research tool in this study.

3.5.3 Key Informant Interview

To obtain required data, which could not be collected by interviews, case studies and observation were collected through key informants' interviews. The data regarding the operation and management of the banking program, impacts of the program on women of the study site, areas of credit investment and problems faced by women were obtained from the key informants. The chairperson and other ward leaders of VDC, social mobilizers, teachers of the locality and staff etc. were the key informants of the study.

To study the impact of micro finance and problems faced by women was carried out through focus group discussion. For specific data collection, a focus group discussion consisting of at least 10 women involved in the MSSS program was conducted. The focus group included the chairperson, managers and other members of the women credit groups. Discussions were focused upon the change brought in them after program with emphasis on the empowerment of women. Checklists were used as research tool in this method.

3.5.4 Focus Group Discussion

To study the impact of micro finance and problems faced by women was carried out through focus group discussion. For specific data collection, a focus group discussion consisting of at least 10 women involved in the MSSS program was conducted. The focus group included the chairperson, managers and other members of the women credit groups. Discussions were focused upon the change brought in them after program with emphasis on the empowerment of women.

3.5.5 Case study

To explore detail impact, problem and empowerment of micro credit on individual level, case study method was employed. A total of two women were taken purposively as case study. Care was given to include women from different ethnic and social-economic background. The selected informants were

intensively interviewed to prepare detailed case study, to incorporate individual experience in the MSSS program to measure the empowerment of the rural poor women.

3.6 Data Processing and Analysis

Both qualitative and quantitative data collected during the fieldwork and obtained from other secondary sources were used to interpret the data. The data was broadly categorized according to the research objectives and presented in qualitative as well as in the quantitative form. Thereafter the data were analyzed and interpreted in a systematic way, mainly characterizing in various headings and sub-headings to meet the objectives of the research study. Both dependent and independent variables were considered in analyzing and interpreting the data.

3.7 Limitations of the Study

The study has following limitations:

- (1) Concentrating only on Handikhola VDC ward numbers 1, 3 and 5 of Makawanpur; the study may not represent the exact picture of women in other areas of the country and result may not suitable for generalization.
- (2) It is for the partial fulfillment of Masters Degree in Rural Development. All the direct and indirect impacts of the micro-credit program for women could not be studied due to time and budget limitations.
- (3) The study has methodological limitations in selecting research design, data collection techniques and sampling procedures.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

Raw Data were properly processed, tabulated and analyzed in this chapter to appraise the performance of selected micro-finance institution. For better understanding and presentation; mathematical tools were used. Tables were based on primary data. An attempt has been made to analyze and interpret obtained data of the subject matter in sequential order.

4.1 Background of the Respondents

The main goal of objective of this micro-credit for women is to uplift socio-economic condition of women in the target area and to empower the beneficiary women through saving/credit scheme. In the study area of this VDC the researcher has tried to find out the main variables affecting the beneficiary women. The social features i.e. land, household conditions, family factor, education, health and sanitation, decision making power, women's status skill and training play key role to succeed in this kind of development program.

One of the criteria of the MSSS participation in micro finance program was that the women must be member of the group and they have to attend regular meeting. Sixty women were interviewed on the basis of questionnaire schedule. The detail background of the women respondents is given below.

4.1.1 Caste Ethnic Composition of Women

Within the sampled wards (1, 3 and 5), various castes ethnic groups have been living since their remembrances. Though all castes and ethnic communities claimed that they were the oldest group living in this area, Newar settlements seems traditional as well as preserved traditional cultural and religious heritages. Newar is the largest and dominant ethnic group in terms of separate group and they have more chances to be covered in the sampled size of the study. Brahmin and Chherti jointly comprised the largest high caste group. Tamang and Dalit groups are minority groups within the selected sample. Caste/ethnic composition of the selected respondents is presented in the following table

Table No.4.1: Caste/Ethnic Composition of Respondents

S.N.	Caste/ethnicity	Number of HHs	Percentage
1	Brahmin	9	15
2	Chhetri	21	35
3	Newar	27	45
4	Tamang	2	3.3
5	Dalits	1	1.7
	Total	60	100

Source: Field Survey, 2011

This table presents caste/ethnic composition of the women respondent in the study area. Out of total sample size, Brahmin and Chherti shared the largest pie of the total figure. They are 50%, after that Newars are 45%, the Tamang are 3.3%, and the Dalits are 1.7%. The lower caste women are also involved in this program even though there is only one woman selected in sample size.

4.1.2 Family Background

Since the study area is close to urban life and livelihood, replication of urban family pattern can be seen in the area. Influences of city way of life, most of the women respondent want to live on nuclear family and many of them have been living on the desired family structure. Their favorite family type is nuclear in which husband, wife and their unmarried children. All of them expressed burden of responsibility, economy and cultural complexities living in joint family. But the desired family type did not find on their present family practice.

Table No.4.2: Family types of Respondents

S.N.	Family type	Number	Percentage
1	Nuclear	48	80
2	Joint	12	20
	Total	60	100

Source: Field Survey, 2011

This table presents the family background of the women respondents. Family structure also makes differences on decision making and control over income. According to them, 80% of women had nuclear family and only 20% of them have

been living in joint family. Even in the nuclear family number of family member varies. Only two members constitute nuclear family and even 10 people also can be called nuclear family if they are sibling, father and mother. Following table presents family size of the respondents.

Table No. 4.3: Family Size of Respondent

S.N.	Family size	Number of HH	Percentage
1	4 members	18	30
2	5- 7 Members	30	50
3	8- 10 Members	9	15
4	10 above members	3	5
	Total	60	100

Source: Field Survey, 2011

Due to the cultural practices, educational access and awareness of family planning, people of this area manage population balance. Male preference and socio-cultural orientation are main causes of the population increasing in the area. There are 18 houses having below 5 person and 30 households with 5-7 persons and 9 households with 8-10 persons and 3 households with 10 above persons. It indicates that there is no more crowded in the family.

4.1.3 Educational Status of the Women

There are varieties of educational institutions in the study area. Many non-government organizations have been running educational campaigns. Direct or indirect support influenced educational status of the women. Most of the respondents were literate, at least knew to read and write general Nepali language. Some of them completed higher level education.

