

# **CHAPTER-I**

## **INTRODUCTION**

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

Nepal is one of the developing country in the world. As estimated in 2004, about 31 percent people (35 percent rural and 10 percent urban) are living below the poverty line. Nepalese women are one of the most socially and culturally helpless groups exposed to discriminations at home due to patriarchal structure, to exclusions in the working place due to deficiency in the literacy and skills and to marginalization in the decision making process due to lack of executive and polity experience, non-affirmative actions from government and constitutional flaws (Bajracharya, 2005). Income of women contribute directly on decision making, social participation, communication, leadership, social interaction, feeding and clothing habit.

The most common use of the term "empowerment" refers to increasing the power of the low-power group, so that it more nearly equals the power of the high power group. From the perspective of intermediaries, this is often done because negotiation tends to be more successful when the parties negotiating have relatively equal levels of power. When they do not, the lower power party tends to get co-opted, or otherwise treated unfairly in the negotiation or mediation process. To prevent this from happening, the mediator can take a number of steps to "empower" the lower power group. The mediator can provide access to outside resources, give advice, give negotiation or communication skills training, or structure the process in a way that somewhat favors the low-power group, thus in a sense balancing out the power differences. (This approach calls into question the notion of impartiality, as do many of the other methods of empowering one group more than another, however. "Empowerment is a process of unleashing the human potential and enhancing the human ability to effect and maintain societal growth (Rubino, 2007). It has gained emphasis in these times of unprecedented change and crises encountered in the face of limited resources. Major transitions in society have produced an upheaval and a feeling of uncertainty. People need to define their jobs, businesses and even the directions they are taking in life. This transition incurs overwhelming change, accompanied by a sense of loss and uncertainty. This is

particularly true to those who have not found their place in which to grow and fulfill their perceived role."

## **1.2 Global IME Laghubitta Bittiya Sanstha Ltd.**

Global IME Laghubitta Bittiya Sanstha Limited started its operation from May 19, 2013 (B.S. 2070 Jestha 5) in Besisahar, Lamjung. Global IME Laghubitta Bittiya Sanstha Ltd. was established under the company Act 2063 on Falgun 24, 2069 B.S. and is currently providing its banking & financing services in more than 20 districts all over Nepal. Global IME Laghubitta got its license as 'D' class financial institution from Nepal Rastra Bank on Jestha 1, 2070 B.S.

Global IME Laghubitta, in affiliation with Global IME Bank Limited, is providing its banking & financial services to the marginalized group living in the rural areas of Nepal. It is working for uplifting the economic status of people living in rural areas by promoting self-employment and providing micro finance services in the self-sustaining ideas and activities.

The vision of GILBS is strengthening national economy by empowering economically marginalized people through banking and financial tools and desires to provide the banking and financing services to low-income people living in rural Nepal depending upon their need and necessity and make them socially and economically sound. It provides saving, loan, insurance and remittance services to members.

## **1.3 Statement of the Problem**

In past days women are restricted to take part in any social activities and not given roles in any decision making in family. Now the situation has been changed. Microfinance plays a vital role in women's economic development by engaging them to small and cottage industry by enhancing their skill and needed fund.

This study has been focused on the role of microfinance in the women empowerment at Sundarbazar Municipality, Lamjung, Nepal. It is about the socio-economic development of women before and after participating in microfinance institutions. How women's economic and social status are changing through the microfinance activities?

Are they still depending upon their husband's income? How microfinance changes their lifestyles, health and safety etc.

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

### **Research Questions**

1. Has microfinance improved the social empowerment of women in the study area?
2. Does the microfinance program empower significantly women's economic status in study area?

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

Microfinance is emerging concept of developing country like Nepal. It can play vital role in women empowerment by uplifting their social-economic status in a community. The main objectives of this study are as follows:

1. To analyze the social empowerment of women in Sundarbazar Municipality after participating in MFP.
2. To study the improvement of women's economic status in Sundarbazar Municipality after engaging in MFP.

### **1.5 Significance of the Study**

Microfinance is an emerging as a powerful instrument for economic development in a new economy. Microfinance for the people as well as women has received extensive recognition as a strategy for poverty alleviation and socio-economic development. Increasingly in last some years, there is questioning of whether micro credit is most effective approach to economic empowerment of poorest and, among them, women in particular.

Microfinance is a best approach to enhancing economic development of country by women's participation in an entrepreneurial activities. Microfinance makes people literate by providing different trainings and conducting different programs. This study

is important in Nepal because the government has initiated micro-credit through the government agencies and organized group of women who are providing commercial credit. Microfinance is now a proven strategy for the economic development of women and small framers as well as strategy of social participation of decision making.

This study is significant because for the first time, the government is promoting different development Banks and NGOs with the apex, organization like RMDC and co-operative institutions for the microfinance program. This research tries to signify microfinance in Nepal and how it helps to develop socio-economic status of women in a community with the help of case study of microfinance program of Sundarbazar Municipality. It will be also beneficial to Global IME Laghubitta Bittiya Sanstha Ltd and other microfinance institution for reference of their programme evaluation.

### **1.6 Limitation of the Study**

Each and every research must have limitations. This study focused on microfinance programs operating in Sundarbazar Municipality only. The study was mainly based on primary data. The study was only focuses on women who are engaging in Global IME Laghubitta Bittiya Sanstha Ltd.

### **1.7 Organization of the Study**

#### **Chapter I: Introduction**

This chapter is related with introduction of sample organization, MFIs, and women empowerment. It includes background of the study, about Global IME Laghubitta Bittiya Sanstha Ltd., statement of the problem, research questions, objective of the study, significance of the study, limitation of the study and organization of the study.

#### **Chapter II: Literature Review**

This chapter is related to theoretical analysis, It includes conceptual review about microfinance, model of microfinance and women empowerment, empirical review it includes review of journals and articles and review of related thesis and research gap and conceptual framework.

**Chapter III: Research Methodology**

It includes research area, research design, nature and sources of data, population and sample, data collection technique and tools, data presentation and analysis which includes percentage analysis, z-test, pair t-test and chi-square test.

**Chapter IV: Data Presentation and Analysis**

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

**Chapter V: Summary, Conclusion and Implication**

This is the last chapter where summary, conclusion and implication of the study are included. The findings are included in this chapter along with the suggestions and their implications.

Bibliography and appendix section are enclosed at the end of the study.

## **CHAPTER-II**

### **LITERATURE REVIEW**

Every scientific research is based on past knowledge. Previous studies cannot be ignored because they provides the foundation of present studies. This chapter is based on review of related books, journals, articles, study reports, manuals, previously conducted published/ unpublished thesis, related websites and studies on Microfinance programs and institutions undertaken nationally and globally. The mentioned literature focuses on the background of micro-finance, the significance of micro-finance in order to uplift socio-economic condition and inter-relation between women empowerment and microfinance.

The focus of micro-finance is all about empowerment of women. Most of the poor lack access to the basic financial services that would help them to manage their assets and generate income. Micro-finance has come as financial intermediation that empower women. Micro-finance has captured the imagination the imagination of many people working to reduce poverty. It is to be geared towards addressing economic empowerment and improvement of income or income generation of women. Literature review also describes about women empowerment and village people's socio-economic upliftment.

#### **2.1 Conceptual Review**

##### **2.1.1 Microfinance**

Microfinance is a financial service to low-income individuals or to those who do not have direct access to typical banking services. The idea behind microfinance is that it can uplift the individuals with low-income out of poverty if given access to financial services. Through microfinance service can lift individual out of poverty but it cannot be seen as a tool for poverty elimination. Microfinance includes number of financial services like:

- Micro-Credit
- Micro-Lending
- Micro-Insurance
- Savings and Money Transfer

Microfinance is the supply of loans, savings, and other basic financial services to the poor. Microfinance is meant for poor people. Poor people make savings informally, they mostly invest their cash in assets like domestic animals, gold, jewelry, and building materials which can be easily exchanged with cash. Such informal savings may not always be beneficial, as they cannot be promptly converted to cash whenever required and may suffer loss in case of gold, jewelry due to fluctuation in price in commodity market, illness in case of domesticated animals, and loss due to fire and other natural calamities.

Micro-finance has evolved as an economic development approach intended to benefit low-income women and small framers. Then the term refers to the provision of financial service to low-income clients, including the self-employment. Financial services generally includes saving and credit, however, some microfinance organizations also provide insurance and payment services. Many MFIs provide social intimidation services such as group formation, development of self-confidence and training in financial literacy management capabilities among member of a group. Thus the definition of microfinance often includes both financial intermediation and social intermediation.

A micro-finance activity usually involves:

- Small loans typically for working capital.
- Informal appraisal of borrowers and investments.
- Collateral substitutes such as group guarantees or compulsory saving.
- Access to repeat larger loans, based on repayment performance. In the definition
- Streamlined disbursement and monitoring.
- Secure saving products.

Some MFIs provide enterprise development services, such as skill training and marketing, and social services, such as literacy training and health care; these are not generally included in the definition of the micro-finance. Micro finance institutions are non-government organizations. Saving and credit co-operatives, credit unions, government banks, commercial banks, development banks or non-banking financial institutions. The clients of micro finance are typically self-employed, low income entrepreneurs, street vendors, small framers, small producers and service providers.

Therefore the aim of microfinance is to empower socially and economically lower income people in nation.

It is essential that target of micro finance is to the poor people, group approach, non-tangible collateral, doorstep step service, small loan size, frequent repayment of interest and principal of loan, sustainable and feasible interest rate, free choice of economic activities by clients, disciplined and loyal clients, effective pre group training etc.

Micro finance can be defined as follows:

- It is a concept of grass root development finance.
- It deals with poor people, low income group, people with holding low assets and marginalized people.
- It provides small amount of loans to their clients to meet their diverse needs with simple procedure in homely atmosphere.
- It takes small and petty savings for safe keeping to meet client's lump sum requirement in future.
- It offers other services such as micro insurance, leadership and skillful trainings.

Hence, microfinance provides services like micro saving and credit, Micro insurance and other skillful trainings to the clients to empower their socio-economic condition.

Micro-finance is a powerful instrument of women empowerment.

- It enables the women to take advantages of existing opportunities.
- It generates self-employment.
- It raises their income and expansion of enterprise.
- It build up their assets and improve livelihood.
- It build up their self-esteem and confidence.
- It improves their consumption, purchasing power and saving.
- It enhances overall economic growth and their participation on decision making.
- It improves skill acquisition and their leadership.

In the context of Nepal women are occupied by half and more of total population. Must of the women are under poverty and belongs to their husband income. Women's access to financial services has been increased substantially in present and has been empowered economically. Microfinance programs have become the crucial tool for the



empowerment of women and boost up their socio-economic status. Women empowerment has become the global concern and burning issue in current days, various scholars, academicians and other related organizations have learned and presented about the similar subject matter.

According to ADB microfinance is a tool which increasing financial access for traditionally underserved population, including women, poor households, vulnerable groups, and micro, small, and medium enterprises is critical to achieving inclusive and balanced economic growth (ADB, 2014). ADB's Microfinance Development Strategy ensures access to institutional financial services for a majority of poor and low-income households and their microenterprises. It aims to support the development of sustainable microfinance systems that can provide diverse, high-quality services.

