

CHAPTER-ONE

INTRODUCTION

1.1 General Background

With small territory of 147,187 square km. in south Asia, Nepal, the country of tall Himalayas is geographically landlocked with two big neighbours, India in south, east and west, and China in the north. Nepal's population is growing rapidly while the existing population is unevenly distributed over haphazard settlement. According to census 2068 the total population of the country is 2,64,50,504 among which 1,15,63,921 are males and 1,15,87,502 are females (NPC, 2068). Therefore, women cover more than half of the country's population. But the socio-economic and political condition of Women is very poor.

The developing and underdeveloped countries of the world, which form a majority of the population, for the past 'few decades' have been in search of specialized economic programs that cater to the needs of the poor people. As a result, there have been substantial gains in reducing poverty, and are gaining momentum to improve their lives particularly in providing better education, nutrition and health. In spite of this encouraging trend, a major portion of people in Asia, estimated to be 600 million continue to live below the poverty line. (APDC, 2000) Micro credit has been successfully used as an anti-poverty and development tool in many countries. At present micro credit is being increasingly used in the form in the development strategy for achieving the development plan however the strategy would prove successfully only if it is able to strike balance between development and finance. Clients of micro credit institution are easily poor and low income people, often living and awful over crowded setting of living in remote area with less access to basic amenities as education, water, electricity, banking services, health services, market facilities etc. Many of them are women, playing a double bottom line role provider and care taker at household level. The poor people do

not have enough land for farming opportunities of from employment are few and should be generated. Additionally they lack access to convenience affordable and appropriate financial services. Micro credit is one of the most important parts of the development which raises the life standard of poor and low income group. It provides the small size of loan, opportunities compulsory savings small scale entrepreneurs, diversified utilization and simple and flexible terms.

Nepal is one of the world's poorest countries having \$ 467 GNP per capita (MOF 2011). It rank is 142 of 174 countries (HDR 2007). Most of the indicators reflect gloomy performance on gender aspect of the human development. For example the life expectancy of female is 53.04 years compared to 55 years for male in 1991. participation of women in council ministers is 5.55 percent as compare to 94.45 percent of man. Nepalese women are extensively involved on agriculture activities. They are involved in the triple work responsibility i.e. reproduction household chores and employment. However household chores and family care not considered skill and lack of opportunities majority of women and self-employed in manual agriculture activities in rural area.

Nepalese women who comprise half of the population of the countries have always been employed in national development, although deprived of control over economic resource and property income and employment as well as other resource. Nepalese women are underprivileged and disadvantage in terms of their socio-economic status in comparison to their male counterparts. Millions of people in developing countries produce a wide variety of goods at home or shops and in trades and retails. The gods produced range from a local cigarette pottery and ceramics, mental utensils, household conveniences like mops and brooms to growing fruits and vegetables .Even in the urban areas, a growing percentage of the Working population, sometimes as high as 50%(Otero and Rhyme 1984) is engaged in micro enterprise activity. In order to prosper their business, all micro enterprises have a sufficient supply of working capital for the purchase of supplies. With expansion they also need to invest in assets such as tools, equipment and improved premises. Sometimes people generate such capital from own savings or borrowing money from money lenders at a horrendously high rates of interest. Since, they lack collateral to access money from the formal financial services, most of the

times, though such micro entrepreneurs are just left stagnant with their skills and business wish for some miracle to happen for the surplus of money.

The concept of micro finance has its roots in this lack of capital for investment particularly access to capital to the poor in developing countries. As the name implies, it is financing at a small level. Still the term could be vague and ambiguous considering that word 'micro' in micro finance may refer to any aspect of the finance associated with it. Many definitions have been put forward in this context and definition differ in understood as, Extension of small loans to very poor people for self employment projects that generate income, allowing them to care for themselves and their families. In other words, micro –finance is the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans. (CMF 1999)

1.2 Statement of the Problem

Micro credit bank is an effective tool on improving women status. It is therefore expected that overall household welfare is likely to be higher when micro credit is provided to women rather than man. Micro credit programs are emerged as important players. This programme typically makes small loans-something as small as\$50 to \$100 and sometimes as large as several thousand dollars to household lacking access to formal sector bank. One impotents achievements of microcredit movement has been its relative's success in deliberately reaching out to poor women living in diverse socio-economic environment.

Women are thought to be better borrower then men: timely repayment of loans is more likely to takes places, when women borrow. Considering the factors, the present study aimed to access the role of micro credit facility provide by Manusi finance.

Various study have shown that the empowerment of women has also a positive impact on children's welfare, health and improvement of family as a whole especially girl child get the access to education and health services. But our problem is women are not empowered in the sense that they have little access to productive resource, less educated, low health condition, low voice in society etc. In front of this dismal picture,

implemented of saving-credit scheme can be a panacea for solving the problem. Group members take the loan from themselves at a moderate interest rate for productive purpose.

Various initiation have been undertaken in the sector of Micro finance and women empowerment .Providing access to micro credit is targeted people in the key concern of different government and nongovernmental and community based organization. Along with this, women empowerment programs are also the major intervention of NGO and INGO .Still the situation of women is weak and they don't have decision making power and even including no. of children to bear and use of financial recourses .Further they have been treated as an object for discrimination and have no influential role of social activities.

If women are still remained in such situation, it would be difficult to decrease national poverty level and meet the targets set by United Nation Millennium development goals. Towards this, significant important in status of women needs to be achieved .Hence it deemed essential to examine the effectiveness of community based co operatives in delivering micro finance facilities to targeted women for their economics and social empowerment .For this ,various research and targeted programs for women empowerment are still needed. For the socio-economic development of rural areas, most of the rural women across the country have been established the micro-credit program in the local initiation, local participation and efforts. The communal practices of such programs have been contributing the greater positive impacts in the society. The present study has some research questions to explore some specific findings regarding the impact of micro-credit at the study area, are as follows.

1. What is the social status of the women in the study area?
2. What is the economic status made by the micro-credit in the study area?
3. What are the constraints found to operate the micro-credit in the study area?
4. How dose they get benefits from skills provided by micro credit program?

1.3 Objectives of the Study

The overall objectives of this study is to explore the role of micro credit programs for economic improvement of women in, due to the micro credit of the Manusi micro finance in Bidur Municipality at Nuwakot

.The specific objectives of the study are as follows:

1. To assess the impact of Micro credit programme on the beneficiaries in terms of earnings and living standard.
- 2 .To suggest appropriate measures to improve Micro credit programme for women based on the experience of Bidur Municipality at Nuwakot

1.4 Limitations of the Study

As the title of this thesis is mainly concerned with the role of Micro credit to improve the economic condition of women through the Manusi Micro Finance at Nuwakot.

The study has following limitations which may lead the study up to a case study but not to more specific findings.

1. This study covers only Bidur Municipality of Nuwakot.
2. Conclusion or generalization of the study may or may not applicable in the other parts of the nation.
3. This study is mainly based on primary data. But secondary data can also be used if needed and the reliability of the data will not be tested

1.5 Organization of Study

In the first chapter there are the general background, statement of the problems, objectives of the study justification of the study and organization of the study. The composite whole of this section covers by the chapter one which is the introductory part of the report. The chapter two includes the literature review where different related

literatures are kept in different part as the general studies on Micro-credit sector and other related studies of Micro-credit in Nepal. The third chapter is research Methodology where the complete procedure of the research study has included as the research design, data collection methods and processing of data. The fourth chapter introduces the area and Manusi Micro finance. The fifth chapter deals with the role of micro credit and Empirical Analysis. The last chapter is included by summary, conclusion and recommendation according to the finding of the research study.

CHAPTER-TWO

LITERATURE REVIEW

A brief review on the background, role, importance and impact of micro finance, the significance of micro credit in order to uplift economics condition and inter-relation between women and micro finance, different models of micro-finance and especially income generation of rural poor women has been analyzed in this section. This chapter is based on the available reports manuals, papers, proceedings and studies on micro credit program and institutions undertaken globally and nationally.

