

CHAPTER–ONE

INTRODUCTION

1.1 Background of the Study

This study intends to understand the role played by micro-finance programs for the empowerment of Women. It discusses on the case of women living in Adarashanagar settlement of Butwal Municipality. It also attempts to understand changes brought by this programme in the social-economic standing of women who are involved in micro finance program. The social categories covered for the purpose of this study are the women.

The social and economic empowerments are interrelated activities. The economic growth of a nation enhances people's social and economic well being. Economic growth depends on capability of people. Qualified workers and entrepreneurs capable of using modern technologies in economic activities can contribute economic growth. A growth in a economy can generate better job earning opportunities and other sources of social and material well being of people.

With an objective for the empowerment of social and economic well being of the population a numbers of agencies are involved to implement programme.

In poor and middle income countries these agencies including non-government organization, bi-lateral and multi-lateral development agencies and other local transnational organization which work with people.

One of the important conditions required for promotion of these activities is to allow people an opportunity to participate on decision making process of these programs.

Collective participation in formulation and implementation of development program helps to identify their problem in appropriate way and find the way of their proper solution. It also enhances their skills and ability to deal with the public.

Micro finance is also one among the various programmes implemented by some of the agencies to provide support for economic empowerment and capabilities building of the poor and marginalized segment of the population. This program encourages to people such as

women, poor, Dalit etc, to generate investment funds through their cooperative organization. It helps them to organize themselves in saving credit cooperative association. Through this process it also helps those people to interact with each other and learn about dealing with other institutions and agencies. Micro-finance programs are run under group efforts. Activities performed in a group required them to select their leaders, participate in electoral process for the selection of these leaders and prepare rules and regulation of the group to run its activities based activities.

The term “micro-finance” was not used before 1970s. Cooperative organization for micro credit proposes were evolved first time in Canada over the 100 years. Later other community organization also started to follow this strategy. Now, it became a buzz-word among the development practitioners” (Yunus, 2003).

Almost everywhere, now exists several types of financial organizations, they provide financial services for the marginal section of the population. There are three types of financial institution: - formal, semi-formal and informal. The formal institutions are subjected to generally commercial laws and regulations in their respective societies and also to specific banking regulations and supervision for example commercial banks, savings banks, public development banks and private development banks. Informal providers supply loans through arrangement to which no such laws (commercial laws) apply, which normally means that disputes cannot be settle by recourse to the legal system for example Traditional rotating savings and credit association. Semi –formal institutions are registered entities that are subject to relevant general laws, including commercial laws, but are usually not under specific banking regulation and supervision. For examples NGOs, financial cooperatives and group based people organization (Ledgerwood 1999 quoted in Dale, Reidar *November* 2001).

Micro-finance organizations are semi formal types of financial institutions. They render their services to the deprived socially and economically population. Poverty and social marginalization are significantly affecting the lives of many rural people in developing countries seriously hindering economic development. In every stage of life there are uncountable discrimination between men and women. Society always encourages men for their betterment of life where as women are always discouraged. Women have lower status than men, by tradition they receive limited chance for social mobility and access to information and education. The status of Nepalese women has been deeply affected by

various religious, traditional evil customs. Social norms and evil practices have seriously affected the role and the status of Nepalese women.

Micro-finance program support them to change their situation. It also provides opportunity for them to organize in groups. It helps them to generate investment funds just through participation in saving credit program. It provides the credit to invest on business enterprises. It also provides the skills and ability to participate in public life.

In Nepal different types of programs have been launched such as Priority Sector Credit Program (PSCP), Small Sectors Credit Program (SSCP), Small Farmers Development Programs (SFDP), Integrated Rural Development Program (IRDP), production credit for rural women (PCRW), Participatory District Development Program (PDDP), Priority Sector Credit Program (PSCP), Intensive Banking Program (IBP), Grameen Bank Replication (GBR), Rural Self-Reliance Fund (RSRF), Micro-Credit for Poor Women (MCPW) which in fact are intended to empowerment the rural poor, especially women (NRB, March 2008).

In Nepal, first formal sector micro lending began in 1956 with the establishment of Credit Cooperatives in the Rapti Valley of Chitwan district to provide financial services in rural Nepal (Sharma and Nepal, 1997). Later in 1963, the Cooperative Bank (converted in ADB/N in 1968) was established to provide financial services to the credit cooperatives. Thereafter, several credit cooperatives and the ward/village committees were established to extend credit at the grassroots level along with a national level institution, i.e. Land Reform Savings Corporation. Thus, 1956-1970 is the beginning phase of formal micro-finance in Nepal.

In other words, micro-finance services can contribute sustainable impact to relieve the income poverty and consequently to enhance the human development indicator as a tool to reduce the poverty of people. It acts as a source for the supply of micro-finance services to reach the target rural poor population to lift them from below the poverty line (Mathema, 2008).

Independent studied show that micro-credit has a host of positive impacts on families that receive it. A World Bank study in 1998 reported that 5% of Grameen Bank, Bangladesh Rehabilitation Assistance Committee (BRAC), of Bangladesh Rural Development Bank (BRDB) borrowers moves out of poverty each year (Yunus, January, 2003).

The micro-finance programs have gained popularity in recent times as both national financial institutions as well as bi-lateral and multi-lateral agencies have started to link micro-finance programs with the development programs of the nation to address poverty reduction

issues. Since the operational as well as the social cost of such programs are high, especially after the termination of the project, a device and mechanism for managing loan-able funds within the banking system has to be developed. Thus, there seems to be a dire need of national policy for micro-finance programs with the setting up of the national micro-finance development corpus fund so that the fund can be utilized, as a wholesale financing to Micro-Finance Institutions (MFIs) for on lending to the poor beneficiaries.

So it is important to understand how these lending activities and other institutional process followed in the operation of micro finance programmes have contributed for the social and economic empowerment of women of Adarashanagar ward of Butwal Municipality.

1.2 Statement of the Problem

Nepal is one of the poorest countries in the world. Nepal comes under 48 'Least developed Countries' (LDCs) currently designated by The United Nations. Nepal's GDP per capita per years is \$ 440 (Economic Survey 2010). The literacy rate of Nepal is 65.9 percent in which male are 75.1 percent literate and female are 57.4 percent (NLSS, 2011). Women on Nepal owned only about 19.71 percent of the land. They have headed in 25.73 percent of household (CBS 2011). They have very limited participation in political leaderships.

Studies show that Nepali women spend more than 25 percent more time than men on subsistence activities and domestic work. More than 16 percent of their daily labor involves fetching fuel and fodder (NLSS 2011). They lack access to health, education and economic resources. Nepalese women are underprivileged and disadvantaged in terms of their socio-economic status in comparison to their male counterparts. Women are deprived of cash as well as decision making processes in many societies. They have different and serious experiences of being poor.

Nepal had implemented various types of development to correct this situation micro finance program is one among them. Those programmes implemented for this purpose It is a pro-poor program. It is implemented in various forms these include Small Sectors Credit Program (SSCP), Small Farmers Cooperative Ltd (SFCL), Priority Sector Credit Program (PSCP), Production Credit for Rural Women (PCRW), Financial Intermediary Non-Government Organization (FINGO), Grameen Bank Replication (GBR), Rural Self-Reliance Fund (RSRF), Rural Micro Finance Development Centre (RNDC), Grameen Network Nepal

(GNN), Micro Credit for Poor Women (MCPW), Saving and Credit Co-operatives (SACCOS). It was a program to supply credit to rural household through their cooperative organizations.

Although contributions of women in Nepal are consider unimportant, there is a belief that it thus even provided no opportunities to them, women are capable to do all works efficiently. Recent studies in developed countries indicate that poorer households are more dependent on the earning of women.

Nepal's government has shown its concern on poverty reduction from the very beginning of planned development. Result is not having satisfactory. Poverty has becomes obstacle for the social and economic empowerment of the deprived women groups.

Micro-finance is one of the major programs implemented for bringing change in the situation. It emphasizes participation of women to manage this institution. This organizations organize weekly meeting, demand provide administrative service during loan proposal, repayment, compulsory deposits etc, the aim of the research is to measure the effectiveness of the micro-finance on income generation of rural women of the studied area. It also intends to understand its contribution for the improvement of the capital and level of awareness among women.

It has attempted to seek answer to the following questions:

- Why did they become member of micro-finance program?
- What are areas of preferences of investment of credit received from institution?
- What is educational, economic and skill status of women?
- What are major problems faced by women member?
- What changes are brought about by micro-finance program on the social life of women?

1.3 Objective of the Study

The general objective of the study is to analyze the effect of Micro-finance program for the empowerment of the women in Adarshanagar ward of Butwal Municipality. The specific objectives of the study are:

- To study process of evolution of micro finance program in Study area
- To understand changes brought about by micro finance program on the social and economic life of women
- To explore the contribution of microfinance program for increased level of awareness of women.

1.4 Rationale of the Study

Recent policies of the government and non-government organization are to reduce poverty by promoting micro-finance program, for women and empowering them through enhancing their economic resources and skills. Women empowerment and inclusion are also given priority in policies making process. Women to be empowered, they should have access to and control over cash income. Through micro-credit program, women can have cash in their hand and opportunity to invest both in private and public sectors. Women's involvement in this sector is one of the most important options that have both challenges and opportunities to undertake this profession for economic and social empowerment of women. The study would be more helpful to understand problems and capacity of women as well as policies of micro-finance.

This study examines the overall role of micro-finance for the empowerment of the women. The study is conducted in micro level and will be focused on the role of the micro-credit program on social-economic well being of women.

This study provides information on how women can develop social prestige, self-confidence and feeling of equality eradicating the backwardness, illiteracy and superstition.

1.5 Limitation of the Study

The study was concentrated only on Adarshanagar, ward 6 of the Butwal Municipality. The outcome of this study may not represent the actual picture of other areas of the country. Its information may vary from similar types of information in other areas.

CHAPTER -TWO

REVIEW OF LITERATURE

2.1 Introduction to Micro-Finance Program

According to the World Bank the term “micro-finance” refers to the provision of financial services to low income clients, including the self employed. Financial, generally include savings and credit; however, some microfinance organizations also provide insurance and payment services. In addition to financial intermediation, many micro-finance institutions provide social intermediation services such as group formation, development of self confidence, and training in financial literacy and management capabilities among members of a group”. Thus the definition of Micro-Finance often includes both financial intermediation and social intermediation. Micro-Finance is not simply banking; it is a development tool (World Bank, 1997).

Micro-finance gives high priority on building social capital; it is promoted through formation of groups and centers, developing leadership quality through annual election of groups and centre leaders, electing board members when the institution is owned by the borrowers. To develop a social agenda owned by the borrowers, it undertakes a process of intensive discussion among the borrowers, and it encourages them to take these decisions seriously and implement them. It gives special emphasis on the formation of human capital and concern for protecting environment. It monitors children’s education, provides scholarships and student loans for higher education. For the formation of human capital it makes efforts to bring technology, like mobile phones, solar power (World Bank, 1997).

The term micro-finance refers to the practice of sustainably delivering credit services. More broadly, it refers to a movement that envisions “a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit, but also savings, insurance, and fund transfers”. (www.microfinance.com)

The term "micro-finance" means the financial business of providing institutional financial services to the destitute and low-income families desirous of operating self-

employment enterprises. The financial business of this type covers micro-credit, micro-insurance services of supplying small credits, providing unsecured financial services in a quick and efficient manner against collective guarantees and repaying installments in a simple manner aiming at increasing access to financial services by extensively covering the destitute class and areas which currently remain deprived of micro-financial services. (www.microfinance.com)

2.1.1 Objective of micro-finance

The main objective of rural-finance/micro-finance is to increase access of rural people to financial services to undertake income generating activities and improve their livelihoods and to improve socio economic conditions of the poor and deprived women and disadvantage groups. To facilitate this process, both government and non-government organisations have launched various programmes.

The specific objective of micro-finance is to promote good quality of life and their living standard to the poor. Micro-finance programs also helps to provide financial and non financial services based on need of poor people. It also helps to provide necessary institutional support. Besides this, micro-finance program also help to access larger loans, based on repayment performance, which help to create income and employment opportunities for the poor people by mobilizing their saving, which become assistance to the poor and marginalized women and disadvantaged groups. Besides this, micro-finance it also helps to promoting the locally available technology for the best use of the internal available resources.

2.1.2 Features of Micro-finance (Yunus, 2004)

Micro-finance is an important instrument of development as it helps to promote credit to humans. Micro-finance is usually established to help the poor families to help themselves to overcome poverty. Usually, micro-finance programs are targeted to the poor particularly, the women. The most distinctive feature of micro-finance is that it is not based on any collateral or legally enforceable contracts. It is based on “trust”, not on legal procedure and system. Micro-credit is offered for creating self-employment for income generating activities and housing for the poor, as opposed to consumption. Micro-finance was initiated as a challenge to the conventional banking which rejected the poor by classifying them as “not creditworthy”. As a result it rejected the basic methodology of the conventional banking and created its own methodology. It helps to provide services at the door-step of the

poor based on the principle that the people should not go to the bank, bank should go to the people. In order to obtain loans, a borrower must join a group of borrowers. Loans can be received in a continuous sequence. A new loan becomes available to a borrower if his/her previous loan is repaid. All loans are to be paid back in installments. Simultaneously a borrower can receive more than one loan.

Micro-credit program comes with both obligatory and voluntary savings program for the borrowers. These loans are given through nonprofit organizations or through institutions owned primarily by the borrowers. It is done through nonprofit organizations not owned by the borrowers. Efforts are made to keep the interest rate at a level commensurate with sustainability of the program rather than bringing attractive return for the investors. Micro-finance's thumb rule is to keep the interest rate as close to the market rate, prevailing in the commercial banking sector, as possible without sacrificing sustainability. In fixing the interest rate market interest rate is taken as the reference rate, rather than the moneylenders' rate. Reaching to the poor is its non-negotiable mission. Reaching sustainability is a directional goal. It must reach sustainability as soon as possible so that it can expand its outreach without fund constraints.

