

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Microfinance is a financial instrument including loans, saving, micro-insurance, remittance and other financial products that are tailored only to poor and marginalized people. It is created in economy for the economic benefit of the poor, and that alleviates poverty. Microfinance helps the poor to involve in income generating activities that allow them to accumulate capital and improve their standard of living. The poor stay poor because they have no access to finance. This is true since many poor women around the world are already benefiting from formal financial services. Previously, microfinance was known as microcredit or rural finance but nowadays it is known as inclusive finance. Currently, microfinance is disseminated globally within what has been termed as financial inclusion policies.

1.1.1 Microfinance-Global Context

The birth of microfinance in world dates back to tremendous increases in poverty since the sixteenth century. Microfinance in Europe evolved in response, from informal beginnings. From the onset, microfinance was powered by financial intermediation between micro savings and microcredit. Legal recognition, prudential regulation and effective supervision evolved in due course, leading to its mainstreaming as part of the formal sector. The early 21st century marked the international rise of microcredit. While the first microcredit summit took place in Washington in 1997, the G8 outlined the principles of microfinance in 2004, tracing the contours of a new economic sector. The UN named 2005 the “International Year of Microcredit”, and Muhammad Yunus won the Nobel Peace Prize in 2006. In 2015, during the WB and International Monetary Fund (IMF) meeting, the Universal Financial Access by 2020 initiative (UFA2020) was launched. Seeking to promote global financial inclusion through different mechanisms, programs and partnerships, UFA 2020 focuses on countries where the most financially excluded populations live (UFA2020, 2018), such as Brazil. Microfinance is now widely used in Africa, where among its pioneers is Care International UK, Barclays partner in developing financial services for the Katine project.

1.1.2 Microfinance-South Asian Context

The origin of Microfinance can be traced back to 1976, when Muhammad Yunus set up the Grameen Bank (GB) as an experiment in Bangladesh. Since then several MFIs have come and succeed in reaching the poorest of the poor and have devised new ground-breaking strategies over time. Commercial Bank and others financial institutions are also providing deprived sector credit to the poor, directly or indirectly through cooperative and NGOs. Microfinance is more popular and widely used instrument of poverty alleviation with the formation of GB by Muhammad Yunus in the 1983s. It makes small loans to the poor women without any physical collateral (www.grameen.com). Around the globe, microfinance in South Asia is synonymous with giants like Grameen Bank, ASA and BRAC. The trend of the microfinance industry is proliferating in the global world, and they put continuous efforts to alleviate poverty. In India, the first initiative to introduce microfinance was the Self-Employed Women's Association (SEWA) in Gujrat, which established SEWA Bank in 1974. Since then, this bank has been providing financial services to individuals who wish to grow their own business in rural areas. Moreover, the South Asian region is serving most of the borrowers nearly 60% of the global outreach in which India plays a leading role in the South Asian microfinance sector by serving loans to approximately 51 million people. (Al-shami et al., 2017).

1.2.3 Microfinance-Nepalese Context

The modern banking system was introduced in Nepal after the establishment of NBL as the first commercial bank in 1994 BS. The Microfinance formally started in the year 2036/37 when Agriculture Development Bank launched the small Farmers Development Project. The current microfinance loan program launched in Nepal is modelled after the program of Rural Bank Bangladesh started by professor Muhammad Yunus. The credit for starting Microfinance in Nepal goes to Dr. Harihardev pant. He was the deputy Governor of Nepal Rastra Bank. NRB started a microcredit program which was later called microfinance. NGOs and private sector started the microfinance program in the year 2048 BS. Immediately after that, in the year 2050 BS, NGOs like Nirdhan, CSD, Chhimek and other organizations started operating microfinance programs. Until Mid March 2021, there are 76 microfinance companies in Nepal (Economic Survey,077/78). Microfinance Companies are the 'D' class financial institutions in Nepal.

1.2 Statement of the problem

Nepal is a developing country with 16.67 percent absolute poverty and 28.62 percent multi-dimensional poverty of the total population (Economic Survey 077/78). The objective of the Sustainable Development Goals (SDGs) is to alleviate poverty from the world by 2030 A.D. The microfinance are working for the same, enabling the poor peoples to participate in economic activities and enhancing their earning level. Nepal Rastra Bank (2008), stated that the formal microfinance sector in Nepal started in 1974, when NRB directed NBL and RBB to lend at least 5 percent of their deposits under a 'Priority sector credits' scheme. The target sectors under the scheme include agriculture, cottage industries and services. NRB (2008) outlined that for nearly four decades, various agencies in Nepal have been active in microfinance with the central banks of Nepal, playing pivotal role in policy making decisions.

The women are not getting their rights. The women have to face social barriers, discrimination in the society, lack of education, not getting loan on time, lack of finance when required, lack of confidence and so on. Women are facing problems in a good experience for starting the new works because of giving focus to men rather than women. There is massive gap between the men and women entrepreneurs while ensuring change of life style through economy. While, male counterparts influenced the business sector female counterpart influence society bringing positive vibe in society. Since, women empowerment can create self-sustaining group within society. The microfinance can bring positive vibe in society. Therefore, for ensuring raise in women's living standard micro financing has to be introduced.

This study focuses on the role of microfinance in the Socio-economic empowerment of women in Baijanath Rural Municipality, Banke. It is about the socio-economic empowerment of women after participating in microfinance institution. Therefore, this study has some research question to explore some specific finding regarding the role of microfinance program at study area.

- i. Does the Microfinance program empower significantly women's socio-economic status in the study area?
- ii. What is the status of women in decision making and family relationship?

1.3 Objectives of the study

The main objective of this study is to evaluate the socio-economic empowerment of women through microfinance at Baijanath Rural Municipality Banke of Lumbini Province.

The specific objectives of the study are as follows:

- i. To investigate the socio-economic status of women in the study area.
- ii. To find out the economic empowerment of women through Microfinance.

1.4 Significance of the study

Microfinance is emerging as a powerful instrument for economic development and women empowerment in a new economy. It is a best approach to enhancing economic development of country by women's participation in entrepreneurial activities. This study is important in Nepal because the government has initiated micro-credit through the government agencies and organized groups of women are provided commercial credit. This study is carried out in the rural areas of Baijanath Rural Municipality to explore the role of MFIs. This is beneficial to know the perception of rural women on MFIs activities. Microfinance is now proven as a best strategy for the economic upliftment of poor rural women.

This study has a great significance because microfinance program is to enhance the socio-economic empowerment of women of the society. The main reason for this research work is to analyze the effect of socio-economic empowerment of women from this program. So this study will also important to help to get answer of the above research questions. The study is significant because it tries to signify microfinance in Nepal and how it helps to develop socio-economic status of women in a community with the help of case study of microfinance of Baijanath Rural Municipality Banke.

1.5 Limitations of the study

There is some limitation of the research study. The time constraints, financial problems and lack of research experiences are the primary limitations. The limitations of the research study are as follows:

- i. This study mainly focused on two Microfinance only.
- ii. This study mainly focused on MFIs operating in Baijanath Rural Municipality Banke only.
- iii. This study is based on 110 samples.
- iv. This study can be undertaken within the boundaries of limited areas, subjects and time. (up to 2021).

1.6 Organization of the study

The study is divided into five chapters. The first chapter consists of Introduction part of the study. It deals with the background of the study, Statement of the problem, Objectives of the study, Limitations of the study, Significance of the study and Organization of the study. The second chapter consist of review of literature which includes theoretical review and empirical review. It provides review information collected from available literature related to the study. The third chapter consist of Research methodology. It consists of research design, population and sample, sources and nature of data, data gathering procedure, method and analysis of data etc. The chapter four included data presentation and analysis. It is the major part of the whole study which includes presentation and analysis of gathered data. All the collected relevant data can be analyzed and interpreted by the help of different statistical and economical tools. This chapter also explained the major finding of the study. The fifth chapter include the research with necessary summary, conclusion and recommendations. Finally, references and appendix is enclosed at the end of the study.

CHAPTER II

REVIEW OF LITERATURE

A literature review is analyzing the previous writings and research efforts which are required to be analyzed for fruitful evaluation and find conclusions regarding topic of current study. This chapter reviews the theoretical literature of microfinance and its impact on women empowerment. It includes review of old theses, various related national and international articles, reports, dissertations, newspapers, magazines and suggestions of exports.

2.1 Theoretical Review

2.1.1 Microfinance

Microfinance is a financial instrument including loans, saving, micro-insurance, remittance and other financial products that are tailored only to poor people. It is created in economy for the economic benefit of the poor and that alleviates poverty. Microfinance is also called microcredit. It is a type of banking services provided to unemployed or low income individuals or groups who otherwise would have no other access to financial services. Microfinance is more popular and widely used instrument of poverty alleviation with the formation of Grameen Bank by Muhammad Yunus in the 1980s. Grameen Microfinance originated in 1976 after long research studied by Professor Dr. Muhammad Yunus. Yunus launched action research project to study how to design a credit delivery system to the rural poor from that research findings, he got some ideas about banking services to the poor people.

In 1983 the Grameen Bank Bangladesh was established as independent bank for the poor. It was first formal financial institution for the poor people in the world. As of October, 2021, it has 9.44 million members, 97 percent of women are women with 2568 branches. Grameen Bank provides services in 81678 villages, covering more than 93 percent of the total villages in Bangladesh. Grameen Bank's positive impact on its poor and formerly poor borrowers has been documented in many independent studies carried out by external agencies including the World Bank, the International Food Research Policy Institute (IFPRI) and the Bangladesh Institute of Development Studies (BIDS).

Grameen Bank has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of “Grameen Bank” reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, these millions of small people with their millions of small pursuits can add up to create the biggest development wonder.

Microfinance play an important role in fighting the multi-dimensional aspect of poverty. It is an innovation for the underdeveloped and developing countries that provides self employment opportunity for poor people who are unemployed, entrepreneurs and farmers, who are not bankable because of the lack of collateral, very low level of income. It has successfully enabled poor people to start their own business generating income and build up wealth. The main objectives of rural microfinance is to increase access of rural people to financial services to undertaken income generating activities and improve their livelihoods and to improve socio-economic conditions of the poor and deprived women. Especially from 1990s, the development of microfinance institutions (MFIs) has contributed to diminish the poverty of the country comparatively than previous days, by providing microfinance program to the poor and marginalized people and also empowering the rural women through different program of the microfinance. But still 16.67% is under absolute poverty and 28.62% is under multi dimensional poverty of the total population in Nepal.(Economic Survey 077/78). The objective of the sustainable Development Goals (SDGs) is to alleviate poverty from the world by 2030 AD. The microfinance are working for the same, enabling the poor peoples to participate in economic activities and enhancing their earning level. The microfinance institutions are providing various services to the women to empower them for their active participation in the economic activities, decisions making both in terms of household level and community level.

The microfinance development strategy ensures permanent access to institutional financial services for a majority of poor and low income households and their micro enterprises. It aims to support the development of sustainable microfinance systems that can provide diverse services of high quality.

2.1.2 History of Microfinance in Nepal

The modern banking system was introduced in Nepal after the establishment of Nepal bank Limited as the first commercial bank in 1994 BS. The Microfinance formally started in the year 2036/37 when Agriculture Development Bank launched the small Farmers Development project. Intensive banking program was started by Rastriya Banijya Bank in 2038 BS under the direction of NRB in the year 2039 BS, the Department of Women's Development started credit project for rural women. The current microfinance loan program launched in Nepal is modelled after the program of Rural Bank Bangladesh started by professor Muhammad Yunus. The credit for starting Microfinance in Nepal goes to Dr. Harihardev pant. He was the deputy Governor of Nepal Rastra Bank. NRB started a microcredit program which was later called microfinance. The microfinance program was started by Grameen Bank from the government level and NGOs from the private sector. This was later transformed into the concept of Microfinance Development Bank. At that time, Microfinance were established under the Development Act. But now microfinance are operating under the Banks and Financial Institutions Act. As it is being operated as a bank under the Banking and Financial Institutions Act. It has to be called a microfinance financial institutions instead of a bank under the same Act. From 2047 BS, NRB introduced the provision of investing 3 percent of the total loan to the poor. Non-governmental organizations and private sector started the microfinance program in the year 2048 BS. Similarly, in 2049 BS, NRB along with the investment of the government of Nepal established Purwanchal Grameen Bikas Bank and Sudur Paschimanchal Grameen Bikas Bank. The establishment of these rural banks were based on the financial system of Rural Bank Bangladesh. Immediately after that, in the year 2050 BS, Non-governmental organizations like Nirdhan, CSD, Chhimek and other organizations started operating microfinance programs. In the past, NRB implemented various poverty oriented loan programs such as small sector loan programs, priority sector loan programs, intensive banking loan programs, small and home industry loan

programs, productive loan program for rural women through banks and financial institutions. However, these programs failed to achieve the intended objectives. Thus, the concept of microfinance program emerged in Nepal.

Until mid march 2021, 76 microfinance companies are playing a leading role in providing the microcredit services to the poor. NRB has classified the microfinance companies as D class financial institutions. Commercial banks, development banks and finance companies of Nepal have also started focusing their business in the microfinance sector. They are offering services in the field of microfinance sector. They are offering services in the field of microfinance through branchless banking, rural branches and various modern technologies. Various cooperatives and financial non-governmental organizations are also providing microfinance services in Nepal.