Table No.4.4: Educational Status of the Women

S.N.	Education level	Number	Percentage
1	Illiterate	3	5
2	Literate	12	20
3	Primary	15	25
4	Lower Secondary	11	18.3
5	Secondary	12	20
6	SLC	4	6.7
7	Intermediate and above	3	5
	Total	60	100

Source: Field Survey, 2011

This table shows that only 5% of women are illiterate who had never gone to school or got opportunity to participate in non-formal education (NFE). Out of 60, seven women had completed SLC and higher education. The highest percentage i.e. 25% of women had completed primary level education. Contribution of non formal education and other campaign of education had educated 20% of women in the study area. The number of women who had studied secondary level is significant that is 20%. All women respondents realized the importance of education and expressed sense of humiliation of being dropped out school. Now they have sent their children to the public and private schools.

4.1.4 Marital Status of Women

Marital status makes differences on women's responsibility and economic and work burden. Implicitly micro finance institutions target on married and single women because of their permanent stay at program area. Because of influence of the program, all women respondents were either married or single women.

Table No.4.5: Marital Status

S.N.	Marital status	Number	Percentage
1	Married	47	78.3
2	Single women	13	21.7
	Total	60	100

Source: Field Survey, 2011

Majority of the women respondents were married. Married women comprises 78.3% where as single women comprise 21.7%. Interesting aspect of the program is that micro-finance program staffs encourage single women to involve in income generating activities. For the purpose of the study and generally understood meaning of the single woman denotes widowed, separated from husband, divorced women and above 35 years old unmarried woman. Single women were more flexible, active decision maker and free from family restrictions.

4.1.5 Landholding Size of Women

Land is major indicator to justify economic status of household. Land ownership is mandatory in some banking institutions to get loan from banking institutions. Land is not only economic variable but also it is indicator and mean of social empowerment of women. Status of women's land ownership in the village is poor. The survey shows that almost 55% of women have own land ownership mostly minimum amount. The major criteria to be the member of MSSS is the household of member should have land or permanent inhabitant of own house. But MSSS gave loan to the landless women when the group recommended and guaranteed honor of the woman.

Table No.4.6: Status of Household and Women's Land Ownership

S.N.	HH Land size	No	Percent	Women ownership no	Percentage
1	Landless	-	-	27	45
2	> 1 ropani	13	21.7	19	31.7
3	<1 - >2 ropani	18	30	6	10
4	<2 - >3 ropani	9	15	3	5
5	<3- >4 ropani	7	11.7	3	5
6	<4- >5 ropani	7	11.7	2	3.3
7	5 above ropani	6	10	-	-
	Total	60	100	60	100

Source: Field Survey, 2011

The land holding pattern of the respondents of Handikhola VDC showed that more than 50% households have less than two ropanies land. Only 10% households

have above five ropanies, 15% have 2- 3 ropanies and 11.7 % have 3-4 and 4-5 ropanies land. On the other hand women's land ownership situation is not satisfactory. None of the families were landless, but 45% of women within the household was landless in term of land ownership. Gender differences on landownership were clearly presented in the table by comparing household land ownership ratio and women's land ownership percentages. According to the respondent women their household land holding size is decreasing year by year because of increasing number of migrants and land plotting brokers. They claimed that within the period of two year land holding size of most of household was decreased by 50%. Women in the village claimed that number of women's land ownership was gradually increasing because of government policies like inceptive on land registration on women's name and equal right of daughter to their parental property and gender awareness, .

4.1.6 Age group of the Respondents

All age women are not economically active and generate income to the family. Women below 20 years are mostly unmarried and busy on education. Women above 50 years are also less active for income generation because they have household responsibility rather than earning. Their sons and other family members were considered earners. They mostly take care of small children in the home.

Table No. 4.7: Age Ratio

S.N.	Age Group in year	Number of women	Percentage
1	12-19 years	3	5
2	20-29 years	18	30
3	30-39 years	24	40
4	40-49 years	12	20
5	50 above	3	5
	Total	60	100

Source: Field Survey, 2011

The age distribution ratio of the study area show that there were 3 or 5% of the total respondents involve in this program below than 20 years. The higher number of 40% and less no of respondent is 5%. There was only 5% of respondents

50 above age in the program. Most of the respondents were in the age group, 30-40 years i.e.40% and 20-30 years 30% and 40-50 years 20% age group constituted. The young and active women dominated the age group.

4.1.7 Household Head

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

Table No. 4.8: Household Head

Male headed household	Female headed household
48 (80%)	12 (20%)

Source: Field Survey, 2011

The household position of the respondents is male dominated. There are 80% male headed households and 20% women headed households. The above data shows the lower situation of women than men. Although the 20% women's represent in their household, they got the chance to represents their household mainly the death of their husbands. Otherwise, they cannot get the chance to be household leader in the male dominated society like ours.

On the basis of this background of women respondents in the study area other data are analyzed in next three chapters. Introduction of place and people indirectly depicts socio-cultural background of the research area. Gender analysis, areas of received loan investment, capacity of decision making and problems faced by women are presented in following chapters.

4.2 Advantages of Micro-Finance Program on Women

There are multiple areas at which micro finance program has produced advantages to women. This chapter attempts to highlight on those advantages focusing on the case of women in the study area specifically it deals with the advantages available in a) group formation and development of collective

identity, b) group mobilization in use of resources, c) income generating training and d) availability of loan for women

4.2.1 Group Formation and Development of Collective Identity of Women

The first and foremost function of the micro finance program was to form women groups in the community. They named the group to remember collective identity of the member women. Single name represents many women. This is initiation of collective identity of the women. There were around 30 women groups within three wards of Handikhola.

To be a member of Mahila Sahayogi Sahakari Sastha (MSSS), at least 5 women can form a functional group and their names were registered as a member under their group name. Rather than their individual name they were recognized called through their group name. Before group formation program staff of MSSS usually organized motivation and orientation programs in communities. Orientation sessions can also be organized on the basis of demand of women. After the orientation and motivation sessions interested women regularly contact MSSS staff and form a group. Group formation is one of the basic functions to obtain loan from the MSSS. One group consists of 5 to 10 members. Only married women living in the area are allowed to be member and unmarried daughter were not allowed since they eventually get married and move to their husbands' place, their participation is considered to be temporary and likely to disrupt the functioning of the group. Interested women are organized by themselves and select one chairperson and one secretary. Interested women were involved in basic training of group management, rule and regulation of the organization. Group meeting is held twice a month on 15th and 30th of each month. Group chair person is authorized to maintain discipline in the group. She also works as speaker for the group.