2.1.3 Evolution of Micro-Finance

Grameen Bank or micro-finance project was born in the village of Jobra, Bangladesh, in 1976. Grameen Bank does not require any collateral against its micro-loans. Each borrower must belong to a five-member group and the group is not required to give any guarantee for a loan to its members as repayment responsibility solely rests on the, individual borrowers (Yunus April, 2004).

“During the 1970's, social innovators revolutionized the banking industry in places like Bangladesh and Bolivia. They determined that a key way to help people improve their lives was to remove their dependence on the local money lenders. MFIs were set up to lend money at reasonable interest rate to poor people who could offer no collateral. Not only did the borrowers grow their businesses and increase their income but they repaid their loans on time. This model of lending broke all conventional thinking and transformed the borrowers' lives”. (www.unitus.com)

Yunus, M (2004). “The word Micro-Credit didn't exist before the seventies. Now it has become a buzzword among the development of cooperative and credit union system with over 100 years of successful history in this sector. CCA is a non-profit and member owned national umbrella organization of cooperatives and credit union of Canada representing 30

national or regional members and 300 local cooperative and credit union systems in Canada”.
(www.cmfnepal.org)

In Nepal, both formal and informal MFIs are providing financial services to generate income by creating job opportunities for the low-income families. The informal financial markets in the country have existed for generations. Whereas, the first formal sector micro lending began in 1956 with the establishment of Credit Cooperatives in the Rapti Valley of Chitwan district to provide financial services in rural Nepal (Sharma and Nepal, 1997). Later in 1963, the Cooperative Bank (converted in ADB/N in 1968) was established to provide financial services to the credit cooperatives. Thereafter, several credit cooperatives and the ward/village committees were established to extend credit at the grassroots level along with a national level institution, i.e. Land Reform Savings Corporation. Thus, 1956-1970 is the beginning phase of formal Micro-Finance (MF) in Nepal.

Micro-finance formally started in 1974 following the Nepal Rastra Bank's (NRB) direction to commercial banks for lending five percent of their total deposit liabilities to "small sector" in order to increase production and employment in rural areas. The small sector program was later renamed as Priority Sector Credit (PSC) in 1976 raising the lending percentage to seven percent of total deposit liabilities (NRB, 1996). Since that time the commercial banks were mandated to lend at least three percent of total loans and advances to the deprived sector from their priority sector loan portfolio, and are penalized for the shortfall (NRB, 1996). The act of providing loans by commercial banks to prioritize agriculture, cottage industry, and service sectors and deprived sectors or the “hard-core-poor” is a non-traditional banking scheme for commercial banks. Therefore, considering guarantee compensation against default on such lending as crucial, the Credit Guarantee Corporation (CGC) was established in 1974 with the joint investment of NRB, NBL, and RBB. This corporation provided credit guarantee to these three commercial banks for providing priority sector loans. The corporation has also started guaranteeing loans for cattle since 1987/88 (NRB, 1996).

2.2 Relation between Micro-Finance and Women

The role of micro-finance in the improvement of lives of women is discussed in the following paragraphs. The ideas and studies related to micro-finance and women are highlighted as follows:

Over last few years, development agencies have attempted to address some of these problems by introducing micro-finance programs offering saving and credit services to rural

communities. Many of the micro-finance initiatives, which have the economic goals of reducing poverty, also attempt to tackle the marginalization of the poor, often of women.

Micro-credit is taken as anti-poverty tool which helps in the development and growth of the local economy as individuals and families are able to move past subsistence living and increase disposable income levels. The economic improvement of women has been on the global agenda for long time and after years of number crunching, policy heart-burn and eradicating debates; micro credit has emerged as a key strategy in achieving the goals set by global conference.

A global movement was launched towards the end of 1996, to reach 100 million of the world's poorest families especially the women of those families with credit for self employment by the year 2005. American agency, RESULTS educational fund had hosted the first world micro-credit summit held in Washington DC to launch this global movement during February 2-4, 1997. The summit saw the convergence of 2000 people across the global representing 100 countries including Nepal. In this micro-credit movement, the UN inter-agency (IAWAN-G&D) UNIFEM, ILO was the main supporting agency through various NGOs, self-help group, and sub group in the world. The successful step taken in Asian region towards the micro-finance system is Bangladesh Grameen Bank, SEWA (Self Employment Women's Association), Grameen Bank, in India.

2.3 Gender Gap and the Needs to Focus on Women and Development

Gender is deeply woven into our ways of life. It affects the opportunity and constraints for each of us throughout our life. In Nepal gender relation is institutionalized and practiced in common life from each individual family to society. The gender issue mainly involves hierarchy and ranking men and women differently in terms of power, wealth prestige and other privileges.

The determinant of gender discrimination is most considerably the division of labor which can be viewed in different spheres of life. Men have been engaged in the productive sphere while women, have been confined to household work. Literatures show that women's roles in decision making are affected directly or indirectly by economic condition. A woman who has greater economic participation tends to have greater power of decision making (Acharya 1995).

Gender analysis is divided between the private and public spheres. Gender roles refer to behavior that is learnt, based on social conducting that is, a response to socio-economic and

environmental pressures and conditions within households and communities. Gender roles are fluid, but in society they are considered as appropriate activities for men and women. The gender is human invention, like language kinship, religion and technology. It is socially and culturally constructed roles and responsibilities assigned to men and women in a given culture, society and location based on their societal structures that is, learnt behavior over time.

2.4 Socio-Economic Status of Women

Poverty and social marginalization are significantly affecting the lives of many rural women in developing countries seriously hindering economic development. Though much has been talked, written and several governments and planners have included poverty reduction as over-riding objective in their development program, but poverty has still not been alleviated from developing and less developed countries in the world. Since the concept of "absolute poverty" is wide and common in comparison to "relative poverty," the government, planners, and the researchers have focused on this type of poverty. Absolute poverty is usually contrasted to relative poverty. The relative poverty compares the relative living standards of different groups or individuals and considers those with lower living standards to be in poverty (Sen, 1982). On the other hand, the absolute poverty cannot be compared relatively to other people's standard of living. It is measured through a hypothesized poverty line, and the proportion of population below this line, are considered as absolute poor.

Yunus defined poverty on the basis of his own countries experiences "Poor is a much larger collection of people than the small or marginal farmers that exclude women and children who constitute over half of the total population of the country" (Yunus, 1993 ,p.6). The Summit Campaign defines "poorest" as the bottom half of those living below their nation's poverty line. The poorest in developing countries refers to families, whose income is in the bottom 50 percent of all those living below their country's poverty line (Summit Report, 2002).

Amartya Sen viewed that "In a poor community.... the perception of poverty is primarily concerned with the commodity requirements of fulfilling nutritional needs and perhaps some needs of being clothed, sheltered, and free from disease" (Sen, 1982, p. 161).

In Nepal, there is an extreme inequality of income distribution making a vast gap in the standard of living of the people. Because poverty in Nepal is directly related to income,

therefore national poverty estimation is calculated on the basis of basic needs of the people like income, consumption, and access to facilities. Besides, poverty is the result of “landlessness” or the “marginal land holders” as 69 percent people hold below one hectare of land (NESAC, 1998). According to NLSS III 25.16 percent of Nepalese live below poverty line. Underemployment rather than unemployment is the most challenging problem in Nepal. With a given 2.24 percent population growth rate, the country faces a challenge of absorbing 300,000 persons entering into labor force each year along with the large number of underemployed people (47 percent approximately) (ADB/M, 2003).

The Tenth Plan has looked at poverty more from human and social dimensions. The Interim Poverty Reduction Strategy Paper (I-PRSP 2001) prepared under the suggestion of Nepal Development Forum meeting 2000, had set a goal of reducing poverty rate to 30 percent by the end of the Tenth Plan period. Actually, PRSP is the reorientation of policies and programmers towards achieving Millennium Development Goals (MDGs) as it has incorporated most of the contents of MDGs such as, literacy, birth/death rates, and access to the basic social and economic infrastructures with particular focus on the deprived classes, women, and remote area.

However, the incidence of poverty between 2003/04 and 2009/10 has declined by 5.7 percent according to the recently published poverty monitoring report (2010) by the Central Bureau of Statistics. According to this report, the estimated poverty headcount is 25.16 percent as compared to 31 percent estimation provided by the Nepal Living Standard Survey (NLSS, 2004).

Poverty is a major challenge for the development of Nepal because of difficult geographical position, socio cultural and resource constraints among the higher percentage of population. These constraints compel them to lead a life below the poverty line. Traditionally, the concept of poverty was linked with income level of the population, but in fact poverty is being analyzed from different perspectives as well. In addition to income, overt year is also related to living at standard of the people and their participation in the society. The analysis of poverty is multidimensional and is to be examined from the perspective of status of income, human development and social inclusion. These prospective is international therefore, poverty as such embraces the aspects of economic, social and political dimensions.

The development assistance committee guideline on poverty reduction identifies five core dimensions of poverty which reflects the derivation of human capabilities. They are, economic (income, livelihoods, decent work), social (health, education), political (empowerment, right, voice), culture (status dignity) and protective (insecurity, risk

vulnerability). The guidelines state that for reducing poverty in all these core areas, strategic policies and plans need to be adopted to cater to the needs of gender equality together with taking care of the needs of the indigenous population, minority and socially disabled and excluded groups, refugees or displaced persons, and people living with HIV/AIDS. These groups, in general, strategically fall under the population vulnerable to poverty and are among the poorest of the poor in most countries. They therefore require special attention in policy and action for poverty reduction.

Research laboratory and food and agriculture organization used the value of the lowest actual daily consumption expenditure for other basic necessities (other food items, clothing and footwear, education and health, fuel and light). This criterion at that time resulted in a level of poverty of 40.3%. A World Bank study recommended an income of US\$150 per person per year as the baseline to measure the level of poverty (Mathema, 2008).

In other words, micro-finance services can contribute sustainable impact to relieve the income poverty and consequently to enhance the human development indicator as a tool to reduce the poverty of people. It acts as a source for the supply of microfinance services to reach the target rural poor population to lift them from below the poverty line (Mathema, 2008).

2.5 Women and Empowerment

Micro-finance is an important tool for empowerment of women in Nepal and other developing countries. Like other strategies of empowerment micro-finance is also strategy implemented for the promotion of women and economically marginalized population.

For Longwe Women empowerment is enabling women to take an equal place with men, and to participate equally in the development process in order to achieve control over the factors of production on an equal basis with men (Oxfam, 1999).

Development means enabling people to take charge of their own lives, and escape from poverty; poverty is seen as arising not from lack of productivity, but from oppression and exploitation.

Women's empowerment is based on the notion of five different 'level of equality' such as:

Welfare: - Welfare involves as the level of women's material welfare, related to men. Do women have equal access to resources as food supply, income and medical care?

Access: - This is defined as women's access to the factors of production on an equal basis with men; equal access to land, labour, credit, training, marketing facilities, and all public services and benefits.

Conscientisation:- Conscientisation involves a belief that the sexual division of labour should be fair and agreeable to both (men and women) and not involve the economic or political domination of one sex by the other.

Participation: - Participation involves, as women's participation in the decision-making process on policy-making, planning and administration. Equality of participation means involving women in making decisions by which their community will be affected in a proportion which matches their proportion in wider community.

Control: - Which involves as women's control over the decision-making process through conscientisation and mobilization, to achieve equality of control over the factors of production and the distribution of benefits. Equality of control means a balance of control between men and women so that neither side dominates.

NGOs and INGOs in Nepal are playing important role for the social mobilization of women. In specific areas large NGOs, INGOs have made visible impact in terms of delivery of services.

As a strategy, the processes of empowerment may start with multiple approaches such as income generation, awareness, adult education, family planning, health clinics etc, provided the ultimate goal of freedom from all kinds of oppression. The end product of empowerment is the development of personality, which is self-confident, which understands the processes of social interaction, economic resource allocation and has the power to decide, and also has enough options for choosing where to work and how one wants to live (Acharya, 1997).

The process of empowerment in Nepal's context may be viewed in the following dimensions:

- Increasing women's access to economics opportunities and resources- such as employment, credit and wealth, increasing land and technology and apparently non-economic resources such as education, knowledge and health which are primary to human development.
- Raising women's consciousness about the symptom and cause of prevalent oppressive religious, economic, cultural and, familial and legal practices.
- Strengthening women's self-confidence. An individual for this is the rise in women's self-esteem and increased capacity to interact with world beyond the domestic circle.

2.6 Women and Development Practices

The term "Women In Development" (WID) came into use in the early 1970s, which was developed by American liberal feminists. This approach emphasized on equal participation for both males and females in development work. Its advocacy is women participation in public area. They organized programs, especially for women. Emphasis on improve the condition of women. In this theory, Boserup analyzed the changes that occurred in traditional

agricultural practices as societies became modernized and examined the differential impact of those changes on the work done by men and women. She concluded that in sparsely populated regions where shifting agriculture is practiced, women tend to do majority of the agricultural work. In more densely populated regions, where ploughs and other simple technologies are used; men tend to do more of the agricultural work. Finally, in areas of intensive, irrigation-based cultivation, both men and women share in agricultural tasks (Boserup, 1970).

Boserup's research was later criticized for its oversimplification of the nature of women's work and roles, but it was Seminal in focusing scholarly attention on the sexual division of labor and the differential impact of gender on development and modernization strategies. As a critic to Women In Development (WID), Women And Development (WAD) approach development emerged in second half of 1970s. Both concepts tended to focus on the development of income generating activities, without taking much into account the time burden that such strategies place on women.

The demarcation between the WID and the WAD approaches is not entirely clear. Historically, the WAD approach focused on productive role of women. Gender and Development (GAD) has become an established field over the past thirty years. Its orientation is from Marxist feminism. Its assumption is structural subordination Devaluation of women's work. Advocacy is access to resources. They organized programs to improve the position of women. It draws some of its theoretical base from dependency theory although dependency theory, for the most part, like Marxist analysis, has given remarkably little specific attention to issues of gender subordination. The WAD approach grew out of a concern with the explanatory limitations of modernization theory and its implementation of the idea that the exclusion of women from earlier development strategies had been an inadvertent oversight (Boserup, 1970).