To achieve its objective for microfinance, ADB focuses on:

- Creating a microfinance-friendly policy environment
- Developing financial infrastructure
- Building viable retail institutions
- Supporting pro-poor innovations
- Supporting social intermediation

Microfinance, is the attempt to improve access to small deposits and small loans for poor households neglected by banks. Therefore, microfinance involves the provision of financial services such as saving, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector (Schreiner & Colombet 2001).

Cheston and Kuhn (2002) Stated that microfinance programs have been potential to transform poor relation and empower women. Although women access to financial resources has substantially increased yet loans, gives to women differ in size. In spite of this, just financial help not enough to empower women and improve women and improve well-being but if they are properly designed then they make important contribution to women empowerment. The authors explained that empowerment indicators and measurement technique. The contribution of micro insurance, saving to empowerment, technology transfer through microfinance institution, the relationship between microfinance program, empowerment, family planning and cultural norms are

exist. Further explained that microfinance plays a major role in gender and a development strategy because of it is direct related to poverty alleviation and women. As, women are the poorest of poor, so financial security allows the women to become more empower in household and community. As women spent most of their income on their family needs particularly in children education, health care and clothing. Access to financial resources not only empowers women but also access to material, human and social resources. Microfinance affect women's ability or decision making and self-confidence which is closely related with knowledge, women's status and gender relation at home. Through the program women escaped from abusive relationship. Microfinance programs also impacts on political empowerment.

Maanen (2004) defines that microfinance, is banking the unbankables, bringing credit, savings and other essential financial services within the reach of millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral. In general, banks are for people with money, not for people without.

Khandker (2005) concluded that creating and enabling environment of microfinance and women's empowerment can be achieved through promoting women's access to public service and employment opportunities. Public policy should promote social inclusion and equal opportunities for poor women. Empowerment of women can access through their access to childcare, health, education and skill employment opportunities and greater control over their fertility and children's education to enable to take advantage of the opportunities that microfinance provide. By establishing strong partnership between banking and microfinance institutions market can plays more effectively on poverty alleviation. Multinational or joint venture banks that provide micro loans have greater access to resources, banking technology and boarder range of financial services. Such lending practices of banks and corporation has been effectively helped to empower women with complementary services with literacy classes, business, training and childcare. These are significant factors in improving both repayment rates and women empowerment, therefore it is important to resist pressures on microfinance programs to reduce operational cast by cutting back on such essential complementary services and by including women empowerment indicators in the design and evaluation of microcredit programs. Best practices has shown that

microfinance is more effective when assets used as collateral or purchased with loans are solely or jointly in women's hands; a range of saving products and facilities offering higher interest rates are made available the lending process includes participatory consultation, including for non-business loans such as health, education and housing.

Armendariz and Morduch (2007) argued that enhancing opportunities for women can be good for both efficiency and intra-household equity. Microfinance can improve long term developmental as women are the main broker's children's wealth and education. Microfinance plays a role in increasing the scale and scope of self-employment opportunities and skill acquisition protecting women's right through saving and for enhancing social capital. Microfinance should act as a deterrent against domestic violence and more generally as an instrument for women to promote their rights and improve their bargaining power vis-à-vis their husband or other male family members. Microfinance increase the opportunity costs of women's time.

Microfinance is one of the best alternative to generate self-employment. Microfinance provides financial and non-financial services to people who have no collateral to offer against loan, people who have not collateral and willing to start small enterprise for self-employment and income generation. Through self-employment opportunities under microfinance loan women can empower socially and economically by generating income from their small projects. The MFIs and the wholesale lending institutions such as RMDC together have raised the level of awareness and the required skills of these women to successfully carry out locally feasible income generating activities. Many participating women have now become self-reliant both economically and socially with the acquired knowledge and skills and the resultant income from the microfinance program. Thus, microfinance has become a strong means to reduce poverty especially of the women. Among many development programs implemented in Nepal, microfinance programs have a strong rural orientation and are targeted at the poor (RMDC, 2009).

Microfinance is one of the promising and cost effective tool which fight against global poverty. The term microfinance could be defined as provision of thrift, credit and other financial services and products of very small amounts to poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards. It is one of the important tools, which plays a significant role in poverty alleviation and economic development of poor women (Das, 2014).

### **2.1.2 Models of Microfinance Institutions in Nepal**

According to NIBL capital sixth October 2017, Microfinance is a financial service aimed at low-income individuals or at those who do not have direct access to typical banking services. Microfinance encompasses a number of financial services like micro-credit, micro-lending, micro-insurance, savings and money transfer among others. A microfinance institution (MFI) provides financial services to the communities who cannot offer collateral against the loans they take but have skills and desire to undertake economic activities for generating income and self-employment. MFIs range from small non-profit organizations to commercial banks. Based on the concept that access to financial services can help elevate low-income individuals out of poverty, microfinance programs are implemented in Nepal with a strong rural alignment, especially aiming at the poor.

With the history of quite a few decades, MFIs in Nepal have been following a few prominent microfinance models. These comprise of Cooperative model, Small Farmer Cooperative Limited (SFCL) model, Grameen Bank model, and Community based organizations (COs) or Self-Help Groups (SHGs) model. In addition, Village Bank (VB) is also considered a separate program/model of microfinance in Nepal. Brief descriptions of these models are as follows:

#### **2.1.2.1 Cooperative Model**

Cooperative models are mostly implemented by Saving and Credit Cooperatives (SCCs) under which a wide range of savings and loan products are provided to the members. The SCCs target all community members in a given locality regardless of their social and economic status. However, organizations established by development programs stress more on serving the disadvantaged population. As per the Cooperative Act 1992, a group of 25 persons from a community can form a cooperative by registering it with the Department of Cooperatives, Ministry of Agriculture and Cooperatives. These cooperatives take savings deposits from their members and whoever wants to put savings in the cooperative is extended membership. The SCCs generally require mandatory savings from their members. However, members can also choose from a variety of services such as individual or group saving products, deposits, and festival and educational savings. Members are also provided with loans covering

specific areas, such as agriculture, housing, micro enterprises, or for some social or emergency purposes. Loans so provided have a minimum term of three months to three years.

The SCCs are governed by Cooperative Laws and are supposed to be self-regulated. However, some cooperatives that have been providing services to non-members after being licensed from Nepal Rastra Bank (NRB) for banking services come under NRB's regulation and supervision.

Although the SCCs serve almost all the districts in Nepal, they are considered a more suitable financing model for the hilly and mountain residents as they provide both savings and financial services to the members in a homely atmosphere without much bureaucratic hassle. Due to low cost operation, their interest rates are also lower than that of other financial institutions.

#### **2.1.2.2 Small Farmer Cooperative Limited (SFCL) Model**

A SFCL is a multi-service cooperative formed to provide financial as well as non-financial services, like, social mobilization, training and technical support services, to its members (farmers), mostly in rural areas. Managed by the members themselves, it also provides financial loans in wholesale. A SFCL's services are targeted only at small farmers and are generally confined to a single Village Development Council (VDC) serving round 500 household catering 200-700 clients within a community.

SFCL has a three tiers structure. At the village level, promoters help local household members to form groups; at the ward level, the farmers' groups with proximity and common interest are combined into intergroup associations; and at the VDC level, all groups and inter-groups are represented in the Executive Committee. The Executive Committee, comprising of the members elected by the General Assembly is responsible for hiring the Manager and other staffs and for ensuring the smooth and effective operation of the organization by deciding on the rules and regulation needed. Regular meetings are organized by the grassroots' groups to collect compulsory savings, loan repayments and applications for loan demand. Respective inter-groups appraise these loan applications and forward them to the Executive Committee with their recommendations for making the final decision. The loans are extended mainly with collateral security. However, rare cases of loans provided without collateral security

can be observed as well. Sana Kisan Bikash Bank (SKBBL) provides these MFI's with wholesale loans while the Federation of SFCL's regularizes and supervises their financial activities.

### **2.1.2.3 Grameen Bank Model**

This popular model, founded in 1976 by the Nobel Laureate, Professor Muhammad Yunus in Bangladesh, is quite popular worldwide and has been adapted by a large number of organizations. First introduced in Nepal in the early 1990's, the Grameen Bank model is comparatively more feasible in Terai, where the economic activities are more flourished with a relatively more developed market and road infrastructure. Under this approach, peer groups, each comprising of five members, are formed. Three to ten such peer groups form a center at a particular location – close to a village, where they meet once every week or fortnight or month as decided by the members. A group chairperson and a center chief, elected by each group and each center respectively, oversee the activities of group members and maintain group discipline, check loan utilization and ensure that loan installments are timely repaid. In the meetings, group members collect savings and make demand for loans and also settle the loans or interest due and repay loan installments as per schedule. Additional loans may be provided to the members using the group fund managed by the group members. Loans are made initially to two members, then to two others and finally to the last member, with a four to eight week interval between each disbursement. Such loans do not require collateral security. However, group guarantee for repayment is mandatory. Subsequent loans can be accessed only upon the successful repayment of existing loans by all group members. The MFI field staff facilitates the group meetings and also verifies the utilization of disbursed loans.

The typical loan offers of MFIs under Grameen methodology are general loans, seasonal loans, specific loans (sanitation, housing) and the loans issued from the group fund while the savings products comprise of the compulsory group fund savings, and any additional personal, voluntary savings. In recent years, several leading Nepalese microfinance providers have started offering diversified saving schemes such as pension fund savings, education savings, and micro-insurance covering risks related to health, life and livestock as in Grameen Generalized System (GGS).

RMDC (Rural Microfinance Development Centre) finances Microfinance Development Banks (MFDBs) along with commercial banks and finance companies under the Deprived Sector Lending (DSL) scheme.

Nirdhan Utthan Bank Limited, Chhimek Bikas Bank Limited and Swabalamban Bikas Bank Ltd. are some Nepalese MFIs operating under the Grameen Bank Model.

#### **2.1.2.4 Self-Help Groups (SHGs)/Community Organizations (COs) Model**

Based on the concept of “self-help”, SHG’s are small groups of individuals formed into groups of ten to twenty and operating a savings-first business model whereby the member’s savings are used to fund loans. In a SHG usually women from a similar class and region come together to form a savings and credit organization. They pool financial resources to make small interest bearing loans to their members. The terms and conditions and accounting of the loan are set by designated members in the group. The ‘Dhukuti’ system is one such example of a very old form of self-help group in Nepal which has been in operation for over four decades.

Community Organizations (COs)/ SHG’s are formed at the VDC level with the assistance of the Local Development Fund (LDF) under Participatory District Development Project (PDDP) and Decentralized Local Governance Support Program (DLGSP). Local community residents are organized into CO’s, either separately for men or women or together irrespective of the gender. Similar to other MFI’s, the CO’s too mobilize mandatory and other types of savings. Their lending schemes generally offer loans at 10-12% interest per annum to the borrowers. Members apply for loans and collect due installments during a CO’s regular meetings. The interest rates and other terms and conditions of loans are determined by the CO’s if they lend money using their own savings. However, if the member seeks a loan amount that is more than what the CO can provide from its savings, the member would have to fill a separate application form addressed to the Local Development Fund (LDF). The CO recommends the loan and forwards it to the LDF for approval. Similarly, Poverty Alleviation Fund (PAF) too organizes the local groups of the target families called CO’s with the help of local NGOs. They are informal groups and not linked up with any financial institutions. These groups are provided with seed fund at the rate of Rs. 3,000 per family member and are charged about 10% interest per annum.

