

**ROLE OF MICRO-FINANCE ON WOMEN EMPOWERMENT: A SURVEY  
STUDY OF GELU VILLAGE OF MANTHALI MUNICIPALITY,  
RAMECHHAP**

**A Thesis Submitted to  
Central Department of Rural Development,  
Tribhuvan University,  
In Partial Fulfillment of the Requirements for the  
Degree of the Master of Arts (M A)  
In  
Rural Development**

**By  
PUSHKAR DIP BUDHA  
Central Department of Rural Development  
Tribhuvan University, Kathmandu  
T U Regd. 3564-93  
Exam Roll No. 281078  
February, 2018**

**RECOMMENDATION LETTER**

The thesis entitled “Role of Micro-Finance Program on Women Empowerment: A Survey Study of Gelu Village of Manthali Municipality, Ramechhap District” has been prepared by Mr. Pushkar Dip Budha under my guidance and supervision. I hereby forward this thesis to the evaluation committee for the final evaluation and approval.

---

Rajan Binayek Pasa

Thesis Supervisor

Central Department of Rural Development

Date: 7<sup>th</sup> January 2018

## **APPROVAL LETTER**

The thesis entitled “Role of Micro-Finance Program on Women Empowerment: A Survey Study of Gelu Village of Manthali Municipality, Ramechhap District” submitted by Pushkar Dip Budha in partial fulfillment of the requirements for the Master’s Degree (MA) in Rural Development has been approved by the evaluation committee.

### **Evaluation Committee**

---

Prof. Dr. Pushpa Kamal Subedi  
Head of the Department  
Central Department of Rural Development

---

Ramesh Neupane  
External Examiner

---

Rajan Binayek Pasa  
Thesis Supervisor

Date: 14<sup>th</sup> January 2018

## DECLARATION

I hereby declare that the thesis entitled “Role of Micro-finance Program on Women Empowerment: a Survey Study of Gelu Village of Manthali Municipality, Ramechhap District” submitted to the central department of rural development, Tribhuvan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of writing this thesis. The result of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purpose. I assure that no part of the content of this thesis has been published in any form before.

---

Pushkar Dip Budha  
Degree Candidate

Date: 7<sup>th</sup> January 2018

## ACKNOWLEDGEMENTS

Firstly, I would like to express my sincere gratitude to my supervisor Rajan Binayek Pasa, Central Department of Rural Development, Tribhuvan University for the continuous support of my thesis research, for his patience, motivation, and immense knowledge. His guidance helped me in all the time of research and writing of this thesis. His constructive comments, untiring help, guidance and practical suggestions inspired me a lot accomplish this work successfully.

I would also like to thank all the professor, Lectures of Central Department of Rural Development for their continuous help, support and guidelines during two years in the University.

Similarly, I acknowledge to Tribhuvan University Central Library of Kirtipur and Library of Central Department of Rural Development for making required, books, journals and reports of past literature available.

I would also like to thank all my friends of Central Department of Rural Development for their outstanding company during my two year study in the University and their valuable contribution in preparing this report. I am also grateful to all my friends who provided me materials support to accomplish the work.

Last, but not least, my deep love and respect goes to my parents, my younger sister Sarita Budhathoki and all my family members who always inspire and help me a lot to build my educational career. I would like to heartly thanks to all my Gelu VDC's women and . all the key informants, other respondents and related stakeholders who patiently answered the questions regarding the research in spite of their busy schedule which incented me to widen my research from various perspectives. directly or indirectly provided good environment and encouraged me during the time of research.

---

Pushkar Dip Budha

Date: 7<sup>th</sup> January 2018

## ABSTRACT

This study analyzed role of Micro finance program on women empowerment. To the end, the objectives of the study were to examine social-economic situation of selected households, to assess the saving and credit status of women and to analyze changing social and economic status of the women in the community. More so, the study followed survey research design in which both primary/secondary data were used. Purposive sampling method was used to select 86 respondents out of 185 women involving in micro financed programs.

The study found that, out of 86 respondents, 4.65 percent had said that credit interest rate was high and the remaining 95.34 percent had said it was reasonable. The study found that microfinance takes various kinds of loan products from its members such as; animal husbandry, agriculture, education, seasonal vegetables, youth self-employment, bio-gas and business. The Majority of the respondents were satisfied with the interest rate of MFs. The study found that most of the respondents i.e., 79.06 percent were satisfied with the client service system of MF and only 20.93 percent were not satisfied. Similarly, because of micro finance program, women including their family members are involving in various sectors of economy. They are learning different skills and wanted to use it with the help of microfinance. They were saving money as well as creating the base of additional support in the form of credit. Microfinance helped to promote saving habits, invest loan with reasonable interest rate to fulfill the financial necessities of its members and also improved thereby socio-economic condition. After entry in microfinance program, 46.67 percent of the respondents are performing commercial farming whereas 17 percent are involving in local business and other income generates activities. That has successfully changed their level of income, food sufficiency, consumption patterns, clothing patterns, and sheltering patterns as well as changed their educational, health and political status in the community.

## TABLE OF CONTENTS

<b>DECLARATION</b>	<b>II</b>
<b>LETTER OF RECOMMENDATION</b>	<b>III</b>
<b>LETTER OF APPROVAL</b>	<b>IV</b>
<b>ACKNOWLEDGEMENTS</b>	<b>V</b>
<b>ABSTRACT</b>	<b>VI</b>
<b>TABLE OF CONTENTS</b>	<b>VIII</b>
<b>LIST OF TABLES</b>	<b>XI</b>
<b>ACRONYMS</b>	<b>XII</b>
<b>CHAPTER -ONE: INTRODUCTION</b>	<b>1-7</b>
1.1 Background of the Study	1
1.1.1. Microfinance and Women Empowerment	3
1.2 Statement of the Problem	4
1.3 Objectives of the Study	6
1.4 Significance of the Study	6
1.5 Limitation of the Study	7
1.6 Organization of the Study	7
<b>CHAPTER - TWO: LITERATURE REVIEW</b>	<b>8-19</b>
2.1 Theoretical Review	8
2.2 Review of Previous Studies	11
<b>CHAPTER - THREE: RESEARCH METHODOLOGY</b>	<b>20-23</b>
3.1 Research Design	20
3.2 Study Area and its Rationale	20
3.3 Population and Sample Procedure	21
3.4 Nature and Sources of Data	21
3.5 Data Collection Tools and Techniques	22
3.6 Method of Data Analysis	22
3.7 Ethical Consideration	22
<b>CHAPTER -FOUR: DATA PRESENTATION AND ANALYSIS</b>	<b>24-43</b>
4.1 Socio-Economic Characteristics of the Respondents	24
4.1.1 Age Group of the Respondents	24
4.1.2 Educational Status	25

4.1.3	Religion	26
4.1.4	Caste and Ethnicity	26
4.1.5	Types of Family	27
4.1.6	Marital Status	27
4.1.7	Landholding	28
4.1.8	Types of House	29
4.1.9	Household Head	30
4.2	Saving and Credit Status on Microfinance	31
4.2.1	Saving Products by Microfinance	31
4.2.2	Scheme of Loan Products of Microfinance to its Members	32
4.2.3	Interest Status of Credit: Respondents' Views	33
4.2.4	Respondents' View on Availability of Credit Facilities	33
4.2.5	Respondents' View on Client Service System of Microfinance	34
4.2.6	Benefits from Microfinance on Rural Women	34
4.3	Changing Status of Rural Women	35
4.3.1	Change on Occupation	35
4.3.2	Change on Income Level of the Respondents	37
4.3.3	Change on Small Industry	37
4.3.4	Changes in Economic Condition of the Respondents	38
4.3.5	Change on Food Sufficiency due to Microfinance	39
4.3.6	Consumption Patterns	40
4.3.7	Change in Clothing Patterns	40
4.3.8	Sheltering Patterns	41
4.3.9	Change in Education	42
4.3.10	Change in Health	43

**CHAPTER - FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND SUGGESTIONS 44-50**

5.1	Summary of Findings	44
5.2	Conclusions	48
5.3	Suggestions	49

**REFERENCES**

**APPENDICES**



## LIST OF TABLES

Table No.		Page No.
Table 4.1:	Age Group of the Respondents	24
Table 4.2:	Educational Status	25
Table 4.3:	Distribution of Religion	26
Table 4.4:	Caste and Ethnic Composition	26
Table 4.5:	Types of Family	27
Table 4.6:	Marital Status of the Respondents	28
Table 4.7:	Landholding of the Respondents	29
Table 4.8:	Types of House	29
Table 4.9:	Household Head	30
Table 4.10:	Saving Products by Microfinance	31
Table 4.11:	Scheme of Loan Products of MFs to its Members	32
Table 4.12:	Interest Status of Credit: Respondents' View	33
Table 4.13:	Availability of Credit Facilities	33
Table 4.14:	Respondents' Views on Client Service System of Microfinance	34
Table 4.15:	Occupations Before and After Entry in Microfinance	36
Table 4.16:	Change on Income Level	37
Table 4.17:	Changes on Small Industry	38
Table 4.18:	Changes in the Economic Condition	39
Table 4.19:	Impacts on Food Sufficiency due to Microfinance	39
Table 4.20:	Consumption Patterns	40
Table 4.21:	Change in Clothing Patterns	41
Table 4.22:	Sheltering Patterns	42
Table 4.23:	Educational Status	42
Table 4.24:	Distribution of Respondents Changing Health Status	43

## ABBREVIATIONS/ACRONYMS

ADB	-	Asian Development Bank
CECI	-	Canadian Centre for International Studies
CMF	-	Centre for Microfinance
GAD	-	Gender and Development
GBB	-	Grameen Bikash Bank
GDP	-	Gross Domestic Product
HDI	-	Human Development Index
HDR	-	Human Development Programme
INGO	-	International Non-Government Organization
IRDP	-	Integrated Rural Development Programme
MCP	-	Micro Credit Programme
MCPW	-	Micro Credit Programme for Women
MCPW	-	Micro Credit Project for Women
MLD	-	Ministry of Local Development
NGO	-	Non Government Organization
NPC	-	National Planning Commission
NRB	-	Nepal Rastra Bank
PCRW	-	Production Credit for Rural Women
RMDC	-	Rural Micro-Finance Development Centre
RRDB	-	Regional Rural Development Programme
RSRF	-	Rural Self Reliance Fund
SBP	-	Self-help Banking Programme
SFCL	-	Small Farmer Co-Operative Limited
SFDP	-	Small Farmer Development Programme
SFDP	-	Small Farmer Development Programme
UN	-	United Nation
UNDP	-	United National Development Programme
VDC	-	Village Development Committee
WAD	-	Women and Development
WDD	-	Women Development Division
WDS	-	Women development section
WID	-	Women in Development

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

We all know the old saying that "male and female are two wheels of a cart". If we take society as a cart, the role of women in social development is crucial that results in national development as a whole, until women are socially mobilized in our traditional patriarchal society, their participation in different social activities remains nominal. The participation of women in social activities cannot be assured until the attitude of our male dominated society towards their participation in social activities is taken positively.

In Nepal, the status of women in different sectors is miserable in comparison to that of man. The status of women in rural areas is rather upsetting. Women are still victimized by the discrimination, violence, prejudice and inferiority complex because of male domination in different sectors and levels. It has been clear that women's empowerment in society is still nominal. They are not given opportunity in different decisions making activities that makes women's participation in different sectors less important.

The census 2011 shows 57.4 percent female literacy in comparison to 75.1 percent of the male and out of the total population of Nepal, nearly 51.50 percent (13645423) is occupied by the population of Nepal. In the subsistence -based economy of Nepal women contribute in the area of agriculture but their work is invisible to their families, communities and country. Most of the women are self-employed but their experience and expertise are not recognized by society whether in villages or cities. The life of most women is a struggle against the odds. Women lack self- confidence in their own inherent skills because they are deprived of opportunities in all area of life. If given the chance women will be able to lead with confidence.

