

CHAPTER: I

1.1 Background of the study

Although Nepal has various possibilities of development by using its natural and cultural diversity but Nepal still facing the poverty very seriously. This is because due to the lack of infrastructure development and making awareness for people in regard of improving the living standard and apart from these things, lack of training program to empower their standard, on formation for income generation and its investment technique has played a great role. Hence, development of this country is very difficult and challenging to empower the living standard of people. Also the main problem is we are taught as poor people though we do have tremendous amount of resources and natural assets, in terms of this we need to be taught as, we are poorly managed country not a poor country.

Formal micro-finance emerged in Nepal in 1956 as co-operatives began to provide saving and micro credit services to their members. Recognizing the larger need for micro services, the government soon becomes actively involved in promoting the sector. Agriculture development bank of Nepal launched the small farmer's development project, which was the first to introduce the concept of group guarantee as an alternative to physical collateral in Nepal.

Despite ongoing development efforts, poverty remains rampant in Nepal with approximately 31% of the population living below the poverty line. The incidence of poverty is highest in remote and rural areas.

Currently, more than 1.6 million individuals in the rural population have access to microfinance services. This figure represents approximately 8% of the population and approximately 26% of the people living in below the poverty line. In order to obtain more effective statistics and further diminish poverty, the outreach of sustainable and sound microfinance institutions to the rural and urban poor must be increased. (<http://microfinancesummitnepal.org>)

In the 1970s experimental programs in Bangladesh, Brazil and few other countries extended loan to groups of poor women to invest in small businesses. This type of micro enterprises credit was based on group lending in which every member of group guaranteed the repayment of all members. Women in general lack technical knowledge how capital managerial skill, excess to credit market and resources to make any

significant improvement in their economic conditions as well as their participation. Women access to credit is severely limited due to lack of tangible assets that can be used as collateral, high transaction cost and misconception about women capability as a potential borrower, low literacy rate leading to procedural barriers, limited time available to women due to their involvement in time consuming household activities and rural performance.

The importance of women's participation in development process and need for their advancement has been growing in many nations, especially in recent years. In Nepal necessity of the participating women in the development process was explicitly realized only after sixth five year plan. The initiatives have been taken to mobilize and participation of women both as agents and beneficiaries in the development process.

“(Microcredit) is based on the premise that the poor have skills which remain unutilized or underutilized. It is definitely not the lack of skills which make poor people poor....charity is not the answer to poverty. It only helps poverty to continue. It creates dependency and takes away the individual’s initiative to break through the wall of poverty. Unleashing of energy and creativity in each human being is the answer to poverty.”(Yunus, 2004)

Microcredit belongs to the group of financial service innovations under the term of microfinance, other services according to microfinance is micro savings, money transfer vehicles and micro insurance. Microcredit is an innovation for the developing countries. Microcredit is a service for poor people that are unemployed, entrepreneurs or farmers who are not bankable. The reason why they are not bankable is the lack of collateral, steady employment, income and a verifiable credit history, because of this reasons they can't even meet the minimal qualifications for a ordinary credit. By helping people with micro credits it gives them more available choices and opportunities with a reduced risk. It has successfully enabled poor people to start their own business generating or sustain an income and often begin to build up wealth and exit poverty.

Microcredit plays an important role in fighting the multi-dimensional aspects of poverty. Microfinance increases household income, which leads to attendant benefits such as increased food security, the building of assets, and an increased likelihood of educating one’s children. Microfinance is also a means for self-empowerment. It

enables the poor to make changes when they increase income, become business owners and reduce their vulnerability to external shocks like illness, weather and more.

Microcredit has widely been directed by the non-profit sector while commercial lenders require more conventional forms of collateral before making loans to microfinance institutions. But now it's successfully growing bigger and getting more credibility in the traditional finance world. Due to that the traditional banking industry has begun to realize that this borrower fits more correctly in a category called pre-bankable. The industry has realized that those who lack access to traditional formal financial institutions actually require and desire a variety of financial products. Nowadays the mainstream finance industry is counting the microcredit projects as a source of growth

There was no formal government micro-finance policy until now. NRB is now taking the initiative to declare a national microfinance policy. The NRB and Department of Co-operatives are working through the regulations to formalize MFIs. Policy issues discussed in recent days include such areas as: capital requirements; areas of coverage; the role of the Government; capacity building; regulation and supervision and the creation of STI. The discussion is expected to support and provide inputs to the NRB on microfinance policy issues related to the role of the Government, micro finance best practices and regulatory issues that will have impact on wider outreach.

The importance of women participation in the development process has been growing in many countries in recent years. Consequently numbers of national and international organizations have been established and carried out the programs and targeted towards to enabling women and creates awareness about their role and rights. The provision of the micro finance credit is regarded as one of the potentially strongest force toward achieving their goals.

Nepalese women who comprise half of the population of the country have always been involved in national development , although deprived of control over economic resources as property income are employment as well as the others resources. Nepalese women are underprivileged and disadvantaged in terms of their socio-economic status in corporate to their male counterparts.

1.2. Statement of the problem

Women are most vulnerable groups in the society. Despite, there are a lot of changes has been occurred in our societies than the previous years but still women are deprived from getting opportunities in many field.

Certainly, there are many women who are involved in different kinds of profession to earn money in urban area but it is totally opposite for the case of rural area. Due to lack of education women in rural area can't get job opportunities which make their life difficult in those areas. However, there are many organizations such as government non-government as well as other institution working on the field of women.

On the other hand, there are some micro-finance which are working in Daunnedevi VDC but still there has not been any studied yet about the women participation of micro-finance program and there is any improvement occurred or not after involvement in micro-finance in different sector.

1.3. Objectives of the study

The main objective of this study is found the participation of women in micro-finance. The specific objectives of the study are as follows;

- To examine the participation of women on micro-finance program in Daunne Devi VDC.
- To analyze the role of micro finance to empowering women.
- To examine the status of women after involving in microfinance program.

1.4. Significance of the study

Most of research on micro-finance has been done under the poverty and employment generation aspects however researcher left the strong aspect of women participation, where the research work is going to concern. It is much more interesting and also newness in the field of research. It would support for the oncoming research to extended and research on the holistic approach. Although lack of proper information in the national level it is being difficult however it gives a new test of ideas those who stay in policy making level.

All over the world, the significant of women entry into the workforce over the past three decades has produced profound transformations in the organization of families, society, the economy, and urban life. Since the late 1950s, women's economic activities have been steadily increasing.

Women have always actively participated in their local economies. In Africa, for example, women produce 80 percent of the food and in Asia 60 percent and in Latin

America 40 percent. In many cases, women not only produce the food but market it as well, which gives them a well-developed knowledge of local markets and customers.

Although men, as well as women, face difficulties in establishing an additional enterprise, women have barriers to overcome. Among them are negative socio-cultural attitudes, legal barriers, practical external barriers, lack of education and personal difficulties.

In spite of this, for women and especially for poor women, microenterprise ownership has emerged as a strategy for economic survival. One of the most essential factors contributing to success in micro entrepreneurship is access to capital and financial services. For various reasons, women have had less access to these services than men.

In this context, credit for microenterprise development has been a crucial issue over the past two decades. Research has shown that investing in women offers the most effective means to improve health, nutrition, hygiene, and educational standards for families and consequently for the whole of society. Thus, a special support for women in both financial and non-financial services is necessary.

1.5. Limitations of the study

This study has been focused on micro-finance program at Daunne Devi VDC, in Nawalparasi District. Thus the result has been drawn from selected areas only it may not be generalize to the other part. The limitation of the study was as follows;

- Due to time and budget constraint, overall impact of micro-finance in all aspect cannot be studies thoroughly.
- Especially those women who participated in micro-finance program.
- This research has been done support by checklist, questionnaire, group discuss only.

1.6 Organization of the study.

This research is dividing into five chapters. The first begins with introduction, which describes the background, statement of problem, objectives of the study, significance of the study, limitation of the study and organization of the study. Second chapter deals with the review of literature. Third chapter is about the research methodology. Chapter four is consists data analysis, interpreting and major finding of the study and chapter five consists summary, conclusion and recommendation.

CHAPTER: II

LITERATURE REVIEW

This chapter presents the review of existing literature on micro-finance and its impact. Similarly, it also describes the women participation and their empowerment. In the review of literature available report, annual report, presentation paper, web site related document etc. have been consulted

2.1. Conceptual Review

Micro-finance is, as a part of development finance of rural or urban, targeted towards specific groups of people, male or female, falling in the lower bracket of society. It refers to the provision of a broad range of financial services such as deposits, loans payment services, money transfers and insurance to the poor and low income house hold and their micro enterprises. (ADB, 2011)

"Microfinance", as defined by ADB's Microfinance Development Strategy [ADB 2002], is the financial service such as deposits, loans, payment services, money transfers, and insurance to poor and low income households and their microenterprises. It clearly dictated microfinance as a powerful tool for alleviating poverty.

Microfinance refers to a variety of financial services that target low-income clients, particularly women. Since the clients of microfinance institutions (MFIs) have lower incomes and often have limited access to other financial services, microfinance products tend to be for smaller monetary amounts than traditional financial services. These services include loans, savings, insurance, and remittances. Microloans are given for a variety of purposes, frequently for microenterprise development. The diversity of products and services offered reflects the fact that the financial needs of individuals, households, and enterprises can change significantly over time, especially for those who live in poverty. Because of these varied needs, and because of the industry's focus on the poor, microfinance institutions often use non-traditional methodologies, such as group lending or other forms of collateral not employed by the formal financial sector. (RMDC, 2008)

Microfinance is the provision of financial services such as loans, savings, insurance, and training to people living in poverty. It is one of the great success stories in the developing world in the last 30 years and is widely recognized as a just and sustainable solution in alleviating global poverty. Micro- finance activities usually involves; with

small loans, typically for working capital, informal appraisal of borrowers and investments. It also provides collateral substitutes, such as group guarantees or compulsory saving and also secure saving products. (Ghimire, 2011)

Microfinance refers to financial services for poor and low-income clients. Although most attention has been on the provision of small loans, microfinance in fact also includes the provision of other basic financial services such as savings, money transfer and insurance for poor people. Improving access to such services allows poor and low-income people to finance income-generating activities, build assets, stabilize consumption and protect against risks. Microfinance is now widely recognized as a powerful solution to alleviating poverty among the working poor. (Kharel,2008)

Dangi has defined “Micro finance is as a part of development finance, rural or urban targeted towards specific groups of people male or female falling in the lower bracket of society. Financial services include saving, credit and other services such as micro money transfer and micro insurance” (Dahal, 2006)

According to Vokes “Micro-finance has certain specific characteristics which, among other things, include: services small-scale financial services loans with no physical collateral/guarantees saving, insurance learning, and remittances, e.g. accessible to poor. Providers are informal sources (such as money lenders and shopkeepers), semiformal institutions (such as non-governance organization) and formal institution (such as development bank, rural bank and cooperatives); modality adopted is typically non-traditional guarantee/collateral with gradual increasing loan size and characterized by quick and simple procedures; and cost of financial service to be borne’ preferably, by clients to ensure long term sustainability”(cited from Dangi ,2005:183 ,Dahal, 2006)

Generally, participation means the physical and mental involvement of people in an activity. Participation is regarded as a matter of social organization and it requires identification of social actors, goal definition, linkages between planners and the local community establishment of information channels, producers for consultative decision making and resources allocation and mobilization and mobilization mechanism. Cohen and Uphoff defined “participation as a voluntary contribution by the people in one or another of the public program supposed to contribute national development, but the people are not expected to take part in the shaping or criticizing in contents”. (Aryal, 2065 cited in Kharel 2008)

“The participation of women in the micro-finance activities has been high in rural backward areas as the system benefit rural women in greater scale by uplifting them from unexposed society to more open society. The system based on transparency and accountability has encouraged women to get out of the traditional concept roles and to be equally active development partners as their male counterparts.” (SB bank, 2004 cited in Kharel 2008)

The term empowerment has different meanings in different sociocultural and political contexts, and does not translate easily into all languages. An exploration of local terms associated with empowerment around the world always leads to lively discussion. These terms include self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one’s values, capable of fighting for one’s rights, independence, own decision making, being free, awakening, and capability to mention only a few. These definitions are embedded in local value and belief systems. Empowerment is of intrinsic value; it also has instrumental value. Empowerment is relevant at the individual and collective level, and can be economic, social, or political. (www.globenet.com)

The term can be used to characterize relations within households or between poor people and other actors at the global level. There are important gender differences in the causes, forms, and consequences of empowerment or disempowerment. Hence, there are obviously many possible definitions of empowerment, including rights-based definitions. A review of definitions of empowerment reveals both diversity and commonality. Most definitions focus on issues of gaining power and control over decisions and resources that determine the quality of one’s life. Most also take into account structural inequalities that affect entire social groups rather than focus only on individual characteristics. The UNICEF Women’s Equality and Empowerment Framework emphasizes women’s access, awareness of causes of inequality, capacity to direct one’s own interests, and taking control and action to overcome obstacles to reducing structural inequality. The United Nations Development Program’s Gender Empowerment Measure focuses on inequalities in economic and political participation and decision-making power and power over economic resources (UNDP, 1995)

In its broadest sense, empowerment is the expansion of freedom of choice and action. It means increasing one’s authority and control over the resources and decisions that affect one’s life. As people exercise real choice, they gain increased control over their

lives. Poor people's choices are extremely limited, both by their lack of assets and by their powerlessness to negotiate better terms for themselves with a range of institutions, both formal and informal. Since powerlessness is embedded in the nature of institutional relations, in the context of poverty reduction an institutional definition of empowerment is appropriate. (www.globenet.com)

2.2 Micro-finance in Nepal

Nepal has developed considerable history in providing microfinance services which is evidenced by emergence and growth of a large number of microfinance institutions (MFIs) and microfinance programs over time. Formal microfinance in Nepal emerged in 1956 with the emergence of cooperatives that started providing savings and micro-credit services to their shareholders. Government also recognized potential role of microfinance services on addressing poverty problems and in 1974 Nepal Rastra Bank (NRB), the central bank, directed then, the two state-owned commercial banks to invest at least five percent of their total deposits in small-scale finance. In 1975, the Agriculture Development Bank of Nepal (ADBN) launched Small Farmers Development Project (SFDP), as a first project to introduce the concept of group guarantee as a substitute to physical collateral for micro lending.