Meeting place was fixed where all meeting were held. This place is called center and all the banking transaction is held at the center. Secretary records all attendance and discussed agenda on the meeting and accountant keeps account clearly. During field observation all women were found disciplined and quite enthusiastic. Each of the women could express her voice and personal feeling

and social justice regarding loan distribution. All of them are familiar to the rules and regulations of MSSS. Everyone knows her role and responsibilities in the meeting and loan return.

Training is considered as an essential entry point of the program, which is not compulsory but highly complementary for the group member before getting loan. Usually MSSS staff organized training after formation of group. The training was conducted for the fixed period normally for a week. One of MSSS staff was authorized to evaluate and take the group recognition test of the members. The purpose of the training is to make aware of the responsibility of the group members and how and in what were possible areas for the investment for better income generation. It also helps to generate collective feeling and sense of cooperation among themselves. The group members were taught all the processes and procedures of getting and repaying of loans. Every member has to have own personal idea of investment, planning and estimation of income generating activities to be an eligible candidate to receive the loan.

4.2.2 Group Mobilization in Use of Resources

Regular group saving and utilization of that saving is also main function of the women's groups. The regular saving of the group has been mobilized by the member of the same group. They made rule of Rs. 18% interest rate for seed money mobilization. They did not mobilize money out of group. In the name of regular saving, they organized regular meeting of each group. In the meeting they not only talk about mobilization of saving and loan money, but also talk about socio-cultural and economic aspect of the community. The registered group may receive emergency fund without interest if anyone face emergency. For this purpose the group leader has to recommend and MSSS staff observe the situation. In general borrower woman has to return groups saving within three months. When a woman gets loan from MSSS, she has to return on installment basis. Loan completion deadline also varies on the basis of amount of loan they received. Less than Rs. 30000 loan has to be repaid the within one to two year. More than Rs. 30000 loan has to be returned within three years. Borrower member is obliged to deposit 10% of the credit amount in group fund saving, for

which members are required to save at least 50 rupee per 15 day. This group fund can be utilized as an emergency fund by the group members. They mobilize saved fund by themselves turn wise turn on the rate of Rs 2 per hundred per month. If they used group fund, they have to pay 18% interest rate of the principle amount. But the interest rate of loan received from MSSS is 12%. There were some conditions to get loan from MSSS. At first family head's agreement letter or signature is mandatory because family head will be responsible to return back loan if unintended accident happened. Similarly, Group head's recommendation was needed. If unintended consequence happened, MSSS tried its best to recover as far as possible.

The regular meeting was not mere saving and credit of the fund. Group members and MSSS staff exchange success life histories and case studies of the women who had successes to generate good amount of money. Similarly they share their experiences of adopting new occupation, problems and solutions of the problems. Staff and knowledgeable member recommended beginners for the betterment of income. Sometime member shared personal problem of low income and loss of the business. They cooperate when a member has not required cash for deposit in the MSSS. They borrowed from each other for short period of time. So, women working in the group have been building confidence and social capital by helping each other in their problems.

4.2.3 Income Generating Training

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

Table No. 4.9: Status of Training

S.N.	Training received by Respondents	Women Number	Percentage
1	Beauty parlor	14	23.33
2	Tailoring	17	28.33
3	Hotel /cook	9	15
4	Vegetable farming	13	21.7
5	Poultry farming	5	8.33
6	Dairy farming	3	5
7	Computer	2	3.3
8	Bee keeping	3	5
9	Not any	7	11.7

Source: Field Survey, 2011

One woman has received more than one categories or subject matter trainings. Radha Maharjan said that she has received training of beauty parlor and tailoring but she has been involving on beauty parlor now. According to the table most of women were trained but not all trained women involved on the same occupation they have been trained. For example 17 women had received tailoring training but only 8 women are involving tailoring as income occupation. Similarly 14 women had been trained on beauty parlor but only 10 women applied parlor as an income occupation. Women are interested to receive training and searching profitable and easy occupation. According to Sudha Paudel, member of MSSS, women received many occupational training because of economic insecurity, dissatisfaction on present income and search of better options. Only 7 women have not received any training.

4.2.4 Availability of Loan for Women

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

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

Table No. 4.10 Distribution of Loan on Income Generating Activities

S.N.	Loan amount. Rs.	Total loan amount. Rs.	Number	Percentage
1	1000-5000	8000.	3	5
2	6000-10000	42000.	5	8.3
3	11000-15000	78000.	6	10
4	16000-20000	218000	12	20
5	21000-25000	290000	12	20
6	26000-30000	274000	9	15
7	31000-35000	201000	6	10
8	36000-40000	116000	3	5
9	41000-45000	90000	2	3.3
10	46000-50000	98000	2	3.3
	Total	Rs.1415000.	60	100

Source: Field Survey, 2011

This table shows the scenario of the loan amount and percentage of the total respondents. Total amount of loan was 1415000 among 60 women of the three wards. This loan was distributed different period of time. The amount of loan was distributed on the basis of kind of income generating activities, areas of investment and skills and training received by the women. Out of 60 respondents, 40% have taken Rs.508000 loan range Rs. 16000-25000. According to the loanee women this is not adequate amount to start new occupation but some women started new income generating occupation by adding extra money from other sources. 15% of the respondents had taken the amount of Rs. 26000-30000, and 7% of the women had taken relatively largest amount range from Rs.41000-50000. There are women who got around Rs. 5000 that is not sufficient to start income generating activities. Sometimes beneficiaries themselves are much more careful about the amount of loan that they demand according to their entrepreneurship skills and talent and prediction of income. MSSS staff

said that there was also bad loan in the community which was not returned since 2063 B.S.

4.2.5 Networking and Empowerment

Empowerment is gradual process of enhancing capacity to overcome problems. Networking provides strength to fight against personal problems collectively. Like minded organizations co-operate each other and support to personal problem collectively. Line agency progress means women relationship and coordination with similar type of social type of organizations. They are not only formulating collective identity by organizing on gender based issues but also they are coordinating each other for common problems. Women groups were called for social activities and decision making of woman's issues. They expanded their network with other line agencies and learnt income and right based activities from other groups. Dynamic women were called by other agency to coordinate social development. Though it is very difficult to measure empowerment status of women but simple indicators of empowerment status of women respondents are presented below.