### **2.1.2.5 Village Bank (VB) Model**

Village banks are credit and savings associations that are managed and run by the community members. Established by NGO's with an objective to provide members with access to financial services, VB's build community self-help groups and help members accumulate savings. A typical village bank consists of 25 to 50 members, who are low-income individuals, seeking to improve their lives through self-employment activities. Aiming to enhance the social status and intra-household bargaining power of women, VB's mostly seek more female participation.

VB lends loan to the members from the loan capital extended to it by the sponsoring MFI. All members sign a loan agreement with the village bank to offer a collective guarantee, thus providing moral collateral for each extended loan. A member generally gets Rs. 3,000 to 10,000 at a time, depending on the amount of savings available in the bank. The loan cycle must end and all loans must be paid back at the end of the 16th week to get new loans released. Members are usually requested to save twenty percent of the loan amount per cycle. New loans or collective income generating activities are funded using members' savings, thereby ensuring that the money stay within the village bank. No interest is paid on savings but members receive a share of profits from the village bank's re-lending activities at the end of each loan cycle in proportion to the savings deposits. In a VB, loans are generally charged at 24% interest per annum and interest is collected on upfront basis.

A VB's management is generally handled by the chair, the secretary and the treasurer elected by the members. The members are also responsible for establishing the by-laws, distributing loans to individuals and collecting payments. All the documents, relating to the records, minutes and books of accounts maintained by the management, are put in a tin box, triple locked by all the three officials and opened and locked in the meeting in front of all the members to confirm transparency to all the members. This model is most suitable and advantageous in the remote and less accessible districts of Nepal.

Over the past few decades, microfinance in Nepal has witnessed quite a many changes and adapted to various operating models with varying degrees of success. Individuals, especially women and rural residents, have been able to create self-employment opportunities and empower themselves economically as well as socially through



increased income earning from their small undertakings due to the access to micro-financial services. With different models working for different terrains and traditional models being adapted to suit the current times and need, microfinance has evolved into a novel economic development tool for alleviating poverty through self-sufficiency, financial inclusion, and socioeconomic empowerment.

### **2.1.3 Women Empowerment**

Bisnath and Elson (1999) defines that women's empowerment is a process in which women gain greater share of control over resources, material human and intellectual like knowledge, information, ideas and financial resources like money and access to money and control over decision making in the home, community, society, nation and to gain power.

When women have access to microfinance it will serve as an effective means to their empowerment. This is due to the fact that if financial resources are put in the hands of women through microfinance institutions, it will help level the playing field and promote gender equality (Cheston & Kuhn, 2002).

Krishna (2003) stressed that empowerment is the process of increasing the capacity of women to take choices and to transform these choices into desired actions and outcomes.

Women empowerment is an environment of women where they can make decisions for themselves for personal benefits and for the society by increasing and improving social, economic, political and legal strength by making those confident enough to claim their rights and get their voices heard (Important India, 2015).

## **2.2 Empirical Review**

### **2.2.1 Review of Journals and Articles**

Review of journal and articles means reviewing research studies or other correlated scheme in the related area of the studies, their conclusion and deficiencies may be know and further research can be conducted. It is an essential and research process in research works. Some researchers have been made in the area of budgeting system of financial institution. There are also some researches in the field of micro finance and its role on

women empowerment. An attempt is made here to review some of the previous researches of the selected topic.

Ahmed et al. (2011) concludes that socio-economic status of with credit and without credit rural women have fair knowledge about their resource base as well as educational background. Socio-economic status of 'with credit' women have an important bearing on the receipt loan from the institutional sources. The following status such as age, educational level, marital status, occupational status, family size, distribution of earning and dependent person and respondent's income and contribution to their family income. Therefore microfinance program helps the rural poor women to be more independent and more financially solvent in their families.

Sultana and Hasan (2011) states that microfinance plays a vital role for socio-economic development. Most of the rural women had a very low level of education i.e. primary level of education with average family size and average farm size. Women take advantage from microfinance by taking loan which they utilize for performing different types of income generating activities. It was found that women are involved in acquire more knowledge about health, agriculture, nutrition, and got loan to utilize in various income generating activities. As a result they could uplift themselves socio-economically. Economic empowerment of women can be improved through increasing personal income, saving and assets.

Adhikari and Shrestha (2013) concludes that participant of microfinance the economic status of loaners has improved consequently than when they started small business with loan in the earlier days. Moreover, their socio-economic status was higher than that of non-loaners. So microfinance is an effective tool for raising the socio-economic status of poor people, particularly the women.

Ramani (2014) argues that microfinance is not just about giving micro credit to the poor rather it is an economic development tool whose objective to assist the poor to get out of the poverty. Microfinance has the unique ability to provide sustainable services if they are designed and implemented properly. Microfinance can serve as enduring development strategy. There should be emphasis on providing quality financial services to the remote people and lowering cost to both clients and financial service provider. In spite of weaknesses and various constraints, microfinance remains a powerful tool for

the development of economy, poverty alleviation and social empowerment. Microfinance is a good tool for financial inclusion for the country.

Rehman et al. (2015) defines that microfinance plays a role of gender equality as a central to family wellbeing and socioeconomic development of community. Women are more authoritative to take purchase decisions related to household items as compared to home maintenance decisions and asset possession where the authority generally rests with men. Furthermore, it was revealed that their status was quite better in terms of taking decisions and visiting other meetings and social gatherings independently. Similarly majority of women had the authority to decide about their children but contrary to its result revealed that women were not empowered in political terms. In conclusion women's income played a very important role in enhancing women's economic independence but the social discrimination still prevail that limit the ability of women to fully exercise their potential for betterment of their family.

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

### **2.2.2 Review of Related Thesis**

Sharma (2007) published an article on "The journal of Nepalese Business Studies" about 'Microfinance and Women Empowerment'. The article examines effect of women's participation in group based microcredit programs on a large set of qualitative responses to questions that characterize women's autonomy and gender relations within the household. The data were taken from a special survey carried out in hill and terai in 2004-2006 of Nepal. In this paper, analysis was done on women's involvement in

decision making, changes in self-confidence, women's status in gender equity, changes in social and political participation, changes in control over income, changes in awareness of social issues and problems and family relationships and domestic violence. From the study the result was taken out those similar changes in self-confidence of women after the program by ecologically belt hills showed relatively higher proportion of men's involvement in cooking as compared to terai, but in childcare, fetching water, washing clothes, cleaning house and utensils men's involvement is relatively higher in terai belt than the men in hills. It also shows that there is a significant change in social and political participation of women after the program has substantial impact on terai women's income control as compared to hills. Terai shows a relatively create changes in family relationship and violence.

Adhikari (2007) concludes that Micro finance has the potential to have a power impact on women's empowerment. Although micro finance is not always empowering for all women, most women do experience some degree of empowerment. As a result, microfinance program is the most successful program for the improvement of living standard and socially as well as economically empowered of these groups of people as well as women. Microfinance is due to realized difficulty in providing financial services to this target population and its potentiality welfare enhancing characteristics. The challenges of Microfinance are derived from a number of factors which include; the transaction services expensive the risk involved in lending to poverty clients and the costs involved in lowering these risks of losses from default is high.

Poor women associating themselves with microfinance institutions lead to a situation where they experience behavioral changes at the individual, family/household, enterprise and community levels. Access to microfinance ensures that poor women in Offense are enabled to make choices in their everyday life. Some of the changes that are seen are increased in the savings level of these beneficiaries, improvement in the living conditions of beneficiaries, changing's in the enterprise level of beneficiaries (for instance diversification of their businesses, good business practices), control over economic resources. There is also the improvement in the well – being of their household since the women tend to spend more of their income on their household. Empowerment of these women in various aspects of their lives has a multiplier effect.

Since it will ensure development of the nation. This is due to the fact that these women will now be able to contribute towards the nation's economy (Akosua, 2007).

Dhulal (2010) carried out a study Impact of Microfinance Program in Social Economic Empowerment of Women in Nepal: A Case Study of DEPROSE Nepal in Thaiba VDC of Lalitpur District. This study has three different objectives which have focused on economic impacts, women empowerment at household and external level; and the constraints and critical issues of such women focused microfinance for poverty reduction. This study has based on comparative analysis. Data were collected from the field survey, individual interview, questionnaire, and observation. Simple statistical tools has used to data analysis.

This study concluded that access to microfinance services offered by DEPROSC Nepal has positive impacts on the life of surveyed sample women in Thaiba VDC of Lalitpur District. Positive social impacts are observed in their livelihood structure and have empowered women in many ways such as awareness and knowledge on basic issues such as importance of educating children, child health and hygiene, importance of money management, their role in household economy etc. Satisfactory economic impact impacts are not observed in assets creation and self-employment creation but the microfinance services provided have helped them to improve their better livelihood structure like: enhanced food security, improved health and sanitation and nutrition status.

Shakya (2016) conducted thesis of International Business on "Microfinance and women empowerment" concluded the following findings:

The study establishes the concept about poor villagers as less risk taker to continue credit as they are highly depending in agriculture sector. Since urban women are completely on commercial business (no matter the type of business), they tend to be determined to continue loan rather than dropping out caused by natural disaster for instance, floods.

A focus on lending to women in microfinance initiatives as women registers higher repayment rates. It is directly linked to women empowerment and economic development by creating self-confidence. They are categorized as important borrower due to the capability of using small loans into wise investment instead of spending

money on luxurious goods. They also have right to access capital who before were restricted to any financial autonomy.

Women agreed that microfinance program has play important role in their self-confidence and self-esteem. Women who lives in village are encouraged to take up leadership position in their families. The program has helped women in creating decision making opportunities inside their household matters.

Women are socially and economically empowered after engaging in microfinance program.

Through microfinance program, women starts business by taking micro loan from MFIs. By establishing business they are only take advantage of income they also are able to uplift their social status.