The official policy that recognized importance of microfinance sector on poverty reduction came in the Sixth Plan (1980/1 - 1984/5) and then-after both government and nongovernmental sector developed and implemented number of programs to ensure access to formal credit to the poor; particularly to poor women. The microfinance sector gained momentum after 1990s wherein number of microfinance service providers (MSPs) increased exponentially with the entry of local NGOs and microfinance development banks (MDBs) in the market.

At present, four major types of MFIs namely Savings and Credit Cooperatives (SCCs), Small Farmers' Cooperatives Limited (SFCLs), Financial Intermediary NGOs (FI-NGOs) and MDBs; and large numbers of SCGs are active in Nepalese microfinance sector. In addition to these MFIs, there are over dozen of rural development programs with credit component to provide financial services to the poor. Thus, over last two decades, (Dhakal, 2008)

The 11th Three Year Interim Plan's Provisions on Microfinance

The proposed final draft of the Eleventh Three Year Interim Plan (2007-2010) also mentions some aspects of Micro Finance Programs under the headings of Money, Banking, and Credit; that through the meaningful networking of bank, corporate

institutions and MFIs, the access of credit will be intensified in rural areas of Nepal during Plan period. It also mentions that the mechanism will be developed in such a way so that microfinance activities would be carried out from both private and nongovernment levels, particularly in rural areas targeting marginalized farmers, petty traders and poor/destitute households members with the means of heterogeneous income generating activities. (www.cmfnepal.org)

Nepal witnessed a significant development of microfinance initiatives. This rapid proliferation is a result of success story of microfinance in providing financial services to a large number of poor clients who do not have access to formal financial institutions in rural areas. As a development tool, microfinance is considered as one of the important financial resources for poor people to conduct household economic and income generating activities, which can reduce their vulnerability and allow them to accumulate capital and hold valuable assets. In another perspective, microfinance also means of helping micro-entrepreneurs to expand their businesses to the point of becoming viable business and eligible for credit from commercial banks. However, it is irony that microfinance services are confined to a greater extent among small relatively less poor segment of rural population living in accessible districts and large number of poor and vulnerable poor living in remote hills and mountain districts are yet to be serviced through microfinance services. (www.cednepal.org.np)

2.3 Review of Books

In the book “Micro-finance poverty reduction” Johnson and Regally, have cited that focusing on micro-finance, emphasis has been laid on the need that poor people have for a wide range of financial services. These needs are evidenced by the uses made of financial services that already exist but which are usually informal in nature providing micro-finance can give poor people the means to protect their livelihood against shocks and as well as build up and diversify also a means of protecting their livelihood activities by investing loan capital. (Paudel, 2008)

Lindgreen E. H (2003) simply comments, “*Micro-finance and women’s empowerment in Bangladesh*”, conforms that with growing interest in and support for micro enterprises programs in developing countries, many of which have been directed towards poor women. Controversy mounts over the effectiveness

of MF efforts. Bangladesh largely through the effort of Muhammad Yunus has been a leader in the MF movement.”

Neer and Burra (2005) *Micro-credit, poverty and empowerment* (the international legitimization of Micro-finance as a tool of poverty eradication), London: SAGE Publications conform that the intervention of microfinance has been heralded worldwide as one of the most effective cures for poverty. Over the few years prior to 1997, a series of meetings were held to design an approach that could be followed by all could be followed by all countries across the globe. The meetings worked towards contributing inputs for the World Micro-credit Summit Campaign held at Washington, DC in February 1997. Four core themes were stressed as part of a 55-page Declaration and Plan of Action. These were:

1. Reaching the poorest: 1.2 billion people are living in absolute poverty in the world. These comprise some 240 million families. These form the group from where most of micro-credit Summit’s target of 100 million poorest will be tapped. The Summit also promotes the use of quality poverty measurements to identify the poorest.
2. Reaching and Empowering Women: Since women are supposed to be good credit risks, and women run enterprises benefit their families, micro-credit is seen as a tool to empower women. It should be noted, however, that the understanding of ‘empowerment’ here is restricted to increase in incomes.
3. Building Financially Self-sufficient Institutions: This theme is based on the experiences of developing countries which have shown that micro-credit programs can improve their efficiency and structure their interest rates and fees to eventually cover their operating and financial costs. The campaign offered day-long courses at global and regional levels held from 1999 through 2001. This trained practitioners in these aspects.
4. Ensuring a positive, measurable impact on the lives of clients and their Families: Two impact evaluation studies conducted by the NGO Freedom from Hunger showed that current clients of its affiliate institutions in Honduras and Mali had experienced positive program impact at the individual, household and community levels. The studies showed the

higher levels of empowerment of client personal income and household food consumption, saving and the feeling of self-esteem, as compared to non-client household.

These four core themes of the Summit Campaign helped to focus both on the demand side of micro-credit as well as the supply side.

2.4 Review of Articles

The micro-finance institutes (MFI) are providing door to door micro credit service to those ultra-poor families who have no collateral guarantees to produce and are not capable of fulfilling the banking requirements for credit eligibility. Such families are able to create their own assets by paying their micro credits in small installments out of their earning made by engaging themselves in small entrepreneurial activities. Micro-finance institutes have been helping these ultra-poor families to be self-reliant through the process of social mobilization. Even in the present conflict situation whereby the banks have closed or merged their branches/sub branches, these MFIs have been constantly delivering door to door micro credit services to the ultra-poor communities. (MoF, 2005/2006)

Micro-finance is termed as the financial services rendered to the deprived groups of the people and small entrepreneurs in savings, credit, remittance, rural insurance etc. to help them in developing self-employment opportunities and various income generating activities. The service provided through micro-finance can be targeted specifically at the poor and poorest of the poor, significant contribution to the socio-economic status of the targeted communities and the institution that deliver these services can develop within few years, in to sustainable organization with steady growing outreach. So micro-finance help the economically active poor people by providing small loan which help to expand and diversify their enterprises and increase their income. There is substitution of collateral like compulsory saving or group guarantees to withdraw the loan which attracts such targeted community to be a member of such organization. Beside such characteristics of micro-finance organization, some organizations also launch a skills training program and social services too like beautician training, tailoring, health cam etc. (NRB, 2007)

In the article *Micro-finance in Nepal*, Uprety (2003) concludes that in the last decade of the 20th century it is accepted that micro-finance is one of the most significant contributors for poverty alleviation. The article further claims that in Nepal the poverty reduction rate is slower. If proper model is used in the hill and terrain region, the life standard of the poor people could be raised very fast. In his article entitled, *Micro-finance for Achieving Millennium Development Goals in Nepal*.

Dhakal (2004), highlights that financial services would assist to improve incomes and build assets of poor people. He stresses that the poor needs sound financial services and specialized activity with a long term commitment Dhakal points out that direct link exists between micro-finance and Millennium Development Goals (MDG).hence, Dhakal mentions that micro-finance instruction can fulfill the objectives of MDG. Further, he highlights that strong management and efficient operations are required in microfinance institutions to reach the millions of the people targeted financial services in Nepal. Finally, Dhakal concludes the article by stating that microfinance activity could not be considered as the substitution of investment in education, health or infrastructure.

2.4. Review of presentation paper

Microfinance Summit Nepal 2008, presented paper show that Microfinance has been one of the few effective tools for poverty reduction over the past 30 years. Through the creation of sound microfinance institutions and systems, poor people can safely deposit money and accumulate funds for future investments or emergencies as well as access loans for productive purposes leading to higher incomes. Additionally, microfinance produces an impact in other areas including good governance, participation in the political processes, women empowerment, social inclusion and conflict transformation. The preparatory workshop for the Microfinance Summit held on September 26, 2007, was organized jointly by Save the Children - US and the Center for Microfinance (CMF) to identify the major issues in the Nepal microfinance sector. The major issues identified included: Lack of an enabling microfinance policy based on a broad consensus of policymakers and stakeholders. Lack of coordination of microfinance stakeholders (including the international donor community) which has led to

market distortions and overlapping interventions. Lack of appropriate strategies to build a strong and inclusive microfinance sector which responds to the needs of all segments of society, and also actively contributes to creating a peaceful and socially equitable country Lack of baseline data on the microfinance sector, its key stakeholders and customers which hinders the development of targeted and tailor-made support strategies for different client groups (i.e. How to bring microfinance services to hill areas? How to get better access Dalit and Janajati communities?) Lack of information sharing on innovations, new technologies and strategies which impedes increased outreach, particularly to less accessible hill and mountain areas a number of private and public microfinance stakeholders together with the international donor community held the Microfinance Summit Nepal 2008 in an attempt to address these issues. At the Summit microfinance stakeholders discussed their experiences with these issues and jointly decided on the future role of microfinance in Nepal. This Summit was to follow the global efforts to end poverty by serving as a starting point for South Asia that will culminate later at the Global Micro-credit Summit.

Thapa in his presentation paper show that analyzed the impact of rural finance programs to empower women using the data from the Sahakarya Project, which CECI had implemented in five (5) hill districts in Mid and Far Western Nepal. Rural finance as a part of microfinance increases the access of rural people to financial services in order to produce income generating activities that improve their livelihoods. The findings of this small study indicated that rural microfinance has empowered women and disadvantaged groups (DAGs) to access credit services in rural area. By increasing the number of women and DAG members in savings and credit organizations and their working committee, it enhanced the groups choosing favorable policies and lead to positive discrimination.

Microfinance has emerged as a powerful and sustainable tool for poverty reduction. It is increasingly important and necessary in the remote areas and the hills where the poverty level is high. Unfortunately, due to limited infrastructure and market access, a sparse population, less arable land and few economic

activities, the scope of microfinance services has been marginalized. The microfinance services provide in the remote areas and hills by the Self-Reliant Group (SRG) model developed by Nirdhan Utthan Bank Limited (NUBL). It attempts to highlight the concept, emergence and features of the SRG model. It attempts to show how and when the SRG model branch will numerically breakeven. It also highlights the opportunities and threats in geographically remote and economically disadvantaged areas. It provides NUBL's experience, the lesson learned, the challenges, and the essential policies that make the model successful and sustainable with stakeholders. It can be used by those who wish to access and expand microfinance services in remote areas. (Thapa,2010)

2.5. Review of Related Thesis

Paudel, (2006), Conducted research for MA(Central Department of Rural Development) on the title, *role of micro finance in reducing poverty of women; a case study of women entrepreneurs in micro enterprise development program(MEDEP)*. Nuwakot district by taking conclusion as:

Micro finance program is being one of the popular program to address poor people' issues in the world today. Those people who has not accessed formal sector credit and organized in society micro-finance program might to be addressed their problem. Within the micro finance program various activities have been done to empower the people and uplift their social economic condition. Micro Finance is highly support to uplift the poor women status.

MEDEP is one of the women focused program of UNDP. It is lunched since 1998 in Nepal. His study shows that program has made positive impact in Nuwakot District. After lunching the program, the main important aspect of that program was changed in income level of poor women. Besides these poor women are being organized in a institutional process. That could be made them very easy to cope their various problems.

Leadership capacity has developed of the respondents. The role of decision making process has been increased. Participation in community assemble and development activities have been increased their health condition has been improved due to their access on economic resources. The rate of child girls'

enrollment has been rampant. These are the major positive change of that program.

Besides these, there are some aspects which would be better if timely consider it .that will be made the program more popular is future;

- Some entrepreneurs were not recognized as a target group so poor people were loosed.
- Social mobilization process has not adopted properly so some of the group fragmentation; member leaves problem has been seen.
- Program is only concerned IGAs but has not addressed their in formal education for the illiterate entrepreneurs.
- Sometime micro-finance and skill training were not provided on time. Adequate monitoring, supervision process has been properly.
- Market information related center has not seen though most of the entrepreneurs were loosed from possible market opportunities.
- Micro-credit problem has been seen seriously accrued after ADB/N change the policy of micro credit.
- Open market concept has been made difficult to the microfinance related activities.
- Market linkage mechanism has not been seen strongly managed and gender related activities are not adequate in the community.

If all of these issues address on time, obviously the process of women development would be strong.

Lamsal, (2005) conducted dissertation of M.A. (Economics) on *impact of microfinance program for women's poverty reduction; A case study of Chartare Youth Club of Baglung District, Nepal* the dissertation has analyzed the impact of micro finance program for women' poverty reduction and he gives conclusion in his dissertation are as following:

- Most of the women are benefited by microfinance program who are absolutely poor because of own resources for the utilization of their skill and willingness.