The man is the head of the family and its breadwinner, while the women is the procreator and housekeeper. Women are assigned to perform household activities like cooking, washing, cattle rearing and looking after the children. As mentioned earlier, it is men in particular kind of society who ensure, construct reinforce and perpetuate

the social structure due to the underlying patriarchy and by virtue of this power and control over women, feminists particularly those who held a radical position in feminism and affirmed that "personal is political" argued strongly that violence against women is necessarily neither a women's issue, nor a feminist one. It is an outcome of patriarchy; therefore it is a men's Issue (Mishra 2003). In rural villages women have started empowering themselves through the formation of their own groups-Mother's Group. Such groups seem to be playing important role for women's empowerment. Establishment of mothers Group at local level has at least united women for their common goal of increasing their participation in community development. However, such groups are not getting proper support and guidance from the government and community itself. This study will be carried out to answer

Women comprising half of the total population have lower status than men, by tradition they are largely restricted in mobility and access to information and education. The status of Nepalese women has been deeply affected by the various religious practices have seriously affected the role and status of women. The United Nation has defined the status of women in the context of their access to knowledge, economic resources and political power and their personal autonomy in the process of decision making. When status of Nepalese women's is analyzed in this light it is generally found bleak. In this regard various attempts have been made to introduce micro-credit schemes to raise women's status in global perspective (Acharya & Bennet, 1982).

Though the history of micro-credit started since 1950s, its importance has increased when Regional Rural Development Banks (RRDB) were established in 1992 by Government of Nepal and Nepal Rastra Bank as replication of Grameen Bank of Bangladesh, focusing on extremely poor women. The main objective of RRDB is to empower rural women economically by providing them economic opportunities which in turn empowers them socially, economically, politically and psychologically. The income and saving of women play a vital role in their decision making, promoting health and healthy behavior (Upreti, 2015).

The impact of microfinance is a subject of much controversy. Proponents state that it reduces poverty through higher employment and higher incomes. This is expected to lead to improved nutrition and improved education of the borrowers' children. Some

argue that micro credit empowers women. In the context of our country, it is argued that micro credit helps recipients to graduate from welfare programs. Critics say that micro credit has not increased incomes, but has driven poor households into a debt trap, in some cases even leading to suicide. They add that the money from loans is often used for durable consumer goods or consumption instead of being used for productive investments, that it fails to empower women, and that it has not improved health or education. Moreover, as the access to micro-loans is widespread, borrowers tend to acquire several loans from different companies, making it nearly impossible to pay the debt back. This is important because microfinance loan recipients have a higher level of security in repaying the loans and a lower level of risk in failing to repay them (Acharya, 1997).

### **1.1.1. Microfinance and Women Empowerment**

A majority of microfinance programs target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Whereas, other believe that investing in women's capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic growth and development.

It has been well-documented that an increase in women's resources results in the well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's rights and independence.

Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

Ranjula Bali Swain (2007) *Can Microfinance Empower Women? Self-Help Groups in India* concluded many strides have been made in the right direction and women are in the process of empowering themselves and NGOs that provide support in financial

services and specialized training, have a greater ability to make a positive impact on women empowerment.

Susy Cheston, Lisa Kuhn in their article titled 'Empowering Women through Microfinance' concluded Microfinance has the potential to have a powerful impact on women's empowerment.

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

Women's empowerment is the process of generating and building capabilities of women to exercise and control over one's own life. It is understood to mean the ability of women to make choices to improve their well being and that of their and families and communities. According to the USAID Nepal. Women's empowerment as defined by the rural Nepali women is a complex set of conditions, being knowledgeable skilled and confident, having the ability and willingness to share, time skills and able to speak in public, earn money and generally be able to stand on own feet in the development sectors empowerment of the women are more pronounced as it is the key of women's social, cultural, economic and political development and sustainable growth of the nation. Empowerment refers to increasing the spiritual, political, social, or economic strength of individuals and communities. It often involves the empowered developing confidence in their own capacities.

## **1.2 Statement of the Problems**

Microfinance is a small scale financial support made available to poor people in order to support them in lifting out of poverty. It aims to support poor women toward their empowerment. Generally, loans are provided in the group by the micro credit provider institutions. Loans are extended to individual; each member is liable for repayment of each loan taken out within the group. Also if any loan is defaulted, all members within the group are denied any future loans. Some micro credit lenders also enforce a mandatory group savings fund, so a small amount of collateral can be built up to

cover any shortfalls. This allows the use of peer pressure as a collateral substitute, reducing the risks. A member with incentive to default (moral hazard) will not due to the social repercussions of doing so. As well as increasing the community, causing personal transformation and improving individual capabilities to be able to formulate strategic choices for their lives (Malhotra, 2002).

Women who comprise half of the population of the country; have always been involved in national development, they are still marginalized from the opportunities such economic resources as property, income and employment as well as other resources due to illiteracy, ill-health, poverty and conservative social taboos. In a country like Nepal, poor women face double disadvantages; less access to resources and information/skill. Owing to the above facts Nepal has lower index of Gender Related Development Index, which shows the wide disparity between men and women regarding the achievement in life expectancy, educational attainment and income (Paudal, 2014).

Tasqurun (2011) argues that women's development can be viewed in terms of five levels of equality, of which empowerment an essential element at each level is. They are: welfare, access, participation and control. A tremendous growth in the number of financial institutions in Nepal has been witnessed in the last two decades. But access to bank is very difficult for the poor. To get loan from banks and financial institutions sufficient collateral is needed which the poor are deprived. The case of women is harder. To borrow a loan from microfinance institutions, no collateral is needed or group guarantee is sufficient and loan processing is also easy.

The present study is made to seek the solution of these questions:

- What is the social-economic situation of selected households?
- What is the saving and credit status of microfinance program on women empowerment?
- What is the changing status of rural women through microfinance programme in community development?

### **1.3 Objectives of the Study**

The general objective of this study is to investigate and examine the women empowerment through micro-finance program in rural area. The specific objectives of this study are:

- To examine social-economic situation of selected households.
- To assess saving and credit habits of women in microfinance program.
- To analyze impact of microfinance programs on women empowerment.

### **1.4 Significance of the Study**

Generally, Nepalese rural women are poorer citizen among the poor. It is assumed that microfinance facilities provide to deprived and disadvantaged rural poor women breaking vicious circle of poverty becomes comfort. Microfinance programs have been taken as the remedial tool to remove this poverty and make them empower. It is said that microfinance has been proved to be a most significant facilitator for women empowerment and it is a n inevitable means of breaking the vicious circle of poverty and to uplift the economic status of the poor women. Nepal initiated rural micro-financing since 1970 through the establishment of credit cooperatives, implementation of Priority Sector Credit Program and Small Farmer Development Program (SEDP). However, this present study only covers the use side of the fund and its impact on women development. The goal of micro credit services is to create income and employment opportunities for the rural people especially women and low caste communities. The ninth Plan (1997-2002) of country considered rural credit as a key of poverty reduction in targeted areas and communities. In resent decade it has been realized that the status of women has been improved partly because of microfinance programs.

Many I/NGOs and various institutions are working in the field of microfinance to empower women in all factors (PAF, 2073).The study is important because in Nepal the government and its central bank have initiated micro credit program since three decades as a means of women empowerment through poverty reduction. Although the study has its specific objectives it is intended to examine the main goal of microfinance ie. Self-economic reliance, access to and control over capital, participation in decision making process in household as well as community affairs.



The study observes and evaluates the impacts of microfinance programme to the beneficiaries. Thus through the study the impact of the microfinance programme can be assessed and attempts can be made to cure possible defects and strengthen this programme.

### **1.5 Limitations of the Study**

No study can be free from its own limitations. So, the present study has also some limitations. This study is simply presented to fulfill a partial requirement of MA. Degree in Rural Development. So, it is not a comprehensive study and is focused to analyze certain aspects of microfinance. The limitations of this study are: This study is specific in socio-economic studies. The conclusion might not be generalized for the whole. The study is fully based on my financial resources and it is to be conducted and submitted with a time constraint. Further, the study is not final study on the subject as it is a study prepared in the partial fulfillment of requirement for Master Degree thesis. Simple statistical and financial tools are used in the study. This study completely based on and limited to the beneficiaries women group and credit institutions formed and operating within the territory of Manthali Municipality ward no. 12 (Gelu), Ramechhap District. The inferences and generalization made in the study are based on primary data from respondent's interviews. All the interviews are conducted in the one settlement. As secondary data sources, women representation in various local organizations are collected by institutional mapping. The focus of the study is on changing socio-economic status and empowerment through microfinance.

### **1.6 Organization of the Study**

This study is organized in five chapters. The first chapter includes Introduction of the study and this chapter is divided into general background, statement of the problem, objectives of the study, significance of the study, research methodology, and limitation of the study and organization of the study. The second chapter included literature review which included theoretical review, local governance, decentralization practices and empirical review. Third chapter include research methodology. The fourth chapter gives data presentation and analysis. At last fifth chapter gives summary of the whole study along with conclusion and recommendations.

## CHAPTER TWO

### REVIEW OF LITERATURE

#### 2.1 Conceptual Review

Small Farmer Development Program, a well-structured and pioneer group based and physical collateral free micro-credit program to cater financial needs of the small farmers, was initiated as a pilot project in November, 1975 by Agricultural Development Bank (ADB/N). The program which covers the entire country, aims at organizing "Small Farmer "into small credit groups and provide credit on a group guarantee basis. The main objective of this program is to improve the overall wellbeing of the small farmers through provision of basic inputs e.g. micro-credit, technology, training, and other related social and community development services.

The program also provides training and other inputs and technician services to assist the small farmer productive activity. A process of institutionalizing the small farmer groups into the "Small Farmer Co-Operative Limited (SFCL)" has been initiated since 1993/94. The purpose of this initiative is to create locally-owned and managed MFIs that can take over the activities of SFDP on a self sustaining basis. 'By mid January 2003, 125 such SFCLs are in operation in 32 districts. Up to that period SFCLs has been providing Rs 1829 million, here Rs.849 million rupees have been recovered whereas saving amount was reached to Rs.165 million (GAP , 2013).

The ministry of local development (MLD) in collaboration with UNICEF, NRB, CBs and ADB/N initiated the first women focused socioeconomic program "Production credit for Rural Women (PCR "in 1982. It is a gender based program. This program involved organization of poor women into small credit groups and appropriate skill training by the MLD staff and extension of group based loans by the participating banks.

The main objective of this program is to uplift the socio-economic status of rural women. For this, the program increases the income of rural women by participating them into productive activities associating with regular credit facilities. It needs to form the self-reliance women's group because in it women are able to tackle their

problem and fulfill their needs. The program also strengthens the ability of the banks to serve women in rural areas. The program had covered 67 districts by July 2000. As of mid-July 2000, CBS and ADE/N disbursed a total loan of more than Rs.831.2 million to 74571 rural women through 163 bank branches in 67 districts. Total outstanding loan has been estimated as 546 million (AOC, 2013).

The program follows a simple implementation mechanism. The women development division (WDD) motivates women to form group of appropriate size from layer of low income and helps to obtain credit from different banks. Loans are delivered for productive activities such as agriculture, livestock, cottage industries, small enterprises, and trade and service sectors. PCRW has presented a unique feature that it utilizes commercial bank's financial resources allocated and disbursed under the priority sector program of intensive banking program and the credit funds made available through ADB/N and donors. Here it is noted that by mid-July 1997, over 260,000 borrowers of all categories were benefited by the [BF of commercial bank with outstanding loan of Rs.2.2 billion. Unlike SFDP, women member of PCRW receive bank credit without any physical collateral up to R330 thousand at a concessional rate of interest under the priority sector lending program. The women development section (WDS) also encourages women members of the group to save regularly. Different mechanisms are used to mobilize saving i.e. either compulsory or voluntary saving schemes. Savings have been used for financial formation as well as consumption needs of the group members into productive activities. The activities like training, group organization, community development inputs and services etc. required for capacity development of the groups are delivered in assistance of multilateral and bilateral donors arranged by the government. The capacity measures are found to be instrumental in making credit more productive (ADB, 2001).