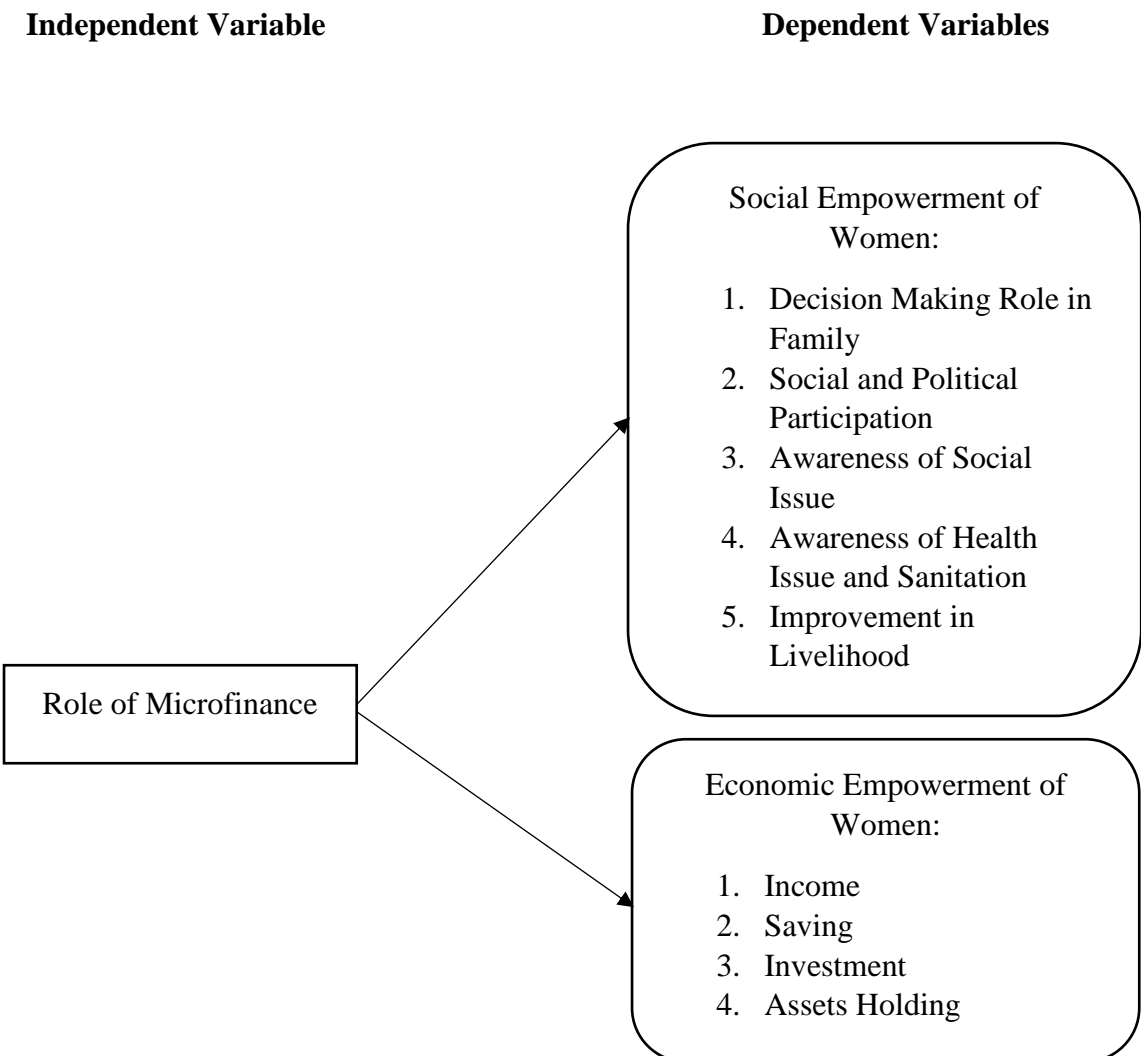
### **2.3 Research Gap and Conceptual Framework**

Research is a never ending process. It is the process of finding out something new again and again. From the above literature review we can conclude that there are various study on the topic of Micro finance programs in Nepal and foreign countries. Most of the above research studies identify about the impact analysis of microfinance for micro credit programmed in different districts of Nepal and women empowerment through microfinance in different places of different microfinance programs.

This research paper is different from others in the sense that it is trying to find out the empowering women through microfinance program of Sundarbazar Municipality, Lamjung. It is hard to find real cases studying empowering women through microfinance program in Sundarbazer, Lamjung. The Importance of study is also to identify the present situation of being empowered women through microfinance program of Global IME Laghubitta Bittiya Sastha Ltd at study area. This research is trying to discuss about the socio-economic empowerment of women and decision making role. It is trying to discuss about the skill and training provided to clients, identifying the target group and providing the services to the poorest of the poor Women.

## Conceptual Framework

On the basis of literature review a concept can be raised that there would be role of microfinance in women empowerment in a community. Role of microfinance in women empowerment depends upon social and economic empowerment of women which can be shown by following schematic diagram.



## **CHAPTER-III**

### **RESEARCH METHODOLOGY**

Research methodology is the way to systematically solve the research problem. It includes the various steps that are adopted by the researcher to solve the problem along with the logic behind them. This chapter includes introduction about the GILB, study area, research design, nature and sources of data, sampling technique and procedure, data collection technique, analysis and presentation of data.

#### **3.1 Research Area**

Sundarbazar Municipality is one of the municipality in Lamjung District. It is situated in south location of Lamjung District. There are 11 wards in Sundarbazar Municipality. It is semi urban area in the view of development, not only that except 3 wards remaining other are in village area.

#### **3.2 Research Design**

In this research study descriptive and analytical approach has been adopted within the case study. Descriptive approach has been used mainly for conceptualization of the problem and analytical approach has been used to analyze and interpret the quantitative and qualitative data collected from the concerned field.

#### **3.3 Nature and Sources of Data**

Both primary and secondary sources of data are used. Mainly, the primary data has been used in the study. The primary data was collected from household survey using structured questionnaire and interview method. The related secondary data were obtained from the annual report of Chandreshwor branch office, journals etc. of GILBS.

#### **3.4 Population and Sample**

The sample size has been taken from involved women in GILBS in Sundarbazar Municipality. There were 1135 women members were involved in GILBS until fiscal year 2074/75 in this sample area. From total population 102 members have been taken as the sample population. The quota sampling was used to categorize the members into



different group and for detail study. The detailed description about population and sample has been presented in table 3.1.

**Table 3.1**  
**Total Respondents and Sample Size of Respondents**

S.No.	Ethnic Group	Population Size	Sample Size of Respondents
1	Bharmin	142	13
2	Chhetri	168	17
3	Janajati	372	37
4	Dalit	397	27
5	Others	56	8
Total		1135	102

*Source: GILBS Report 2074/75 and Field Study-2075*

### 3.5 Data Collection Technique and Tools

To collect primary data household survey and interview method are used. Out of total population 102 members are selected as sample. The quota sampling is used to divide the member in specific ethnic group and simple random sampling is used applied to research the household survey. Subjective and objective types of structured questionnaire are developed to collect primary data in household survey. The questions are designed to collect information of two time period before and after participation of MFPS.

The secondary data are collected from the branch wise annual report of GILBS and other different articles, documents, published or unpublished sources of data are used to obtain necessary information.

### 3.6 Data Presentation and Analysis

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

### 3.6.1 Percentage Analysis

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

### 3.6.2 Z-Test

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

1. When sample size is 30 or more than 30.
2. The sample have been drawn from normal population.
3. The sizes are independent.

Z-test is applicable under, test of significance;

1. Of single mean.
2. Between two mean.
3. Single proportion.
4. Between two proportion.

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

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

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

Now,

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

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

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

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

In this study Z-test is used to test significance of respondent's decision making role in family before and after involvement in MFP.

### Setting Hypothesis

Null hypothesis ( $H_0$ ):  $P_1 = P_2$  i.e. Proportion of women population is not interested in the concern of participation of decision making in family issues after than before involving MFPs.

### 3.6.3 Chi-Square Test

This test explains the magnitude of discrepancy between expected frequency and observed frequency. A chi-square test is used to determine whether two attributes are independent of each other. Chi-square test ( $\chi^2$ ) is used to find out poor perception, experience, and social response. This is often using to know the difference between theory and observation.

$$\text{Therefore, it is given by, } \chi^2 = \sum \frac{(O-E)^2}{E}$$

Where,

O = Observed Frequency and

E = Expected Frequency

#### Condition for application $\chi^2$ - test:

1. Total number of frequency should be large as 50.
2. Sample observation should be independent.

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

In this study chi-square test is used to test the significance of society's response towards respondents' decision making and leadership role in society.

### Setting Hypothesis

Null hypothesis ( $H_0$ ) : There is no association between age group of women involvement in MFPs and social response to women or society doesn't response positively after before than involving MFPs.

#### 3.6.4 Pair T-test

A pair t-test is very effective tool, if two samples are dependent. Such samples are often referred as paired samples or matched samples because of two values from before and after involving in MFPs.

Some assumptions are required for validity of the paired test, the first assumption is that the elementary units being measured are a random sample selected from population of interest. Each elementary unit produces two measurements. Second assumption is that these difference in two measurements are normally distributed.

Formula of pair t-test is,  $t_{cal} = \frac{\bar{d}}{\frac{s.d.}{\sqrt{n}}}$

In this study pair t-test is used to test the significance of respondents' income level before and after involvement in MFP.

### Setting Hypothesis

Null hypothesis ( $H_0$ ) :  $\mu_1 = \mu_2$  i.e. There is no increase in income level of respondents after involving MFPs.

### 3.7 Data, Methodology and its Application to Justify Objectives of the Study

Following table gives a complete framework of research that how research objectives are analyzes, by which indicators objectives are defined, what are the source of data and tools use for analysis of data.

**Table 3.2**  
**Data, Methodology and its Application to Justify Objectives of the Study**

<b>Objectives</b>	<b>Major Indicators</b>	<b>Sources of Data</b>	<b>Analysis Tools</b>
1. To analyze the social empowerment of women after participating in MFP.	<ul style="list-style-type: none"> <li>• Decision making role in family</li> <li>• Social and political participation</li> <li>• Awareness of social issue</li> <li>• Awareness of health and sanitation</li> <li>• Improvement in livelihood</li> </ul>	Field survey with the sample of focused group women.	<ul style="list-style-type: none"> <li>• Percentage analysis</li> <li>• Pie chart</li> <li>• Bar diagram</li> <li>• Z-test</li> <li>• Chi square test</li> </ul>
2. To study the improvement of women's economic status after engaging in MFP.	<ul style="list-style-type: none"> <li>• Income</li> <li>• Saving</li> <li>• Investment</li> <li>• Assets holding</li> </ul>	Field survey with the sample of focused group women and interaction with them.	<ul style="list-style-type: none"> <li>• Percentage analysis</li> <li>• Bar diagram</li> <li>• Pie chart</li> <li>• Pair t-test</li> </ul>

## **CHAPTER-IV**

### **DATA PRESENTATION AND ANALYSIS**

This chapter deals with collected data regarding to the objectives of the study. In this chapter researcher analyzes the collected data in various headings and sub headings to fulfill the stated objectives of study. This chapter shows the analysis of the various issues like main occupation change due to the involvement in MFP, change in income level, saving, investment after involving in MFP, establishment or expansion of business, status of before and after decision making role, social participation, awareness of social issue, awareness of health and sanitation, improvement of livelihood, assets holding etc.

#### **4.1 General Background and Social Empowerment**

In general background respondent's occupational status, age group, ethnic group, educational status, marital status are presented; which are belongs to respondents individual identification. Social empowerment and decision making were analyzed through respondents decision making role in family, social and political participation, skillful training, social response towards them on the issue of their decision making and leadership in society, Impact of MFI on their livelihood, awareness of social issue and health and sanitation and fulfillment of respondents minimum requirements.

##### **4.1.1 Socio-Demographic Characteristics of Respondents**

The main target of microfinance is marginalized people and main focus is always to uplift their socio-economic status in society. This research work has studied women from GILBS to know the poor women's activities where researcher have been asked various information from respondents like age, ethnicity, educational status and marital status of respondents. These all are scattering of following term:

**Table 4.1**  
**Socio-Demographic Status of Respondents**

Socio-Demographic Status	No. of Respondents	Percentage
<b>Age Group</b>		
16-25	11	10.78%
26-35	32	31.37%
36-45	32	31.37%
46-55	26	25.49%
56-65	1	0.98%
Total	102	100.00%
<b>Ethnic Group</b>		
Brahmin	13	12.75%
Chhetri	17	16.67%
Janajati	37	36.27%
Dalit	27	26.47%
Others	8	7.84%
Total	102	100.00%
<b>Educational Status</b>		
Uneducated	12	11.76%
Literate	28	27.45%
Under SLC	49	48.04%
SLC	2	1.96%
Intermediate	11	10.78%
Total	102	100.00%
<b>Marital Status</b>		
Married	89	87.25%
Widow	8	7.84%
Divorced	3	2.94%
Separated	2	1.96%
Total	102	100.00%

*Source: Field Study-2075*

According to table 4.1 respondents having age between 26-45 are occupied all about 64% of total respondents. This figure shows that maximum adult women are engage in microfinance program. According to ethnic group figure Janajati and Dalit are

maximum involved in MFP. They occupied 64 % of total respondents. In educational status 48.04% respondents are in under SLC it shows that women are yet lack of educational opportunities. Mostly they are engage in household activities after getting married. Few of them were get educational opportunities after getting married. Maximum (87.25%) married women are engaged in MFP but also some are widow, divorced and separated women engaged.