- The study has found that overall impact of micro-finance program for women on benefiting, earning and living standard is positive and social status is increasing.
- The involvement of income generating activities has built up self-confidence of village women in their abilities. New type of occupation like bee keeping, hotel, vegetable farming, and retail business are appeared in women groups.
- They have started to write their name and simple calculation about loan and interest amount.

Mr. Lamsal gives some short comment in his thesis those are following:

- The most serious shortcoming of the program is the selection of target group. There is some sound indication, of the possible bias in favors of those who do not represent the poorest of the poor.
- There is difficulty to repay the amount (share of principle an interest) within a month those who are working in the field only.
- This program is said it is the powerful instrument for the poverty alleviation in Nepal but there is not clear strategy and policy of GN.
- Underutilization of the loan also find in the field level that makes poor, poorer.

Mr. Lamsal has completed his research task in very good manner. He has explained about impact of micro-finance program for poverty reduction of women as well as men but his research is silent about the real situation of rural women. He explains only about the poverty reduction but there is no use of statistical tools for finding the poverty reduction rate.

Mr. Sharma N.P. (2009). In his thesis title, *“role of micro-finance programs to economic upliftment of women”*, (A case study of Devasthan VDC parbat) he analyzed microfinance program in rural area and found out some conclusion, there are;

Micro finance program serves the deprive populace of the country at their doorstep with the aim of improving their socio-economic condition. As

microfinance program has been considered as an effective and efficient mechanism to reduce poverty all over the world. However, Nepalese microfinance institutions are not being able to reach the poorest of the poor due to the inability to proper identification of the poor and lack of commitment and clear vision of their action. Despite the financial sector, liberalization policy of the government aimed to encourage financial institutions to contribute in poverty reduction endeavor of the government. The satisfactory results have not been achieved due to some managerial challenges encountered by the micro finance institutions all over the country.

Following conclusion are drawn / found by Mr. Sharma

- Involvement in the microfinance program has empowered in varying degree. It has offered opportunities for the poor women to come out of their household confines, to organize themselves in group and to work in productive and social activities. The program with its focus on group activities and income generating activities has helped to enhance the self-confidence of the women participants. Besides this it has increased women's access to resources and hence women participants are spending more for their family's benefit.
- At monthly group meeting, women discuss health issues, which they follow in their day to day lives, this has increased their awareness on healthcare, including women and children's health, family planning, sanitation and reduction in smoking and alcohol consumption habit.
- Community people are supportive of microfinance program in the study area. Most of the community's people know about the program. Males of the community provide support to women members to enable them to participate in MFP by helping them in household's chores, reminding them of meetings dates and joining hand in community development activities.
- The availability of loan from MFP has help in reducing the interest rate than moneylenders.
- Members have become more aware of the gender inequality, human right, women's right issues, as well as political, social and economic issues.

They know that violence, both physical and mental against women should not be tolerated.

- Women's mobility has increased due to their participation in monthly meeting, training, meetings and interaction with insiders and outsiders and exposure visit. They do not hesitate to meet outsiders, unlike the past when they had not joined the microfinance program.

After reading the literature from various scholars and writers it is realized that there are numbers of studies have been conducted in the field of micro finance program in different level and different places either in our country or other foreign country. Almost all studies basically based on the financial activities of microfinance program rather than participation of women in micro-finance program. Participation is an important key-factor for the empowering women without participation there is no hope for empowerment. So that this study tried to focused on women participation in micro finance program and how it has changed their lifestyle after joining MFP. Is there any changes occurred in the process of decision making or ownership in property and community.

CHAPTER: III

RESEARCH METHODOLOGY

In this chapter presents the information about the research methodology which has been adopted during the research time. The population, sample, area, research design of this study are specified here. The process of data, sampling technique, process of data collection and data processing techniques are explained in this chapter. Besides this the analytical procedure has been also explained.

3.1. Research Design

This study is mainly focused on women participation in micro finance program a case study of Daunnedevi VDC, Nawalparasi. It is intended to find out economic impact and social benefit in specific area survey. A descriptive as well as exploratory research design is applied to analyze and interpret the quantitative and qualitative data collection from the concerned field. Loan investment, repayment process and other development process are related to micro finance program. Primary and secondary data has been used for the study of rural poor women and related bank staffs.

3.2. Nature and sources of data

For conducting research in proper manner and accomplish its objective, both primary as well as secondary data has been used. Primary data has been collected from the concern field survey. While secondary data has been collected from the following sources

- Published and unpublished documents/data related to micro-finance program.
- Books, articles, magazines, information available at web pages.

3.3. Selection of the study area

The study area is located on the western development region it has geographical as well as caste diversity. Specially, people migrate here from hills to the search of opportunities so that it has mix settlement of Brhamin, Tharu, Gurung Magar and so on. The linkage with India so many people working there that's why in the absence of husband women should take responsibilities to take care home as well as children. In the past they have difficulties but these days due to support of micro-finance in some extent there lifestyle has improving. Many organizations are working there for the uplift of women. However, there is access of micro finance in Daunne Devi VDC but

how they become members of micro finance and how it improves their lifestyle still necessary to study.

In addition, women in this VDC from different caste and ethnic groups where they are working together with group so it is also interesting to study that's why this area is selected for the study.

3.4. The Universe and Sample Size

This research was conducted on Daunne Devi VDC Nawalparasi, District. There are 150 Groups having 750 members in small and large group of MFP. The universe of the study was its 750 members, whereas 52 groups were chosen for sample size using random sampling method from the 150 groups then, 52 members were selected from each group for the study. Since, the information provided by two respondents was not so clear, thus the analysis and interpretation done on the basis of information provided by 50 respondent only, they were all women.

3.5. Data collection methods and tools

For the purpose of this study, the primary data were collected with the help of a structured questionnaire, which was pre-tested. Members of microfinance program (women member), group leader, and concerned line agency staff were also interviewed separately. The required information was collected from different sources as well. The researcher of this study had also discussed with the relevant professionals to collect their opinion in this subject matter. Besides this to collect the general opinion of the people group discussions were also conducted.

In this study checklist were used while conducting observation similarly, closed ended questionnaires was used for interview method.

3.6. Data presentation and analysis

In this study, data collected from various source had managed, and proper tabular formats, maps and diagrams has used to presenting data wherever if necessary. The techniques here include are the use of quantitative statistical tools like percentages, bar diagram, and other appropriate tools had highly used in this research.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS

This chapter presents the finding of field survey which was conducted in study area. To fulfill the objectives of research the primary and secondary data analyzed using following tables and figures

4.1. General Information

4.1.1. Caste Distribution of Respondents

Table No.4.1
Cast Distribution of Respondents

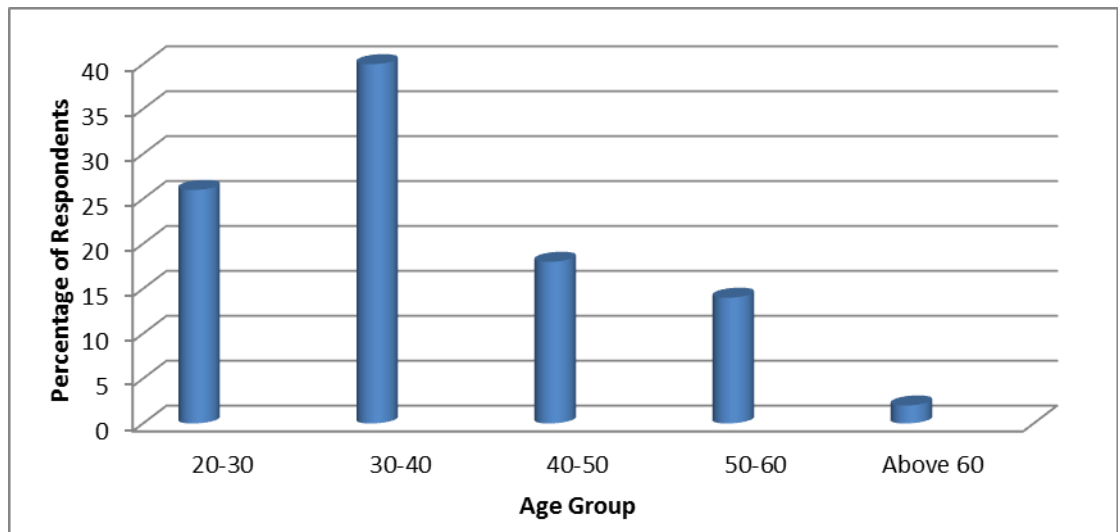
Cast	Total Member	Percentage
Brahaman and Chhetri	13	26
Gurung	15	30
Magar	8	16
Newar	2	4
Tharu	3	6
Others	9	18
Total	50	100

Source: Field Survey, 2013

The above table illustrates the information about the caste group who were involved in microfinance group in the study area. According to the table we can see that the proportion of Gurung women(30 percent) higher than other caste which was followed by Brahman and Chhetri 26% represently .On the other hand almost same number comprising by Magar and Others caste 18% and 16% respectively. However, there was least percentage of women from Newar and Tharu community 4%and 6% selectively. Thus, from the above table it can be said that the Daunne Devi VDC is decorated with multi-ethnic caste groups comprising prominently of four ethnic groups viz. Brahmin, Chhetri, Gurung and Magar.

4.1.2. Age Group of the Respondents

Figure No.4.1
Age Group of the Respondents

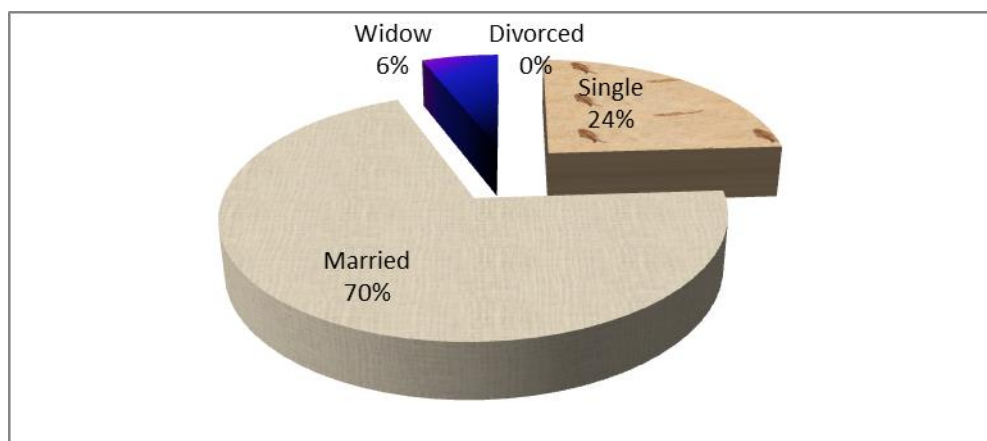


Source: Field Survey, 2013

The given figure presents the information about various age group from the respondents. Among five different age category participation of women between 30-40 years age was highest that other age group which approximately 40% similarly it was followed by 20-30 years (26%). On the contrary there were only 2% women who were above 60 years old. However there were almost same number for the age group 40-50 and 50-60 18% and 14% respectively.

4.1.3. Marital Status of Respondents

Figure No. 4.2
Marital Status of Respondents



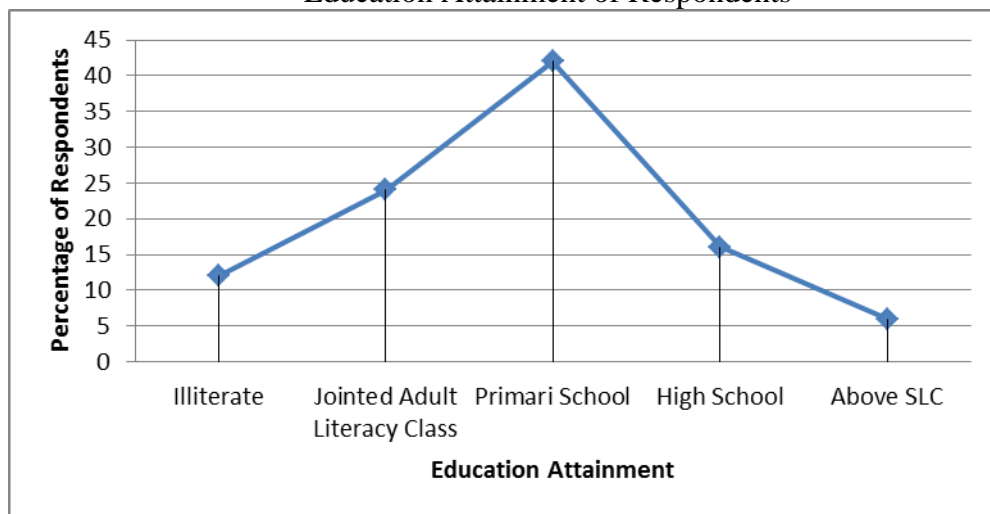
Source: Field Survey, 2013

The given figure indicates the information about the marital status of respondents. It shows that 70 percent of the total respondents were married while 24 percent found

unmarried. Six percent of the respondents were widow; no one found having divorced relationship. On the basis of this, we can come to the conclusion that the participation of married women in microfinance program is high. For the programs, the reason behind the high participation of married women is that: the women who are married are responsible for family livelihood than that of single one.

4.1.4. Education Attainment of Respondents

Figure No-4.3
Education Attainment of Respondents



Source: Field Survey, 2013

Above figure presents the pitiable educational condition of the respondents in Daunnedevi VDC. The survey results show that around 42% women who had primary level education while about 12 percent are illiterate .However, there were 24% of respondents who can read and write due to the support of adult literacy class. But, there were few women who went for high school and university education 16% and 6% respectively. This is not surprising because our society do not give importance to the girl education.

