

# **CHAPTER: 1**

## **INTRODUCTION**

### **1.1 Background of the Study**

Nepal is a small developing Himalayan, country situated in Southeast Asia. It is bounded on the north by the Tibetan autonomous region of People's Republic of China and on the south by India. It has an area of 147181 sq. km. and runs all along 885km east to west and 193km north to south. Climatically it lies in the temperature zone with added advantages of attitude. Ecologically, the country is divided in to three regions running east to west. They are mountains, The hill and the plains, the mountain area lie at and attitude varying from 4877 meters to 8840 meters above the sea level embrace eight of earth tallest mountain in world. The total population according to 2010 census was 2,66,20,800. The hill region is located is the middle part of the country and runs from east to west along the southern side of the country. It has flat land and includes most of the fertile land and dense forest area of the country.

Specially, Nepal is one of the least developed countries of the world. More than 90 percent of total population is still in the rural area and most of them are not yet getting minimum physical facilities that are necessary for human being because of under development of those areas and their poverty. There is a great challenge to the nation to eliminate the poverty of the country through gradual development of the area and to provide basic needs to the people keeping in view challenges in front of the nation. Several programs have been launched. The country has a population of 23151423 with an annual growth rate of 2.24 percent with the life expectancy of 59.7 years. The density of population is 157.30 person per km and GDP US \$1120. Literacy rate stands 64 percent, which is among the lowest in the world. Geographically, Nepal is blessed and adorned by natural beauty. Today Nepal has become a country of attraction for tourists from all over the world.

Labor force participation rate of women in Nepal is relatively high (66) by most 93% of them are employed in low productive agricultural sector. There are mostly unpaid family labors involved in traditional households production activities participation of women in relatively modern and more productive non-agricultural sectors in which they are usually employed are low paying and low job security e.g. garment, carpet weaving wool spinning etc. (Economic Survey,2010,7-15)

The Micro-credit Project for Rural Women (MCPW) was launched in 1994 (2051/53) with Asian Development Bank's financial assistance as the supplement to existing Production Credit for Rural Women(PCRW)program. The project aims at improving the socio-economic status of women through social preparation, skill training credit and institutional support to Non-government organizations to undertake income generating activities both in rural and urban areas. The program is implemented by Women's Development Division in collaboration with two participating banks, Nepal Banks LTD. And Rastriya Banijya Bank. It involves NGO's as intermediaries for group formation, skill training and credit facilities of women beneficiaries. The loan limit is Rs. 40 thousand for agriculture and micro-enterprise and Rs. 250 thousand for small business in urban areas. This program is spread over in 9 district and 3 municipalities.

Production Credit for Rural Women (PCRW) was commencing in 1982 and it extended in 67 out of 75 districts of Nepal. Its total investment shows in tune of Rs. 605 million for 70 thousand s women borrowers through 122 Bank. This research is concerned with the Bunkot VDC microfinance Programme of Production credit for rural women run by DEPROSC bank .

### **1.1.1 Introduction of DEPROSC Development Bank**

Since 1993, the NGO DEPROSC (Development Project Service Centre) aims at 'empowering rural people for self-sustaining socio-economic upliftment. It started its microfinance activities in 1995 in the Central region and transferred its

microfinance portfolio to DEPROSC Development Bank in 2001. DEPROSC Development Bank is a rural microfinance development bank operating under the Development Bank Act and Company Act. Promoted by the NGO DEPROSC, which retains part ownership, equity participation is shared between the Agricultural Development Bank, Nepal Bank, Nabil Bank, NGO CEAPRED and other microfinance practitioners.

DEPROSC Development Bank is licensed to work in ten districts of the Central region, and operates in five of them, Chitwan, Bara, Parsa, Rauthat, Sarlahi. In addition, the NGO DEPROSC continues to provide microfinance services in the Easter Region, in the district of Jhapa, Sunsari and Morang, serving approximately 8,000 clients.

DEPROSC Development Bank's core activity is microfinance. The bank provides direct lending services as a retail lender in the Terai region, and indirect lending in the hills as a wholesale lender to community based savings and credit organizations. These community-based organisations have been promoted by the NGO DEPROSC, which has supported the creation of more than 150 cooperatives so far, comprising 25,000 members.

With its direct lending program, the bank adapts the Grameen Bank model to lend to homogenous groups, organised in centres, which provide additional peer solidarity and pressure to ensure credit discipline. DEPROSC Development Bank also provides larger loans, 'microenterprise loans', which is restricted to a 25 percent share of its portfolio, with a Rs.100,000 loan size maximum per loan, as instructed by the central bank. Moreover, savings are an integral part of the bank's program. The bank integrates its microfinance activities into a broader strategy of microenterprise development, which is implemented in collaboration with other agencies.

DEPROSC Development Bank has difficulties in accessing long-term, institutional lending as commercial banks are phasing out their lending under the priority sector requirement. RMDC only offers retail lending conditions (short term, frequent repayment). Moreover, DEPROSC Development Bank would be interested in being able to accept public deposits. The bank has modified its methodology to adapt to the conflict situation, with more clients going to branches for financial transactions, instead of bank officers going to them.

DEPROSC Development Bank borrows from Nepal Rastra Bank and some commercial banks such as Nabil Bank Limited, Everest Bank Limited, Kumari Bank Limited and Lumbini Bank Limited. Diverse Banks and financial institutions hold 48.4 percent of DEPROSC Development Bank, which plans to raise additional capital through a public share issue of Rs.3,180,000. DEPROSC Development Bank plans to have more public capital than private in the long run. Midwestern Rural Development Bank (MWRDB) registered under the company act.

Poverty is the major problem of Nepal, Hence extreme poverty is the major problem in front of the Nepal's development and it is widely accepted that poverty of Nepal can be eliminate effectively only through micro- credit program. Bank has appeared as a focal point of poverty alleviation in Nepal with believe that poverty alleviation in Nepal with believe that poverty alleviation cant start only by realizing rural socio-economic life and their behavior and function from rural people especially women through providing them credit and other social services in an easy way in their own place

Through committed to social justice, gender equity and human resources development, DEPROCE Nepal firmly believes that attempt of social change can not materialized in isolation of economic activities. Therefore, economic production activities and social mobilization should go hand for the overall improvement of community. Social mobilization stands for creating environment where people in the difficult circumstances can be organized into their own insinuation to develop and sustain their human potential under participatory framework and to positive in societies.

### **Mission**

DEPROSC Nepal is committed to enhance the participation of rural people in general and poorest of the poor women and marginalized ethnic groups in particular in their development for socialization and institution development and community development.

### **Objectives**

DEPROSC Nepal aims at aims at empowerment rural people for attaining socio economic upliftment through of policy research, action research and training, its specific objective

#### **1.1.2 Concept of Microfinance Programme**

Microfinance is financial services to the poor. This goes for the definition in Nepal too. As the government in Nepal has it's whole national plan focused on poverty reduction Microfinance has a key role to play in achieving the goal of our government. Microfinance is definitely one of the tools of eradicating poverty and empowering poor people however, it is also not a panacea. Poor people like

rich have their financial needs therefore financial services be it savings, loan or insurance is a necessity of life for them. The major strength of microfinance is that it provides these services to the poor people and helps them to improve their economic & social conditions.(*Microfinance Development in Nepal* 2010, pp144)

Program which provide opportunity to those who are usually considered non bankable, to save small amount of savings, receive amount of loans at their doorsteps without or with collateral in a very simple way, receive or with collateral in a very simple way, receive insurance and other financial are micro finance program.

In Nepalese context Small Farmer Development Program(SFDP) Small Farmer Credit Line (SFCL), Production credit for Rural Women ( PCRW) and MCPW and RSDF Programs are recently scaled up establishing DEPROSCD Development Bank with major equity participation of Agriculture Development Bank, Nepal Bank Ltd, Nabil & lumbini Finance and leasing co. and CEAPRED.(*Microfinance Development Submit* 2010 pp.105)

### **1.3 Statement of the Problem**

25 percent(Census Report 2010)of people of rural area are below the poverty line according to the census 2068 more than 80% population are live in village among which more than 70 percent are depend on agriculture sector. In that situation, the banks, financial organization cannot reach to the rural area, lack of the accessibility of the banks, financial agencies, rural people cannot utilize their self skills, capacity, labor in productive and better way , without money is nothing possible like that, peoples are in rural area compelled to take loan from individual or private sector rather than banks or financial agencies that result to repay with high interest rate, they only can fulfill their basic needs, food cloth and residence

so that the study show the private sector inviting the more powering in rural area and another important thing is the field of microfinance is only in the rural area, there is large scale opportunity to enter microfinance program so the attempts made how the financial sectors enter in rural area for poverty alleviation and what has done to uplift their lifestyle by enhancing microfinance programme.

Although contributors of women in Nepalese context is considered unimportant, there is brief that given opportunities women are capable to do work efficiently recent studies in developed countries indicate that poorer households are more dependent as the earning of women and in order to service they engage in much greater diversity of income generating activities.

DEPROSC development bank now one of the major contributors on this sphere by bring all the rural people in participant women's participation is also its much emphasized aspect i.e. to make the women economically strong by handling the rural level saving and other programme, monthly meeting, loan proposal, repayments compulsory deposit, attending in different training and workshops at the local level such income generating activities and program seems to pay an outstanding role in having entrepreneurship talent of an individual, raising her economic standarding and bringing about overall development energies in every nock out of rural areas.

Our country's women literacy rate is very low they cannot utilize their loan in proper way. If loan will be misused, it will become burden it can further be enhanced by involving more participants and resources, therefore the attention of concerned authorities should go towards these issues. This research is to measure the effectives of Deprosc Development Bank(DDB) economic empowerment of rural women in Bunkot area where this study is conducted.

#### **1.4 Objectives of the Study**

The main objective of the study is to analyze the contribution of DEPROSC development bank in economic empowerment of women. Other objectives are as follows;

- i. To examine the role of DEPROSC development bank in economic empowerment of women in Bunkot VDC.
- ii. To find out the changes in the business, employment and income of the beneficiaries before and after involvement in micro financing program
- iii. To suggest appropriate policies to the bank for upliftment of rural women in the study area.

#### **1.5 Significant of the Study**

The significant of this study is to see income generating activities would enhance the economic status of women into the family and society. Deprosc development bank provides gainful employment and economic generating activities and develops confidence to become independent one of the most important services of DDB is to provide loan for the poor people without collateral. It also has literacy program is one of the components, which increase the program

Another important activities of DDB is the group saving scheme where each members of the group is required to have saving which may every with each individual. Such saving scheme increase women is propensity to save and scheme in the run helps them to lift their living standard

Through the economic gain is still limited to small amount of loan available; DDB had helped in increasing participation of women in different economic activities and hence has increase in their capabilities to change their environment in family in the community as a whole therefore, it has brought change on the economics status of the women in the family and society.



## **1.6 Limitation of the Study**

The Limitations of the study are as follows

- i. This study was confined to the role DDB in poverty alleviation program of the rural women in Bunkot VDC , Gorkha
- i. The study has been chosen only on branch of DEPROSC unit located in Bunkot area.
- ii. Analysis has been concentrate in the some financial aspects and managerial aspects.

## **1.7 Organizations of the Study**

This study was organized in five different chapters. The first chapter is the introductory chapter. The second chapter is Review of literature. The third chapter includes research methodology and data analysis and presentation was included in fourth chapter. Summary Conclusion and recommendations are presented in last chapter. Bibliography and annexes submitted at the end of the thesis.

## **CHAPTER:II**

### **REVIEW OF LITERATURE**

#### **2.1 Introduction**

**In this chapter attempts have been made to review the related literatures which have been divided into two parts theoretical review and research review. In the theoretical review attempts have been made to review the theoretical aspects of the study. Research review is done through journal article, reports, manual work shop proceeding and other studies in to micro finance program.**

#### **2.2 Theoretical Review**

Microfinance is the provision of financial service to low income clients or solidarity leading groups including consumers and the self employed, who traditionally lack access to banking and related services.

More broadly, it is a movement whose object is a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also saving, insurance, and fund transfers. Those who promote microfinance generally believe that such access will help poor people out of poverty.

Micro finance program originated in the early 1980s with the German Bank in Bangladesh ( Dichter , 1996:Schmidt and zeitenger, 1996 A and 1996 B). The concept behind micro finance program is that, given the correct circumstances,poor households are reliable borrowers and will utilize a range of financial services to improve their welfare. Though the ideas were initially meet with depticism, Grameen and similar programmes are now implemented worldwide (Hulme, 1990). Considerable uncertainty remains, however, regarding the viability and sustainability of Grameen Bank and other MFIs. A financially

viable MFI must generate sufficient revenue to cover all operating costs. Two key factors affecting viability are a MFIs loan repayment rate and operating efficiency. Evidence to date suggests much room for improvement in both categories. For example, Bennet et al.(1996) found that loan repayment rates for five MFIs in south Asia ranged from 52to 95 percent.Schmidt and Zeitinger (1996A) cite evidence from 15 Latin American MFIs whose costs were so high that all but one incurred annual losses. Not surprisingly, the authors believe that most MFIs are generally incapable of covering their operating costs (Schmidt and Zeitinger, 1996B).

Financial sustainability implies both operating profits and freedom subsidies (Von Pischhke,1996;) though few MFI's have achieved financial sustainability (Schmidt and Zeitinger,1996B; Basix and Ramola, 1996) Morduch (1999) cites one estimate that only one percent of all MFI's are financial sustainable. Hassen (2002) also explains how Grameen Bank achieves operating profits only because it fails to account for all training and development costs.