It can be concluded that women who are adult, under educated and married are mostly engaged in MFP to empower their social and economic status in society.

#### 4.1.2 Main Occupation

**Table 4.2**  
**Occupational Status of Respondents**

S.No	Main Occupation	Before Involvement		After Involvement	
		No. of Respondents	%	No. of Respondents	%
1	Agriculture	44	43.14%	17	16.67%
2	Animal Husbandry	33	32.35%	46	45.10%
3	Business	19	18.63%	21	20.59%
4	Service	2	1.96%	3	2.94%
5	Milk Selling	1	0.98%	7	6.86%
6	Others (Pigsty, Poultry)	3	2.94%	8	7.84%
Total		102	100.00%	102	100.00%

*Source: Field Study-2075*

According to table 4.2 it can be concluded that maximum women's main occupation was traditional agriculture before engaging in MFP but after involvement their occupational status has been changed into animal husbandry. By the support of MFP they take loan and skillful training and changed their occupational status moderately to income generating activities like animal husbandry, business, milk selling and establishing pigsty and poultry firm.



### 4.1.3 Decision Making Role in Family

In psychology, decision-making is regarded as the cognitive process resulting in the selection of a belief or a course of action among several alternative possibilities. Every decision-making process produces a final choice, which may or may not prompt action.

Before one decade rarely women were involved in decision making in family. Nowadays that scenario has been changed. Women's decision making role in family has been significantly increased. Women are educated and can take self-responsibility of each and every decision. Following table shows the respondents decision making role in family before and after involvement in MFP.

**Table 4.3**  
**Respondents Decision Making Role in Family**

Issues	Respondents Participation of Decision Making Role in Family					
	Before Involvement			After Involvement		
	Self	Others	Total	Self	Others	Total
Food and Clothing	44	58	102	80	22	102
Child Education and Entertainment	57	45	102	84	18	102
Mobilization of Saving and Investment	54	48	102	89	13	102
Purchase and Sale of Assets	43	59	102	92	10	102
Average	49.5	52.5	102	86.25	15.75	102

*Source: Field Study-2075*

Table 4.3 shows about women's decision making role in family before and after involving at MFPs. On an average of above stated issues before involvement minority respondent were participated on decision making at family but after involving on an average 86.25 respondents are involved.

### Testing Hypothesis,

Null hypothesis ( $H_0$ ) :  $P_1 = P_2$  i.e. Proportion of women population is not interested in the concern of participation of decision making in family issues after than before involving MFPs.

Alternative hypothesis ( $H_1$ ) :  $P_1 < P_2$  i.e. Proportion of women population is participated at decision making in family issues after than before involving MFPs.

Since,  $n = 102$ , we use Z-test,

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

Calculated value  $|Z| = 5.4533$  (from Appendix III)

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

Decision,

Higher the calculated value indicates proportion of women population is significantly increased in participation of decision making in family issues after than before involving MFPs. So null hypothesis is rejected.

#### 4.1.4 Social and Political Participation

Social engagement (also social involvement, social participation) refers to one's degree of participation in a community or society. Social and political participation of respondents before and after involvement in MFP is presented in table 4.4.

**Table 4.4**

**Social and Political Participation Status of Respondents**

Status of Respondents	Before Involvement	After Involvement
Highly Participation	0	11
Mostly Participation	10	51
Sometimes Participation	51	34
Rarely Participation	33	4
No Participation	8	2
Total	102	102

Source: Field Study-2075

Women before than after involving in MFPs are significantly participated in social and political issues. Table 4.4 can also analyzed by following bar diagram.

**Figure 4.1**  
**Social and Political Participation of Respondents**  
**Before and After Involvement in MFP**

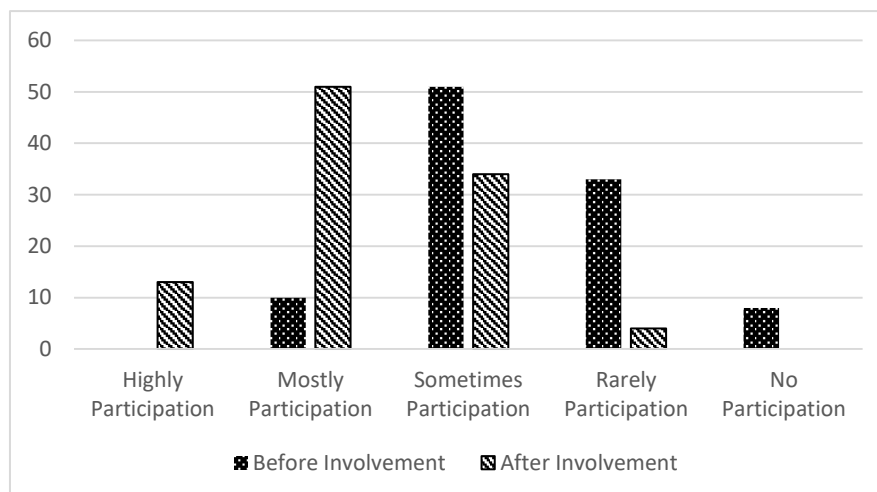


Figure 4.1 justifies that women are participated significantly after involving in MFPs. MFI helps to aware them about social and political issue. Women have been handled external work outside the house. After involving in society and knowing all social issues than after they were participated highly on the issue of social and political work.

#### 4.1.5 Skillful Training

Training is the process of learning the skills that people need for a particular job or activity. It is necessary to skill acquisition. Training is necessary to improve quality for people. How many respondents got training from MFI, it is shown in table 4.5.

**Table 4.5**  
**Respondent Status of Getting Skillful Training**

Skillful Training Got by MFI	No. of Respondents
Yes	20
No	82
Total	102

*Source: Field Study-2075*

**Figure 4.2**  
**Respondent Status of Getting Skillful Training From MFP**

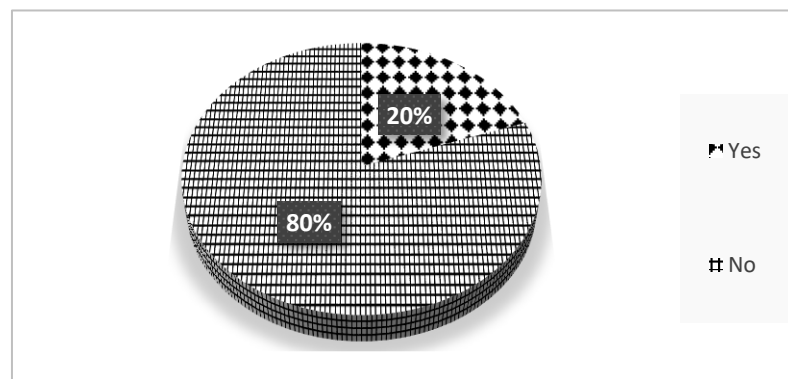


Figure 4.2 shows that majority of respondents' does not getting skillful training from MFI. It means that 82 respondents does not get any skillful training from MFI. It is necessary tool to empower women's economic and social status.

#### **4.1.6 Societies Response Towards Respondents Decision Making and Leadership**

Response of society depends upon people's attitudes, behavior, and other social activities. How does respondents ranks about their societies feelings towards decision making and leadership in society. Fowling table shows respondent feelings.

**Table 4.6**  
**Social Response Towards Respondents on Decision Making and Leadership in Society**

Age Group	Respondent Feelings					
	Excellent	Best	Good	Bad	Very Bad	Total
16-25	1	9	1	0	0	11
26-35	3	17	12	0	0	32
36-45	4	21	7	0	0	32
46-55	1	13	11	1	0	26
56-65	0	1	0	0	0	1
Total	9	61	31	1	0	102

Source: Field Study-2075

#### **Testing Hypothesis,**

Null hypothesis ( $H_0$ ) : There is no association between age group of women involvement in MFPs and social response to women.

Alternative hypothesis ( $H_1$ ) : There is significant association between age group of women involvement in MFPs and social response to women; society response positively far better after before than involving MFPs.

Here, Chi-square ( $\chi^2$ ) test can be use,

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

Calculated value of  $\chi^2 = 20.0328$  (from Appendix-IV)

Tabulated value of  $\chi^2$  at 5% level of significance with 4 degree of freedom is 9.488.

Decision,

Since, calculated value of chi-square is higher than tabulated value. Therefore, there is significantly positive association between age group of women involvement in MFPs and social response to women. According to table 4.6 it can be concluded that society responses positively to women who are involving in MFP. Null hypothesis is rejected.

#### 4.1.7 Impact of MFI on Respondents Livelihood

MFP plays a vital role to improve respondent's livelihood. According to table 4.7, 47 respondents feels that MFP impacts best in their livelihood, 33 respondents feels it impacts excellent and rest 21.57% feels that good impact to improve in their livelihood.

**Table 4.7**

#### **Role of MFI to Improve Respondent's Livelihood**

Respondent Feelings	No. of Respondents	%
Excellent	33	32.35%
Best	47	46.08%
Good	22	21.57%
Bad	0	0.00%
Very Bad	0	0.00%
Total	102	100.00%

Source: Field Study-2075

#### 4.1.8 Awareness of Social Issue and Health and Sanitation

Self-Awareness is the thinking skill that focuses on a people's ability to accurately judge their own performance and behavior and to respond appropriately to different social

situations. Self-Awareness helps an individual to tune into their feelings, as well as to the behaviors and feelings of others.

A social issue is a problem that influences a considerable number of the individuals within a society. It is often the consequence of factors extending beyond an individual's control, and is the source of a conflicting opinion on the grounds of what is perceived as a morally just personal life or societal order. Women are still busy in their household activities. Nowadays they are involving in social work and social awareness has been increasing which can be concluded from table 4.8.

Health and sanitation is major issue in life. Women plays vital role in this issue in family. When women are known about all of these issues they can maintain hygiene, care, and cleanness in family. Table 4.8 shows that most of respondents are aware in the issue of health and sanitation.

**Table 4.8**  
**Respondents Status on Awareness of Social Issue**  
**and Health and Sanitation**

Awareness in Social Issue	No. of Respondents	Awareness in Health and Sanitation	No. of Respondents
Excellent	29	All	42
Best	47	Most	52
Good	25	Some	7
Bad	1	Few	1
Very Bad	0	None	0
Total	102	Total	102

*Source: Field Study-2075*

#### **4.1.9 Status of MFP to Fulfillment Respondents Minimum Requirement**

MFP plays a vital role to fulfillment of women's minimum requirement like financial and non-financial requirements. Respondent feeling towards MFP on the issue to fulfillment of their requirement has seen positive.