4.1.5. Schooling of Children

Table No. 4.2
Schooling of Children

	No of school age child	Pre-primary	Primary	High School	Higher Education	Schooling children
Before	139	17	33	10	1	61/43.88%
After	121	10	55	37	14	116/95.84%
Progress%		-41.2%	66.66%	270%	1300%	90.17%

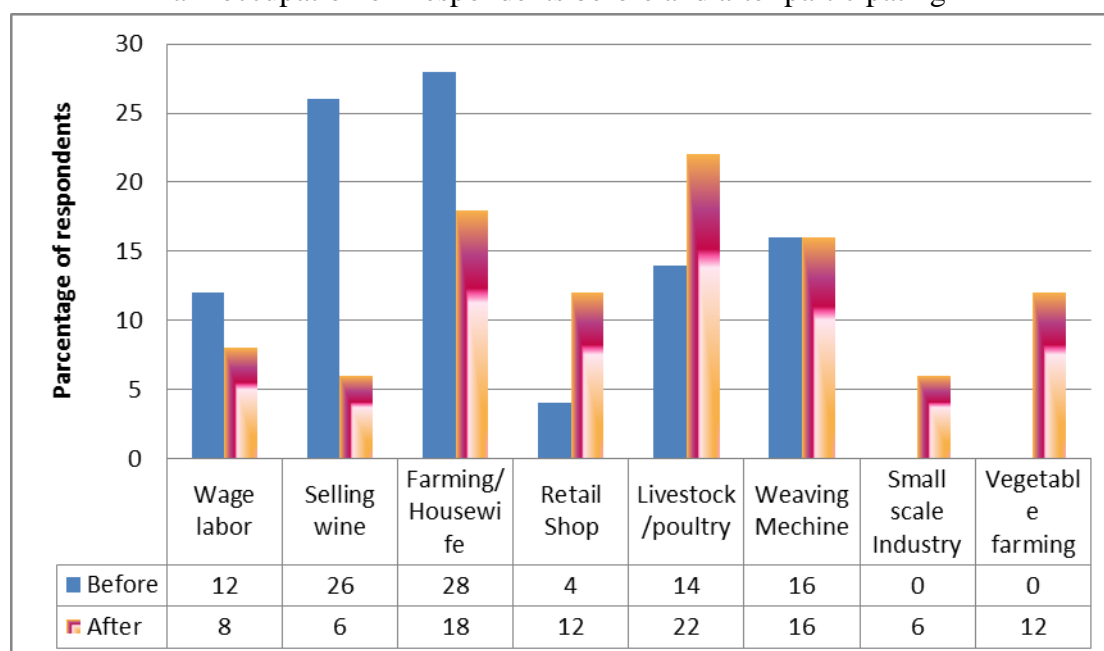
Source: Field Survey, 2013

The given table illustrates the data of school going children from the respondents before and after who participated in micro finance program .Comparatively the proportion of primary level education is always high in both period which was 33 and 55 respectively. However, higher education was neglected before involving on MFP there was only one student who went for higher education by contrast latter it has changed surprisingly after they joined the microfinance program and arrived at 14.Since,the respondents involved in MFP the rate of school going children increased dramatically because they are aware about the value of education and also they become economically sound .Likewise, they started sent their children who were dropout before due to economic condition.

4.2 Economic Status

4.2.1. Main occupation of Respondents participating in MFP.

Figure No. 4.4
Main occupation of Respondents before and after participating in MFP



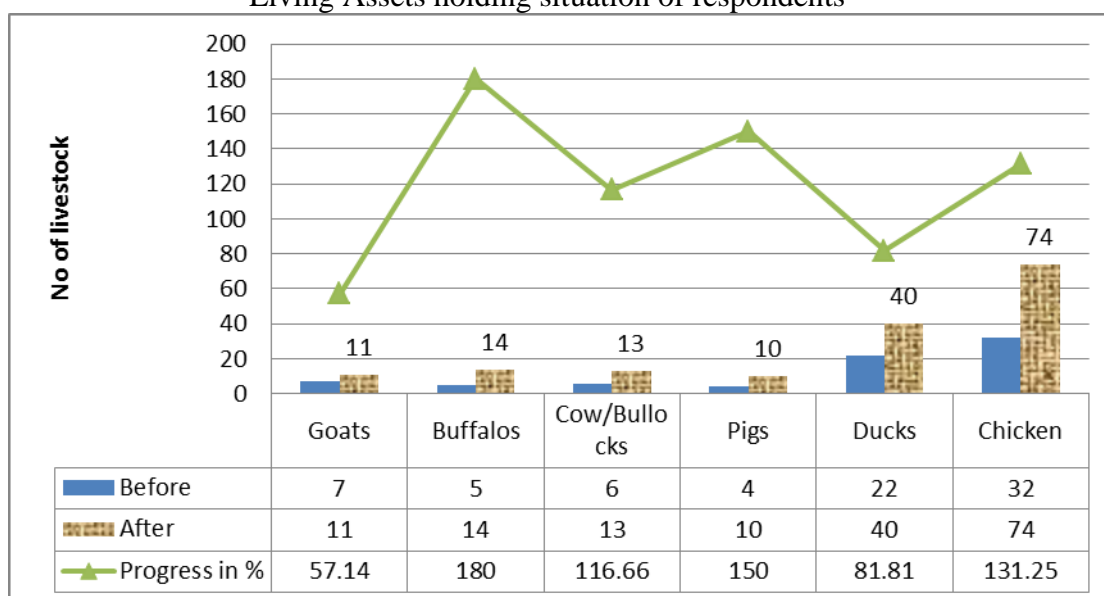
Source: Field Survey, 2013

The given figure presents the information about respondent's occupation status before and after involving in MFP for the purpose of earning. It can be clearly seen that, before participating MFP their main occupation was farming/housewife and selling wine which was accounted for 28% and 26% respectively. Similarly, there were similarities between various activities such as livestock/poultry, weaving machine, and wage labor (16%, 14%, and 12%) selectively while there was least proportion of respondents who had retail shop 4% represent. On the other hand, after joined the MFP the pattern of occupation has changed totally there were no one in small scale industry and vegetables farming before participating in MFP but latter 6% women started small scale industry while 12% started vegetables farming with the help of MFP loan. From above figure we can find that after the participation on MFP women are more actively involved in economic activities than passing time as housewives or farming.

4.2.2. Living Assets holding situation of respondents

Figure No. 4.5

Living Assets holding situation of respondents



Source: Field Survey, 2013

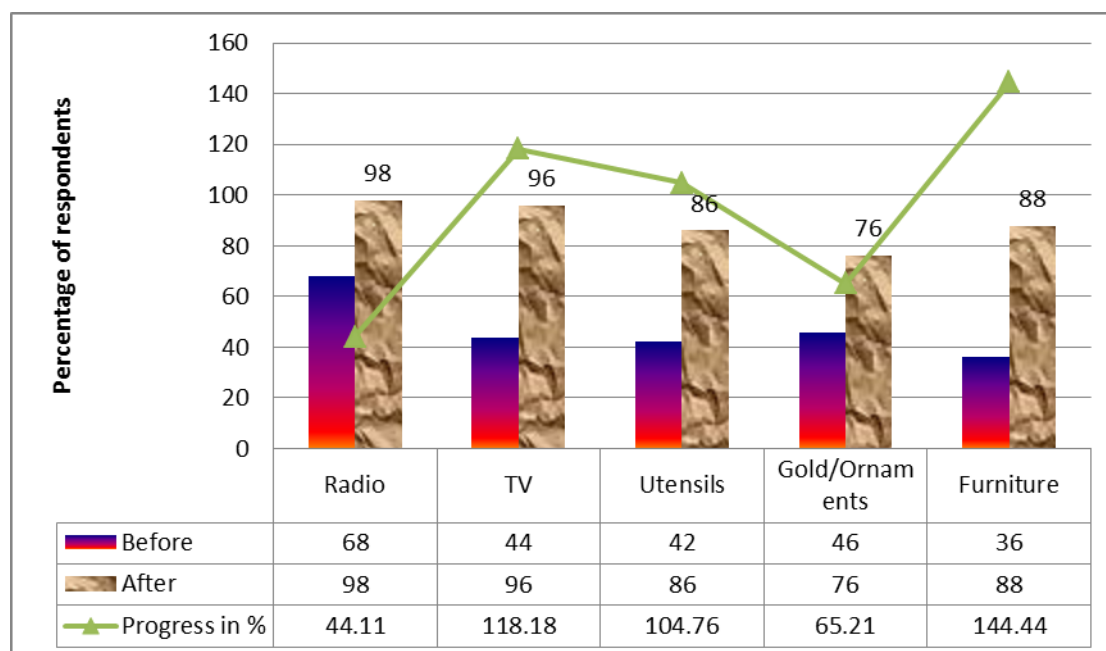
Livestock is an integral part of livelihood earning in the rural setting of Nepal. Keeping livestock comes second to cultivation of crops supporting to earn livelihood. When it is compared the situation of respondents' holding of livestock in numbers with before and after the implementation of program, the numbers of goats has increased by 57.14%, buffalos 180%, cow/bullocks 116.66%, pigs 150 %, ducks 81.81% and chicken

131.25%. The increment in the numbers of livestock is mainly due to the demand of market price of these.

4.2.3. Non-living assets

Figure No. 4.6

Non-living assets holding situation of respondents after participation of MFP



Source: Field Survey, 2013

When the people's level of income increased then they tend to buy assets like radio, television, utensils, ornaments and furniture to ease their way of living. Due to the modernity they are switching from radio to TV, old basic utensils to energy efficient stoves, cookers etc. The average numbers of radio owned by the respondent has increased by 44.11%, similarly, the number of TV owned by the respondent households has increased from BW TV to color TV i.e. 118.18 percent of progress after participation in microfinance program. Old utensils replaced by new ones after earn money from microfinance supported enterprises is seen 104.44 percent. 65.21 percent, 144.4 percent of the gold/ornament and furniture has increased after participation in MF program, which are very significantly highest rate of change in positive way. Generally, people gradually improve the standard of non-living assets, while gold ornaments receiving rate are increases the respondents that not only present higher status but also financial security for uncertain future.

4.2.4. Land Ownership of the Respondents

Table No.4.3
Respondents own land

Land	No of Respondents	Percentage
Have own Land	23	46
Haven't own land	27	54

Source: Field Survey, 2013

Above table illustrates the land ownership of respondent's. It shows that lower numbers of respondents had land in their name which is 46% while 54% do not have land in their name. Hence, we can assumed that women are still deprived by ownership of property

4.2.5. Land type

Table No. 4.4
Lands type

Housing	Land holding	Land situation	
	Agriculture	Irrigated	Non-irrigated
50	43	12	31
100	86	24	76

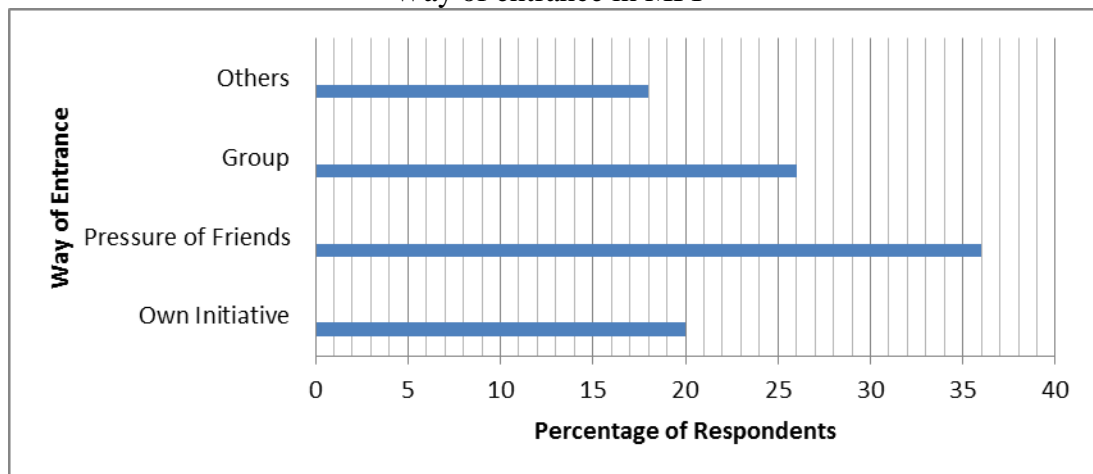
Source: Field Survey, 2013

Above table shows that type of land from the respondents. It is indicated that all respondents have their own house but only 43 members have their own land for agriculture purpose there were 7 members who do not have their own land but they do farming on others land. However, there was only 24% land which was irrigated and 76% non-irrigated. Thus, people should depend on monsoon to cultivate their land.