Table No. 4.11: Relations with Line Agencies

Women Empowerment	Yes	No
Increasing of involvement on decision making than before (Discussion, dialogue with appearance)etc	57(95%)	3(5%)
Co-operation through line agencies	56(93.3%)	4(6.7%)
Call on meetings	51(85%)	9(15%)

Source: Field survey, 2011

The above data indicates that 95% women have improved and increased their ability to interact and discuss about social and women's problems. They can put their views without hesitation to line agencies. This is one of the markers of the social empowerment of women. Only 5% women replied that they had not increased their understanding and knowledge through other organizations. Comparatively, it was very positive social impact for the beneficiary women. 93.3% women were cooperated by other line agencies. They have shown good performance to deal with other organizations. They have become able to do so. 85% women were called on meeting related to women issues therefore they have

a good view about the program. They absolutely wanted to give the continuity to the program, only 15% women beneficiaries hesitated to give continuity the program; they did not have any commitment about it.

95% of women felt differences regarding decision making involvement of family and public areas in comparison to non membership stage. Their ability to influence or make decisions that affect their lives and their futures is considered to be one of the principal components of empowerment. The micro-finance program focus on women's use of loan and ability to make decisions about her business as the most direct impact on their programs. Their income is invested in the family budget of health, education of children and they play a big role in minimizing family poverty. The detail of income and priority areas of loan and income investment of the respondent women is presented next point.

4.3 Priority Areas of Loan and Income Investment

Women are considered family care taker. They have to invest time and resources for food and health of family members at least in Nepali culture. There are various areas of loan and income investment of the women in the study areas. I concentrate by highlighting, priority areas of loan and income investment in productive activities, accumulation of resources, education, food, health and similar family and social need fulfillment. Productive and non productive areas are main focus of this chapter.

4.3.1 Investment in Productive Activities

Women respondents have been involving different types of productive occupation or employment. Before being member of the MSSS, many of them had own priority areas of engagement which are mostly unproductive. After being member, some women have continued previous occupation on commercial form and majority of them have shifted into new source of income that are emerging in this area. Beside monthly paid job, women of this area had been doing vegetable farming, vegetable marketing, poultry farming, wage laboring, tailoring and street vending. Recently new areas are booming and some occupations are declining. The emerging occupations for the good income are

presented by large number of women started after the MSSS's orientation, training and loan. The occupations of the selected women before being member and after being member of MSSS are given in the table below.

Table No.4.12: Areas of Loan Investment

Before MSSS loan		Areas of investment or Occupations	loan amount investment Rs	After MSSS loan	
Percentage	No			No	Percentage
26.7	16	Vegetable farming	11000	8	13.4
10	6	Vegetable marketing	195000	9	15
8.4	5	Shop keeping retail	170000	8	13.4
1.7	1	Poultry farming	95000	4	6.7
5	3	Teashop/hotel/resta uran	200000	7	11.7
5	3	Milk producing	60000	3	5
6.7	4	Tailoring	230000	8	13.4
5	3	Beauty parlor	290000	10	16.3
0	0	Bee keeping	35000	2	3.4
5	3	Goat farming	30000	1	1.7
6.7	4	Street vending		-	-
10	6	Wage labor		-	-
10	6	Others/ non- occupants		-	-
100	60	Total	1415000	60	100

Source: Field Survey, 2011

This table shows the comparative study of the livelihood occupation adopted by the members before and after getting loan from MSSS. On the basis of loan investment beauty parlor and tailoring were areas of highest investment i.e Rs. 290000 and 230000 respectively. The lowest amount of investment areas were goat farming, bee keeping and milk production. As women reported these were less profitable areas and very few women were interested to invest on them. According to the women, women had been engaged traditional occupations without commercial income sense. After being member of MSSS, varieties of occupations have been started with commercial motive. The right side of the table shows differences between prior loan occupation and after implementation

of micro finance program. Before getting loan, 26.7% women had involved on vegetable farming, 10% of women had earned their bread through wage labor, 10% of women were doing none of income generating activities and 6.7% of women were in street vending. About 7% of women were killing time without income occupation. Vegetable farming occupation is in crisis because of diseases, low price for farmer through middleman and high competition in the market. More than 50% of women were found in the four groups. After getting loan from micro-finance service, wage labor, street vending and non-occupation are reduced into zero. Similarly vegetable marketing and goat farming occupations are decreased from 26.7% to 13.4% and 5% to 1.7% respectively.

Emerging areas of credit investment for the women are beauty parlor, tailoring, vegetable marketing, teashop/ hotel, and poultry farming. Now 16.3% women invested on beauty parlor in which on 5% were involved before program. Similarly increasing percentage are: 10% to 15% on vegetable marketing, 8.4% to 13.4% on retail shop keeping, 1.7% to 6.7% on poultry farming, 5% to 11.7% on hotel/teashop, 6.7% to 13.4% on tailoring and 0% to 3.4% on beekeeping. Milk production occupation remained constant in term of number of women's involvement before and after the program.

This table shows the changes of occupational involvement among women who are member of the MSSS. Because of cash budget for investment, motivation and received training, women had invested on emerging field for income. According to women group, they are interested less labor intensive occupations but not all chosen occupations are less labor intensive. Parlor, marketing and tailoring are new areas of credit investment. There is a case of transformation of a widow as successful business women.

Case no. 1. Single women became successful business women

Mandira Shrestha 40, a widow, was running a tea stall. She lost her husband 9 years ago. "When my husband dead, I became totally helpless with my little sons". There was small piece of land in her portion which was not sufficient to cultivate for her livelihood. She had faced many cultural defame as a young widow. She had no source of income to continued children's education so her elder eon had dropped school and started work with carpenters. His income was lost in the family to buy food to clothes.

Two years ago she had joined MSSS's micro finance program. Within 6 month of involvement she got Rs. 15000 loan for income generating occupation. With orientation of program staff, she invested it to vegetable marketing. At the beginning she had not much idea regarding this occupation. The occupation was not as much expected but she was able to return loan within another six months. Then she sold the occupation and started Tea and hotel at the Handikhola bazaar. Then she got next time Rs. 15000 loan for the same occupation. Then she expanded this hotel into MOMO center as well. She bought furniture, gas stove, and utensils for the hotel. Now she gave employment for two young boys too. She makes tea, MOMO, Chaumin, and other fried verities. There was crowded of customer at the time of field survey. Now her youngest daughter is reading in class nine in boarding school. She earns Rs. 12000 per month excluding expenses of the hotel materials. According to Mandira it is net income from the occupation.