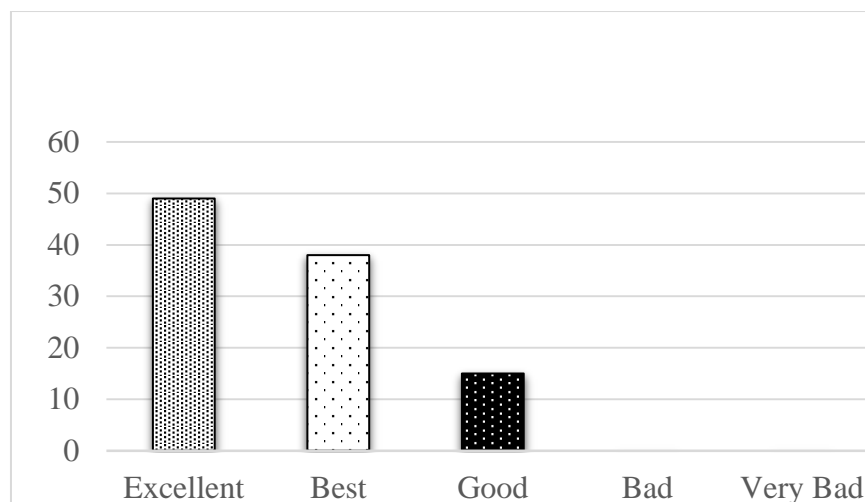
**Table 4.9**  
**Status of MFP to Fulfillment Respondents Minimum Requirement**

Respondents Feeling	No. of Respondents
Excellent	49
Best	38
Good	15
Bad	0
Very Bad	0
Total	102

*Source: Field Study-2075*

According to table 4.9, out of 102 respondents 49 perceives that MFP fulfill their requirement excellently, 38 perceives best and rest of them feels good. Figure 4.3 describes it briefly.

**Figure 4.3**  
**Respondents Feelings Toward MFP to Fulfillment**  
**Their Minimum Requirements**



According to figure 4.3, all of the respondents feels that MFP helps to fulfillment their minimum requirements.

## 4.2 Economic Empowerment

Economic empowerment refers to uplift women's economic status by self-involvement in income generating activities. It refers to access and effectively mobilization of loan, income, saving, investment, assets holding etc.

### 4.2.1 Loan Status

Women are naturally risk avoider they are afraid to bear risk but MFP helps them to taking risk. Risk is the main element to correct or improve people's efficiency in each and any sector financial or investment sector also. According to GILBS firstly women were afraid to take loan from MFI. After taking training they were motivated to take loan and improve their income level.

Table 4.10 shows that 82.35% women were taken loan for different purpose mainly for animal husbandry and business. Rest of 17.65% was not taken loan yet. This table explains that women were taking loan for income generating activities. Women are significantly involved in income generating activities to empower economically fulfillment of their needs and requirements independently.

**Table 4.10**  
**Loan Status of Respondents**

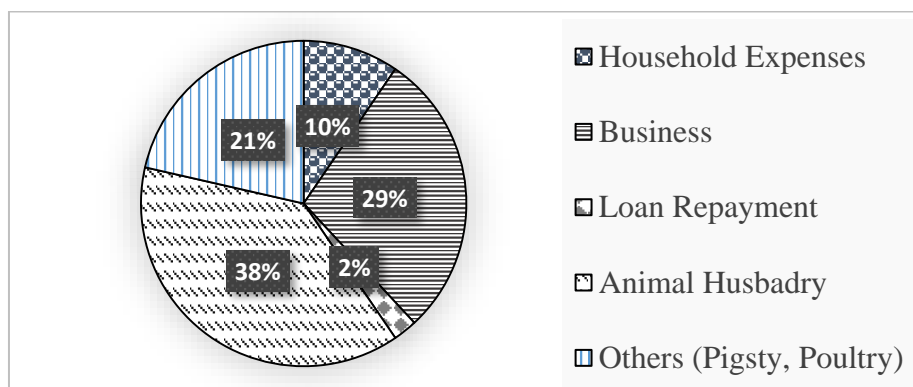
<b>Loan Taker</b>	<b>No. of Respondents</b>	<b>%</b>
Yes	84	82.35%
No	18	17.65%
Total	102	100.00%
<b>Purpose of Loan Taking</b>	<b>No. of Respondents</b>	<b>%</b>
Household Expenses	8	9.52%
Business	24	28.57%
Loan Repayment	2	2.38%
Animal Husbandry	32	38.10%
Others (Pigsty, Poultry)	18	21.43%
Total	84	100.00%

*Source: Field Study-2075*

Following pie-chart shows respondents' purpose of loan taking briefly.



**Figure 4.4**  
**Purpose of Loan Taking by Respondents from MFI**



#### 4.2.2 Income Status

Income is the consumption and savings opportunity gained by an entity within a specified timeframe, which is generally expressed in monetary terms. However, for households and individuals, income is the sum of all the wages, salaries, profits, interest payments, rents, and other forms of earnings received in a given period of time. Monthly income level of respondents before and after involvement in MFP is presented in table 4.11 and analyzed by using pair t-test.

**Table 4.11**  
**Monthly Income Status of Respondents**

Income Series (Rs.)	Before Involvement		After Involvement	
	No. of Respondents	%	No. of Respondents	%
0-5,000	70	68.63%	7	6.86%
5,000-10,000	12	11.76%	42	41.18%
10,000-15,000	7	6.86%	30	29.41%
15,000-20,000	7	6.86%	9	8.82%
Above 20,000	6	5.88%	14	13.73%
Total	102	100.00%	102	100.00%

Source: Field Study-2075

The summary table (Appendix-V) shows that, the average income of respondents before involving in MFPs was Rs.5,980.39 and after involving Rs.11,568.63 so that respondent's monthly income is increased by 93.44%. So, it can be concluded that respondent's monthly income has been increased after involving in MFP.

This fact can be prove by using pair t-test as following.

### **Testing Hypothesis,**

Null hypothesis ( $H_0$ ) :  $\mu_1 = \mu_2$  i.e. There is no increase in income level of respondents after involving MFPs.

Alternative hypothesis ( $H_1$ ) :  $\mu_1 < \mu_2$  i.e. Income level of respondents is increased after involving MFPs.

Since,  $n = 102$ , we use pair t-test, where  $t_{cal} = \frac{\bar{d}}{\frac{s.d.}{\sqrt{n}}}$

Therefore  $t_{cal} = 3.3663$  (From Appendix-V)

According to t-table the value of t for one tail test is 1.660 at 5% level of significance and 101 degree of freedom.

Decision;

As the calculated value of  $t_{cal} = 3.3663$  is greater than tabulated value  $t = 1.660$ , the null hypothesis is rejected. Thus, it is concluded that income level of respondents has significantly increased after involving MFPs.

### **4.2.3 Saving Status**

Saving is excess amount between income and consumption. There is positive relationship between income and saving. Increasing level of income of women's significantly increase their saving. By theory when people's income level increases their consumption pattern is not increased in same ratio so the excess part of income always goes to saving.

Table 4.12 shows that before involving in MFPs respondents are low participating in saving. After involving in MFP they starts to save money as a part of income for future needs.

**Table 4.12**  
**Monthly Saving Status of Respondents**

Saving Series (in Rs.)	No. of Respondents	
	Before involving MFPs	After involving MFPs
No Saving	36	0
Upto 300	31	8
300-600	13	39
600-900	12	22
900-1,200	3	13
1,200-1,500	2	2
1,500-1,800	1	4
1,800-2,100	0	3
2,100 Above	4	11
Total	102	102

Source: Field Study-2075

Following figure shows the trend of respondent's income before and after involving in MFPs.

**Figure 4.5**  
**Monthly Saving Status of Respondents**

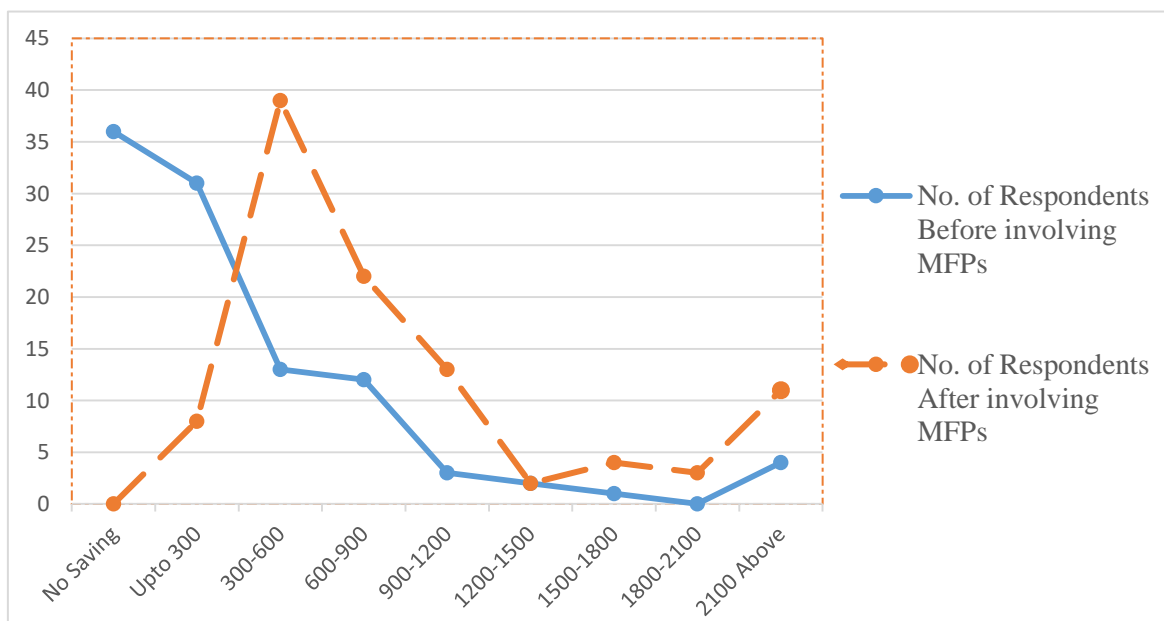


Figure 4.5 shows that there is significantly increment in respondents monthly saving before than after involving in MFP.

#### 4.2.4 Asset Holding

Previously women are far behind in the sense of holding of assets in family. Male were hold all properties in family. So that women have not access of holding assets. Nowadays that situation has been changed. Being educated and self-dependent they have risen their access to holding assets. MFPs uplifted their economic status and decision making ability and being independent they have been increase their access to holding assets.

Table 4.13 shows that land holding size of respondents was increased after involvement than before involving in MFP.

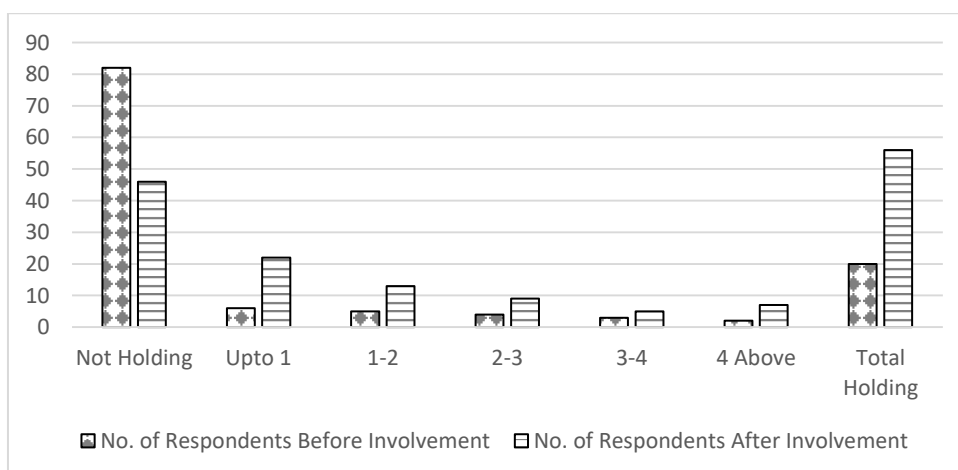
**Table 4.13**  
**Self-Registered Land Holding Size of Respondents**

Series (in Ropani)	No. of Respondents	
	Before Involvement	After Involvement
Not Holding	82	46
Upto 1	6	22
1-2	5	13
2-3	4	9
3-4	3	5
4 Above	2	7
Total Holding	20	56

Source: Field Study-2075

Figure 4.6 shows that how women have risen their access by involving in MFPs.