2.1.3 Model of Microfinance

Microfinance is a financial service aimed at low-income individuals or at those who do not have direct access to typical banking services. Microfinance encompasses a number of financial services like micro-credit, micro-lending, micro-insurance, savings and money transfer among others. A microfinance institution (MFI) provides financial services to the communities who cannot offer collateral against the loans they take but have skills and desire to undertake economic activities for generating income and self-employment. MFIs range from small non-profit organizations to commercial banks. Based on the concept that access to financial services can help elevate low-income individuals out of poverty, microfinance programs are implemented in Nepal with a strong rural alignment, especially aiming at the poor. With the history of quite a few decades, MFIs in Nepal have been following a few prominent microfinance models. These comprise of Cooperative model, Small Farmer Cooperative Limited (SFCL) model, Grameen Bank model, and Community based Organizations (COs) or Self-Help Groups (SHGs) model. In addition, Village Bank (VB) is also considered a separate program/model of microfinance in Nepal. Brief descriptions of these models are as follows:

1. Cooperative Model

Cooperative models are mostly implemented by the Saving and Credit Cooperatives (SCCs) under which a wide range of savings and loan products are provided to the members. The SCCs target all community members in a given locality regardless of their social and economic status. However, organizations established by development programs stress more on serving the disadvantaged population. As per the Cooperative Act 1992, a group of 25 persons from a community can form a cooperative by registering it with the Department of Cooperatives, Ministry of Agriculture and Cooperatives. These cooperatives take savings deposits from their members and whoever wants to put savings in the cooperative is extended membership. The SCCs generally require mandatory savings from their members. However, members can also choose from a variety of services such as individual or group saving products, deposits, and festival and educational savings. Members are also provided with loans covering specific areas, such as agriculture, housing, micro enterprises, or for some social or emergency purposes. Loans so provided have a minimum term of three months to three years. The SCCs are governed by Cooperative Laws and are supposed to be self-regulated. However, some cooperatives that have been providing services to non-members after being licensed from Nepal Rastra Bank (NRB) for banking services come under NRB's regulation and supervision. Although the SCCs serve almost all the districts in Nepal, they are considered a more suitable financing model for the hilly and mountain residents.

2. Small Farmer Cooperative Limited (SFCL) Model

A SFCL is a multi-service cooperative formed to provide financial as well as non-financial services, like, social mobilization, training and technical support services, to its members (farmers), mostly in rural areas. Managed by the members themselves, it also provides financial loans in wholesale. A SFCL's services are targeted only at small farmers and are generally confined to a single Village Development Council (VDC) serving round 500 household catering 200-700 clients within a community. SFCL has a three tiers structure. At the village level, promoters help local household members to form groups; at the ward level, the farmers' groups with proximity and common interest are combined into intergroup associations; and at the VDC level, all groups and inter-groups are represented in the Executive Committee. The Executive

Committee, comprising of the members elected by the General Assembly, is responsible for hiring the Manager and other staffs and for ensuring the smooth and effective operation of the organization by deciding on the rules and regulation needed. Regular meetings are organized by the grassroots' groups to collect compulsory savings, loan repayments and applications for loan demand. Respective inter-groups appraise these loan applications and forward them to the Executive Committee with their recommendations for making the final decision. The loans are extended mainly with collateral security. However, rare cases of loans provided without collateral security can be observed as well. Sana Kisan Bikash Bank Ltd (SKBBL) provides these MFI's with wholesale loans while the Federation of SFCL's regularizes and supervises their financial activities.

3. Grameen Bank Model

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

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

4. Self-Help Groups (SHGs)/ Community Organizations (COs) Model

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

Community Organizations (COs)/ SHG’s are formed at the VDC level with the assistance of the Local Development Fund (LDF) under Participatory District Development Project (PDDP) and Decentralized Local Governance Support Program (DLGSP). Local community residents are organized into CO’s, either separately for men or women or together irrespective of the gender. Similar to other MFI’s, the CO’s too mobilize mandatory and other types of savings. Their lending schemes generally offer loans at 10-12 percent interest per annum to the borrowers. Members apply for loans and collect due installments during a CO’s regular meetings. The interest rates and other terms and conditions of loans are determined by the CO’s if they lend money using their own savings.

5. Village Bank (VB) Model

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

VB lends loan to the members from the loan capital extended to it by the sponsoring MFI. All members sign a loan agreement with the village bank to offer a collective

guarantee, thus providing moral collateral for each extended loan. A member generally gets Rs. 3,000 to 10,000 at a time, depending on the amount of savings available in the bank. The loan cycle must end and all loans must be paid back at the end of the 16th week to get new loans released. Members are usually requested to save twenty percent of the loan amount per cycle. New loans or collective income generating activities are funded using members' savings, thereby ensuring that the money stay within the village bank. No interest is paid on savings but members receive a share of profits from the village bank's re-lending activities at the end of each loan cycle in proportion to the savings deposits. In a VB, loans are generally charged at 24 percent interest per annum and interest is collected on upfront basis. A VB's management is generally handled by the chair, the secretary and the treasurer elected by the members. The members are also responsible for establishing the by-laws, distributing loans to individuals and collecting payments. This model is most suitable and advantageous in the remote and less accessible districts of Nepal.

2.1.4 Principles of Microfinance

- i. The poor need a variety of financial services, not just loans. Just like everyone else, poor people need a wide range of financial services that are convenient, flexible, and reasonably priced. Depending on their circumstances, poor people need not only credit, but also savings, cash transfers, and insurance.
- ii. Microfinance is a powerful instrument against poverty. Access to sustainable financial services enables the poor to increase incomes, build assets, and reduce their vulnerability to external shocks. Microfinance allows poor households to move from everyday survival to planning for the future, investing in better nutrition, improved living conditions, and children's health and education.
- iii. Microfinance means building financial systems that serve the poor. Poor people constitute the vast majority of the population in most developing countries. Yet, an overwhelming number of the poor continue to lack access to basic financial services.
- iv. Financial sustainability is necessary to reach significant numbers of poor people. Most poor people are not able to access financial services because of the lack of strong retail financial intermediaries. Building financially

sustainable institutions is not an end in itself. It is the only way to reach significant scale and impact far beyond what donor agencies can fund. Achieving financial sustainability means reducing transaction costs, offering better products and services that meet client needs, and finding new ways to reach the unbanked poor.

- v. Microfinance is about building permanent local financial institutions. Building financial systems for the poor means building sound domestic financial intermediaries that can provide financial services to poor people on a permanent basis. Such institutions should be able to mobilize and recycle domestic savings, extend credit, and provide a range of services. Dependence on funding from donors and governments including government financed development banks will gradually diminish as local financial institutions and private capital markets mature.
- vi. Microcredit is not always the answer. Microcredit is not appropriate for everyone or every situation. The destitute and hungry who have no income or means of repayment need other forms of support before they can make use of loans. In many cases, small grants, infrastructure improvements, employment and training programs, and other non-financial services may be more appropriate tools for poverty alleviation.
- vii. Interest rate ceilings can damage poor people's access to financial services. It costs much more to make many small loans than a few large loans. Unless micro-lenders can charge interest rates that are well above average bank loan rates, they cannot cover their costs, and their growth and sustainability will be limited by the scarce and uncertain supply of subsidized funding. When governments regulate interest rates, they usually set them at levels too low to permit sustainable microcredit. At the same time, micro-lenders should not pass on operational inefficiencies to clients in the form of prices (interest rates and other fees) that are far higher than they need to be.
- viii. The lack of institutional and human capacity is the key constraint. Microfinance is a specialized field that combines banking with social goals, and capacity needs to be built at all levels, from financial institutions through the regulatory and supervisory bodies and information systems, to government

development entities and donor agencies. Most investments in the sector, both public and private, should focus on this capacity building.

- ix. The importance of financial and outreach transparency. Accurate, standardized, and comparable information on the financial and social performance of financial institutions providing services to the poor is imperative. Bank supervisors and regulators, donors, investors, and more importantly, the poor who are clients of microfinance need this information to adequately assess risk and returns.

2.1.5 Social and Economic Empowerment of women

Women's equality and empowerment (SDG5) is one of the 17 Sustainable Development Goals and is also integral to all dimensions of inclusive and sustainable development. Women's and girls' social and economic empowerment also contributes to their ability to pursue their right to a healthy life. In all societies, power is not equally distributed. Economic and social empowerment puts women and girls in a stronger position and gives them the agency to make decisions that promote their own health and wellbeing, as well as that of their families. We believe that social and economic empowerment is a key factor to improving sexual and reproductive health and rights (SRHR) of women and girls. It enhances their ability to have a voice in decision making processes like marriage and pregnancy. It also enables women and girls to ensure that water, sanitation and hygiene (WASH) services respond to their needs. For example, as their needs differ from those of men, it is important that they have a voice with regards to household expenditure on WASH. The reverse is also true: realising women's and girls' rights to SRHR and water and sanitation increases their ability to achieve their own social and economic empowerment.

a. Women Empowerment

Women Empowerment is the socio-economic development of women. Different scholars and bodies conceptualized empowerment differently depending on several factors such as geography, level of education, social construction, and ongoing culture, and so on. As women empowerment had no explicit definition to date, there was open space to describe and work on the particular phenomena. Akpan (2015) stated empowerment as a means to contribute optimum to wealth creation and economic growth and to pull disadvantaged women out of impoverishment and

marginalization. Enhancing poor people's freedom of choice and action to shape their own lives was empowerment (Narayan 2015).

More explicitly, empowerment is measured in terms of household decision-making, importance in the family purchases, involvement in the major economic decisions, fulfilling family needs, able to purchase fixed assets, and availing the basic needs of the household. Empowerment is sometimes described as being about the ability to make choices, but it must also involve being able to shape what choices are on offer. Empowerment corresponds to women challenging existing power structures which subordinate women. Feminist scholars are very concerned that women's empowerment is hindered because of patriarchal power structure in the society including household.

Empowerment is the process of transforming existing power relation and of gaining greater control over the sources of power. It builds people's capacity to gain understanding and control over personal, social, economic and political forces to act individually as well as collectively to make choices about the way they want to be and do things in their best interest to improve their life situation (NHDR, 2004).

The indicator of women empowerment are as given below:

- i. Education and freedom
- ii. Economic contribution and freedom
- iii. Household management and decision-making
- iv. Percieved status within the household
- v. Health and sanitation
- vi. Governance
- vii. Media

b. Women's Economic Empowerment

Economic empowerment means that women have skills and resources to improve their economic status and move out of poverty. In addition, it means that women and girls can decide on how to utilize their income and other resources or jointly make those decisions. Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways that recognise the value of their contribution, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Economic empowerment increases

women's access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information.

The economic empowerment of women is a pre-requisite for sustainable development, pro-poor growth and the achievement of all the development goals. Gender equality and empowered women are catalysts for multiplying development efforts. Investments in gender equality yield the highest returns of all development investments. Women usually invest a higher proportion of their earnings in their families and communities than men.

A study in Brazil showed that the likelihood of a child's survival increased by 20 percent when mother controlled household income. Increasing the role of women in the economy is a part of the solution to the financial and economic crises and critical for economic resilience and growth. However, at the same time, we need to be mindful that women are in some contexts bearing the costs of recovering from the crisis, with the loss of jobs, poor working conditions and increasing precariousness. Women's economic participation and empowerment are fundamental to strengthening women's rights and enabling women to have control over their lives and exert influence in society. It is about creating just and equitable societies. Women often face discrimination and persistent gender inequalities, with some women experiencing multiple discrimination and exclusion because of factors such as ethnicity or caste. Women's economic empowerment increases the wealth and well-being of the entire population. Women are, however, less likely than men to have access to credit, resources and education. Women are also more likely than men to be in vulnerable jobs in the informal sector, to be underemployed or without a job, in addition to carrying out unpaid work in households.

c. Women's Social Empowerment

Social empowerment refers to the ability of women and girls to act individually and collectively to change social relationships and the institutions and discourses that exclude them and keep them in poverty. At home, this for instance involves the ability of women to decide and discuss with their partner whether or not to use contraceptives. Outside their home, it means women and girls can build positive relationships, participate in social activities and decision making, without being restricted by gender norms. An important aspect of social empowerment is to address

prevailing gender norms and roles, in order to improve women's and girl's participation and position in civil, economic and social spheres. By engaging communities in dialogues, we create space to discuss and tackle limiting social and cultural norms.

2.2 Empirical Review

2.2.1 Review of Articles and Journal

Ranabhat & Dhungana (2021), Claimed that micro-credit has a positive correlation with initial investment, revenue generation, employment generation, expansion of business and profit generation. The study also finds that micro-credit has encouraged clients to engage in the micro-business and enterprise development activities. The study recommends that it is necessary to adopt an effective utilization policy of micro-credit that may benefit both microfinance institutions for its sustainability and clients for their living standard improvement in Micro-credit, micro-business, micro-enterprises, and microfinance institutions.

Jain (2020), examined how far microfinance services positively affect the empowerment of Nepali women living in the eastern part of Nepal. The results indicate that the use of microfinance services (credit and saving) helps women to empower. Easy access to financial services and satisfaction with the loan payment period causes no difference in the improvement of women's empowerment. Saving service is significantly associated with women's household decision-making, major decision-making in the domestic context, and availability of basic household needs. Microfinance services contribute to women's socio-economic empowerment and their children's education.

Wagle (2019), concluded that microcredit, a financial mechanism to provide small amount of credits to the poor, had improved the status of poor women in the family as well as in the society. The finding of this articles are derived by comparing the positions of women in various family affairs such as access to finance, control over income and expenditure, children's education and participation in social meetings etc, prior to and after participation in microfinance program. The results showed that most of the females who received microcredit reported socio-economic empowerment

through access to capital, control over resources, decisions making power etc. The findings, however varied with regard to Dalit , Janajati and Brahmin/Chhetri women and those women in hardcore poverty and landless families are still out of the reach of microfinance programs. Those who are engaged in income earnings activities with the microfinance need to be supported financially and technically to upscale their business so that the cumulative effect would also contribute to the improving various macro-economic indicators of the economy. Their role in decision making on household activities, meeting and social participation has improved further.

