

## **CHAPTER – ONE**

### **INTRODUCTION**

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

Sociologically, it is a type of social financial organization which provides equal opportunities to all caste, race, gender, class, ethnicity and geographical area in the sector of income generation, capacity building and social differentiation economically and socially as well as in vigorous social environment creation. It can be taken as 'Weapon against poverty and social discrimination'. Microfinance is a type of banking service that is provided to unemployed or low-income individuals, or groups who otherwise have no other access to financial services. Ultimately, the goal of microfinance is to give low-income people an opportunity to become self-sufficient by providing a way to save money, borrow money and get insurance (Wagle, 2015).

The history of microfinancing can be traced back as long to the middle of the 1800s when the theorist Lysander Spooner was writing over the benefits from small credits to entrepreneurs and farmers as a way getting the people out of poverty. But it was at the end of World War II with the Marshall plan the concept had a big impact. The today use of the expression microfinancing has its roots in the 1970s when organizations, such as Grameen Bank of Bangladesh with the microfinance pioneer Mohammad Yunus, were starting and shaping the modern industry of microfinancing. Another pioneer in this sector is AkhtarHameed Khan. At that time a new wave of microfinance initiatives introduced many new innovations into the sector. Many pioneering enterprises began experimenting with loaning to the underserved people. The main reason why microfinance is dated to the 1970s is that the programs could show that people can be relied on to repay their loans and that it's possible to provide financial services to poor people through market based enterprises without

subsidy. Shorebank was the first microfinance and community development bank founded 1974 in Chicago(Yunus, 2006).

Sociological imagination plays an instrumental role in life, and it is only through it that we have the capacity to look beyond and view everything with a different perspective. Poor people borrow from informal moneylenders and save with informal collectors. They receive loans and grants from charities. They buy insurance from state-owned companies. They receive funds transfers through formal or informal remittance networks. It is not easy to distinguish microfinance from similar activities. It could be claimed that a government that orders state banks to open deposit accounts for poor consumers, or a moneylender that engages in usury, or a charity that runs a heifer pool are engaged in microfinance. Ensuring financial services to poor people is best done by expanding the number of financial institutions available to them, as well as by strengthening the capacity of those institutions. In recent years there has also been increasing emphasis on expanding the diversity of institutions, since different institutions serve different needs. Microfinance has also been combined with business education and with other packages of health interventions (Birchall, 2008).

Microcredit organizations should work jointly with banks in providing banking services to microcredit borrowers. Importantly, borrowers should be provided access to savings services so that they can reinvest and grow instead of losing their earnings. If MFIs themselves provide savings services, their lending capacity was also increase as the savings of borrowers can be utilized for lending. Also, complimentary policies like building infrastructures should be implemented along with providing loans to the poor. At present, 3 percent of total loan outstanding of commercial banks in Nepal are invested or used in providing wholesale loans to deprived sectors such as MFIs (Center for Microfinance, 2007).

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

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

Though the history of micro-credit started since 1950s, its importance has increased when Regional Rural Development Banks (RRDB) were established in 1992 by Government of Nepal and Nepal Rastra Bank as replication of Grameen Bank of Bangladesh, focusing on extremely poor women. The main objective of RRDB is to empower rural women economically by providing them economic opportunities which in turn empowers them socially, economically, politically and psychologically. The income and saving of women play a vital role in their decision making, promoting health and healthy behavior (Upreti, 2003).

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

Microfinance has great potential to foster progressive social change both economically and socially. MFIs give incentives for social networks to organize towards collective goals. However, women's empowerment is not self-evident through the provision of micro-credit. As argued in the discussion the policy of microfinance reveals crucial weaknesses. Relying on the participants for "self help" is limited, especially when it comes to the people in the world that are most deprived of all resources. The program needs to employ a more critical understanding of social capital and address inequalities between women and men and amongst women themselves. Here, microfinance groups offer a great entry point for mutual information exchange and on these grounds tackle structural problems collectively and strategically. Moreover, microfinance organizations could profit much from cooperation with other international organization working to challenge poverty and gender inequality. Unless micro-finance programmes move beyond the assumptions that group formations themselves automatically lead to women's empowerment they risk

becoming yet another cynical self-help means of shifting the costs of development onto poor women" (Mayoux, 2001).

The promise of social capital rests largely on studies of Robert Putnam (1993), who provided evidence those dense associational networks within civil society correlates positively with economic growth and political democracy. The World Bank (2010) thus defines the task of development as to identify, use, invest in and create an enabling environment for this particular form of resource. The advantage of this approach lies in the recognition of social capital as a "resource" for fuelling development from the bottom up, whereby horizontal ties within the community might be the only resource poor people have. Microfinance Institutions (MFI) create an incentive for individuals to mobilize their local social networks for a common goal as the poor receive credit only on the basis of membership in a so called "solidarity" group. Social interaction within these groups is believed to encourage norms of reciprocity and trust that consequently help to build payment norms. As micro financing is primarily targeted at women it resonates with a long advocacy of development agencies for gender equality. The widely held belief is that providing poor women with access to MFIs lops their capabilities and consequently encourages their empowerment. As the microfinance model shifts the cost of loan-approval onto the group, members of the "liability group" have to rely on bonding social capital in order to access reliable information on the creditworthiness of the potential borrower. Hereby, the lender saved costs to the expense of the exclusion of the poorest and most disadvantaged, which have little chance of gaining access to credit (Alesina and Ferrara, 2002).