Learning lesson from the PCRW program, microfinance project for women (MCPW) was initiated in 1994 by the government of Nepal under financial assistance of Asian Development Bank (ADB) with an objective of developing NGOs as appropriate financial intermediaries that would provide quality micro credit services to the rural poor women over time. "The project is under implementation through 95 NGOs in 12 borrowers with an outstanding loan of Rs 18.13 million (GAP, 2013).

To provide an access of credit to the women in both the rural and urban areas is the primary objective of this program while issues like poverty reduction and human development are regarded as secondary objective. The overall objective of this program is however to improve the socio-economic status of women and promote their participation in national development. In order to have this goal, the aim of this project is to generate income and employment in selected rural and urban areas.

Rural self reliance fund was established in 1990 by the government of Nepal, as a pilot-scheme, with the objective of providing wholesales loan to financial intermediaries (SCCs and NGOs) that had difficulty in obtaining access to credit for on lending to the rural poor. Nepal Rastra Bank Development Finance Department is the executing agency of this program. This program is the first step in Nepal in the direction of exploring alternative means of credit delivery to the poor. RSRF provides credit on the installment basis based on the performance of the borrowing institutions. The internal rate charged by the fund is just 8% and it returns 75% of interest if the concerned institutions repay principal and interest on the schedule time so that, the effective interest rate is just 2 percent (AOC, 2013).

The targeted group of the fund is the individual households holding less than 15 ropanis of land in the hills or less than 1 bigah of land in the Terai. The SCSs or NGOs who act as financial intermediaries between the fund and the beneficiaries (target group) are responsible for social mobilization, group formation, skill training, saving mobilization, demand assessment, loan approval, disbursement and supervision and flow ups. Loan is provided up to Rs. 30,000 without any physical collateral depending on group approach or liabilities. The SCCs or NGOs may on lend the loan from the fund only in those VDCs and municipalities where no more than 3 commercial bank or their branches (including banking offices of Agriculture development Bank).

But SRSF stopped lending to the NGOs since 1998/99 for the reason that financial intermediary society Act, 1998 had not allowed NGOs to accept saving, and RSRF's one of the policies being that of lending a SCC or NGO to the extent of ten times the saving it had collected. Now the amended version of FISA allows FI-NGOs to collect saving from their group members, therefore, NRB needs to take initiatives to make RSRS funds available to the FINGOS as earlier. For RSRF to continue lending to

FINGOs does not have to wait for amendment in the financial intermediary society by laws. It can be done internally with little bit of push from NRB. Such an initiative would improve access of RSRF fund to the FI-NGO that are not served by RMDC its strict . “It has disbursed loans equivalent to Rs. 36.8 million through 50 NGOs in 26 districts and 159 cooperatives in 40 districts as of mid July 2004, hence 8996 households of 47 districts were benefited as mid July 2004. NRB has been contributing to this fund from its profit each year. In FY 2003/04 NRB provided the fund with Rs. 74.8 million. From FY 2003/04, the fund has been successful to operate on its own income” (GAP, 2013).

## **2.2 Review of Previous Studies**

Sharma (2013) has tried to analyze the problems faced by MFIs/ Programs in attaining financial sustainability. The presentation begins describing theoretical concept and ends connecting it with Nepalese context. Financial sustainability refers to the extent to which a MFI, in addition to being financially viable, mobilizes its own financial resources internally, that is, through equity, deposits, and retained profits instead of depending on govt. or donor resources.

Shrestha (2014) wrote about the conceptual clarity of the term 'empowerment'. According to her, the term empowerment includes the following, or similar, capabilities: such as the ability to make decisions about personal/collective circumstances, the ability to access information and resources for decision-making, ability to consider a range of options from which to choose, ability to exercise assertiveness in collective decision making, having positive-thinking about the ability to make change, ability to learn and access skills for improving personal/collective circumstance, ability to inform others' perceptions through exchange, education and engagement and involving in the growth process and changes that is never ending. This shows that the term empowerment has a broad sense of meaning and covers a wide range of activities. Specifically, it covers the role and ability in decision making, access and skills for improving collective circumstance, ability to change others through owns' decisions and capacity as well as ability to convince others.

Kattel (2014) has found cooperatives as the major tool for rural development in under developed countries. He has further mentioned that in Nepal, cooperatives run by

members and contributing too much for self employment generation and to reduce gender discrimination. The savers and borrowers in micro-finance program from different countries give their views on the financial services they use and on the roles these services have played in their economic and households activities. To assess the impact of MFI's in general questions are asked, such as; poor people understand micro-finance help the economically active poor expand and diversify their enterprises and increase their incomes? Can access to financial services enhance the quality of life of the clients of micro-finance institutions? Can access to micro-finance help economically active poor in terms of severe household's difficulty? And can successful micro-finance institutions promote the self-confidence of their clients? The choices of the clients heard in this chapter provide strong indication that the answers to all these questions are yes. But, these clients are among the small minority of the economically active poor who have access to micro-finance institutions.

Shrestha (2014) conducted a study on "Micro-Credit Programme for Women empowerment" has mentioned about savers and borrowers in micro-finance program from different countries give their views on the financial services they use and on the roles these services have played in their economic and households activities. To assess the impact of MFI's in general questions are asked. Such as, poor people understand micro-finance help the economically active poor expand and diversify their enterprises and increase their incomes? Can access to financial services enhance the quality of life of the clients of micro-finance institutions? Can access to micro-finance help economically active poor in times of severe household's difficulty? And can successful micro-finance institutions promote the self-confidence of their clients? The choices of the clients heard in this chapter provide strong indication that the answers to all these questions are yes. But these clients are among the small minority of the economically active poor who have access to micro-finance institutions.

Tamang (2014) has conducted the study on the role of Micro Finance to uplift socio-economic condition of rural poor members of Nepal. This study is basically focused on the micro study of micro finance program. It is intended to find out the consequence of Micro finance program in the specific study area. The universe of study area of Fikkal branch has 117 centers and 2010 members. The sample size of the universe is 20 centers 120 members. The simple random sampling method is used,

in which each center has taken 6 members. The study has been focused on only micro finance program of Nirdhan Utthan Bank. It was found that the middle poor possessed such assets more than the very poor. This means that even after receiving services for more than five years, very few clients who are very poor have been able to possess such assets. The general comments received from the clients on loan amount were small loan size; loan amount is not enough to start new business. The general comments received from the clients on the interest rate is high and, the Interest is rate less for land. The general comments received on loan duration were the period of loan which is not enough so, it is not possible to repay installment. The general comments received from the clients on repayment schedules were installments in place of existing installments to repay easily. Most of the clients were found satisfied with the saving services of NUBL. The major reasons cited by the respondents led to the problem of repaying back the loan included small loan size which is not enough to initiate business, .

Rimal (2015) has mentioned in his thesis entitled “Role of cooperative in income generating activities for rural development. A Case Study of Unnatisil Cooperative Ltd. Swyambhu-15, Kathmandu District”. The main focus of the study to find out the effectiveness of cooperative credit for rural development. Cooperatives are often blamed for are efficiency. Though there are shine examples of successful and vibrant cooperatives yet a large number continues to face criticism not only from their own members but also from other segments of the society. They not only service the members but also service their family and the community. Any amount of aid or assistance given to primary societies or to any institution from external sources tends to weaken the institution more than anything else. The key factor in the management of cooperatives the participation by members.

Bista (2016) has studied on "Socio economic impact of micro credit among women". This study has raised issue about Women's empowerment and impact of MCP. To identify the socio-economic impact of MCP, respondent's before and after various conditions are taken from primary sources and tested by using various tools. Eventually following conclusions can be drawn from this study. The literature shows that the evolution of microfinance is to bring the deprived group, gender and class in the mainstream of development process. The main objective of a micro credit

program is to provide quality service to the largest number of people who are deprived from formal banking services because of various bounds. Because of the patriarchal society, women are much deprived from resources. Mainly, constraints are single authority of men in control over assets, and decision in allocation of resources in existing patriarchal society. Even societal level decisions are made by men and this will have impacts in turn at family level gender relationships. In the light of above discussion, it appears that women's economic empowerment is the key area to their advancement and first step to their overall development through microfinance of rural women. Most of the poor people of Nepal live in rural areas and have little opportunity. Microfinance could help poor people who have no deposit but willingness to work and a desire to do some business activities from which he/she acquire employment as well as income. Although many programs have been implemented for poverty alleviation in Nepal, the Microfinance Programs are seen as poor targeted and rural based women.

### **2.3 Policy Review**

Millennium Development goals and sustainable development goals equally advocated for women empowerment and poverty reduction have been taken a prime goal. According to the National Planning Commission (NPC) of Nepal, 21.6 percent of the total population is below the poverty line. NPC targets that the country will not remain in the list of least developed. Many MDGs targets such as reducing the proportion of people below national poverty line, achieving 100 per cent enrollment in primary education, reducing child and maternal mortality, and access to improved drinking water facilities have remarkable progress (UN, 2005). However, in the area of employment generation and hunger reduction have seen as challenging.

Policies including Interim Constitution of Nepal, 2007, PSRP and a couple of Three year Interim plans, sectoral policies, programs and projects have focused in addressing the MDGs in last 12 and half years. Not only in the poverty reduction, has the country had to do much on human development as well. Because, Nepal's human development ranking remained 157th, just ahead of Afghanistan (175) among the South Asian countries as stated in Human Development Report, 2013. Gap between poorer and richer has been widened. However, Gini coefficient in the report is 32.8. It was 47.3 previously. Means the gap is becoming larger.



Before preparing the MDGs, Nepal had envisioned the decentralization of the governance structure though that was unitary system. The country has been divided in 5 regions, 75 districts, 58 municipalities and 3915 Village Development committees (VDC). Local Self-Governance Act, 1999 (LSGA, 1999) provided a substantial legal and institutional structure for local governance. LSGA has provisioned a level of devolution of authority to local bodies they are VDCs and District Development Committees (DDCs) for resource mobilization. The local bodies can run development efforts in local level as well. In other words, they can generate revenue in their territorial jurisdiction and can run developmental projects and programs.

For ensuring women empowerment, Nepalese state mechanism has been signed in various national and international level policy instruments. More precisely, after the restoration of the democracy in Nepal, the government has enacted various laws and provisions addressing women issues. In case of Women empowerment, in article 13 (3), it has been quoted that the state will not discriminate any people on the basis of religion, caste, gender, origin and principle of individual (Three- Year Interim Plan, 2007-2009). Besides this, this plan has made provisions for educational loans to the students of disadvantaged community to Following the 'right-based concept', the state has been making policy, legal and institutional reforms and implementing the development programs in order to protect and promote the women's rights by eliminating all forms of discriminations and violence against women. The article 20 has made the following provisions: There will be no discrimination to female on the basis of sex and gender. The National Women Commission (NWC) will be strengthened and made autonomous in order to make its function effectively. Infrastructure, staffing and institutional capacity of women development offices functioning as focal points of contact for gender issues at local levels will be strengthened for effective coordination, facilitation and monitoring of gender equality and women empowerment activities. Capability of community level entities working for women empowerment and the women's NGO agencies as well will be enhanced and made accountable. A special scheme will be set up to deliver basic services at the local level for the benefit of women in the poverty group.