The WAD perspective focuses on the relationship between women and development processes. The WAD perspective recognizes that Third World men who do not have elite status also have been adversely effected by the structure of the inequalities within the international system, but it has given little analytical attention to the social relations of gender within classes. The question of gender and cross-gender alliances within classes has not been systematically addressed. Theoretically, the WAD perspective recognizes the impact of class, but in practical project design and implementation terms, it tends like WID, to group women

together without taking strong analytical note of class, race or ethnicity, all of which may exercise powerful influence on women's actual social status.

Perhaps most significantly, the GAD approach starts from a holistic perspective, looking at "the totality of social organization, economic and political life in order to understand the shaping of particular aspects of society" (Young, 1987; quoted in Maharjan, 2011). GAD is not concerned with women, but with the social construction of gender and the assignment of specific roles, responsibilities and expectations to women and men. In contrast to the emphasis on exclusively female solidarity which is highly prized by radical feminists, the GAD approach welcomes the potential contributions of men who share a concern for issues of equity and social justice (Young, 1987).

GAD emerged in early 1980's and it focused on reproductive and productive role of women. Its orientation is from socialist feminism. Its assumption is denial of human rights. Both reproductive and productive roles are important. Advocacy is women's rights, human rights (CEDAW 2003). They organize programs, especially for gender, sensitive responsive. It gives emphasis on self-determinism of women. It is balanced approach.

The GAD approach does not focus singularly on productive or reproductive aspects of women's (and men's) lives to the exclusion of others. It analyses the nature of women's contribution within the context of work done both inside and outside the household, including non-commodity production, and rejects the public/private dichotomy which commonly has been used as a mechanism to undervalue family and household maintenance work performed by women. Both the socialist/feminist and GAD approaches give special attention to the oppression of women in the family and enter the so-called "private sphere" to analyze the assumptions upon which conjugal relationships are based. GAD also puts greater emphasis on the participation of the state in promoting women's emancipation, seeing it as the duty of the state to provide some of the social services which women in many countries have provided on a private and individual behavior. The GAD approach sees women as, agents of change rather than as passive recipients of development and it stresses the need for women to organize themselves for more effective political voice. It recognizes the importance of both class solidarities and class distinctions, but it argues that the ideology of patriarchy operates within and across classes to oppress women. Consequently, socialist feminists and researchers working within the GAD perspective are exploring both the connections among and the contradictions of gender, class, race and development. A key focus of research being

done from a GAD perspective is on the strengthening of women's legal rights, including the reform of inheritance and land laws.

2.7 The Social and Economic Change brought about by Micro-Finance programs

Independent study shows that micro-finance has a host of positive impacts on families that receive it. A World Bank study in 1998 reported that 5% of Grameen Bank and Bangladesh Rehabilitation Assistance Committee (BRAC), of Bangladesh Rural Development Bank (BRDB) borrowers move out of poverty each year (Yunus, January, 2003).

The role of micro-finance in disaster situations and post conflict area has also been well documented, enabling families in those areas to rebuild economic activities and livelihoods when these services are flexible, convenient and easily accessible. Studies have also shown that micro-finance programs improve the coping mechanisms of the poor. A large number of impact studies have been made on Grameen Bank from different perspectives. They all came up with findings showing significant impact on its members across wide range of economic and social indicators, including increased income, improved nutrition, better food intake, better consumption on clothing, better housing, lower child mortality, lower birth rate, higher adoption of family-planning practices, better healthcare, better access to education for children, empowerment of women, participation in social and political activities, etc (Yunus, January, 2003).

Women's poverty impact has multiple aspects of development and multiple dimension of empowerment. One approach for validating micro-finance for women is that women should have access to micro-finance so that it will result in the reduction of family poverty. Another way of analysis is that women should have access to micro-finance so that it will result in women's individual empowerment through access to income and control over it. A woman has no inheritance from parental poverty and enjoys only limited inheritance and disposal rights from her husband's property. Women have also to get permission from men in the household to undertake any activities particularly economic activities. As women do not have living public space or business space of their own, they cannot do anything of their own; however they use space in the family or house.

Micro Credit Project for Women (MCPW) in Nepal is an influence of the successful of PCRW program. His Majesty's Government, Ministry of Local Development has

implemented “Micro-Credit Project for Women (MCPW)” through its Women Development Division (WDD) since early 1994. The project aims to improve and enhance the socio-economic status of women and promote their participation and integration in national development, thereby contributing towards poverty reduction. In order to achieve the basic goals, the objective of the project was to increase the income and employment opportunities for poor women in selected rural and urban areas of the project districts. Asian Development Bank (ADB) has provided loan to implement the project activities. The scope of the project is to cover 12 districts of which Dang, Salyan, Pyuthan are in Mid-western development region; Baglung, Parbat and Kaski in western development region, Chitwan, Lalitpur, and Bhaktapur in central development region; and Siraha, Saptahari and Dhankuta in eastern development region. Beside, urban areas and Nepalgunj, Pokhara, Dhumre, Katmandu, Bhaktapur and Dhankuta are also included as project areas. During the fiscal year 1994/95 the project activities were initiated in nine project districts and three urban areas. However during this fiscal year 1995/96 project activities were expanded in 12 project districts including Baglung, Parbat, Bhaktapur where women development section were newly established. WDD is executing agency for group formation and training of women beneficiaries (T.A No 1903 NEP) and institutional support to NGOs (T.A No 1904 NEP) components of the project (MCPW Progress Report 1995).

Like the other countries in South Asia, many studies and research had found that the micro-finance program has made a remarkable contribution to poverty alleviation in Nepal. No doubt those micro-finance institutions are providing financial services to rural poor households living in below subsistence economy. The micro-finance rural development banking program, financial intermediary NGOs and savings and credit cooperatives extend their collateral free credit services generally targeted to married and household heads either in the form of group guaranty or with collateral to individuals. The quarterly newsletter of Rural Micro-finance Development Centre data shows that around 2,048,742 rural people have already had access to microfinance services in Nepal, which is 8.09% of the total population and 26.1% of those are living below the poverty line, of which 1,233,058 are women, representing 9.37% of all Nepalese women. This information clearly shows that unmarried youth and male youth do not have access to financial services provided by micro-finance institutions. So this is obvious that micro-finance institutions do not target youth population for their services (Pradhan, 2008; quoted in Khatiwada, 2009).

About half of the total population of Nepal is women. Women living in rural Nepal suffer from deplorable economic, social conditions and from the educational point of view

also. It is open secret that women are backward and are compelled to live in deplorable rural condition. Women who work harder than men are also bearing family different types of programs to promote the social and economic condition of women.

Women of low income level and deplorable conditions means that they fall within the boundary of income level as fixed by NRB that may vary from time to time. Thus, the maturity period of such credit that is provided as the working capital and fixed assets loan, has been fixed according to the nature of the credit. This scheme limit of loan varies according to the nature of the business, as such maximum 30,000 rupees is provided per women for agriculture production, 40,000 rupees is provided per women for small industry and maximum of 2, 50,000 rupees is provided per women for small scale business in urban area. This program is very helpful for women because it provides credit to women without collateral, but with group guarantee (World Bank 2000, ADB 2009).

Before utilizing and having such micro-credit loans women have to be involved in training and know about utilization and technical aspect. Such program is organized on the basis of geographical background. So, as it is the provision under this scheme that the loan is provided to the group of such women. However, women of urban areas can have such loan to generate employment opportunities on personal basis also without forming any group. To form group and to submit the proposal to the mentioned branches of the bank for loan, there should be a body which consists of women development officer of women activist in the district where micro-credit project are in operation and local NGO support unit is available as credit agent.

Asian Development Bank is supporting micro-credit program for women in 12 districts and 5 municipalities of Nepal to help improve the socio-economic condition of 20,000 women by providing small loans to women without collateral. Technical support to NGOs are given so that credit to women without collateral is provided but with group guarantee (ADB 2007).

2.8 Conclusion of the Literature Review

Based on the review of the literatures, it can be said that micro-finance program is one of the best tool of poverty reduction by enhancing resources to the marginalized groups of society. Women and disadvantage groups are deprived of cash as well as decision making processes in many societies. They have different and serious experiences of being poor. Income generation and access to cash resources strengthen women's individual and social

capacity to decision making as well as political participation. Although the process of empowerment varies from culture to culture, several types of changes are considered to be relevant in a wide range of cultures. Some of these changes include increased participation in decision making, more equitable status of women in the family and community, increased political power and rights, and increased self-esteem. Although most micro-finance institutions can share true evidence of empowerment, very few have studied the effects of their programs on empowerment.

The information and evidence that are available from different books, articles, documents and many more sources give us a mixed picture, showing successes as well as some limitations on the empowerment of the women and disadvantaged groups. Some where they are successful in gaining empowerment, awareness, enhancing economic security, and are able to change their status. Micro-finance programs can strengthen women's economic autonomy and give them the means to pursue non-traditional activities. In this theoretical concept women member of micro-finance programs perform in the public place should be analyzed. Thus, gender empowerment through micro-finance is interesting research area in terms of women involvement in transaction of cash economy. Monetary activities and business activities are mostly dominated and captured by males. Similarly, caste, marital status and place dominate the involvement in independent decision making over the goods and having access over income resources to empower women.

2.9 Organization of the Study

This study has been divided into seven chapters. The first Chapter is Introduction which deals with the Background of the Study, Statement of the Problems, Objectives of the Study, Rational of the Study, Limitation of the Study. Chapter two discuss the literature review where different Micro-finance sector and other related studies of micro-finance in Nepal and other countries. The Chapter Two discuss about the introduction to micro-finance program, Objectives of micro-finance, Feature of micro-finance, evolution of micro-finance, Relation between micro-finance and Women, Gender Gap and Needs of Focus on Women and Development, Socio-Economic Status of women, women and empowerment, Women and Development Practices, and The Social and Economic Change in women brought about by micro-finance program. The next Chapter is the third Chapter which is Research Methodology it discusses about the Research Design, Selection of the Study Area, Universe and Sampling, Nature and Sources Data collection methods. The forth Chapter gives a brief

introduction to evolution of the micro-finance programme in Nepal. The fifth chapter focuses on linkage between socio-economic and micro-finance activities and status of women in the area. The sixth chapter focuses on changes on the level of awareness brought by micro-finance. The last chapter is the chapter seven which include Summary, Conclusion and recommendation according to the finding of the research study.

CHAPTER-THREE

RESEARCH METHODOLOGY

The research methodology is a way to systematically solve the research problem. It is a science of studying how research is done scientifically. All those techniques and method which are used by researcher during the course of research are termed research method. Not only on the field of physical science but also in the social sciences researches is taking place. The research in the social field not just with academic interest but it has both academic and non-academic purposes and importance. Like other purpose it is also great helpful for the study about the role of the micro-finance for women's empowerment. It helps in collecting data, discover or find out valuable facts, which will be useful for further application/ utilization.

3.1 Selection of Study Area

For study I had selected Adarshanagar (word no 6), to make the investigation easy. Adarshnagar is situated nearly few meters east of the Traffic Chowk of Butwal. According to population census of 2011 the total number of households of the wards is 1262 and total numbers of population in the ward is 6579 of which 3345 (50.84%) are females and 3234 (49.16%) are males. Most of the population in Adarshnagar consists of Pahadi migrants from nearby hill districts especially from Palpa, Arghakhanchi, Gulmi and Syanja.

Many people in this area are link to microfinance program organize by different organization where NGOs, INGOs, or other Government. Adarashanagar is located near to my home place, so thinking on the cost effective and convenience for the study, this site was selected. The people of the area mostly depend on subsistence agriculture. Due the infertility of the land, they mostly depend on the micro-finance or micro-credit loans through which they can run their micro-enterprise. In Adarshanagar ward for income generating activities, NGOs, INGOs and other government organization had provided loans to women and disadvantage groups without collateral.

3.2 Research Design

A research design is a plan for how a research study is to be completed. It operationalizes variables so that they can be measured, selecting a sample of interest to study, collecting data to be used as a basis for testing hypothesis and analyzing the results.

A research design is a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically.

A research design is the plan, structure, and strategy of investigation to obtain answers to research questions and to control variance. The plan is overall scheme or program of the research. It includes outline of what the investigator will do from writing the hypothesis and their operational implications to final analysis of data.

According to Kerlinger “Research design is the plan structure and strategy of investigations concerned as to obtain answers to research questions and directing of a piece of research”.

According to P.V Young “A research design is the logical and systematic planning and directing of a piece of research”.

Research design sets up the framework for adequate test of the relationship among variables. It is a set of instructions to the researcher to collect and analyze the data in a systematic manner. It suggests the researcher for what observations to make, how to make and how to analyze the quantitative information that is gathered.

The research design is also help to minimize the variance of the variable of the research hypothesis. It saves a lot of researcher’s time and ensures time schedule. In the research process it is also great useful it helps for resource planning and management. Besides planning and management, the research design is also helps for better documentation of the activities, when the project is in progress.

Research design is needed because it facilitates the smooth sailing of various research operations, theory making research as efficient as possible yielding maximal information with minimal expenditure of effort, time and money.

Research Design is very essentials to specify the objectives of the study and the hypothesis to be tested. Beside specifying objective to test hypothesis it also have to specify the sources and types of information relevant to research question. For this purpose the research design has to specify the methods to be adopted for gathering and analyzing the data. For gathering and analyzing data the research design define domain of generalizability.

Methodologically the Research Design helps to obtain results in desired types of study with useful conclusion, which are more accurate or it also help to reduce inaccuracy. It helps to give optimum efficiency and reliability. It also help to minimize the uncertainly, confusion and practical hazards associated with any research problem. The research method is also helpful in collection of research material and testing of hypothesis. A research design is acts as a guide line for giving research in a right direction.

The research design is essential for the overall study and help in finding out faults in anticipation of the starting of the work. It provide answers to research questions; and to control variance, and accurately lay down the characteristics of any group, situation or individual

Research design is one of the most important processes how the research is conducted employing different tools and technique according to the objective of the topic. It is an appropriate method employed in different context and situations. In this context basically focus on the micro study of the micro-finance programs. It is intended to fine out the role of micro-finance program in Adarshanagar ward 6 of Butwal municipality. The study will be descriptive and analytical in nature and emphasized qualitative phenomena.