Gnawali (2018), stated that microfinance plays important role in improving decision making by contributing in economic activities. The main purpose of microfinance is empowerment of women. Women empowerment is measured by economic participation, saving mobilization, training development and other factors. The study investigates the economic empowerment of women through various functions of microfinance. The study established that microfinance institutions plays a positive role on women who invest in them by increasing their well being access to and control their resources, eradicating illiteracy among women, taking part in economic decisions and finally microfinance institutions have boosted women's self esteem. The article concluded that, respondent have positive response and satisfaction towards the services provided by microfinance institutions.

Karn (2018), shows some challenges and opportunities of Nepalese microfinance sector. In his study, he found out some problem of microfinance which needed to be reformed regarding targeting. According to Karn there are problems in social awareness in Nepalese microfinance sector. Along with that he suggested a lot of opportunities in microfinance such as: stimulating growth of economy, increasing volume, accessibility and outreach.

Addai (2017), stated that Microfinance programmes are currently promoted as a key strategy for simultaneously addressing both women empowerment and poverty alleviation in Ghana. He concludes that the enhanced microfinance accessibility improves both economic and social empowerment of women with significant references to marital status and education of women. However, there has been a hot debate on the potency of microfinance in empowering the Ghanaian women.

Apparently, this research was conducted to analyse the impact of microfinance services on the economic and social empowerment of women in Ghana. This study is a statistically significant positive relationship between microfinance and women empowerment, for both economic and social but such relationship is dependent on marital status and educational level of the women.

Nisser & Ayedh (2017), stated that the empowerment of women is considered as an important factor to let women depending on themselves and to increase their self-confident socio-economic development. The study recommended the participation of women in microfinance program which is very important in women empowerment. The article examines the importance of microfinance role towards the empowerment of women and the socio-economic development of female. Microfinance is an important tool in the mission of empowering women in all aspects. However, Institutions, cognitive and external factors play crucial role in empowerment as loan size, rate of borrowing, procedure of obtaining loan, awareness/ perception, entrepreneurial skills and experience, knowledge and education literacy and cultural norms. For women to be more effective in their strategic options for empowerment, they need to invest microfinance credit obtained in profitable business in order to increase the capital and MFIs should also introduce mechanisms to motivate their clients to develop better saving habits.

Srinivasan (2016), examined that the Social empowerment is understood as the process of developing a sense of autonomy and self-confidence, and acting individually and collectively to change social relationships and the institutions and discourses that exclude poor people and keep them in poverty. The beneficiaries being largely women, the empowerment of women through microfinance is a widely studied and debated issue. This paper reviews the literature on the role of microfinance on women empowerment in India. It looks into the positive and negative evidences and the challenges relating to women empowerment. The social variables which showed a positive impact were decision making power, knowledge and self-worthiness, self-confidence, self-esteem and self- worthiness.

Adhikari & Shrestha (2013), stated that the concept of microcredit was developed to mobilize small savings of poor people to create deposits, which may be accessible to

unreachable and un-bankable poor, especially women. The study has concluded that microfinance is an effective tool for bringing positive impact on the economic status of the respondents along with their family members. It has helped to generate extra income for their family and their own use. The extra income allows the respondents family to buy nutritious food, access to modern health care services and they can afford to send their children to the school. Microfinance plays an important role in fighting the multi-dimensional aspects of poverty. It provide self-empowerment opportunity for poor people who are unemployed, entrepreneurs and farmers who are not bankable because of the lack of collateral, very low level of income. It has the capacity to enhance the socio-economic development of the vulnerable and marginalized people, especially women. Microfinance is one of the best alternatives to generate self-employment.

Paudel (2013), stated that the microfinance industry is characterized by too many small-scale supplies with a relatively large potential market. The study reports that the current monthly income of few of the households (control groups) is in declining trend in comparison of one year preceding income with two year preceding. The household food sufficiency from household production is higher in experimental group (who practiced the microfinance) than the control group (who don't practice MF). The contribution of sale of various agricultural products, including crops, vegetables and cattle/dairy were very insignificant. The study observed that the role of microfinance related activities in increasing the level of annual total income of households is very insignificant. Microcredit activities have promoted the activities relating to poultry business in line with other micro enterprise related activities.

Khan & Noreen (2012), states that the role of microfinance in women empowerment in Pakistan finds that access to credit through microfinance organizations has a positive impact on social empowerment of women and also that loan utilization by the woman herself is of importance. Khan and Noreen measured social empowerment by the construction of an index from indicators of child health, education, selection of spouse of children and leadership responsibility in the society. They specifically assessed the impact of microfinance accessibility on commitment of women to send their children to school and the ability to influence domestic decisions. They concluded that access to microfinance can empower women to commit themselves to

children's education, become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities.

Hulme & Mosley (2006), concluded that microfinance involves the delivery of small loans and other financial services which the poor can use to build up their assets, establish or further develop a business, increase their wealth and protect against risks. Pioneered by Mohammad Yunus who founded the Grameen Bank in Bangladesh during mid seventies, MFIs today are spread all over the world and count over 100 million of the world's poor as their clients. This segment of the population has often not had access to traditional banks. Subsidized government lending schemes, which have tried to reach the poorest have often proved inefficient to overcome the screening, monitoring and enforcement problems that restrict the access of the poor to the formal financial sector.

2.2.2 Review of Thesis

Bhandari (2021), conducted thesis *entitled Nexus between participation and economic status of women in Micro-finance program in Gulmi district*. The study concluded that Microfinance program is the best way to uplift women economically as well as socially and enhance overall economic growth. It is fruitful initiatives as it reaches door to door of rural poor and promotes them to save and do economic activities. It helps to enables the poor to take advantage of existing opportunities and build up their assets and helps to develop micro enterprises, generate self employment and raises their income. MFP helps to build their self confidence and self esteem, improves their purchasing power and thereby consumption. It enhances domestic saving and improves financial market and also provides escape route from poverty.

Basudev (2020), claimed that microfinance is one of the best alternatives to generate self-employment specially the poor women in the rural areas. Women who could gain access to microfinance services have been able to create self-employment opportunities and have been economically and socially empowered through increased income through small projects. Microfinance has a profound impact on the economic status, decision making power, knowledge and self-worthiness of women, community activities and self-help group programs. The study reveals that there is a positive relationship between microfinance and women empowerment. Microfinance becomes

catalyst for social change and women's empowerment. Early marriage, Grass roots development, Poverty alleviation, Self-confidence, Self-employment, Women empowerment.

Shrestha (2019) concluded that Empowerment of women is one of the very important issues in developing countries like Nepal. Women are integral part of the society. Their status and participation in decision making as well as social and economic activity is satisfactory than previously. Micro finance plays important role in improving women decision making power by contributing in economic activities. Microfinance is powerful tool to self-empower the people especially for the woman at world level the main aim of microfinance is to empower women. This study investigates the social economic improvement and decision making power of women after involvement in MFPs. The result shows a positive impact on all variables: economic, social and decision making the study concludes that microfinance institutions plays a positive role of women by increasing them social well-being access and control over their resources, mobilization of saving and investment, self-confidence, decision making ability in family as well as in society.

Dhakal (2018) conducted research for Master degree on the topic “The role of microfinance in women empowerment, A case study of Sundarbazar Municipality” concludes that Microfinance motivates women to encourage and built their self-confidence independently in society. Women are significantly empowered socially and economically after involving MFPs. Their social and political participation, awareness, confidence level, decision making ability has been significantly increased in women's income, saving, investment, assets holding after involving in MFPs. There is appreciable development in decision making power of women after involving in MFI. Women and societies perceive MFI positively; social response and reaction is also good, women are become self-dependent, self-conscious and self-motivated to become as dynamic as their family co-ordinations. Microfinance institution doesn't significantly provide skillful trainings to their member so that their disbursement loan amount should be invested in other sector rather than specified purpose.

Shakya (2016), conducted thesis of International Business on “Microfinance and women empowerment” concluded the following findings: The study establishes the concept about poor villagers as less risk taker to continue credit as they are highly

depending in agriculture sector. Since urban women are completely on commercial business (no matter the type of business), they tend to be determined to continue loan rather than dropping out caused by natural disaster for instance, floods. A focus on lending to women in microfinance initiatives as women registers higher repayment rates. It is directly linked to women empowerment and economic development by creating self-confidence. Women agreed that microfinance program has play important role in their self-confidence and self-esteem. The program has helped women in creating decision making opportunities inside their household matters. Women are socially and economically empowered after engaging in microfinance program. Through microfinance program, women started business by taking micro loan from MFIs.

2.2.3 Research Gap

Research is a never ending process. It is the process of finding out something new again and again. In all above studies more or less have the similar view regarding the empowerment of women. In Nepal, several studies have been done in the microfinance sector such as impact on income, loan, education, assets and outreach, poverty reduction etc. There is gap between present research and previous research conducted. So, this study has been undertaken to examine the socio-economic relationship between microfinance and women empowerment. In addition, this study also focuses the role of vehicles for change which is an additional part of this paper. This study deals with certain concept of women's empowerment and the available literature relating to women empowerment and capacity building especially about the contribution of microfinance program in women's empowerment in Nepal.

This research paper is different from others in the sense that it is trying to find out the empowering women through microfinance program of Baijanath Rural Municipality, Banke. Socio-economic empowerment of women through microfinance is the first thesis which was not written yet all in Baijanath Rural Municipality, Banke District. It is hard to find real cases studying empowering women through microfinance program in Baijanath rural Municipality, Banke. This research has attempted to discuss about the socio-economic empowerment of women and decision making role. It is trying to discuss about the skills and training provided to clients, identifying the target groups and providing the services to the poorest of the poor women.

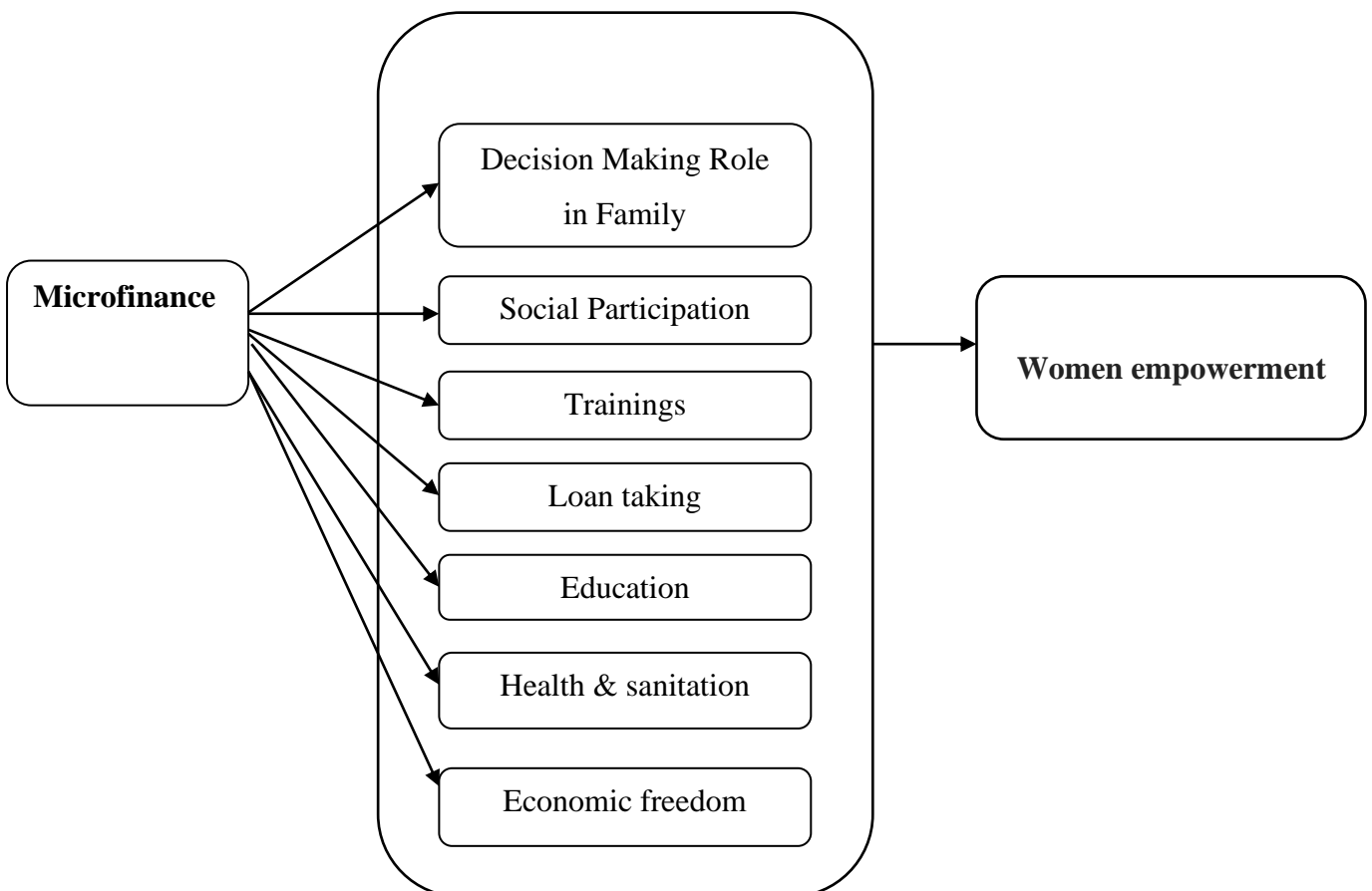
CHAPTER III

RESEARCH METHODOLOGY

Research methodology is the study of research methods, or more formally, a contextual framework for research, a coherent and logical scheme based on views, beliefs and values that guide the choices researchers (or other users) make (wikipedia). Research methodology is the way to systematically solve the research problem. It includes the various steps that are adopted by the researcher to solve the problem along with the logic behind them.