**Contextualization:** In the way, such microfinance programs have made it possible for rural women to have access and control over income. This has played a very positive role as income, health, nutrition, decision making and food security, thus, micro-credit programs need wider coverage to promote women's status. But sustainable source of funding micro-credit operation has become a problem. Recovery of loan is equally challenging. Recent internal

insecurity is creating problem for the expansion of microfinance. Social mobilization is also difficult when people are in conflict nevertheless there are sufficient chances of microfinance expansion in the country where informal financing is dominant.

## **1.2 Statement of the Problem**

Microfinance is a small scale financial support made available to poor people in order to support them in lifting out of poverty. It aims to support poor women toward their empowerment.

Generally, loans are provided in the group by the microcredit provider institutions. Loans are extended to individual; each member is liable for repayment of each loan taken out within the group. Also if any loan is defaulted, all members within the group are denied any future loans. Some microcredit lenders also enforce a mandatory group savings fund, so a small amount of collateral can be built up to cover any shortfalls. This allows the use of peer pressure as a collateral substitute, reducing the risks. A member with incentive to default (moral hazard) will not due to the social repercussions of doing so. As well as increasing the community, causing personal transformation and improving individual capabilities to be able to formulate strategic choices for their lives (Malhotra,2002).

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

Sara Longwe (1990) argues that women's development can be viewed in terms of five levels of equality, of which empowerment an essential element at each level is. They are: welfare, access, conscientisation, participation and control.

A tremendous growth in the number of financial institutions in Nepal has been witnessed in the last two decades. But access to bank is very difficult for the poor. To get loan from banks and financial institutions sufficient collateral is needed which the poor are deprived. The case of women is harder. To borrow a loan from microfinance institutions, no collateral is needed or group guarantee is sufficient an loan processing is also easy. The government of Nepal had attempted to promote microfinance services dates back to 1975. It was recognized as an official poverty alleviation tool only in the country's Sixth Plan (1980/81-1984/85).

The ninth plan (1977-2002) of country considered rural credit as a key of poverty reduction. Similarly, the 10<sup>th</sup> plan (2002), claimed as poverty reduction in targeted areas and communities. The 10<sup>th</sup> plan identified 12 areas to allocate the budget of which women empowerment is one of them. The 11<sup>th</sup> Plan (2007-2009) also follows the inclusive approach in development and lunch targeted programme. For those objectivesGoN focuses the program of various social classes, communities and regions which are unable to join mainstream of development due to economic, social and cultural resource of for backwardness targeted program that program cover women, Dalits, indigenous people and backward societies.

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

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

- a. What role does microfinance play in social status (education, health)?

- b. How does microfinance contribute in economic status of rural women?

Microfinance targeted to poor rural women. This is an important development intervention in contemporary Nepal. That is why I chose role of microfinance programme in changing socio economic status of rural women as the focus of my research.

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

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

- a. To assess the socio-economic status of women at the study area.
- b. To analyze the changing role of microfinance in women empowerment at the study area.

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

Generally, Nepalese rural women are poorer citizen among the poor. It is assumed that microfinance facilities provide to deprived and disadvantaged rural poor women breaking vicious circle of poverty becomes comfort. Microfinance programs have been taken as the remedial tool to remove this poverty and make them empower.

It is said that microfinance has been proved to be a most significant facilitator for women empowerment and it is an inevitable means of breaking the vicious circle of poverty and to uplift the economic status of the poor women. Nepal initiated rural micro-financing since 1970 through the establishment of credit cooperatives, implementation of Priority Sector Credit Program and Small Farmer Development Program (SEDP). However, this present study only covers the use side of the fund and its impact on women development. The goal of microcredit services is to create income and employment opportunities for the rural people especially women and low caste communities. The ninth Plan



(1997-2002) of country considered rural credit as a key of poverty reduction in targeted areas and communities. In recent decade it has been realized that the status of women has been improved partly because of microfinance programmes. Many I/NGOs and various institutions are working in the field of microfinance to empower women in all factors (PAF, 2073).

The study is important because in Nepal the government and its central bank have initiated microcredit program since three decades as a means of women empowerment through poverty reduction. Although the study has its specific objectives it is intended to examine the main goal of microfinance ie. Self-economic reliance, access to and control over capital, participation in decision making process in household as well as community affairs. The study observes and evaluates the impacts of microfinance programme to the beneficiaries. Thus through the study the impact of the microfinance programme can be assessed and attempts can be made to cure possible defects and strengthen this programme.

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

No study can be free from its own limitations. So, the present study has also some limitations. This study is simply presented to fulfill a partial requirement of MA. Degree in Sociology. So, it is not a comprehensive study and is focused to analyze certain aspects of microfinance.

The limitations of this study are: This study is specific in socio-economic studies. The conclusion might not be generalized for the whole. The study is fully based on my financial resources and it is to be conducted and submitted with a time constraint. Further, the study is not final study on the subject as it is a study prepared in the partial fulfillment of requirement for Master Degree thesis. Simple statistical and financial tools are used in the study. This study completely based on and limited to the beneficiaries group and credit institutions formed and operating within the territory of Pyuthan Municipality Jumrikanda, Pyuthan.

The inferences and generalization made in the study are based on primary data from 86 respondent's interviews. All the interviews were conducted in the one settlement at JumrikandaPyuthan. As secondary data sources, women representation in various local organizations are collected by institutional mapping. The focus of the study is on changing socio-economic status through microfinance.

## **1.6 Organization of the Study**

This thesis is divided into five chapters. The first chapter will be discussed the introduction of the study including statement of the problems, research, objectives, definition of terms, limitation of the study and rationale of the study. Literature will be reviewed in chapter two. This chapter deal about theoretical overview, gender perspectives, feminist perspective, the feminist thinking, status of Nepal women, vegetable and agriculture, empirical studies on women's empowerment through microfinance programme.