Yet there are indications that MFIs can achieve financial sustainability if they implement sound management practices. Bennet et al. (1996) and Yaron (19945) argue that strong client-owner structures and adequate member savings can lead to financial sustainability. Huppi and Feder (1990) provide examples from Cameroon, the Dominican Republic, Honduras, Korea and Taiwan region. Ashe and Parrot (2002) discuss sustainable women's savings groups in Nepal's Terai region. There is evidence that community bases SCOs naturally encourage sustainability via strong client –owner structures, reliance on member savings and accurate information about borrowers (Cuevas, 1992; Huppi and feder, 1990). Other authors are skeptical toward SCOs due to cost inefficiencies, insufficient portfolio diversity , and failure to mobilize savings from deficit households (Schmidt and Zeitnger, 1996A) Huppi and feder (1990). Other authors are

skeptical toward SCOs due to cost inefficiencies, insufficient portfolio diversity and failure to mobilize savings from deficit households (Schmidt and Zeitinger, 1996A) Huppi and Feder (1990) also discuss how SCOs suffer from moral hazards since loan default by some borrowers can quickly spread. Local communities may also hesitate to penalize delinquent borrowers. In general, however the global evidence on SCOs and cooperatives is mixed (Rochin and Nyborg, 1988).

### **2.2.1 General characteristics of Micro credit( finance )**

The general characteristics of micro credit are as follows:

- i. Different financial services of micro services.
- ii. Separate provision for non-financial services.
- iii. Business rather than donation.
- iv. Meeting the financial services needs of poor and ultra poor.
- v. Very simple procedure for all types of services.
- vi. Services available at the door steps of the client.
- vii. Able to cover the cost of the services.
- viii. It helps for creating self-employment for generating activities and housing for the poor as apposed to consumption.
- ix. In order to obtain loans a borrower must join a group of borrowers.
- x. It is a continuous sequence because new loan available if 1<sup>st</sup> loan repaid.
- xi. All loans are to paid back in installments (weekly, of bi-week).
- xii. Simultaneously a borrower can receive more than one loan.
- xiii. Generally these loans are given through non-profit

### **2.2.2 Growth of Microfinance**

In the 1950s development was conceptualized in terms for economic growth models. These models were based on the notion of capital investment. Which was

seen as a necessary prerequisites for increasing income and grow (Rondinelli, 1990; Bryant and White, 1982). During this period development finance institution and related government program made available subsidized sector ally and targeted loans. At the macro and micro levels subsidized (Adams and Von picket, 1992) the key assumption was that poor people were too poor to pay market interest rates and generate appreciable waving. It was thus argued that subsidized credit was important to increase capital accumulation and income of specific target groups, which would result in regarding income inequalities.

By the 1960s and 1970s redistribution with growth and the basic need approach emerged as alternative development discourses. These approaches aimed at removing the structural barriers for promoting rapid economic growth. Targeted poverty alleviation became central to the development strategy, with the ideas of reaching the poorest and the most disadvantaged. However, development planning and implementation continued to be seen as functions of the state, bases on top-down systems, involving very participation of the target groups (Rodeneli, 1990; Bryant White, 1982).

### **2.2.3 Sustainable Credit and Savings lead to Sustainable Development**

Sustainability, its word much used in development but often lacking, unfortunately, in precise meaning. This is certainly due to the fact that it means different things in different development contexts. With respects to the environment, the word usually refers to the non-deterioration of the resource base. In community development, sustainability conveys the sense of local people acquiring new capacities and the ability to solve their problems independently.

In micro finance, however, sustainability relates primarily to financial resources. Financial sustainability is the ability of a credit and savings institution to maintain

or increase the flow of the benefits it delivers through internally generated funds. In other words it is financial self –sufficiency leading to the ability to generate surplus. To those who deliver credit and savings services to the poor, sustainability is a vitally important goal. Why is this so?

First, there is an enormous unmet need for financial services among the world's poor. Some estimate demand for micro enterprise credit at 500 million individuals worldwide. At present, even in the countries where micro finance is most developed, perhaps 5 percent of the demand is satisfied. In most countries, less than 1%of the potential demand for micro finance services is now being met. Traditional development projects based largely on welfare and subsidy will never succeed in responding to this need. The solution lies instead in creating many more professional many more professional institutions capable of delivering financial services to the poor on a massive scale and in a sustainable way.

Second, donor resources are totally insufficient to help micro finance organization met their present financing needs, much less to meet much greater projected micro credit demand. Additional fund must come from elsewhere. Sustainable MFIs offer the hope of bringing new funds into economic development by mobilizing savings, gaining access to commercial bank funds and generating their own profits for reinvestment.

And, micro finance offers hope for another reason. So far, it is the only area of development that has shown how poor people can pay the full cost of development institutions. (Maximizing the outreach of Micro Enterprise Finance: Christen, Rhyne and Vogel. 1994. Moving Forward: Emerging strategies for sustainability and Expansion, The SEEP Network)

Here are some rapidly translated extracts of five different zonal managers in the process of addressing and interacting with the women in the workshops of Grameen Bank of Bangladesh.

"Before joining 'Grameen Bank, your only problem was that you did not have money to start some business activity of your own. Now you can utilize your credit. It is a great source of pride for us if you prosper and develop will."

"If you don't learn well in this workshop, all our work will be in vain. Try to utilize your loan in the proper way. Where we visit your centers we want to see even better things than before."

"Love and care for your children of else you can't be a member of our Grameen Bank. Your children are very beautiful; no one would know they were the children of landless women. You children have abilities not less than city children. Now you have enough money to feed and educate your children. But also children must earn. You should have savings in the children's welfare fund. A mother fund and gave it to her children. With that money they have earned 1400 taka."

"We don't give preference to rich people, but to the poor. If you alone prosper with your loans, it is good. You must prosper together (i.e. the group and centre) If a mother dies , you should take care of her children, As Grameen Bank members, you are the mothers of those children."

"Remember, a man with two wives can't be a member of Grameen Bank."

"Don't keep savings in your, keep your money in the bank. If you keep it at home, it tends to be misused."

"Now in this workshop you have made friends. Continue to exchange views and visit each other's centers"

"Educate your children. Raise them well. Make them good workers. They too must know the rules and regulations of Grameen Bank."

"Don't be impatient to marry your daughters. If your daughters work well, enough young men will want marry her. There are many young men who are members of Grameen Bank, so don't worry about finding a husband for your daughters. We will help you to find one."

"What is most important is to build friendship, equality and cooperation in your own center and with other centers of Grameen Bank."

"If you have any problem, consult your friends in other centers. Together you will find solutions."

What should be noted is that people are given information they can use. They are not asked the impossible. If the Bank urges the end of dowry, it also offers real alternatives to the dilemma that presents to its members.(participation as process-process as growth pg.no.134)

#### **2.2.4 The Social Negation of Women**

The description of the culture of poverty is incomplete and inaccurate without an analysis of a predominant social reality. The socio economic negation of women. Her work starts at sunrise and may finish as late as nine or ten in the evening. There are few opportunities for rest. A time allocation study shows that the average peasant women spends 43 percent of her time on activities related to farm production, about the same on actual household work, and about 11percent on child –care and other family matters (5) this is the situation when the household owns or leases some land women in landless families face a different situation.



**Purdah and bari:** The social reality of purdah and bari, allow us to understand a little the kind of norms affecting women's role in rural Bangladesh in rural, poor areas of Bangladesh, It means that women should not be seen by males outside the family. The logical extension of this norm is that women are largely restricted to work that is possible within the bari i.e. the family homestead religious decorum prefers women to wear a standard garment which covers the body completely and loosely if they travel outside of the bari. Very poor Moslem women do carry out trade and small business activities in public, forced to by economic necessity. However, they must then sustain the negative status attached to this condition, despite an attitude concession made on behalf of widows and destitute women when business require travel to markets or other village for purchase, trade or selling of goods, women rely on husbands ,brothers or other male persons to carry out this aspect of the work.

**The labor situation:** The majority of poor women who find paid employment, work almost exclusory as domestic laborers or in rice processing in rear by weather homesteads. In the rice husking process, women use a traditional mortar hallowed out in the hard clay ground in combination with a foot operated pestle, a dheki. With the introduction of diesel or electricity operated rice husking mills, this opportunity is diminishing, Husking by mills is cheaper than by traditional technology. The result is a worsening of the situation of poor families dependent on the supplementary income from source. Again, wealth is transferred to households which are already wealthier and to the rice mill owners. Ownership of rice mills becomes, for women, a primary development issue.

**Marginalization:** Together, these social, economic and technological forces are leading to a marginalization of women in the labor process. Even more disturbing is the pervasive social revolution of women which accompanies intensified

marginalization. The social negation of women is the end result of a culture of poverty. However, to ascribe this situation to patriarchal attitudes alone is too simplistic an explanation. The social negation of women is reflected in other sector and practices not directly considered economic. For example, the health and nutritional care of female children is often neglected among the poor considerable variation will be found in the degree to which parents treat sons and daughters unequally. However, there is enough documentation to show that gender favoritism is practiced. At meal times, the best food or the bigger portions will often be given to the sons.

**Violence against women:** In any culture, the crime rate rises in periods of acute unemployment and economic distress. Recent studies document that rape, physical torture and murder are not uncommon during this period the police records and news papers document murder as a major crime against women. Husbands uniformly stand as the single most reported assailant in the murder of women, which usually takes place within the homestead. The course of death, often preceded by long periods of torture, is by beating and kicking it using sharp weapons. Rape the second major kind of crime against women, appears to be on the increase. Young girls and female children from 5 to 15 years are usually the. Also, a hidden type of violence exist which results in suicide by women. It appears that women in the prime years of their youth, 15to 25, revert to suicide in sheer desperation. The studies reveal that women in lower socio – economic levels are vulnerable to emotional disorder such as anxiety, neurosis and depression.

**Dowry:** The final and very dominant issue in the negation of women is dowry. Earlier in Islamic tradition, the practice was quite the opposite. The groom or his family paid in cash or in kind a son to the bride which symbolized her worth to the bridegroom. He was called Mohr. From an economic interpretation, the practice of giving Mohr is a consequence of and expression of an appreciation the need for

female labor in the groom's household. The practice of dowry, which is more and widespread, correlates with the decreasing size of land –holdings and the resultant decline in the importance of female labor in post harvest processing activities. (PARTICIPATION AS PROCESS –PROCESS AS GROWTH, Published by Grameen trust Mirpur two Dhaka 1216, Banglades)

### **2.2.5 Women's Situation: An Overview**

The process of debate between women around the world of using the UN as a forum, war to clarify issues , to raise horizons to sharpen perspectives to hammer out a comprehensive set of objectives, spanning the range of women's priorities and relevant to all societies. If we thought that those adjectives would be easily attainable in political terms in the shortest of time spans, we either underestimated the problem or overestimated our strength. But what women have done to raise ideas and build awareness. It is a spark that now it will not be extinguished.

Nepal has ratified all major international human rights instruments that include convention on economic , social and cultural rights , convention against all forms of racial discrimination , convention on the elimination of all forms of discrimination against women, convention on the rights of the child and convention against torture and other cruel, inhumane and degrading treatment or punishment. As a signatory those instruments would create obligation to the state to respect for the rights and obligations enunciated in those conventions.

Human development report of 2002 indicates that in respect of legal right of political participation of women, Nepal has deserving records. The laws of the kingdom of Nepal allowed. Women to participate in the political process by casting votes and contesting elections form 1951, decades before many countries in Africa, Asia and Latin America. However, the result aspect is not encouraging.

Over five decades of legal and constitutional pledge for right to participation for women, only 5.9 percent of them respected the House of Representatives, 15% represented the national assembly followed by 14.8 percent representation in the cabinet in 2000. In addition, women's participation in the household chores and similar nature of work is approximately 75 percent in average. Their participation in industrial and services sector is very low. Except in agriculture both in industrial and services sector women's participation is lower than that of men.

Literacy rate of women above 15 in 2000 was low as 24 percent followed by 59.6 percent among men population. Similarly overall youth literacy in the same year was 49 percent followed by 56 percent men and 44.5 percent women. The school enrolment levels of female represents 52 percent against 67 percent among males. But the enrolment in the tertiary institution is estimated as low as 20 percent of women against 80 percent of male enrolment. Estimated annual income by female is in the ratio of 880 followed by 1752 by the male.

Women's representation in the civil services and in particular the decision making positions are negligible and estimated less than 10 percent. Their representations in the judiciary, police services and military are even negligible. Their representation in the banking, teaching and health sector are relatively better, though as low as approximately 20 percent of total work force. This brief data reveals that we as a state stand far behind in the cause of development of women. This situation obviously indicates that our effort on the protection, promotion and respect for the right of women enunciated by various international instruments including CEDAW are still at the bottom of expectation.