3.1 Conceptual Framework

The Conceptual Framework is an analytical tool with several variations and contexts. It is used to make conceptual distinctions and organize ideas. We can theorize that there would be positive role of microfinance in women empowerment. Role of microfinance in women empowerment depends upon social and economic status of women. The conceptual framework of the study can be presented as:



3.2 Research Design

A research design is overall plan for the activities to be undertaken during course of research study. It serves as a framework for the study, guiding the collection and analysis of data, the research instrument to be utilized and the sampling plan needed to be followed. This study is basically focused on the microfinance program in Baijanath Rural Municipality Banke. It is intended to find out the consequence of microfinance program in the specific study area. A casual comparative and descriptive approach of research design is applied to analyze and interpret the quantitative and qualitative data collected from the concerned field.

3.3 Nature and Sources of Data

This study is based on the primary as well as secondary data. This study is mainly based on primary data, which is collected from the field survey using structured questionnaire, and the observation method. The related secondary data is obtained from published and unpublished sources like articles, journals, books, annual reports of the concerned microfinance etc.

3.4 Population and sample

Sampling is a method that allows researcher to infer information about a population based on results from a subset of the population, without having to investigate every individual. The research is concentrated on the study of socio-economic empowerment of women through microfinance in Baijanath Rural Municipality Banke. Total population of sample study is 1200 members under microfinance program in Baijanath Branch in Banke till 2021 involving two microfinance. i.e Mirmire Laghubitta and NIC Asia Laghubitta with total members 800 and 400 respectively. For this study 70 and 40 sample is selected among the population from Mirmire Laghubitta Sanstha and NIC Asia Laghubitta sanstha respectively.

S.N	Microfinance	No. of women involved	Sample	Percentage
1.	Mirmire Laghubitta	800	70	63.64
2.	NIC Asia Laghubitta	400	40	36.36
	Total	1200	110	100.00

3.5 Data Processing and Analysis

The collected data use different technique to process and present them in suitable form. Therefore, data has been analyzed through descriptive as well as simple quantitative statistical tool. Descriptive method like frequency counts, percentage, mean were used to describe the characteristic of the respondents, as well as the independent and dependent variables. Results oriented are presented in the form of tables and figures. Results obtained are described by using descriptive tools such as tables and pie-charts and bar diagram. Qualitative information is based on observation and perception which are analyzed and interpreted by researcher. Further, qualitative information obtained through individual interview, focus group discussion are blend together with quantitative data to draw implication and conclusion.

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

Table: 3.6

Objectives	Major Indicators	Sources of Data	Tools for Justify
1. To investigate the socio-economic status of women in the study area.	<ul style="list-style-type: none">• Social involvement• Decision making• Occupation• Assets• Drinking water	Primary data collected through household survey by structured questionnaire.	<ul style="list-style-type: none">• Percentage analysis• Pie chart• Bar diagram
2. To find out the economic empowerment of women through microfinance.	<ul style="list-style-type: none">• Trainings• Family relationship• Child education• Loan taking• Income	Primary data collected through household survey by structured questionnaire.	<ul style="list-style-type: none">• Percentage analysis• Pie chart• Bar diagram

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

This chapter is aimed to display and evaluate the collected data regarding the objectives. The chapter, outline the study area and socio-economic status of the respondent's family, contains the essence or finding of the study in table formats and some figures generated for the data analysis. All the concerning variables were developed and analyzed to know the relationship between socio-economic status and participation and decision making roles of female microfinance members. The data collected from the field were edited, coded, tabulated and presented in this chapter.

4.1 An overview of Microfinance Institutions

4.1.1 Mirmire Laghubitta Bittiya Sanstha Limited.

Mirmire Laghubitta Bittiya Sanstha Limited was incorporated in 2009 AD. It provides retail microfinance in Nepal. It offers loans, such as general, alternative energy, seasonal discipline, emergency, micro entrepreneur, Foreign employment, education, home construction, agro equipment, business loans and SRG loan. The company also provides deposits products, including saving accounts, central welfare funds, pension saving and mirmire pewa deposits; and remittance services. It has a mission to provide financial services that are suitable for the needs of most of the rural population while ensuring MFI's long term sustainability. MLBSL has a vision to be a leading financial institution who provides excellent services to poor families in order to create benefits for clients, shareholders and society. The specific objective of the MLBSL is to improve income in agricultural, SME business in the rural areas by providing loans at reasonable interest rates and encouraging savings, and specifically targeting women and poor families in order to help them achieve a higher income. MLBSL had reached out to more than 1,29,000 poor and marginalized women clients through 148 branches across Nepal.

4.1.2 NIC Asia Laghubitta Bittiya Sanstha Limited

NIC ASIA Laghubitta Bittiya Sanstha Limited is incorporated as a public limited company registration no. 171621/074/075 on 2074/4/10 BS at Company Registrar Office of Government of Nepal under Company Act 2063. The company is one of the “D” Class Financial Institutions (Micro Credit Development Bank) licensed no. NRB “Gha” 61/074/75 on 2074/8/5 by Nepal Rastra Bank (NRB) under the Bank and Financial Institution Act, 2063. The Bittiya Sanstha has commenced its financial transaction from 2074/9/5 BS. Registered office of the bittiya Sanstha's was at Bheri Malika-4 municipality, Jajarkot District. After the Merger with Swadeshi Laghubitta Bittiya Sanstha Limited the head office of the company is located at Itahari Sub-Metropolitan City, ward no. 9, Sunsari District, Nepal and its service area covered to nationwide. The paid up capital of this institutions is Rs. 1,739,440,000. The main objective of the institution is to provide micro finance services to household from Terai, Hilly and Mountainous regions of Nepal with prime focus on low-income households, assets-less, self-employed in the informal sector to uplift their livelihood increasing involvement in economic activities and income generating activities. Besides all these financial services, it also focuses on their social development, cultural promotion, educational development, skill development. The Vision of the Financial Institution is poverty alleviation of rural community through economic development enhancing standard of living of people. To encourage saving to skill oriented productive programs uplifting the income level of the deprived sector. The main objective of the financial institution is providing institutional credit for general public lacking formal banking facility in the rural areas of the district with the intention to encourage and help rural community to attain sustainable growth in the financial activities for the mobilization of domestic resources that they venture to undertake.

4.2 Demographic Status of Respondents

In this section demographic characteristics of the sample population are interpreted. Generally sample Population are tabulated on the basis of their social and demographic characteristics. The demographic characteristics includes age, educational qualification, marital status etc.

4.2.1 Age Structure

Age is an individual character that directly affects the socio-economic status of women. It is one of the key factors to measure the empowerment of women. Age is a significant factor that determines the perception of the respondents. The data was collected from field survey of 110 respondents. In the field survey respondents of different age group and their perception towards the program are shown in table 4.1 below:

Table: 4.1 Age Structure of the Respondents

Age Group	No. of Respondents	Percentage
20-30	20	18.18%
30-40	40	36.36%
40-50	27	24.55%
50-60	17	15.46%
60-70	6	5.45%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.1 shows the age category of respondent women. It shows that the number of respondent's lies in age group 30-40 are more involved in micro finance program. Out of the total respondent women, 18.18 percent women involved in microfinance of 20-30 age group, 36.36 percent are of 30-40 age group, 24.55 percent women are of 40-50 age group, 15.46 percent are of 50-60 age group and 5.45 percent are of 60-70 age group. The age of 60-70 group women are less involved. Among these categories, the age groups 30- 40 and 40-50 occupy the higher proportion involved in microfinance i.e 36.36 and 24.55 percent respectively. While other age groups are found less in that process. This shows that more young women are involved in microfinance than old women. Youngest women are interested to involve in MFP for improvement of their lifestyle as well as social participation and training.

4.2.2 Education Level

Education refers to the systematic process of gaining knowledge and skills through study and instructions. It is a factor that determines physical and social development of the country. It is widely recognized fact that education is one of the main agents for transformation of traditional society into modern one. Without proper and adequate

education, women cannot become empowered individuals. Education is the key factor for women empowerment, prosperity, development and welfare.

Table: 4.2. Educational Status of the Respondents

Educational Status	No. of Respondents	Percentage
Illiterate	45	40.90%
Literate	40	36.36%
Secondary Level	20	18.19%
Above secondary level	5	4.55%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.2 shows the comparative study of the perception of women towards microfinance program on the basis of their education level. Table shows that more women participated in the program were illiterate i.e. 40.90 percent. It shows that women are yet lack of educational opportunities and literate or primary educated women are 36.36 percent. Respondents having secondary level education is 18.19 percent. Table 4.2 show that there were few respondents that have above secondary level of education. Only 5 respondents out of 110 have well educated women participate in micro finance program that have above secondary level and which is 4.55 percent. There were maximum number of women respondents who are illiterate and under secondary level education.

4.2.3 Marital Status:

Marriage is a socially or ritually recognized union or legal contract between spouses that establishes rights and obligations between them, their children, and their in-laws. Marital status of the respondents is categorized in three types i.e. married, un-married, and others (specify).

Table: 4.3 Marital Status of the Respondents

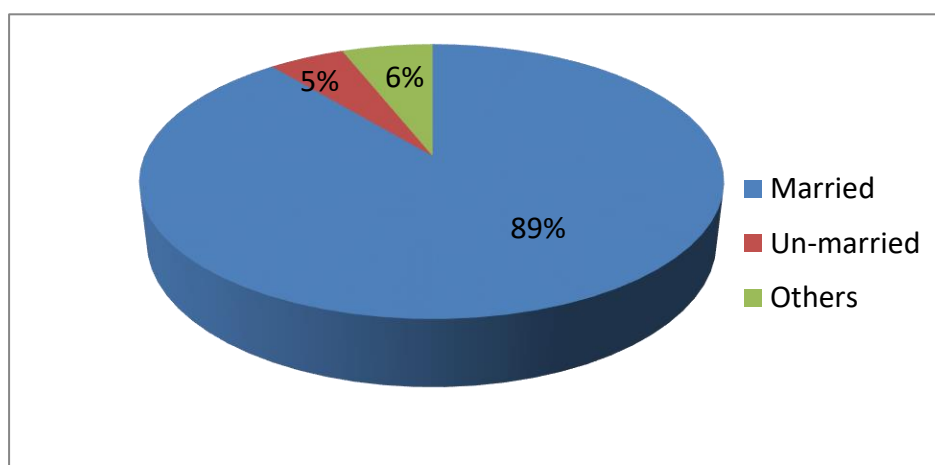
Marital Status	No. of Respondents	Percentage
Married	98	89%

Un-married	5	5%
Others (specify)	7	6%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.3 shows the marital status of respondent in the study area. The majority of respondents were married with 89 percent, 6 percent were others (widow,divorced) and 5 percent were unmarried.

Figure: 4.1 Marital Status of the Respondents



4.2.4 Family Structure

A family includes either a couple (married or not), its children or a person without a spouse and his/her children (single parent family). Family structure is changing with modernity and urbanization. However, family members generally seek to live in close proximity to each other where possible. Families look and act very differently and each has its own rules and expectations. These expectations may be based on how a family's members were raised, the cultures of the family or religious beliefs.

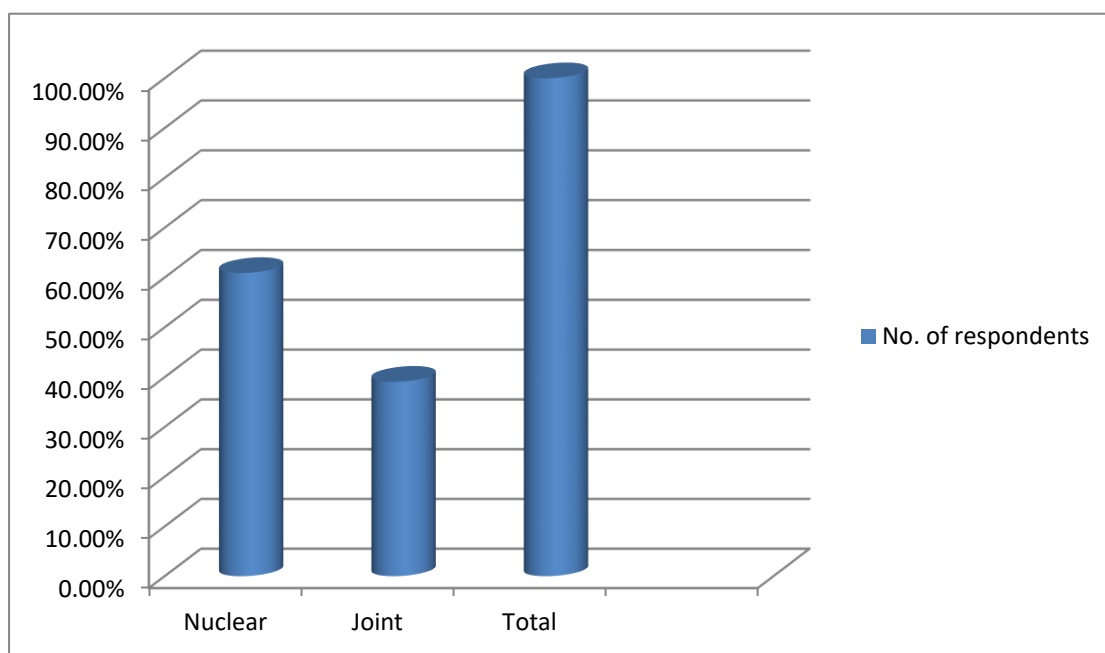
Table: 4.4 Family Structure of Respondents

Family Structure	No. of Respondents	Percentage
Nuclear	67	60.91%
Joint	43	39.09%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.4 shows that out of total respondents 60.91 percent have nuclear family structure and 39.09 percent have joint family structure. This shows that the respondents having nuclear family are more engaged in MFP as compared to the respondents having joint family.