She added "my elder son also support her family, there is not economic problem in my family. I am grateful to MSSS's program that inspired and encouraged me and support by giving loan to do income based occupation. I am satisfied with my occupation as well as MSSS's program in Handikhola village".

4.3.2 Areas of Investment

Income is outcome of the productive work. Each woman has own plan of income utilization. Women respondents have various priority areas of income investment. In comparison to loan investment the areas of income investment are non productive. They have emotional family attachment and most of their income goes to betterment of family. Food, health, education, utensils, and house construction are main areas of income investment. The detail of income investment is presented below. Economic factor is the most important variable in development. Economic condition plays a vital role to change the society. It brings changes in backward societies and strengthens them to uplift their socio-economic conditions. Especially women are involved in saving credit program. The data indicates achievement by this program is neither good nor bad. It gives a mixed result. The implication of such program has indicated the improvement of the women status.

Table No.4.13: Areas of Income Investment

S.N	Areas of income investment	Yes		No		Total %
		No	%	No	%	
1	Food secured annually	33	55	27	45	100
2	Land purchase from income	1	1.7	59	98.3	100
3	New house constructed from income	3	5	57	95	100
4	Means of entertainment, utensils	9	15	51	85	100
5	Children's education	30	50	30	50	100
6	Occupation successful - loan return	29	49	31	51	100
7	Health of family	27	45	33	55	100
8	Savings deposit	54	90	6	10	100
9	Loan return	24	40	36	60	100

Source: Field Survey, 2011

The table of areas of income investment shows that 55% of women expensed on food purchasing for the family. Among sampled respondents, only one woman had invested to buy land, 5% of them invested their income on house construction, 15% of them invested on entertainment and utensils in the home, 50% have invested on children's education, 45% replied on health, 49% have

expensed on further development of the present occupations and loan returning of the office, 40% have already returned loan received from the MSSS, and 90% have been saving their income in the bank. Most of them are suffering from overdue loan. Only 74% women gave good regular income by their income by their occupation but 25% women have no regular income. The main motto of the women creditors is how to return loan of the micro finance institution. The most of income investment areas are found non productive or infrastructure development of family members like food, education, health, etc.

This kind of situation indicates that the most of the women have less technical and business knowledge. Even if they have knowledge and skills, their liability of family members compelled them to invest on non productive areas. So, they couldn't get benefit from this program. They replied, "Saying is a vast different process from Doing". Often they didn't have good family support. Women are always in backward condition not only in the society but also in the family, because their male counterpart usually did not help enough. The various dimensions of social, cultural and technical problems of women members are given next point.

4.4 Problems of Micro-Finance Program faced by Women

Nepali society is characterized generally patriarchal. Accordingly, cultural values and social norms legitimize sex role, status and customary behavior within and outside the households. Men enjoy disproportionate power, prestige and influence. Women are placed in a sub-ordinate position in their social relationship with men and are expected to be differential to men in all the respects. This chapter focuses on a) gender based discrimination, b) control over cash resources, c) Cultural Constraints on Occupation, d) Unintended Consequences of Micro credit and d) Social Condition of Respondent in the study area.

4.4.1 Gender Based Discrimination

One of the most important problems faced by women respondents of the study area is gender based discrimination. Though the micro-finance program is tagged

and targeted to women, but they are not free from domination to choose area of investment and getting loan from banking institutions. In this program also women were not free from family intervention as well as limit of loan. Women member were not allowed to get loan more than Rs. 50000 without either collator plus household head's agreement to return the loan. In majority of family household heads are male. Ultimately large amount of loan's decision responsibility goes to the hand of male. Women were considered only small amount subject and their talent and skill could not handle large amount of budget. Single women had faced discriminatory contradictory policy and program of the micro finance institutions. On the one hand MSSS had focused on single women for loan and investment and on the other hand higher limit of loan bound them to run small amount based occupation. The MSSS including other banking institutions still believed that women are economically less productive, consumer, passive and doubt upon capacity to handling large business.

4.4.2 Control over Loan and Household Income

Decision making responsibility in the household is one of the strong determinants of a woman's status at home as well as in the society. Culturally most of the societies are male dominated. It has been observed even within educated family and educated women are culturally bound not to take initiatives in household decisions. During field survey it was observed that majority of the respondents have reported the decision was made by their husbands or male members. There is one interesting case in which loan has been taken in the name of wife by being group member of MSSS, but that loan has been used by husband in his business without agreement of wife. The detail of the case study is presented in the box.

Case No. 2: Male's control over woman's loan

Usha paudel is 30 years old young women. She had got secondary level education. She was born in Nuwakot district and got married at the age of 18 with 25 years old same caste boy at Handikhola village. The family was joint one but three years ago her family was separated. Now she has nuclear family, with her husband and three children in the same village. Two years ago her husband heard about the productive program of MSSS. He had forced her to join group of the program. Usha found this program interesting and profitable. She got two month tailoring training. She was interested to open tailoring center at the village bazaar and want to be professional. She had taken Rs. 20000.for the tailoring purpose. Her husband has business in Makawanpur. Her husband used that loan in his own business without agreement of her. Her husband has handsome income from the business but she has no access in that economic resources. Her husband gives her household expenditure and she has to depend upon him all the time. With the limited amount of money given by husband, she was not satisfied but her husband did not allow her to open independent income based occupation. Her social and economic status did not change after participating the MSSS micro finance program. Gradually she became passive and living monotonous life as a servant of husband. She said that "my social prestige is decaying because of forgery done by my husband. There is difficult to show my own income generating activities to the MSSS staff for legitimacy of the loan". Gradually her outer mobility also blocked and many women talked about her morality and capacity. At last with faded voice, she added," I felt disappointed not having own occupation and source of income. My friends have progressed a lot but I am at the last and unfortunate member of the group. This was my fate which hard to change".

This case clarified that how male controlled over loan in the name of women. This was happened not only control over loan but also control over income of the occupation in the study area. In most family household head were male who has got control not only over productive property but also income of the occupation. Mostly productive property is registered on the name of husband or household head. Women have very little say over the property.