## **2.2.6 Women in the Economic Sphere**

Chinese leader Mao –Utse Tung had once said "Women hold up half of the sky". It is because half of the world's population is women. Women are regarded better half of the society. However, the status of women is still miserable, Women are still 70 percent of world's poor and two third of worlds illiterate. They have occupied merely 14 percent managerial and 6 percent in council of ministers. In most of the legal systems they are still unequal poverty has women's face (HDR, 1995). Hence, the conclusion of human development report, 1995 was "Investing in women's capabilities and empowering them to exercise their choices is not only valuable in itself but is also the surest way to contribute to economic growth and overall development.(Entrepreneurship development 1992:6)

Since sixth plan his Majesty's government had adopted women participation in development as a national policy. In line with this policy has been implementing regional programmes for women development and has also been making institutional development. However, overall picture is that the social and economic status of women is still low. Due to legal and social reasons women are far from the access to economic sources such as property, employment, and income. Similarly due to low level of education and social reason women and administrative decision making of the total literacy of 48 percent women literacy is 30% whereas male literacy is 66 percent. There is wide economic and social disparity between male and female on account which still women have not been able to participate in development works, Nepal has been showing commitment in world women conferences and Nepal is effortful to raise the status of women.(Entrepreneurships development 2001:78)

Out of 9.5million people who are currently working in Nepal, only 1.5 million (16 percent) are in paid employ. Out of this number, 1.2 million are men and less than 400000 are women. Eight million people (about 84 percent) of the economically active population are self-employed, with the proportion of self –employed,

women being much higher than that of men (CBS, 1999). Eighty two percent of employed women are self-employed vs. 12% of those who are wage employed. The figures for men are 69% and 27% respectively (Tuladhar, 1996). In some ethnic communities, especially in the Newars and Tibeto –Burman highland groups such as the Sherpas, Gurungs or Thakalis, women entrepreneurs have traditionally been present, but the idea of women on business has only recently spread throughout the whole country (Tuladhar, 1996). Women normally work more hours than men and rural women work more hours than women in urban areas (ESCAP, 1996). The most common business activities for women in the informal sector are vending, petty trade, liquor making and vegetable selling (ESCAP, 1996)

Although, women in Nepal are facing various social, financial, religious and cultural problems. The biggest obstacle facing women entrepreneurs is access to credit (Scarborough and Zimmerer). Access to financial resources by low –income women is a key factor in human development (HDR, 1995). Due to dual attitude women cannot stay alone in faraway places. Women have to face the social pressure of bringing up children, look after household affairs and maintain family unity. Due to this women cannot work full time whole heartedly in their business. (Entrepreneurs development, 2001)

The women of developing countries lack of entrepreneurship capable of taking risk due to the lack of education, among the 900 million illiterate people of developing countries women are double of men. In present time there is constitutional and legal provision that there will not be any sort of discrimination between male and female. But it has not happened in practice. Women are considered weak and looked with despise. In this way, the male dominating has also considered the women in entering into business. (Shyam Joshi, 2002)

## **2.3 Empirical Study Review**

In this sub section it was mentioned the reviews of past studies which are as follows:

### **2.3.1 Review of Books Journals and Articles.**

Dahal,(1996) , GTZ projects have been supporting many self-help promotion programs implemented by NGOs, including rural self-reliance development center(RSDC) , center for self-help development (CSD) and self-reliant service center (SERSOC), parasitical organizations , such as Agriculture Development Bank Of Nepal (ADB-N), and line agencies , such as Women Development Sections (WDS)Of the Ministry Of Local Development (MLD).Among them Ward Level Projects (WLP),Small Farmer's Cooperative Limited (SFCL) , Swabablamben, Self –help Banking Program (SBP), Banking with the poor (BWTP), Support Activities for poor Producers Of Nepal (SAPROS)and Production Credit for Rural Women (PCRW), have contributed much in alleviating poverty of the poor people living in the projects areas.GTZ was instrumental in introducing programs; such as the Ward Level Projects, Small Farmer's Cooperative Limited and Self-help Banking Program. GTZ supported like Swabalamban , Banking with the poor , and Production Credit for Rural Women that were already supported by a number of other donor agencies , including HELVETAS, IFAD, &ADB-Mania. All these self-help programs 2 were, on the one hand, off –shoots of decentralization, and, these in turn have contributed to meaningfully realize and strengthen decentralization, on the other. The significance of all these self –help programs lies in the fact that all of them have been contributing in making credit accessible, generation, local capital through enhancement of income generating activities and various saving schemes,

raising awareness and reducing unproductive household expenses. (Mahan K, 1996 p:120)

NEPAS (2000), DDP/GTZ provided support to Women's Development Section Of the Ministry Of Local Development to implement PCRW program in three VDCs in Dhading District. Women's credit group and community development committees are formed to engage women in credit, savings and community development activities.

The self-help promotion programs described above are, following Korten (1984), "Learning to be effective, "learning to be efficient," and learning to expand." All these efforts are compatible with the SAARC commission on Poverty Alleviation. The commission in its report, Meeting the challenge (SAARC, 1992), has pointed out that the past development response in the SAARC region was inadequate. It has made a recommendation to organize the poor.

Individual contribution of the self –help programs discussed above appears to range from fair to very impressive in increasing household income, generating local capital, increasing access to formal credit, increasing human development , and alleviating rural poverty. Undoubtedly, self-help promotion has been "induced self-help" programs. GTZ/RRD Projects efforts to innovate a few "induced self-help" promotion programs, such as the Ward/VDC Level Projects and the Small Farmer's Cooperative Limited (SFCL) are commendable because it helps to practice decentralization at the local level and gives an opportunity to the rural poor for alleviate their poverty. ((NEPAS, Nepal Foundation for Advanced Studies,2000).

On the positive side, the inherent rationale for the PCRW program remains. First, there is ample evidence for that the process of empowering poor rural women can



become very successful, if linked to ultimate credit provision for an economic activity. Second, the original Project rationale for targeting support and credit by gender, or solely to rural women, remains a valid proposition for the foreseeable future, because (i) the prevailing high illiteracy among poor women in Nepal.(ii) high malnutrition rates of children .(iii)remaining pervasive cultural barriers that reduce women's control over resources within the households and impede their active participation in economic activities .and (iv) the presence o a motivated cadre of women extension staff within the WDD. Many interviewed women in Syangja and Mustang confirmed their preference for continued gender targeting of credit services.

But three critical issues cloud the future of the programmed: If unresolved, IFAD funding of the current credit delivery system should not continue. First, will the credit recovery rate be raised, finally by properly defined and monitored; moreover, will a policy be formulated to deal with the past stock of long overdue loans? Second, can the provision of WDD services in social mobilization become a bridge towards reaching a critical mass of repeat loans to former PCRW clients that can be sustained by the regular lending of commercial banks? Third can the profitability of regular commercial banking in rural areas be sufficiently improved to educe the thresholds, which raise the costs of required social intermediation for the PCRW?

If the answers to these three questions are negative, then service and credit provision to poor rural women in Nepal must find other and different institutional vehicles. A future PCRW program should then look quite different.

But the Grameen Bank approach does not necessarily offer an overall solution to the problem of creating a viable system for providing financial services in the rural areas. There is much to be said for a pluralistic approach to credit delivery in rural

areas. Support for Grameen Banks in Nepal should certainly continue. On the other hand, the drawbacks of the few banks that are emerging should also be recognized: their transaction costs may be relatively high; also their customers receive a significant subsidy, once the loan is fully repaid. Moreover, the number of outlets is very limited compared to the vast number of rural bank branches across Nepal. It remains that an overall of the entire system of financial policies, the ruled and regulations for the present priority sector lending in Nepal need to be overall.

Sharma and Thapa (2008) in their study has associated the impact of rural micro finance program empowering women by using secondary information from the Shahakary project implemented by CECI in Jumla Dailekha and Dadeldhura and Baitadi

Their findings indicate that the rural micro finance program has empowered women and disadvantage group (DAG) of people to access credit service. It has also shown that their representation in working credit service.

### **2.3.2 Review of Plan**

The government of Nepal has adopted poverty alleviation as its main goal as reflected through both the tenth plan (2002-2007) and interim plan 2007-2010, Microfinance play very important role in poverty alleviation and in the creation of employment in village by promoting agricultural and other business

### **Review of Tenth Plan**

"Micro and rural finance" has been recognized as one of the most effective and efficient tools for poverty reduction in the development countries. Nepal which has 38 percent population living under the poverty line, a line where people survive at an annual per capita income of Rs 4404 (equivalent to 45 and 60) has greater scope of micro finance in attaining the government target of poverty

reduction. Considering this fact the current tenth plan (2002-2007) has emphasized micro credit as a poverty reduction tool in attaining the target of reducing the existing poverty level to below 32 percent by the end of plan period. For this the plan has allocated a total amount of Rs 101 billion to be disbursed as micro credit through differential micro financial institution (MFI's) including five Grameen Banks. Like wise, various programs focusing towards rural poverty have also been formulated in a separate heading under "Rural and Agricultural finance policy has also entrusted that micro credit services should be delivered in a sustainable basis where the government and central bank (Nepal Rastra Bank-NRB) would act as policy coordinator. NRB, through the micro finance department is acting as coordinating agent in the implementation of micro finance policies and other related programs in Nepal (The tenth plan2002:186)

### **Review of Interim Plan**

Interim plan lunch 2007-2010 which had given emphasis on micro finance program specially it gives priority on micro finance program . These programs focusing towards rural poverty have also been formulated in a separate heading under "Rural and Agricultural finance policy has also entrusted that micro credit services. It is acting as coordinating to development and agricultural bank

### **2.3.3 Review of Poverty Situation of Nepal**

As poverty is a multidimensional concept, that covers a wide range of human conditions. The Nepal living standards survey, the NPC estimated the incidence of poverty in Nepal to be 31 percent wide variation in poverty was estimated to much more sewer rampant , deeper and more sovereign rural areas. Similarly , poverty in the mountain and hill was found to be more rampat , deeper and more severe (NPC ,2003).As for the variation in poverty incidence , if any , across gender , based on

the NLSS data set , there were evidence to suggest that "female –headed household in general , and widow headed household in particular much more likely to be poor if there is no adults male present (World bank ,1999) .

The human development report 2004 estimated the human development index (HDI) for Nepal at 0.504 with rank of 140 out of 171 countries, which three places up from last year's 143<sup>rd</sup> position. Nepal's HDI has improved slightly from 0.499 in 2003 to 0.504 in 2004. Nepal has thus moved from lower case to middle case for the first time ever the report stated that Nepal's GDP per capital value is U.S. \$1370 a slight rise from U.S. \$1310 in 2003. The average GDP per capita of south Asian nations is U.S.\$2658. The human poverty index (HPI) value for Nepal 69<sup>th</sup>. Among 95 developing countries the gender development index (GDI) value for Nepal is 0.484. Nepal ranks 73<sup>rd</sup> among 144 countries in this ranking. Nepal is the poorest country in Asia and it has one of the poorest education sectors.

(<http://www.unfpa.org/english/countries/nepali>)

Women who belong to the lowest caste group are deprived of in most aspects of life for example as reflected in a very poor level of literacy rate and then in addition to a very poor level of other indicators (NESAC, 1993). In Nepal poverty is mostly a rural phenomenon. NLSS data suggested that poor not only have access to land but also less productive land that is suitable for rich cultivation (World Bank 1999). In particular in rural areas the poorest households are consistently more deprived of than others in terms of the quality of land they cultivate and access to use of input

#### **2.3.4 Review of thesis**

Shrestha (2010) presented a paper entitled "SFCL a micro finance model for poverty reduction" at executive development program for cooperatives and rural

financing institutions jointly organized by ADBN, NBL , RBB etc. The conclusion of the paper was that micro finance is a tool for improving the overall well being of the weaker section of rural Nepal. The rural poor however have not been able to benefit to the desired extent due to lack of target group oriented policies and their implementation.

Chaudhary (2009) studies on the role of Madhaya Pashimaanchal Gramin Bikash Bank to promote the status of poor. This study has found positive impact of micro credit program on beneficiary group . Data shows that after the implementation of program the status of poor people has improve. The study has founded the people engaged in the people engaged GBB's program are very conscious people n the study area i. e. 66 percent of the people living in small size .

Prior to 1975, there was no sound institutional mechanism to look into larger interest of rural poor. SFPD, which involved as micro finance development program in 1975 m, has the major task of identifying the poor, organizing them into homogeneous groups with the help of group organizes and get them involved in productive activities. Evidences suggest that farmers within SFDP are better benefited from the view point of income, employment and social status than their counterparts outside SFDP. Because of the positive impact, the SFDP has greater degree of its demand for expansion of ADBN; however, it has its own limitation faced as it is with staggering over lead cost. Transformation of SPOs into SFCL has shown positive impact on performance of the SFCLs in terms of loan disbursement, collection, saving, generation, capital formation and lower operating cost. For the development of such organization in an accelerated manner, financial support of government is urgently required. Thus the SFCL replication strategy could help bring large number of real poor with in the ambit of the program to receive demand driven saves in sustainable manner. Thereby reducing abysmal rural poverty and inequalities.

Siti,(2008) in his thesis entitled micro credit program and socioeconomic upliftment of women :A case study of MCPW in Chainpur VDC of chitwan district "Concluded that involvement in the MCPW program has empowered women in varying degree. It has offered opportunities for poor women to come out of their household confines, to organize themselves in groups and to work in procedure and social activities. Te program with its focus on group activities and income generation has helped to enhance the self-confidence and increased right to spend thus increasing the access to resource.

Thapa, S. (1999), has done her research work entitled "Role of NGOs in microcredit program, Issues of reaching the poor women and sustainability of these organizations. A case study of MCPW in Nepal". The main objective of the study is to critically examine overall impact of project on socioeconomic empowerment of the country. From her findings , NGOs are effective in working with women and their participation in projects like micro credit could facilitate in reaching large number of women , so for left out in the development main stream. In the same way the commercial banks, which are financing the NGO's beneficiaries have gained experience and thus found an alternative outlet in reaching additional number of women.

Lekhak, (2007), has done research work entitled microfinance in Nepal. The case study of SFCL anandquan , Rupandehi, ADB/N with the objective to know the facing changes of society after SFCL. He concluded that SFCL particularly emphasize democratic norms , empowerment of backward people , access of potentialities and local resources to the development of their settlement territory by them, Integrated development approach improving saving , credit , social and community development activities are major outcome of the SFCL. It is observed

that awareness towards development; sanitation, literacy attainment, community and social development were major contribution of SFCL.