**Figure 4.6**  
**Land Holding Size of Respondents**



### 4.2.5 Investment Status

An investment is an asset or item acquired with the goal of generating income or appreciation. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.

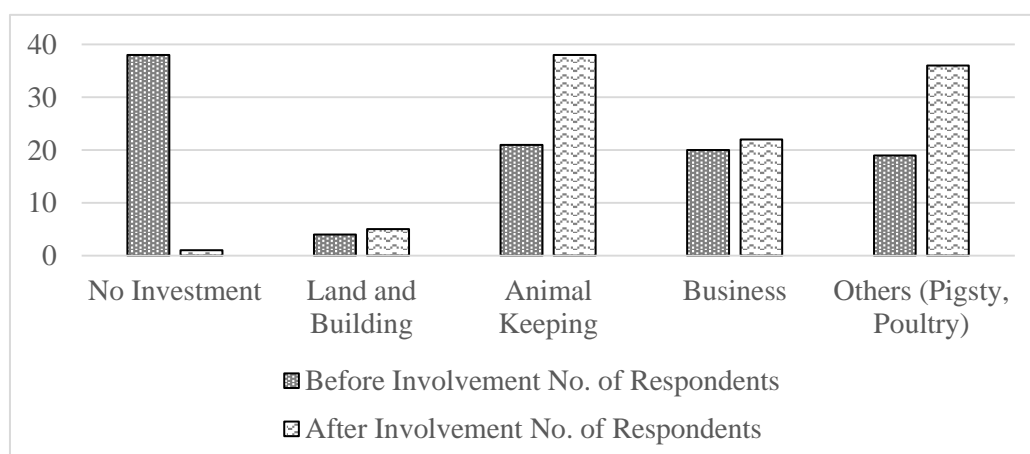
There is positive relation after occupational change in income, saving and investment. Saving is circulated into income generating investment sectors. Table 4.14 explains about investment status of respondents before and after involvement in MFP.

**Table 4.14**  
**Investment Status of Respondents**

Investment Sectors	Before Involvement		After Involvement	
	No. of Respondents	%	No. of Respondents	%
No Investment	38	37.25%	1	0.98%
Land and Building	4	3.92%	5	4.90%
Animal Keeping	21	20.59%	38	37.25%
Business	20	19.61%	22	21.57%
Others (Pigsty, Poultry)	19	18.63%	36	35.29%
Total	102	100.00%	102	100.00%

Source: Field Study-2075

**Figure 4.7**  
**Investment Status of Respondents**



Given diagram shows the how women are invested their residual income or investment before and after involvement of MFPIs. Figure 4.7 shows that women are investing their residual income at productive sector after involvement in MFPI.

#### 4.2.6 Main Purpose to Join in MFPI

Every decision and activities must have specified propose. Women are engaged in MFPI basically for the purpose of economic empowerment, skillful training and awareness of social issues. The following table shows the status of respondent's main purpose to engage in MFPI.

**Table 4.15**

**Status of Respondents Main Purpose to Join in MFPI**

Main Purpose	No. of Respondents
To Empower Social Status	9
To Empower Economic Status	93
Others	0
Total	102

Source: Field Study-2075

**Figure 4.8**

**Respondents Main Purpose to Join in MFPI**

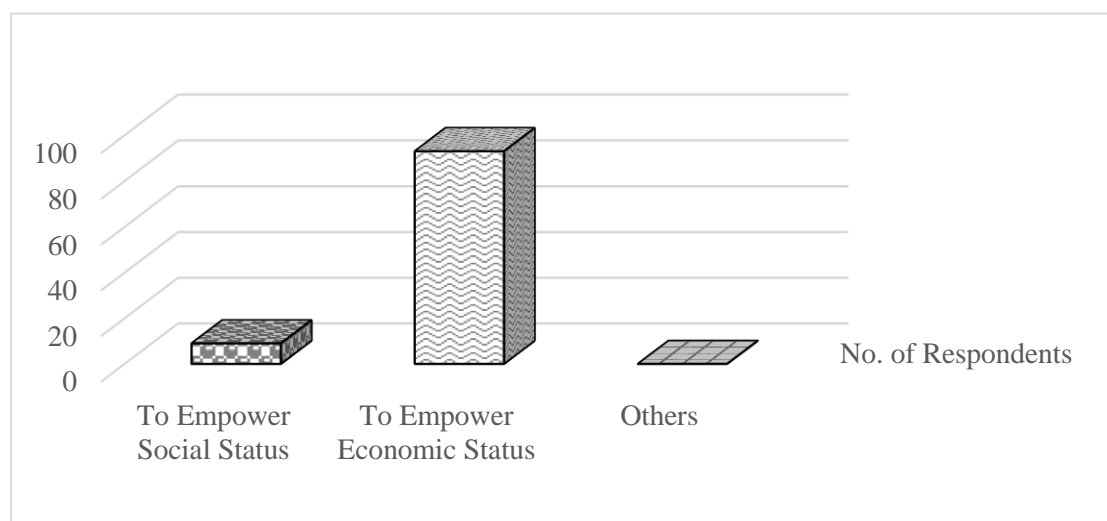


Figure 4.8 states respondent's main purpose to join in MFPIs. Out of 102, total respondents 93 respondents stated that their main purpose to join in MFPI is to empower

economic status and rest of 9 respondents stated that main purpose is to empower social status. So that women wants to empower economically first and their aim to empower socially lastly. Respondent's weight to economic empowerment (0.91) is far more than social empowerment (0.09).

### **4.3 Major Findings**

Major findings of the study can be presented as follows.

1. Majority middle age women, having ethnicity dalit and janajati, under educated and married were engaged in MFI.
2. Women are shifting their main traditional agriculture occupation to productive sector like animal husbandry, business, pigsty and poultry. So that their income, saving, investment and holding of assets are increasing significantly.
3. There is appreciable development in decision making power of women after involving in MFI.
4. Social awareness, social participation, awareness in health and sanitation, societies response towards decision making and leadership of respondents has significantly increased after involving in MFP.
5. MFP plays positive role to fulfill minimum requirements of women and improvement of livelihood.
6. Microfinance institution doesn't significantly provides skillful trainings to their member so that their disbursement loan amount should be invested in other sector rather than specified purpose.

All tests derived from economic empowerment gives positive results; so women are becoming socio-economically active and their economic condition has been upliftment than before. All tests derive from social empowerment and decision making ability also provides positive results; perceptual test also gives positive result. Therefore, MFPs, are desirable socially and economically empowerment for women.

## **CHAPTER-V**

### **SUMMARY, CONCLUSION AND IMPLICATION**

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

#### **5.1 Summary**

Nepal is a developing country. It is diversified by different type of geographical area like Himal, Pahad and Terai. Due to the diversified geographical area women and their access to empowerment has been little a bit defined. Most of the area in Nepal is covered by rural area, where women are lack of financial services and access. Majority women are lives in rural area. Microfinance plays a vital role to empower them socially and economically by providing financial and other skill development trainings etc.

Microfinance is recognized as an effective tool for poverty reduction and empowers women in the world. ADB/N was the pioneer, who launched rural based programme first, which is becoming source of inspiration for newly established organization. Today various programs, policies, NGOs, INGOs and government organizations are working to support rural people. Among many programs microfinance is becoming effective programme because of its best approach, performance and unique features.

Microfinance is financial and social intermediation to marginalized people or especially for women. As financial and social intermediaries it provides various financial and non-financial services. Financial services provided by MFIs are micro credit, micro saving etc. and non-financial services like insurance and remittance etc. Women who are involved in MFPs would increase their self-confidence, self-employment and empower them socially and economically by engaging in income generating activities which increases their income, saving, investment and assets from their small enterprise.

Empowerment is a situation where women their self-dependency, free mobility, free participation on their desired sector, which means that independently self-sustained. Empowerment through microfinance is defined as women become economically, socially and politically strong and able to make proper decision about social activities. so, in this study the concern of empowerment on economically, socially strong on decision making abilities in the society.



In this study, social and economic role of microfinance institution consist various variables like decision making role in family, social and political participation, awareness of social issues, awareness in health and sanitation, income, saving, investment and assets holding.

The main focus of the study is to improvement in economic status and changes in decision making power of women who are involved in GILBS in Sundarbazar Municipality. Selecting the sample of 102 women out of total population 1135, data have been collected by structured questionnaire and interview by randomly household survey. Collected data are analyzed, tested, interpreted by using descriptive as well as statistical approach. Mainly percentage, Z-test, Mean and Chi-square test are used. Economic variables are mainly analyzed by using percentage, mean, and Z-test. Decision making power was analyzes by using Z-test and women perception, opinion, feelings are analyzed by using chi-square test.

Most of the beneficiaries are Dalit and Janajati having age group between 26 to 45, being education level under SLC and married. Women who are relatively poor and low income are focused by GILBS. MFPs are oriented to 87.25% married women members. Women's occupational status has been changed from traditional agriculture to income generating activities like animal husbandry, business, poultry and pigsty. Change in occupational status leads income, saving, investment and assets holding and their experience and training from MFI leads their decision making power in family as well as in society. Society's perception towards women has been significantly changed because of their self-confidence and self-dependency, which is big foundation for empowerment.

## **5.2 Conclusion**

This study is micro level and case study of group model microfinance program implemented in the semi-urban area of Lamjung district. This study has raised issues about socio-economically empowerment of women through decision making power. Therefore, whole study is based on women and role of MFI; the required data are taking from Chandreshwor branch working area of GILBS. Under this study women empowerment, including the variables socio-economic empowerment and decision making power. In this study to find out the role of MFI on its member women before

and after involvement, various co-variables have been developed and data are collected from primary sources and tested by using various tools. The following conclusions have drawn from the study.

Economic status of all the respondents have found better after involving MFPs. As a whole, the result of this variable is positive; which is found from various tests. Therefore it is concluded that MFPs have create positive role on economic empowerment of women. Another variable, decision making aspects of empowerment also gives positive result; so rural women are becoming conscious and they are taking a part in family decisional aspects as well as in society. From the study, we found positive result on social responses towards women, their perception, experience and feelings, dependency level, after involvement in MFPs. Therefore, it can be concluded that MFP plays desirable and effective role to empower the women in study area. Training and various loan products supports for improving farming techniques and micro-enterprises has helped members to shift from traditional agriculture to income generating crop production, animal keeping which yields higher return.

All the result shows that positive role of MFI on empowering women in study area. The empowerment status of rural women in Sundarbazar Municipality can be significantly by changing their traditional occupation agriculture to income generating activities by the support of MFI on financial support and skillful training. The overall conclusion of this study is that the level of women empowerment is satisfactory at the household as well as social level.