4.3. Participation in MFP

4.3.1. Way of entrance in MFI

Figure No. 4.7
Way of entrance in MFI

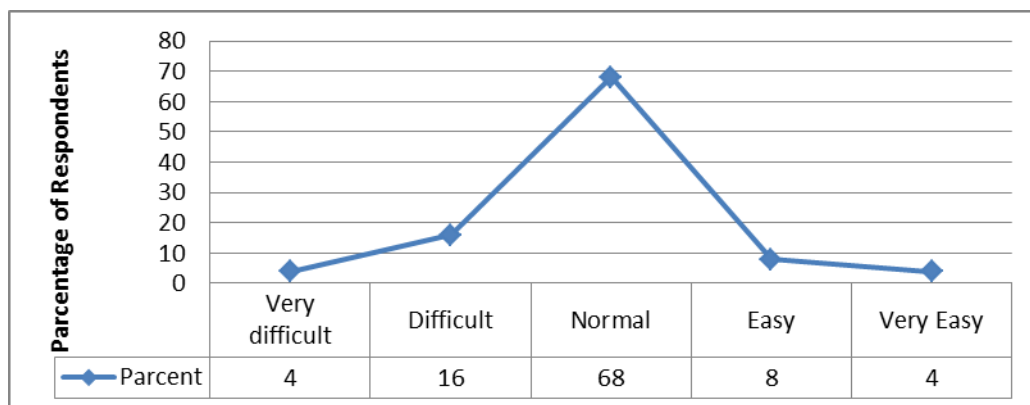


Source: Field Survey, 2013

The given figure illustrates the information about respondent's way of entrance in MFP. Among different way majority of women took entrance by the pressure of friends(36%) while 20% of them entered themselves. Similarly, 26% had entered through group of people whereas, only 18% had entrance by others way.

4.3.2. Respondents Beliefs after Involving in MFP

Figure No. 4.8
Respondents feeling after involved in MFP

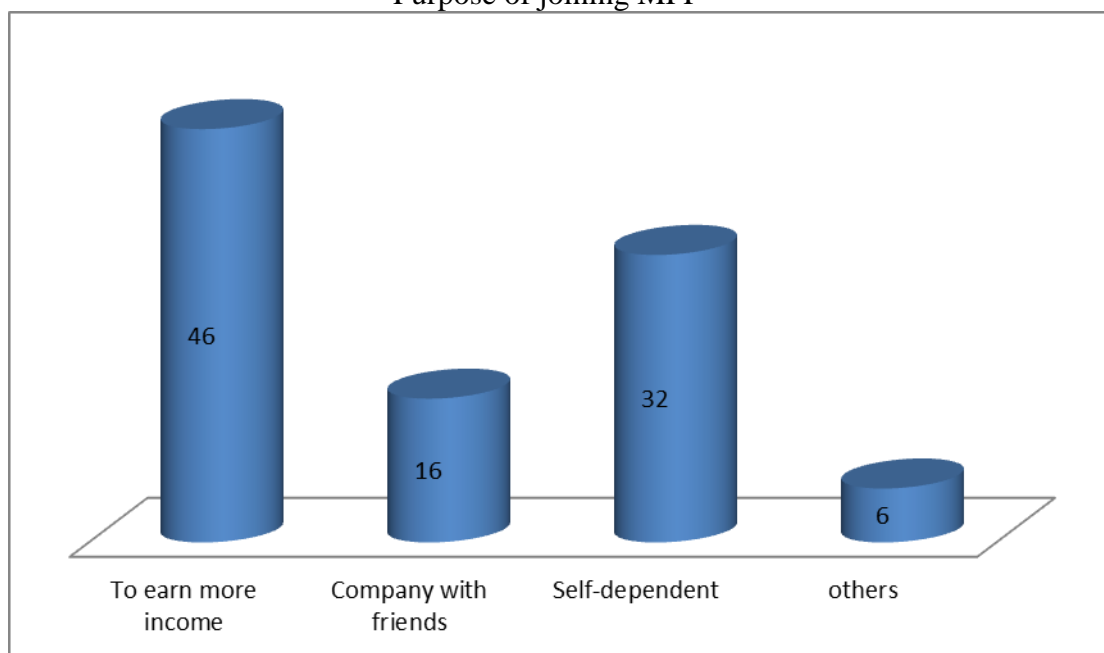


Source: Field Survey, 2013

Above figure shows that over 20 percent of the total respondents felt difficultly to take MFP services while most of them (i.e. 68 %) felt normal to service delivering system of MFP. Whereas, 12 percent of the respondents took it easy. Overall, it indicates that the services provided by micro-finance program are normal.

4.3.3. Purpose of Joining MFP

Figure No. 4.9
Purpose of joining MFP



Source: Field Survey, 2013

The respondents were provided an opportunity to express their views regarding the purpose of joining MF group. They were given four options: to earn more money, to have company with friends, to be self-dependent and others. Over 45 percent of the total respondents replied they joined it to earn more income and to improve family condition. Likewise, 32 percent said to be self-dependent, 16 percent of respondents purpose for joining MF program is to have company with friends and rest of total respondents (i.e. 6 %) expressed varied purpose of joining the program.

4.4. Loan, repay and used

4.4.1. Loan taken

Table No-4.5

Loan taken	
Yes	NO
43	7

Source: Field Survey, 2013

Micro finance is one institution which supports those people who have not any connection for taken loan. After lanching MF program in Daunnedevi VDC many people especially women are more benefited. Above table shown that 86 percent of the total respondents are taken loan from MFI and during the participating time all respondents continuously allocated money, barrows and repaying in timely. 14 percent just repaying their barrows and now being process to take loan for livelihood

supportive activities such as: poultry form, vegetable farming, small scale enterprises and so on.

4.4.2. Annual income before and after joining the MFP

Table No-4.6
Annual income before and after joining the MFP

Before		Annul Income	After	
Percentage	No of respondents		No of respondents.	Percentage
42	21	10,000-15,000	2	4
26	13	15,000-20,000	7	14
18	9	20,000-30,000	11	22
12	6	30,000-50,000	15	30
2	1	50,000-1,00,00	10	20
-	-	Above 1,00,000	5	10
100	50	Total	50	100

Source: Field Survey, 2013

Above table shows the annual income of respondents before and after joined the MFP. The largest numbers of respondent comprising 21person who earned little amount(Rs.10,000-15,000) before they were involved in MFP while there was only one person who earned (Rs,50,000-1,00000) before .Similarly, there was no one who earned above one lakh. On the contrary numbers of respondents declined as well as the level of income increased after they got participated in MFP due to this whereas almost 5 persons who earned above one lakh annually. From this figure we can conclude that after the help of different training or loan which was provided by MFI women are able to earn money by started business or commercial farming.

4.4.3. Decision of loan utilizing

Table No-4.7
Decision of loan utilizing

Decision of loan utilizing		
Response person	No of respondents	Percentage
Self	8	16
Family Head	27	54
Common Decision	15	30
Total	50	100

Source: Field Survey, 2013

Above table indicates that the role of person while taking decision in loan utilizing process. It can be clearly seen that family head plays the important role to use loan which they taken from the MFI. Almost 54% are decided by their family head while only 16% women who can take decision by themselves. Similarly, 30% respondents decide commonly about utilizing the loan. Overall, we can find that our society is still dominated by male.

4.4.4. Purpose of loan taking

Table No-4.8
Purpose of loan taking

Purpose of loan	No of respondents	Percentage
Shop keeping	8	16
Poultry/livestock Farming	12	24
Vegetable farming	10	20
Small scale enterprise	13	26
Running hotel	7	14
Total	50	100

Source: Field Survey, 2013

Above table describes the information about the loan which was taken for various purposes from the micro finance institutions. The highest percentage of loan was taken for the small scale enterprise 26% which was flowed by poultry/livestock farming 24%. Similarly, 20% of loan was taken for the purpose of vegetables farming. However, lowest percentage comprising both for the shop keeping and running hotel 16% and 14% respectively. Overall, we can find that women are more interested to be entrepreneurs after getting help from the microfinance program.

4.4.5. Repaying system of loan

Table No-4.9
Repaying system of loan

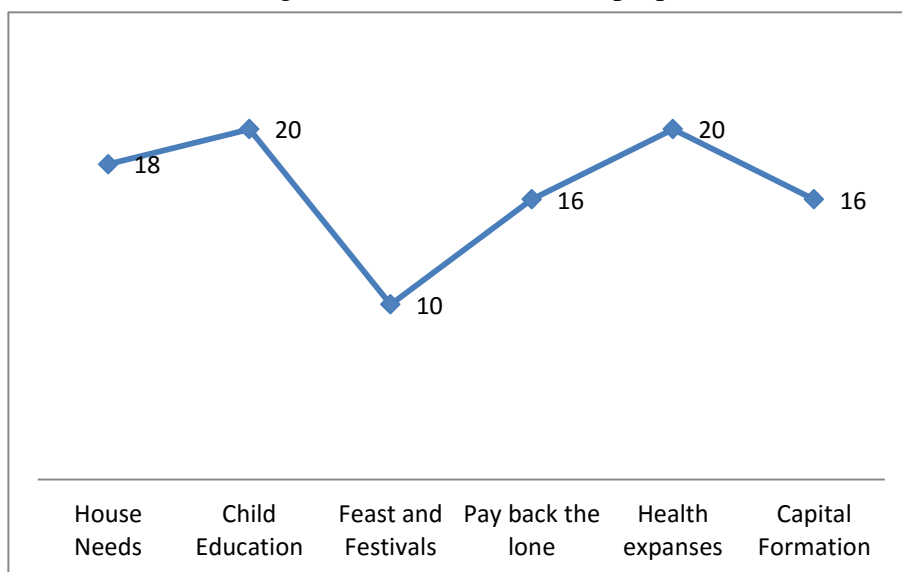
System	No of respondents	Percentage
With installments	50	100

Source: Field Survey, 2013

The given table presents the data about the loan repaying system of respondent's. MFI had provided its clients to paying loan in installments system with little interests which is convenient for people that is why, all of respondents preferred to pay loan in installments system there was no one who used another way to repaying .

4.4.6. Saving is used for the different purpose.

Figure No. 4.10
Saving in used for the different purpose



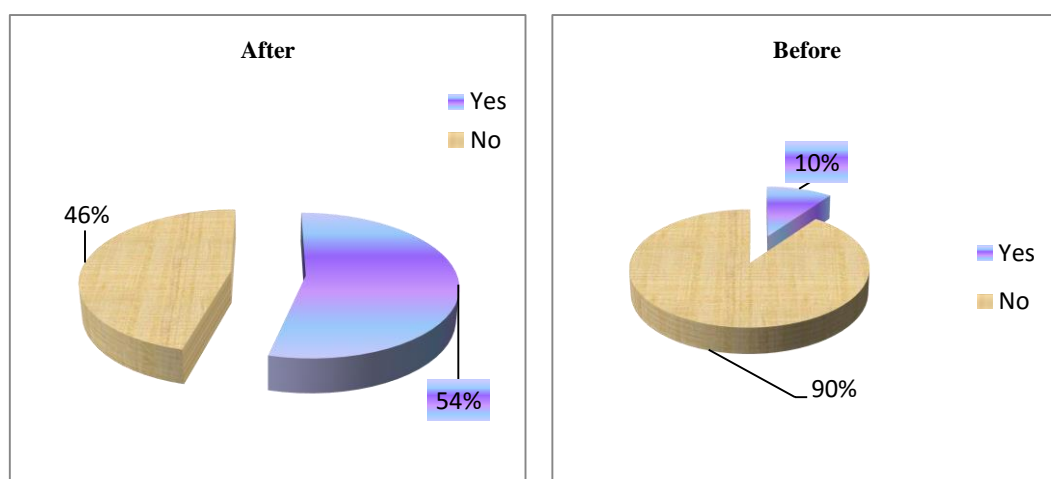
Source: Field Survey, 2013

Above figure presents the information about the respondent's saving uses in various purposes. Almost same percentage of their saving used for child education and health expenses (20%) which was highest among other purposes. Similarly, 18% of their saving used for households needs while 16% was used for capital formation and pay back the loan separately. However, there was little amount which was used for fest and festivals. Overall, it is indicated that women are more aware about saving and utilize their money in proper manner.

4.5. Living Standard

4.5.1. Poverty reduction after than before participating in MFP

Figure No. 4.11
Poverty reduction after than before participating in MFP



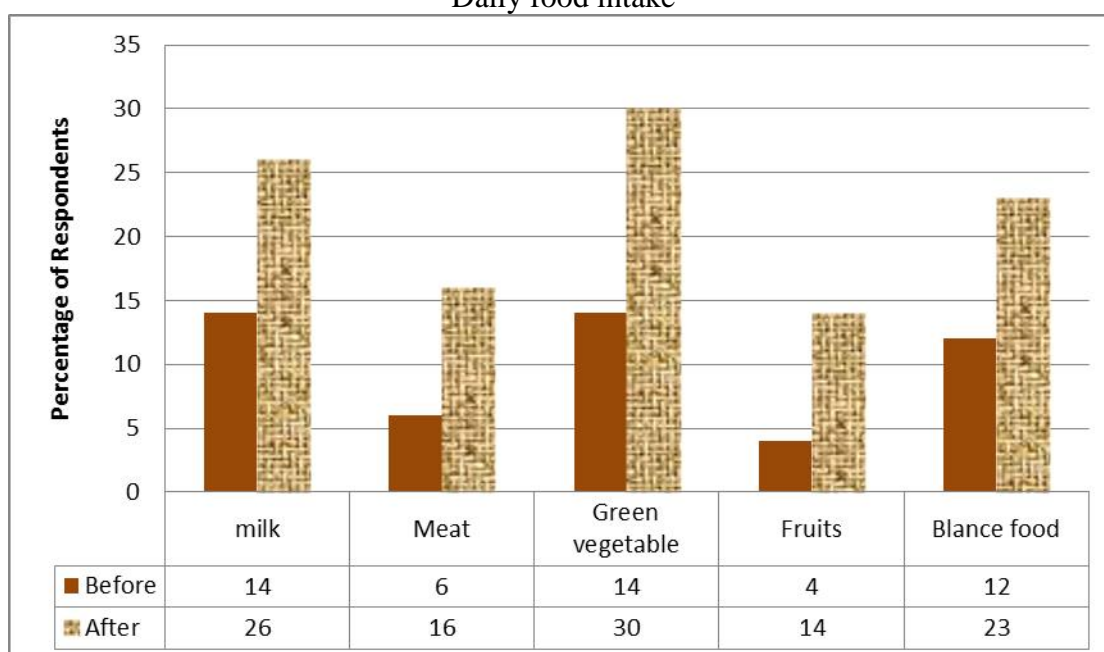
Source: Field Survey, 2013

Above figure and table illustrate the information about the perception of respondent's in poverty reduction. Only, 10% women felt that they were out of poverty before but latter they joined the MFP 54% thought that it is helpful for reducing poverty. It, is indicated that living standard of people rises after involving MFP they started earn more money with the help of microfinance so that there is declined on poverty.