As this thesis has attempted to identify the contribution of micro credit program of community based cooperative in the area of woman empowerment, the literatures both national and international related to micro finance in overall and micro credit by cooperative in particular, covering both conceptual and empirical studies, have been reviewed accordingly.

2.1 Review on global context

RILEY (2013), Although many of broad approaches to economic growth and development are "top down "in nature for example an ambitious government strategy to increase productivity or attract foreign direct investment project -in recent years there huge been huge investment in a bottom-up or grassroots approaches to enterprise and innovation supported by the micro finance industry .The world's poor are exposed to irregular income flows, and their needs are irregular too ranging from unforeseen medical bills to having to pay more when food prices rise unexpectedly. Micro finance refers to a large numbers of different financial products including but not exclusive to Micro credit-the provision of small scale loans tom the poor for examples by credit union.

ROGER (2012), Micro credit is define as provision of thrift credit and other financial services and product of very small amount to the poor in rural, semi urban and urban areas for enabling them to raise their income levels and improve living standers .How ever in many recent publications by media and researchers alike, the impact of micro

credit is an exhaustively debated topic. The questions of on micro credit range from whether it has become activities of its own success .The purpose as well as the structure of credit model has also come under scrutiny. Though there is limited evidenced to point out the micro credit has substantially improved the standard of living of poor as intended.

David (2013), says that the micro credit can produce significant benefits for the poorest people, by enabling them to manage volatile and uncertain incomes .Despite the shortcomings of not having achieved dramatic changes in social welfare,access to micro credit has spurred business investment and also led to a decline in expenditure on temptation goods.

CECI,(2011), stated that micro credit bank is the provision of broad range of financial services to poor and low-income households such as micro savings, loans, payments or money transfers and micro insurance. Micro credit bank products in the country are micro- credit, median and small enterprise credit, group savings, project loan and micro insurance. Although the conventional definition is that to provide banking services to lower income people targeting the poor and the very poor is the micro credit bank. The definition provided by Nepal Rastra Bank (NRB) is considered as the institutional definition of Micro credit in Nepal, in its regulation defines the loan up to Rs. 60,000 provide through Micro Development Bank (MDB) as Micro- credit. In additional, Rural Self Reliance Fund (RSRF) recognizes loan up to Rs. 60,000 per borrower given to the deprived sector and a group loan up to Rs.1, 50,000 given to the members on joint liability for project loans as micro credit. From the theoretical review, we come to know that Micro credit banks have emerged as an essential tool to fight against poverty and deprivation of disadvantage groups. Micro credit bank program can be used for sustainable and balanced economic development. We can say that women clients can improve their confidence leadership, decision-making power and entrepreneurial skills after participating in Micro credit bank program.

Mayoux (2008) ,in her thesis "Not only reaching but also empowering women: way forward for the Micro credit summit 's second goals" in 2006 has argued that Micro

credit programmed not only give women and men access to saving and credit ,but reach million of people worldwide brining them together regularly in organized groups. Through their contribution to women ;s ability to earn an income, micro credit programs can potentially initiate of economics a series of 'virtuous spirals' empowerment ,increased well –being for women and their families and wider social and political empowerment .Micro credit services and groups involving men also have potential to question and sufficiently change men's attitude and behaviors as an essential component of achieving gender equality .Gender equality and women's empowerment in turn are essential and integral components of pro –poor development and civil society strengthens.

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ADB (2003), has made a study to fine the relation between poverty and microfinance. The study define poverty as an income level below a socially acceptable minimum and microfinance as one of a range of innovative financial arrangement designed attract the poor as either borrowers or savers. In principal, micro –finance can relate to the "non –destitute chronic poor "who occurs due to lack of assets and opportunities and" transitory poor" which is temporary in nature

And occurs due to the result of adverse shocks. Lack of asserts indicate absence of physical collateral which restricts the poor to have access of formal credit and to depends on informal credit where interest rate is high and sources are limited .So that the study advocates that will raise income level of poor, provided that there are no other binding constraints. This is a route out of poverty for the non-destitute chronic poor.

Robinson(2001), stated that Micro credit bank refer to small scale financial services, primary credit ,and savings provided to people who farm or fish or herd, who operate a small enterprises or micro enterprises where goods are produced refined,

repaired or sold, who provide services who work for wages, commission: who gain income for refining out a small area of land, vehicles, draft animal or machinery and tools and other individuals and groups at the local level of developing countries both rural and urban.

In her study she has also explored the two leading views on micro credit bank programs. The financial system approach and poverty lending approaches are the two leading views. Both approaches share the goal of making financial services available to poor throughout the world.

From this study, we come to know that the different approaches regarding the Micro credit bank program. The relevance for country like Nepal is that poverty landing approach in the sense of reducing poverty through credit and other services provide by institutions.

Ledgerwood (1999) explains that Micro Credit bank has as an economic development approach intended low income women and men .The term refers to the provision of financial service to low –income client including the self –employed.

Micro Credit bank according to her ,usually involve small loans, typically form work capital, informal appraisal of borrower and investment and collateral substitutes such as a group guarantee of compulsory saving. It also involvement streamlined loan disbarment and monitoring, secure saving procedure and access to respect the large loans based on repayment performance. Although some Micro Credit bank institution provide enterprise development service such as skill, training and marketing and social services such as literacy training and health care, however they are no generally included in definition skills, training and marketing and social services. In other context of Nepal the Micro credit bank institutions follow the some idea which is presented by Ledgerwood. They provide the small loan to their member in the group guarantee basis. Micro credit bank institutions are providing skills, training and marketing and social services.

2.2 Review on National Context

Dhakal (2012), in his thesis explained that Micro credit is one of the major tools for achieving women empowerment is by increasing their access. So that they can get small amount of loan by themselves and invest it in different income generating activities like in many development countries micro credit has increasingly gained popularity as a reliable for poverty alleviation in Nepal .Women's empowerment is vital for the uplifting the women's situation . In Nepal different development program has been launched after the establishment of democracy in 1950.Various targeted program have been implemented focusing on women. However women still remain in backward condition and more has to be done for their development.

Bashyal (2011), assessed the financial access and women empowerment through gender equity improvement based on survey of clients of Nirdhan Utthan Bank Limited.The study found that Micro credit bank has improved family's wellbeing by increasing household's food sufficiency level, assets accumulation and children's education. The effectiveness of program in improving socio economic condition is more visible in the improvement in housing condition and possession of consumer durables. It has been credited with: empowering women by increasing their self-confidence and decision making power enhancing family status, family co-operative and greater say in household spending. Moreover, the access to credit not only gave women opportunity to contribute to the family business but they could also deploy it to assist the husband's business that increases her positive and influence within the household. Micro loans have enabled women to start nonfarm activities particularly; petty trade. The study reaches to the conclusion that no unique model of Micro credit bank is applicable for all situations. To provide micro credit services to large numbers of scattered poor people in the hills and mountains of the country through well managed operating costs, the program should be designed as according to its topographical differences and diversified settlements.

Thapa and Sharma (2011), conducted a small study to assess the impact of rural finance program in empowering women, based on secondary information generated by Sahakarya Project.

They found that rural micro credit program has empowered women and disadvantaged groups of people to access credit services in rural area gender equality and empowerment of women ;reduction of child mortality and improvement of maternal health.

The study concludes that gender should be made a part of micro finance institution (MFIs) target women client for pragmatism region .Being a micro credit bank client is a good start, but membership by itself may by empowering. In view of, the MEIs should be encouraged to make gender concern more of a focus in its strategy and approach, especially in the terai, where cultural constraint to women mobility and empowerment.

RMDC (2011), studied to assess the impact of micro credit program on socio-economic status of the ultimate beneficiaries by using primary and secondary data. The study revealed that the impact of micro credit services on various aspects of participating women positive their household's income moved in the expected direction. The improved credibility of clients in other sectors through increased the income and assets due to the involvement in the micro credit program are taken as a positive impact of micro finance. The micro credit has greatly empowered the participating women in all respects.

This study shows that micro credit promotes diversification of income sources and brings about positive changes in investment, income received and savings made from each category of income sources when compared with before program implementation. Micro credit programmed generates self-employment that generates income to meet daily necessities of poor women and their families. Micro credit Programmed also improves the education status of children of member women as they get the required information from the implementers. Participation in micro credit programmed improves poor women's interference from their male counterparts.