4.4.3 Cultural Constraints on Occupation

Caste system was heavily rooted around Handikhola village. There were some strict cultural boundaries among women. Inter caste marriage, caste untouchability, menstrual untouchable are still practised in this area among high castes. According to Brahmin and Chhetri women tailoring, swine farming, hotel and teashop stalling are still considered degraded occupation socially and culturally. If a Brahmin woman opens tailoring centers in this areas, people will start defame her work and labor. They devalued her social respect and equalized to Dalits. Similarly, high caste women should not open teashop and wash glasses of all caste people is regarded lower status occupation. Some of they were hesitated to sell their own production at Makawanpur. They prefer to sell their vegetable nearby farmland or some broker buy on wholesale rate from the field. So, women have faced cultural and social problems and psychological uneasiness to start profitable and interested occupations. Woman without occupation and source of income has good social and family status, respect and moral than a woman who has tea stall at roadside.

4.4.4 Social Condition of Respondent in Study Area

In general, development program should bring change in the society and household. Development program does not bring desired things in the society. The program brought both types (good or bad) of impact in the society/household. The purpose of micro credit types of development as well as awareness program is to change the society/household in a positive manner but it can also create social conflict and social disharmony, disintegration in the society/household (negative social aspect) level.

Table No. 4.14: Occupational Status and family response of respondents

S.N.	Social condition	Yes		No		Total %
		No	%	No	%	
1	Occupation successful	29	49	31	51	100
2	Family breakdown(Separated)	6	10	54	90	100
3	Conflict in family	15	25	45	75	100
4	Employment for out of family member	5	8.4	55	91.6	100

Source: Field Survey, 2011

Social Impact table

S.N.	Social Impact	Very good	%	Good	%	Bad	%	No concern	%	Total	%
1	Family support on occupation	16	27	31	52	10	16	3	5	60	100
2	Husband's response on occupation	10	17	25	42	9	15	16	26	60	100

Source: Field Survey, 2011

The above data shows that 31 respondents were not successful on their occupations. Only 29 women were successful in their occupation. They reported many factors were responsible for the successful and failure of the occupation. Economy is only one and minor component of the occupation. Family support, right selection of the place, public opinion, cultural factors and skill are few of them. Six respondents have suffered from the family breakdown situation due to the impact of MCPW program. 15 respondents had conflict in their households due to the program and 45 households have harmony and family consensus. Only 5 women have employed out of family labor in their occupation, 55 respondents

have employed own family members to create family integration and division of labor.

Only 16 households have a very good view about women’s involvement in the program. They received public credibility and good opinion from the public. 31 persons felt good, 3 did not have any comment but 10 respondents' families had negative view about the women’s engagement in the project. 10 husbands have very good response to the program, 25 had positive view, 16 did not have any comment but 9 persons had negative view about the program.

4.4.5 Women's Status in the Household

However, women have been involving income generating activities to change their socio-economic status but the situation was found to be little changed, not accordance with the objectives of the micro-finance program. During the field visit most of the sampled respondents reported that they were not satisfactory in terms of family relation and support. Though many of them were satisfied with income of the occupation they had problems of gender roles and responsibilities in the family and society. Some respondents said that they lost previous household status as "good wife, best daughter-in law" into family conflict and cause of family separation. The family status of women respondents is given in table.

Table No.4.15: Women Status and Role

Women status	Status in HH		Authority power in HH	
	No	%	No	%
Increase than before	48	80	36	60
Decrease than before	6	10	24	40
Unknown and as it is	6	10	-	-
Total	60	100	60	100

Source: Field Survey, 2011

One of the major aspects of the MSSS's micro finance is to increase the women status and role in their family and society. The project is definitely increasing the women’s status and role in the VDC. It is one of the positive signs of the program. The above data shows that 80% respondents have increased their status

through the program. 10% women have decreased their previous family status and another 10% respondents were unknown with increase or decrease of their previous status. They said that they did not feel differences in the family. Increase of family status is attached with gaining and loss of family authority and power also. According to respondents, 60% respondents were gained good authority and power exercise in their household, and 40% women have lost their previous authority and power in their household due to the un-education and male dominant. All women couldn't increase their status and role in their household.

Decision making capacity of the 60% respondents in their household resources and income/expenditure has increased after the implementation of the program. On the other hand 15% have decreased their capacity due to misunderstanding about their occupation and lack of family consensus and 12% women were unknown and 5% reported that they did not find changes.

Regarding decision of the occupation of the women, 50% respondents could make self-decision in their occupational area, place and other matter, 40% respondents decided with their husband's interference (under husband), 5% respondents were under the control of -in-laws and 5% women were under other people out of family. Generally respondents were found to be male dominated, in terms of decision making process of the whole process of the micro-finance program. In the male dominated households women couldn't increase their role in decision making as a male partners always interfered in their arguments and decisions. So, many times they were not involved in decision making process in the household. They are always in trap and under the pressure of husband and in-laws.

4.4.6 Unintended Consequences of Micro-Credit Program

There are many cases of unintended consequences of micro credit program in the village. Few cases are presented to depict paradoxical outcome or result out of institution's imagination. Parbati Tamang (pseudonym) who had taken out loan Rs. 12,000 for poultry farming last year ran away with another man. She came

only once in the village. When her group asked her to repay, she told them that her ex-husband would be responsible because she had left all chicken with her first husband along with all his property. On the other hand, her ex-husband told the group that he did not know what his ex-wife had done with the borrowed money. He said that all chicken were sold by her and she did not give any money to him. Now there was not any chicken in his farm. He told with the group and MSSS that he is not responsible to return loan of ex-wife. He added "she had taken my property, gold and other material but I was unable to return them".

Juma Shrestha 48 received loan Rs. 10,000 for vegetable farming six month ago. She was laborious women and she had returned all previous loans twice. She was died by high blood pressure after a week of loan received. Now her family members did not agree that she had taken loan from MSSS this time. Her husband said that he did not know that her wife issued loan from the office. If she had taken, she could have been used or invested it either family or vegetable farming. There were not any vegetables in his farm at that time. Without convincing evidences he denied to return wife's loan.

On these cases, both women group and MSSS staff were of the opinion that even though loans are drawn in women's name, the women do not always retain control over their management. It was not uncommon for some to simply hand the loan money over to the household heads and let them decide on its appropriation. When I was participated women's group meeting, many household heads especially husbands were sitting by listening conversations just side of the group. One woman took Rs. 2,000 loan from seed money and gave it to her husband to buy necessary materials. She said that her husband bought all necessary material in home and shop. She did not want to buy because of lack of confidence.