There have been significant achievements in improving the living standards of women through the implementation of various programs including reservation, awareness

against domestic customs and traditional violence, consultation and treatment as well as legal support to the women affected by violence, women's participation in conflict resolution and peace making process, skill and capacity enhancing programs, gender responsive budget, the women development program, conducted for creating the alternative opportunities for poor rural women, will have been expanded in 3043 Village Development Committees by the end of the fiscal year 2009/10. Despite these achievements, considering the coverage and quality, the efforts for the women's political, economic and social empowerment have been remained inadequate

Three Year Plan Approach Paper (2010/11 - 2012/13) has stated that a lot more still has to be done to promote women empowerment. However, the increasing awareness, the efforts made in the constitutional, legal and institutional levels, the execution of gender responsive budget, the qualitative and quantitative increase in the capacity of the institutions working in the field of women's rights have shown great possibilities for the development of this sector in coming days. Because the gender budget system will be expanded up to local level making it more effective, meaningful and institutional in the process of formulation of all sectoral programs. The paper also highlighted that targeted programs will be run for women development in all VDCs; special programs will be carried out targeting the poor and ultra-poor women of the rural areas and the female adolescents. And the role of women in sustainable peace and development will be made capable and strong by empowering them socially, economically and politically. Gender Development Index (GDI) and Gender Empowerment Measurement (GEM) would have been reached 0.592 and 0.549 respectively.

The government of Nepal had attempted to promote microfinance services dates back to 1975. It was recognized as an official poverty alleviation tool only in the country's Sixth Plan. The ninth plan (1977-2002) of country considered rural credit as a key of poverty reduction. Similarly, the 10th plan (2002), claimed as poverty reduction in targeted areas and communities. The 10th plan identified 12 areas to allocate the budget of which women empowerment is one of them. The 11th Plan (2007-2009) also follows the inclusive approach in development and lunch targeted programme. For those objectives GoN focuses the program of various social classes, communities and regions which are unable to join mainstream of development due to economic, social and cultural resource of for backwardness targeted program that program cover

women, Dalits, indigenous people and backward societies. Women have to share with so-called higher caste directly or indirectly because the traditional occupations are not sufficient to fulfill their livelihood. Communities have been affected by the development activities and they are compelled to change their socio-economic activities.

## 2.4 Theoretical Review

The concept of “Women in Development (WID)”, started by various governments to mainstreaming women in development. It rather displaced women from their traditional avenue of employment and resources ownership. Neither has it helped women in getting access to position of power. The failure of ‘WID’ approach replaced by “Women and Development (WAD)” concept. It also failed and new approaches developed “Women Empowerment and Gender and Development (GAD).” The concept of GAD is different from WAD and WID in the fact it recognizes the multi-dimensional nature of women’s subordination and their empowerment as remedy (Acharya, 1997).

Theoretically, Hashemi and Schuler (1993), have mentioned eight different kinds of indicators such as; mobility from household chores, economic security, ability to make small purchase, ability to make larger purchase by her own earned money, involvement in major decisions in households activities, relative freedom from family domination, political and legal awareness and participation in public protest and political campaigning. But in Nepalese context, the term women's empowerment has been viewed through the three basic components of empowerment (Bhattarai, 2009).

**Figure 1: Indicators of Women Empowerment in Nepal**



(Bhattarai, 2009).

The figure highlights the information about social, economic and political empowerment. Here social empowerment implies meaningful access on education and health are basic factors of social empowerment because when women are properly

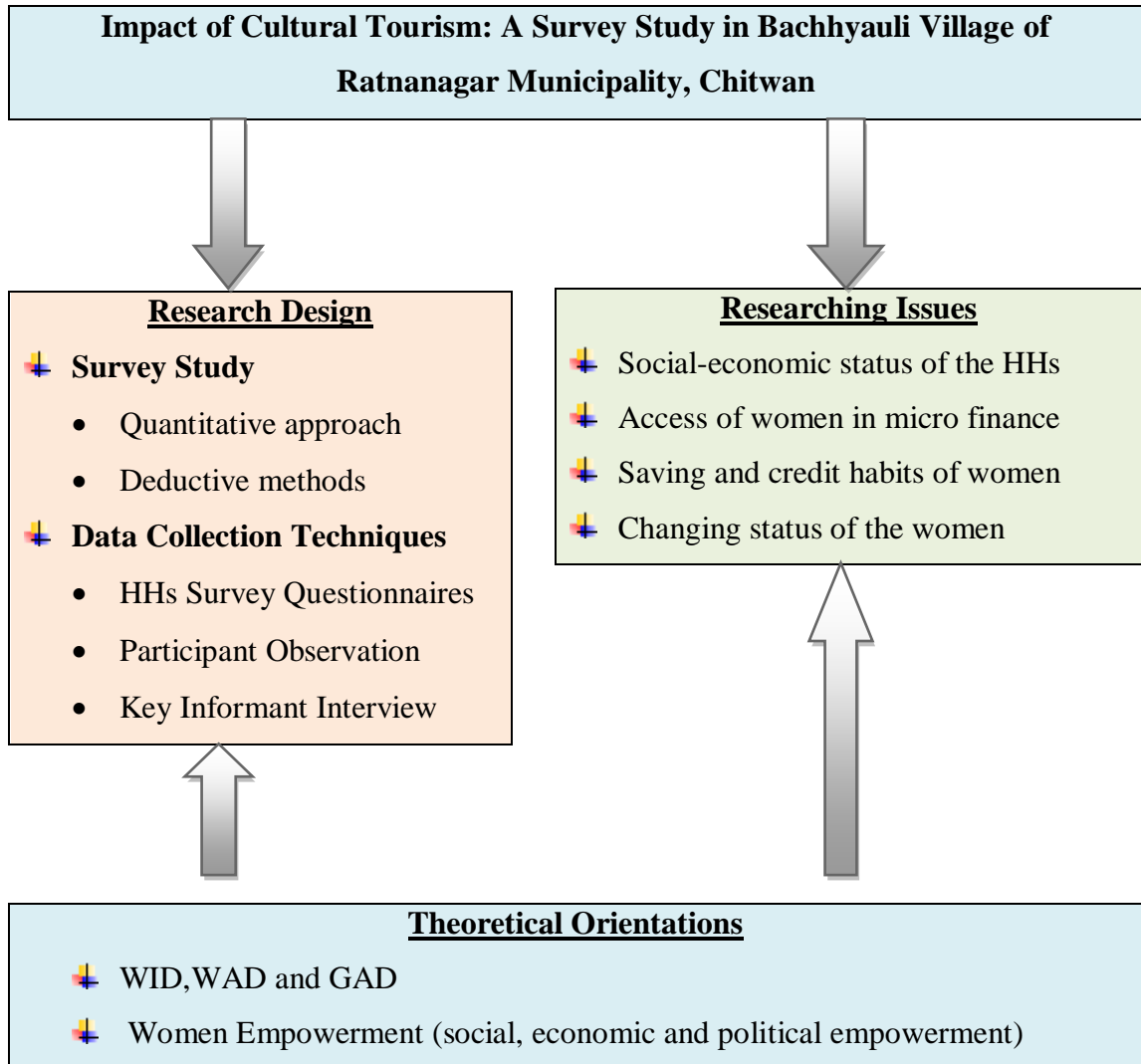
educated and got health facilities, they will be able to compete with others and women's empowerment gives us positive result. Moreover, awareness is another crucial factor of social empowerment which covers a wide range of consciousness not only of the people of illiterate and poor class but also of the people of educated and high ranked classes. It motivates them to provide an environment to women where women can get opportunities to empower themselves.

Similarly, economic empowerment implies that it is the most influential opportunities to boost up the whole empowerment process of women. It denotes women's access and control over economic sectors such as sources of income, financial authority etc. And political empowerment implies unified meaning of negative freedom from arbitrary arrest, exclusion and positive freedom to vote, participate in political life or actual exercise of political freedom to the women. It advocates about the meaningful participation of women in decision making process that advocates about the provision of rights to women (Sharma, 2007). All of these factors affect directly and indirectly the process of women's empowerment. If women get a conducive environment to the above mentioned sectors, women's empowerment smoothly goes ahead. It enhances the development process of both rural and urban sectors. Therefore, Women's empowerment is a necessary tool to uplift the living standard of Nepalese women and to enhance the overall development. In fact, it is a reliable tool to enhance the qualitative development of Nepalese society and to ensure the bright future of modern Nepal.

## **2.5 Conceptual Framework of the Study**

On the basis of conceptual, empirical, policy and theoretical review, the researcher developed conceptual framework to make this study straight forward. In this framework, the researcher has unpacked title, methodology as well as researching issues and theoretical standpoints (see in figure 2)

*Figure 2. Conceptual Framework of the Study*



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study has been carried out on the basis of explanatory and descriptive research design as the study tried to analyze role of micro finance program on women empowerment. Hence, the study followed quantitative research approach and survey method. Survey research design describes the nature and features of existing conditions, identify standards against which existing conditions can be compared and determining the relationships that exist between septic events (Cohen, Menon & Morission, 2007). The essence of survey method is 'questioning individuals on a topic/s and then describing the responses'. Of the various forms of survey, the researcher will apply specialized survey that covers remittance and sustainable livelihood as major subjects in the field of study (UN, 2007).

#### **3.2 Study Area and its Rationale**

Rural women has been selected in the study area, which are from Manthali Municipality ward no. 12 (Gelu), Ramechhap District. There are 1365 households in Manthali municipality and 206 households in selected area at Gelu. The reasons why I have chosen Manthali as study are: I am from Ramechhap, it is accessible for me, I have basic idea that many organizations are working there in the name of women empowerment and what I believe is, being from same I can extract the factual information. There is a trend of involving in the microfinance especially women but there is not any kind of research carried out on any Microfinance. So the study of role of microfinance in uplifting rural women is selected. It means MF institutions have been providing various services such as loan providing, saving, insurances and various training and exposure visit. It has been helping rural women in both social and economic sector.

Microfinance contribution on the overall development of the people residing to this rural area, the effective and sustainable changes in rural economy are significantly praiseworthy for recent study. Though, there are various microfinance established in Ramechhap district. Various micro finances have covered all the aspects of

development required for women's empowerment as well as nation. It has its separate identity among the various finance institutions whose primary function is to uplift the rural people by promoting their basic and fundamental needs to make them as equal as to the urban people. MF is a type of banking service that is provided to unemployed or low-income individuals or groups who otherwise have no other access to financial services.

### 3.3 Population and Sample Procedure

There are 1365 households in Manthali municipality and 206 households in selected area at Gelu. At least one woman from each household is the beneficiaries of the microfinance. In total 206 households, there are 185 women household involved in MFIs which is the total universe of the study. It had selected only 86 respondents by using sample determination formula\* (Krejcie & Morgan, 1970). One respondent from each house has been selected by purposive sampling because this study involved only those women households who are participated in microfinance activities and continuous beneficiaries of microfinance since last three years. The selected respondents are very much familiar to microfinance institutions.

$$\text{*Sample size (n)} = \frac{\chi^2 * N * (1-P)^2}{ME^2(N-1) + (\chi^2 * P * (1-P))}$$

**Where,**

n = required sample size

$\chi^2$  = Chi square (Value\* 3.841 for 5percent confidence level with 1 degree of freedom)

N = Population size

ME = Desired Marginal error (expressed as a proportion)

P = Probability of success (0.5 value for unknown population)

Q= (1-P, i.e. 0.5 value for unknown population)

### 3.4 Nature and Sources of Data

The data is qualitative as well as quantitative in nature. This study is based on the primary as well as secondary data, but the focus is given to the primary data, which has been collected from field survey using structured questionnaire, observation and

interaction with different respondent. The secondary data for research has been collected from the published, unpublished documents, articles, dissertation, journals, books, economic survey etc. These data have been collected from different places such as district profile and municipality profiles.