3.3 Universe and Sampling

A sample is a small specimen or separated part of the whole population, representing its qualities, as far as possible. It is a smaller set of values selected from the population, reflecting its characteristics. The sampling technique is a procedure for the selection of a sample from the given population. The term sampling refers to the investigation of a part of the whole population or universe, while sampling distribution is the distribution of all the possible sample results of the whole population or universe may consists of attributes, qualities or behaviors of the people, the behavior of inanimate objects such as cities or blocks, households etc.

Sampling method is applies when one is studying a very large population where surveys of house to house is not possible to apply. Thus, sampling is done, keeping in view the size of the population so that the proper representation of the people under study is made.

In Adarshanagar ward of Butwal Municipality there are more than 1264 households. And total population of the Adarashanagar is 6579. Among them 3234 (49.19%) are males and 3345 (50.85%) are females.

There are 270 members under micro-finance program in Adarashanagar ward 6. Among 270 members 116 members are males and other 154 members are females. All female members are active borrowers of the micro-finance. So the population under this study are 154 females members. Among them 60 females members are taken as the sample population for the study by simple random sampling as sample size. 38.96% of 154 female members are taken as sample to obtain accurate and real scenario and its role on women's empowerment.

3.4 Nature and Sources of Data

While studying both primary and secondary data is use in the forms of qualitative and quantitative nature. The primary data are originally collected by the researcher by going to the field and asking necessary question to the respondents.

Primary data are not usually publishes in any journals or books or newspapers. These data are collected through household survey, or through observation.

On the other side secondary data are not originally collected rather obtained from published or unpublished sources for example for Central Bureau of Statistics the census data are primary where as for all others who use such data are secondary.

The secondary sources have some advantages because it can be secured quickly and cheaply. Once their sources documents and reports are located, collection of data is just a matter of desk work. Wider geographical area and longer reference period may be covered without much cost. Thus the use of secondary data extends the researchers' space and time reach. The use of secondary data broader the date base from which scientific generations can be made. The use of secondary data enables a researcher to verify the findings based on primary data. It readily supports. The researcher need not waste time when additional primary data can be collected.

The different sources of the secondary data collection can be listed as:

Published Sources

- a) International Published Sources: The World Bank, International Bank for reconstruction and Development, IMF, UNO, ADB etc.
- b) National Published Sources: Nepal Rastra Bank (NRB), Finance Ministry, CBS/National Planning Commission of Nepal.
- c) National Semi-Government Sources: Nepal Bank Limited (NBL), different institution established in joint collaboration and others.

- d) National Private Sources: NGOs, Integrated Development System (IDS), District Development Committee and others.

Unpublished Sources

Official documents recorded but not published by HMG/N and Private Officer. Unofficial information collected from individuals, reports of municipality, and from other related organizations.

While collecting secondary data there was unexpected difficulties to obtain the relevant publication or unpublished records, the secondary data was not be suitable, reliable for the purpose of investigation, due to not available of sources, time period and other relevant factors, the result may not be truth, the necessary information may not be given in the period of investigation, it is also very difficult to get unpublished secondary data.

3.5 Types and Nature of Data

There are different sources of primary data and secondary data, which can be listed as follows:

3.5.1 Household Survey

While collecting data different technique can be use. One of them is household survey. In Adarshanagar ward of Butwal Municipality there are more than one thousand households. In this study 60 households will be selected by simple random sampling, the survey will be done with the help of questionnaire. In this survey, both structured and semi-structured questionnaire will be use. The structure questionnaire will be useful for collecting necessary information and generating the realistic and accurate data from the study area. The respondent have to fill up the questionnaire by them self, in the case of illiterate respondent will be asked and answer will be filling by researcher or other educated members of the community.

Questionnaire method usually used in social research, in which information is obtained with the help of several questions, which is prepared exclusively for the purpose. According to Bogardus “A questionnaire is list of questions sent to a number of persons for them to answer. It secures standardized results that can be tabulated and treated statistically”.

Under this system a comprehensive questionnaire is prepared and effort is made to see that answer to the questions put are either in the negative or positive. The investigator tries to ensure that all aspects of the problem are covered in the questionnaire.

The questions put in the questionnaire should be very clear. The questionnaire must translate the research objectives into specific questions. Answers to these questions provide the data for hypothesis testing. The questions must also motivate the respondent so that the necessary information is obtained. It is to these two ends that the question becomes the focus around which questionnaire is constructed.

When the question is dependent upon the answer to the preceding one, it should be given a subordinate place. These types of question should be arranged together.

3.5.2 Observation

Observation is also an important technique of the data collecting process. In the methodological research we use to engage in observation of things, objects and processes and even the thought of people. The observation is our basic method of obtaining information about the world around us. All observation, however, is not scientific tools for researcher to the extent that it serves a formulated research purpose, is planned systematically, is related to more general theoretical proposition, is recorded systematically and is subjected to check and controls on validity and reliability.

Through observation researcher becomes familiar with the real situation of the study area. The observation is also means to see or watch any phenomenon carefully. This technique is quite essential to study the behavior of people. Observation also plays a major role in formulating and testing hypothesis in social sciences. It is usually made for the specific purpose of noting things relevant to the study. It is also use to captures the nature of social context in which persons' behavior occurs. It grasps the significant events and occurrences that affect social relations of the participants.

While observing, we observed through three processes i.e: sensation is one of the process of the observation, which depends upon the physical alertness of the observer, which reports the facts as observed. Another process of the observation is the attention through attention we can observe the matter of the habit and lastly we have perception which involves the interpretation of sensory reports, which enables the mind to recognize the facts.

Observation helps in studying collective behavior and complex social situations, understanding the whole and the parts in their interrelation and getting the out of the way details of the situation.

3.5.3 Case Study

Case Study is a method which is being used in social Research for studying problems. It is a fairly extensive method of studying a person or a group of persons. Case study is being used science the middle of 19th century. Though many definitions of this are given yet basically the method of exploring and analyzing the life of a social unit is that a person, a family or an institution or a community be called 'case study'.

Case study is an ideal methodology when a holistic in-depth investigation is needed. Case studies have been uses in varies investigations, particularly in sociological and anthropological studies.

Case study is typically a system of action rather than an individual or group of individuals. Case studies tend to be selective focusing on one or two issues that are fundamental to understanding the system being examined.

In this studies researcher considers the voice and perspective of the actors and interaction between them.

So it is a method, which aims at studying deeply and thoroughly different aspects of a social unit. Case studies can be prepared with the help of personal documents, life histories and similar other sources like, interviews, direct observation, physical artifacts, life history etc.

In this study a total of five women were taken purposively as for case study. Care was given to include women from different ethnic and social-economic background. The selected informants were intensively interviewed to prepare detailed case study, to incorporate individual experience in the micro finance program to measure the empowerment of the rural poor women.

3.6 Process of Data Collection

In this study primary data are collected by structure and unstructured questionnaire, which was pre-tested, borrowers, women group of different communities. To collect necessary information the researcher has also discussed with professionals and used

observation method, done internal discussion to get at the significant result. Qualitative as well as quantitative method has also been implied to obtain desirable result. Qualitative method are used to obtains numerical, social data which cannot be measured, weighed, the nature and impact of the qualitative data are express by the level of event for e.g. the social relationships, behavior, customs, traditions, and social events are generally qualitative. Whereas other which can be measured, weighed is quantitative.

On the other side secondary data are not originally collected rather obtained from published or unpublished sources for example for Central Bureau of Statistics the census data are primary where as for all others who use such data are secondary.

The secondary source has some advantages because it can be secured quickly and cheaply. Once their sources documents and reports are located, collection of data is just a matter of desk work. Wider geographical area and longer reference period may be covered without much cost. Thus the use of secondary data extends the researchers' space and time reach. The use of secondary data broader the date base from which scientific generations can be made. The use of secondary data enables a researcher to verify the findings based on primary data. It readily supports. The researcher need not waste time when additional primary data can be collected. The secondary dates are available in both qualitative and quantitative form. It is available with NGOs, The World Bank, International Bank for reconstruction and Development, and other development organization.

3.7 Data Processing and Data Analysis

After the completion of the data collection both primary and secondary data have been processed manually. The collected quantitative data was first processed edited and coded. After doing this the data were classes/categories and numerals or other symbols are given to each item according to class in which it falls. Secondly, the processed data was presented in tabular form. Some specific comparative indicators presented through diagram. To make Quantitative data is then analyze and interpreted with the help of statistical tools. Simple statistical tools is use to analyze the data. Mainly tables, charts are uses as require. Qualitative data are analyzes descriptively.

Primarily the study is based on qualitative and quantitative analysis. The information obtain from structured and semi-structured questionnaire is use to interpret data.

In short the nature of the study is basically descriptive, which help to acquire knowledge which is more useful. Simple statistical tools likes percentages, average are use to presents socio-economic scenario of all respondents.

CHAPTER-FOUR

EVOLUTION AND ADVANTAGE OF VARIOUS MICRO FINANCE PROGRAMS IN STUDY AREA

4 A) Evolution of Micro-Finance Program in Nepal

4A.1 Introduction

Micro-finance is a scheme that aims to provide small loans and savings facilities to those who are excluded from commercial bank's services. This had promoted as an essential strategy for reducing of poverty in all of its forms. Access to these facilities is seen as a way to providing the poor with opportunities for self-reliance through entrepreneurship, cushioning the poor against economic shocks and providing program like social empowerment for poor women and their communities.

In Nepal micro-finance programs are targeted to reduce poverty among rural population. Credit helps them to increase their level of household's consumption and it also helps them for generating savings and future investment.

In Nepal rural credit was began in 1956 with the opening of Credit Cooperatives in Rapti valley of Chitwan Valley to provide loans to the re-settlers coming from different parts of the country. The government through the creation of the Cooperative Development Fund (CDF) arranged some credit support to the re-settlers. In 1963, the government established the Cooperative Bank, which was later converted into the Agricultural Development Bank Nepal (ADBN).

The Cooperatives faced problems of shortage of fund for credit disbursement to their members on the one hand and misappropriation of borrowed fund for personal uses by some of their officials. Hence, the government commissioned a fact-finding mission in 1968 to probe the operations of 1489 cooperatives then registered with the Department of Cooperatives and the mission found most of them at defunct stage and recommended for their liquidation. Thereafter, in 1971, the government introduced the Cooperative Revitalization Program. It authorized the Agricultural Development Bank Nepal to run cooperatives under

its guidance and management. In 1976, 'Sajha Program' was launched and the Cooperatives were renamed as 'Sajha Societies'. The compulsory savings collected under the Land Reform Program of 1964 (2021 B.S) were converted into the share capital of the Sajha Societies. The NRB conducted a benchmark survey in 1983/84 to assess the situation of the cooperatives. The study found that 94% of cooperatives were dealing with transactions of agriculture inputs and 85% were also found extending credit. Most of the cooperatives were running at losses and over 75% of the outstanding loan was overdue for more than 1 year. ADBN launched the Small Farmers Development Program in 1975 – first as pilot project at two sites, Sakhuwa Mahendranagar of Dhanusha district in the Terai and Tupche of Nuwakot district in the hills. The strategy was to organize small farmers, tenants and landless laborers into groups and strengthen their receiving mechanism for tapping resources from service delivery agencies. Credit was provided under group guarantee. It also focused on developing a habit of thrift and personal savings among the members of the groups. They also started group savings to realize self-reliance in financial resources. A total of 142,711 members who were organized into 19,597 groups were benefited from the program by July 1991/92. After the reinstallation of multiparty democracy in 1990, the government appointed a seven member National Cooperative Consultation Committee (NCCC) and dissolved the 'Sajha Central Committee'. It also set up a National Cooperative Development Board (NCDB) constituted of 11 members to provide policy directives to the cooperatives. The government enacted a new Cooperative Act in 1992 to ease promotion and development of cooperatives as a vehicle of economic development in the rural areas. The government also emphasized the role of cooperatives for extending credit facilities and other services to the rural people in its Eight National Plan.

Micro-Credit Project for Women (MCPW) was another activity in micro-finance sector of Nepal. This program was launched in 1994 with the financial assistance of ADB/M to supplement the PCRW. The main objective of this program was to provide various types of skill oriented trainings particularly to women to undertake divergent income generating activities, institutional strengthening of NGOs and the provision of micro-credit to women. The major outcome of Micro-Credit Project for Women (MCPW) is that women groups were organized as cooperatives. More than 82 women savings and credit cooperatives were formed and registered at the Cooperative Department, out of which 25 savings and credit cooperatives have been able to become POs of RSRF. Similarly, 27 FI-NGOs formed by women groups under Micro-Credit Project for Women (MCPW) have gotten limited banking license from the NRB. Similarly, as in the case of PCRW, this program was extended to 67

districts and altogether 68,000 women benefited directly or indirectly from this project. The outstanding loan amount under PCRW as at mid-January 2005 stood at 158.35 million rupees. Women Development Division (WDD), Ministry of Local Development and Nepal Rastra Bank jointly implemented this project. Nepal Rastriya Bank (NRB) channeled the credit through counseling and participation with commercial banks, Nepal Bank and Rastriya Banijya Bank. Under this program, women of rural and urban areas were provided soft loan on consortium as well as on individual basis to operate agriculture and small enterprises. Nepal Rastriya Bank (NRB) had paid principal and interest amounting to 30.5 million rupees and 26.8 million rupees respectively to Nepal Government as of Mid-July, 2005.

At this juncture, Banking with the Poor Program was initiated by an Austrian NGO named Foundation for Development Corporation (FDC) in 1991. The vision of the program was to enhance access of rural poor to credit RBB remained in-charge of executing this program through its 31 branches in 18 districts. As of mid-July 1999, this program had extended 80 million rupees credit approximately to some 9000 poor families through NGOs and rural self-help groups. Besides, the Savings and Credit Cooperatives (SACCOs) and Financial Intermediary Non-Government Organizations (FINGOs) were also involved with the various micro finance activities since the 1980s. Similarly, NGOs are established under the Society Registration Act-1978 in the various district administration offices for the socio-economic activities in Nepal. Generally, Micro-financing towards Empowerment of Disadvantaged Groups in Nepal: Innovations and Practices Centre for International Studies and Cooperation (CECI Nepal).