The research methods use including the rationale for the selection of the study site, research design, nature and sources of data, sampling procedure, pre-testing, data collection technique, problems of fieldwork, validity and reliability, and method of data analysis and presentation was discussed in the third chapter.

The fourth chapter will present the basic information about the study area and about changing socio-economic status of women through microfinance programme as well as interpretation of data was analyzed.

In the last chapter summary, conclusion, major findings and recommendation will be presented.

## **CHAPTER -TWO**

### **LITERATURE REVIEW**

Literature review consists of reviewing both the theoretical and previous related studies to shape to the present study. Literature review is one of such research work which guideline or gives hints for recent work. Literature review has been done under two categories; the conceptual review from different books, journals, articles, plans and policies and other published materials whereas, empirical reviews are taken from unpublished thesis and study reports.

#### **2.1 Theoretical Review**

##### **Microfinance Programs in Nepal**

This sub headings deals with the development of microfinance in Nepal, policies specially derived by past experiences based on the secondary information.

##### **2.1.1 Small Farmer Development Program**

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

The program also provides training and other inputs and technician services to assist the small farmer productive activity. A process of institutionalizing the

small farmer groups into the "Small Farmer Co-Operative Limited (SFCL)" has been initiated since 1993/94. The purpose of this initiative is to create locally-owned and managed MFIs that can take over the activities of SFDP on a self-sustaining basis. By mid-January 2003, 125 such SFCLs are in operation in 32 districts. Up to that period SFCLs have been providing Rs 1829 million, here Rs.849 million rupees have been recovered whereas saving amount was reached to Rs.165 million (NRB, 2003/4).

### **2.1.2 Production Credit for Rural Women (PCRW)**

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

The main objective of this program is to uplift the socio-economic status of rural women. For this, the program increases the income of rural women by participating them into productive activities associating with regular credit facilities. It needs to form the self-reliance women's group because in it women are able to tackle their problem and fulfill their needs. The program also strengthens the ability of the banks to serve women in rural areas. The program had covered 67 districts by July 2000. As of mid-July 2000, CBS and ADE/N disbursed a total loan of more than Rs.831.2 million to 74571 rural women through 163 bank branches in 67 districts. Total outstanding loan has been estimated as 546 million (ADE/N, 2001).

The program follows a simple implementation mechanism. The women development division (WDD) motivates women to form group of appropriate size from layer of low income and helps to obtain credit from different banks. Loans are delivered for productive activities such as agriculture, livestock, cottage industries, small enterprises, and trade and service sectors. PCRW has

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

### **2.1.3 Micro-Credit Project for Women (MCPW)**

Learning lesson from the PCRW program, microfinance project for women (MCPW) was initiated in 1994 by the government of Nepal under financial assistance of Asian Development Bank (ADB) with an objective of developing NGOs as appropriate financial intermediaries that would provide quality microcredit services to the rural poor women over time. "The project is under implementation through 95 NGOs in 12 borrowers with an outstanding loan of Rs 18.13 million (NRB, 2004).

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

the aim of this project is to generate income and employment in selected rural and urban areas.

#### **2.1.4 Grameen Banking Model**

During the period of 1992-1996, five regional development banks (GrameenBikash Banks), following the Grameen Bank model of Bangladesh were set up to cater the financial needs of the deprived sections of the society in rural areas especially women for undertaking income generating activities. In the beginning, the rural development banks, one each in the eastern and for western development regions, were established towards the end of 1992. By June 1996, other three banks, one each in the other three development regions, were also set up. In aggregate, NRB and HMG hold about 33% and 10% respectively

(NRB, 1996)

The basic objective of these banks is to provide financial resources required for different types of income generating activities by forming group of deprived women of rural areas and help reduce the level of poverty among the rural households. Identification and motivation of targeted groups, compulsory training about rules and regulation of bank and its lending procedure, easy loan at door step without any physical collateral, 2+2+1 lending scheme to observe the performance of preceding loan receiver and compulsory saving scheme are some of the sound features of Grameen Banking. These features have partly stimulated the clients to achieve high and more stable income with proper employment generation and which in turn raise the repayment rate. The present fragmentary studies have shown that repayment rate of Grameen banks is as high as 95% so that these banks occupies in better position than earlier launched programs (GBB, 2001)

By mid-January 2005, these banks have already formed 35,435 groups through

the 4,961 centers of 1,003 VDCs of 43 districts and forwarded micro-credit without collaterals to 147,949 members for income generating activities by mobilizing local skills. As of now, these banks have provided microcredits totaling Rs.11.55 billion. Of this, Rs10.16 billion has been recovered with Rs3139 billion as outstanding in credit. Total amount of saving deposited by these groups reached Rs471.60 million including collective savings Rs.416.80 million and individual savings Rs.54.80 million by mid January 2005

(MoF, 2004/5: 16).

### **2.1.5 Rural Self Reliance Fund (RSRF)**

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

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

branches (including banking offices of Agriculture development Bank).

But SRSF stopped lending to the NGOs since 1998/99 for the reason that financial intermediary society Act, 1998 had not allowed NGOs to accept saving, and RSRF's one of the policies being that of lending a SCC or NGO to the extent of ten times the saving it had collected. Now the amended version of FISA allows FI-NGOs to collect saving from their group members, therefore, NRB needs to take initiatives to make RSRS funds available to the FINGOS as earlier. For RSRF to continue lending to FINGOs does not have to wait for amendment in the financial intermediary society by laws. It can be done internally with little bit of push from NRB. Such an initiative would improve access of RSRF fund to the FI-NGO that are not served by RMDC itsstrict .“It has disbursed loans equivalent to Rs. 36.8 million through 50 NGOs in 26 districts and 159 cooperatives in 40 districts as of mid July 2004, hence 8996 households of 47 districts were benefited as mid July 2004. NRB has been contributing to this fund from its profit each year. In FY 2003/04 NRB provided the fund with Rs. 74.8 million. From FY 2003/04, the fund has been successful to operate on its own income”(NRB, 2003/4226).