INAFI, SAP Nepal (2005), used primary and secondary data to assess the impact of micro credit bank on poverty as well as social impacts of micro credit bank services in Nepal. This study found a significant impact on client across a wide range of economics

and social indicators. This is including increased income, improved nutrition, better food intake, better consumption on clothing, better housing, lower child mortality, lower birth rate, higher adoption of family planning practices, better health care, better access to education for children, women empowerment and participation in social and political activities etc. Thus, there is a direct link between Micro credit bank and at least five of the Millennium Development Goals namely the eradication of extreme poverty and hunger; achieve of universal primary education; promotion of gender equality and empowerment of women; reduction of child mortality and improvement of maternal health. The study concludes that gender should be made a part of Micro-finance Institution (MFIs) target women client for pragmatic reason. Being a Micro credit bank client is a good start, but membership by itself may be empowering.

In view of this, the MEIs should be encouraged to make gender concern more of a focus in its strategy and approach, especially in the Terai, where culture constraints to women mobility and empowerment.

Acharya(2009), in his thesis paper argues that, the main factor of women's economic and social empowerment in a country are its cultural and legal Environment, and national policy on women; s right and poverty alleviation. Initiatives organized by micro-credit b institution for the provision of greater economics and legal reforms are key elements for achieving greater economic and social empowerment. Micro credit has a key role to play as they are able to both women's practical and strategic needs. Whether it be through women only cooperatives or cooperatives made of women and men, they offer as effective organizational means for women members and employees to raise their living standards by accessing decent work opportunities, saving and credit facilities, health, housing and social services, and education and training. Cooperates also offer women opportunities for participation in and influence over economics activities. Women gain self reliance and self-esteem through this participation. Cooperatives also contribute to the improvement of the economics, social and cultural situation of the women in other ways improvement of the economics, social and cultural situation of women in other ways including promoting equality and changing institutional biases (<http://www.copacgva.org/idc/2010/index.html>)

Bhattraï (2007), in her thesis argued that program empower women by strengthens their economics roles increasing their ability to contribute to the family 's income ,helping them established their indent outside of the family and giving them experiences and self confident in the public sphere. For example ,in Bangladesh, the participation in Germeen Bank is positively associated with women's level of empowerment define as the function of her relative physical mobility ,economics security ability to make various purchase on her own, involvement in major household decision ,relatives freedom from domination.

Bank is positively associated with women's level of empowerment define as the function of her relative physical mobility,economics security ability to make various purchase on her own, involvement in major household decision ,relatives Freedom from domination within, political and legal awareness and participation in public protest and political campaigning .The study concluded that involvement in credit program development empowerment rural women. The participation of women in the micro finance activities have been high in rural backward area as the system benefit rural women in greater scale by uplifting them from the unexposed society to more open society .The system based on transparency and accountability has encouraged women to get out of the traditional concept roles and to be equally active development partners as their male counterparts .The participation of women in group discuss has significantly raised their self –confidence and increased respect from the communities and household have been found more decisive in influencing male counterparts.

The access of rural people to financial services will be increased by development of a network of bank and financial institution, cooperatives and micro-credit institutions. The plan further states that "Cooperatives will be developed and encouraged as a basic medium of community and rural development to achieve the national target of poverty alleviation and Millennium Development Goal (MDG).Cooperatives will be restructured and reformed so that it could be play coordinator's role in rural development."As woman empowerment is one of the determinant factors of rural development, cooperatives can be an effective means for empowering women. Several types of cooperatives societies operated in the country are saving and credit ,Multipurpose ,Dairy ,Agriculture ,Fruits and vegetables, Be keeping, Tea ,coffee, consumers Energy ,Communication etc

including production ,financial services. Nepal has initiated its cooperatives movement after 1950 AD. Policy and programs launched by the government have emphasized the importance of Cooperatives modality to maintained peace in his society by means of self employment and to expedite the development works. It is believed and more than 50000 people are employed directly in Cooperatives business.(<http://deoc.gov.np>)

Shrestha Neera(2005), in her thesis Due to participation of Micro credit Project for Women (MCPW) : there are changes in the economics status of women participation .At the individual level of women ,the income of women associated with the programmed is greater than women outside the programmed .Through program ,women are able to get easy credit without collateral and on low interests. They have developed the habit of saving regularly .Mostly of the women are involved in income generating activities such as livestock raising agricultural farming and micro enterprises.

The decision making level of the women who were involved in the program have been higher in the areas as participation in training family planning seeking medical care, children education and participation in meeting. Similarly, they had higher decision making power in terms of household expenditure also women from the program had higher decision making power than of women who were not involved in the program in terms of seed selection, crop selection, labor allocation and input –output marketing .Thus Micro credit program empowered and encouraged to participate actively in different activities so that if may uplift their social status.

By analyzing various literatures it can be conclude that micro credit is one of the major tools for poverty reduction and women empowerment. Women have become able to manage, handle and operate such organization and such attempts of women have enhanced their status in society –politically, socially and economically. But the above reviewed literatures have also explore some problems that have been found while implementing micro credit programs for women empowerment ,and emphasized to address these problems genuinely for the effective implementing and sustainability of such programs.

CHAPTER-THREE

RESEARCH METHODOLOGY

The women development is related to long term changes in the society which is associated with the growth and expansion of material and welfare of women .Thus women development is a relative concept which indicates the growth in materials welfare and change in the women social, economic, political ,legal ,educational and cultural structure of society .In broad view women development includes humanitarian, physical and intellectual satisfaction .This development is the result of relative ,incessant integrated progressive and structural changes .The main purpose of women development is to increase the women participation in income generating activities and other political ,legal, social and organization aspects.

Research methodology, as a matter of fact, involves everything related to research which is concerned with analyzing the nature and types of data and examining the ways in which they can be used in socio cultural research. The very chapter describes specially the methodologies adopted to conduct the very study by the researcher in his concerns. It includes the introduction of the study area, research design, sampling method, data collection methods and analysis of the collected data.

3.1. Research design

Basically this study will mainly based on qualitative as well as quantitative research design and this study is also based on descriptive research design. It is descriptive in nature because this study is based on the micro study of micro credit program. It seeks to analyze the effectiveness, sustainability of Micro credit program in the specific study area.

3.2 Sources of data

This study is based on both primary and secondary data. Primary data have been collected from primary sources during the field survey with the scheduled questionnaire.

This is the main component of the study and the secondary data have been derived from books, journal, economic survey various plans and different websites etc.

3.3 Sampling design:

The total members of Manusi micro finance, Bidur Municipality, in ward no 9 Nuwakot there were 150 members form which 50 members will taken as the sample which comes to be 34 % of the total universe and it is assumed that the selection household has represented to the whole universe. The study is focused on the impact of women based micro- credit. The purposive sampling method was used while studying the concerns of the researcher. which can shown in following figure.

S.No.	Particulars	Value
1	Total numbers of Groups is Bidur	30
2	Total numbers of members	150
3	Sample Size	50
4	Sample representation of study area	34%
5	Group size	15-59

Which is presents in the following table;

Ethnic group	No.of respondent	Percentage
Chhetri	7	14
Gurung	1	2
Newar	4	8
Tamang	17	34
Dalit	10	20
Magar	11	22
Total	50	100

This table shows that the ethnic backward of respondent out of 50 respondent a total number of 34 are from Tamang community, Further, 14 percentage of total respondent are represented from Chhetri community. The respondent from Newar, Gurung, and Chhetri community comprise 4, 1, 7. Respectively. Dalit women's involvement is not bad, They comprise 20 percentage of total respondent. As Newar, Magar, Gurung are categorized under ethnic group (Janajati). their representation as the respondent for this study is 66 percentage, The higher percentage of participation of Tamang community explains their agriculture and Trade which motivate them to participate.

3.4. Tools and Techniques of Data Collection:

The data will take from primary sources. The primary data will collect through field survey. The structure of primary data will be questionnaire and formal interview. And some where there will use secondary data which are collected from books, Journal, economic survey etc.