### **2.3.5 Review of Different Websites**

A. Since the concept was born in Bangladesh almost three decades ago, microfinance has proved its value in many countries as a weapon against poverty and hunger. It really can change people for the better especially the lives of those who need most. A small loan, a saving account, an affordable way to send a pay cheque home, can make the difference to a poor or low income family. With access to microfinance, they can earn more, build up assets and better protect themselves against unexpected set backs and losses. They can move day today survival towards planning for the future. They can invest in better nutrition, housing, health and education for their children. In short they can break the vicious circle of poverty. Let us be clear: Microfinance is not charity. It is a way to extend the same rights and services to low income households that are the solution, not the problem. It is a way to build on their ideas, energy and vision. It is a way to grow productive enterprises and so allow communities to prosper. (<http://www.plcsf-bd.org/un.microcredit> 05/message)

Three important assumptions underlying design were : First the overall situation of poor rural women is best advanced through a gender directed project , with female extension officers providing services to rural woman , second , the empowerment of rural women is best achieved if linked to ultimate credit provision for an economic activity , and third , the provision of WDD services in social mobilization can become a bridge towards reaching sustainable provision of financial services by regular commercial banks.

([http://www.villagebanking.org/.](http://www.villagebanking.org/))

C: The NRB together with the NBL, RBB and the project should establish standard criteria for the required critical mass of second follow on loans that are required for a bank branch office to break even under the PCRW lending.

The question remains as to the scope of the commercial banks to assume the transaction costs associated with follow on loans for the PCRW clientele. Indicates financial statements and balance sheets for bank branch offices should be established to demonstrate the minimal lending volumes required under given condition as to cost of funds, risk and interest spread.

Overall PCRW and bank transaction costs should be lower for handling second of follow on loans after successful repayment of the initial one , moreover with higher lending rates for successive loans at higher loans amounts profit margins improve assure sustainability of credit institution should be aimed for at least after five to ten years institutional and financial viability of rural credit institutions over time necessarily is more important than continued uniform porcelling out of credit and slow build-up of credit volumes.

(<http://www.worldbank.org/cgap/note3.htm>)

## **2.4 Research Gap**

The microfinance is an emerging issue to overcome the poverty. Many organizations words on that field but how are they working in that field, what did impact the rural women not clear. Many researchers are conducted on that field they could not draw the clear picture, so that is the research gap , another is this is the first research about MFIs of branch office ,Betahani. The study was aimed at exploring the impact, prospects of microfinance in MPGGBB and making broad recommendations to make program effective. This study has also made an effort to raise general awareness among those people or organizations who were working for the rural women.



## **CHAPTER:-III**

### **RESEARCH METHODOLOGY**

Research Methodology describes the method and process applied in the entire aspects of the study focus of data, data gathering and processing and methods of analysis. Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying her research problem along with the logic behind them (Kothari, 1990:10)

This chapter will include research design population and samples, sources of data, data gathering procedure, hypothesis of the study, data processing procedures and analysis tools.

#### **3.1 Research Design**

As per the nature of the study, case study, field study, descriptive and analytical research design has been followed. The case study research design describes about current status of the clients of microfinance program case study was intended to assemble more detailed qualitative information from a few selected entrepreneurs. This method facilitated the capturing of interesting clients and important impact statements. Field study research design describes the attitude, values, perceptions and behavior of the participants and non participants of the microfinance program. The descriptive research design used to assess the opinions, behaviors or characteristics of sample beneficiaries and to describe the situation and events occurring present Analytical research design makes analysis of collected information and data & makes a critical evaluation of it.

### **3.2 Selection of Study Area**

To obtain relevant information about microfinance program of DEPROSC, the selection of the suitable field side was a foremost requirement. This study intends to analyze the impact of microfinance program on the status of rural women largely based on the formal credit model of the DEPROSC Bunkot branch office was selected for this purpose based on the fact that it was the oldest area of the DEPROSC with a good performance and successful in the field of microfinance program the area covers almost all the areas of socioeconomic.

### **3.3 Population and Sample**

All the microfinance beneficiaries of DEPROSC were considered as a total population. Out of them microfinance beneficiaries within Bunkot VDC of Gorkha were considered as a target population for the study the list of beneficiaries from whom the information was collected has been given in the table.

### **3.4 Sampling Procedure**

This study is thesis writing and attempts to the contribution of DEPROSC development work assess the socio-economic condition of rural women changes in terms of income, community, status of the society, improvement on the welfare of their families. Hence this research work is based both on exploratory and descriptive statistics. The commotional sampling method has been used for sample. There though it is recorded that there are 40 centers under the Bunkot branch office, of the total only 5 centers are the sample for the research, purpose. Each center is in the study sampling frame households are the key sampling units for the study interviews were taken to 50 household from these 5 centers among total 150 beneficiaries households. The total sample has been 33% of the total house hold in the study beneficiaries.

### **3.4.1 Sources of Data**

Necessary data required for the study were collected from primary as well as secondary sources.

### **3.4.2 The Sources of Primary Data**

Primary data were collected through a schedule of self- structural questionnaire. The sources of primary data were the sample beneficiaries. Primary data has been collected through the administration of questionnaires and direct interview with beneficiaries. The questionnaire collected both quantitative data from the individual who felt within the sample. As the majority of the respondents of the study were illiterate, the research himself administered the questionnaire. In order to assess the socio economic condition of the beneficiaries the observation method had been adopted.

### **3.4.3 The Sources of Secondary Data**

Secondary data are actually the result and source of secondary data was published annual report of DEPROSC bank. Similarly, related books, magazine, journals, articles, reports, village profiles. Bulletin newspaper, NRB's publications related websites etc. as well as other supplementary data are also used as source of secondary data. Previous related studies to be subjects are collected as the source of information.

### **3.5 Data Collection Procedure**

Only n set o questionnaire was used to ask respondents questions were asked and their responses were recorded. Questions covered the general information about

beneficiaries, health, and education, information about households, buildings activities, depending and utilization of loan, assets possession, and decision making of the sample beneficiaries.

A list of districts where the microfinance program launched by DDB was obtained. Similarly details area of the Gorkha district where the micro financing program launched by DDB was obtained from the Bunkot branch office.

The interview method of collecting data for this research purpose involved the presentation of oral-verbal stimuli and reply in terms of oral verbal purpose. In order to take the interview with household members of the microfinance program, initially the purpose of the research work was clearly stated. Questions for the interview were explained to the interview. Structured interview basically focused on information on following aspects.

Introduction: In this section respondents were asked about their name, demographic aspects and length of the involvement in microfinance program question was also asked on the factors that them to involved in program.

Question also asked about social, ecological aspects, their annual income, profession their problems, business types, education. Health, kitchen garden, quality of using toilets. Changes in lifestyle after involvement in micro finance program.

Of the secondary data required for the study, the data relating to the MPGBB performance and outreach of DDB the annual reports and other related data was obtained through the personal visit.

### **3.6 Data Presentation and Analysis**

Collected data were presented by using simple mathematical and statistical tools such as table, graph, percentage, frequency etc.

**CHAPTER: IV**  
**INTRODUCTION OF THE STUDY AREA AND DEPROSC**  
**DEVELOPMENT BANK**

**4.1 Introduction of Gorkha District**

Gorkha District is situated in Gandaki zone is one of the seventy-five district of Nepal. The place is the origin land of present Nepal. Pokharithok is headquarter of the district, later known as Prithvi Narayan Nagarpalika as. The district covers the area of 3,610 km<sup>2</sup> and has a population (2001) of 288,134. It is the location of the Manakamana temple and the temples of great sage Gorakhnath and goddess gorakhakali. Four major rivers run within and along it, they are Chepe, Daraudi, Marsyangdi and Budhi Gandaki.

**Map of Gorkha District**

## **4.2 Introduction of Bunkot VDC**

Bunkot is just about 6 kilometers from district headquarter. The only Higher Secondary School of Bunkot is Shree Shaheed Smrity Higher Secondary School, Bungkot-3, Gorkha. There is one secondary school named Rameshwary Secondary School, located in ward no. 9 of Mailung. There are more than one Lower Secondary Schools. Chandika Lower Secondary School is one of the lower secondary schools. There are 11 Primary Schools and a private boarding School. The name of Shaheed Smrity Higher Secondary School is named to show due respect on first martyr LAKHAN THAPA who first died for the sake of people and the nation. Thapa was hanged to death by the erstwhile Aristocratic Ruling family, the Ranas, for raising voice against the autocracy. He is the first person to be killed in Nepal by the state on charge of treason. The area of the VDC is 28 sq. km and average altitude is 947 m above from the sea level.

## **4.3 Population of the Bunkot VDC**

**Table: 4.1**

**Population of Bunkot VDC**

<b>Caste</b>	<b>Population</b>	<b>Household Number</b>
Brahmin	1498	256
Chhetri	981	166
Dalit	1222	226

Newar	3281	528
Magar	2176	327
Gurung	409	71
Others	16	4
Total		

**Source: Village Profile 2011, Bunkot VDC**

#### **4.4 Introduction of DEPROSC**

Since 1993 the NGO DEPROSC (Development Project Service Centre) aims at ‘empowering rural people for self-sustaining socio-economic upliftment. It started its microfinance activities in 1995 in the Central region and transferred its microfinance portfolio to DEPROSC Development Bank in 2001. DEPROSOC Development Bank is a rural microfinance development bank operating under the Development Bank Act and Company Act. Promoted by the NGO DEPROSC, which retains part ownership, equity participation is shared between the Agricultural Development Bank, Nepal Bank, Nabil Bank, NGO CEAPRED and other microfinance practitioners. DEPROSC Development Bank is licensed to work in ten districts of the Central region, and operated in five of them, Chiwan, Bara, Parsa, Rauthat, Sarlahi. In addition, the NGO DEPROSC continues to provide microfinance services in the Easter region, in the district of Jhapa, Sunsari and Morang, serving approximately 8,000 clients. DEPROSC Development Bank’s core activity is microfinance. The bank provides direct lending services as a retail lender in the Terai region, and indirect lending in the hills as wholesale

lender to community based savings and credit organizations. These community-based organizations have been promoted by the NGO DEPROSC, which has supported the creation of more than 150 cooperatives so far, comprising 25,000 members. With its direct lending program, the bank adapts the Grameen Bank model to lend to homogenous groups, organized in centres, which provide additional peer solidarity and pressure to ensure credit discipline. DEPROSC Development Bank also provides larger loans, 'microenterprise loans', which is restricted to a 25 percent share of its portfolio, with Rs. 100,000 loan size maximum per loan, as instructed by the central bank. Moreover, savings are an integral part of the bank's program. The bank integrates its microfinance activities into a broader strategy of microenterprise development, which is implemented in collaboration with other agencies.

DEPROSC Development Bank has difficulties in accessing long-term, institutional lending as commercial banks are phasing out their lending under the priority sector requirement. RMDC only offers retail lending conditions (short term, frequent repayment). Moreover, DEPROSC Development Bank would be interested in being able to public deposits. The bank has modified its methodology to adapt to the conflict situation, with more clients going to branches for financial transactions, instead of bank officers going to them.

DEPROSC Development Bank borrows from Nepal Rastra Bank and some commercial banks such as Nabil Bank Limited. Diverse Banks and financial



institutions hold 48.4 percent of DEPROSC Development Bank, which plans to raise additional capital through a public share issue of Rs. 3,180,000. DEPROSC Development Bank plans to have more public capital than private in the long run.

## **CHAPTER: V**

### **DATA PRESENTATION AND ANALYSIS**

In this chapter it is analyzed the contribution of DEPROSC development bank in economic empowerment of women. Economic empowerment of women is related with multiple factors before that it is analyzed the socio economic characteristics of the respondents.

#### **5.1 Socio Economic Characteristic of the Respondents**

Socio economic characteristics such as age, occupation, education status, marital status etc play vital role in women empowerment.

##### **5.1.1 Classification of Respondents by Age**

###### **Table: 5.1.1**

###### **Classification of Respondents by Age**

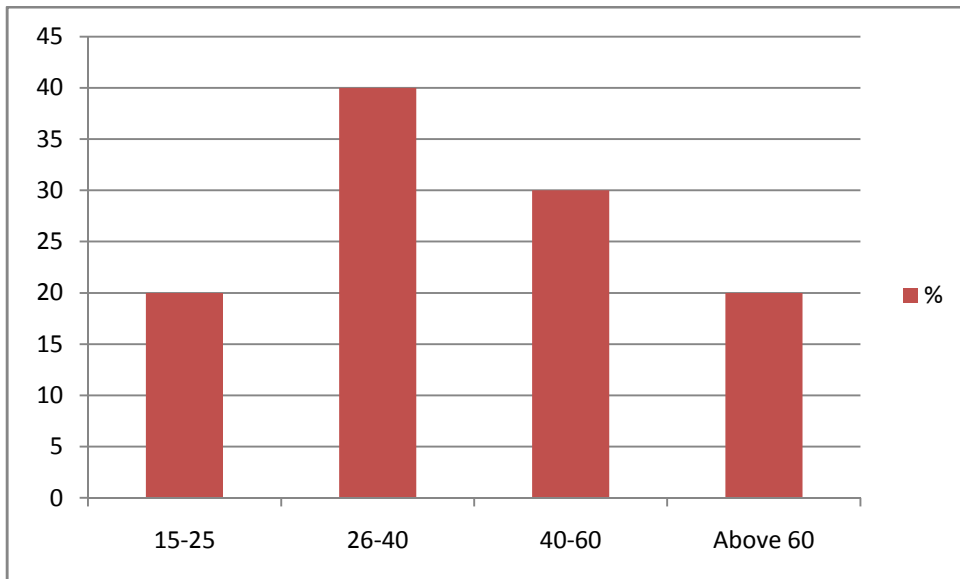
Age is one of the important features of the respondent which mention as follows:

S.N.	Age of Respondents	No. of Respondents' HH	%
1	15-25	10	20
2	26-40	20	40
3	40-60	10	30
4	Above 60	10	20
5	Total	50	100

Source: Field Survey, 2012

**Figure: 5.1.1**

**Classification of Respondents by Age**



Above table 5.1.1 and figure shows the age of respondents. Data shows that 20 percent respondents are between age groups 15-25 and 40 percent are between,

26-40. In the same way 30 percent are between, 40-60 and 20 percent are above 60 years. In this study majority of the respondents are taken from age group 26 to 40 because this is the prime age to involved in economic activities.