### **3.5 Data Collection Tools and Techniques**

Data has been collected from various tools and techniques. First of all it has been visited the selected samples and after taking the information about the programme, the field survey has been made.

#### **3.5.1 Household Survey**

To get the primary data, the structured questionnaire has been developed in the topic of age group, Educational status, religion, caste and Ethnic composition, types of family, marital status landholding, house type, household head, saving in MF, loan product of MF to its members, interest Status of Credit: Respondents view, Respondents view on availability of credit facility, respondents view on client service system of MF, Benefits from MF on women.

#### **3.5.2 Key Informant Interview**

Researcher asked about women empowerment through micro finance program informally. These techniques have been useful to provide essential information about the activities of members.

### **3.6 Method of Data Analysis**

The collected data has been coded, edited and finalized the qualitative data has been analyzed and presented at paragraph and quantitative data has been presented in table and graphs, chart etc. by the help of computer software. The computer software has been applied to the processing, classification, tabulation and analysis of data.

### **3.7 Ethical Consideration**

For maintaining ethical consideration in the study, researcher reflected upon the issue of privacy and consent to ignore any kind of biasness (Creswell, 2012). Thereby, privacy of respondents and their attitude towards vocational skills, income,



occupations and work environment were the matter of confidential. Similarly, simple and sweet language was used for communicating this study to the readers. Along with that, reflecting upon the ideas of Kafle, researcher myself was more guided by mainly two ethical aspects: (i) scientific responsibility to commit academic as well as professional career and research subjects so that this study can contribute to yield body of knowledge and, (ii) independence of research that researcher will conduct research more independently by planning independently to ensure the quality of the study and uphold the independence of research (Kafle, 1996).

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

This chapter deals with the analysis and presentation of data, obtained from primary sources. This chapter includes social structure, caste, ethnicity composition of respondents, food habit, religion, education, economic structure, occupational structure, family size, age and gender composition. The data have been interpreted descriptively using simple statistical tools like percentage.

#### 4.1 Socio-Economic Characteristics of the Respondents

##### 4.1.1 Age Group of the Respondents

The members of every age are not economically active and generate income to their family. The young aged girls are involved in education or household activities such as cooking and taking care of their little brothers and sisters. The members above 60 years are also less active in income generation because they have household responsibility rather than earning. Their sons and other family members are considered as earners. The elderly people take care of their small children at home. The age ratio of the selected respondents is presented in the following table:

**Table 4.1: Age Group of the Respondents**

<b>Age Group (years)</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Below 30	17	19.76
30-40	61	70.93
40-50	5	5.81
50-60	2	2.32
60-70	1	1.16
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The age distribution ratio of the study area which shows the respondents involved in this program. The highest number of respondents is between the ages of 30-40 years which comprises 70.93 percent and the least, the age between 60-70 years constituted 1.16 percent of the total respondents. So, from the mentioned age grouping, we can

say that members from 30-40 years age are mostly responsible for taking care of their family and are more mature to think about their children's future. From this data, we can know that the middle aged members are the dominant age group members of micro-finance.

The table shows that majority of members in the sample are between below 30 years, and which comprises 28.33 percent. The respondents of 30-40 years are more interested in taking loans from micro-finance institution.

#### 4.1.2 Educational Status

Education empowers the human being as well as to women, as it increases the status of living. Education provides rural women with the knowledge and skills to contribute and take benefits from development efforts. Education is a key indicator of human development. It has a positive role in the success of life. Primary education is a principal mechanism of fulfilling the minimum learning needs of the rural women needed for effective participation in the economic, social and political activities. The following table shows educational status of the respondents:

**Table 4.2: Educational Status**

<b>Educational Status</b>						
<b>Level</b>	<b>Under SLC</b>	<b>SLC</b>	<b>10+2</b>	<b>Above Bachelor level</b>	<b>Illiterate</b>	<b>Total</b>
<b>Number of Respondents</b>	14	53	3	6	10	<b>86</b>
<b>Percentage</b>	<b>16.27</b>	<b>61.62</b>	<b>3.48</b>	<b>6.97</b>	<b>11.62</b>	<b>100</b>

(Field Survey, 2017).

The field research shows that 11.62 percent of the members are illiterate who had never gone to school. Among them 88.34 percent of the members are literate, they somehow know to read and write. They got opportunity to participate in formal or non-formal education. Among them 61.62 percent of members had completed SLC and only 3.48 percent are able to complete their intermediate level.

### 4.1.3 Religion

There are different types of religions are found they are; Hindu, Buddhist, Christian and others. Mostly, Hindu and Christian people are found in the study area which is shown in the table below:

**Table 4.3: Distribution of Religion**

<b>Religion</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Hindu	76	88.37
Buddhist	3	3.48
Christian	6	6.97
Others	1	1.16
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

According to the above table no. 4.3, the majority of Hindu religion occupied 88.37 percent and minority of Islam and other religion occupied only 1.16 percent of the total number of 86 households.

### 4.1.4 Caste and Ethnicity

Caste and ethnicity are the most important component in social and economic development process in developing country like Nepal. This analysis has been taken into consideration in order to recognize the social conditions and caste comparison in the study area. Within the sampled area, various castes, ethnic groups have been living since their remembrances. The caste/ethnic composition is presented in the following table:

**Table 4.4: Caste and Ethnic Composition**

<b>Caste/ Ethnicity</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Newar	26	30.23
Brahmin	11	12.79
Chhetri	15	17.44
Thakuri	9	10.46
Magar	3	3.48
Dalit	22	25.58
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

In table no. 4.4, it represents caste/ethnic composition of the women members. Out of total 86 sample size, Newar are the largest, they comprises 30.29 percent and Magars are least, they comprises 3.48 percent. This table shows that the majority of the people are from Newar community. These group should educate their children in school, for that they take loan from MFs.

#### 4.1.5 Types of Family

Most of the respondents are from joint family in which husband and his parents, brothers, wife and their unmarried children lives together. They all have expressed burden of responsibility, economy and cultural complexities while living in a joint family. Family size of the selected respondents is presented in the following table:

**Table 4.5: Types of Family**

<b>Types of Family</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Joint	55	63.95
Small/Nuclear	28	32.55
Extended	3	3.48
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The table no. 4.5 shows the family types of respondents. The family also makes differences on decision making and control over income. According to survey, 63.95 percent of the respondents live in joint family and the least 3.48 percent of the respondents live in the extended family. Joint family needs economic source to sustain their daily livelihood in this regard their expenditure is also more than other family in the sector of health and education. In this situation MFs are providing them loan to invest in different income generation sector. The respondents from joint families are more interested in taking loans from micro-finance institution.

#### 4.1.6 Marital Status

Marital status makes differences on members' responsibility and economic work burden especially to women. Implicitly, micro-finance institutions target people who are in worse condition in their life. This program is influential for people who are in

worse condition in their life. This program is usually influential for female members to handle their family responsibility than male members. The marital status of the respondents has been shown in the following table:

**Table 4.6: Marital Status of the Respondents**

<b>Marital Status</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Married	76	88.37
Unmarried	3	3.48
Separated	4	4.65
Widow	3	3.48
<b>Total</b>	<b>86</b>	<b>100</b>

**(Field Survey, 2017).**

The field survey shows majority of the respondents are found married which comprises 83.37 percent, 3.48 percent are unmarried and widow also is in same percent. The majority of members in the sample are married and it also shows that married members are more interested in taking loans from micro-finance institution. Because they have to look after their family and children. Thus, the micro-finance institutions are proved to be a backbone for the above mentioned respondents.

#### **4.1.7 Landholding**

Land is the most important source of wealth for farmers. Most of men work outside but women have to work at home and they also have to do the agricultural works. Without abundant land, it is difficult for them to get means of living. It is argued that landholding is considered as the major indicator for the identification of poor in Nepal. It is an important source of rural income and employment generation. Land is a major indicator to justify economic status of household. Land ownership is mandatory in some banking institutions to get loan from banking institutions. Land is not only an economic variable but also an indicator of social status gained by members. The status of households and land ownership of the selected respondents is presented in the following table:

**Table 4.7: Landholding of the Respondents**

<b>Land Size</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Below 1 Ropani	2	2.32
1-3 Ropani	8	9.30
3-6 Ropani	52	60.46
Above 6 Ropani	24	62.79
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The land holding pattern of the respondents shows that below 1 ropani 2.32 percent, 9.30 percent and the respondents have above 6 ropani of the land in their own name. So, the study shows that the majority of respondents have above 3-6 ropani of the land. MF institutions are contributing to add the land in the name of rural women providing loan for them. GoN has also given particular discount in the revenue while buying land in the name of women. That is why this trend is increasing day by day.

#### **4.1.8 Types of House**

Housing condition shows the real economic status of the people. From the study area, it is found that the respondents have various types of houses made up stone, mud and tins, cemented house, mud and straw house. If the earning increases then, the housing condition can itself be improved. This is shown in the following table:

**Table 4.8: Types of House**

<b>Types of House</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Stone, Mud and Tins	49	56.98
Cemented House	32	37.20
Mud and Straw	5	5.82
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The majority i.e., 56.98 percent of the respondents is living in the stone, Mud and Tins house and least 5.81 percent of the respondents are living in the mud and straw

houses. Whether micro-finance has played significant role for improving the earning of villagers or not that should be measured with the help of housing condition of its members.

#### 4.1.9 Household Head

Household head has a decision making power in many cultural groups. The family members feel social and livelihood security under family head. To start a new business household support is necessary otherwise; it is difficult to proceed ahead. So, household head is powerful decision maker as well as has owned authority of family. The status of household head in the family is presented in the following table:

**Table 4.9: Household Head**

<b>Household Head</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Husband	56	65.11
Wife	28	32.55
Others	2	2.32
<b>Total</b>	<b>86</b>	<b>100</b>

**(Field Survey, 2017).**

In the table no 4.9, house hold position of the respondents which is found female dominated. There are 65.11 percent male respondents who have headed their house. There are only 32.55 percent female respondents who have headed their house. This section represents the linkage between socio-economic and micro-finance of the respondents. On the basis of background of the respondents we can discuss that how many changes in the level of awareness brought by micro-finance program among the women respondents.



## 4.2 Saving and Credit Status on Microfinance

### 4.2.1 Saving Products by Microfinance

Microfinance offer a variety of saving products to its members in daily saving, regular saving, and semi saving and Bal Bachat products offered by the microfinance in average are as follows:

**Table 4.10: Saving Products by Microfinance**

<b>Products</b>	<b>Purpose and Definition</b>	<b>Interest Rate in Percent</b>
Daily Saving	This is a normal account; every person can open it easily. The interest rate is nominal. Cash deposit and withdraw system is easier.	6
Regular Deposit	It has higher interest rate. The members can withdraw after termination of pre-negotiation period and can borrow up to 90% of accumulated amount by paying extra interest.	8
Semi Bachat	The account is to encourage people to save for their elderly people.	9 to 12
Bal Bachat	Saving habit is build up for further education to children.	10

**(Field Survey, 2017).**

In the table no 4.10: Saving Products by Microfinance is in daily bachat 6 percent, Regular Deposit 8 percent, semi bachat, 9 to 12 and balbachat 10 percent,. MF's has helped their economical status.