Data collection is the most important part of research. Without the collection of appropriate data a research cannot be complete. However, data should be corrected and valid. Hence to get accurate data a researcher uses different methods of data collection. For this research, the following method of data collection have been used. Primary data is collected from the following methods.

3.5 Interview

Primary data was primarily collected through the structured, semi structure and open questions by taking personal interview particularly with women. In the absence of the women, it was conducted with male who was able to give the response was also taken as the respondent. The questionnaire was developed to obtain both quantitative and qualitative information about the concerning the study. The respondent used the local unit of measurement for the quantities data and it was converted into standard unit later while

processing. The questionnaire was developed into language and was also translated into English language in processing.

3.6 Observation

While interviewing with the respondents, the researcher observed and recorded the activities of women members and respondents, their socio- economic status before and after.

3.7 Key Informants Interview

The very tool being used to take out the more appropriate information and for the comparative study of concept and attitude of the respondent of different categories, such as the study of the real beneficiaries and social mobilized, leaders, youth and service holder has been recorded which information is supposed to triangulate the information of the respondents' key informants.

3.8. Data Analysis and Presentation:

It is very sensitive part of the research where the gathered data and information are organized after analyzing and processing through different methods, collected and recorded primary and secondary types of data and information during the study were processed through the different ways like validation, editing and coding at first and simple tabulation and economic information were used for the analysis of the subject under study. And the data will be presented by using simple methods like as bar diagrams, pie-charts, tables, charts etc.

CHAPTER -FOUR

INTRODUCTION TO THE STUDY AREA AND EMPRICAL ANALYSIS

4.1 Short profile of Nuwakot District

Nuwakot district is located in Bagmati zone of the central development region. The district is surrounded by Rasuwa in north ,Dhading in south and west and Kathmandu in the north. It lies between latitude of 28.001'N' and longitude of 85.21' E' . According to the CBS census 2068 the total population of the district is 271471. Trishuli and Tadi are the Principle Rivers of this district.

4.2 Bidur Municipality :

Bidur municipality is one of the major place of Nuwakot district. It is situated in the central part of the Nuwakot. Battar bazar and pipaltar surrounded this municipality in east and Trishuli Bazar in north and Gangate Bazar in east and some village in west .Agriculture and Trade is the main source of income in this municipality .Bidur Municipality has sub tropical and mild temperature climate .Sal , ,katus, chalaune etc are the trees found in the forest. The total population of this municipality is 2,71,471 (CBS census report 2012)

4.3 Manushi Micro Finance in Bidur

Manushi Micro finance was established in 2066.It is a branch of Manushi Micro Finance Kathmandu. This is also a main office. Its registration number is 444/07/048.It is a effective programme for women which provided financial facilities and technical support to both VDC and Municipality. This programme involves only these poor and married women who backward from especially social and economic activities. It fully helps in women empowerment. It's provides different types of skill like tailoring, cattle rearing, poultry farm etc. Some women are able to think about development the society. It provides the small scale of loan its members, which encourage them to do economics activities and make dependent. The women's are paying its loan by installment in

monthly .If they have money, they can already pay it by going the manushi Micro Finance Bidur. After joining this program women are also able to increase their saving. So it is the important tool of strength of women.

The main objectives of this programme are given below:

- 1) To improvement the economics of the women through the micro credit program.
- 2) To grow up the society's condition by develop the skills of women.
- 3) To make the independent women.
- 4) To make Manushi members able to identify their problem and implement appropriate measure to solve such problems in place manner as well as make them able for the evaluation of such activities.

After involving in program, the local women 's group has become effective to the control the social evils in their community ,women group take participation in local level socio- cultural function like teej song competition ,cultural dance competition and the like. The money collected from these activities has been used for the income generated as the group .They are able to do everything which they can. So this programme of village and municipality which uplifted the economics and social status of women.

4.4 Evolution of Micro credit in Nepal

Both formal and informal MFIs are providing financial services to generate income through employment opportunities for low income families. The informal financial markets in the country have existed for generations where as the formal sector micro lending begin in 1956 with the establishment of credit co-operative in the "Rapti valley "of Chitwan to provided financial services for those people affected by the flood.

Later in 1963 cooperative bank was established to provide financial services to credit cooperatives. There after credit at the grassroots level along with national level institution land reform saving corporation later who was converted to ADB/n on 1968.Forally MF service was started in 1974 with NRB direction to commercial banks for lending 5 percentage of their total deposit liabilities to 'small sector' in order increase production and employment in rural areas. The 'small sector' was renamed later as

priority sector credit (PSC) in 1976 which is the beginning of formal micro credit program rating the lending percentage to 7 percentage of total deposit liabilities. The PSC was redefined as intensive banking programmed (IPB) in 1981. It was the main concern of government for implementing micro credit program me through major commercial banks of the country viz. the RRB, NBL and NABIL bank. The NRB also made successive change in lending percentage and increased to 8 percentages in 1984 and this lending was fixed at 12 percentages by the year 1990.

Micro and small enterprises supported to enhancing employment .Production and income and improve livelihood of deprived and poor people. The micro -enterprises have been classified into 3 sectors, as agriculture, small scale industry and services sectors. The deprived sector includes men /women form low income household and landless poor, indigenous group Micro credit ,micro saving ,transfer payment services and micro insurance are defined as micro credit services .NRB (MFD) has define the loan up to Rs.60,000 as micro credit ,RSRF recognizes the loan up to 60.000 per borrower an micro credit (to deprived sector) and a group loan up to Rs.150,000 given to the member on joint liability for project loans.

Nepalese micro credit sector can be classified as formal semi and informal sectors. Formal sectors model is initiated by government /NRB .The initiative so far includes the established of MDC and implementation of the program as Jagriti (WEP) Bisheshwor with the poor ,intensive Banking program (IBP).SFDP and PCRW, the semi -formal model, were initiated by NGOs, cooperative and MFBs. The informal sector also rendering Micro credit bank services to the rural people.

4.5 Empirical Analysis

Here we analyze the collected data regarding the objectives. The main component of Micro credit program for women is to provide loan for women especially in income generation and in enhancing living standard as well as encourage them for compulsory saving and voluntary saving.

4.5.1 Age structure of the members of the Micro Credit Programme (MCP)

The youngest among the members surveyed was 15 years old while the oldest was 59 years old. Table 1 shows that more than half of the women members are between 15-59 years who have heavy financial load for the survival and other social responsibilities such as educating their children and livelihood.

The age distribution of MCP clearly shows that the domination of the women members in the participation of the programme. This explains that as the people belongs to the MCP is likely to reduce.

The respondents are of different age group which is better expressed in the following table.

Table 1; Age structure of the members of the Micro Credit Programme:

Age group	No.of respondent	percentage
15-19	-	-
20-24	1	2
25-29	5	10
30-34	15	30
35-39	17	34
40-44	7	14
45-49	2	4
50-54	2	4
Total	50	100

Source: Field Survey, 2013

The youngest among the members surveyed was 15 years old while the oldest was 59 years old. Table 1 shows that 88 percentage of the respondent are from the age

group of 25 to 44 percentage .Similarly, the 10 percentage of respondent are from the age group of 20 to 24 the cumulative number of respondents between the age group of 45 to 59 comprises 8 percentage. The data shows that women of the age group of 25 to 44 are active.

4.5.2 Ethnic Composition of the respondents

Table:2 Distribution of respondents by Ethnicity

Ethnic group	No.of respondent	Percentage
Chhetri	7	14
Gurung	1	2
Newar	4	8
Tamang	17	34
Dalit	10	20
Magar	11	22
Total	50	100

Source: Field Survey 2013

Table 2 shows that the ethnic backward of respondent out of 50 respondent a total number of 34 are from tamang community , Further ,14 percentage of total respondent are represented from Chhetri community .The respondent from Newar ,Gurung ,and chhetri community comprise 4,1,7 . Respectively. Dalit womens involvement is not bad, They comprise 20 percentage of total respondent.As Newar ,Magar, Gurung are categorized under ethnic group (Janajati). their representation as the respondent for this study is 66 percentage , The higher percentage of participation of Tamang community explains their agriculture and Trade which motive them to participate.