### 5.1.2 Classification of Respondents by Occupation

**Table: 5.1.2**

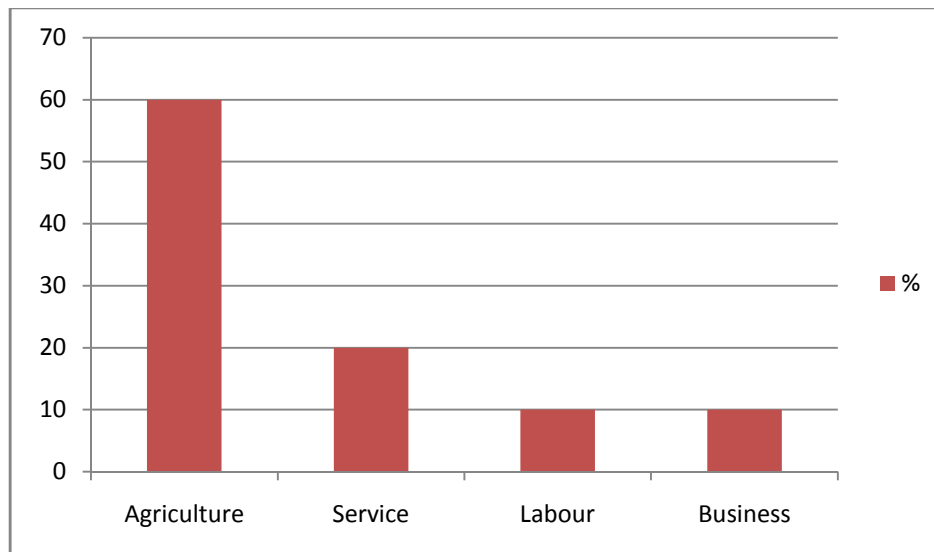
**Classification of Respondents by Occupation**

S.N.	Occupation Status of HH	No. of Respondents' HH	%
1	Agriculture	30	60
2	Service	10	20
3	Labour	5	10
4	Business	5	10
5	Total	50	100

Source: Field Survey, 2012

**Figure: 5.1.2**

**Classification of Respondents by Occupation**



Above table 5.1.2 and figure show the occupation of the respondents. Data shows that 60 percent of the respondents are engaged in agriculture and 20 percent are in service. In the same way 10 percent women in labour and next 10 percent involved in business. It shows that majority of the respondents are involved in agriculture including farming and animal husbandry.

### 5.1.3 Classification of Respondents by Education

**Table: 5.1.3**

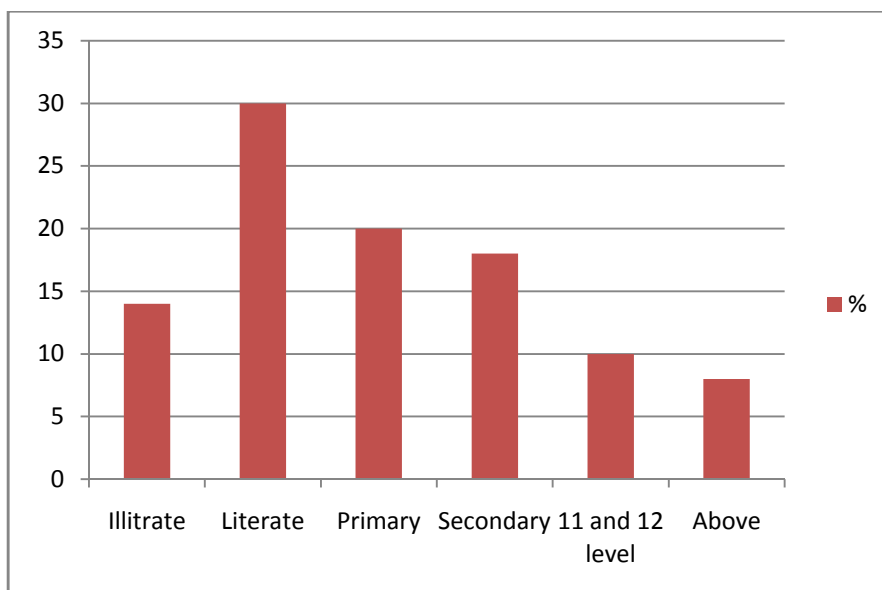
#### **Classification of Respondents by Education**

S.N.	Education Status of Res.	No. of Respondents' HH	%
1	Illiterate	7	14
2	Literate	15	30
3	Primary	10	20
4	Secondary	9	18
5	11 and 12 level	5	10
6	Above	4	8
7	Total		100

Source: Field Survey, 2012

**Figure: 5.1.3**

#### **Classification of Respondents by Education**



Above table 5.1.3 and figure show the education status of the respondents. Data shows that 86 percent respondents are literate among them 30 percent are literate and 20 percent were primary. In the same way 18 percent secondary and 11 and 12 level and 8 percent passed above. It shows the most of the women of Bunkot VDC are literate though they are not succeeding to get higher degree.

#### 5.1.4 Classification of Respondents by Religion

**Table: 5.1.4**

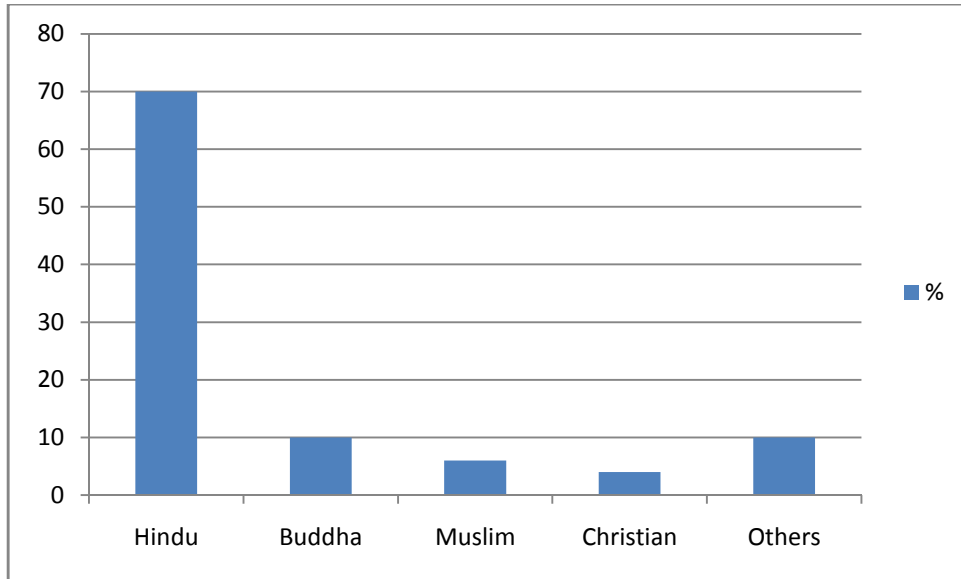
##### **Classification of Respondents by Religion**

S.N.	Religion	No. of Respondents	%
1	Hindu	35	70
2	Buddha	5	10
3	Muslim	3	6
4	Christian	2	4
5	Others	5	10
6	Total	50	100

Source: Field Survey, 2012

**Figure: 5.1.4**

### Classification of Respondents by Religion



Above table 5.1.4 and figure shows the respondents by religion. Data shows that majority 70 percent respondents were Hindu whereas 10 percent Buddha and 6 percent Muslim and 4 percent Christian. In the same way 10 percent were others.

### 5.1.5 Classification of Respondents by family structure

**Table: 5.1.5**

#### Classification of Respondents by family structure

S.N.	Family structure	No. of Respondents	%
1	Joint	23	46
2	Single	27	54
3	Total	50	100

Source: Field Survey, 2012

### 5.1.6 Classification of Respondents by Marital Status

**Table: 5.1.6**

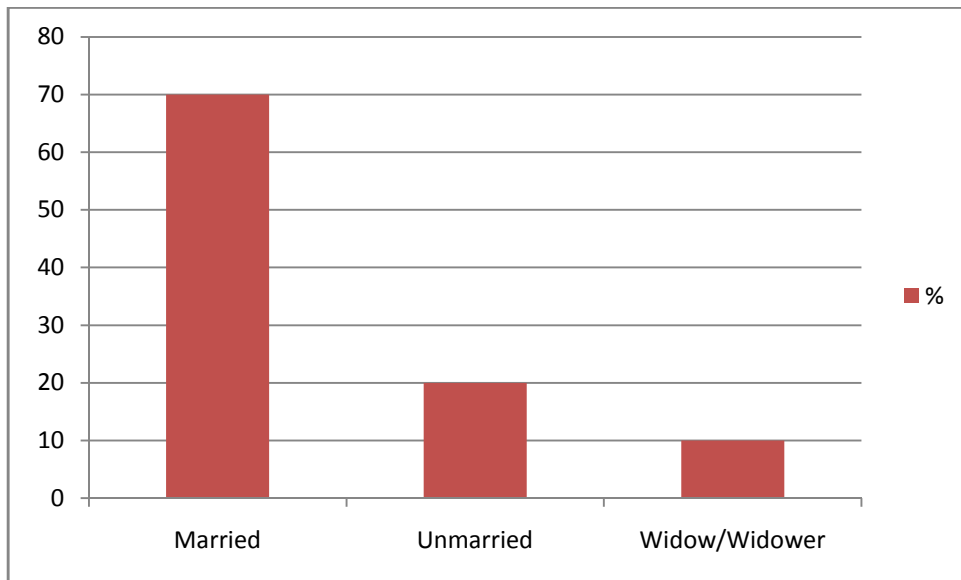
**Classification of Respondents by Marital Status.**

S.N.	Marital status	No. of Respondents	%
1	Married	35	70
2	Unmarried	10	20
3	Widow/Widower	5	10
4	Total	50	100

Source: Field Survey, 2012

**Figure: 5.1.6**

**Classification of Respondents by Marital Status**



Above table 5.1.6 and figure show the respondents marital status. Data shows that 70 percent women are married whereas 20 percent unmarried and 10 percent were widows and widowers. It shows that majority of the respondents are married in this research.

### **5.1.7 Classification of Respondents by household Animities**

**Table: 5.1.7**

#### **Classification of Respondents by household Animities**

S.N.	Household Animities	No. of Respondents	%
1	T.V. sets	20	40
2	Mobile phone	40	80
3	Radio	45	90
4	Sewing machine	20	40
5	Camera	15	30
6	Solar	10	20
7	Bio plant	18	36
8	Vehicle	2	4
9	Others	3	6

Source: Field Survey, 2012

Above table 5.1.7 shows the household animities of the respondents. Most of the respondents have mobile phone. 80 percent have mobile phone. In the same way 90 percent household have radio and 40 percent have T.V. sets. In the same way 40 percent have sewing machine and 30 percent have camera. Similarly 36 percent have bio plant and 4 percent have vehicle and 6 percent have other animities.

### **5.1.8 Respondents by Family Head**

**Family heads role is important to empower women. The following table shows the respondents' family head.**

**Table: 5.1.8**



### Respondents by Family Head

S.N.	Family Head	No. of Respondents	%
1	Male	30	60
2	Female	20	40
3	Total	50	100

Source: Field Survey, 2012

### 5.1.9 Respondents food sufficiency Status

**Table: 5.1.9**

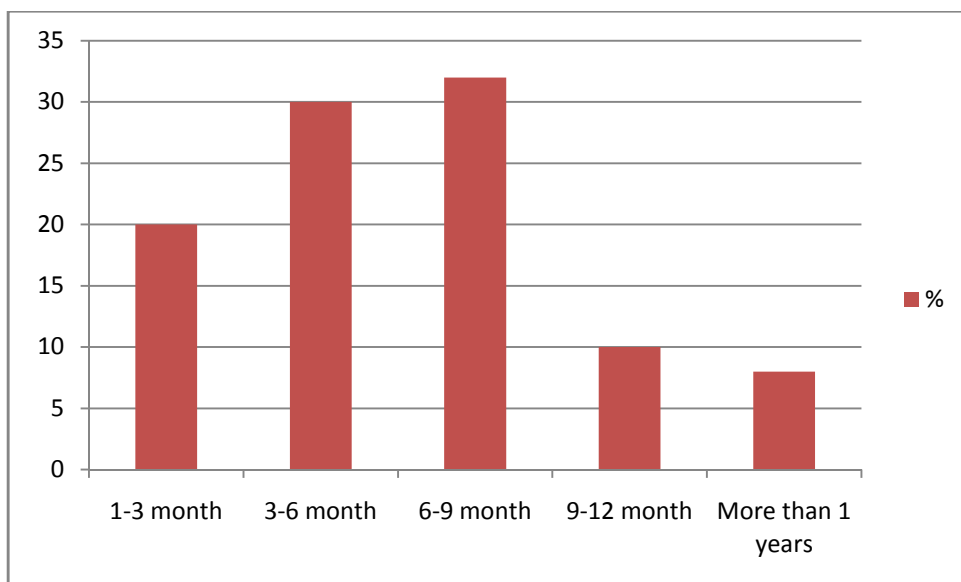
#### Respondents Food sufficiency status

S.N.	Food sufficiency in month	No. of Respondents	%
1	1-3 month	10	20
2	3-6 month	15	30
3	6-9 month	16	32
4	9-12 month	5	10
5	More than 1 years	4	8
6	Total	50	100

Source: Field Survey, 2012

**Figure: 5.1.9**

#### Respondents Food sufficiency status



Above table 5.1.9 and figure shows the food sufficiency of respondents. Data shows that only 8 percent can grow more food which need them and 10 percent grow enough food for whole year other purchase from local market. 20 percent only manage food for 3 month from their product and 30 percent manage for 6 month. In the same way 32 percent manage food 6-9 month. Due to unproductive land and Pakho (dry land grain productivity is low in the area. They manage food from other income sources such as animal husbandry business labour etc which has shown in the following figure.