By July 2006, more than 50 NGOs involved with various income generating activities were permitted by NRB to do limited banking transaction. Other major past micro finance programs were Poverty Alleviation Project in Western Terai (PAPWT) and Third Livestock Development Project (TLDP). The project PAPWT was financed under the loan agreement between Nepalese Government and the International Fund for Agriculture Development (IFAD) established on 12 December, 1997. This project was implemented primarily with the aim of alleviating poverty in 8 districts of western Terai, namely Kapilvastu, Rupendehi, Nawalparashi, Banke, Bardiya, Dang, Kailali and Kanchanpur. To achieve the above mentioned target, 16 branches of PFIs comprising of Western Regional Rural Development Bank, Mid-Western Regional Rural Development Bank, Nirdhan Utthan Bank Limited and Centre for Self-help Development were selected for micro credit delivery through which the branches were also expected to run in a sustainable basis.

a) State of Micro-finance in Nepal

The government of Nepal and NRB have made great efforts in conducting various rural financial programs since the 1970s decade in poverty alleviation drive led by Periodic Plans through the aid of different participatory financial institutions such as commercial banks, development banks, rural development banks, saving and credit cooperatives, NGOs micro-finance institutions. The main objective of such initiatives is to improve and upgrade the economic and social condition of rural people especially those living on the abject poverty line.

NRB had committed to working for the implementation of priority sector credit program in 1974. Under this, commercial banks were urged to extend 12 percent of their loans towards the deprived sector. The commercial banks could lend to ADB/N, RDBs, Saving and Credit Cooperatives, and Financial Intermediary–Non-governmental organizations that were the major suppliers of rural micro-finance services. ADB/N is one of the pioneering financial institutions in Asia, which initiated first group based micro-credit program in 1975, also known as Small Farmer Development Program (SFDP). Under this program, the ADB/N has availed credit to more than 200 thousand micro-borrowers. It had spread out the activities in 650 VDCs of Nepal. From the beginning of First Year 1993/94, the ADB/N initiated another innovative approach of developing self-help organizations at grass-root level, i.e., Small Farmers Cooperative Limited (SFCL). ADB/N had also introduced women centered programs, mainly Production Credit for Rural Women (PCRW), through IFAD fund in 1982 for the empowerment of the economic status of low income rural women. This program was completed in 1998, covering 67 districts and disbursing credit amounting to Rs. 605 million to nearly seventy thousand rural women.

Micro-Credit Project for Women (MCPW) was another activity in micro-finance sector of Nepal. This program was launched in 1994 with the financial assistance of ADB/M to supplement the Production Credit for Rural Women (PCRW). The main objective of this program was to provide various types of skill oriented trainings particularly to women to undertake divergent income generating activities, institutional strengthening of NGOs and the provision of micro- credit to women. The major outcome of MCPW is that women groups were organized as cooperatives. More than 82 women savings and credit cooperatives were formed and registered at the Cooperative Department, out of which 25 savings and credit cooperatives have been able to become POs of RSRF. Similarly, 27 Financial Intermediaries

Non-Government Organizations (FI-NGOs) formed by women groups under MCPW have gotten limited banking license from the Nepal Rastriya Bank (NRB). Similarly, as in the case of PCRW, this program was extended to 67 districts and altogether 68,000 women benefited directly or indirectly from this project. The outstanding loan amount under PCRW as at mid-January 2005 stood at Rs. 158.35 million. Women Development Division (WDD), Ministry of Local Development and Nepal Rastra Bank jointly implemented this project. NRB channeled the credit through counseling and participation with commercial banks, Nepal Bank and Rastriya Baniya Bank(RBB). Under this program, women of rural and urban areas were provided soft loan on consortium as well as on individual basis to operate agriculture and small enterprises. NRB had paid principal and interest amounting to Rs. 30.5 million and 26.8 million respectively to Nepal Government as of Mid-July, 2005.

Banking with the Poor Program was initiated by an Austrian NGO named Foundation for Development Corporation (FDC) in 1991. The vision of the program was to enhance access of rural poor to credit RBB remained in-charge of executing this program through its 31 branches in 18 districts. As of mid-July 1999, this program had extended Rs. 80 million credit approximately to some 9000 poor families through NGOs and rural self-help groups. Besides, the Savings and Credit Cooperatives (SACCOs) and Financial Intermediary Non-Government Organizations (FINGOs) were also involved with the various micro finance activities since the 1980s. Similarly, NGOs are established under the Society Registration Act-1978 in the various district administration offices for the socio-economic activities in Nepal (NRB, March 2008).

In 2004, Nepal's government introduced the Banks and Financial Institutions Ordinance (which was converted into an Act in 2006), which has a provision of licensing microfinance banks also as class 'D' banks. As a result, 13 micro-finance banks have been issued license by the NRB till the date. In order to make available small funds, Cooperatives and NGOs providing loans to the low income groups. The government also had created a fund called Rural Self-Reliant Fund in 1991 with 20 million rupees contributed by the government. The government with the assistance from ADB and NRB also established the Rural Micro-Finance Development Centre Limited (RMDC) in 1998, to provide larger wholesale loans to MFIs through implementation of the ADB assisted Rural Micro-Finance Project (RMP). After the operation of RMDC, several Micro-Finance Institutions (MFIs) were added in the micro-finance market and the coverage by the micro-finance institutions also increased with faster speed.

By July 2006, more than 50 NGOs involved with various income generating activities were permitted by NRB to do limited banking transaction. Other major past micro finance programs were Poverty Alleviation Project in Western Terai (PAPWT) and Third Livestock Development Project (TLDP). The project PAPWT was financed under the loan agreement between Nepalese Government and the International Fund for Agriculture Development (IFAD) established on 12 December, 1997. This project was implemented primarily with the aim of alleviating poverty in 8 districts of western Terai, namely Kapilvastu, Rupendehi, Nawalparashi, Banke, Bardiya, Dang, Kailali and Kanchanpur. To achieve the above mentioned target, 16 branches of PFIs comprising of Western Regional Rural Development Bank, Mid- Western Regional Rural Development Bank, Nirdhan Utthan Bank Limited and Centre for Self-help Development were selected for micro credit delivery through which the branches were also expected to run in a sustainable basis.

4A.2 Various model of Micro-Finance Programs:

1. Small Sectors Credit Program (SSCP)

The small sectors credit program was introduced in April 1974 A.D. which was first directed credit program. It was implemented through commercial banks and at least 5 percent of the total deposit of the banks must be provided in small sectors.

2. Small Farmers Cooperatives Ltd (SFCL)

In 1975, ADB/N started to form joint liability groups of small farmers through its subproject offices (SPOs). The over headed and low collection rates of the SPOS. However this led experts to question the sustainability of this approach. In 1987, the ADB/N introduced an action research Institutional Development Programme (IDP) with the support of GTZ. In 1993, as the result of the IDP, the first four SPOs were transformed into SFCLs. Since then, 143 SFCL have been established in 36 districts of the country. Currently SFCLs in Nepal comprise a total of 80,000 rural households. The SFCL is a multiservice cooperatives designed to deliver primarily financial, but also non-financial services to its members in rural areas.

3. Priority Sector Credit Program (PSCP)

In July 1976 definition for Priority sector was made credit to the agriculture. Cottage Industry and service sector come into account in Priority Sector. This was the first participation of the commercial bank in the areas of micro finance. The commercial banks were required to lend at least 7 percent of their total deposit to such areas specified as the priority sector. This program is pushing out from 2007.

4. Intensive Banking Program (IBP)

The IBP was initiated in 1982 by Nepal Rastra Bank with many efforts to accelerating the priority sector lending. It is the developed version of small sector. This is a well coordinated program that emphasizes project visibility instead of collateral, thereby allowing the underprivileged section of the society, to take advantage of credit opportunities. The NRB rose minimum lending of seven percent of total lending up to 12 percent in this sector.

5. Production Credit for Rural Women (PCRW)

The production credit Rural Women was initiated in 1982. PCRW is a joint effort of Government Office, Women Development Office (WDO) and Commercial Banks are provides International Fund for Agriculture Development of NRB, Government and Commercial banks.

6. Financial Intermediary Non-government Organizations (FINGO)

In the 1990s NRB began providing limited banking licenses to NGOs active in the Micro finance arena. It allowed NGOs to borrow funds from local and foreign institutions to on-lend to Credit Groups. The Act was revised in August 2002 to allow FINGOs to mobilize members saving.

7. Grameen Bank Replication (GBR)

Replication of Grameen Bank Model started with the initiation of the Nepal Rastra Bank in 1991 after the realization that existing poverty lending models were not enough and appropriate to address the alarmingly increasing poverty. This program came into force as a replication of Bangladesh Grameen Banking System. This was introduced from private sector NIRDHAN program that were area focused and women focused credit and saving program that were area focused credit and saving program supported from awareness. These women

workers are focuses on the group and the group and send the report to the branch office of the commercial bank.

8. Rural Self- Reliance Fund (RSRF)

The Rural Self- Reliance Fund was set-up by HMG of Nepal in 1991 through cabinet decision for developing the Micro finance industry HMG/N has initially allocated Rs 10 million as the fund, which later increased Rs 20 million to be disbursed for the income generating activities to uplift the economic condition of the poorest of the poor and deprived sector people who lacks the access to formal Governmental Organization (NGOs) operating in the rural areas. The RSRF is the first wholesale institution in micro-finance sectors, NRB added 100 million in this fund in 2003 for providing reference to tea finance.

9. Micro Credit for Poor Women(MCPW)

This project was launched in 1994 by Ministry of Local Development in coordination with NRB, RBB financial assistance of ADB/Manila amounting to SDR 5.0 million. The distinctiveness of its approach lies in using NGOs as facilitators in micro-finance. Under the project, 95 partners (87NGOs and 8 SACCOSs) have been involved in "financial and social intermediation", i.e. group formation, training, and delivery of bank credit. By March 2002, the project covered 25,000 women clients from 14 districts and 14 municipalities. The participating banks such as NBL and RBB provided micro-credit amounting to Rs. 135 million (outstanding balance) to the target beneficiaries through NGO's and women's associations. NRB was again the executing agency of the credit component of the project. The project was completed in 2002 and the utilization of ADB's loan remained at 90 percent. The project was awarded best run ADB funded project in Nepal by ADB in 2001. With the completion of the project, many NGO's associated with the program as a credit agent later converted or upgraded into FI-NGOs and SACCOSs. That is, 82 women savings and credit cooperatives were organized and 25 (twenty five) of them were registered at the Cooperative Department. 25 SACCOSs have been able to become partner organization (POs) of RSRF. Similarly, 27 FINGOs formed by women groups under the MCPW have received licenses for limited banking from the central bank.

10. Rural Micro finance Development Center (RMDC)

RMDC was registered on October 1998 under companies Act 1996 with a paid up capital up capital of Rs 80 million. The shareholders are Nepal Rastra Bank (NRB) eleven national level Commercial Banks. Two regional Commercial Banks, five Rural Banks, Insurance Deposit and Credit Guarantee Corporation, and NIRDHAN Asian Development Bank (ADB/N) is to provide a loan. RMDC is an apex organization for micro-finance in Nepal. The primary objectives of RMDC is to provide micro-finance facilities through the implementing agencies to the rural poor households mainly the women to undertake viable farm and off farm economic activities and thereby help to improve their quality of life.

11. Village Banking Model (VBM)

Initiated in Nepal in 1991 as a micro-finance component of the Women's empowerment Program of USAID implemented through PACT Nepal in partnership with local NGOs, Saving and Credit Cooperatives. Micro-finance Development Banks. Village Banks are provide access to finance services in rural, build a community self- help group members accumulate savings.

12. Grameen Network Nepal (GNN)

GNN was established in April 1996 with 5 government's Grameen Bank, NUBL, CSD, Women Cooperative society and NERUDO Nepal as members. It was primarily formed for the effective mobilization of funds and capacity building for members of organizations.

13. Nepalese Federation of Saving and Credit Union (NEFSCUN)

NEFSCUN is the Federation of 414 Saving and Credit Cooperatives (SACCOs) and was registered in the year 1993. The organization is yet to cover all the SACCOs onto its umbrella. CECI had supported it in its initial years. CCA, a Canada based organization is still supporting it.

14. Nirdhan Utthan Bank Ltd.

Nirdhan Utthan Bank Limited, "the bank for empowerment of the poor" is a microfinance bank established in November 1998. It was granted a license in April 1999 to undertake banking activities. It provides microfinance services such as loans, deposits, micro-insurance, and remittance services. The lending methodologies are individual lending based

on Grameen Bank, Bangladesh model and group lending based on Self- help Group model through a few specified branch offices. As of mid-January 2007, NUBL has succeeded to expand credit to 78,155 member families from its 45 branches, its loan disbursement stood at Rs. 318.3 billion by mid-January 2007.

15. Chhimek Bikas Bank Ltd.

Chhimek Bikas Bank Ltd is a micro-finance development bank providing micro-finance service to the poor, the marginalized and the deprived, with a main focus on women living below the poverty line. It was registered with the company Registrar's Office in December 2001 and obtained a license in January 2002 from Nepal Rastra Bank.

16. Deprosc Development Bank Ltd.

Deprosc Development Bank (DD Bank) is a micro-finance bank working in the central and western region of Nepal. The bank has been promoted by DEPROSC Nepal (an NGO active in micro-finance business). The other promoters are Agriculture Development Bank, Nepal Bank, NABIL Bank, Lumbini Finance and Leasing Company, CEAPRED (an NGO) and former bankers having 15-20 years experience. This bank was registered in January 2001. Deprosc Development Bank has been established to provide micro-finance services, which are adaptable to local situations, cost effective, and financially viable and sustainable.

4A.3 Women and Credit Program in different Plan Period

Till fifth five year plan women development programs were ignored by policy makers. The program for the development/empowerment of women comes into light after the fifth five year plan in the sixth five year plan. The police for the increases in the participation of women in national development were as follows:

The Sixth Five Year Plan (1982-1987)

Only on the sixth plan policies makers realized that the economic growth can be enhance by increasing production through the active participation of the women who constitute more than 50% of human resources of the country. Most of the women are involve in agriculture, which was back bone of the Nepal's economy and different small and cottage industry depend on this sectors. In this plans policies makers decide to formulate policies to generate

increased employment opportunities for women, training in different vocations and necessary facilities relating to capital market was provided. The cooperative was encouraged to undertake such programs (Sources: The Sixth Plan, 1982, CBS).