4.5.3 Educational status of Respondent:

Educational is one of the indicators of women status. This is crucial factor for not only availing employment opportunities created in the process of modernization but also for communication with the outside world .Educational attainment has become a most valuable identification of women's social status.

Table 3 : Educational status of Respondent

Educational status	No of Respondent	Percentage
Illiterate	7	14
Literate	40	80
SLC	2	4
Higher education	1	2
Total	50	100

Source: Field Survey 2013

It was found from the study that highest numbers of borrowers had attained literate that constitution 80 percentage .About 14 percentages of borrowers had illiterate. The table shows that the literate or educated are more participated people. This signifies that education plays key role in the success of the MCP.

4.5.4 Marital status of Respondent:

Table 4:Marital status of respondent

Marital status	No. of Respondent	Percentage
Married	47	94
Unmarried	-	-
Widow	3	6
Total	50	100

Field Survey, 2013

Table 4 shows that majority i.e. is 94 percentage of the members surveyed were married and 6 percentage were widow.

4.5.5 Family size of the membership of the MCP.

Table 5 shows the increasing percentage towards nuclear family .56 percentage of the members surveyed belonged to smaller sized household with 1 to 4 members. However 44 percentage members have medium sized household with 5 to 8 members

Table 5 Family size of the membership of the MCP

Family size	No. of respondent	Percentage
Small up to 4	28	56
Medium (5 to 8)	22	44
Large up to 8	-	-
Total	50	100

Source: Field Survey, 2013

This shows that the participated members are mostly from medium sized and small size family which indicators the awareness about the burden of large family .This implies the formation of the traditional large joint family forwards small family.

4.5.6 Land holding

Table 6 shows the real picture of the borrower's economic status .The land holding of borrowers family is shown below.

Table: 6 Size of land holding by Respondent family.

Size of land holding	No.of Respondent	Percentage
Land less	18	36
Below 1 ropani	15	30
1 to 5 ropani	10	20
6 to 10 ropani	7	14
Total	50	100

Source: Field Survey, 2013

This table shows the land holding size of the member family surveyed. Around 30 percentage of the women members family surveyed held land below 1 ropani and 36 percentage surveyed member in the study area found land less .This also indicate the poor economic condition of the members .This shows the in this programmed more people are poor .Around 14 percentage of the women members family surveyed held land between 6 to 10 ropani. This implies that most of people have sufficient land grow food for them.

4.5.7 Occupational Status:

Table 7 Main Occupation of the membership of the MCP before and after joining MCP.

Before joining MCP		Occupation	After joining MCP	
Percentage	Total		Percentage	Total
30	15	Agriculture	20	10
34	17	Shop	40	20
20	10	Poultry	24	12
8	4	Teaching	8	4
4	2	Tailor	8	4
4	2	Other	-	-
100	50	Total	100	50

Source: Field Survey, 2013

Table 7 shows that before joining the MCP 34 percentage of the members surveyed claimed that their main occupation was shop and 30 percentages as agriculture .20 percentage identified as poultry raiser. The field surveyed shows that occupation is very much influenced by education.

On the other hand after introduction of the MCP shows there is found modification in traditional occupational and mode of payments. There has been expansion of cash crops family and development of local market .Raising shop keeping from 34 Percentage to 40 percentage .After invention of the MCP .Where as agriculture sector decrease from 30 percentages to 20 percentages within the same period. The occupational like shop, tailor is increasing after the introduction of MCP in this area. This shows that MCP reduces the dependent on agriculture and increase the people involving in other income generating activities like shop poultry and tailoring etc.

4.5.8 Spent on purpose

Table 8 Status of loan on spent purpose

Use of loan in specific purpose	Total	percentage
Spent	46	92
Not spent	4	8
Total	50	100

Source: Field Survey, 2013

This table 8 shows that 92 percentage of loan are used in specific purpose which increased trade in this area where as 8 percentage of loan is not spent in specific purpose for which the loan has been taken, it indicate that the member are not skilled, trained and capable enough to utilized their resources due to where it is misused.

The indicates that majority of the member are serious to improve their economics status and it also shows that members are sincere to spent on loan .However nearly 8 percentage of the members are misutilize the resources. It may be becomes their income

is not sufficient to sustain, they may have used to fulfil social obligation and they may not have proper idea to use resources

4.5.9 Loan amount

Table 9 loan amount and numbers of borrowers.

Loan amount borrowed	No.of borrowers	Percentage of borrowers
10,000	20	40
15,000	10	20
20,000	3	6
25,000	10	20
30,000	4	8
40,000	3	6
Total	50	100

Source: Field Survey, 2013

Table 9 shows the scenario of the loan amount borrowers and percentage of the total borrowers. The borrowers are so many cautions about the loan that they demand according to their entrepreneurship talent. Out of 50 borrowers 40 percentage have taken loan amount of rs.10,000 and 20 percentage have taken the loan amount of 15,000. This about the loan amount indicates that the borrowers are concerns ability of earnings.

4.5.10 Impact of programme

Impact is measured with the help of the following indicators: Family planning, Assets purchase and Children education.

Table 10 Awareness status of Respondents

Involvement increased	No. of respondent	percentage of respondent
Family Planning	40	80
Assets purchase	20	40
Children education	50	100
Social gathering	35	70

Source: Field Survey, 2013

Table 10 shows that 80 percentage of the respondent are aware of family planning which indicates a higher awareness about reproductive health and family size. This is to social and economics exposure of the members of the Micro Credit program and 40 percentage respondents have purchased the assets which indicates their increased saving habits with the involvement in Micro credit program .Similarly the members have become aware about their future security. The table reveals that 100 percentage members are aware about their children education which shows that increased educational aware io participant of the MCP.

4.5.11 Effect of Training

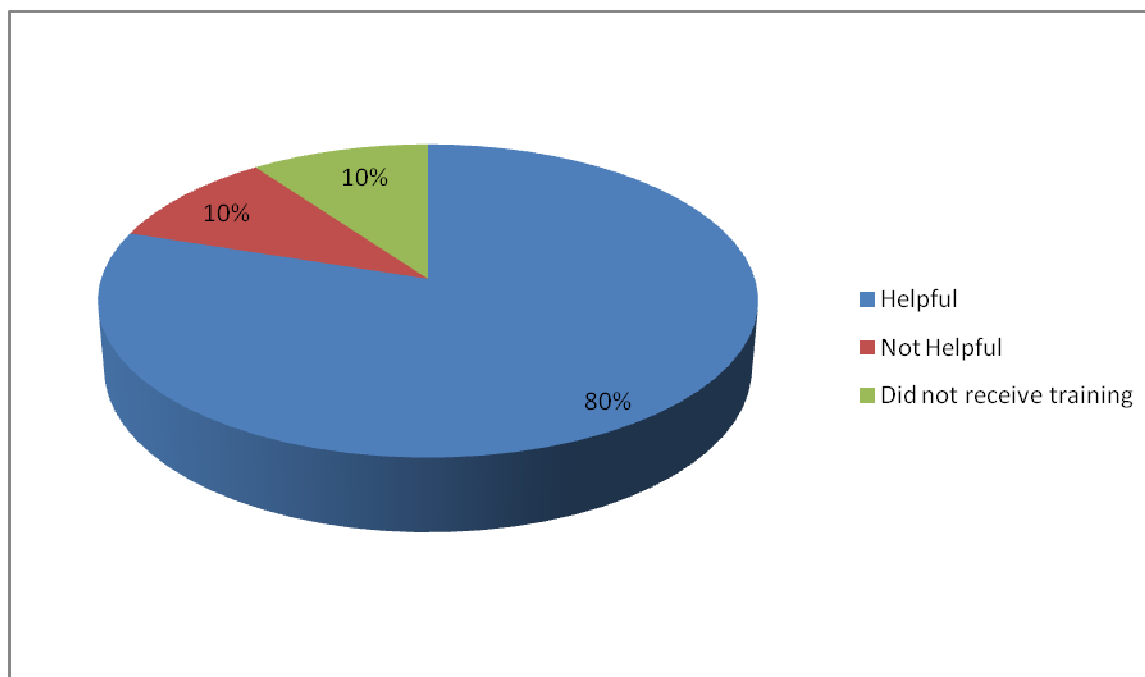
The data in the table 10 shows 80 percentage found that the training they received was helpful to run the project but 10 percentage said training is not useful in the sense that the training packages improperly designed .10 percentage of the respondent had not received training yet. The figure clearly reveals that the training is useful to the women member

Table 11 Effectiveness of the training to the members of MCP

Category	No. of respondent	percentage
Helpful	40	80
Not helpful	5	10
Did not receive training	5	10
Total	50	100

Source: Field Survey, 2013

This indicates the program is effective's .It is because 10 percentage are given money without providing them the idea to use the resources. Hence the chances of misutilization of resources are there. The success of micro credit program dependent on education and training received by the participants. Which we can also presents in pie chart.