Poverty reduction after than before participating in MFP			
After		Before	
Yes	No	Yes	No
27	23	5	45

4.5.2 Daily food intake

Figure No. 4.12
Daily food intake



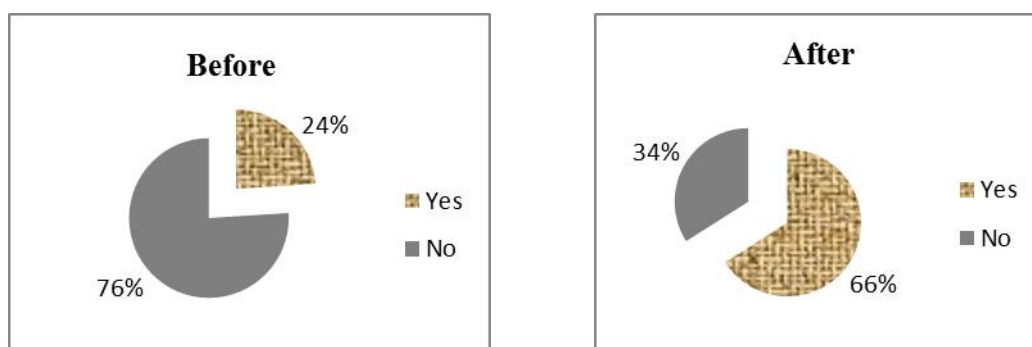
Source: Field Survey, 2013

The given figure describes the food consumption pattern of respondent's before and after participating in MFP. It can be clearly seen that before joined the MFP milk and green vegetable were consumed by same numbers which was 14 percent respectively .However, there were least people consumed meat and fruits 6% and 4% represently. On the contrary, latter there has been changed dramatically the proportion of women had been doubled in every food consumption pattern accepts fruits which was consumed by tripled people after they get involved in MFP. Overall, we can conclude that after participating in MFP not only they become economically sound they also aware about food habit so that many respondents started balance food.

4.6. Women empowerment

4.6.1. Access to Resources

Figure No. 4.13
Access to Resources



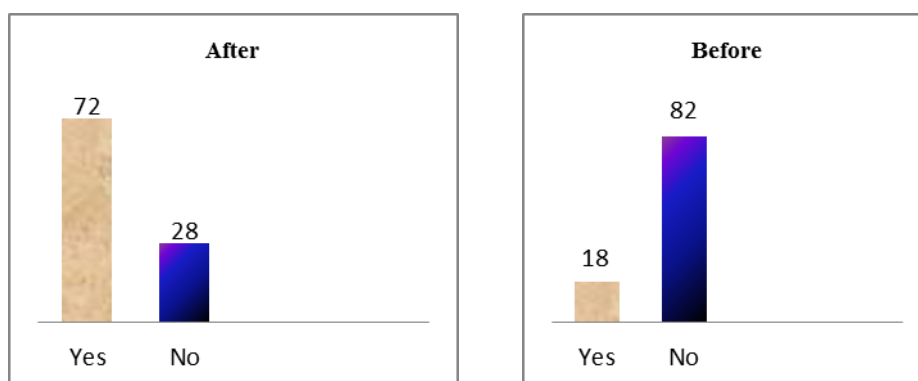
Source: Field Survey, 2013

Access to Resource			
After participating in MFP		Before Participating in MFP	
Yes	No	Yes	No
33	17	12	38

The above figure shows the very good situation of access to resources after participation in the microfinance program than before. Out of 50 respondents, 76 percent reported that they did not have access to resources before their participation in the MF program and only 24 percent said that they did have access to resources. After participation in the MF program, the figures have drastically changed, 66 percent of respondents now have access to resources, while only 34 percent still needs to improve their access to resources by convincing their male counterparts at home.

4.6.2. Improvement in speaking ability

Figure No. 4.14
Improvement in speaking ability



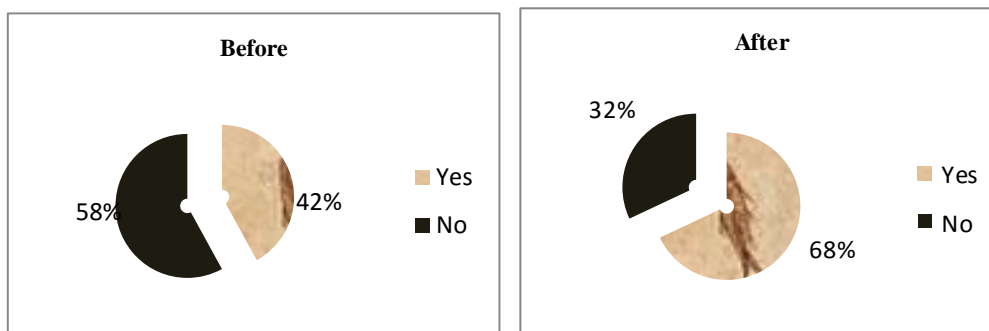
Source: Field Survey, 2013

The given figure presents that 72 percent of respondents have improved their speaking ability after joining the group under MF program. Before participation in MF program,

82 percent of the total respondents did not have speaking ability in front of others. Only 18 percent of the respondents were capable of speaking to others in the groups or masses. This is the contribution of the group meetings or other activities which was compulsion to all its members to be present while organized by MFI or by their friends.

4.6.3. Decision making at home

Figure No. 4.15
Decision making at home

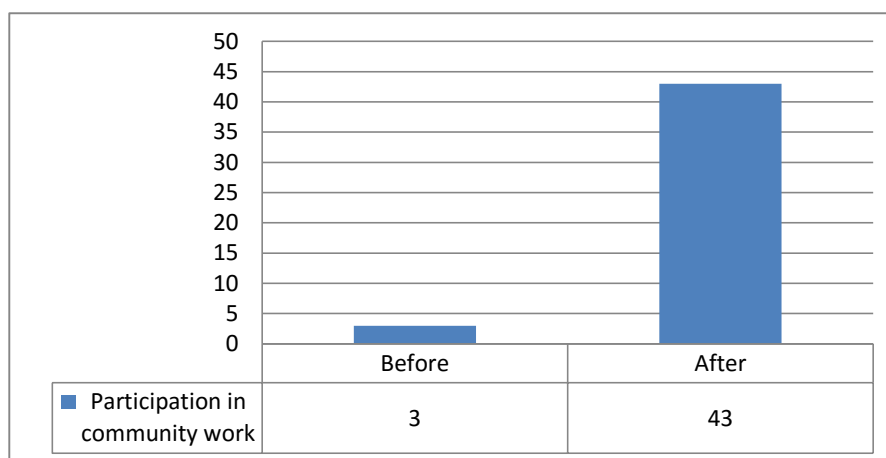


Source: Field Survey, 2013

In Previous period, only 42 percent of the total respondents had exercised making decision for household matters on their own, rest of others (58 percent) participants had to wait for decision to be made by their household male head. The above figure indicated that 68 percent of the participants had a greater role in making household level decision, either directly or influencing the household head. Only 32 percent still do not exercise their right to make household level decision. They still wait their husband or household head for decision to be made.

4.6.4. Participation in community work

Figure No. 4.16
Participation in community work



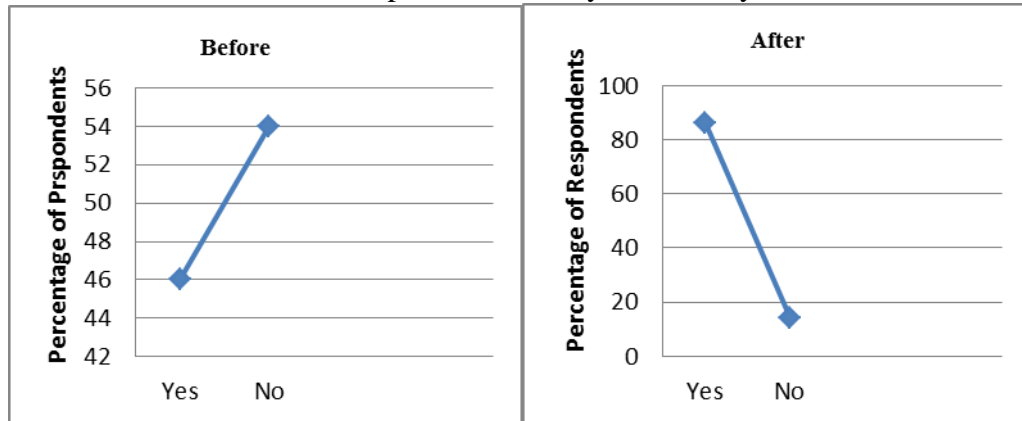
Source: Field Survey, 2013

Community work was neglected by women in previous period there was only 3 persons who were participated in community work before they involved in MFP. By contrast

the proportion of respondents rose dramatically and arrived at 43 members after they joined MFP. However, there were some members they are still do not participated in any community work.

4.6.5. Respect from family and society

Figure No. 4.17
Respect from family and society

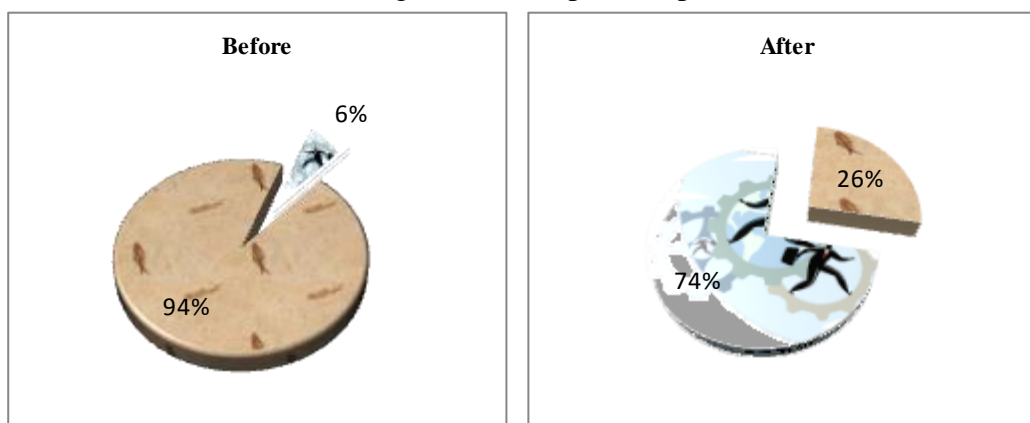


Source: Field Survey, 2013

Women participation in the microfinance program for the last three or more years have experienced that they were given respect from their family members as well as their neighbor more than they could feel before they participated in the MF program. They consider this as a result of their economic prosperity and their changed look towards contributing to the community activities. All these changes were made possible through participation in the microfinance program. The above figure shows that the magnitude of change is positive. Before participation of MF program, only 46 percent of the respondents could feel that they were getting due respect from their family members and neighbor, but now 86 percent of the respondents have reported that they feel they were honored by the neighbor and family members. Only 14 percent of the respondents may still need to know how to respect others and get it reciprocated. The impact of this nature morally boosts up women to take up greater responsibility in the path to prosperity to their home and community.