### **2.1.6 Rural Micro-Finance Development Center (RMDC)**

Rural micro-finance development center was established by Nepal Rastra Bank in 1998 realizing the fact that the MFIs operating in the micro finance market had sever shortage of funds for on lending and also needed assistance in enhancing their institution capabilities. However, RMDC because operational since 2000 only. Twenty-one banks and financial institutions, including NRB own the share of this second tier-institution (NRB, 2001)

Till July 2004, RMDC has approved a total loan amounting to Nrs. 444.48 million for 32 MFIS and disbursed NR's 363.71 million (81.8%) to 28 MFISs. Among 23 MFIs, 2 regional Grammen Bikes Bank, 4 private micro credit development banks 18 micro finance NGOs and 4 co-operatives societies



(RMDC, 2007).

Observing the functioning of RMDC sound satisfaction has been found in case of development of micro-finance market but, it is true, it alone cannot meet the financial need of MFIs in Nepal. some more institutions are urgently needed. In this context, NRB needs to come up with appropriate policy measures that would create conducive environment for entry to other second tire institutions. Without a few more second level institutions with provision of providing wholesale loans to MFIs, it was impossible to achieve the target of reducing population below poverty line by the end of tenth plan period.

### **2.1.7 The Center for Microfinance**

The Center for Microfinance is a non-government organization of microfinance sector. It is an autonomous organization established in July 2000 as a nonprofit organization. It is an outcome in response to growing demand for a national focal point for the microfinance sector. This organization was previously a project implemented by Canadian Centre for International Studies (CECI), a leading INGO engaged in microfinance in Nepal. With a vision of sustainable access to microfinance services for the poor, CMF mission is to promote and strengthen microfinance services through capacity building, training, knowledge management, research, policy lobbying, consultancy and net working with mutual trust and co-operation among service recipients practitioners. and stake holders. The Center has program management partnership with 80 MFIs in 39 districts in Nepal. With the twin goal as such strengthen micro-credit institutions that serve the poor, particularly and excluded groups and enhance service delivery capacity of development partners that promote the micro-credit sector (CMF, 2007).

## **2.2 Empirical Review**

Sharma (2003) has tried to analyze the problems faced by MFIs/ Programs in attaining financial sustainability. The presentation begins describing theoretical concept and ends connecting it with Nepalese context. Financial sustainability refers to the extent to which a MFI, in addition to being financially viable, mobilizes its own financial resources internally, that is, through equity, deposits, and retained profits instead of depending on govt. or donor resources.

Shrestha (2008) writes about the conceptual clarity of the term 'empowerment'. According to her, the term empowerment includes the following, or similar, capabilities: such as the ability to make decisions about personal/collective circumstances, the ability to access information and resources for decision-making, ability to consider a range of options from which to choose, ability to exercise assertiveness in collective decision making, having positive-thinking about the ability to make change, ability to learn and access skills for improving personal/collective circumstance, ability to inform others' perceptions through exchange, education and engagement and involving in the growth process and changes that is never ending.

This shows that the term empowerment has a broad sense of meaning and covers a wide range of activities. Specifically, it covers the role and ability in decision making, access and skills for improving collective circumstance, ability to change others through owns' decisions and capacity as well as ability to convince others.

Khanal (2009) has raised the issue of improving the situation of agriculture sector to make it vehicle of rural development for the purpose of rural development in Nepal. The study suggests making long-term vision, objectives, mission and strangles for Nepalese' performed all the functions that are mentioned in its objectives such as to provide saving and credit mobilization.

Raskoti (2012) has carried out a study on the role of Siddhartha Multiple Co-operative Organization Limited. The general objective of this study is to find out the role of micro finance in members empowerment. From the study it was clear that the most of the population of Surkhet Valley has still remained largely poor, especially members, despite the saving and credit cooperative initiative. The basic indicators those are very vital for the socio-economic development of the society such as education, health hygiene and sanitation, drinking water, occupation etc. play major role for the positive change in the community. From the ethnic composition perspective, most of the respondents of the municipality are in social as well as economic activities before the establishment of Siddhartha Multipurpose Co-operative Organization Limited.

Nepal (2013) has explained the planning for cooperative development is ambitious but the actual achievement of planned target has been poor. Moreover the plans have been more concerned about setting quantitative goals rather than prescribing policy and programs for increasing their effectiveness in performance. The study found that the cooperative movement in Nepal has been highly dependent on provision of funds by agricultural development banks. It also found that the sense of completion to achieve excellence has been lacking. The study concluded that the future prospects of cooperatives are enormous for the development of Nepal.

Kattel (2014) has found cooperatives as the major tool for rural development in under developed countries. He has further mentioned that in Nepal, cooperatives run by members and contributing too much for self employment generation and to reduce gender discrimination. The savers and borrowers in micro-finance program from different countries give their views on the financial services they use and on the roles these services have played in their economic and households activities. To assess the impact of MFI's in general questions are asked, such as; poor people understand micro-finance help the economically active poor expand and diversify their enterprises and increase their incomes? Can access to financial services enhance the quality of life of

the clients of micro-finance institutions? Can access to micro-finance help economically active poor in terms of severe household's difficulty? And can successful micro-finance institutions promote the self-confidence of their clients? The choices of the clients heard in this chapter provide strong indication that the answers to all these questions are yes. But, these clients are among the small minority of the economically active poor who have access to micro-finance institutions.