#### 4.2.2 Scheme of Loan Products of Microfinance to its Members

MF takes various kinds of loan products from its members such as; animal husbandry, agriculture, education, seasonal vegetables, youth self-employment, bio-gas and business. The scheme of loan products is shown in the following table:

**Table 4.11: Scheme of Loan Products of MFs to its Members**

<b>Loan Products</b>	<b>Purpose and Definition</b>	<b>Interest Rate in Percent</b>
Animal Husbandry	This loan is given for goat farming, animal insurance and it also provides facility of artificial insemination.	14
Agriculture	This loan is given for agricultural products.	15
Bio-gas	This loan is given for establishing new bio-gas plants in the home.	14
Youth self-employment	This loan is given for abroad study and for other technical study.	12
Seasonal Vegetables	This loan is given for producing seasonal vegetables.	8
Education	This loan is given for higher education within country or outside the country.	14
Business	Loans for different trades.	16

**(Field Survey, 2017).**

Table 4.11: Scheme of Loan Products of MF's to its Members out of 86 respondents, Animal Husbandry 14 percent, Agriculture 15 percent, Bio-gas 14 percent, youth self employment 12, seasonal vegetables 8 percent, education 14, and business 16. has been engage in MF and they used to loan from their.

### 4.2.3 Interest Status of Credit: Respondents' Views

Different saving and credit co-operatives have different kinds of interest rate. The respondents are asked about the interest rate in average MF institutions into three parts, they are low, high and reasonable at the field survey. The view of the respondents is given in the following table:

**Table 4.12: Interest Status of Credit: Respondents' View**

<b>Types of Interest in percentage</b>	<b>Number of Respondents</b>	<b>Percentage</b>
High (17 to 24)	4	4.65
Reasonable (13 to 16)	82	95.34
Low (6 to 12)	0	0
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

In the table 4.12, out of 86 respondents, 4.65 percent have said the credit interest rate is high and the remaining 95.34 percent have said it is reasonable. The Majority of the respondents are satisfied with the interest rate of MFs.

### 4.2.4 Respondents' View on Availability of Credit Facilities

The question about the view on availability of credit facilities from the MF institutions was asked to the respondents at the field survey. The collected answers are presented in the table below:

**Table 4.13: Availability of Credit Facilities**

<b>Credit Facilities</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Yes	54	62.79
No	24	27.90
Don't know	8	9.30
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

More respondents i.e., 62.79 percent answered yes on credit facilities and few of the respondents i.e., 9.30 percent said don't know about the credit facilities. It shows that taking loan for their income generation and daily livelihood from microfinance is increasing.

#### **4.2.5 Respondents' View on Client Service System of Microfinance**

In the survey, the respondents were asked about client service of MF institutions into two parts; one is satisfied and another is from not satisfied in the sector of overall loan interest rate, saving interest rate, insurance, providing trainings, empowerment etc. Most of the people's views were from enough. The respondents' views are tabulated below:

**Table 4.14: Respondents' Views on Client Service System of Microfinance**

<b>Client Service</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Satisfied	68	79.06
Not Satisfied	18	20.93
<b>Total</b>	<b>86</b>	<b>100</b>

**(Field Survey, 2017).**

Most of the respondents i.e., 79.06 percent are satisfied with the client service system of MF and only 20.93 percent are not satisfied with the client service system.

#### **4.2.6 Benefits from Microfinance on Rural Women**

During the field survey, two group discussion programs were arranged to find the overall situation of the people involved in the microfinance. Their behavior after the entry in this microfinance was found positive and possibility of empowerment experienced in the society. After joining to Microfinance, the economic behaviour of the rural women is found changing gradually. Most of them have initiated to save at least one hundred ten per month in a regular basis. It has created the saving habit which is a kind of economic benefit for any sort of emergency.

They also save money to celebrate their festivals, provide education to children, setup and expand business, manage household problem and to secure their old age problems

etc. Most of the women have learned the habit of saving through microfinance for establishing high standard of living.

In course of discussion, it was found that people are shifting to other economic activities from their previous traditional agriculture. They have learned different skills and want to use it with the help of microfinance. They are saving money as well as creating the base of additional support in the form of credit. Because of the credit facilities and discussion opportunities in microfinance, the women are identifying the new economic activities. Some have started commercial vegetable farming and livestock rising. In course of discussion, the local residence were reported that the involvement of women in vegetable farming, livestock raising was increasing rapidly than before. Many women used credit facilities to build their houses, for medical purpose, for educational purpose and also support in their family difficulties.

They are more concerned and aware about their health through various health programs, incidence and prevalence of disease decrease and the financial burden. By the help of religious and educational excursions, members get knowledge and elderly enjoy spiritually. Maternity allowance advocates maternal and neonatal welfare. Income generating programs strengthen the hands and make them skillful and productive. Though, these activities seem small and insignificant, they are very good approaches to improve overall social status of the society. They do not only improve the economic condition but also has raised education and moral values. The sense of being and working together can change the attitude and behaviour of the members of the society. This microfinance helps to promote saving habits, invest loan with reasonable interest rate to fulfill the financial necessities of its members and also improve thereby socio-economic condition. For the overall upliftment of the rural economy and social status of the rural women, the microfinance has played significant role.

### **4.3 Changing Status of Rural Women**

#### **4.3.1 Change on Occupation**

Business is a firm, is an organizational entity involved in the provision of goods and services to consumers. Business is prevalent in capitalist economies, where most of them are privately owned and provide goods and services to customers in exchange

for other goods, services or money. A business may also be social non-profit enterprises, state- owned public enterprises targeted for specific social and economic objectives. In the study area, different members are doing different businesses who involved in microfinance. They get loan from microfinance for different purposes. The occupation denotes employment of the women in different sector for earning purpose. The respondents of the study area are involved in different occupations before and after entry in microfinance.

**Table 4.15: Occupations of the Respondents Before and After Entry in Microfinance**

Before			After	
Number of Respondents	Percentage	Main Occupation	Number of Respondents	Percentage
56	65.11	Agriculture	41	47.67
2	2.32	Teacher	4	4.65
1	1.16	Student	2	2.32
4	4.65	Poultry Farming	5	5.81
8	9.30	Business	20	23.25
10	11.62	Meat fresh house	7	8.13
4	4.65	Private Job	5	5.81
1	1.16	Civil Service	2	2.32
<b>86</b>	<b>100</b>	<b>Total</b>	<b>60</b>	<b>100</b>

(Field Survey, 2017).

In the table 4.15, respondents are engaged in variety of agriculture activities before the entry in microfinance such as; mostly in agriculture 65.11 percent and the least is civil service and student which are same 1.16 percent.

After entry in microfinance, majority of the respondents are still agriculture, i.e., 46.67 but rest 17 percent are engaged in business and other innovative and income generating service. And remaining percentage of the respondents is engaged in other different new and profitable occupations. This shows that role of microfinance is playing a vital role to improve living standard and economic level of rural women people by providing loans for their business tasks.

### 4.3.2 Change on Income Level of the Respondents

Here, income denotes earning of the respondents through any types of productive activity. The income may be in the form of money, articles as food grain, milk, animal husbandry and small industries etc. To know the impacts on income level of respondents before and after the program intervention is shown in the following table:

**Table 4.16: Change on Income Level**

Before		After		
Number of Respondents	Percentage	Income Per month	Number of Respondents	Percentage
20	23.25	less than 7000	15	17.44
12	13.95	7000-9000	13	15.11
36	41.86	9000-11000	11	12.79
8	9.30	11000-13000	9	10.46
7	8.13	13000-15000	8	9.30
3	3.48	Above 15000	30	34.88
86	100		86	100

**(Field Survey, 2017).**

The table 4.16, before entry in microfinance 23.25 and only 3.48 percent earned above 15000. Now the number of respondent earning less than 7000 decreased with 5.81 and become 17.44 percent. Similarly, the number of respondents who used to earn above 15000 were only 3.48 percent, after joining the microfinance it increased with 31.48 and become 34.88.

It shows the effect of the intervention of micro-finance programs on the income of the respondents at the study area has found positive. The above table shows that, before entry in program, few of the respondents were jobless but, after entry in micro-finance programs they started earn some money.

### 4.3.3 Change on Small Industry

A small scale industry is a project or firm created on a small budget for a small group of people. A small scale industry produces its goods using small machines, less power

and higher labour. It is located within a single place and produces goods meant for few people. The selected respondents are asked about the changes of in their income tasks instead of traditional works and found views are shown in the table below:

**Table 4.17: Changes on Small Industry**

<b>Particulars</b>	<b>Before</b>		<b>After</b>	
	<b>No.</b>	<b>of %</b>	<b>No.</b>	<b>of %</b>
	<b>Respondents</b>		<b>Respondents</b>	
Operated small scale Industry	46	53.4	60	69.76
Seasonally operated	28	32.5	18	20.93
Not operated yet	12	13.9	8	9.30
<b>Total</b>	<b>86</b>	<b>100</b>	<b>86</b>	<b>100</b>

**(Field Survey, 2017).**

The table 4.17 shows that, after the intervention of the MFIs the majority of the respondents said they operated small scale of industry i.e., 69.76 percent and minority respondents has operated seasonally small industry i.e.9.30, percent and the remaining respondents i.e., 20.93 percent has not started yet.. It shows the members of microfinance have also established a small scale industry by taking loan from MF.

#### **4.3.4 Changes in Economic Condition of the Respondents**

The field survey shows that, economic condition of the respondents has been gradually changed after entry in Microfinance. Their economic needs have been fulfilled by these financial services such as; they got interest in reasonable price which can help them to strengthen their family condition. The changes in economic condition of the respondents have been shown in the following table:



**Table 4.18: Changes in the Economic Condition**

Change	Before		After	
	Number of Respondents	Percentage	Number of Respondents	Percentage
Yes	33	38.37	54	62.79
No	53	61.62	32	37.20
<b>Total</b>	<b>86</b>	<b>100</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The report shows that after the intervention of MFIs 62.79 percent of the respondents have changed their economic condition and 37.20 percent of the respondents have not changed their economic condition. The respondents are able to improve their economic conditions after entry in micro-finance programs and trainings provided by them. Such as in income, saving, expenditure etc.

#### 4.3.5 Change on Food Sufficiency due to Microfinance

The impacts of microfinance are related with food sufficiency. The food sufficiency has played a vital role in respondents to brought change in their living standard. The following table shows impacts on food sufficiency:

**Table 4.19: Impacts on Food Sufficiency due to Microfinance**

Food Sufficiency	Number of Respondents	Percentage
Increased	56	65.11
Constant	16	18.60
Little Changed	6	6.97
Don't know	8	9.30
<b>Total</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The table 4.19 shows the effect on food sufficiency due to microfinance. Out of 86 respondents, 65.11 percent respondents have increased in food sufficiency, 6.97 percent respondents are from little changed and 9.30 percent respondents said don't know. It shows that due to the entry of Microfinance in that area providing various services the status of food sufficiency is increased.

#### 4.3.6 Consumption Patterns

Consumption is a major concept in economics which is also studied by many other social sciences. Economists are particularly interested in the relationship between consumption and income. Therefore, in economics the consumption pattern plays a major role. The different schools of economics define production and consumption differently. All the economic activities that does not entail the design, production and marketing of goods and services such as; the selection, adoption, use, disposal and recycling of goods and services. The consumption patterns of the respondents presented in the following table.

**Table 4.20: Consumption Patterns**

<b>Food Habits</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Change Very Much (take fully nutritious food)	35	40.69
Little Change (increase in practice of taking nutritious food)	45	52.32
<b>No Change</b>	<b>6</b>	<b>6.97</b>
<b>Total</b>	<b>60</b>	<b>100</b>

(Field Survey, 2017).

The table 4.20 shows that, after intervention of program, there is change in the consumption patterns of the respondents. According to survey, after intervention of the program, 40.69 percent of the respondents have changed their traditional food very much, 52.32 percent of the respondents have changed their traditional way of food by little bit and only 6.97 percent of the respondents don't have changed their traditional way of food system. Before intervention, the respondents used to eat meat once in a month or during festival times but, now they eat meat whenever they desire to eat. Now, they have also started eating other expensive food items.