4.5.12 Effect of health

Table 12 Effectiveness of the health to the membership of the MCP

Category	Before joining MCP		After joining MCP	
	No.of respodent	percentage	No of respodent	percentage
Health post	25	50	15	30
Hospital	5	10	25	50
Medical shop	5	10	5	10
Healer	15	30	5	10
Total	50	100	50	100

Source: Field Survey, 2013

Table 12 shows that before joining the micro credit program 50 percentage of the members surveyed claimed that they go to health post where they sick or suffering from disease .while after joining MCP ,it decrease to 30 percentage. Similarly the respondents who go to hospital remarkably increase from 10 percentages to 50 percentages and it is constant to go to medical shop after and before joining MCP and to go to 30 percentages to 10 percentages.

4.5.12 Confidence on Income Generating Activities

Table 12 indicates that 60 percentage of respondent who received training from micro credit institution increased their confidence level of income generating activities, where as 15 percentage respondents confidence level on income generating activities were constant due to lack of appropriate type of training .10 percentage of respondents are still deprived of training due to lack of training provided by the micro credit institution.(MEI)

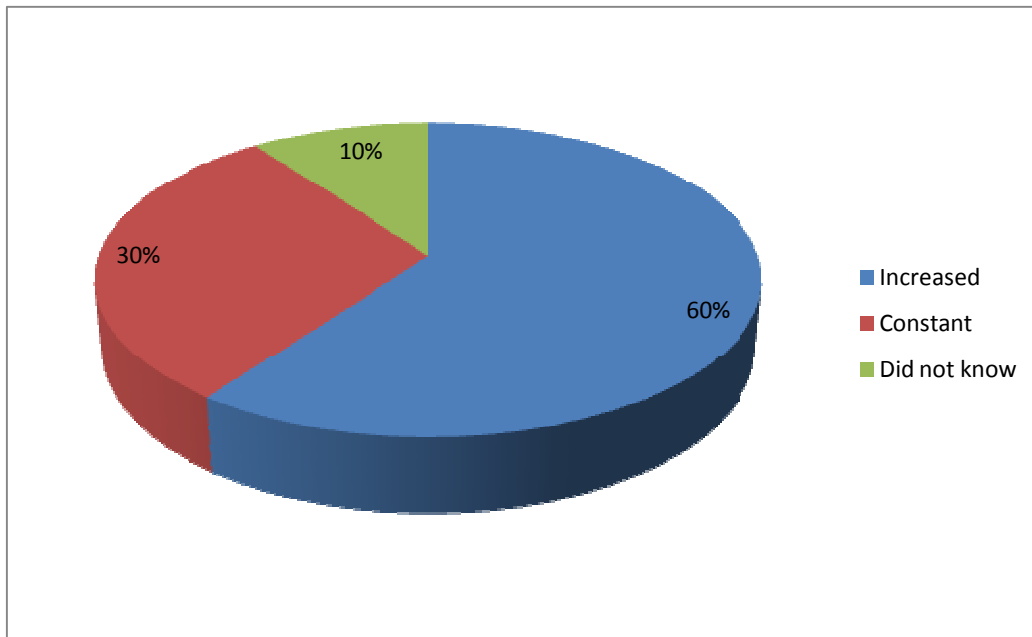
Table: 12 Confidence on Income Generating Activities after joining MCP.

Category	No. of respondent	Percentage
Increased	30	60
Constant	15	30
Did not know	5	10
Total	50	100

Source :Field Survey, 2013

This implies that the confidence on income generating activities increased after the intervention of the program .This shows that the women are less dependence to the other family members and can generate income if they have gain better training.

We can also shows that in pie chart;



4.5.13 Income Status

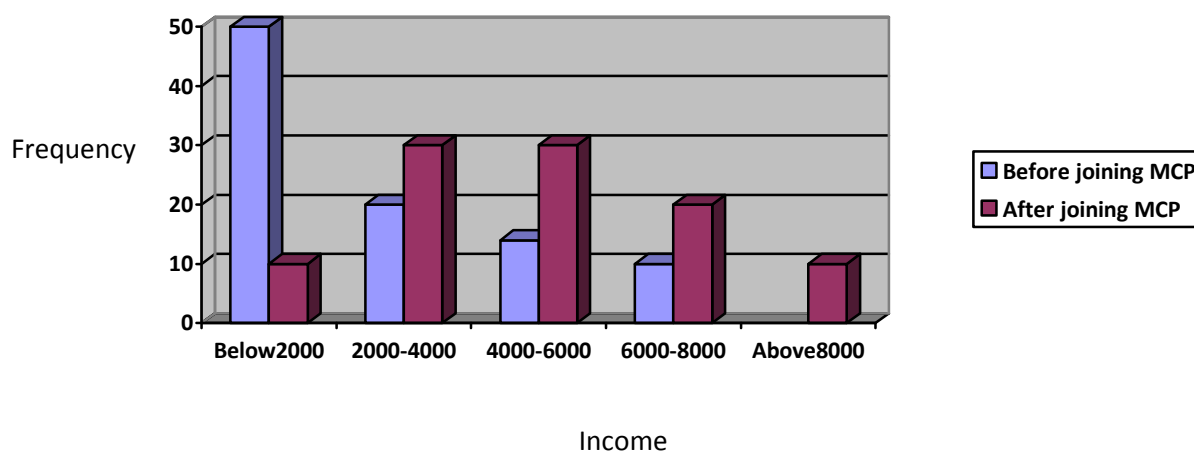
In this study income denotes the additional earning of the borrowers by using resources borrowed from the program. The income may be in form of money or kind of food, grain, milk, animal, and husbandry and so on. The income earned in kinds is converted into money by using local prices. However, the product consumed by the borrowers is not included. Borrowers' self-consumption was not included mainly because the borrowers were not able to provide this information. Expulsion of the borrowers' self-consumption of goods and services has underestimated the income generated by the borrowers by using resources borrowed from the MCP. Definitely, this is one of the defects of this research. However, it is not going to hamper the objectives of this research: income brought about by the program. Hence, this shortcoming is comprised in this study. To know the change in income before and after the program intervention, the personal questionnaire has been used.

Table 13 Monthly income Before and After joining MCP

Before Borrowing		Income group per months	After Borrowing	
NO.of Borrowers	Percentage		No. of borrowers	percentage
28	56	Less than 2000	5	10
10	20	2000-4000	15	30
7	14	4000-6000	15	30
5	10	6000- 8000	10	20
-	-	Above 8000	5	10

Source: Field Survey, 2013

Income effect of the program intervention has been positive on the participants in the study area. Table 13 shows that before joining the MCP 50 percentage of the respondent had monthly income less than Rs,2000 while after joining MCP only 10 percentage of the respondent have same income group. Similarly,the respondent with monthly income between Rs.2000-4000 have remarkably increased from 20 percentage to 30 percentage and the respondent with monthly income between Rs.4000-6000 have also increased from 10 percentage to 20 percentage. This fact has provide that the members associated with the program have significantly increased their average income after intervention of program.It can be also represents in bar diagram.