4.6.6. Feeling of leadership development

Figure No.4.18
Feeling of leadership development

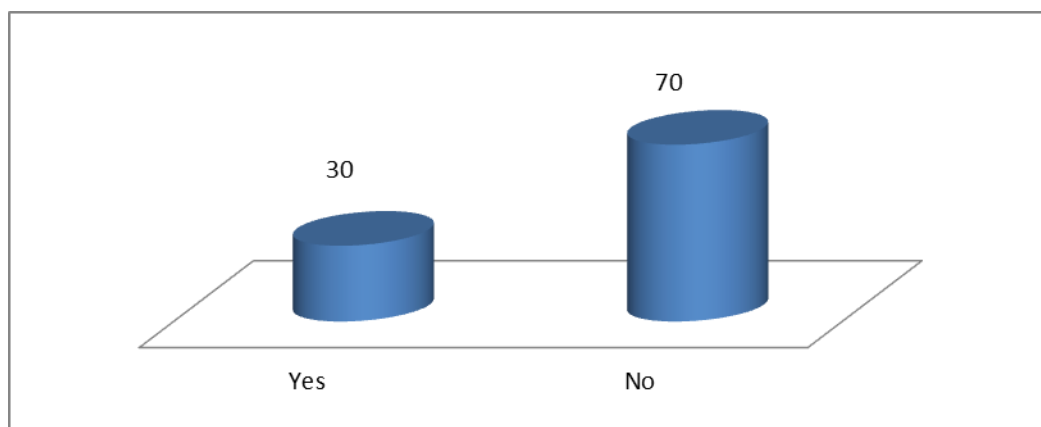


Source: Field Survey, 2013

The above figure presents the information about respondent's feeling towards leadership. In previous year there were only 6% women who felt that they could lead themselves while 94% find it difficult. After joined in MFP the proportion of women's feeling about leadership changed drastically where 74% respondents thought that they can lead group if necessary. Finally, we can find that after taking different training and skills which provided by MFP they became able to doing leadership. However, there are some women still they are weak in leadership

4.6.7. Female household head

Figure No.4.19
Female household head



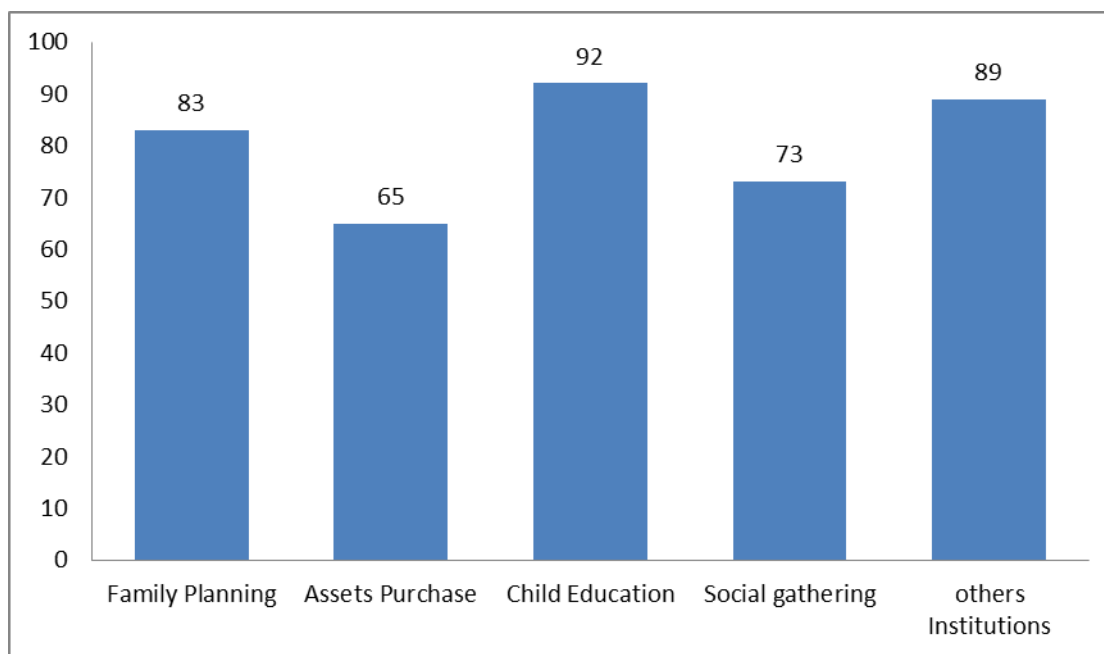
Source: Field Survey, 2013

In the study area, 30 percent of the total households are regulated by women due to compulsion either their husbands had died or had gone to foreign countries in search of job. Similarly, due to empowerment of women after participating in the microfinance

program. However, there were 70% households which are still ruled by men and women.

4.6.8 Awareness of the Respondents

Figure No.4.20
Awareness of the Respondents



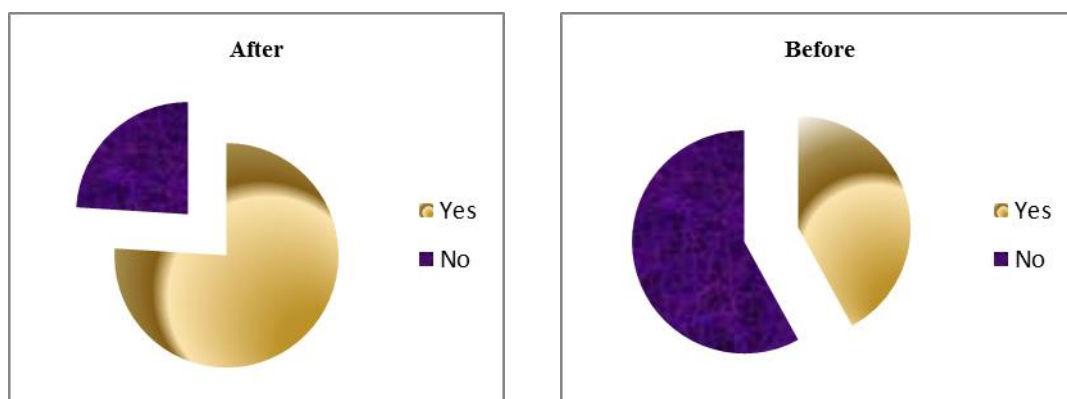
Source: Field Survey, 2013

Above chart indicates that 83 percent of the total respondents are aware of family planning which indicates a good position of awareness about reproductive health and family size. This may be due to social exposure of the members of the microfinance program. 65 percent of participant had purchased the assets which indicate their increasing saving habits after they have participation in the microfinance program. Besides this it also suggests that the respondents have become aware about their future security. This chart also present 92 percent of the total surveyed respondents are aware of the important of education present and future generation. So they have increased their expenditure in their children education, which shows an increases educational environment in their family and society after the participation of MF program. Approximately three- fourth of the total respondents are involved in social gathering which indicators that they are informed and more exposed. Similarly, 89 percent respondents are involved in many other institutions which indicate that the respondents are adopting more dynamic socialized life and socio-economic life due to the participation in MF program.

4.7. Health Care measures

4.7.1. Use of safe drinking water

Figure No. 4.21
Use of safe drinking water



Source: Field Survey, 2013

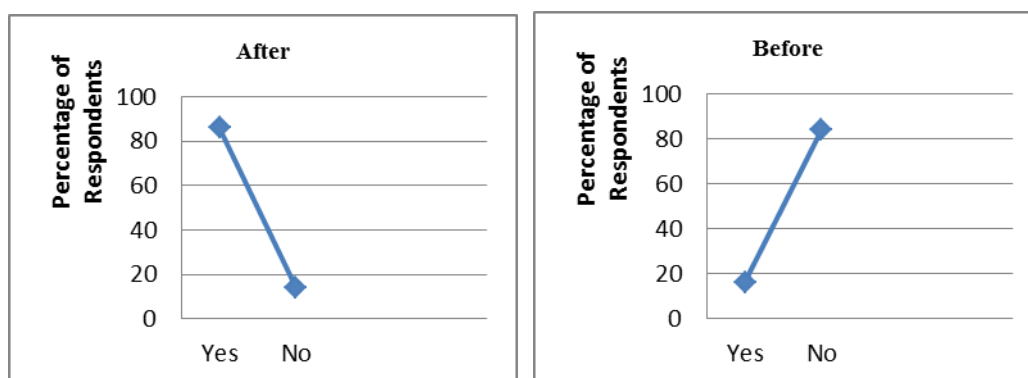
Above figure and table shows that 58 percent of the respondents were using unsafe drinking water whereas only 42 percent of the total respondents had access to tube-well safe drinking water before

Use of safe drinking water			
After participating in MFP		Before Participating in MFP	
Yes	No	Yes	No
38	12	21	29
76 %	24 %	42 %	58 %

Situation has been changed after they got involved in MFP. 76 percent of respondents now use safe drinking water. Similarly, they are aware about safe drinking water and now they know how to make water safe for drinking purposes such as boiling, filtering, use of chlorine and use of free arsenic tube-well water.

4.7.2. Use of sanitary toilets

Figure No. 4.22
Use of sanitary toilets



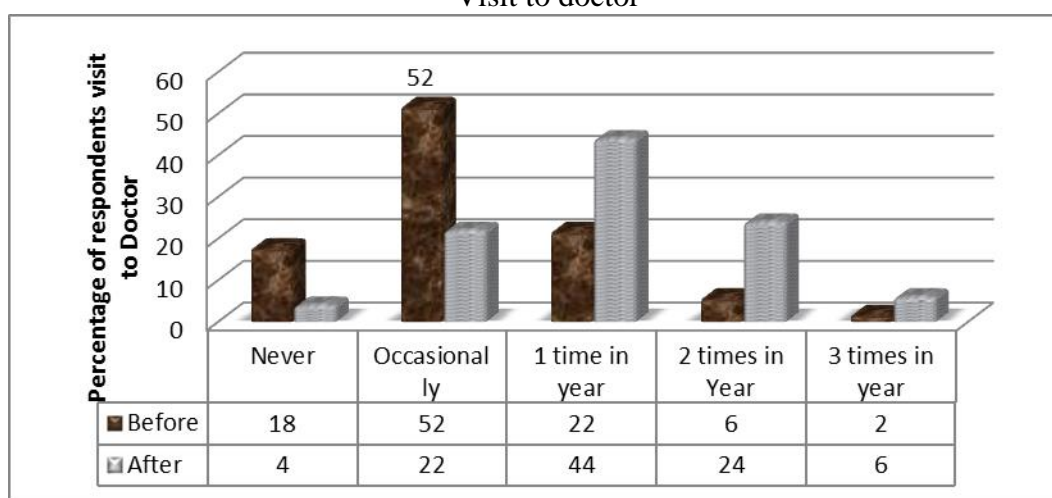
Source: Field Survey, 2013

Before the implementation of microfinance program, only 16 percent of the total respondents used sanitary toilets while 84 percent respondents are used field and river side. But, after participation in microfinance program majority of respondents (86 percent) said that they made and use sanitary toilets in their home. Still 14 percent of participate households have not access of proper toilets.

Use of sanitary toilets			
After participating in MFP		Before Participating in MFP	
Yes	No	Yes	No
43	7	8	42
86%	14%	16%	84%

4.7.3. Visit to doctor

Figure No. 4.23
Visit to doctor



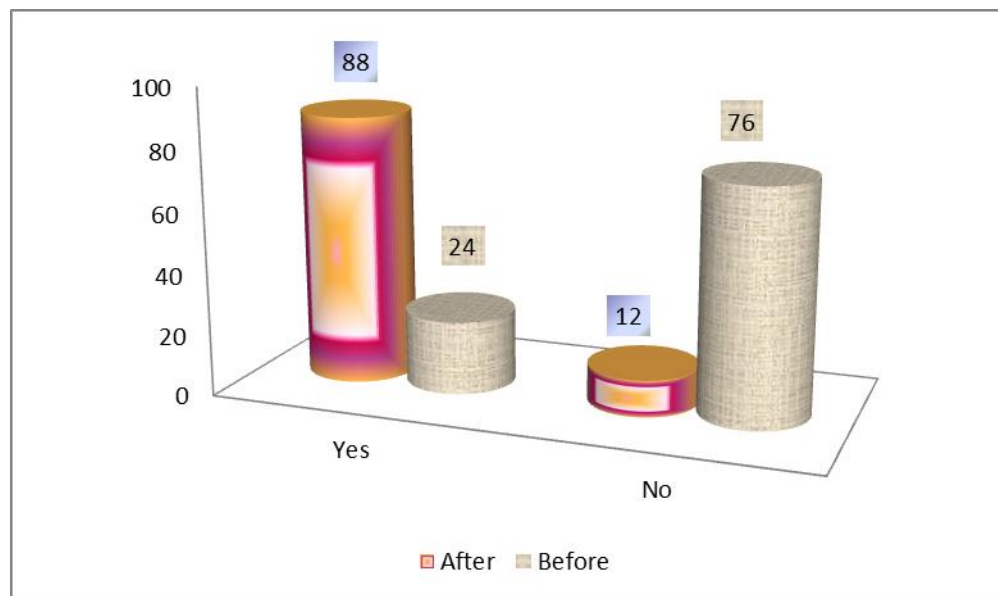
Source: Field Survey, 2013

The given figure presents the situation of respondents who visited to the doctor annually. Before joining the MFP the majority of women who visited to the doctor occasionally if they suffer from any kinds of health problem (52%) by contrast there were 44% women who visited to the doctor once a year after they involved in MFP. Similarly, there were 18% women who had never been to the doctor before but it has changed drastically declined by fourth times (4%) after they involved in MFP. Likewise, it seems that there were only 12% of respondent who visited doctor regularly before but latter it increased by almost more than doubled and arrived at 30% respectively. Overall, we can find that people are much aware about their health after they got different awareness program from the MFP.

4.8 Training

4.8.1. Training from MFIs

Figure No. 4.24
Training on social and finance management

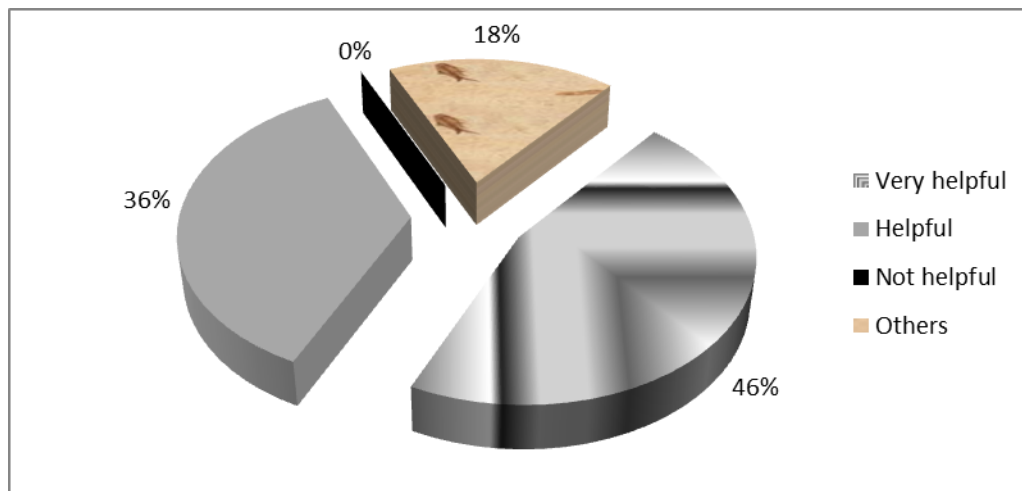


Source: Field Survey, 2013

The above figure indicates that there were only 24% women who are aware about social activities and they have idea about financial management whereas 76% are unaware. On the contrary there are 88 percent of respondents who have improved their social awareness and financial management after joining the group under MF program. However, there are 12% women who are still lack of social awareness and financial management skills. It can be clearly seen that training which are provided by MFI became fruitful those women who were participated in MFP.