### 5.1.10 Respondents Income Sources

**Table: 5.1.10**

#### **Respondent's Income sources**

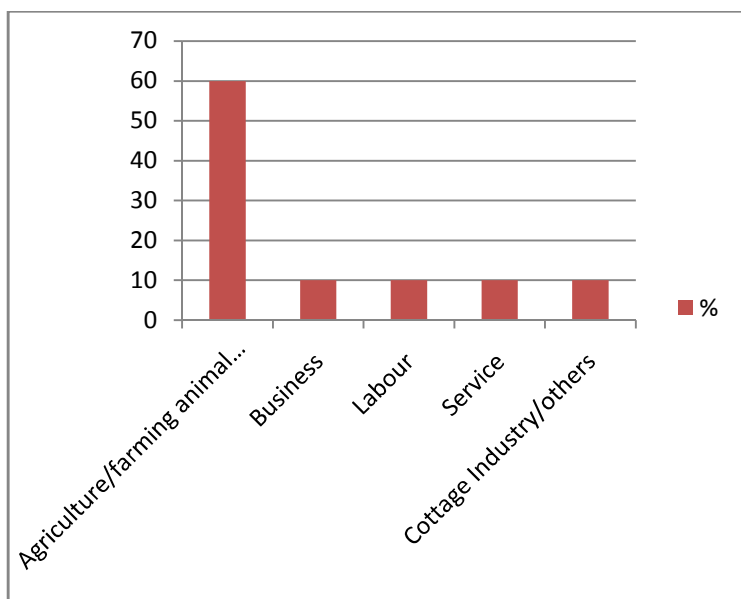
S.N.	Income Source	No. of Respondents	%
1	Agriculture/ farming animal husbandry	30	60
2	Business	5	10
3	Labour	5	10

4	Service	5	10
5	Cottage Industry/ others	5	10
6	Total	50	100

Source: Field Survey, 2012

**Figure: 5.1.10**

**Respondents Income sources**



Above table 5.1.10 and figure shows that 60 percent respondents manage income source from agriculture base occupation like animals husbandry and 10 percent manage from labour. In the same way next 10 percent get income from wage labour and cottage industry like hotel karkhana. Farming based income sources like animal husbandry is the main income source of the respondents. They get income from selling and the animals and birds. The following tables shows the situation of having animals and birds with respondents.

**5.1.11 Cattle with Respondents**

**Table: 5.1.11**

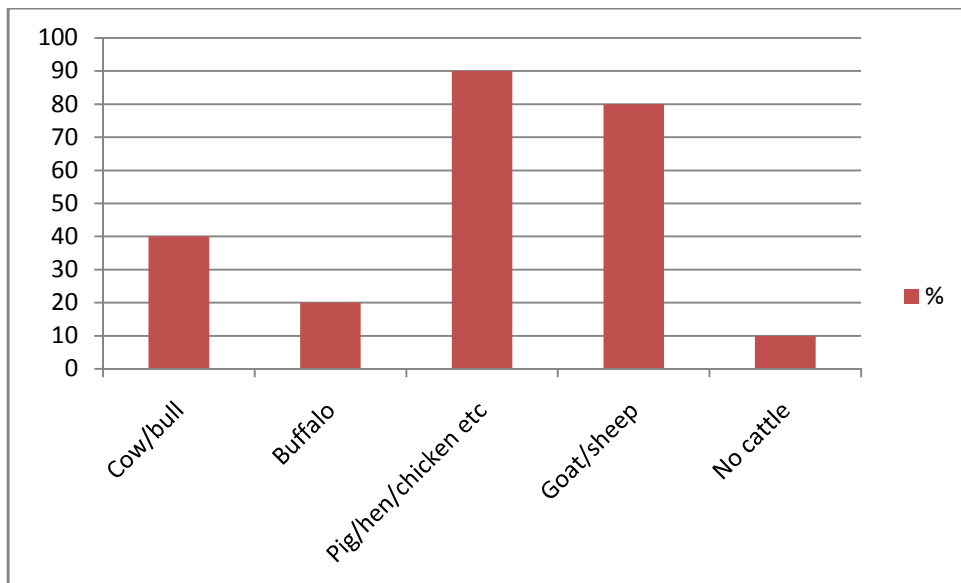
### Cattle with Respondents

S.N.	Cattle	No. of Respondents	%
1	Cow/bull	20	40
2	Buffalo	10	20
3	Pig/hen/chicken etc	45	90
4	Goat/sheep	40	80
5	No cattle	5	10

Source: Field Survey, 2012

**Figure: 5.1.11**

### Cattle with Respondents



Above table 5.1.11 and figure show the situation of having cattle of the respondents. Data shows that 90 percent respondents have cattle and birds. 90 percent have pig, hen/chicken and 40 percent have cow. In the same way 20 percent have buffalo and 80 percent have goat and sheep.

## **5.2 The Contribution of DEPROSC Development Bank in Economic Empowerment of Women**

DEPROSC development bank Bunkot branch play vital role to empower women by providing loan, training and other economic activities daily savings, promoting self business and encourage women to involve in earning activities.

### **5.2.1 Lending Operation**

Operational performance in terms of financial performance, loan disbursement, repayment and outstanding position are the areas of focus for assessing the present performance of DEPROSC Development Bank. An attempt has been made to analyze the contribution of economic empowerment of women terms of income generation, expenditure incurred and the profitability and sustainability.

DEPROSC development bank contribute in women empowerment by providing loan for income generating activities. The bank provide loan on the basis of needs of the member.

### **5.2.2 Loan Distribution**

**Table: 5.2.1**

**Loan Amount of DEPROSC bank provides the First Phase of Investment**

Loan amount borrowed at the first phase of investment (Rs)	No. of Respondents	% of the total borrowers
500	2	4
1000	3	6
5000	5	10
10000	10	20
15000	15	30
20000	5	10
25000	6	12
30000	4	8
Total	50	100

Source: Field Survey, 2012

**Figure: 5.2.1**

**Loan Amount of the program at First Phase of Investment**

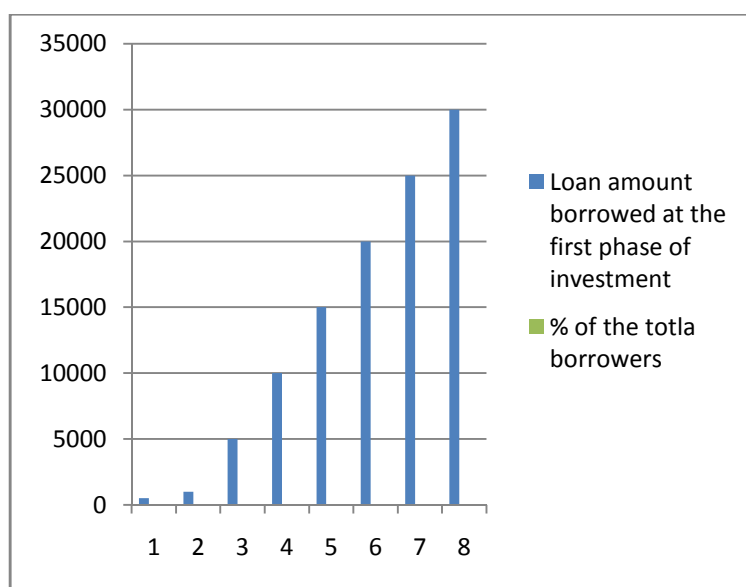


Table 5.2.1 and figure shows the scenario of the loan amount and percentage of the total borrows. The borrowers have been found very aware in demanding loan according to their skill and entrepreneurship talent. Out of 50 borrowers 20 percent have taken the loan amount of Rs. 10,000 and 30 percent have taken 15,000. 10 percent have taken 20,000 and 12 have taken 25,000 whereas 4 percent have taken only 500 and 6 percent have taken

1,000. These percentages are small because women are still hesitating to take big amount of loan to run their project at first phase of investment.

### **5.2.2 Loan Disbursement by Purpose**

In general, occupation signifies employment of the people in different sectors for income earning purpose. In the study area, women are involved in different occupations such as agricultures, fishing and poultry farming, laboring, trade and so on.

#### **5.2.2.1 Occupation of Borrowers before joining DEPROSC Development Bank**

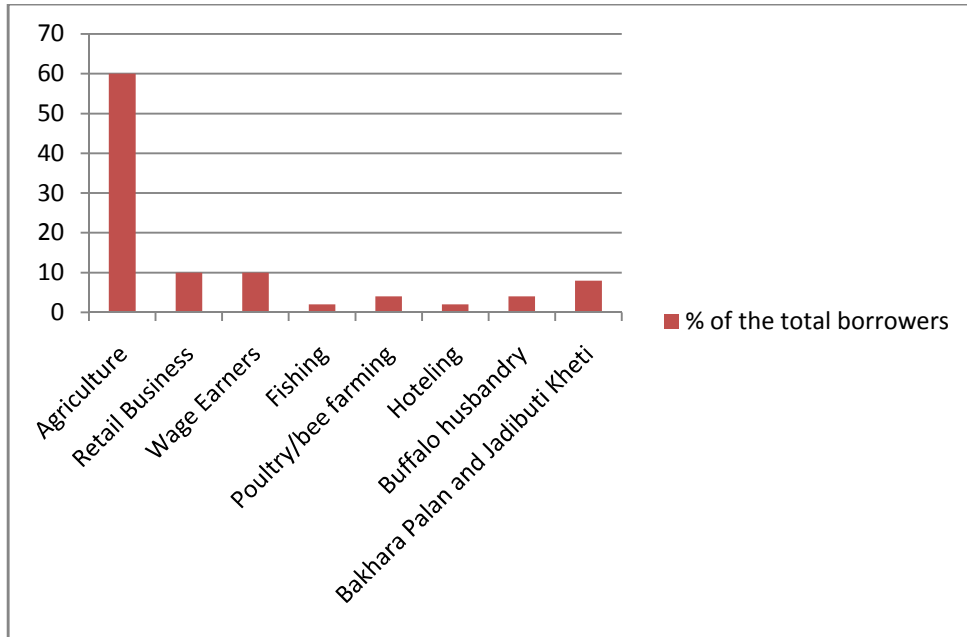
**Table: 5.2.2.1 Occupation of Borrowers before launching Micro Credit Programs**

Occupation	No. of borrowers	% of the total borrowers
Agriculture	30	60
Retail Business	5	10
Wage Earners	5	10
Fishing	1	2
Poultry/bee farming	2	4
Hoteling	1	2
Buffalo husbandry	2	4
Bakhara Palan and Jadibuti Kheti	4	8
Total	50	100

Source: Field Survey, 2012

**Figure: 5.2.2.1**

## Occupation of Borrowers before launching Micro Credit Programs



Above table 5.2.2.1 and figure, present the situation before launching Micro-credit program women members were involved in various economic activities such as agriculture, retail business, wage earners, poultry farming etc. Out of 50, 60 percent were involved in Agriculture and 10 percent were involved as retail business. Involvement percent of women in agriculture sectors is high because the sectors had adopted fully primitive methods of production and women with lack of skill, knowledge and training would like to choose these. 10 percent of total were involved in wage labour and 4 percent were involved in each bee and poultry farming sectors. Therefore, engaged percent in these three sectors was minimal because these occupations were considered little bit difficult and economically less profitable.