#### 4.3.7 Change in Clothing Patterns

The wearing of clothing is mostly restricted to humans and is a feature of nearly all human society. The amount and type of clothing one wears depend on physical

requirements and local culture. Cultures regard some clothing types as gender specific. The wearing of clothing varies person to person according to social and cultural need. Thus, clothing pattern is based on social and cultural phenomenon which also helps to identify personality. The clothing pattern of the respondents is shown in the following table:

**Table 4.21: Change in Clothing Patterns**

Clothing Patterns	Before		After	
	No. of Respondents	%	No. of Respondents	%
Wear expensive and best clothes	15	17.44	35	40.69
Wear reasonable and suitable clothes	25	29.07	44	51.16
Wear old clothes	46	53.49	7	8.13
<b>Total</b>	<b>86</b>	<b>100</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

In the table 4.21, after intervention of program, there occurred change in the clothing patterns of the respondents. According to survey, after intervention of the program, 40.9 percent of the respondents have changed their traditional way of clothing very much, 51.16 percent of the respondents have changed their traditional way of clothing by little bit and only 8.13 percent of the respondents don't have changed their traditional way of clothing patterns due to the entry of microfinance. It provides trainings and awareness about cleanliness also.

#### **4.3.8 Sheltering Patterns**

Sheltering is one of the basic human need which gives protection and overall security to the people. It is something, especially a structure that provides cover or protection as from the natural phenomenon. Sheltering denotes both temporary and permanent type of housing for the security of people. The places affording protection, as from danger or to the state of being protected. Shelter usually implies a covered or enclosed area that protects temporary, as from injury or attack.

**Table 4.22: Sheltering Patterns**

Sheltering Patterns	Before		After	
	Number of Respondents	%	Number of Respondents	%
Stone, Mud and Tins House	46	53.49	36	41.86
Stone, Mud and Tins House	15	17.44	42	48.83
Small straw house	25	29.07	8	9.30
<b>Total</b>	<b>86</b>	<b>100</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

The table 4.22 shows that, after intervention of program, there is change in the sheltering patterns of the respondents. According to survey, after intervention of the program, 41.86 percent of the respondents have changed their traditional sheltering pattern very much, 48.83 percent of the respondents have changed their traditional way of sheltering pattern by little bit and only 9.30 percent of the respondents have small house made by straw.

#### 4.3.9 Change in Education

Education empowers the human being; it increases the status of living. Education provides people with the knowledge and skills to contribute and take benefits from development efforts. Education is a key indicator of human development. It has a positive role in the success of life. Primary education is a principle mechanism of fulfilling the minimum learning needs of the people needed for effective participation in the economic, social, political and civil activities. The following table shows changing educational status of the respondents after joining microfinance.

**Table 4.23: Educational Status**

Institution	Before	Percent	After	Percent
Government School	73	84.88	13	15.11
Public School	10	11.63	9	10.46
Private School	3	3.48	64	74.41
<b>Total</b>	<b>86</b>	<b>100</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

Table 4.23 shows that, the educational status of female respondents before and after joining the microfinance, the majority of the respondents admitted their children in government schools i.e. 84.88 percent, 11.63 percent in public school and minority in private schools i. e. 3.48 percent. After the microfinance the majority of the respondents admitted their children in private school i.e. 74.41 and minority admitted their children in public school i.e. 10.46. So, the research shows that after joining microfinance the respondents of the study area were changed their educational quality.

#### 4.3.10 Change in Health

Health check-up is necessary from the conception to everyday life. Due to the lack of awareness, poor economic condition, lack of facilities, etc. most of the persons don't go to check-up their health regularly. There were some changes in their life related to health status. The status of health check-up is presented at follows:

**Table 4.24: Distribution of Respondents Changing Health Status**

<b>Health Institution</b>	<b>Before</b>	<b>Percent</b>	<b>After</b>	<b>Percent</b>
Health Post	42	48.83	23	26.74
Hospital	19	22.09	52	60.47
Clinic/Medical	25	29.06	11	12.79
<b>Total</b>	<b>86</b>	<b>100</b>	<b>86</b>	<b>100</b>

(Field Survey, 2017).

Table 4.24 shows that, the distribution of respondents changing health status. Before the joining microfinance 48.83 percent were check up health post, 22.09 percent were check up in hospital and after joining microfinance 26.74 percent were check up in health post and 60.47 percent were checkup in hospital and remaining 12.79 percent were check up in clinic and medical. So, the study finds that after the joining microfinance there were changes in health status of households.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND SUGGESTIONS**

#### **5.1 Summary of Findings**

This chapter consists of core part of the thesis which presents the summary of the finding, conclusion and recommendation. There is close link between summary of the findings, conclusion and recommendations. Based on findings conclusions are drawn and according to conclusions recommendations are attempted in order to improve the status both social and economic status of women of the study area.

Nepalese Women are severely victimized by discriminatory treatment in all sections of the society. Today various programs, policies, NGOs, INGOs, Government organization are working to support rural life. Among a lot of programs, microfinance Programme is becoming an effective program because of its best performance and unique features. Microfinance is a financial and social intermediation, according to available resources; micro credit provides financial services like micro credit, micro saving, micro insurance and micro remittance. These all organizations, which are facilitating the services rendering process of microfinance Programme, are known as MFIs. Easily getting services of microfinance programme are attracting backward Women, which may be caused to push them toward new horizon.

This research has been found out the women empowerment through the micro finance programme. Rural women were selected in the study area, which were from Manthali Municipality ward no. 12 (Gelu), Ramechhap District. It is an exploratory descriptive research. This study has been based on the primary as well as secondary data, but the focus is given to the primary data, which has been collected from field survey using questionnaire, observation and interaction with different respondent.

There were total 206 households in study area. Among them only 185 women household involved in MFIs which is the total universe of the study. I've selected only 86 respondents among them who are involved in microfinance since last three years.

The study found that majority of members in the sample were below 30 years, and which comprises 28.33 percent. The respondents of 30-40 years were more interested in taking loans from micro-finance institution. The study found that 11.62 percent of

the members are illiterate who had never gone to school. Among them 88.34 percent of the members are literate, they somehow know to read and write. They got opportunity to participate in formal or non-formal education. Among them 61.62 percent of members had completed SLC and only 3.48 percent are able to complete their intermediate level.

The study found that the majority of respondents were Hindu religion occupied 88.37 percent and minority of Islam and other religion occupied only 1.16 percent of the total number of 86 households. The study found that out of total 86 sample size, Newar are the largest, they comprises 30.29 percent and Magars are least, they comprises 3.48 percent. The study found that the majority of the people are from Newar community. These group should educate their children in school, for that they take loan from MFs.

The study found that 63.95 percent of the respondents live in joint family and the least 3.48 percent of the respondents live in the extended family. Joint family needs economic source to sustain their daily livelihood in this regard their expenditure is also more than other family in the sector of health and education. The respondents from joint families are more interested in taking loans from micro-finance institution. The study found that majority of the respondents are found married which comprises 83.37 percent, 3.48 percent are unmarried and widow also is in same percent. The majority of members in the sample are married and it also found that married members were more interested in taking loans from micro-finance institution. Because they had to look after their family and children. The study found that the land holding pattern of the respondents showed that below 1 ropani 2.32 percent, 9.30 percent and the respondents have above 6 ropani of the land in their own name. So, the study found that the majority of respondents have above 3-6 ropani of the land. MF institutions are contributing to add the land in the name of rural women providing loan for them.

The study found that majority i.e., 56.98 percent of the respondents is living in the stone, Mud and Tins house and least 5.81 percent of the respondents are living in the mud and straw houses. Whether micro-finance had played significant role for improving the earning of villagers or not that should be measured with the help of housing condition of its members. The study found that house hold position of the

respondents which was found female dominated. There were 65.11 percent male respondents who have headed their house. There were only 32.55 percent female respondents who have headed their house.

The study found that microfinance takes various kinds of loan products from its members such as; animal husbandry, agriculture, education, seasonal vegetables, youth self-employment, bio-gas and business. The study found that, out of 86 respondents, 4.65 percent had said that credit interest rate was high and the remaining 95.34 percent had said it was reasonable. The Majority of the respondents were satisfied with the interest rate of MFs. The study found that most of the respondents i.e., 79.06 percent were satisfied with the client service system of MF and only 20.93 percent were not satisfied with the client service system. The study found that people were shifting to other economic activities from their previous traditional agriculture. They have learned different skills and wanted to use it with the help of microfinance. They were saving money as well as creating the base of additional support in the form of credit. Because of the credit facilities and discussion opportunities in microfinance, the women were identifying the new economic activities. Some have started commercial vegetable farming and livestock rising. In course of discussion, the local residence were reported that the involvement of women in vegetable farming, livestock raising was increasing rapidly than before. Many women used credit facilities to build their houses, for medical purpose, for educational purpose and also support in their family difficulties.

The study found that microfinance helped to promote saving habits, invest loan with reasonable interest rate to fulfill the financial necessities of its members and also improved thereby socio-economic condition. For the overall upliftment of the rural economy and social status of the rural women, the microfinance played significant role. Regarding changing status of rural women there were found various changes after involvement in microfinance. Change on Occupation: After entry in microfinance, majority of the respondents were still agriculture, i.e., 46.67 but rest 17 percent were engaged in business and other innovative and income generating service. And remaining percentage of the respondents were engaged in other different new and profitable occupations. This showed that role of microfinance is playing a vital role to



improve living standard and economic level of rural women people by providing loans for their business tasks.

**Change on Income Level of the Respondents:** The study found that the effect of the intervention of micro-finance programs on the income of the respondents at the study area has found positive. The study found that, before entry in program, few of the respondents were jobless but, after entry in micro-finance programs they started earn some money. **Change on Small Industry:** The study found that, after the intervention of the MFIs the majority of the respondents said they operated small scale of industry i.e., 69.76 percent and minority respondents operated seasonally small industry i.e.9.30, percent and the remaining respondents i.e., 20.93 percent had not started.. The study found that the members of microfinance had also established a small scale industry by taking loan from MF.

**Changes in Economic Condition of the Respondents:** The study found that after the intervention of MFIs 62.79 percent of the respondents had changed their economic condition and 37.20 percent of the respondents had not changed their economic condition. The respondents were able to improve their economic conditions after entry in micro-finance programs and trainings provided by them. Such as in income, saving, expenditure etc. **Change on Food Sufficiency due to Microfinance:** The study found that there was effect on food sufficiency due to microfinance. Out of 86 respondents, 65.11 percent respondents had increased in food sufficiency, 6.97 percent respondents were from little changed and 9.30 percent respondents said don't know. It found that due to the entry of Microfinance in that area were providing various services the status of food sufficiency was increased.

**Consumption Patterns:** The study found that, after intervention of program, there was change in the consumption patterns of the respondents. According to survey, after intervention of the program, 40.69 percent of the respondents had changed their traditional food very much, 52.32 percent of the respondents had changed their traditional way of food by little bit and only 6.97 percent of the respondents don't have changed their traditional way of food system. Before intervention, the respondents used to eat meat once in a month or during festival times but, now they eat meat whenever they desire to eat. Now, they have also started eating other expensive food items.

**Change in Clothing Patterns:** The study found that, after intervention of program, there occurred change in the clothing patterns of the respondents. According to survey, after intervention of the program, 40.9 percent of the respondents had changed their traditional way of clothing very much, 51.16 percent of the respondents had changed their traditional way of clothing by little bit and only 8.13 percent of the respondents didn't have changed their traditional way of clothing patterns due to the entry of microfinance. It provided trainings and awareness about cleanliness also.

**Sheltering Patterns:** The study found that, after intervention of program, there was change in the sheltering patterns of the respondents. According to survey, after intervention of the program, 41.86 percent of the respondents had changed their traditional sheltering pattern very much, 48.83 percent of the respondents had changed their traditional way of sheltering pattern by little bit and only 9.30 percent of the respondents had small house made by straw.