Figure: 4.2 Family Structure of Respondents



4.2.5 Family Head

Table: 4.5 Family Head of the Respondents

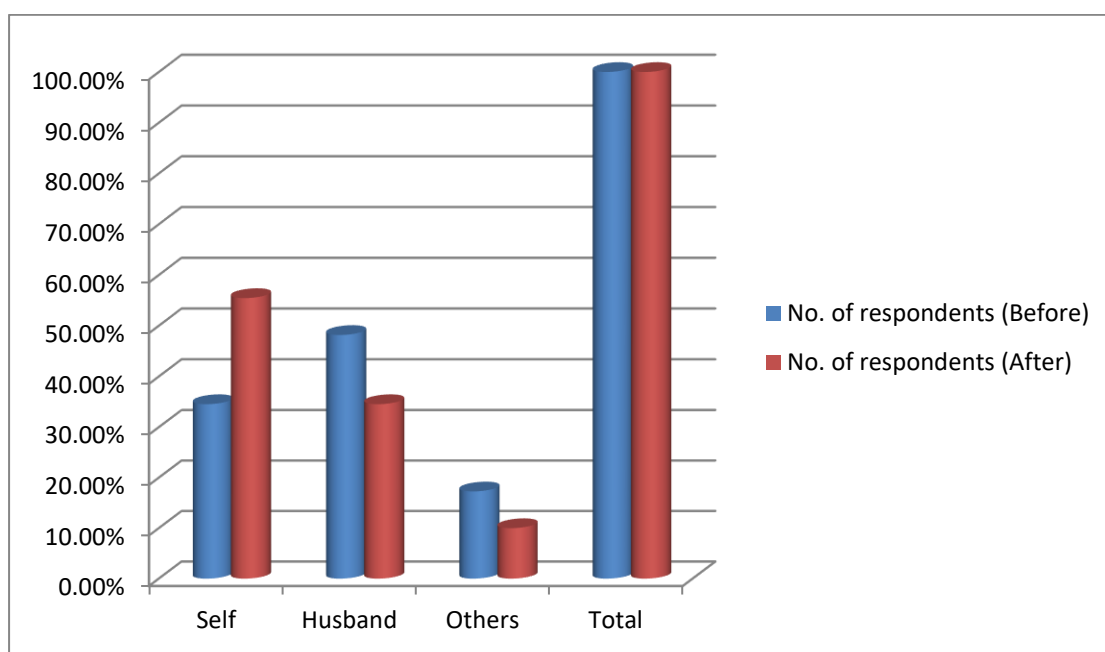
Category	No. of respondents (Before)	Percentage	No. of respondents (After)	Percentage
Self	38	34.55%	61	55.45%
Husband	53	48.18%	38	34.55%
Others	19	17.27%	11	10%
Total	110	100.00%	110	100%

Sources: Field Survey, 2021

The above table 4.5 shows that, the majority of households before involving MFP are mostly male headed. Out of the total 110 respondents covered in the study area, 48.18 percent belongs to male headed household and others remaining 34.55 percent are

female and 17.27% are others headed. Lower percentage of female headed household reflects the dominant position of male member of family over the female member. Similarly, after involving the MFP the female head of the household are increasing which is 55.45 percent. The male head and the others (head) of the household are decreasing, which is 34.55 percent and 10 percent respectively. This shows that there is positive effect of MFP in the study area.

Figure: 4. 3 Family Head of the Respondents



4.2.6 Assets and Livelihood

Table: 4.6 Land Holding Status of Respondents

Particulars	No. of respondents	Percentage
Having Land	98	89.09%
Having not Land	12	10.91%
Total	110	100.00%

Source: Field Survey, 2021

Above table 4.6 shows that 89.09 percent clients have their own land for agriculture. Only 10.91 percent clients do not have land. Selected area is old and local settlement so they have some land which helps supply food grains for livelihood and to support their animal husbandry. It is seen that most of the clients have land as they are

engaged in agriculture. The program is focused on local people who have been doing their activities traditionally and the microfinance program has focused to improve their skills and professions.

4.2.7 Land Ownership

Table 4.7 Land Ownership of the Respondents

Particular	No. of respondents (Before)	Percentage	No. of respondents (After)	Percentage
Self	16	14.55%	64	58.18%
Husband	76	69.09%	38	34.55%
Others	18	16.36%	8	7.27%
Total	110	100%	110	100%

Source: Field Survey, 2021

The above table 4.7 shows the land ownership of the respondents before and after involving MFP. Before Involving MFP, 14.55 percent women have their own land ownership. Similarly, 69.09 percent have their land ownership to their husband and 16.36 percent to others. After involving MFP, the no. of respondents who have own ownership on land are increasing i.e 58.18 percent. Similarly, the land ownership to their husband name are decreasing i.e 34.55 percent and Land ownership to others is 7.27 percent.

4.2.8 Main Profession/Occupation

Table 4.8 Main Profession/Occupation of the Respondents

Occupation	No. of respondents (Before)	Percentage	No. of respondents (After)	Percentage
Agriculture	58	52.73%	18	16.36%
Animal Husbandry	35	31.82%	22	20%
Retail Business	11	10%	59	53.64%
Private sector job	6	5.45%	11	10%
Total	110	100.00%	110	100.00%

Source: Field Survey, 2021

Above table 4.8 shows that, before involving MFP most of the clients are engaged in agriculture which stands at 52.73 percent of total respondents. Similarly 31.82 percent of respondents are engaged in animal husbandry, 10 percent have their own retail business and only 5.45 percent respondents are engaged in private sector jobs. It is seen that more respondents are engaged in agriculture than other sectors. Similarly, after joining MFP, most of the clients are engaged in animal husbandry and retail business. The table shows that the clients who engaged in traditional agriculture before joining MFP are divert to the animal husbandry and retails business. After joining MFP, only 16.36 percent are involved in agriculture, 20 percent engaged in animal husbandry, 53.64 percent are engaged in retail business and 10 percent are engaged in private sector job.

4.2.9 Loan Status:

In finance, a loan is the lending of money by one or more individuals, organizations or other entities to other individuals, organizations etc. Women are naturally risk avoider and are afraid to bear risk. But MFP helps them on taking risk. Risk is the main element to correct or improve people's efficiency in each and any sector, financial or investment sector also. According to MFP firstly women were afraid to take loan from MFI. After taking training they were motivated to take loan and improve their income level.

Table 4.9 Loan Status of Respondents

Loan Purpose	No. of Respondents	Percentage
Yes	105	95.45%
No	5	4.55%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.10 Purpose of Loan taking by Respondent

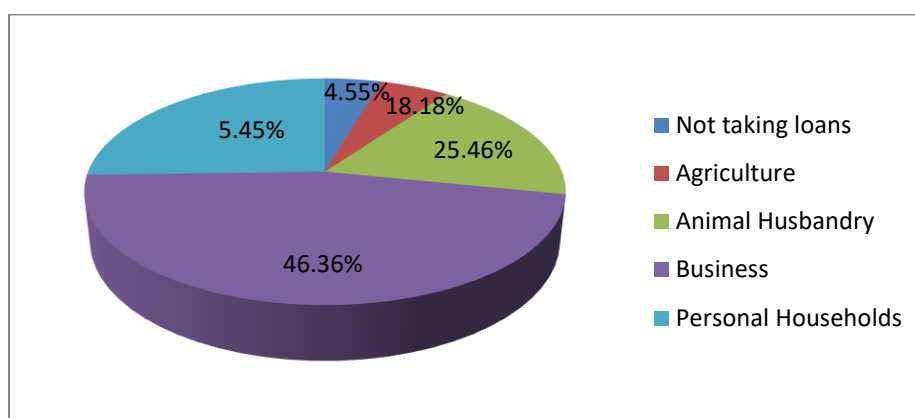
Loan purpose	No. of respondents	Percentage
Not taking loan	5	4.55%
Agriculture	20	18.18%
Animal Husbandry	28	25.46%

Business	51	46.36%
Personal Households	6	5.45%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.9 and 4.10 shows that 95.45 percent of the women taking loan from the microfinance for different purpose mainly for business, Animal husbandry and modernization of agriculture where as rest of 4.55 percent respondent women cannot take loan yet. This table explained that women were taking loan for income generating activities. More women invest their loan on business i.e 46.36 percent, respondent women taking loan for agriculture is 18.18 percent, for animal husbandry is 25.46 percent and personal household expenses is 5.45 percent as well.

Figure: 4.4 Purpose of Loan taking by Respondents from MF



4.3 Effect of MFP Training

Training is a program that helps employees learn specific knowledge or skills to improve performance in their current roles. Training is a form of training with the goal of making people more aware of their own goals as well as their prejudices and more sensitive to others and to the dynamics of group interaction. Training focuses on a job position, development puts the emphasis on building a successful professional career.

Table 4.11 Effects of MFP Training to the Respondents

Helpfulness of Training	No. of Respondents	Percentage
-------------------------	--------------------	------------

Very Helpful	69	62.73%
Helpful	23	20.91%
No Trained	18	16.36%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.11 shows that the 62.73 percent found that the training they received was very helpful to run the project but 20.91 percent said the training is helpful in the sense that the training package is improperly designed and 16.36 percent of respondents hadn't received training yet. The figure clearly reveals that the training is useful to run the project but the nature of training should be demand-led rather than supply-fed. The above table shows that majority of women have got skillful training from MFI, which is very helpful. It is necessary tool to empower women's social and economic status.

4.3.1 Purpose of Joining MFP

In the 21st century, women enjoy more freedom and power than ever before. However, they are still disadvantaged when compared to men in virtually all aspects of life. Women are deprived of equal access to education, health care, capital, and decision-making powers in the political, social and business sectors. Women who involved in microfinance program they make family background good as well educated.

Table 4.12 Purpose of Joining MFP

Purpose	No. of respondents	Percentage
To empower social status	20	18.18%
To empower economic status	48	43.64%
Self dependent	35	31.82%
Others	7	6.36%
Total	110	100.00%

Source: Field Survey, 2021

The above table shows that 43.64 percent respondents aims to join MFP is to empower economic status of the family. Likewise 31.82 percent respondents wants to join MFP to become self-dependent because women donot need to ask for daily household activities with their husband. Simillarly, 18.18% respondent wants to empower social status good and 6.36 percent respondents expressed various purposes of joining the MFP.

4.3.2 Income status

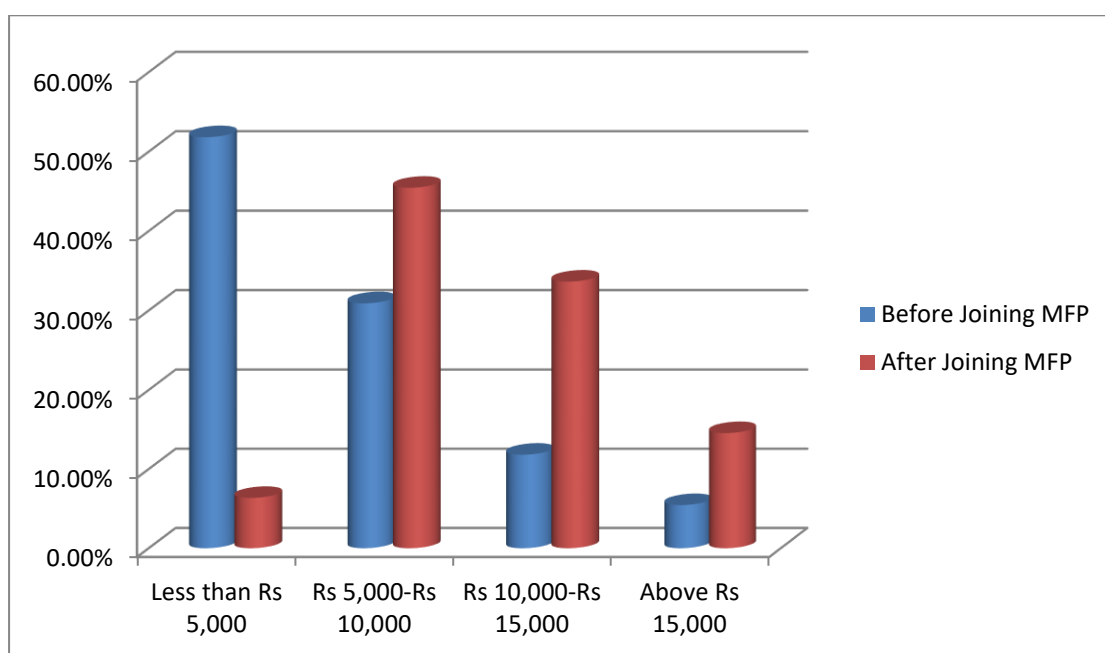
Table: 4.13 Monthly Income of the Respondents

S.N	Income Before Joining MFP	No. of respondents	Percentage	Income After Joining MFP	No. of respondents	Percentage
1	Less than 5000	57	51.82%	Less than 5000	7	6.36%
2	5000-10,000	34	30.91%	5000-10,000	50	45.45%
3	10,000-15,000	13	11.82%	10,000-15,000	37	33.64%
4	Above 15,000	6	5.45%	Above 15,000	16	14.55%
	Total	110	100.00%	Total	110	100.00%

Source: Field Survey, 2021

Above table shows that before joining the microfinance program 51.82 percent respondents earn below NRS 5,000 monthly, 30.91 percent of respondents who earn NRS 5,000 to10,000 monthly, 11.82 percent respondents earn NRS 10,000 to 15,000 monthly and only 5.45 percent respondents earn more than NRS 15,000 monthly. Similarly, after involving in microfinance program 6.36 percent % respondents earn below 5,000 monthly, 45.45 percent% of respondents who earn NRS 5,000 to10,000 monthly, 33.64 percent respondents earn NRS 10,000 to 15,000 monthly, 14.55 percent respondents earn more than NRS 15,000 monthly. This shows there is significant improvement in their income by involving in microfinance program.