In above bar diagram, the income level of the respondent is shown in x axis and frequency is in Y axis. The bar diagram shows that the income level of the women before and after joining MCP. Before joining MCP 50 percentage of the women had monthly income is less than 2000 while after joining this program it decreases the 10 percentage. Similarly the respondent with monthly income between 2000-40000 have remarkable increased to 20 to 30 percentage and the respondent with monthly income 4000-6000 have also increased 10 to 20 percentage.

4.5.14 Living standard

Living standard of the respondent is often analyzed in terms of consumption pattern and clothing pattern. Here both qualitative and descriptive tools are used to see whether both living standard has changed or not before and after program intervention.

a)Consumption pattern

The following table shows consumption pattern of family members of respondent.

Fooding	Before borrowing		After borrowing	
	No.of respondent	percentage	No.of respondent	percentage
Traditional fooding	35	70	20	40
Non traditional fooding	15	30	30	60
Total	50	100	50	100

Source: Field Sample Survey, 2013

Table 14 presents the picture that the living standard has increased after the program intervention. This implies that participant food habit has changed from traditional fooding (Dhido DAL, And Bhat) to nontraditional (Meat, egg, and milk)after joining the program. These changes. in food habit shows the participant awareness of nutrients in their food.

b)Clothing pattern

Table 15 shows clothing pattern of family members of respondent.

Category	Before borrowing	After borrowing
Traditional clothing	30	10
Relatively better off	20	40
Total	50	50

Source: Field Survey, 2013

Table 15 presents the picture that the clothing pattern has increased after the program intervention. This indicates that participants clothing habit had changed from traditional cloth to relatively better off. This change in clothing habit of the participant is due to the increase in income and social status.

4.5.15 Control over the household cash by women involving in MCP.

Table 16 control over household income by women

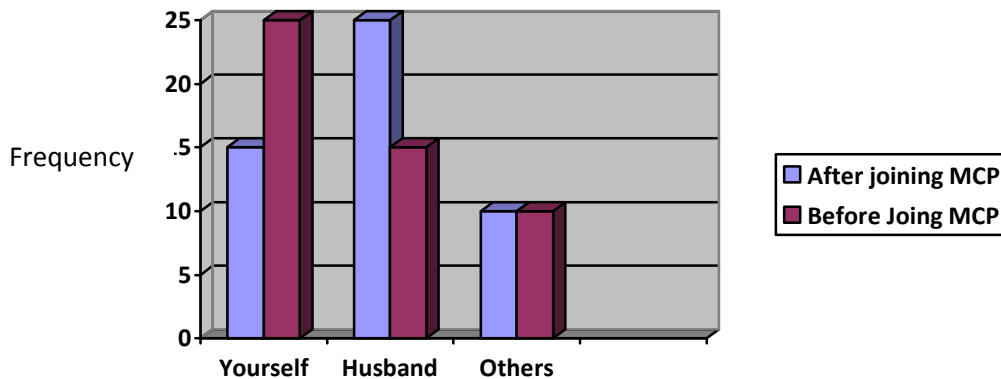
Status	Before joining MCP		After joining MCP	
	No. of borrowers	Percentage	No. of borrowers	Percentage
Your self	15	30	25	50
Husband	25	50	15	30
Other	10	20	10	20
Total	50	100	50	100

Source: Field Survey, 2013

Table 16 shows that the status of women for controlling the household income. It was found that before joining the MCP 30 percentage of the women had controlling the over household income while after joining the MCP 50 percentag of the respondent have control the household income themselves .Similarly .the 50 percentage of the husband

controlling the household income before joining MCP of the women remarkably decreased it's to 30 percentage.

To mark more clear, the finding has been presented in following bar diagram.



Controller of household income

In above bar diagram the status of the respondent is shown in x -axis and frequency is in Y -axis. The bar diagram shows that the number of the people who controlling their household income. In this bar diagram shows that before joining the MCP 30 percentage of the husband and 20 percentages of the others respectively controlling the household income while joining the MCP it increases the household income and decrease the dependency to the husband.

4.5.16 Level of Empowerment

All of respondents involved in this program had argued that they have been experiencing changes in their status after involving in community group. No one was found answering no for researcher's question. The major changes they have experience can be listed as below.

- a) Have got opportunity to learn new things.
- b) Have become able to express their view in community.
- c) Encouraged to work collectively.
- d) Family members have started to respected them after they began ti earn money from income generating activities funded from MCP.

4.5.17 Suggestion from Respondent towards Improving Women's Economics Status in Family and community.

At end of questionnaire ,the researcher ha d asked each respondent to suggest their view which they think necessary for improving women's status in family and community .Towards this, the different views of respondents have been given below.

- Education is indispensable factor to increase women’s status .Especial program should be launched to make women literate so they can be able to read and write.
- The role of family members and this program should be facilitator .Some responsibility should be given to women so that they can show their capacity. For example making women chairperson, secretary, treasure .advisor in CDCs and also this program.
- Encourage women to got membership of other institution /organization. So that they can get opportunities to take loan from such organization, use it for different income generating activities as per their interest and so on.
- Involving women in different exposure visits by local institution /MCP /government institution etc
- Training which provided by MCF .it is not sufficient for women to develop their earning capacity .So it added new types of training like computer training .handicraft training capacity development training etc.
- To give them chances of leading power in this program.

Towards this .as MCP members have got chance in some of the above mentioned suggestions (especially exposure, visit, capacity development trainings and the like) they were found more empowered than that of other women who are out of the coverage of such organization. which also represented in the following table;

Subject	percentage
Training with education	25
To added new skills	10
TO give chances of leading power	10
Other	5

Source: Field Survey, 2013

CHAPTER: FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary of the Findings

Women in Nepal work much longer hours, but the society does not take into account their share of the productive activities. The women comprising of the total population are relatively disadvantage in terms of opportunities to participants in the main stream of development .The situation of the women measured along the gender Development Empowerment Measured along the gender main stream of development .The situation of the women measured along the gender Development Index and Gender Empowerment Measured does not like encouraging .Their level of literacy, life expectancy an income lies well below. Those males and proportions of women as parliament, bureaucracy and professionals are quit small. Almost half of the people in the country live in the world today live in unacceptable condition of poverty and majority of them are women. The majorities of the women are illiterate and engaged in agriculture for their livelihood.

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

In the recent years there has been a growing realizing of the importance of women 's participation in the envelopments process and the need for their advancement .As a consequence numerous national as well as international organization have been established which carry out program targeted at enabling to women to become aware of their situation and exploit potential to gain relative economics

Independence together with a better position in their household as well as society provision if credit is aptly regarded as one of the potential strongest force to proper action

towards achieving the goal. Micro credit program since its evolution has proved as an effective tool to strength various programmed to economics improvement of women.

Some of the findings of the study may be summarized as:

- Most of the women beneficiaries of the Micro Credit program for women are relatively poor women having income less than Rs 2000 yearly .So on an average the program is targeted group oriented.
- The study has found that the overall impact of the Micro Credit program for women on beneficiaries earning and living standard is positive.
- The program has also some positive impact in terms of child education, family planning, sanitation and other social reform.
- Repayment rate for all programs is finding in good condition in Bidur. Repayment rate is lower in agriculture activities and higher in business activities.
- The involvement in the income generating activities has built up the self confidence of women.

5.2 Conclusion

Micro credit program serves the deprived population of the country at their doorstep with the aim of improving their socio-economic condition. As Micro credit has been considered as an effective and efficient mechanism to reduce poverty all over the world, however ,Nepalese Micro credit institution are not able to reach the poorest of the poor due to the inability to proper identification of the poor and lack of the commitment and clear vision of their action. Despite the financial sector. Liberalization policy of the government aimed to encourage financial institution to contribute in poverty reduction endeavor of the government .The satisfactory results have not been achieved due to some managerial challenges encountered by the Micro credit institution all over the country.

The micro credit institution need to adopt strategic approaches in order to address these managerial challenges as a supportive policy with one door controlling and monitoring g mechanism. Effort to link formal and informal financial sectors involved in micro credit programs and flexibility in financial management regulation. Additionally financial institution themselves need to develop business planning practice and efficient management of human resources within the institutions.