The Seventh Five Year Plan (1987-1992)

The seventh five year plans have following objective for the participation of women in development:

- To encourage women for greater participation in all aspects of women's development.
- To raise social and economic status of women and
- To utilize women's skill and develop them into capable and productive citizen to make them self-reliant.

Policies

- To providing educational opportunities, maternity and child health programs.
- To raise production and productivity in the field of agricultural development, women were made to participate in all sorts of trainings conducted by the cooperatives.
- Amended the laws which bind women from participation in development. (Sources: The Seventh Plan,1987,CBS)

The Eight Five Years Plan (1992-1997)

The Eighth five year plan was conducted for the following purposes

- To conduct special program for the involvement of Female students in primary, secondary and adult education, encourage them to join higher technical education and provision of scholarships.
- To encourage women farmers to participate in agricultural development program such as trainings on improving fertilizers, seeds and dissemination trainings. And support service such as credit market and other facilities necessary for agricultural development.
- The cooperative institution had played an important role in the development of rural women, by encouraging rural women in agricultural, cottage industry program and saving programs.

- More emphasis was given on the extension of the program such as production credit for rural Women Program and small Women Farmer's Development Programs in order to improve the economic condition of rural women.

During eight Plan Period, there increased the access of rural women to economic resources. Production Credit for women programs were carried out in 621 VDCs and 10 municipalities of 67 districts. Micro-finance for women program was launched with the help of NGOs in 10 districts. Similarly Small Farmer Women Development Program had also been expanded. (sources: The Eight Plan, 1992. CBS)

The Ninth Five Year Plan (1997-2002):

The Ninth Five Year plan aimed for poverty alleviation and human resource development.

The Ninth plan was adopted to creating policies likes opportunities for productive employment gradually increasing the investment of financial institutions to derived sector, enhance the access of poor and women in agricultural Credit manage easy distribution of Credit and expand the livestock insurance.

In the 9th five year government increased the availability in agriculture and rural credit, the government subsidy in irrigation and fertilizers was gradually decreased and strengthen the existing institutions to promote private and non-governmental organizations, mobilized capital from internal sources.

Following are the progress of the 9th five year plan period:

- The credit target set by the 9th five year plan was in Chemical fertilizers, shallow in tube well, animal husbandry, promotion of high value crops, agro industries and processing and fisheries and for other agricultural program from Agricultural Development Bank.
- Improvement in legal and regularly management had been carried out to increased credit.
- In the context of increasing the access of women in the management of micro-credit by expanding the rural banks working area in Terai and hilly areas.
- Rural Micro-Finance Development Center Ltd (RMDC) had been set up in the month of Mangsir 2056 with a view to provide wholesale credit to the credit institution

which work in the Micro Credit operation under the ownership of NRB and credit participation from the Commercial Banks.

- Cooperatives that had got permission from Nepal Rastra Bank to run Limited Banking activities, 37 in number during this Plan period.
- Financial intermediary Act 2055 had been enacted to expand the flow of credit also from the NGO working in the field of financial intermediation.
- Agricultural Development Bank had issued 34 billion rupees loan for various uses. (Sources: The Ninth Plan, 1997, CBS)

The Tenth five Year Plan (2002-2007):

In the Tenth five year plan first time “Credit” topic has been treated separately.

The tenth plan has been embraced following objectives:

- Mobilization of agricultural and rural credit in a nitrated manner to help rise in gross domestic product by increasing the agricultural productivity.
- The outreach of micro-credit is to be increased to check the rampant rural poverty by involving maximum number of deprived people in production oriented and income generating Micro enterprises.

Strategies

- All the bank and financial institutions which involved in agriculture and rural credit shall be mobilized through a single coordination system by formulating a policy to alleviating the rampant rural poverty.
- Income and employment shall be raised by involving women and unemployed rural youths in productive credit.
- Agricultural Development Bank, commercial bank and other development banks was mobilized to meet the required agricultural credit in the rural area.
- A long-term fund was mobilized in Nepal Rastrya Bank in the form of Rural Self-Reliance Fund
- Improvement in the institutional mechanism to expand the credit flow as much as possible through the Micro-Finance Institution in rural area. (Sources: The Tenth Plan, 2002, CBS)

The Eleventh three Year Plan (2007-2010)

The Eleventh three Year Plans has been embraced following objectives:

- Targeted to the specific sectors and people with low income
- Extend collateral free credit on group guarantee basis
- Program includes other support services along with credit
- Principal aim to alleviate poverty

Strategies

The main strategies for achieving this objective include

- Improvements in the institutional mechanism to expand credit flow through MFIs in rural areas and
- Gradually hand over the ownership of rural development Banks to the private sectors.

4. B) Advantage of Micro-Finance Programme

There are multiple areas at which micro-finance program has produced advantages to women. This chapter attempts to highlight those advantages focusing on the case of women in the study area. Specifically it deals with the advantages available in a) group formation and development of collective identity, b) group mobilization in use of resources, c) income generating training and d) availability of loan for the women.

1. Group Formation and Development of Collective Identity of Women

The first and foremost function of the micro finance programme was to form women groups in the community. They named the group to remember collective identity of the member women. Single name represents many women. This is initiation of collective identity of the women. There are 18 groups within ward no 6 (Adarshnagar), at least 5 member can form a functional group and their names were registered and are called through their group name. Before group formation staff of micro-finance usually organized motivate and orientated program in communities. Orientation sessions can also be organized on the basis of demand of women. After the orientation and motivation sessions interested women regularly contact microfinance staff and form a group. Group formation is one of the basic functions to obtain loan from the micro finance institution. One group consists of 5 to 10 members.

Groups are organized by interested women themselves and they select one chairperson and one secretary from the group. Interested women are involved in basic training of group management, rule and regulation of the organization. Group meeting is held once in a month i.e; on first Saturday or last Saturday of each month. Group chairperson is authorized to maintain discipline in the group. She also works as speaker for the group.

Meeting place is fixed where all meeting are held. This place is called center and all the banking transactions are held at the center. Secretary records all attendance and discussed agenda of the meeting and accountant keeps account clearly. Each of the women can express her voice and personal feelings and social justice regarding loan distribution. All of them are familiar to the rules and regulations of micro finance institution. Everyone knows her role and responsibilities in the meeting and loan return.

After meeting trainings are given to interested members who want to participate in the trainings. Trainings are considered as an essential entry point of the programme, which are not compulsory but highly complementary for the group member before getting loan. Usually micro finance's staff organized training after formation of group. The trainings are conducted for a fixed period normally for a week. One of micro-finance staff authorized to evaluate and take the group recognition test of the members. The purposes of the trainings are to makes aware to the responsibilities of the group members and also know about the possible areas for the investment for better income generation. It also helps to generate collective feeling and sense of cooperation among themselves. The group members are taught all the processes and procedures of getting and repaying of loans. Every member has to have their own personal idea of investment, planning and estimation of income generating activities to be an eligible candidate to receive the loan.

2. Group Mobilization in Use of Resources

Regular group savings and utilization of that savings are main function of the women's groups. The regular savings of the group has been mobilized by the member of the same group. They made rule of Rs. 15% interest rate for seed money mobilization. They did not mobilize money out of group. In the name of regular savings, they organized regular meetings of each group. In the meeting they not only talk about mobilization of saving and loan money, but also talk about socio-cultural and economic aspect of the community. The registered group may receive emergency fund without interest if anyone face emergency. For this purpose the group leader has to recommend and micro-finance staff observe the situation.

In general borrower woman has to return group savings within three months. When a woman gets loan from micro finance, she has to return on installment basis. Loan completion deadline also varies on the basis of amount of loan she received. Less than Rs. 30000 loan it has to be repaid the within one to two year. More than Rs. 30000 it has to be returned within three years. Borrower member is obliged to deposit 10% of the credit amount in the group fund saving, for which members are required to save at least 500 rupees per 15 day. This group fund can be utilized as an emergency fund by the group members. They mobilize saved fund by themselves turn wise on the rate of Rs 2 per hundred per month. If they used group fund, they have to pay 18% interest rate of the principle amount. But the interest rate of loan received from micro finance is 12%. There are some conditions to get loan from micro-finance. At first family head's agreement letter or signature is mandatory because family head will be responsible to return back loan if unintended accidents happened. Similarly, Group head's recommendation is needed. If unintended consequence happened, micro-finance institution tries its best to recover the loan as far as possible.

The regular meetings are not merely about savings and credits of the fund. Group members and micro-finance staff exchange success life stories and case studies of the women who had success in generating good amount of money. Similarly, they share their experiences of adopting new occupation, problems and solutions of the problems. Staff and knowledgeable member recommended beginners ways for the betterment of income. Sometimes members shared personal problems of low income and loss of the business. They cooperate when a member does not have required cash for deposit in the micro finance institution. They borrowed from each other for short period of time. So, women working in the group have been building confidence and social capital by helping each other in their problems.

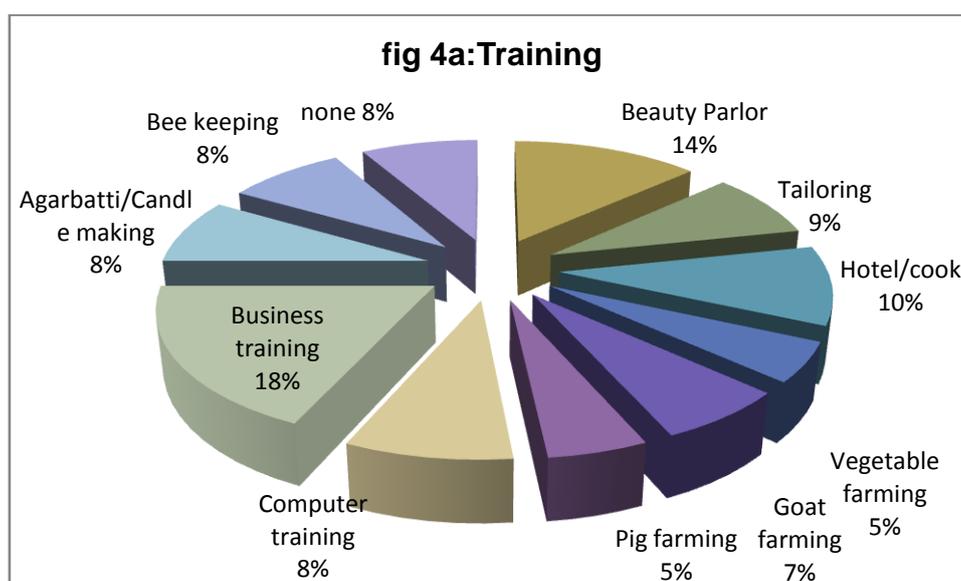
3. Income Generating Training

All women were not equally educated, skillful and talented to mobilize loan into income generating activities. Some of them have been trained in more than one areas. Few women did not receive any skill based training. The detail training of the respondents is given below.

Table No.4.1: Status of Training received by respondents:

Sl/No	Name of training received by respondents	Number of Respondents	Percentage
1	Beauty Parlor	8	13.33%
2	Tailoring	5	8.33%
3	Hotel /cook	6	10%
4	Vegetable farming	3	5%
5	Goats farming	4	6.67%
6	Pig farming	3	5%
7	Computer training	5	8.33 %
8	Business training	11	18.33%
9	Agarbatti (incense stick) and Candle stick making training	5	8.33%
10	Bee keeping training	5	8.33%
11	None	5	8.33%
	Total	60	100%

Sources: Field Survey, 2013



The table shows that most of the women were trained but not all trained women involved on the same occupation they have been trained. For example 5 (8.33%) women had received tailoring training. Similarly 8 (13.33%) women had been trained on beauty parlor but only 11 (18.33%) women applied parlor as an income occupation or in the business. 6 (10%) women were involved in hotel/cooking training and 10 women were involving in farming training i.e. 3 (5%) vegetable farming, 4 (6.67%) in goats farming, and 3 (5%) in pig farming, 5 (8.33%) women were involved in training like making candle, 5 (8.33%) women were involved in bee keeping training and 5 (8.33%) women were never trained in trainings organized by micro finance institution or government or non-government organization. Women are interested to receive training and searching profitable and easy occupation. According to Sarmila Thapa, member of micro-finance institution of Adarashnagar ward 6, women received many occupational training because of economic insecurity, dissatisfaction on present income and search of better options. Only 5 (8.33%) women have not received any training.

Case 1: How through micro finance training a woman earn her living

Sita Sapkota, a 25 years old Brahmin woman, from Palpa married to a Rai youth from Butwal. Now she works as a wage laborer in Butwal. After marriage she was not allowed to enter in her father's home. Condition of her husband was not good. He used to drink alcohol further, she has three children who used to attain government school. It became difficult for her to take care of her husband and three children.

One day her husband become seriously ill, her nearby friend advice her to take loans from nearby micro finance cooperation for the treatment of her husband. At first the manager of the cooperative did not wanted to give her loan, after the request of her friend who is a members of the cooperation she got some loan. After some days her husband died.

While her miserable condition was running, her friend advised her to join micro finance cooperation and attend the training provided by microfinance cooperative free of cost. In the training she learned many things now she make candle and agarbatti and sells it in nearby market.

In future if she get more amounts of loans she want to open a cottage industry of making candle and agarbatti and also wants to give employment to needy woman like her. She also added she does not want others to face the same miserable conditions in life as she did.