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

Tamang (2014) has conducted the study on the role of Micro Finance to uplift socio-economic condition of rural poor members of Nepal. This study is basically focused on the micro study of micro finance program. It is intended to find out the consequence of Micro finance program in the specific study area. The universe of study area of Fikkal branch has 117 centers and 2010 members. The sample size of the universe is 20 centers 120 members. The simple random sampling method is used, in which each center has taken 6 members. The study has been focused on only micro finance program of

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

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

Bista (2016) has studied on "Socio economic impact of microcredit among women". This study has raised issue about Women’s empowerment and impact of MCP. To identify the socio-economic impact of MCP, respondent's before and after various conditions are taken from primary sources and tested by using various tools. Eventually following conclusions can be drawn from this study.

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

## **CHAPTER - THREE**

### **RESEARCH METHODOLOGY**

This chapter describes the methods and processes applied to conclude this research. In addition, it also includes the rationale for site selection, sampling procedure, and techniques used for data collection. Following procedure has been applied to find out the role of microfinance on women in their socio-economic status and empowerment.

#### **3.1 Justification of the Selection of Study Area**

Rural women are selected in the study area, which are from Pyuthan Municipality- 5 Jumrikanda of Pyuthan district. There are 1365 households in Pyuthan municipality and 206 households in my selected area at Jumrikanda. The reasons why I chose Jumrikanda as my study are: I am from Pyuthan, it is accessible for me, I had basic idea that many organizations are working there in the name of women empowerment and what I believe is, being from same I can extract the factual information. There is a trend of involving in the microfinance especially women but there is not any kind of research carried out on any Microfinance. So the study of role of microfinance in uplifting rural women is selected. It means MF institutions have been providing various services such as loan providing, saving, insurances and various training and exposure visit. It has been helping rural women in both social and economic sector. MFs contribution on the overall development of the people residing to this rural area, the effective and sustainable changes in rural economy are significantly praiseworthy for recent study. Though, there are various microfinance established in Pyuthan district. Various Microfinances has covered all the aspects of development required for women's empowerment as well as nation. It has its separate identity among the various finance institutions whose primary function is to uplift the rural people by promoting their basic and fundamental needs to make them as equal as to the urban people. MF is a type

of banking service that is provided to unemployed or low-income individuals or groups who otherwise have no other access to financial services.

### **3.2 Research Design**

This study has been carried out on the basis of exploratory as well as descriptive research design because the study has been focused on to investigate the effectiveness of microfinance for rural development taking the advantage activities, their participation and benefit from the credit utilization for the effectiveness work. Moreover the study has been found out the women empowerment through the micro finance programme. In this regard, it was an exploratory descriptive research.

### **3.3 Nature and Source of Data**

The data is qualitative as well as quantitative in nature. This study has been based on the primary as well as secondary data, but the focus is given to the primary data, which has been collected from field survey using structured questionnaire, observation and interaction with different respondent. The secondary data for research has been collected from the published, unpublished documents, articles, dissertation, journals, books, economic survey etc. These data has been collected from different places such as District Profile and municipality profiles.

### **3.4 Population and Sampling Procedures**

There are 1365 households in Pyuthan municipality and 206 households in my selected area at Jumrikanda. At least one woman from each household are the beneficiaries of the microfinance. In total 206 households, there are 185 women household involved in MFIs which is the total universe of the study. I've selected only 86 respondents among it. One from each house has been selected by purposive sampling because this study involved only those women households who were participated in microfinance activities and continuous beneficiaries of microfinance since last three years. The selected respondents



are very much familiar to MF institutions. The sample is 46.48 percent of total universe.

### **3.5 Data Collection Methods and Tools**

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

#### **3.5.1 Household Survey**

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

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

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

### **3.6 Data Presentation and Analysis**

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

## **CHAPTER - FOUR**

### **CHANGING SOCIO-ECONOMIC STATUS OF RURAL WOMEN**

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

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

##### **4.1.1 Age Group of the Respondents**

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

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

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

Source: Field Survey, 2017

The age distribution ratio of the study area which shows the respondents involved in this program. The highest number of respondents is between the ages of 30-40 years which comprises 70.93 percent and the least, the age between 60-70 years constituted 1.16 percent of the total respondents. So, from the mentioned age grouping, we can say that members from 30-40 years age are mostly responsible for taking care of their family and are more mature to think about their children's future. From this data, we can know that the middle aged members are the dominant age group members of micro-finance.

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

### 4.1.2 Educational Status

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

**Table 4.2: Educational Status**

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

Source: Field Survey, 2017

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

### 4.1.3 Religion

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

**Table 4.3: Distribution of Religion**

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

Source: Field Survey, 2017

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

### 4.1.4 Caste and Ethnicity

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

**Table 4.4: Caste and Ethnic Composition**

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

Source: Field Survey, 2017

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

#### **4.1.5 Types of Family**

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

**Table 4.5: Types of Family**

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

Source: Field Survey, 2017

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

#### **4.1.6 Marital Status**

Marital status makes differences on members' responsibility and economic work burden especially to women. Implicitly, micro-finance institutions target people who are in worse condition in their life. This program is influential for people who are in worse condition in their life. This program is usually influential for female members to handle their family responsibility than male members. The marital status of the respondents has been shown in the following table:

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

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

Source: Field Survey, 2017

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

#### **4.1.7 Landholding**

Land is the most important source of wealth for farmers. Most of men work outside but women have to work at home and they also have to do the agricultural works. Without abundant land, it is difficult for them to get means of living. It is argued that landholding is considered as the major indicator for the identification of poor in Nepal. It is an important source of rural income and employment generation. Land is a major indicator to justify



economic status of household. Land ownership is mandatory in some banking institutions to get loan from banking institutions. Land is not only an economic variable but also an indicator of social status gained by members. The status of households and land ownership of the selected respondents is presented in the following table:

**Table 4.7: Landholding of the Respondents**

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

Source: Field Survey, 2017

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

#### 4.1.8 Types of House

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

**Table 4.8: Types of House**

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

Sources: Field Survey, 2017

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

#### 4.1.9 Household Head

Household head has a decision making power in many cultural groups. The family members feel social and livelihood security under family head. To start a new business household support is necessary otherwise; it is difficult to

proceed ahead. So, household head is powerful decision maker as well as has owned authority of family. The status of household head in the family is presented in the following table:

**Table 4.9: Household Head**

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

Source: Field Survey, 2017

In the table no 4.9, household position of the respondents which is found female dominated. There are 65.11 percent male respondents who have headed their house. There are only 32.55 percent female respondents who have headed their house.

This section represents the linkage between socio-economic and micro-finance of the respondents. On the basis of background of the respondents we can discuss that how many changes in the level of awareness brought by micro-finance program among the women respondents.

## 4.2 Saving and Credit Status on Microfinance

### 4.2.1 Saving Products by MF

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

**Table 4.10: Saving Products by MF**

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

Source: Field Survey, 2017

#### 4.2.2 Scheme of Loan Products of Microfinanceto its Members

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

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

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

Source: Field Survey, 2017

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

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

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

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

Source: Field Survey, 2017

In the table no. 4.12, out of 86 respondents, 4.65 percent have said the credit interest rate is high and the remaining 95.34 percent have said it is reasonable. The Majority of the respondents are satisfied with the interest rate of MFs.

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

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

**Table 4.13: Availability of Credit Facilities**

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

Source: Field Survey, 2017

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

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

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

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

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

Source: Field Survey, 2017

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

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

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

They also save money to celebrate their festivals, provide education to children, setup and expand business, manage household problem and to secure their old age problems etc. Most of the women have learned the habit of saving through microfinance for establishing high standard of living.

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

They are more concerned and aware about their health through various health programs, incidence and prevalence of disease decrease and the financial burden. By the help of religious and educational excursions, members get knowledge and elderly enjoy spiritually. Maternity allowance advocates maternal and neonatal welfare. Income generating programs strengthen the



hands and make them skillful and productive. Though, these activities seem small and insignificant, they are very good approaches to improve overall social status of the society. They do not only improve the economic condition but also has raised education and moral values. The sense of being and working together can change the attitude and behaviour of the members of the society.

This microfinance helps to promote saving habits, invest loan with reasonable interest rate to fulfill the financial necessities of its members and also improve thereby socio-economic condition. For the overall upliftment of the rural economy and social status of the rural women, the microfinance has played significant role.

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

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

Business is a firm, is an organizational entity involved in the provision of goods and services to consumers. Business is prevalent in capitalist economies, where most of them are privately owned and provide goods and services to customers in exchange for other goods, services or money. A business may also be social non-profit enterprises, state- owned public enterprises targeted for specific social and economic objectives. In the study area, different members are doing different businesses who involved in microfinance. They get loan from microfinance for different purposes. The occupation denotes employment of the women in different sector for earning purpose. The respondents of the study area are involved in different occupations before and after entry in microfinance.

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

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

Source: Field Survey, 2017

In the table no. 4.16, respondents are engaged in variety of agriculture activities before the entry in microfinancesuch as; mostly in agriculture 65.11 percent and the least is civil service and student which are same 1.16 percent.

After entry in microfinance, majority of the respondents are still agriculture, i.e., 46.67 but rest 17 percent are engaged in business and other

innovative and income generating service. And remaining percentage of the respondents is engaged in other different new and profitable occupations. This shows that role of microfinance is playing a vital role to improve living standard and economic level of rural women people by providing loans for their business tasks.

### 4.3.2 Change on Income Level of the Respondents

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

**Table 4.16:Change on Income Level**

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

Source: Field Survey, 2017

The table no 4.16, before entry in microfinance 23.25 and only 3.48 percent earned above 15000. Now the number of respondent earning less than 7000 decreased with 5.81 and become 17.44 percent. Similarly The number of respondents who used to earn above 15000 were only 3.48 percent, after joining the microfinance it increased with 31.48 and become 34.88.

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

### 4.3.3 Change on Small Industry

A small scale industry is a project or firm created on a small budget for a small group of people. A small scale industry produces its goods using small machines, less power and higher labour. It is located within a single place and produces goods meant for few people. The selected respondents are asked about the changes of in their income tasks instead of traditional works and found views are shown in the table below:

**Table 4.17: Changes on Small Industry**

| Particulars                   | Before             |      | After              |       |
|-------------------------------|--------------------|------|--------------------|-------|
|                               | No. of Respondents | %    | No. of Respondents | %     |
| Operated small scale Industry | 46                 | 53.4 | 60                 | 69.76 |
| Seasonally operated           | 28                 | 32.5 | 18                 | 20.93 |

|                  |    |      |    |      |
|------------------|----|------|----|------|
| Not operated yet | 12 | 13.9 | 8  | 9.30 |
| Total            | 86 | 100  | 86 | 100  |

Source: Field Survey, 2017

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

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

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

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

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

|       |    |     |    |     |
|-------|----|-----|----|-----|
| Total | 86 | 100 | 86 | 100 |
|-------|----|-----|----|-----|