### 5.2.2.2 Occupation change after joining DEPROSC Program

**Table: 5.2.2.2**

**Occupation change after joining DEPROSC program**

Occupation	No. of borrowers	% of the total borrowers
Agriculture	20	40
Retail Business	7	14
Wage Earners	5	10
Fishing	2	4
Poultry and bee farming	3	6
Hoteling	3	6
Buffalo husbandry	2	4
Bakhara Palan and Jadibuti Kheti	8	16
Total	50	100

Source: Field Survey, 2012

**Figure: 5.2.2.2**

**Occupation change after joining DEPROSC program**

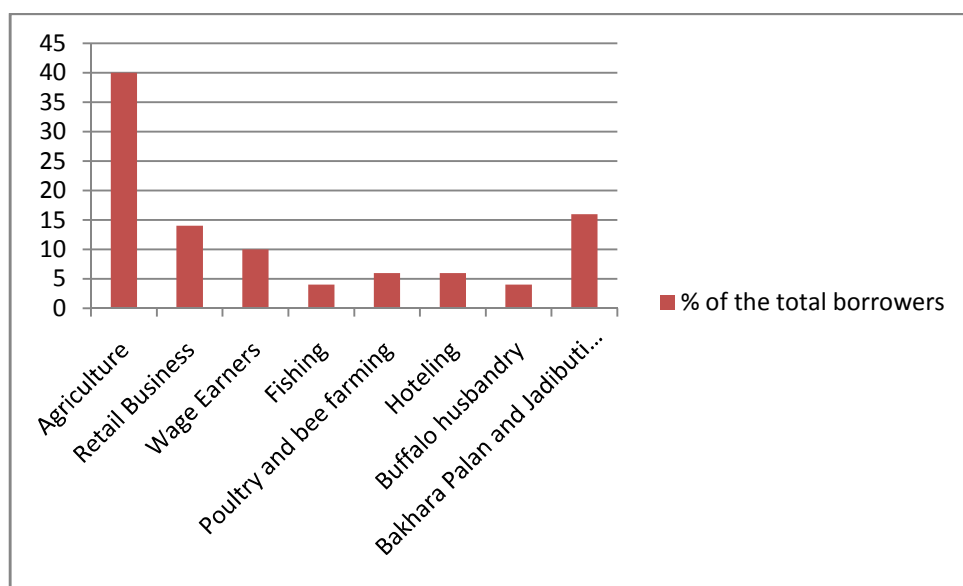


Table 5.2.2.2 and figure 5.2.2.2 show that out of 50 borrowers, 16 percent has started Bakhara Palan and Jadibuti Kheti. In the same way 14 percent women have started retail business. Similarly, but after launching program, engaged percent of women in agriculture and wage earners field have been significantly declined to 20 percent respectively. It is because members have left previous traditional occupation and have started such business, which are economically profitable. Even in agriculture and wage earners field introduction of modern technology, methods and skill have been found. The table shows that there is change in occupation after the program interventions because borrowers having different view point have started different occupation according to their own interest, skill and entrepreneurship talents.

### **5.3 Changes in Income**

In general, income is an economic gain through economic activity. Similarly, in the study area income denotes the earning of the borrowers of the program through any productive activity. The income may be money or articles as food grains, milk and animal husbandry but here in the study, for convenience, the self consumption by the borrowers is not included in income. Only the income which is earned by the sale of product and income which is earned in the form of wages are considered. To know the change in income before and after the program intervention the personal questionnaire has been used.

#### **Table: 5.3.1**

**Income of the Member before and After Borrowing loan from the Bank**

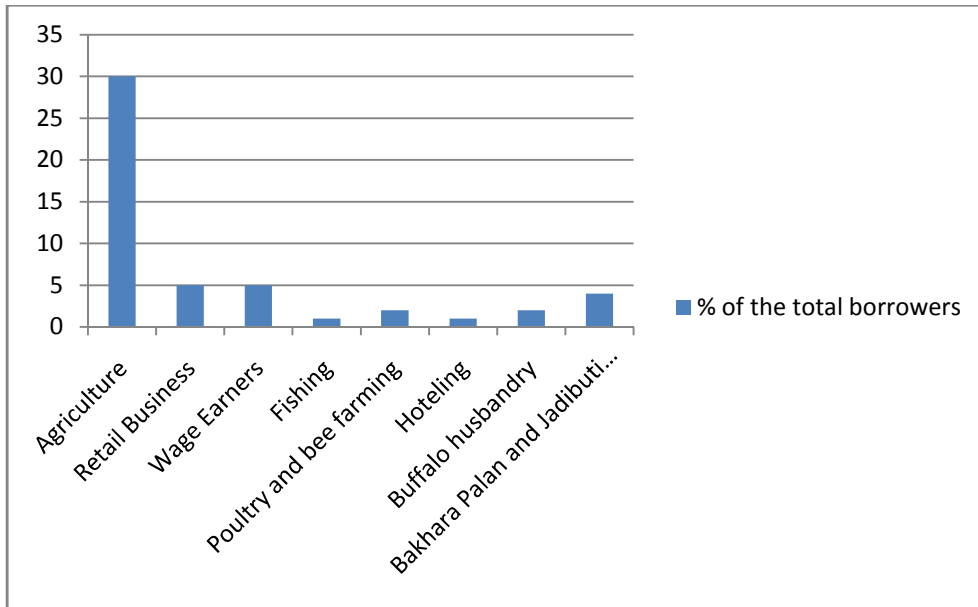
Occupation	Before Borrowing		After Borrowing	
	No. of borrowers	% of the total borrowers	No. of borrowers	% of the total borrowers
Agriculture				
Retail Business	60	30	20	40
Wage Earners	10	5	7	14
Fishing	10	5	5	10
Poultry farming	1	10	2	4
Hoteling	2	2	3	6
Buffalo husbandry	2	2	2	4
Bakhara Palan and Jadibuti Kheti	4	4	8	16
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Field Survey, 2012

Above table 5.3.1 presents, that income in the study area has been significantly increased after program intervention. After launching the program women start to involve new occupations like Bhakrapalan and retail business etc.

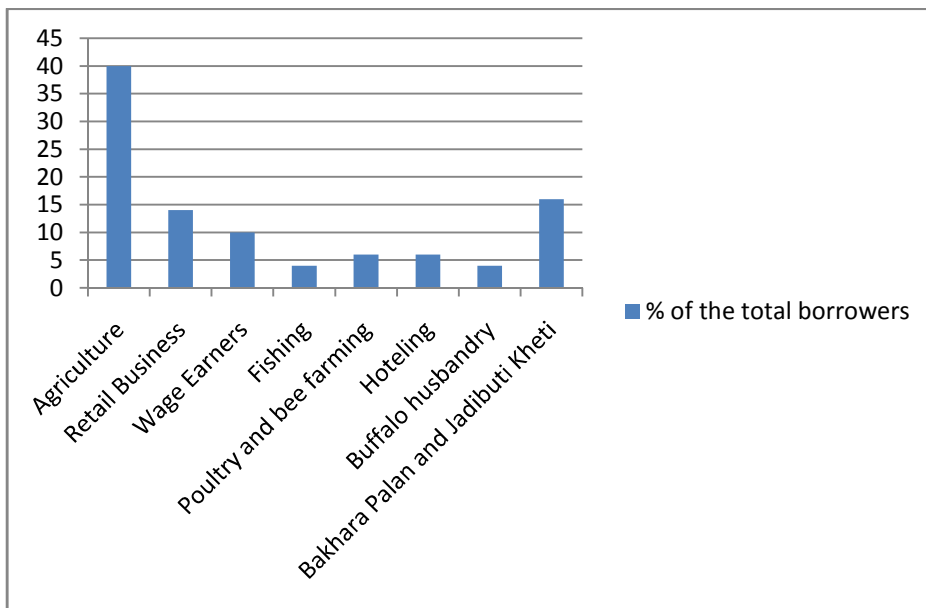
**Figure: 5.3.1 (a)**

**Income of the Member before**



**Figure: 5.3.1 (b)**

**After borrowing Loan from the Bank**



**5.4 Changes in Life Style**

There found vast differences in the living standard of the respondents before and after joining the program. It brings changes in borrowing habits of the respondents borrower/respondent is usually analyzed in terms of food practices, sheltering, clothing etc. Here both quantitative and descriptive tools are used to see whether the living standard has changed from before and after program intervention. The traditional and relatively better off food practices and clothing pattern made by family member of respondents are analyzed.

#### **5.4.1 Change in Food practices of Family Members of Respondents**

**Table: 5.4.1**

##### **Change in Food practices after Program Intervention**

S.N.	Response	No. of Respondents	%
1	Same	25	50
2	Relatively Better off	25	50
3	Total	50	100

Source: Field Survey, 2012

#### **5.4.2 Change in Clothing Pattern of Family Members of Respondents**

**after involving DEPROSC**

DEPROSC program play vital role to bring change of the clothing patterns in family members of the respondents. The following table further clarifies the situation.

#### **5.4.2 After involvement of the DEPROSC Development Bank’s Program**

**Table: 5.4.2**

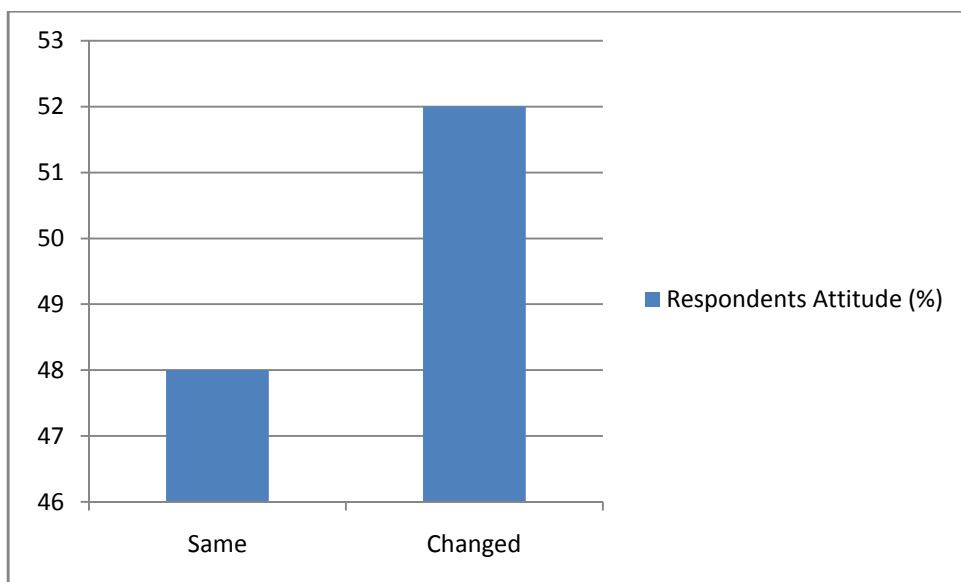
#### **Change in Clothing Pattern of Family Members of Respondents after involvement of the DEPROSC Development Bank’s Program**

S.N.	Response	No. of Respondents	Respondents Attitude (%)
1	Same	24	48
2	Changed	26	52
3	Total	50	100

Source: Field Survey, 2012

**Figure: 5.4.2**

#### **After involvement of the DEPROSC Development Bank’s Program after launching the Program Change in Clothing Pattern of Family Members of Respondents**



### 5.5 Savings

Saving is an important component of program run by DEPROSC so that there is provision of either compulsory or voluntary saving scheme. Women borrowers should deposit fixed amount of money into their saving fund after involving in the group. Saving is deposited either weekly or monthly scheme depending on the nature of the particular program. In general, practices, a woman of Bunkot VDC has saved Rs. 100 per week but in case of small farmer development program, they have saved Rs. 60 per month. Saving has been used for financial formation as well as consumption needs of the group members into productive and non-productive activities.

Up to 2067 Chaitra total savings of borrower of women in NRs. 42,5,700. According to program office, saving will be mobilized only after all the borrowers of the particular group pay the loan.

**Table: 5.5**  
**Sources of Saving**

S.N.	Sources	No. of Respondents	%
1	Reducing household expenses	30	60
2	Get from husband	7	14
3	Project income	2	4
4	Combining of 1 and 2	6	12
5	Labour	7	14
6	Total	100	100

Source: Field Survey, 2012

**Figure: 5.5**

### Sources of Saving

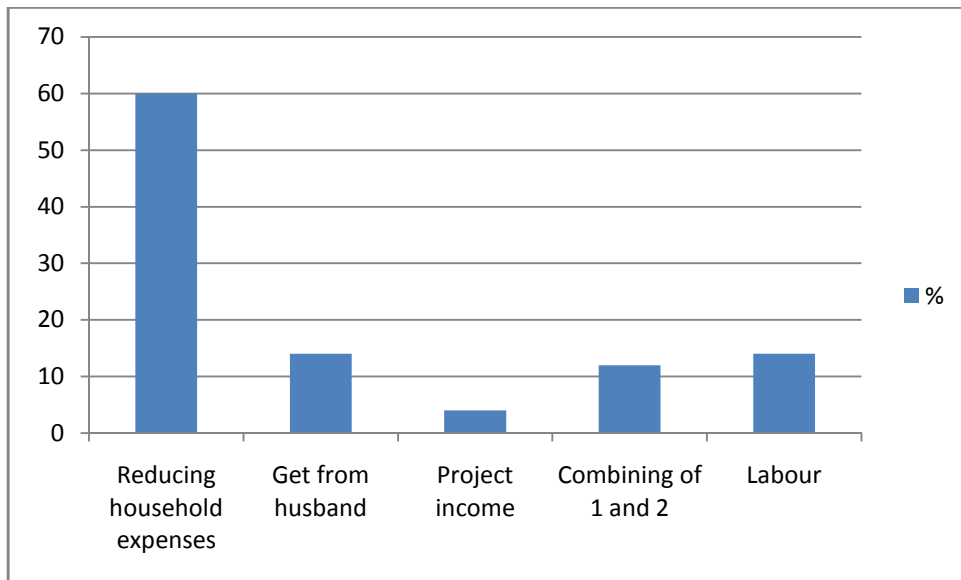


Table 5.5 and figure 5.5 shows that the main source of saving for about 60 percent of the total respondents is by reducing household expenses. Only about 4 percent of the total respondents rely on project income for amount needed in group saving. Out of total, 10 percent depends upon their husband to save the required amount. In the same way 15 percent save from labour income.