Figure: 4.5 Monthly Income of the Respondents



The above venn-diagram shows that there is significant improvement in their income by involving in microfinance program. Monthly income increase due to joining the program. Savings and Credit services provided an opportunity for their members to undertake different enterprises, including micro enterprises. This helped the members to generate self-employment and increase their incomes, thereby contributing towards reducing their poverty to some extent.

4.3.3 Decision Making Role in Family

Decision making is the process of identifying and choosing alternatives based on the values, preferences and beliefs of the decision maker. It is regarded as the cognitive process resulting in the selection of a belief or a course of action among several alternative possibilities. It involves the analysis of a finite set of alternatives described in terms of evaluative criteria. Women's ability to influence or make decisions that affect their lives and their futures is considered to be one of the principal components of empowerment. Women's decision-making role in the family is assessed in terms of the extent of their participation in making decisions on family affairs like: schooling of children, family member treatment, sale of goat and cattle and other issues.

Table: 4.14 Decision Making Role in Family Activities after Joining MFP

Decision Parameters	Respondents Participation on Decision Making in Family			Percentage
	Self	Others	Total	
Grocery	56	54	110	50.91%
Household Assets	50	60	110	45.45%
Land/house	64	46	110	58.18%
Consumption & Investment	87	23	110	79.10%

Source: Field Survey, 2021

Out of 110, The above table 4.14 shows that only 58.18 percent women had control over their land and house whereas 50.91 percent women had control on grocery, 45.45 percent had make decision on household assets and 79.10 percent on consumption and investment. The table shows that in most of the decision making activities is taken from women then after spouse as well as other member of the family.

4.3.4 Decisions on Sale and Buy Livestock/Agriculture Activities:

The decision making role about sale and buy of livestock of respondent's families of the study area of Baijanath Rural Municipality before and after joining MFP is presented in figure 6:

Figure: 4.6 Decision on Sale and Buy Livestock/Agriculture Activities

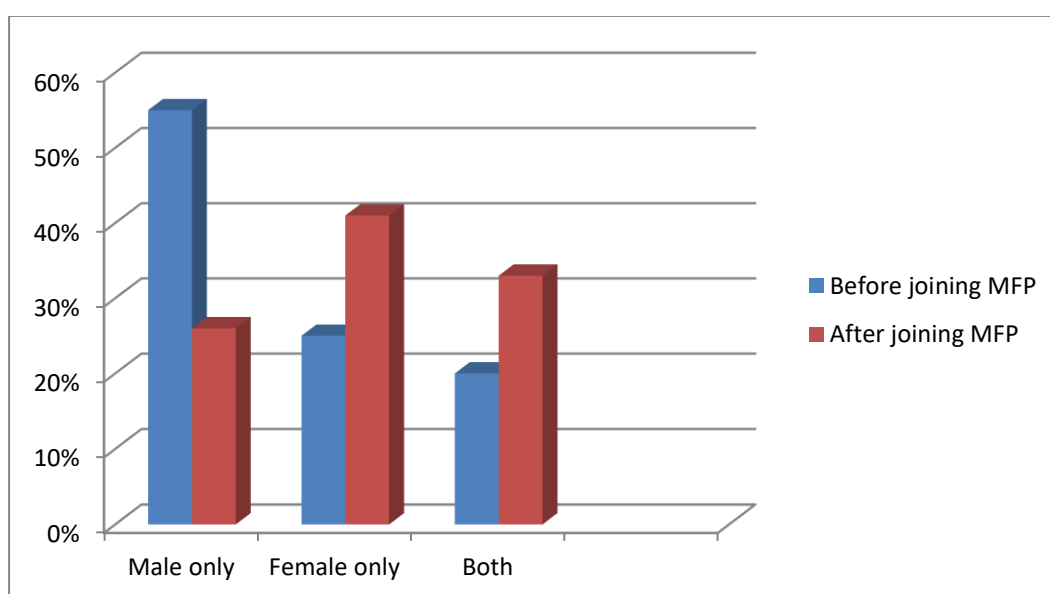


Figure: 4.6 shows that 55 percent of borrowers family's male person of the study area had been making the decision about the livestock/agricultural activities before joining MFP, but after joining it has been decreased and came down into 26 percent. 25 percent women take decision before and after 41 percent was increased in livestock/agriculture activities in the study area. In the study are it found that 20 percent of respondents have both decision to livestock/agriculture activities before, and after it was increased by 33 percent shows in the study area. Data on decision making role in household activities about sale and buy of livestock/Agriculture of respondents show that the members associating with this programme has significantly increased in their decision making role in household activities.

4.3.5 Decisions for Buying Goods

The decision making role in the household on buying goods of the respondents families of the research area of Baijanath Rural Municipality before and after involving MFP is presented in table 4.15

Table: 4.15 Decisions for Buying Goods

Before Involving MFP			After Involving MFP		
Buying Goods Decisions	Number of Respondents	Percent	Buying Goods Decisions	Number of Respondents	Percent
Male only	60	54.55	Male only	27	24.55
Female only	33	30	Female only	45	40.91
Both	20	18.18	Both	38	34.54
Total	110	100.00	Total	110	100.00

Source: Field Survey, 2021

Table 4.15 shows that about 54.55 percent of the respondents family's male person of the study area had been making the decision about the buying goods decisions before joining MFP, but after joining MFP it has been decreased and came down into 24.55 percent. 30 percent women take decision before and after 40.91 percent was increased buying goods. In the study are it found that 18.18 percent of respondents have both

decision to household need or goods before joining MFP, and after it was increased by 34.54 percent shows in the study area.

4.3.6 Having Communication and Media

The data on communication and media shows that there is a little increasing numbers of borrowers after the participation in micro finance program. Due to the foreign employment in the rural area almost every person have their own phone. There is vast different between the five six years.

Table: 4.16 Communication and Media

Sources	No. of respondents (Before joining MFP)	Percentage	No. of respondents (After joining MFP)	Percentage
No	52	47.27	-	-
Radio	38	34.55	13	11.82
Television	20	18.18	48	43.64
Newspaper	-	-	23	20.90
Internet	-	-	26	23.64
Total	110	100.00	110	100.00

Source: Field Survey, 2021

Before joining MFP, The respondents 47.27 percent had not any sources for any information, 34.55 percent from had radio for the source of information and there were not any percentage of respondents in newspaper and internet excess for source of information. After joining the MFP the respondents there is not any percentage of respondents for any source of information. 11.82 percent from have Radio is the source of information, 43.64 percent have television as the source of information, 20.90 percent have newspaper as the source of information and 23.64 percent have the internet excess as the source of information.

4.3.7 Family Relationship

Children thrive on feelings of belonging and affection that come from having caring and supportive families. Whether families have one parent or two, whether they

include step-parents, grandparents, they can build strong, positive family relationships that promote family well-being and support children's mental health. Sometimes these pressures can make the development of positive family relationships more difficult. Yet, even taking these influences into account, there is much the adult or adults in the family can do to build strong family relationship. Happy families work together to make decisions and make sure each family member's needs are being adequately met.

Table 4.17 Family Relationship After Joining MFP

Family Relationship	No. of Respondents	Percentage
Worsen	0	0.00%
Not Improved	8	7.27%
Slightly Improved	48	43.64%
Greatly Improved	54	49.10%
Total	110	100.00%

Source: Field Survey, 2021

Table 4.17 shows that women after involvement in MFP, the worsen relationship in family member of respondent is zero, 7.27 percent respondent respond that there is not improvement in family relationship, 43.64 percent respondent respond slightly improved and 49.10 percent respond to greatly improved after joining MFP. Above table shows that after joining of MFP there has been change in family relationship and slightly improved in respect from husband and other family members.

4.3.8 Schooling of Children

Table: 4.18 Schooling of Children Before and After

Before joining MFP			After joining MFP		
Schooling of children	Number of Respondents	Percent	Schooling of children	Number of Respondents	Percent
Male only	72	65.45	Male only	28	25.45
Female only	22	20	Female only	59	53.64
Both	16	14.55	Both	23	20.91

Total	110	100.00	Total	110	100.00
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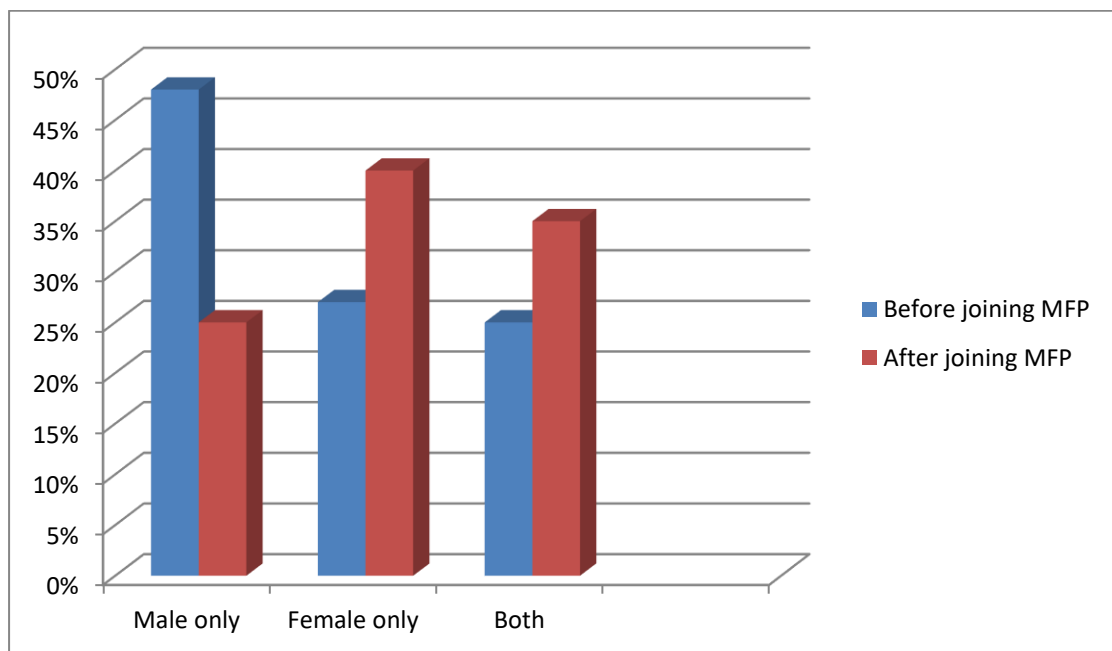
Source: Field Survey, 2021

Table 4.18 shows that about 65.45 percent of borrowers family’s male person of the study area had been making the decision about the schooling of the children before joining MFP, but after joining it has been decreased and came down into 25.45 percent. 20 percent women take decision before and after 53.64 percent was increased schooling for their children. In the study are it found that 14.55 percent of respondents have both decision to schooling for their children before, and after it was increased by 20.91 percent shows in the study area.

4.3.9 Decisions on Family Member’s Treatment

It can be shows in figure: 4.7 as below,

Figure: 4.7 Decision on Family Member’s Treatment



Source: Field source, 2021

Figure: 4.7 shows that 48 percent of the respondent’s male person of the study had been making the decision about the family members treatment before joining MFP, but after joining it is 25 percent, it is little decrease. Likewise, 40 percent female had been making the decision about the family treatments before joining the MFP but after joining it is 40%. both male and female made decision in medical treatment is 25

percent before joining MFP and after joining MFP it is 35 percent. Its shows that after joining this program the borrower's family treatment condition was increased.

4.4. House Figure of the Respondents

Table 4.19 shows that house figure of respondents before and after joining MFP

Table: 4.19 House Figure of Respondents

House figure	No.of respondents (Before joining MFP)	Percentage	No. of respondents (After joining MFP)	Percentage
Cement building	-	-	16	14.55
Stone & mud	45	40.91	58	52.73
Bamboo& mud	40	36.36	31	28.18
Others	25	22.73	5	4.55
Total	110	100.00	110	100.00

Source: Field Survey, 2021

The respondents before joining MFP, there were Nil percent of respondents of having cement building house. In stone and mud house figure 40.91 percent of respondents. Similarly, 36.36 percents of respondents had bamboo and mud house figure. In other types of house figure of respondents were 22.73 percent.

After joining MFP the respondents 14.55 percent have cement building house. In stone and mud house figures the 52.73 percent of the respondents. Similarly, In the same way, the respondents 28.18 percent have Bamboo and mud house figure. In other type of house figure 4.55 percent of respondents have other type of house figure.

4.4.1 Nature of Toilet

Table: 4.20 Shows the nature of toilet of respondents before and after joining MFP.

Table: 4.20 Nature of Toilet of Respondents

Type of toilet	No. of respondents	Percentage	No. of respondents	Percentage
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	(Before joining MFP)		(After joining MFP)	
No toilet	12	10.91	-	-
Local	79	71.82	28	25.45
Flush	19	17.27	82	74.55
Total	110	100.00	110	100.00

Source: Field Survey, 2021

According to field survey, before joining MFP, 10.91 percent of the respondents had not any toilet, 71.82 percent had local toilet user and 17.27 percent had flush toilet users. In the same way, after joining MFP, there is no any respondents who is non-toilet user. Likewise 25.45 percent are local toilet user and 74.45 percent are flush toilet users.