4. Availability of Loan for Women

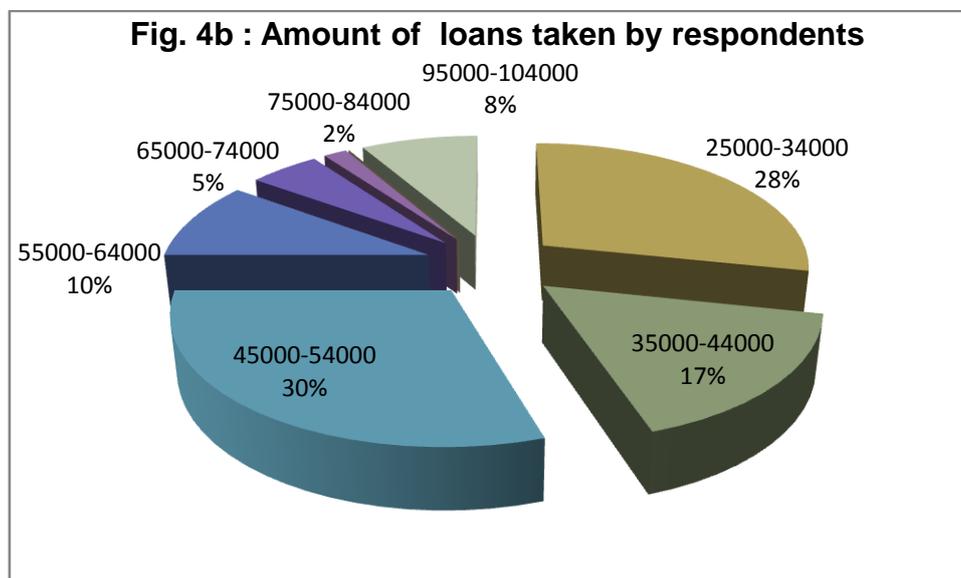
The main component of the micro-finance institution type of micro-credit institutions is to provide credit for women on income generating activities. The main body of the research is related to loan amount, areas of investment, consequences of the micro credit program and changes of income as well as status of women members. Availability of loan also for women also differed from person to person. All members did not received same amount of loan. Availability of loan depends upon area of loan investment, technical skills of receiver, economic status and recommendation of group members. Easy loan makes difference on the life of skillful women if they handle properly. Distribution of loan amount among selected women during field work is presented on the table.

Table 4.2: Distribution of Loan amount among the selected women

Sl/No	Amount	Number of respondents	Percentage
1	25000-34000	17	28.33%
2	35000-44000	10	16.67%
3	45000-54000	18	30%
4	55000-64000	6	10%
5	65000-74000	3	5%
6	75000-84000	1	1.67%
7	85000-94000	0	0.00%
8	95000-104000	5	8.33%
	Total	60	100%

Sources: Field Survey, 2013

Amount of loans taken by Respondent last time from the Bank



According to the table 18 (30%) of the respondents had taken a loans amounts between Rs 45000-54000 and 17 (28.33%) of the respondents has taken a loans amounts between Rs 25000-34000, and about 10 (16.67%) of the respondents had taken a loans amounts between Rs 35000-44000, 6 respondents has taken a loans amounts between Rs 55000-64000, 5 (8.33%) of the respondents had taken a loans of Rs 95000-104000, 3 respondent had taken a loans of Rs 65000-74000, and only 1 respondent has taken a loans between Rs 75000-84000.

4.4.1 Who spent money from Loan

Table 4.3: the table shows, Who spent money from Loan

Sl/No	Who spent from loan	Number of respondents	Percentage
1	Respondent	35	58.33%
2	Husband	17	28.33%
3	Father-in-law	6	10%
4	Mother-in-law	0	0%
5	Other	2	3.33%
	Total	60	100%

Source: Field Survey 2013

The table shows that 35 (58.33%) females respondents who are able to spent money from loans, the total of 17 (28.33%) of the loans spent by husband of the respondents, in 6 (10%) of the households father-in-law spent money from loans. And in 2 (3.33%) of the household money from loans are spent by other members like father and mother.

4.5 The Purpose of Loan

Table: 4.4: The Purpose of Loan:

Sl/No	Purpose of loan	Number of respondents	Percentage
1	Agriculture/husbandry	9	15%
2	Local level business	21	35%
3	Cottage industry	4	6.67%
4	Construction	14	23.33%
5	Foreign employment	3	5%
6	Domestic, socio-cultural purpose	4	6.67%
7	Other purpose	5	8.33%
	Total	60	100%

Source: Field Survey 2013

Field survey shows that 9 (15%) of the respondents spent money on the agriculture and husbandry. 21 (35%) of the respondents are spending their money from loans in the purpose of the local level business like little hotel, cosmetic shops, and other income generating business. About 14 (23.33%) of the respondents had spent their money from loans for the purpose like construction of the houses, little hotel, little enterprises, 4 (6.67%) of the respondents spent money for cottage industries like candle, incense stick handcraft industry, 4(6.67%) of the respondents spent money from loans for domestic, social cultural purpose, and other 5(8.33%) of the respondents spent money for buying sewing machine, and 3(5%) of the respondents spent money for foreign employment for their relative.

Case 2: How micro finance solved the problem of the people

Mrs Tara Gewali of Butwal-6 had joined the group one year ago when her husband Kishore Gewali asked her to join the group. At that time, Kishore had lost his rikshaw. Then Kishore had lost all his income, which he use to get from rikshaw. After six months of joining group, she applied for a loan of Rs 15,000, cooperative decided to give her Rs 10,000 only as they were considered as very marginal family having inadequate capacity to manage Rs 15,000. She gave the entire amount to Kishore. Kishore then bought a rikshaw. After 3 months when Tara requested him to give money to repay the installment of loans, he suddenly become angry, and told her to abandon the group, Tara requested him repeatedly, finally he slapped her. Tara was working as a wage labor to earn money for repaying the installment of the loans leaving her little daughter in care of her mother.

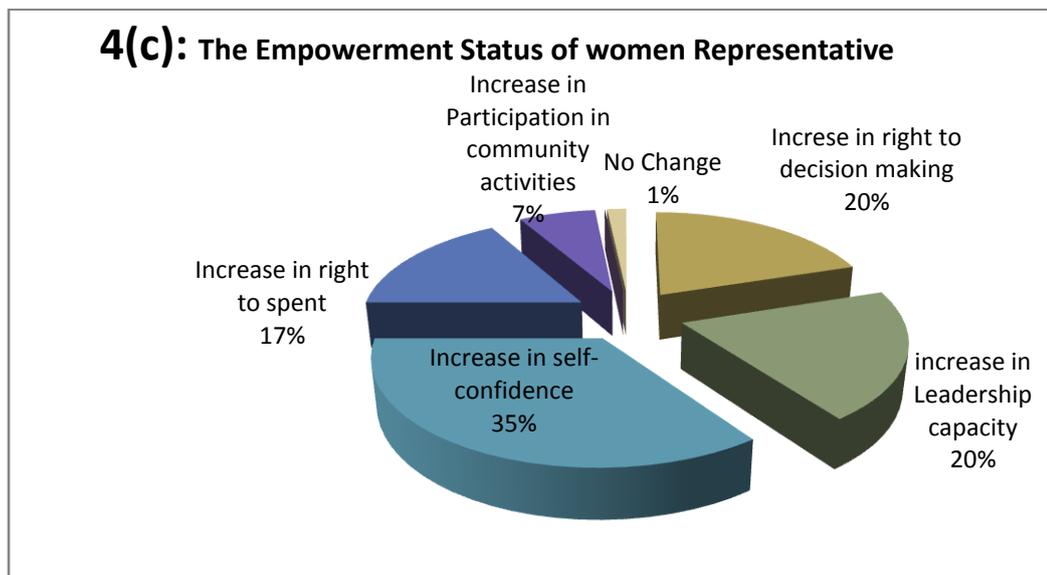
4.5 Networking and Empowerment

Empowerment is gradual process of enhancing capacity to overcome problems. Networking provides strength to fight against personal problems collectively. Like minded organizations co-operate each other and support to personal problem collectively. Line agency progress means women relationship and coordination with similar type of social organizations. They are not only formulating collective identity by organizing on gender based issues but also they are coordinating each other for common problems. Women groups were called for social activities and decision making of woman's issues. They expanded their network with other line agencies and learnt income and right based activities from other groups. Dynamic women were called by other agency to coordinate social development. Though it is very difficult to measure empowerment status of women but simple indicators of empowerment status of women respondents are presented below.

Table 4.5: The Empowerment Status of Women Respondents

Sl/No	Indicator of Change	Number of Respondents	Percentage
1	Increase right in decision Making	12	20%
2	Increase in leadership capacity	12	20%
3	Increase self-confident	21	35%
4	Increase in right to spent	10	16.67%
5	Increase in participation in community activities	4	6.67%
7	Other	0	0%
8	No Change	1	1.67%
	Total	60	100%

Source: Field Survey, 2013



From the above table and chart it can be said that after joining the micro finance program 21 (35%) of the female respondents have developed self confidence, 12 (20%) have developed a leadership capacity in themselves, 12 (20%) have increase right in decision

making, 10 (16.67%) have increase in right to spent, 4 (6.67%) of the respondents now can participate in community activity, no change found in 1 (1.67%) of the respondents.

4. C. Cooperative Society in Adarshanagar Ward

Micro-finance Program in Adarshanagar ward was started in 2065 B.S Chaitra, which providing loans for different production activities on which women and men living in Urban settlement are involved. They have made investment of their loans on business, cottage industries, construction, tea-shop etc. In Adarshanagar there is only one Cooperative Society which had invested Rs17378324 and repaid Rs16069102. The monthly balance is Rs 30-35 lakh. The Cooperative paid the money paying interest at a rate of 12% per annum and provided credit to members at a rate of 15% per annum.

Cooperative Society in Addarashanagar has covered 6579 (women 3345, and men 3234) population. There are 1262 household in Adarashanagar ward.

There are 270 members in Cooperative Societies in Adarashanagar ward, among them 154 are women members and 116 are men members. All of 154 women members are active borrowers of the bank.

CHAPTER-FIVE

LINKAGES BETWEEN SOCIO-ECONOMIC and MICRO-FINANCE ACTIVITIES IN ADARASHANAGAR

5.1 Caste Ethnic Composition of Women

The word 'Caste' is of Portuguese origin and was applied to India by the Portuguese in the middle of fifteenth century. Caste may be defined as a small and named group of persons characterized by endogamy hereditary membership, and a specific style of life which sometimes includes the pursuit by tradition of a particular occupation and usually associated with more or less distinct ritual status in a hierarchical system (Betelle 1965: 46)'. Berreman (1967:70) has defined the caste system as a 'system of birth ascribed stratification, of socio-cultural pluralism, and of hierarchy of end a famous groups organized in a characteristic hereditary, division of labor' (*Subedi, 2010*).

In Nepal the structure of caste system defined by high caste elite incorporated both Hindus and Non-Hindus. Through the formation of Muluki Ain (civil Code) in 1884, Nepal state attempted to universalize the caste regulations for all categories of people living in all parts of nation.

The code modified the Varna model of caste system to fit into Nepal's social environment. Firstly, it classified the caste into pure (water acceptable) and impure (water unacceptable) classes and divided them again by ranking into five broader categories. The Tagadharis (or the wearers of sacred thread) were placed in the first rank Brahmans, Chetris, Sanyasis and some high caste Newars are incorporated into this caste group.

People belonging to different types of ethnic and tribal groups were ranked into second and third categories while both of these groups termed as the groups of Matwalis (liquor drinkers), their ranks in the caste order were determined on the sense that their members were immune from punishment into a slave. Another group of them did not have this privilege. They were segregated into enslavable category.

The fourth and fifth categories of caste were considered as ones comprising of impure or the water unacceptable population. The difference between them was that the members

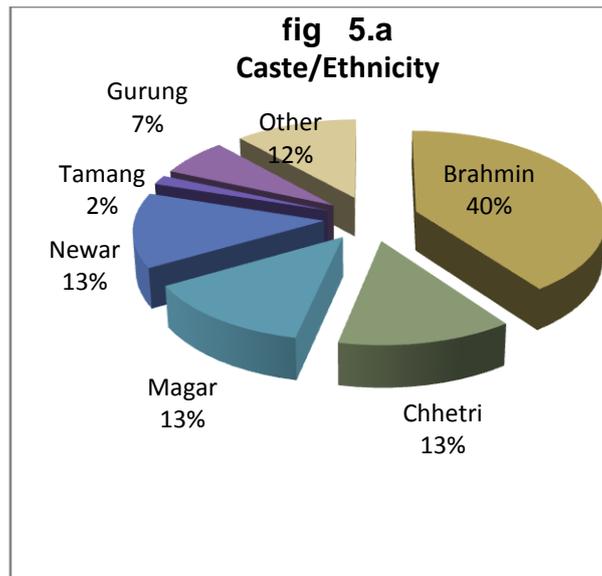
belonging to the fourth category were touchable while those in the fifth category were considered untouchable by the pure caste (Hofer, 2004).

The caste system of Nepal is basically rooted in Hindu religion; on the other hand, the ethnic system has been rooted mainly in mutually exclusive origin myths, historical mutual seclusion and occasional state intervention. Caste and ethnicity are 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 ward 6, various castes ethnic groups have been living since their remembrances. Brahmans are largest and the dominant group in terms of separate group and they have more chances to be covered in the sampled size of the study. Brahman comprises the largest high caste group, followed by Chhetri, Magar, Newar. On the other hand, Tamang, Rai and Dalit groups are minority groups within the selected sample. Caste/ethnic composition of the selected respondents is presented in the following table.

Table No 5.1: Caste/Ethnic Composition of Respondents

Sl/No	Caste/ Ethnic	Number of Respondents	Percentage
1	Brahamin	24	40%
2	Chhetri	8	13.33
3	Magar	8	13.33%
4	Newar	8	13.33%
5	Tamang	1	1.67%
6	Gurung	4	6.67%
7	Other	7	11.67%
	Total	60	100%

Source: Field Survey, 2013



This table and chart represents caste/ethnic composition of the women respondents in the study area. Out of total sample size, Brahmin share largest. They are 40% of the total sample. Whereas other caste/ethnic groups like Chhetri 13.33%, Magar 13.33%, Newar 13.33%, Gurung 6.67%, Tamang 1.67%, and other minority group such as Rai, Dalit, Madeshi comprises 11.67% of the total population of the sample. This table we can shows that majority of the people in the samples are Brahmin, and from here we can conclude that in this area Brahmin women are more interested in taking loans from micro-finance institution in order to improve their standard of living.