**Change in Education:** After the microfinance the majority of the respondents admitted their children in private school i.e. 74.41 and minority admitted their children in public school i.e. 10.46. So, the research shows that after joining microfinance the respondents of the study area were changed their educational quality.

**Change in Health:** The study found that, the distribution of respondents changing health status. Before the joining microfinance 48.83 percent were check up health post, 22.09 percent were check up in hospital and after joining microfinance 26.74 percent were check up in health post and 60.47 percent were checkup in hospital and remaining 12.79 percent were check up in clinic and medical. So, the study found that after the joining microfinance there were changes in health status of households.

## **5.2. Conclusions**

This study has raised issue about changing social and economic status of Women through Microfinance Programme. To identify the socio-economic impact of microfinance programme, respondent's before and after various conditions are taken from primary sources and tested by using various tools. Eventually following conclusions can be drawn from this study. Our first objective is to examine the socio-economic impact of microfinance on rural Women in operational areas of Ramechhap at Manthali. In this concern various tests are tested, aggregate result of this main

heading is positive. So, we can conclude in the point that microfinance programs are creating positive socio-economic impact on rural women. It means microfinance programme is encouraging, focusing and facilitating rural women in the Ramechhap district for socio-economic upliftment.

Today women are able to make decision about their spending their income, microfinance loan and repayment, selling and buying assets, sending children for school, children's marriage and family planning because of financial assistance of microfinance programme. This indicates that microfinance programme has improved the women clients. The respondents have paid their loan, income earning from investing loan. Rural Women has started to take part on social discussion and participation of Women on microfinance programme has been positively taken by the society. This shows that women are socially uplifted. Women notice microfinance programs positively. The social reaction is also good. It signifies that microfinance programme is desirable in rural areas of Ramechhap district. Women are becoming self-dependent and there is increase in participation of women on economic and household decision and on social issues as well. Thus, positive effect on socio-economic upliftment of rural Women is seen in the selected area.

The study has also analyzed the role of microfinance programs empowerment of Women through enhancement of decision making power in Ramechhap. In aggregate, result of this section area is also positive. So, Women are becoming empowered through enhancement of decision making power. Thus, there is positive role of microfinance programme on women decision-making. Now, all objectives of the study are met. So, the study is complete with the conclusion that the microfinance programme is a desirable and effective tool to uplift socio-economic condition of the women on rural area. Thus, microfinance has played a role in poverty reduction, improving socio-economic status of rural women and overall development of rural areas.

### **5.3 Suggestions**

In study area, microfinance institutions didn't cover all people yet. Achieving large scale, sustainable microfinance requires engaging more microfinance institutions with

different objectives, services and needs for subsidy. Strong microfinance institutions must be strengthened and their successes must be replicated wherever possible.

- Frequent monitoring of utilization of microfinance seems necessary. Only investment and repayment couldn't illustrate the reducing of poverty, utilization of loan should monitor and reported, which can reduced the misuses of loan by third party.
- Saving is the important component of microfinance services and should be more flexible in terms of deposit frequency and allowing some with draw ability, with clearer communication about interest benefits.
- It will be better to strengthen some centers/groups in study areas as self help group and mobilize their capital in own municipality, by which in long term, they will develop a microfinance institutions in own leadership, in own area.
- Microfinance by itself alone could not cover the all parts of reducing poverty and empowering woman. There is a need to address other issues of development policy and implementation that affect poverty reduction. Microfinance institutions should coordinate with other microfinance institutions and government should make policy of microfinance with integrated development program at same time.
- Regional balance should be ensured. MF should cover the hilly and mountainous areas also by addressing appropriate model for those areas complemented with infrastructure development.
- Gender should be made part of the microfinance strategy. In general microfinance institutions target women clients for pragmatic reasons. Being microfinance clients is a good start, but membership by itself may be empowering In view of this the microfinance institutions should be encouraged to make gender concerns more of a focus in its strategy and approach, especially in the hill where cultural constraints to women's mobility and empowerment are very strong.

## REFERENCES

- Acharya, M. & Bennet, L. (1982). *Women and the subsistence sector: economic participation and household decision making in Nepal*. World Bank Staff Working Paper No. 526. Washington, DC: World Bank.
- Acharya, M. (1997). *Statistic study of Nepalese women: A critical review on status of women in Nepal*. Kathmandu: Central Bureau of Statistics Government of Nepal.
- AOC (2013). *Women and empowerment*. Kathmandu: Women Poverty Rights Movement of the 11Th Amendment of Civil code.
- Bhattarai, M. (2009). *Role of Women's Empowerment in the Development Process of the Society*. (An Unpublished Dissertation), Patan Campus.
- Birchall, J. (2008). *The role and potential of co-operatives in the poverty reduction Process*. Scotland: Stirling University.
- Bista, P. (2016). *Socio-economic impact of micro credit among women*. Unpublished M.A. Thesis, submitted to the Central Department of Economics, Kathmandu: T. U., Kirtipur.
- CBS (2011). *Statistical report of census 2011*. Kathmandu: Central Bureau of Statistics.
- Center for Microfinance (2007). *An overview of the micro-finance sector in Nepal*. Retrieved on August, 2017 from <http://www.cmfnepal.org/mf-nepalp.htm>
- Cohen, L., Manion, L., & Morrison, K. (2007). *Research method in education* (6th ed.) London: Taylor & Francis Group.
- Creswell, J. W. (2012). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research* (4th ed.). USA: Pearson Education Inc.
- GAP (2013). *Status of women*. Kathmandu: The Global Gender Gap Report
- Hashemi, S. M. and Schuler, S. R. 1993. *Defining and Studying Empowerment of Women: A Research Note from Bangladesh*. JSI Working Paper No. 3. Washington DC: John Snow, Inc.
- Kattel, S. (2014). *Socio economic status of microfinance in Nepal*. A Thesis Submitted to Central Department Rural Development. Kathmandu: T.U. Kirtipur.

- Krejcie & Morgan in (1970 ). Determining sample size for research activities. *Educational and Psychological Measurement*, (30),607-610.
- Kvale, S. (1996). *Interviews: An Introduction to qualitative research interviewing*. Thousand Oaks, California: Sage Publications.
- Malhotra, A. (2002). *Measuring women's empowerment as a variable in international development*. Washington, D.C: World Bank.
- Mayoux, L. (2001). *Tackling the down side: social capital, women's empowerment and micro-finance*. Cameroon: ACT Inc.
- MOF (2016). *Economic survey 2016/17*. Kathmandu: Ministry of Finance
- National Planning Commission (2013). *Thirteenth three year plan (2013/14-2015/16)*
- PAF (2073). *Annual report*. Kathmandu: PAF Nepal
- Paudel, R. (2014). *Role of microfinance for women's empowerment*. A Thesis Submitted to Central Department of Rural Development. Kathmandu: T.U. Kirtipur.
- Rimal, P. (2015). *Role of cooperative in income generating activities for rural development*. Unpublished M.A. Thesis, submitted to the Central Department of Economics, Kathmandu: T. U., Kirtipur.
- Sharma, C. (2007), *Empowerment Process of Community Women*. (An Unpublished Dissertation), Sociology/Anthropology of T.U.
- Sharma, L. (2013). *Introduction to co-operative*. Kathmandu: Dibya Deurali Publication.
- Shrestha, A. (2014). *Role of co-operations in rural economy: A case study of co-operative saving and service center, Nagadesh, Bhaktapur, Nepal*, Unpublished M.A. Thesis, submitted to the Central Department of Economics, Kathmandu: T. U., Kirtipur.
- Shrestha, M. P. (2014). *National policy in cooperatives*. Sahakari Sambad, Annual Issue . pp 65-77. Kathmandu: National Cooperatives Board.
- Tamang, R. M. (2014). *Microfinance and it's impact on rural women: A case study of Nirdhan Utthan Bank Ltd. in Fikkal, Kanyam and Panchakanya Ilam VDC Fikkal Branch*. A Thesis Submitted to Mahendra Ratna Multiple Campus Ilam: T.U.

- Tasqurun, N. (2011). *The impact of microfinance institutions on women empowerment in Rajshahi, Bangladesh*. Dhaka: University Utara Malaysia.
- UN Millennium Project (2005). *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*.
- United Nation (2007). *Resigning of house hold survey sample: Practical guideline*. NY: Author.
- Upreti, S. (2015). *Changing status of working women: A case study*. Kathmandu: Central Department of Sociology/Anthropology, T.U.
- Wagle, S. (2015). *Micro credit and women's empowerment: A study of women engaged in micro-credit in Bandipur, Tahnahun*. Kathmandu: Central Department of Sociology/Anthropology, T.U.





## 2. INFORMATION ABOUT HOUSEHOLD MEMBERS:

Age	Education	Occupation
A= Below 15 years	Illiterate = I	Farmer = F
B= (15-30) Years	Who can read and write= N	Teacher = T
C= (30-45) years	Under SLC	Business = B
D= (45-60) Years	SLC pass = L.S.	Student = S
E= 60+ years	Intermediate =S	Bachelors and above = B+

Marital Status:	Sex :
Married = M	M = Male
Unmarried = U	F= Female
Widow = W	
Separated = S	

## II) CHANGING SOCIAL STATUS OF RURAL WOMEN

### A. HEALTH

A.1) Did you have practice to check and cure your family members' health when they were physically ill?

Yes		No	
-----	--	----	--

A.2) If yes, where do you take them to check and cure of their health?

	Health Institution	Health Post	Hospital	Clinic	Medical	Nursing Home
Before						
After						
Reason						

A.3) What is the main reason after the changing the place of health curing?

- |                                |                              |
|--------------------------------|------------------------------|
| a) Improve in Financial Status | b) Increase confidence level |
| c) Husband's income support    | c) Others .....              |

## B. EDUCATION

### B.1) Education Status of respondents

Level	Before	After
Illiterate		
Primary		
Lower Secondary		
Secondary		
Higher Secondary and above		

B.2 ) Is your children' hadever drop-out from school?

a. Yes

b. No

B. 3) If yes what are the main reasons of school drop-out?

a. Poverty

b. Gender discrimination

c. Caste and ethnic inequality

d. Household Burden

B.4) Is there any positive aspect in changing the drop out pattern after the involvement in microfinance?

a. Yes

b. No

B.5) If yes, how does microfinance help to prevent the drop out situation (improve educational standard) of your children?

Providing educational loan..... Educational awareness programme .....

Others .....

### C) Production

C.1) What is your Production capacity in the year?

S.N.	Crops	Before (In kg)	After (In kg)
1.	Rice		
2.	Wheat		
3.	Maize		
4.	Vegetable and fruits		
5.	Flower Farming		

C.2) In which sector does MF is helping to increase in the production now?

.....  
 .....

### III) CHANGING ECONOMIC STATUS OF RURAL WOMEN

11) What is your main Occupation before and after joining microfinance?

Before

After

- (1) Agriculture
- (2) Goat farming
- (3) Poultry farming
- (4) Business
- (5) Daily wages labor
- (6) Government job
- (7) Other Jobs

If, your occupation is Agriculture, How much have you agricultural product?

.....

2) Why do you choose that occupation?

.....  
 .....



11) Was the loan amount sufficient for running the business provided by MF?

- a) Yes b) No

if , yes how did you have taken the loan?

- a) Through friends/ relatives b) Bank loan  
C) Others.....

12) What are the procedures of taking loan?

- a) Review the Business b) Members Approval  
c) Through Property Showing d) Others.....

13) Do your microfinance provide any training?

- a) Yes b) No

14) If yes what types of training they provide?

- a) Agriculture b) Briquette making  
c) Tailoring d) Other .....