Following conclusion have been drawn based on the study:

- Involvement in the Micro credit programmed has empowered in varying degree .It has offered opportunities for poor women to come out of the their household confines, it organized themselves in group and to work in productive and social activities .The program with it 's focus on group activities and income generation has helped to enhance the self -confidence and increased right to spend .thus increasing the access it resource .
- For most of the women ,despite the effort of local NGO,NESDO,Nepal the nature of their work appears to have no changed .So in spite of the increase in monthly income their average working hours have remained unchanged.
- They are still stuck on the traditional farming activities. The positive change of the majority women members in clothing and consumption pattern indicates the positive impact of the project area.
- Training for improving farming technique and micro -enterprises has helped members to shift from the the traditional agriculture to cash crop production. Which yields higher returns
- The availability of loan from program has helped in reduction the interest rate charged by moneylenders.

- Saving group is an important part both the program .Beside the income generating project group members are taking credit from within the group at the time of emergency .So group saving has become their good source to money otherwise they would have go to the moneylender and it is accumulating the resource for future use.
- In respect to economic intermediation, it can be concluded that, although the subject is new in Nepal, it is the right way the financial needs of the poor. Reaching to the the poor through financial intermediaries is found to be cost effective and targeting can be done correctly.
- Getting loan in small amount i.e. Rs.15000 cannot give satisfactory results .The borrowers may be use loan for their daily requirement and keep for repayment .Economic upliftment through such finding is impossible so that optimum utilization of loan ,group investment should be done like small cottage industries and factories are good.
- Effective follow -up, supervision and monitoring are essential to utilize loan in actual purpose otherwise many of them the borrowers have to pay back loan by selling their property.

The shortcomings of the programe are as follow

- Probably the most serious shortcomings of the programe is the selection of the target group. There is some sound indication of the possible bias in favors of those who didn't represent the poorest of the poor.
- The strong majority of women participation are still illiterate.

- There is difficult to repay the amount (share of principal and interest) within a month those who are working in the field only.
- This program is said that it is the powerful instrument for poverty alleviation in Nepal but is not clear strategy and policy of government of Nepal. Therefore, the government should design and implement policies that focus on the strength of the Micro credit programe in rural hilly areas.
- Underutilization of the loan is also found in the field level that makes poor, poorer.

5.3 Recommendations

Increasing financial access for small business and low-income household requires that financial institution be able to serve these segments in a financially sustainable manner. Providing credit profitability to small business and low income household requires a high level of efficiency with high level of professionalism and technical skills. Despite the government effort to increase access to formal financial services for low income household, the access is decline .Thus, based on this empirical study the following recommendations are made to enhance the access of the poor in the credit market.

Banks procedures for small business loans and low income group people are too complex, making lending unnecessarily long and expensive for both lender and borrower .The interest rates that banks on loans to small business do not adequately reflect the cost of serving them. Similarly banks require high levels of the immovable collateral, while small business trend to have only movable assets. So banks need to minimize transaction costs and generates large numbers of high quality loans to serve the poor profitably.

Nepal's formal Micro credit institution could play a key role in delivering financial services to low -income household .Yet ,the performance of this sector is disappointing due to the concentration of the poor in the remote hills and mountains .It is

necessary to devise appropriate operational Micro credit modalities to enhance poor people's participation in the credit market.

By recognizing the critical role that credit can play in alleviation rural poverty in a sustainable way, innovative credit delivery system should be promoted throughout the country as a more efficient way of improving rural household's access to formal credit with minimal government involvement.

Informal credit is mostly used for consumption while formal credit is used for agriculture production purpose and investment in non-farm income generating activities .Based on this it is recommended the credit institutions should diversify their loans. Lending from formal institution has to address not only production and income generating activities but also consumptions and household needs such as health and education.

The government should develop an enabling environment that make small business lending safer, cheaper, and faster .A supportive environment would enable banks to lend profitably to small business. To reduce information asymmetries between lenders and borrowers, Nepal 's credit bureau should be strengthened.

Annex :1

Individual Questionnaire 2070

Personal Information

1.1 Name of Respondent: Age :

 Municipality : Bidur

1.2 Caste/Ethnic group :

1.3 Education

 Illiterate : Literate :

1.4 Family Head

 Respondent herself :

 Husband / other :

1.5 Marital status : Married /unmarried /Widow

1.6 Household Information

S.n	Name	Age	Sex	Occupation	Marital status

Economic Background

2.1 What is your land size holding?

khet (in ropani) : Production(in muri) : Pakho(in ropani) :

2.2 Who cultivate the land?

Owner be cultivate Herself:

Land on rent :

2.3 Do you have land in your name?

Yes No

2.4 Do you have sell agricultural products?

Yes No

2.5 What is your monthly household income?

Sources of income	Quantity	Price	Total
Agricultural production			
Non agricultural production			
Salary			
Interest and deposit			
Business			

2.6 Who controls the household's cash income?

a) Yourself b) Husband c)Others

2.7 Are you free to use the cash that you earn for the things you wanted to buy ?

Yes

No

2.8 Do you send your kids in school?

Yes

No

2.9 All of your school aged daughters in school?

Yes

No

2.10 Are all of your school aged sons in School?

Yes

No

2.11 What was your occupation before joining the Micro Credit Programmed

Agriculture

Household Activities

Government Services:

Other job

Participation In Micro Credit Programme

3.1 How did you know about the MCP?

By friends

By Radio

By news paper

other

3.2 Why did you join in the programme?

- a) To improve economic status.
- b) To improve family condition.
- c) To be self dependent
- d) Other specify.....

3.3 What benefit have you received from MCP?

- a)
- b)
- c)
- d)

3.4 Have you taken loan from the programmed?

Yes

No

3.5 Have you purchase any goods for your household use after joining the programme?

Yes

No

3.6 Have you purchase any land or house after joining the programme?

Yes

No

3.5 Before joining in the programmed, was there any debt to pay for anyone by your family?

Yes

No

3.6 Are you asked by your household head while doing new work

Yes

No

3.7 Does he /she accept your purpose?

Yes

No

3.8 Who manage your household expenses?

Self

Other

3.6 Did you pay the dept after joining the programmed?

Yes

No

3.7 How many times have you borrowed the loan from the programme and how much?

First loan..... Second loan.....

Third loan..... forth loan.....

3.8 If you have taken loan from the group?

When.....how much.....interest rate.....

3.9 For what purpose have you utilize this loan and how much?

s.n.	Amount	Purpose	due to loan	date of loan

3.10 Is the loan fully spent in particular purpose or not?

Yes No

3.11 Are you benefited from the loan?

Yes No

3.12 How do you reimburse interest ?

From Profit Getting next loan

From other sources other

3.13 How do you pay back the loan?

Monthly

Yearly Partially

3.14 Have your over face difficulties to pay back the loan and interest rate?

Yes No

if yes, what difficult ,How did you solve it?

.....

3.15 Do you have any saving or not ?

Yes No

3.16 Are you face to use the cash that you earn for the things you wanted to buy?

Yes No

3.17 Do you think that you have been benefited by the micro finance programmed?

Yes No

3.18 Have you noticed any change in your status after involving this programmed?

Yes No

3.18 What should be done to improve the status of women in such family and community level decision making?

.....

3.19 After joining this programmed is there any work that you can perform now which you could not do earlier?

.....

Annex:2

Questionnaire for key Informants

1. Personal Identification :

Name of respondent :

Concerned agency :

Post

2. What are the objectives of Manusi Micro-finance?

3. What is the progress of getting membership of this programme ?

4. Why did you take only married women in this programme ?

5. What types of women are encouraged to include in cooperative?

a) Elite class

b) Poor

c) Marginal

6. Do you think that the micro finance programme have helped in women empowerment?

7. If yes, to what extent this comparative is succeeding to improve the status of women in the family and community?

8. What is your view about the impact of the micro finance programme to the women?

9. What are your new programme for women ?

10. Do you have any suggestion for making the role of women effective in their economics improvement through the micro finance?

11. At what extent the programme is succeeding increase woman's empowering?

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