### 5.6 Loan Repayment



The loan repayment is a crucial aspect of the lending activities of any financial institution. Loan disbursement of any financial institutions depends upon the loan repayment cycle. If loans are repaid on time, financial institutions expand loan size and the number of borrowers. But if loans are not repaid on time it will not only affects the turn over capacity of financial institutions but also create burden of loan to the borrowers and which in turn affects borrowing and lending of the borrowers themselves.

Depending on the availability of data, it has been estimated that up to mid July 2010, repayment percentage of the overall program was near about 75 percent. Among the sample household it is found that 30 percent has totally paid the loan, 55 percent has partially paid and 15 percent has not paid at all. However, in the case of Bunkot VDC repayment rate is 85 percent.

### **5.7 Status of Women**

The status of women refers to the extent to which women have control over their own lives and have access to knowledge, economic resources and political power. Nepalese women have lower economic as well as social status due to lack of proper education, appropriate skill, ability to decision making power and proper women's empowerment provided by our society.

There are various indices of the status of women, they are:

- i. Education of women
- ii. Control over decision making
- iii. Self-confidence to live their lives.
- iv. Social prestige

v. **Women autonomy**

All of the above indices are clearly influenced by the micro credit program and former are the dimension of women status. Above indices are briefly explained with the help of following table.

**Table: 5.7**

**Contribution of DEPROSC Development for Economic Empowerment  
of Women of Bunkot Branch**

S.N.	Indicators	Before borrowing loan	After borrowing loan	Differnces	
				Increase %	Decrease %
1	Education of women	30	40	10	
2	Decision making power	40	50	10	
3	Self confidence to live their lives	30	35	5	
4	Socail prestige	40	55	15	
5	Women autonomy	30	50	20	

Source: Field Survey, 2012

Table 5.7 shows the overall contribution of the DEPROSC in economic empowerment of the women of Bunkot VDC of Gorkha District. The empowerment situation mention as follows:

**5.7.1 Education of Women**

Education is the most important elements of human life. It makes easy to live human life in the society. Education brings lots of changes in life style of men as well as of women. Most of the participants (women) in this program either have low education. They did not have formal education

from the school and college. Education and trained women can face the various socio-economic problem but uneducated women always remain far from such problems. However, micro credit program and its consequences trainings, seminars and group meeting have raised women's knowledge, skill and ability hence informal education. Even the women who could not write their own name can write after joining the program. It shows that 30 percent of women have increased their education after joining the micro credit program. They got opportunity to learn about banking system, such as lending and repayment procedure, saving schemes etc. however, the project has not conducted special program for increasing female education.

### **5.7.2 Control over Decision Making**

An index of women's control over decision-making was constructed by asking them question about household matter on which decision has to be taken e.g. control over funds borrowed, control over business, income generating activities and control over spending or utilization of earning. Decision making power of men and women depends on their education, skill, entrepreneurial talent ship etc. If women control credit they will invest in appropriate project, which is related to their skill and ability, hence such project will generate more income. Again, if women control project income then they will repay loan at time and raises saving which are the inevitable part of micro credit program. From the fixed questionnaire it is found that women control over decision-making power has been significantly increased. It shows that before borrowing loan only 40 percentage reached to

50 percent where 10 percent of women participants have increased their decision making power after joining the program. These women have been capable to decide by themselves about control of the loan, to involve in the income generating activities, to spend their earning and other household matters.

### **5.7.3 Self Confidence to Live their Lives**

Self-confidence is one of the important elements to live their lives and to run their project properly. Self-confidence depends upon the education, skill and social attitude. If there is good social attitude to look after women and if women are educated and skilful, they can present leading role for their household and social development. It shows that 30 percent participants have raised their self confidence after joining the program.

### **5.7.4 Social Prestige**

Social prestige is created within the society and depends upon the individual himself or herself. If men and women are educated, skilful and functions well for their own society, they are prestigious in the eye of society. Most of the women participants before launching micro credit program have low social prestige because they lack human and economic resources but after joining the program their social prestige has been increased. It shows that before launching the program only 40 percent women participants were prestigious in the society but after launching the program it reached to 55 percent.

### **5.7.5 Women's Autonomy**

Autonomy was measured by women's ability to spend family income freely. Program participation was found to have little on this variable. However, the interaction term between program participation and household income had a positive impact. This implies that program participation alone is not enough to improve women autonomy. Autonomy improves only if household income increases along with program participation. Table 5.7 includes that 20 percent of participants' women have increased their autonomy after joining this program and it increase. Over all presentation of data shows that there is positive relationship between increase in income per month and loan amount borrowed or investment, hence increase in income is positive function of loan amount borrowed or investment.

#### **4.8 Summary of the Contribution of DEPROSC Development Bank in Economic Empowerment of Women in Bunkot**

DEPROSC development bank Gorkha Branch positively contribute for economic empower of the women of Bunkot. The branch form many play positive role to empower women and develop their overall status. Although, it could not improve sufficiently because of the low economic situation of the women. The progress is in right direction.

## CHAPTER: VI

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 6.1 Summary and Conclusion

Nepalese women work for longer hours, they live in difficult socio-economic condition it is because most of their works are not considered as productive jobs. There is also cruel wage discrimination so that even for same work they are paid low wage rate as compared to their male counterparts. Again, they are also deprived from property ownership of land and this in turn restricts them from the stream of loan market hence income-generating activities. Similarly, their level of literacy, life expectancy and income remain in below. Thus, extent of poverty is higher among women, which constitute half of total population. Then the poverty has become a burning issue of the developing countries like Nepal. So, that many such countries including Nepal have applied different alternatives to address the poverty. Micro credit program is one of the recently developed alternatives which have been believed, learning the lesson from Bangladesh, Indonesia and Thailand, to have a greater potentiality to reduce the extent of poverty. DEPROSC is one of the leading banking institutions in Nepal which works for the economic empowerment of women by providing loan and encourage them in economic activities.

DEPROSC development bank started financial work in Bunkot VDC since long time and help women for their economic empowerment. Now there are five collection centres in Bunkot VDC and more than 150 women are involve in the activities of DEPROSC development bank and getting benefit from the program.

In this study 50 women respondents were taken as a sample from five collection centre from ten each collection centre and analyzed their economic status in the periphery of socio economic background and occupation having change after joining the DEPROSC program.

Women are important sources of energy for development and their groups can be an effective channel for resources aimed at meeting the needs of the poor people in rural areas. These potentials can be best realized if they are integrated into the whole spectrum of development programs rather than relegated to the marginal sector currently reserved for women.

Leaving the male centric role aside most of the countries in recent time given priority to women participation in the development process considering as man and women are two wheels of a cart. Similarly, large number of national and international organizations have been set up and carried out various specific programs for the empowerment of women. Basically Development bank and cooperative are focus on economic empowerment for the women. Income earning and self-employment generating activities have been launched with micro credit facilities. Micro credit has been established as significant facilitators to poverty reduction and

economic women empowerment. It is an inevitable means of breaking the vicious circle of poverty that helps to uplift the economic status of poor women.

DEPROSC development bank Bunkot branch under which micro credit is provided for production activities for the poor women. Specially, micro credit program does not require physical collateral for disbursement of loan. Loan is provided on group liabilities. Since the establishment, there are all together 150 household members engaged in income generating activities.

Under the facilitations of bank program small scale loan program and saving program run in the village. Micro credit program run by bank for women has served women from different ethnic groups including Newar, Brahmin, Magar, Dalit, etc.

## **5.2 Findings of the Study**

The contribution of DEPROSC development bank Bunkot branch is praiseworthy for economic empowerment of women in the local area. The study has found positive impact of Bank's program on beneficiary's earnings and living standards. Similarly, involvement in the micro credit program has empowered women in varying degree. It has offered opportunities for poor women to come out of their household confines, to organize themselves in groups and to work in productive and social activities. The program with its focus on group activities and income generation has helped to enhance the self confidence and increased right to spend thus increasing the access to resources.



For most of the women, despite of the efforts of INGOs and NGOs both of government and private sector, the nature of their work appears to have not changed. So in spite of the increase in monthly income their average working hours have remained unchanged as they are still stuck on the traditional farming activities. Similarly, most of the projects were small and unable to generate remarkable amount of profit but 84 percent of the respondents have made some profit.

Women feel pride after joining the bank's program and they improve their income status which shown by the situation of repayment of loan which they borrow from bank. Repayment percentage of the overall program was near about 85 percent in the study area. Repayment is found lower in agriculture activities and higher is business activities. Low repayment rate was caused by insufficient supervision due to staff turnover and under staffing and long distance between sites and death of animals due to various reasons. Among the sample borrowers 30 percent has totally paid the loan, 55 percent has partially paid the loan and 15 percent has not paid at all. However, the branch repayment rate is 83 percent. Therefore, repayment rate of loan of the program in whole as well as sample can be taken as satisfactory.

Therefore looking the scenario of various facts and empirical findings of the study such as shift of occupation from traditional agriculture activities to small agricultural based industries and retail business, significant rise in average income, improved in living standard and women empowerment, developing concept of saving and higher repayment rate it can be said that

the program is toward satisfactory trend to reduce the poverty but there is still many things to be done considering the solution of existing problems so that there is need to planning in future.

### **5.3 Recommendations**

On the basis of the above findings, the researcher field survey experience, the following recommendations have been presented for the growth, sound operationalization and up to date knowledge for the best utilization of the program of Bank.

DEPROSC Development Bank Bunkot Branch is located in hilly area of the country so the situation of the women is difficult and is different from other city oriented area so bank should conscious about the problem of women and their socio economic and cultural status and lunch program that easily encourage women to participate in the program. There are many problems in properly management. The researcher realizes the following improvements are necessary for it overall development so the points are given as recommendation of this research.

1. Most of the women have not clear knowledge about banking process so it is necessary to literate them about provision and condition of bank activities on financial activities.
2. The amount of loan is low for starting business so it should be increase and create the women friendly situation in loan management and desperation.

3. The programme should be developed a practical and varied training courses related to skill development activities in agriculture extension income generating and business promotion as per the need of particular community.
4. In Nepal, women are dominated by male show they are in problems. It is recommended that in the bank should be encouraged and involved women in every sector. After their involvement, they will struggle against poverty and improve their socio-economic status.
5. The branch should establish relationship to other INGOs and NGOs and launch programme concentrated on women's problems.
6. In connection of increasing overdue amount, appropriate majors should be taken on time i.e. provision of motivator at least one in each centre.
7. Arrangement of security measures should have been made as quickly as possible to discourage the unwanted ill-events during the collection period.
8. While recruiting, preference only to ladies for the post of field assistant should not be given.
9. Regular follow up and supervision from head office should be carried out.
10. Bank should not be political and government intervention to bank management, appointment of staffs and interest determination. The

researcher therefore' recommends that the political intervention is a hindrance for the success of bank.

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**Questionnaires**  
**Annex 1**  
**SAMPLE OF HOUSEHOLD SERVEY**  
**QUESTIONNAIRES**

Interview

Date:

- 1 General Information
  - 1.1 Name of respondent
  - 1.2 Sex
  - 1.3 Caste/ethnicity
  - 1.4 Municipality
  - 1.5 Ward No
  - 1.6 Head of family   men.....Women.....
  - 1.7 Name of Interviewer
  - 1.8 Education Status of Family member
    - Literacy (        )School(        )SLC(        )Higher(        )
- 2 Cattle with respondents

Name of cattle	No
Cow/Bull	
Buffalo	
Pig /Hen/Chicken	
Goat/Sheep	
No cattle	

### 3 Income Sources

Income Sources	Annual incomes(in RS)
Agriculture(grain selling)	
Cash crops	
Herbal products	
From animal and bird sale	
Milk	
Wage Labor	
Laghu udham(small industries)	
Business	
Job /Pension	

### 4 Food sufficiency situation

Situation of food sufficiency in month	No.
12 months	

4- 6 months	
3 months	
Less than 3 months	

5 Occupation of respondents

Occupation status of HH	No of respondent
Agriculture	
Service	
labor	
business	

6 Educational Condition

Educational condition	No
Illiterate	
Literate	
Primary	
Secondary	
11+12 level	
above	

7 Source of savings

Sources	No
Reducing household expenses	
Get from husband	

Project income	
Combining of 1 and 2	
Labor	

8 Does your family take loan?

I Yes ii No

If taking loan where do you take?

I local money lenders ii Sahuma iii Banks and finances

9 Do your family members are participated in micro finance programe?

I Yes ii No

If yes what kinds of programs she/he started?

I Vegetable farming

ii Animal husbandry

iii Business

Iv Fishery

V Poultry

Vi Others

10 Where do you collect money from any sources of occupation?

I Yes ii No

If bring money from where do you bring?

I Local money lenders ii Sahuma iii Banks and Finnces/cooperatives

Is there market facilities for the products of small scale industries ?

I Yes ii No

If yes where you sale your products?

I Local money lenders ii Neighboring village iii National market iv International market

11 Which business your family have capacity to establish?

I

ii

iii

Iv

12 Property of family

I Land

ii House

iii Cattle

Iv Gold

V Others

13 Other household equipments/animities

I T.V. sets

ii mobile phone

iii Radio

Iv Sewing machine

V Camera

- Vi Solar
- Vii Bio gas plant
- Viii Others

14 Skill and training of the respondents

14.1 Do you get training?

- I Yes ii No

If yes.....

Name of training	Duration	Name institution of giving training	Participant numbers
Pickle making			
Knitting			
Sewing and cutting			
Weaving			
Mushroom farming			

14.2 Have you applied the skill which you get from training?

- I yes ii No

If you have, what kinds of use you have done?

- I To involve job
- ii TO establish own business