Source: Field Survey, 2017

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

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

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

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

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

Source: Field Survey, 2017

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

#### 4.3.6 Consumption Patterns

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

**Table 4.20: Consumption Patterns**

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

|       |    |     |
|-------|----|-----|
| Total | 60 | 100 |
|-------|----|-----|

Source: Field Survey, 2017

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

#### 4.3.7 Change in Clothing Patterns

The wearing of clothing is mostly restricted to humans and is a feature of nearly all human society. The amount and type of clothing one wears depend on physical requirements and local culture. Cultures regard some clothing types as gender specific. The wearing of clothing varies person to person according to social and cultural need. Thus, clothing pattern is based on social and cultural phenomenon which also helps to identify personality. The clothing pattern of the respondents is shown in the following table:

**Table 4.21: Change in Clothing Patterns**

| Clothing Patterns       | Before             |       | After              |       |
|-------------------------|--------------------|-------|--------------------|-------|
|                         | No. of Respondents | %     | No. of Respondents | %     |
| Wear expensive and best | 15                 | 17.44 | 35                 | 40.69 |



|                                      |    |       |    |       |
|--------------------------------------|----|-------|----|-------|
| clothes                              |    |       |    |       |
| Wear reasonable and suitable clothes | 25 | 29.07 | 44 | 51.16 |
| Wear old clothes                     | 46 | 53.49 | 7  | 8.13  |
| Total                                | 86 | 100   | 86 | 100   |

Source: Field Survey, 2017

In the table no. 4.21, after intervention of program, there occurred change in the clothing patterns of the respondents. According to survey, after intervention of the program, 40.9 percent of the respondents have changed their traditional way of clothing very much, 51.16 percent of the respondents have changed their traditional way of clothing by little bit and only 8.13 percent of the respondents don't have changed their traditional way of clothing patterns due to the entry of microfinance. It provides trainings and awareness about cleanliness also.

#### **4.3.8 Sheltering Patterns**

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

**Table 4.22: Sheltering Patterns**

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

Source: Field Survey, 2017

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

#### **4.3.9 Change in Education**

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

**Table - 4.23: Educational Status**

| Institution       | Before | Percent | After | Percent |
|-------------------|--------|---------|-------|---------|
| Government School | 73     | 84.88   | 13    | 15.11   |
| Public School     | 10     | 11.63   | 9     | 10.46   |
| Private School    | 3      | 3.48    | 64    | 74.41   |
| Total             | 86     | 100     | 86    | 100     |

*Source: Field Survey, 2017*

Above table shows that, the educational status of female respondents before and after. joining the microfinance, the majority of the respondents is government schools i.e. 84.88 percent, 11.63 percent public school and minority is private schools i. e. 3.48 percent.

After the microfinance the majority of the respondents is private school i.e. 74.41 and minority is public school i.e. 10.46. So, the research shows that after joining microfinance the respondents of the study area were changed their educational quality.

#### **4.3.11 Change in Health**

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

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

| Health Institution | Before | Percent | After | Percent |
|--------------------|--------|---------|-------|---------|
| Health Post        | 42     | 48.83   | 23    | 26.74   |
| Hospital           | 19     | 22.09   | 52    | 60.47   |

|                |    |       |    |       |
|----------------|----|-------|----|-------|
| Clinic/Medical | 25 | 29.06 | 11 | 12.79 |
| Total          | 86 | 100   | 86 | 100   |

*Source: Field Survey, 2017*

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

## **CHAPTER- FIVE**

### **SUMMARY AND CONCLUSIONS**

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

#### **5.1 Summary**

Nepalese Women are severely victimized by discriminatory treatment in all sections of the society. Today various programs, policies, NGOs, INGOs, Government organization are working to support rural life. Among a lot of programs, MF Programme is becoming an effective program because of its best performance and unique features. Microfinance is a financial and social intermediation, according to available resources; micro credit provides financial

services like micro credit, micro saving, micro insurance and micro remittance. These all organizations, which are facilitating the services rendering process of MF Programme, are known as MFIs. Easily getting services of MF Programme are attracting backward Women, which may be

caused to push them toward new horizon.

This research has been found out the women empowerment through the micro finance programme. It is an exploratory descriptive research. This study has been based on the primary as well as secondary data, but the focus is given to the primary data, which has been collected from field survey using questionnaire, observation and interaction with different respondent.

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

Most of the Women beneficiaries of MF Programmes are relatively poor, women having no income or low income are focused. So, it seems to be oriented to poor women. The beneficiaries from MF Programme have improved their earning and equally stimulated their standard of living. Women's greater access to financial resources and services could provide greater decision-making power in terms of money and their households. Where this power lies may have significant implications for families and communities. Mostly women contribute their full financial resources for their families where as men rarely do so. When women are given decision-making power, they generally make decisions that were optimal for their families. As a result, women tend to make financial decisions that promote nutrition, health and literacy within their families, whereas men may allocate some of their resources towards activities that are not helpful to the family.

The main factors determining the level of women's economic and social

empowerment in a country are its cultural and legal environment, and national policy on women's rights and poverty alleviation. Initiatives organized by microfinance institutions for the provision of financial services and for policy and legal reforms are key elements for achieving greater economic and social empowerment.

A large number of poor people throughout the world are engaged in income generating activities in order to make ends meet for themselves and their families. Many others have established micro or small-scale businesses, but most of them operate within the informal economy where they lack any form of social protection, and where their livelihoods and sometimes even their lives may be at risk. Microfinance can give tools to manage risk. It is also a valuable resource in enabling people to take their first steps in making items for sale, engaging in trading activities, or providing services within their local communities. However, little effort has been done to explore the potential synergies between the provision of microfinance and small enterprise development.