4.4.2 Medical Treatment

Table: 4.21 Medical Treatment of Respondents

Type	No. of respondents (Before)	Percentage	No. of respondents (After)	Percentage
Health post	13	11.82	5	4.55
Private clinic	5	4.55	83	75.45
Govt. hospital	40	36.36	22	20
Domestic	52	47.27	-	-
Total	110	100.00	110	100.00

Source: Field Survey, 2021

From the selected respondents before joining MFP, 11.82 percent of the respondents getting medical treatment at health post, 4.55 percent at private clinic, 36.36 percent got at government hospital and 47.27 percent got domestically medical treatment. Similarly, In the same way, after joining MFP, 4.55 percent got medical treatment at health post, 75.45 percent got at private clinic, 20 percent got at government hospital and there is no any respondents who got domestically medical treatment.

4.4.3 Change in Source of Drinking Water

The below table 4.22 shows the source of drinking water that is used by the members of the study area of the Baijanath Rural Municipality of Banke before and after joining MFP. In the study area the government/NGOs provide the drinking water for the people. There are lots of change in the study area. It can shows in table below.

Table: 4.22 Change in Source of Drinking Water

Before Borrowing			After Borrowing		
Source of Water	Number of Borrowers	Percent	Source of Water	Number of Borrowers	Percent
Public tap	69	62.73	Public tap	18	16.36
Own tap	26	23.64	Own tap	54	49.09
Tap from Gov/NGOs	15	13.63	Tap from Gov/NGOs	38	34.55
Total	110	100.00	Total	110	100.00

Source: Field Survey, 2021

The above table shows that 62.73 percent respondents of the study area had been using public tap, 23.64 percent using their own tap and 13.63 percent used tap provided by Gov/NGOs before joining MFP. But after joining MFP, 16.36 percent respondents have been using public tap. 49.09 percent of respondents of the study area had been using their own tap and 34.55 percent used tap provided by Gov/NGOs after joining MFP.

4.4.4 Social Involvement

Social participation is an integral part of human life. The women empowerment is possible only if they are provided with the opportunities to run their business houses and industries. Female engagement in the corporate sector provides the social and economic growth of women. The growth of women is directly related with the enhancement of development of finance (Adhikari and Shrestha, 2015). Women can be provided with the opportunities of start up through the micro credit in beginning

and slowly through training. The women can be grown on socio economic sector if provided with skill and training. Literacy is main key for raising the empowerment of women and is more credible through microfinance.

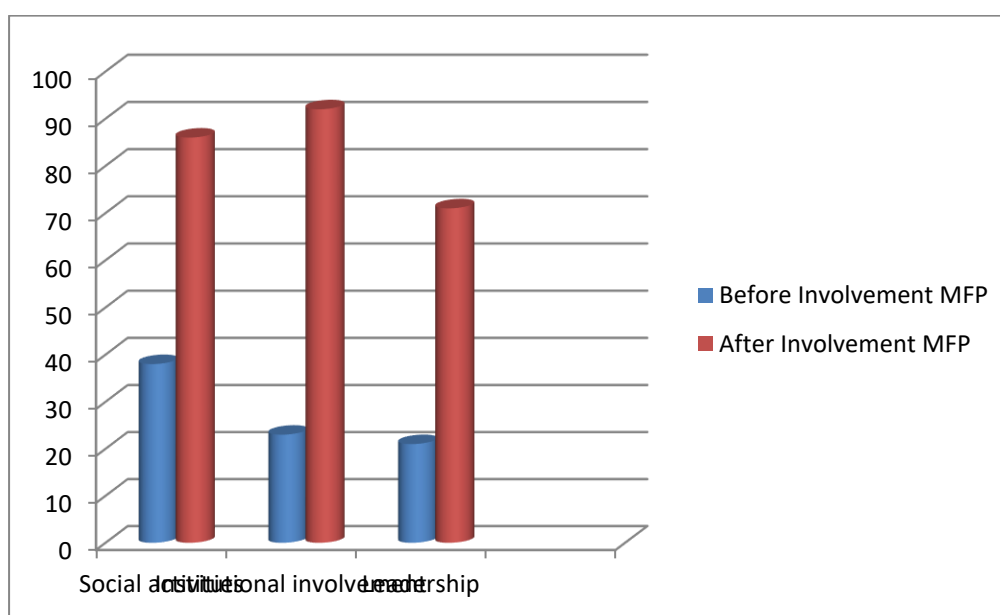
Table 4.23 Social Participation of the Respondents

Social Involvement Parameter	No. of Respondents	
	Before Involvement	After Involvement
Social Activities	38	86
Institutional Involvement	23	92
Leadership	18	64

Source: Field Survey, 2021

Table 4.23 shows the social and institutional participation status of respondents before and after involvement in MFPs. The number of women respondents after involving in MFPs are significantly participated in social issues. Before the involvement of MFPs there are 38 respondents who involved in social activities. But after the involvement of MFPs there are 86 women who involve in social activities. Similarly, institutional involvement is 23 on before and 92 after involvement in MFI. Leadership involvement before is 18 and 64 after participation in MF program. It means that MFIs helps to empower the women about social activities, institutional involvement and leadership issue. The average mean of the respondents before involvement in MFP is 26.33 and 80.67 after involvement in MFP.

Figure: 4.8 Social Participation of the Respondents



The above graph shows that there was increase in the proportion of women attending social activities, institutional involvement and leadership in community and politics after the involvement in the microfinance program. It also shows that there is a significant change in social, institutional and political participation of women after involving the MF program.

4.4.5 Changes in Self-Confidence

Self-confidence is one of the most crucial and complex concept relating to both women's perception of their capabilities and their actual level of skills and capabilities. It has been noted that when women members plays leadership roles as group leaders or centre leaders they experienced an increased sense of self-confidence and self worth. Change in self-confidence in women is assessed, in terms of the level of their confidence as felt by themselves before and after participation in the MFI. The respondents were asked whether they were able to put their views in family and put their concern in-group discussions at the centre meetings.

Table: 4.24 Change in Self-Confidence

S.N	Level of confidence	No. of Respondents (Before Joining MFP)	Percentage	No. of Respondents (After Joining MFP)	Percentage
1.	Ability to put own interest to family.	27	24.55	45	40.90
2.	Ability to put own say in family discuss.	23	20.91	35	31.82
3.	Ability to put own say in the centre meeting.	10	9.09	25	22.73
4.	No response	50	45.45	5	4.55
	Total	110	100.00	110	100.00

Sources: Field Survey, 2021

As presented in the table, the proportion of women respondents as being able to put their own interest in family increased from 24.55 percent to 40.90 percent after the program. Before joining the MFP, 20.91 percent of the respondents had ability to put own say in the family discuss but after joining MFP it increases to 31.82. Likewise 9.09 percent respondents had ability to put own say in the centre meeting before joining MFP and it increase to 22.73 percent after the program. Many of respondents however did not response about the before situation compared to after situation. The above table shows that there is significant change in self-confidence of women after the involvement in the program.

4.4.6 Change in Social and Political Participation

Economical empowerment may create an opportunity for women to earn independent and contributes the household economy and social and political participation. Women's participation in community and political organization heightens their involvement in extra households activities, gives them exposure to outside world and increases their mobility outside home. Their involvement in social, economic and political activities bring changes in their role expectations in the community and society at large and helps in personality development. It gives them self-esteem, confidence, social recognition and status. Ultimately, it contributes to women empowerment.

Table: 4.25 Change in Social and Political Participation

S.N	Issue and mode of participation	No. of Respondents (Before Involving MFP)	Percentage	No. of Respondents (After Involving MFP)	Percentage
1.	Membership of social organization.	18	16.36	39	35.45
2.	Attending meeting of social organizations.	15	13.64	32	29.09
3.	Position held in political parties	5	4.55	12	10.91

	Nominated/elected in local institutions.				
4.	Not involved	72	65.45	27	24.55
	Total	110	100.00	110	100.00

Source: Field Survey, 2021

From the above table, Regarding women's membership of social organizations, only 16.36 percent respondents of being the members of social organizations, such as users groups, NGO and Mother's Associations before participation in the program. This proportion slightly increased to 35.45 percent after the program. There was also slight increase in the proportion of women attending meeting of social organizations, which increases from 13.64 percent to 29.09 percent after the involvement in the program. There was small change in the status of women holding executive positions in the local level committees of political parties before (4.55 percent) and after the program (10.91 percent). It also shows that there is a significant change in social and political participation of women after the program.

4.4.7 Changes in Control over Income

Women are more likely than man to invest increased income in the household and family wellbeing. However, women are placed in a sub-ordinate position in their social relationship with men and are expected to be differential to men in all the respects and in some cases women suffer from domestic violence. They did not appear to have independent to control over their income. The extent of women's control over their own income indicates the level of their economic independence, position and power in their family and community. It is assessed in terms of whether they kept their income with themselves and spent it as per their own will or were required to hand over it to their husband and father in-laws.

Table: 4.26 Change in Control Over Income

S.N	Issue and Mode of participation.	No. of Respondents (Before joining MFP)	Percentage	No. of Respondents (After joining MFP)	Percentage

1.	Hand over to husband/father in-laws.	69	62.73	13	11.82
2.	Kept by self and ask while spending.	28	25.45	58	52.73
3.	Kept by self and spend as per one's own will.	13	11.82	39	35.45
	Total.	110	100.00	110	100.00

Source: Field Survey, 2021

As presented in the table regarding women's control over their income, a large proportion of women respondents reported keeping their income with themselves but taking consent of husband and in-laws while spending it. There was an increase in the proportion of such women after the program. It increased from 25.45 percent to 52.73 percent. There was considerable decrease in the proportion of those giving their income to their husband and in-laws from 62.73 percent before to 11.82 percent after the involvement in the program. Likewise, there was increase in the proportion of women respondents reported keeping their income with themselves and spend as per one's own will. This shows an increase in women's control over their own income, indicating a positive impact of micro finance program on economic empowerment of women.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This final chapter involves summary, conclusions and recommendations of the research work. The fact and finding from primary data analysis are presented in this chapter.

5.1 Summary:

Nepal is a developing country; its most of the part is covered by rural areas which are very far from infrastructural access. Women in Nepal work for much longer hours, but the society doesn't take into account their share of productive activities. The women comparing of the total population are relatively disadvantage in terms of opportunities to participate in the main stream of development. The Central Bureau of Statistics unveiled the preliminary data of the 12th national census conducted in November last year, putting Nepal's population at 29,192,480 a rise of 10.18 percent from the last population count in 2011. According to data of CBS (2078), the total population of Nepal is 29,192,480 where the total population of female is 14,901,169 (51.04 percent) and similarly the total population of male is 14,291,311 (48.96 percent). 51.04 percent (CBS, 2021/22) of the total population is covered by women and Nepalese women are back warded in every aspect, they are perceived as liability where their male partners are perceived as asset. Nepalese women of the country have always been involved in social involvement, national development, although deprived of control over economic resources as property, income and employments as well as other resources.

Microfinance services exclusively focus on economically deprived people and small entrepreneurs to help them engage in self-employment or other self-earning activities. Further, microfinance services augment social and human capital for financially disadvantaged people and help them move out of the vicious cycle of poverty. Microfinance is a financial provision that boosts low-income and self-employed people through accessible and sustainable financial services. Such services help increase and diversify incomes; build human and social capital, and improve the living standard of poor people (Sharma, 2007). Microfinance services are meant to

reduce socio-economic challenges to the maximum number of people in need through accessible and sustainable financial services.

The process of women empowerment is conceptualized in terms of personal assessment, self-esteem, confidence, and ability to protect themselves as women attaining socio-political participation, economic independence and ownership of productive assets. For the empowerment of women; several programs and schemes had been launched in past few years by the micro finance in order to fulfill its vision of expanding women's horizons of autonomous decision making and control over resources, becoming equal partners to their men folk to achieve, the ultimate goal of complete development.

In this study, social-economic empowerment of women through microfinance institution consist various variables like social activities, decision making role in family, institutional involvement and leadership capacity, awareness of social issues, awareness in health and sanitation, loan taking, consumption and investment. The main focus of the study is to improvement in socio-economic improvement or involvement of women and changes in decision making power and family relationship of women who are involved in microfinance in Baijanath Rural Municipality Banke. Selecting the sample of 110 women out of total population (members), data have been collected by structured questionnaire and interview by randomly household survey. Collected data are analyzed, tested, interpreted by using descriptive methods. Mainly percentages, pie-chart, mean and venn-diagrams are used.

Women's occupational status has been changed from traditional agriculture to income generating activities like animal husbandry, business, poultry and pigsty. Change in occupational status leads income, saving, investment and assets holding and their experience and training from MFI leads their decision making power in family as well as in society. Society's perception towards women has been significantly changed because of their self-confidence and self-dependency, which is big foundation for empowerment.

A perception of sample respondent on program was found to be positive. Women were found leading the group and the society with great contribution in economic transaction in their family. Women are able to work out of the home premises and build up confidence to make social participation. Thus the study found that program is running effectively, their living standard has been improved satisfactory.