4.4.7 Group Dynamics and Domination

Nominally groups were formed for the purpose of micro-finance activities and involvement of women into income based occupation. But some time groups deal with social and political issues of the society. They have organized and publically spoken against domestic violence, child labor, polyandry and other social evils

and traditional cultural practices. The women groups in the village were found multidimensional in terms of their functions. But not all women were equally dynamic. More dynamic women had dominated less dynamic and less educated women. Rich women, educated women and high caste women dominated important decision making process and profitable work. During field survey, unequal behavior and dominating activities were observed. The table explained here about the respondent's group activities which happened different activities in their group. Group activities play key role in various types of saving/credit program. If group is dynamic, the beneficiary women also do well and progress. But if the groups have inner conflicts or are inactive they will not be able to succeed.

Table No. 4.16: Group Activities

Group Activities	Yes	No
Regularity of group meetings	45 (75%)	15(25%)
Group conflict	9 (15%)	51(85%)
Compromise decision making in group meeting	51 (85%)	9 (15%)
Implementation of group meeting's decision	30 (50%)	30 (50%)
Community development program in your group	24 (40%)	36(60%)
Regular savings	50 (84%)	10(16%)
Use of saving amount	21 (35%)	39(65%)
Proper use of loan	57(95%)	3(5%)

Source: Field Survey, 2011

The above data indicates that the group meeting was no regularity. They said that only 75% meeting were regular basis and 25% meetings were irregular date. In groups all women were not same mind set and they were not from the same cultural background. Field observation found that there were disputes among them about mobilization and use of group saving. Among them only 15% reported conflict within group and 85% said there were harmony in the group. If there was harmony, there was easy for decision making in the group and same ratio was found on group decision making. For the implementation of group decisions, women were divided in two half: 50% of them implemented decisions and 50% did not.

This program is intended to involve women in development program in the communities. Only 40% of respondents were interested to involve and invest community development and rest of 60% did not show interest for community development. There is problem of use of saving amount and regularity of saving. 84% have done regular saving and 35% of respondents have used regular saving. To observe the data of proper use of loan, 95% have responded proper use of their loan.

All these factors show that there are positive and negative changes going on the village with micro-finance program conducted by MSSS but most of the programs have positive impacts to the women. Social indicators show difference before and after the implement of the program.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

This is a study of impacts of micro finance service provided by Mahila Sahayogi Sahakari Sastha (MSSS) specifically its economic impacts, areas of loan and income investment, problems faced by women, unintended consequences as well as social status of women members in Handikhola VDC of Makawanpur district. Review of micro finance programs have indicated that the primary obstacles to access remain appropriate and bureaucratic procedures, prohibitive collateral requirements; and excessively high transaction costs incur by both lender and borrower. Recent initiative like the Micro-Credit Project for the Women (MCPW) sponsored by the ministry of local development and various governmental and non-governmental clan of the Gramin Bank have served to modify women's picture.

The major findings are summarized below:

-) Out of total sample size, 50% women were Brahmin and Chherti community, 45% were Newars, 3.3% were Tamang and 1.7% was Dalits.
-) 5% of women were illiterate, 20% were literate from non formal education and other campaign of education, 25% of women had completed primary level education, 18.7% were in lower secondary, and 20% women had studied secondary level. 11.3% of women had completed SLC and higher education.
-) 45% had no land ownership, 31.7% respondents had less than one ropanies land, 10% had less than two ropani lands, 10% had more than 2 and less than 4 ropani lands, and 3.3% had 4 to 5 ropanies land.
-) 40% were age of 30 to 39 years old, 30% were 20 to 29 years, 20% were 40 to 49 years old and 5% were under 20 year old. Out of them 78.3% were married women and 21.7% were single women.
-) MSSS has invested Rs.1415000 loan among 60 women of three wads of Handikhola. 40% have taken loan personally range Rs. 16000-25000. According to the loaned women this is not adequate amount to start new occupation but some women started new income generating occupation by adding extra money from other sources. 25% of the respondents had taken the amount of Rs. 26000-35000 and 11.7% of the women had taken relatively

largest amount range from Rs.36000-50000, and 13.3% women had taken less than Rs. 10000.

- J In terms of occupation change before and after program there was significant. Women's involvement on vegetable farming was changed from 26.7% to 13.4%, vegetable marketing changed from 10% to 15%, Shop keeping from 8.4% to 13.4%, poultry farming 1.7% to 6.7%, teashop/hotel restaurant from 5% to 11.7%, tailoring from 6.7% to 13.4%, beauty parlor from 5% to 16.3%. Before loan 10% of women had earned their bread through wage labor, 10% of women were doing none of income generating activities and 6.7% of women were in street vending after loan all of those categories were reduced into 0%.
- J Emerging areas of credit investment for the women are beauty parlor, tailoring, vegetable marketing, teashop/ hotel, and poultry farming. Milk production occupation remained constant in term of number of women's involvement before and after the program.
- J Most of women were trained but not all trained women involved on the same occupation they have been trained. For example 17 women had received tailoring training but only 8 women are involving tailoring as income occupation. Similarly 14 women had been trained on beauty parlor but only 10 women applied parlor as an income occupation.
- J The areas of income investment show that 55% of women expensed on food purchasing for the family, one woman had invested to buy land, 5% of them invested their income on house construction, 15% of them invested on entertainment and utensils in the home, 50% have invested on children's education, 45% replied on health, 49% have expensed on further development of the present occupations and loan returning of the office, 40% have already returned loan received from the MSSS, and 90% have been saving their income in the bank.
- J There were various problems faced by women members of MSSS program. There were cases of unintended consequences of micro-credit program. When loaned women ran away or died their remaining family members denied to return loan. This types of event gradually loses security of loan

credibility of other women members in different. MSSS always doubts upon the security of loan among women.

- J) They were suffered by gender based discrimination in their family and society. The case of Usha Paudel is sufficient how male control over loan received by women.
- J) Similarly they have problems of loan limitation, without family member's agreement they were believed to get more than Rs.50000, cultural constraints upon occupations, conflict in family, separation of family, decreasing of previous status, respect and morality of women members.
- J) There were both positive and negative impacts of the micro finance program conducted by MSSS. Majority of women members were benefited from the program. They got cash loan without collators. They were oriented and encouraged to involve on income generating activities but selection of occupation, skill, talent, and psychological confidence are played roles for successful and failure of their occupation.