Here, I've highlighted the characteristics as obtained from data collected:

MF Programme is oriented for poor and target group. MF Programms are provided to different castes, which include mostly illiterate and married women. The average age of clients is 35 year. So, it has focused mature and especially for household women of the study area. The average income level of Women is increased by 35 percent after involving MF Programmes.

About 45 percent of women have taken loan for expansion of small business. In addition to traditional occupations, Women are involved in more income generating activities and have become economically self-dependent after the intervention of this programme. Consumption patterns of household are far better than previous. They are improving their consumption level, which is positive impact to improve lifestyle of rural women. MF Programme has made

provision for compulsory saving, so women are saving even a small amount of money, and after joining the program the average saving has been increased.

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

## **5.2. Conclusion**

This study has raised issue about changing social and economic status of Women through Microfinance Programme. To identify the socio-economic impact of MF Programme, respondent's before and after various conditions are taken from primary sources and tested by using various tools. Eventually following conclusions can be drawn from this study. Our first objective is to examine the socio-economic impact of MCP on rural Women in operational areas of Pyuthan at Jumrikanda. In this concern various tests are tested, aggregate result of this main heading is positive. So, we can conclude in the point that MF Programmes are creating positive socio-economic impact on rural women. It means MF Programme is encouraging, focusing and facilitating

rural women in the Pyuthan district for socio-economic upliftment.

The study has also analyzed the role of MF Programmes empowerment of Women through enhancement of decision making power in Pyuthan. In aggregate, result of this section area is also positive. So, Women are becoming empowered through enhancement of decision making power. Thus, there is positive role of MF Programme on Women decision-making.

Now, all objectives of the study are met. So, the study is complete with the conclusion that the MF Programme is a desirable and effective tool to uplift socio-economic condition of the women on rural area.

Thus, MF has played a role in poverty reduction, improving socio-economic status of rural women and overall development of rural areas.



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## FIELD STUDY QUESTIONNAIRES

### I) PERSONNEL INFORMATION

a. **Name of Respondent:** .....

Age: .....

Sex : .....

Ward no.: .....

Occupation: .....

Caste/Ethnic Group: ..... Religion: .....

Language: .....

Family type : .....

### b. Education:

Illiterate: .....

Literate: .....

a) Under SLC

b) SLC pass

c) Intermediate Level

d) Above Bachelor

### c. Family Head:

Respondent herself: .....

Husband/Other: .....

### d. Marital Status:

Married: .....

Unmarried: .....

Widow: .....

Divorced: .....

### 2. INFORMATION ABOUT HOUSEHOLD MEMBERS:

| S.N. | Name | Relation of Respondent | Sex | Age | Education | Occupation |
|------|------|------------------------|-----|-----|-----------|------------|
|      |      |                        |     |     |           |            |
|      |      |                        |     |     |           |            |
|      |      |                        |     |     |           |            |
|      |      |                        |     |     |           |            |
|      |      |                        |     |     |           |            |

**Age**

**Education**

**Occupation**

A= Below 15 years

Illiterate = I

Farmer = F

B= (15-30) Years

Who can read and write= N

Teacher =

T

C= (30-45) years

Under SLC = P

Business

= B

D= (45-60) Years

SLC pass = L.S.

Student =

S

E= 60+ years

Intermediate =S

Bachelors and above = B+

**Marital Status:**

**Sex :**

Married = M

M = Male

Unmarried = U

F= Female

Widow = W

Separated = S

**II) CHINGING SOCIAL STATUS OF RURAL WOMEN**

**A. HEALTH**

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

|     |  |    |  |
|-----|--|----|--|
| Yes |  | No |  |
|-----|--|----|--|

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

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

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

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

**B. EDUCATION**

B.1) Education Status of respondents

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

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

- a. Yes
- b. No

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

- a. Poverty
- b. Gender discrimination
- c. Caste and ethnic inequality
- d. Household Burden

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

- a. Yes
- b. No

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

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



**C) Production**

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

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

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

.....  
 .....  
 .....

**III) CHANGING ECONOMIC STATUS OF RURAL WOMEN**

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

Before

After

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

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

.....

2) Why do you choose that occupation?

.....

.....

**3) Change in Household Income**

| Income (Rs.) | Before Involvement in MF | After Involvement in MF | Cause |
|--------------|--------------------------|-------------------------|-------|
| Below 10000  |                          |                         |       |
| 10000-20000  |                          |                         |       |
| 20000-30000  |                          |                         |       |
| 30000-40000  |                          |                         |       |
| Above 40000  |                          |                         |       |

4) How often do you save money?

- a) Daily....
- b) Monthly.....
- c) Every fifteen day.....
- d) .....

5) How much money do you save at one time Rs.....

6) Did you take the loan to fulfill your need?

- a) Yes .....
- b) No .....

**7) Change in Household Expenditure**

| Expenditure (Rs,) | Before | After | Cause |
|-------------------|--------|-------|-------|
| Below 10000       |        |       |       |
| 10000-20000       |        |       |       |
| 20000-30000       |        |       |       |
| 30000-40000       |        |       |       |
| Above 40000       |        |       |       |

8. Did you take the loan to fulfill your need?

- a) Yes ..... b) No .....

9. Did you run any new business after the establishment of microfinance in your place?

- a) Yes b) No

10) If yes, what kind of new business you run after the microfinance in your village?

- a) Women entrepreneurship ..... b) Vegetable farming .....  
c) Candle Making ..... d) Others Specify.....

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

- a) Yes b) No

if , yes how did you have taken the loan?

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

12) What are the procedures of taking loan?

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

13) Do your microfinance provide any training?

- a) Yes b) No

14) If yes what types of training they provide?

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