The major findings of the study are given below:

- i. Majority middle age women, having ethnicity Brahmin (14.54 percent), Chhetri (49.09 percent), Dalit (13.64 percent), Janajati (22.73 percent), uneducated and married were engaged in MFI.
- ii. Social awareness, social and political participation, economic status, awareness in health and sanitation has significantly increased after involving in MFP.
- iii. There is appreciable development in decision making power of women after involving in MFP which is 58.41 percent.
- iv. There is significant change in income source and occupations. MFP plays positive role to fulfill minimum requirement of women and improvement of livelihood.
- v. There is significant increase in participation of women in social activities. The average mean of the respondents before involvement in MFP is 26.33 and 80.67 after involvement in MFP.
- vi. Women are mobilizing credit, getting regular income and acting as a helping hand to meet the family need.
- vii. It has positive impact on empowering women giving the training of knowledge gathering on social awareness and skill about the financial management after participation in microfinance program.
- viii. Women have regular income and they could get credit in low interest rate without collateral in emergency.
- ix. They are more aware about Children schooling (53.64 percent), sanitation and health.

5.2 Conclusion

Microfinance program has been playing vital role in the socio-economic empowerment of women. Due to this program, women have been socially and economically empowered. They are providing economic contribution towards their family, society and towards their nation as well. In spite of their good achievement due to their involvement in MFP, it has been realized that different necessary and

skillful trainings should be given to them by such MFPs and loan should be provided to MF clients at low and favourable rate of interest. Besides this, loan should be provided at demanded time. Women clients should be provided with income generating employment opportunities due to which they can uplift their living standard and economic status. Furthermore, different awareness related programs should also be frequently held in order to make women clients aware.

The study concludes that microfinance brought social and economic empowerment than others. Impact of micro finance is appreciable in bringing confidence, courage, skill development and empowerment. The social empowerment of women is reflected in the development program of the country. In this part of the thesis, an attempt has been made to analyze the socio-economic empowerment of women through microfinance of Baijanath Rural Municipality Banke

The economic status after joining the program has a significant influence. Some of the women have started their own small business too. Even they are able to afford their medical and educational expenses of their children and they are able to invest money in the small enterprises too with their savings. Economic status of most of the respondents have found better after involving MFPs. As a whole, the result of this variable is positive; which is found from various results. Therefore it is concluded that MFPs have create positive role on socio-economic empowerment of women.

The social status after the intervention of MFI has a significant influence. Another variable, decision making aspects of empowerment also gives positive result. So rural women are becoming conscious and they are taking part in family decisional aspects as well as in society. From the study we found positive results on social responses towards women, their perception, experience and feelings, dependency level after involvement in MFPs. Trainings and various loan products supports for improving farming technique and micro enterprises has helped members to shift from traditional agriculture to income generating crop production, animal keeping which yields higher return. Therefore it can be concluded that MFP plays desirable and effective role to empower the women in study area.

All the result shows the positive role of MFI on empowering women in study area. The socio-economic empowerment status of rural women in Baijanath Rural municipality is satisfactory by changing their traditional occupation agriculture to income generating activities by the support of MFI on financial support and skillful

training. The overall conclusion of the study is that the socio-economic empowerment of women is satisfactory at the household as well as social level.

The access of MFP for income generating activities have had a positive impact on women empowerment. This study reveals that generating and controlling income is the starting point for other forms of empowerment. Women in Baijanath Rural Municipality have become economically active and more independent after joining MFIs. One important aspect of empowerment is that they have understood the value of money and savings, and how to use that. Women's financial autonomy has positively contributed for their dignity and participation in decision making on family economic matters. Women's participation in household decision making and community decision making has increased their knowledge and capacity to influence and take decisions that ultimately strengthened their self-confidence at home as well as in the community.

Findings about women access to income and decision making over resources reveals that, in comparison to women without own income and women sharing business and income with husband and other family members, divorced and widow have clear sign of empowerment. The new hardships what they have to face in the absence of their husbands gave them freedom to make decisions not only in household matters, but also in community sphere. Their freedom to make choices and act in a desired way has transferred them from dependent to independent member of the family which has changed their household and community status.

Regarding overall women's empowerment, the impact of micro-finance program seems to be encouraging in both private initiated and government-initiated institutions. The relatively higher impact of MFIs may be due to their social awareness programs along with the microfinance services. Level of income was one of the indicators used to test the change in living standard of loanees. It was reported that most of the loanees are earning profits. It is an indicators of the fact that the programs has highly positive impact on the loanees economic status. This shows that the MFP has been very successful in the study area. The economic status of loanees has improved consequently than when they started small business with loan in the earlier days. Moreover, it was found that their socio economic status was higher than that of non-loanee. From all these we can conclude that microcredit is an effective tool for raising the socio-economic status of the poor people, particularly the women.

Therefore, it can be concluded that MFP plays desirable and effective role to empower the women in study area. Training and various loan products supports for improving farming techniques and micro-enterprises has helped members to shift from traditional agriculture to income generating crop production, animal keeping which yields higher return.

5.3 Recommendations

- i. Women can cooperate and work towards a common goal instead of competing each other. A group of women is more powerful than single women. Group lending also allows women to solve problems in their business much better.
- ii. There is high cost in agricultural based activities it should be need to shift the program from agriculture based to small industries and business promoted activities.
- iii. Interest rate must be decreased and loan amount must be increased.
- iv. MFIs should develop practical and various training courses related to skill development, entrepreneurship development, income generating and business promotion as per the need of particular community.
- v. Those communities who are especially socially backward community's women. Lower caste women are better enforcing to involve under this program. It means not of boycotting of other community group of women.
- vi. Training and technical assistance must be designed properly.
- vii. Agricultural and animal husbandry based training should be provided.
- viii. Identification and the mobilization of resources and implementing them for the empowerment.
- ix. Awareness program should be conducted about women's right.

Annex-I

List of the Respondents:

S.N	Name of the respondents	S.N	Name of the Respondents	S.N	Name of the Respondents
1	Nirmala Paudel	22	Dipa Thapa	43	Hima Pariyar
2	Sunita Gharti	23	Jhuma Rokaya	44	Shikha Sharma
3	Sita Thapa	24	Nanda B.K	45	Rita Basnet
4	Lalita Rokaya	25	Shymkali Tharu	46	Geeta Pariyar
5	Premkala Budha	26	Amrita Sharma	47	Durga Sunar
6	Jasuda B.C	27	Kalpana Bhusal	48	Rupkali Sunar
7	Ishwori G.C	28	Gita Katuwal	49	Santa Khatri
8	Kabita Thapa	29	Anushka Malla	50	Yasuda Rana
9	Tika Basnet	30	Dikshya G.C	51	Bhabisara B.C
10	Dhansari Rana	31	Laxmi Pariyar	52	Santi Katuwal
11	Radha Bhusal	32	Binita D.C	53	Suntali Tharu
12	Madana Gharti	33	Menuka Pun	54	Kalpana Thapa
13	Yamuna Thapa	34	Harikala Pun	55	Tejaspi Paudel
14	Khima Malla	35	Parbati Rana	56	Maya K.C
15	Gita G.C	36	Yam k. Dangi	57	Kausila Dangi
16	Nandakali Budha	37	Jamuna Chand	58	Lalita Gharti
17	Dilsara Khatri	38	Jagmati B.K	59	Bathaniya Tharu
18	Manisha R.C	39	Ratna Damai	60	Rupa Sunar
19	Laxmi Rawat	40	Krishna Bhusal	61	Laxmi Rana
20	Samikshya Rana	41	Deepa Subedi	62	Jasuda Rana

21	Rekha Bhusal	42	Chitra Bhusal	63	Jyoti Oli
64	Manju Tharu	80	Bindu Magar	97	Kamala Rana
65	Birma Tharu	82	Nirmala Khadka	98	Sushma Dahal
66	Sunita Kami	83	Premkala Basnet	99	Ramkali Budha
67	Laxmi Chadara	84	Jaikali Kathayat	100	Namsara Budha
68	Ruku Thapa	85	Goma Sharma	101	Liladevi Chhetri
69	Susma Rana	86	Tika Rokaya	102	Sila K. Rana
70	Khima Regmi	87	Bhima Sunar	103	Manisa Sapkota
71	Bhawana Rana	88	Purnima Kami	104	Rakshya Sharma
72	Lakshita Thapa	89	Jyoti Karki	105	Srijana Rana
73	Ishwori Thapa	90	Shiva Oli	106	Sukura Tharu
74	Gaumaya B.K	91	Rita Sawad	107	Ramkali Tharu
75	Yasuda B.K	92	Jamuna Sawad	108	Binita Saru Mgr
76	Moni Chaudhary	93	Rukmani R.C	109	Syanu chaudhari
77	Usha Chhetri	94	Ishu Sharma	110	Indra Gharti
78	Bhunewori B.K	95	Dila Basnet		
79	Sharmila sharma	96	Jhuma Thapa		

Annex-II

Socio-economic empowerment of women through Microfinance

(A case study of Baijanath Rural Municipality Banke)

Objectives:

1. To investigate the socio-economic status of women in the study area.
2. To find out economic empowerment of women through microfinance.

Questionnaire

Questionnaire No.....

Date:

A. Demographic Characteristics of respondents:

1. Name of the respondent: Age:
2. Address:
3. Marital Status: (Tick)
i. Married ii. Unmarried iii. Others (Specify).....
4. Education: (Tick)
i. Illiterate ii. Literate iii. Secondary level iv. Above Secondary level

B. Family Information:

1. Type of family:(Tick) *i. Nuclear family ii. Joint family*
2. Head of the household:(Tick)
Before *i. Self ii. Husband iii. Others (Specify).....*
After *i. Self ii. Husband iii. Others (Specify).....*
3. Main Occupation: i. Before ii. After.....
5. Total no. of family members: (i) Male: (ii) Female:
6. Total no. of children: (i) Male: (ii) Female:
7. Total no. of school going children:
8. Total expenses for children education:

C. Economic background of the respondent:

1. Do you have land of your own?
i. Yes ii. No

2. Who has land ownership?

Before: *i. Respondent* *ii. Husband* *iii. Others (Specify)*

After: *i. Respondent* *ii. Husband* *iii. Others (Specify)*

3. What is your main occupation before and after involvement in Microfinance?

S.N	Sector	Before Involvement	After Involvement
1.	Agriculture		
2.	Animal Husbandry		
3.	Retail Business		
4.	Private sector		

4. What is your monthly income before and after involvement in Microfinance Program?

Before Involvement

i. Less than Rs.5000 *ii. Rs. 5000 – Rs. 10,000*

iii. Rs. 10,000 – Rs. 15,000 *iv. Above Rs. 15,000*

After Involvement

i. Less than Rs.5000 *ii. Rs. 5000 – Rs. 10,000*

iii. Rs. 10,000 – Rs. 15,000 *Iv. Above Rs. 15,000*

D. Loan received, use and repay:

1. Have you taken any loan from the microfinance?

i. Yes *ii. No*

2. How many times have you taken loan?

3. Did you pay the loan?

i. Paid totally *ii. Paid partially* *iii. Not paid*

4. Have you been able to repay loan on time?

i. Yes *ii. No* *iii. Sometimes*

5. In which sector have you used the amount of loan for?/ purpose of taking loan?

i. Agriculture *ii. Animal Husbandry*

iii. Business *iv. Personal Household*

3. Where do you go for your medical treatment?

Types of medical treatment	Before joining MFP	After joining MFP
Health post		
Private clinic		
Govt. hospital		
Domestic treatment		

4. Who makes decision on the following parameter?

S.N	Decision Parameter	Self (Before)	Other (Before)	Self (After)	Other (After)
1.	Purchase of grocery				
2.	Purchase of HH assets (TV, Fridge, Computer etc)				
3.	Purchase of land/house				
4.	Consumption & Investment				

5. Who makes decision on sale and buy livestock/Ag. Activities?

S.N		No. of respondent (Before)	No. of respondent (After)
1	Male		
2	Female		
3	Both		

6. Decision for buying goods.

S.N		No. of respondents (Before)	No. of respondents(After)
1	Male		
2	Female		
3	Both		

7. Has there been any change in family relationship after joining MFI?

	Worsen	Not improved	Slightly improved	Greatly improved
Respect from husband				
Respect from parents/in-laws				

8. Social improvement:

S.N	Social interaction parameter	Before	After
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		Yes	No	Yes	No
1.	Have you participated in any social activities?				
2.	Are you involve in institutional involvement?				
3.	Have you lead any social groups or activities?/Leadership?				

9. Having communication and media.

S.N		Before	After
1	No		
2	Radio		
3	TV		
4	Newspaper		
5	Internet		

10. Change in sources of drinking water.

S.N	Sources of water	No. of Respondents (Before)	Percentage	No. of Respondents (After)	Percentage
1.	Public Tap				
2.	Own Tap				
3.	Tap from Gov./NGOs				

11. Schooling of children.

S.N		Before	After
1	Male		
2	Female		
3	Both		

12. Change in self confidence.

S.N	Parameters	Before	After
1	Ability to put own interest to family.		
2	Ability to put own say in family discuss.		
3	Ability to put own say in the centre meeting.		
4	No response		

13. Change in social and political participation.

S.N	Parameters	Before	After
1	Member of social organizations.		
2	Attending meeting on social organization.		
3	Position held in political parties nominated / elected in local institutions.		
4	Not involved		

14. Change control over income.

S.N		Before	After
1	Hand over to husband/ father-in-law		
2	Kept byself and as while spending		
3	Kept byself and spend as per one's will		

15. Have you taken any participation in Rural development committee meeting?

A. Before. i. Yes ii. No

B. After. i. Yes ii. No

16. Did you participate in Rural Municipality election?

A. Before i. Yes ii. No

B. After i. Yes ii.No

17. If you have any suggestion to improve/ uplift women empowerment, suggest program and activities that should be conducted by MFI.

➤

Thank You

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