5.2 Conclusion

On the foundation of above findings, conclusion can be made that micro-finance services is strong but not ultimate tool for women's empowerment and poverty reduction among women. It is relative with socio-cultural as well as economic background of the family and society. Family support both physically and morally is backbone of occupational development otherwise confidence, boldness and tolerance is essential for women. In spite of various constraints majority of women member have done income generation. They were gaining not only economic status but also developed social linkages through line agencies, involved in social developmental activities and all-round development.

Some women used this forum for personal economic empowerment, personal linkage with social activities and social development but some women felt burden of work load and worry to return loan. Women's loan and income both are unsecure from male members of the family. To observe pattern and new trend of area of loan investment, beauty parlor, tailoring, marketing and teashop are found attractive and fertile areas in terms of income and loan

investment. Single women are found relatively more laborious and many of them have done good economic mobilization. They are found stronger to break cultural and social barriers than other women. Therefore gender based domination, loyalty and roles sometimes weakens women's capacity.

In well-run microfinance programs, there is a relationship of respect between the provider and the client that is inherently empowering. The basic theory is that micro finance empowers women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities. This economic empowerment is expected to generate increased self-esteem, respect, and other forms of empowerment for women beneficiaries. Involvement in successful income-generating activities translated into greater control and empowerment. Closer examination showed that however, that this equation may not always hold true and that complacency in these assumptions can lead micro finance institutions to overlook both opportunities to empower women more profoundly and failures in empowerment. The qualitative result of the program was mixture of positive and negative impacts. If all loans taken by male members of the family, woman will be taken category and she will remain same forever. The information and evidence that were available give a mixed picture, showing successes as well as some limitations. It can be concluded that microfinance programs can strengthen women's economic autonomy and give them the means to pursue nontraditional activities.

5.3 Recommendations

Based on findings and conclusions of the study some recommendations were made. However, this study was carried out to fulfill very specific objective of fulfilling the partial requirement of Masters Degree in Rural Development and the recommendations made here would be more general. It is still hoped that the recommendations provided here are useful for the government and non government organizations that have been involving micro credit programs, researchers and academicians who wish to carry further studies on micro-finance and women empowerment.

The recommendations are as follows:

-) Male awareness for the empowerment of women members of the household level is necessary.
-) Specific and effective trainings should be developed for the improvement of women members' skill and capacity enhancement so that they can be confidence to invest on trained occupation.
-) It is recommended to increase loan amount without collator, based on the findings that maximum Rs. 50000 was given to women. That amount is not sufficient to start good business at present.
-) Social and cultural empowerment is necessary for the participation of lower strata of the society. Women's education is the basic backbone of empowerment. Government put stress on girl education.
-) Policies of micro finance organizations and installment payment date should be flexible because most women were in intense mood at the time of installment.

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APPENDICES

APPENDIX-1

Impact of Micro Finance Program on Economic Status of Women

Interview Schedule

1. Name of the respondent..... Name of VDC.....
 Ward no.

 Group Name.....

2. Basic information of the respondent and her family background

Caste ethnicity	Educational level	Family type	Number of family member	Resp's Age	HH head's sex	Marital status	HH Land status (Ropani)	Women's land status

3. How and why did you join micro credit program? Could you tell me in detail? ...
4. Have you taken loan from MSSS? Yes/No
5. If yes, what was amount and purpose of taking loan?

S.N	Purpose of loan	Amount of loan	Date of issue	Date of return

6. Did you return loan? Yes/ No If yes, how many times you returned loan...
7. Did she get income generating training from any where? Yes/No
8. If yes, what were the names of training? 1. 2. 3.
9. Main Occupation of the respondent woman

Name of occupation Before MSSS loan	Name of occupation after MSSS loan and loan amount

10. Did you get income from present occupation? Yes/ No

11. If yes. In which sectors did you invest your income? Give priority areas of your investment

Loan return	Food	land	Education	house	Entertainment	Health	Saving

12. Do you think you are successful in the present occupation? Yes/No

13. Did you get support from your family members? Yes/ No

14. How did your husband respond in your new involvement?

1. Very good 2. Good 3. Bad 4. Very bad 5. No concern

15. How did your family members respond in your new involvement?

1. Very good 2. Good 3. Bad 4. Very bad 5. No concern

16. Do you have any special events of support and obstacle?

17. What obstacles are you facing after your involvement in micro credit program and present occupation from your family members? Could you mention them.....

18. What are social and cultural obstacles to start new income generating occupations?.....

19. Do you feel difference on your decision making capacity than before?

1. Increase 2, decrease 3, unknown 4, as it is

20. Who makes decisions in your present occupation

1, self 2, husband 3, Father- Mother -in-laws 4, other

21. Do you find differences of status in your family?
1, Increase 2, Decrease 3, Unknown 4. As it is
22. Do you find differences of status in your community?
1, Increase 2, Decrease 3, Unknown 4. As it is
23. Did your group members participate in all meeting? Yes/ No
24. Did your group face conflict among members regarding decisions and loan?
Yes/No
25. Did your group implement all decisions of the meetings? Yes/No
26. Did your group participate community development programs? Yes/No
27. Did you use in group saving money? Yes/ No
28. Do you think the received loan is properly used in your occupation? Yes/ no
29. Are you called in public meeting in your community? Yes/ No
30. Are you called in meetings of other women' organizations? Yes/No
31. What are advantages of the program?
a
32. What are disadvantages of the program?
a,

Appendix II: Check list for Group Discussion

1. How did you become member? Processes of MSSS's membership....
2. How did you form group? Processes of group formation and mobilization....
3. What are criteria to get loan form micro finance organization? Processes.....
4. How do you mobilize in group regular saving?
5. Decision making processes to mobilize loan on income greeting occupations.
6. What are differences on occupation of women before and after getting loan?
7. Priority areas of loan and income investment.
8. Advantages of micro finance program
9. How does your group coordinate with other groups?
10. How does women group help to solve personal problems of women?
11. What are obstacles to get loan from office?
12. What are weaknesses and disadvantages of the program?
13. Can you tell me some successful and failure case of the programs?
14. What are unintended consequences of the micro finance program?
15. What is caste and gender based discrimination in the occupation?
16. Do you find some difficulties being single women in micro finance programs?
17. Do you find gender based discrimination of the program?
18. What are cultural obstacles faced by women member?
19. Control over loan and income cash in the family.