4.8.2. Effectiveness of training provided by MFIs

Figure No. 4.25
Effectiveness of training provided by MFIs



Source: Field Survey, 2013

Above figure shows that effectiveness of training which was provided by MFI in the study area. 46 percent of the total respondents surveyed had found that training which providing by MFIs have been very helpful however, there are 36 percent of respondent they thought trainings are only helpful. Similarly, there are 18 percent of total respondents they do not want any complaint about training.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary

The study on Women participation and empowerment through Micro finance Program was carried out at Dunne Devi VDC in Nawalparasi. The objectives of this study was as follows to examine the participation of women on micro finance program in Daunne Devi VDC, to analyze the role of micro finance to empowering women and to examine the status of women after involving in microfinance program. A descriptive as well as exploratory research design was applied to analyze and interpreting data which was collected from the concerned field. There were 750 members from different 150 groups which was the universe of this study some group has only 3 members in a group while others have 5-7 members on each 52 groups was chosen for sample size using random sampling method then one person selected from the each group for study whereas two were dropped due to missing information. Observation, structured questionnaire and interview were conducted while collecting data. This study tried to focused on women participation in decision making process, income and saving habit of respondent's, their food consumption pattern, land ownership, livestock ,education status and health sanitation also how they used loan which they are taken from MFP and so on. The study was done with only those women clients who have participated in MFP for 3 or more years.

Microfinance supported to the poor people who have not access of capital for their financial activities run. This research shows that majority of the respondents are from Gurung and Magar community (i.e. 46%), while 26 % respondents are Brahamin and Chhetri, remaining from other multi-ethnic cast group. This implies that this VDC is decorated with multi-ethnic cast groups. There are 65% of the respondents were 30 to 50 age groups who have heavy financial load for their survival and give social responsibilities such as education, marriage and other for their children. Participant condition is, 70 percent of respondents are married and 24 percent of single women are participating in MF program. After participation in MF program respondent's occupation has changed positively.

Micro finance also supported women to meet the credit needs of poor women. Thus, it would affect their loan transactions with various other loan sources such as money lender, relative, commercial bank and development banks. 86% of the sampled

respondents had loan transaction with MFI. MFI loans amounting below Rs. 40,000 are categorized as micro credit, while the loans amounting above 40,000 are termed as micro enterprise loan. Microfinance institutions have a guideline to follow while extending loans to their clients. The loan size is small but required frequent repayments at sustainable interest rate. The member from group who needs loan discussed in group first and later they inform to the MFI if the group members convinced that it is necessary for her would recommend the demanded loan at the fortnightly meeting of the center.

Micro finance promoted diversification of income source and bring about positive change in investment, income received and saving made from each category of income sources when compared with before program implementation. All data which was collected compared with both situations before and after participation in the micro finance program.

The average investment in purposive area has increased from origin side. Income received in purposive area has increased from a level of first return to now. Saving deposits at MFI is the major saving of the beneficiaries: and saving at bank, MFI and home are found increased substantially when compared to 3 years before joining MF program. The increase in saving at MFI, bank and at home is due to the fact that the women participating in MF program are in essence are receiving more income through household level enterprise they are undertaking with the loan support from the MFI. There are also remarkable increment in total investment, received income and saving of the respondent women.

Micro finance helps increase the living assets and enterprise related non-living assets of the participating women, which in turn increase income that promote holding of more living and non-living assets that again measure prosperity and the improvement in living standard of the poor women and their family members. Participating women in MFP get loans to purchase living assets such as goats, buffalos, cows, pigs, chicken etc. which are productive and help increase income of the participating women. Similarly, the program also provides loans to acquire non-living assets related to enterprise development that also generate more income. Micro finance Program generates self-employment that generates income to meet daily necessities of poor women and their families.

The participating women 3 years before joining the MFP had difficulty in meeting their food requirements for 12 months through their own production and income. After 3 or more years of participation in micro finance program, the scenario has changed

dramatically .Although there are increase in family member in home they can also have sufficient food for 12 months from a level of 25% to 47.2%, a difference of 22.2% increase may be considered a big impact from MFP.

Micro finance program entails program components to disseminate information on health care measures to the clients. 76% women member interview now uses safe drinking water. Prior to the implementation of MF program, only 16% of respondents used sanitary toilet but now it has changed drastically 86% of people used sanitary toilets. Before participation in MF program, people used to visit doctor average occasionally in emergency, while the number of average visits has now increased they visit to the doctor once a year if there is no emergency.

MF program also improved education status of children from the respondents as they get the required information from the implementers. The number of children has increased significantly in the primary 66.66% and in the high schools 270% when compared to before program situation. MF program has contributed in a significant way to enable women to educate their child.

Participation in micro finance program improved poor women's access to resources that they could own and use on their own decision without interference from their male counterparts. Poor women are formed into groups of 5 to 7 members under the specific MFI center. The data indicates the 72% of respondents has improved their speaking ability after joining their group under MF program. Prior to the participation of MFP, only 68% of the respondents' women had exercised making decision for household matter on their own, rest 32% women had to wait for decision to be made by their male household head. Out of 50 households, 30% households are headed by women primarily due to absence of their husband this might be death of their husband or out of home or empowered women. Micro finance has positive impact on empowering poor women who have participated in the program.

Training is the key instrument of the knowledge gathering so respondents have been social awareness and skill about the financial management after participation in MF program. Research found 88 percent respondents have built their capacity from training after participation in MF program. And 22 percent have remaining to get improve their social awareness, so this scenario show that training has very helpful for their social awareness and aware about their family responsibilities.

Conclusion

Micro finance plays the vital role to empowering women by providing collateral free loan services as well as different types of trainings which are helpful for their life. Due to this they get different opportunities to earn money. This study shows that majority of women who do not have money or food for their basic needs before they participated in micro finance program. After involving in this they get various trainings and awareness program which make their life better than previous years.

Moreover, they did not give much attention about their children education before involving MFP but later they aware about the importance of education and start sending their children at school even those who are dropped out before due to economic condition or lack of awareness in previous time. Similarly, after they joined MFP the level of income has increased whereas they started their own business some of them started retail shop; while others involved in commercial farming, small scale industries and so on. Likewise, people are aware about their health most of them started use safe drinking water using different purifying methods while some used boiled water some of them preferred filtering or so on.

In addition, this study find that MFI become very popular among women from where they get different opportunities in earlier time they used to stay at home and their activities limited only at home after joined MFP group they started goes out not only in meetings which is compulsory for those members who are in group they should be present but also in social activities which are organized by MFI. Although there is different trainings provided to the respondents some women still lacking in decision making and they could not improve their speaking ability.

To conclude that women participation in different activities increased these days than the previous years and they can also speak in front of large group without hesitate they though that it is all about the contribution of MFP. However they started savings money for their future either that is small or big amount. Finally, we may say that after many obstacles women in rural area they started exposed their view and ideas differently between in their group or in society

Recommendation

Moving towards women empowerment, it requires a new way of thinking in which the women and men give way to a new philosophy that regards all people as essential against of change. With equity and equality, women and men together can participate in building more just, secured and sustainable societies. To end this some recommendation are as follows.

- There is some misunderstanding about the interest rate used by some MFIs. It is, thus necessary to clarify the clients with some sets of examples that demonstration and convenience the clients that the actual interest amount they are requires to pay is far less than what they think as principle amount earning interest is rapidly decreasing with fortnightly repayment schedule under microfinance.
- The government should promote the microfinance program by upgrading technical skills, reenergizing the sector and reforming state-owned provides. The government should also articulate vision for the sector with a real map on how to improve access to financial service for low-income households and identify that the shaft in the sector is a priority.
- Rural financial program makes women active and emotional but lack of skill and knowledge of economically productive activities pulled back their enthusiasm. Training from non-formal education to market led economic activities be imparted in order to boost of their economic. Productive ability. Training should include explanation of market potentiality, identification of native talent and transfer of skills and capability.
- Occupation selection should process be adopted on the based on resource and market based. Some of the occupation has been vulnerable and some are found collapse due to lack of seriousness to identify the project.
- There is a provision of compulsory insurance of livestock under the MF program. As most of the loan is study area is used in livestock husbandry. In case if death of livestock, 80 % refund is provided and in the case of infertile (40%). All the members who were supposed to get refund complains that the process is too long and it takes long period of time. So there is to need of smooth implementation of insurance provision as well as the provision of

insurance to the livestock suffering from diseases too. Thus the process of insurance claim should be made easy and fast.

- Training and technical assistance, unless designed properly through systematic training need analysis does not necessarily improve the performance of MFIs.
- Participation of women in the program is ever increasing which makes them overloaded. Time and drudgery reducing program be integrated. Gender sensitization training is imparted from the initiation.
- Nepal's formal microfinance institution could play a key role in delivering financial services to low-income households. Yet, the performance of this sector is disappointing especially in the remote rural area. It is necessary to devise appropriate operational microfinance modality to enhance rural pro-poor people's participation in the financial activities market.
- To supervise the use of loan on the management of all loan, field staff should be trained regularly, so that the clients of the program received technical as well as managerial guidance to manage micro finance program. Direction should be given to that loan officer either the loan amount is invested by other family member or not. This should seriously be supervised because if other family member invest loan for their purpose then women will never upgrade her lifestyle. So that providing loan to women is not the complete solution of reducing poverty.
- MFIs should develop practical and varied training courses related to skill development, entrepreneurship development, income generating and business promotion as per the need of particular community.
- From the study it is found that even the limited access of the households on the credit market is skewed against the targeted groups and communities. So it is recommended that the government should extend the financial institution with appropriate policies and products to promote the government's agenda of inclusive growth and equity.
- 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.

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APPENDIX: 1

WOMEN PARTICIPATION AND EMPOWERMENT THROUGH MICRO-FINANCE PROGRAMME

Dear Madam,

This questionnaire is a research tool for gathering information for my research entitled “*Women Participation and Empowerment through Micro-finance Program: A case study of Dauunedevi VDC, Nawalparasi*” under the supervision of **Prof. Dr. Uma Kanta Silwal**, Central Department of Rural Development, T.U., Kirtipur. The correct information provided by you will be of great help for completing my research. This information provided by you will be kept highly confidential and used only for research purpose. I would appreciate your honest opinions and assure you that your responses will be completely anonymous.

1. Personal Information

1.1. Respondent's Name:

Name of Micro-finance:

Address:

Age:

Marital status:

- a. Single [] b. Married [] c. Widow []
d. Divorced []

1.2 What is your education level?

- a. Illiterate [] b. Jointed Adult Literacy Class []
c. Primary School [] d. High School []
e. Above SLC []

1.3 Have your Child Education status changes after than before participation in MFP?

	Pre-primary	Primary	High School	Higher Education
Before				
After				

2. Economic Status

2.1 What is your Main Occupation? (Can you select more than one)

- a. Wage b. Selling Wine c. Farming/Housewife
d. Retail Shop e. Livestock/poultry f. Weaving Machine
g. Small scale Industry h. Vegetable Farming

2.2 How many living assets in your home before and after involvement of MFP?

Livestock	Before	After
Goats		

4.3 Who decided utilization of the loan?

- a. Self [] b. Family head []
 b. Common decision []

4.4 What was the purpose of taking loan and how much was it?

- a. Shop keeping [] b. Poultry/Livestock []
 c. Vegetable farming [] d. Small Scale Industry []
 e. Running hotel []

4.5 How do you pay back the loan?

- a. With installments [] b. At once []
 b. c. Not paid yet []

4.6 Do you have any saving?

- a. Yes [] b. No []
- If 'Yes', for what propose is saving used?
 - a. Household needs [] b. Children education [] c. Health expenses []
 - d. Feast and festivals [] e. Pay back the loan []
 - f. Capital Formation []

5. Living Standards

5.1 Have your poverty situation the change after than before participation in MFP?

- a. Before Yes [] No []
 b. After Yes [] No []

5.2 What is your family daily food intake situation?

	Before	After
Milk		
Meat		
Green vegetable		
Fruits		
Balance Food		

6. Women empowerment

6.1 What is your access to resource in your family before and after participation in MFP?

- a. Before Yes [] No []
 b. After Yes [] No []

6.2 Have improved your speaking ability before and after participation in MFP?

- a. Before No [] Yes []
 b. After No [] Yes []

6.3 Decision making responsibility has changed in your family before and after participation in MFP?

- a. Before No [] Yes []
 b. After No [] Yes []

6.4 Have your responsibility increasing at community before and after involving in MFP?

- a. Before No [] Yes []
 b. After No [] Yes []