### **5.3 Implication**

This research report may be useful to the microfinance institutions to shape their future plans effectively. Women empowerment is major moto of MFIs, this report will be beneficial to launch affordable products to women by enhancing their capability and skill. The major implications are presented as follows:

1. This report will be beneficial for MFIs in the sense that how is the actual position of women in the society and to compare with desirable position.

2. For social entrepreneur this research may help to find out the appropriate sector of investment and to find out what is the main remaining issue in the society. This ultimately generates new market.
3. For local level government bodies this research report may be a guideline to shape their plans, policies and upcoming programs to marginalized people also for poverty alleviation and women empowerment.
4. This research report may be useful to the NGOs that are working in the field of women to get an overview of the economic strength of women, decision making power and social participation of women and shape their plan and policies.
5. This research report may be useful to other stakeholders to know about women's socio-economic empowerment and improvement in decision making ability and take further action.
6. Area for future research: In this research only one MFI has taken as sample for study for future research if minimum three MFI and analysis of secondary data of MFIs included, that will be fruitful for analysis of role of MFI in particular research area.

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### **Website**

<http://www.sasecrtn.edu.np/index.php/en/resources/usefulinfo/microfinance>

<https://doi.org/>

<https://niblcapital.com/>

<https://www.adb.org/sectors/finance/microfinance>

[www.gilb.com](http://www.gilb.com)

[www.microfinance.com](http://www.microfinance.com)

**Appendix-I**  
**Individual Questionnaire**

Questionnaire No: .....

Date: 2075/ /

Respondent Introduction;

Name: .....

Age: .....

Educational Level: .....

Ethnic Group: .....

1. What is your marital status?

I) Unmarried II) Married III) Widow IV) Divorced V) Separated

2. What was your main occupation?

Before Involvement;

I) Agriculture II) Business III) Service  
IV) Selling Milk V) Other (.....)

After Involvement;

I) Agriculture II) Business III) Service  
IV) Selling Milk V) Other (.....)

3. Does you take loan from microfinance?

I) Yes II) No

4. For what purpose you are taking loan?

I) Household expenses II) To start enterprise or business  
III) To repayment loan IV) other (if any).....

5. How much your monthly income?

Before Involvement;

I) Below Rs. 5,000 II) Rs. 5,000 to Rs. 10,000 III) Rs. 10,000 to Rs. 15,000  
IV) Rs 15,000 to Rs. 20,000 V) Rs 20,000 or Above.

After Involvement;

I) Below Rs. 5,000 II) Rs. 5,000 to Rs. 10,000 III) Rs. 10,000 to Rs. 15,000  
IV) Rs 15,000 to Rs. 20,000 V) Rs 20,000 or Above.







20. How does you aware about health and sanitation?

I) All II) Most III) Some IV) Few V) None

21. How does the MFP help to fulfill your minimum requirement?

I) Excellent II) Best III) Good IV) Bad V) Very Bad

22. What is your main aim to join in MFP?

I) To empower social status II) To empower economic status III) Other.....

23. Do you have you any suggestion about Microfinance programs and its facility?

.....  
.....

Thank you for your thoughtful response.

## Appendix-II

### Name of the Respondents

S.No.	Name of Respondent	S.No.	Name of Respondent	S.No.	Name of Respondent
1	Asha Maya Basel	35	Bimala Bhujel	69	Bivha Maurati
2	Ful Maya Maurati	36	Chandra Maya Gharti	70	Laila Miya
3	Brinda Lamichhane	37	Dhan Maya Gurung	71	Shova Shrestha
4	Bishnu Maya Ghimere	38	Jamuna Bk	72	Kopila Shrestha
5	Ambika Adhikari	39	Bimaya Bk	73	Sapana Devi Bhandari
6	Sobita Majakoti	40	Tulshi Bk	74	Puspa Kumari Khaniya
7	Kalawati Neupane	41	Mina Bk	75	Uma Dura
8	Kamala Maurati	42	Parbati Bk	76	Bimala Devi Neupane
9	Shanta Basel	43	Shree Maya Tamang	77	Susmita Thapa Shrestha
10	Sabitra Bk	44	Sakuntala Kunwar	78	Sakuntala Neupane
11	Karuna Kc Lamichhane	45	Mina Kumari Gurung	79	Laxmi Adhikari
12	Kalpna Suyal	46	Suk Maya Bk	80	Sabitri Chhetri
13	Kamala Kc Neupane	47	Parbati Bk	81	Sarmila Rana
14	Samium Nisha Miya	48	Budh Maya Tamang	82	Nanda Maya Thapa
15	Purna Kumari Gurung	49	Bilu Maya Lama	83	Motimaya Dura
16	Puja Ghale	50	Alisha Lama	84	Maya Bk
17	Ishwori Laudari	51	Junmaya Lama	85	Sarmila Karki
18	Kanchhi Maya Bhujel	52	Mankauri Lama	86	Laxmi Karki
19	Rupa Gurung	53	Mankumaki Shrestha	87	Maya Gurung
20	Man Kumari Gurung	54	Puspa Dura	88	Rita Karki
21	Man Maya Tamang	55	Kumari Dura	89	Sanumaya Kami
22	Buddhi Maya Ghale	56	Setimaya Dura	90	Radha Siluwal
23	Asha Chaudhary	57	Phulmaya Dura	91	Chija Gurung
24	Basanti Sarki	58	Gomaya Dura	92	Krishna Maya Karki
25	Juna Mijar	59	Shanta Maya Majakoti	93	Sita Karki
26	Tirtha Sarki	60	Shanta Sarki	94	Jamuna Koirala
27	Nirmala Acchami	61	Kamala Dura	95	Amita Basnet Karki
28	Nirmala Kumal	62	Purnamaya Dura	96	Sunita Mishra
29	Santa Maya Tamang	63	Dauri Dura	97	Kamala Adhikari
30	Gita Kumal	64	Lila Devi Dura	98	Sabita Ghimere Adhikari
31	Mangali Khatri	65	Maya Dura	99	Ram Maya Paudel
32	Kumari Tamang	66	Bimala Sarki	100	Binita Pariyar
33	Sita Sarki	67	Gaynu Sarki	101	Tika Maya Nepali
34	Nisha Bhujel	68	Bimaya Maurati	102	Ram Maya Bk

### Appendix-III Respondents Decision Making Role in Family

Now,  $p_1$  = Average sample proportion of respondents who make decision on family issues before involving MFPs.

$$\text{Or, } p_1 = \frac{X_1}{n_1} = \frac{49.5}{102} = 0.4853 \quad (X_1 = 49.5)$$

$p_2$  = Average sample proportion of respondents who make decision on family issues after involving MFPs.

$$\text{Or, } p_2 = \frac{X_2}{n_2} = \frac{86.25}{102} = 0.8456 \quad (X_2 = 86.25)$$

Test of statistic  $H_0$ ,

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

$$\text{Where, } \hat{P} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2} = \frac{102 * 0.4853 + 102 * 0.8456}{102 + 102} = 0.66545$$

$$, \hat{Q} = 1 - \hat{P} = 1 - 0.66545 = 0.33455$$

Now,

$$Z = \frac{0.4853 - 0.8456}{\sqrt{0.66545 * 0.33455 \left(\frac{1}{102} + \frac{1}{102}\right)}}$$

$$|Z| = 5.4533$$

**Appendix-IV**  
**Societies Response Towards Respondents Decision Making and Leadership**

Test statistic  $H_0$ ,

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

Where,

O = Observed Frequency

E = Expected Frequency =  $\frac{\text{Row Total} * \text{Column Total}}{n}$

n = No. of observation

Calculation of Chi-Square

Cell	O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E	Cell	O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
c11	1	0.9706	0.0009	0.0009	c34	0	0.3137	0.0984	0.3137
c12	9	6.5784	5.8640	0.8914	c35	0	0.0000	0.0000	0.0000
c13	1	3.3431	5.4903	1.6423	c41	1	2.2941	1.6747	0.7300
c14	0	0.1078	0.0116	0.1078	c42	13	15.5490	6.4975	0.4179
c15	0	0.0000	0.0000	0.0000	c43	11	7.9020	9.5978	1.2146
c21	3	2.8235	0.0311	0.0110	c44	1	0.2549	0.5552	2.1780
c22	17	19.1373	4.5679	0.2387	c45	0	0.0000	0.0000	0.0000
c23	12	9.7255	5.1734	0.5319	c51	1	0.0882	0.8313	9.4216
c24	0	0.3137	0.0984	0.3137	c52	1	0.5980	0.1616	0.2702
c25	0	0.0000	0.0000	0.0000	c53	0	0.3039	0.0924	0.3039
c31	4	2.8235	1.3841	0.4902	c54	0	0.0098	0.0001	0.0098
c32	21	19.1373	3.4698	0.1813	c55	0	0.0000	0.0000	0.0000
c33	7	9.7255	7.4283	0.7638	Sum Total				20.0328

Calculated value of  $x^2 = 20.0328$

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

Tabulated value of  $x^2$  at 5% level of significance with 4 degree of freedom is 9.488.

**Appendix-V**  
**Income of Respondents**

Monthly Income (Rs.)	Midpoint (X)	Before MFP Frequency (F <sub>1</sub> )	F <sub>1</sub> X	After MFP Frequency (F <sub>2</sub> )	F <sub>2</sub> X	d = F <sub>1</sub> X - F <sub>2</sub> X	d <sup>2</sup>
0-5,000	2,500	70	1,75,000	7	17,500	-17,430	30,38,04,900
5,000-10,000	7,500	12	90,000	42	3,15,000	-3,14,988	99,21,74,40,144
10,000-15,000	12,500	7	87,500	30	3,75,000	-3,74,993	1,40,61,97,50,049
15,000-20,000	17,500	7	1,22,500	9	1,57,500	-1,57,493	24,80,40,45,049
Above 20,000	22,500	6	1,35,000	14	3,15,000	-3,14,994	99,22,12,20,036
Sum Total		102	6,10,000	102	11,80,000	-11,79,898	3,64,16,62,60,178

**Calculation of mean income before and after involving MFP**

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

$$\bar{X}_1 = \frac{\sum f_1 X}{N} = \frac{6,10,000}{102} = 5,980.39$$

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

$$\bar{X}_2 = \frac{\sum f_2 X}{N} = \frac{11,80,000}{102} = 11,568.63$$

**Pair t- test**

Now, mean of difference ( $\bar{d}$ ) =  $\frac{\sum d}{n} = \frac{-11,79,898}{102} = -11,567.62745$

Sample s.d. of the difference (s.d.) =  $\sqrt{\frac{1}{n-1} \left[ \sum d^2 - \frac{(\sum d)^2}{n} \right]}$  = 3,47,04,71,680

Now,  $t_{cal} = \frac{\bar{d}}{\frac{s.d.}{\sqrt{n}}} = -3.3663$

Therefore,  $|t_{cal}| = 3.3663$

Here, Degree of freedom = n-1 = 102-1 = 101 and Level of significance = 5%

Since, tabulated value at 5% level of significance and 101 degree of freedom for one tail test is near about 1.660 (at 100 d.f.). Calculated value is greater than tabulated value.

**Summary of income level of respondents before and after involving MFP.**

	Before MFPS	After MFPS	Result
Average income level (Rs.)	5,980.39	11,568.63	93.44% (increased)