5.2 Age group of Respondents

All age women are not economically active and generate income to the family. Young age girl are involved in education or household activities such as cooking and taking care of their little brothers or sisters. Women above 60 years are also less active for income generation because they have household responsibility rather than earning. Their sons and other family members were considered earners. They mostly take care of small children in their home. Age ratio of the selected respondents is presented in the following table.

Table No 5.2: Age Ratio of the Respondents

Sl/No	Age Group	Number of Respondents	Percentage
1	21-30 years	17	28.33%
2	31-40 years	25	41.67%
3	41-50 years	15	25%
4	51-60 years	2	3.33%
5	61-70 years	1	1.67%
	Total	60	100%

Source: Field Survey, 2013

The age distribution ratio of the study area shows that 17(28.33%) of the total respondents involved in this program are between the age of 21-30 years. The highest numbers of the respondents are between the age of 31-40 years 25 (41.67%). The age between 41-50 years are constituted 15 (25%) of the total respondents, between the age 51-60 years constituted 2 (3.33%) of the total respondents, at last 1(1.67%) of my respondent is between the age of 61-70years. So from the above age grouping we can say that women from 31-40 years ages are mostly responsible for taking care of their family and become more mature to think about their children's future and their responsibility to be a mother. From here we can know that the middle age women are the dominant age group to be a member of micro-finance project.

This table shows that majority of the women in the samples are women whose age are between 31-40 years, and this also shows that women whose age are 31-40years are more interested in taking loans from micro-finance institution in this area, because of their maturity and interest to do something for their family in the absent of male member

5.3 Family Type

Their favorite family type is joint family in which husband and his parents, brothers, wife and their unmarried children lives together. All of them expressed burden of responsibility, economy and cultural complexities living in a joint family. Family sizes of the selected respondents are presented in the following table.

Table No. 5.3: Family types of Respondent

Sl/No	Family Types	Number of Respondents	Percentage
1	Joint	37	61.67%
2	Small/Nuclear	20	33.33%
3	Extended	3	5%
	Total	60	100%

Source: Field Survey, 2013

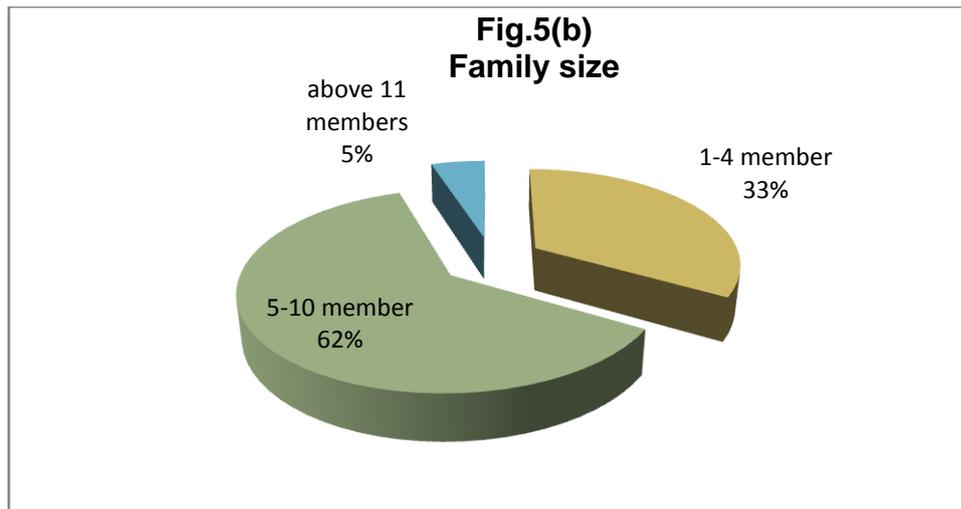
This table shows the family type of the women respondents. Family also makes differences on decision making and control over income. According to reports, 37 (61.67%) of the respondents live in joint family, 20 (33.33%) of the respondents live in nuclear family, and 3 (5%) percent of the women live in the extended family.

This table shows that majority of the women in the sample are from joint families, and this also shows that women from joint families are more interested in taking loans from micro-finance institution. Family sizes of the selected respondents is presented in the following table.

Table No: 5.4 Family Sizes of Respondents

Sl/No	Family Size	Number of Respondents	Percentage
1	1-4 members	20	33.33%
2	5-10 members	37	61.67%
3	Above 11 members	3	5%
	Total	60	100%

Source: Field Survey, 2013



There are 20 (33.33%) households having below 5 members and 37 (61.67%) household with 5-11 members and only 3 (5%) household have above 11 members in their family. Samples are from extended family, and this also show that women from extended family are more interested in taking loans from micro finance institution in this area because of the absence of their male partners and poverty and the responsibility of their children and other family members.

5.5 Educational Status of the Women

Education empowers the human beings, 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 ([www.http://en.wikipedia.org](http://en.wikipedia.org)).

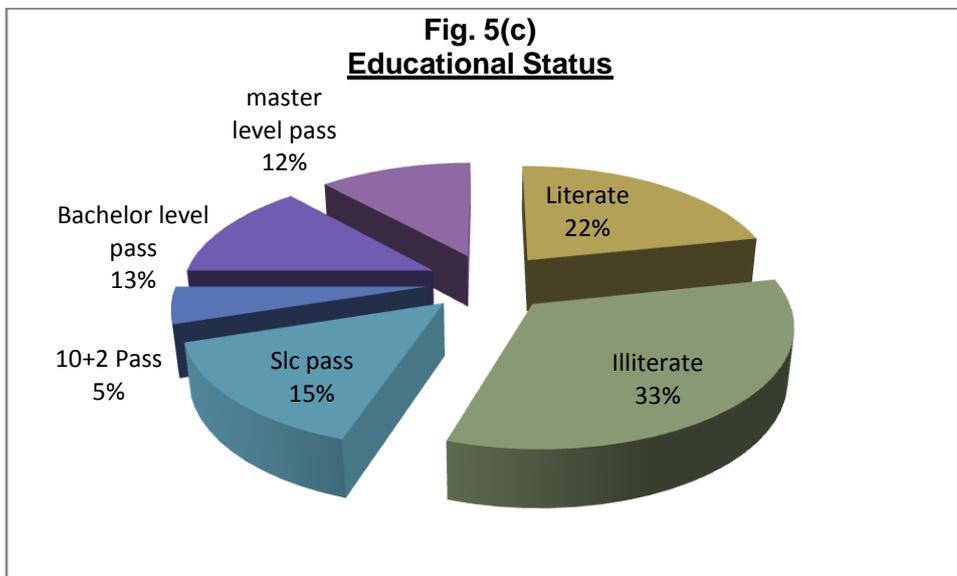
The following table shows Educational Status of the respondents

Table No.5.5: Educational Status of the Respondent:

Sl/No	Educational Level	Number of Respondents	Percentage
1	Literate*	13	21.67%
2	Illiterate	20	33.33%
3	SLC Pass	9	15%
4	10+2 Level Pass	3	5%
5	Bachelor level Pass	8	13.33%
6	Master Level Pass	7	11.67%
	Total	60	100%

*literate for the purpose e.g. this people refers to those who have below matriculation level of education.

Sources: Field Survey, 2013



This table shows that 20 (33.33%) of women are illiterate who had never gone to school, out of this 13 (21.67%) of the women are literate (who study below matriculation), they somehow knew to read and write, they got opportunity to participate in formal or non-formal education. Among them 9 (15%) of women had completed SLC, and only 3 (5%)

were able to complete their intermediate level. On the other hand 8 (13.33%) were able to complete their Bachelors level and at last 7 (11.67%) were able to complete their Masters Level.

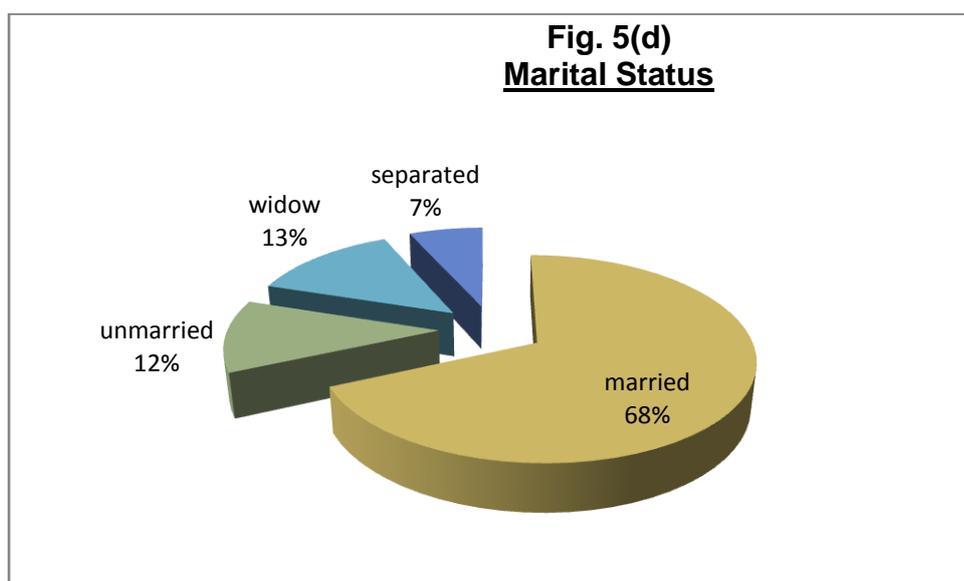
5.6 Marital Status of Women

Marital status makes differences on women's responsibility and economic and work burden. Implicitly micro-finance institutions target people who are in worse condition in their life. This program influence people who are in their worse condition in their life. This program is usually influence women than men. ([www.http://en.wikipedia.org](http://en.wikipedia.org))

Table No. 5.6: Marital Status of Women Respondents

Sl/No	Marital Status	Number of Respondents	Percentage
1	Married	41	68.33%
2	Unmarried	7	11.67%
3	Widow	8	13.33%
4	Separated	4	6.67%
	Total	60	100%

Source: Field Survey, 2013



In the field Survey I find majority of the respondents are married women which comprises 41 (68.33%), followed by widow comprises 8 (13.33%), unmarried 7(11.67%) and at last separated women who are living away from their husband's house who comprises 4 (6.67%) of the total respondents.

The above table shows that the majority of women in my samples are married, and this also show that married women are more interested in taking loans from micro-finance institution. Because they also have to look after their family and children, they have to pay tuition fee of their children and have to meet health budgeted the sickness for older members of their family, this reason also forced them to join micro-finance institution.

Case no 3: How a Single Women became successful businesswomen

Sumitra GC 49, a widow running a tea shop, lost her husband 15 years ago. She says "When my husband died, I become totally helpless, further I had the responsibility of a little son and two daughters". She had to face many cultural defame as a widow. She had no source of income to continue her children's education so her elder daughter dropped school and started to work as wage laborer. Her income was hardly enough to feed her family.

Two years ago she had joined micro credit programme. Within five months of involvement she got a loan of Rs 15000 for income generating occupation. With orientation of programme staff, she invested it on a small vegetable shop. At the beginning she had very little idea regarding this occupation. She did not expected much from their occupation but she was able to return loans within another six months.

Next time she took a loan of Rs 30,000 for the same occupation. She then left the vegetable business and started a hotel. From the money obtained as loan she bought furnitures, gas stove, and utensils for the hotel. She gave employment to the two young boys as well. Now, her business was doing well. She earns Rs 15,000-16,000 excluding expenses for the hotel materials

She also added, "Now my elder daughter also helped me in my hotel and now there is no economic problem in my family. I am grateful to micro finance programme that supported and encouraged me by giving loans and some useful training to do income based occupation. I am satisfied with my occupation as well as micro finance programme in Adarashanagar".

5.7 Landholding Size of Women

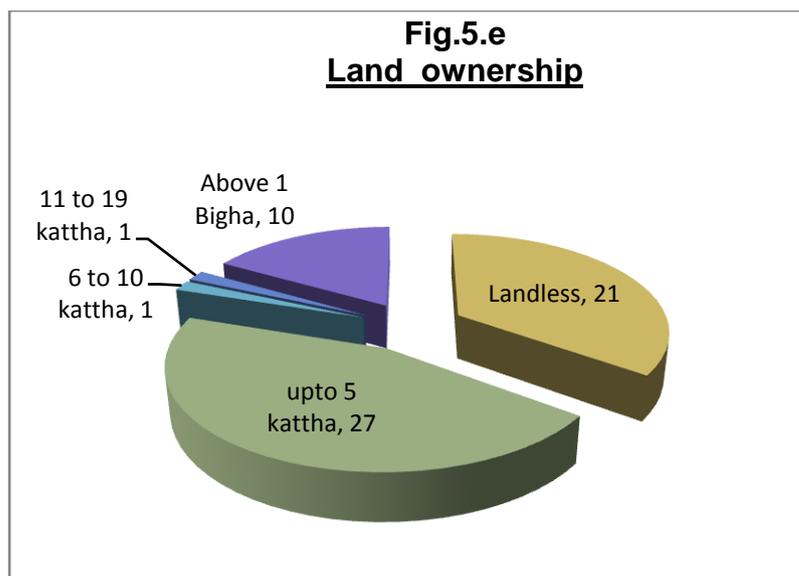
Land is the most important source of wealth of farmers. Without abundant land, it will difficult for any of them to get means of living. It is argued that landholding is considered as the major indicator for the identification of poor in Nepal. It is an important source of rural income and employment 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 economic variable but also is an indicator of social status gained by women. ([www.http://en.wikipedia.org](http://en.wikipedia.org))

Status of households and women's land ownership of the selected respondents is presented in the following table.

Table No 5.7: Status of households and women's land ownership of the respondents:

S/No	Land Size	Number of Respondents	Percentage
1	Landless	21	35%
2	Up to 5 kattha	27	45%
3	6 to 10 kattha	1	1.67%
4	11 to 19 kattha	1	1.67%
5	Above 1 Bigha	10	16.67%
	Total	60	100%

Source: Field Survey, 2013



The Land holding pattern of the respondents of Adarshanagar ward shows that 21(35%) of the respondents are landless, 27(45%) of the respondents have up to 5 kattha of the land in their name, 10(16.67%) of the respondents have above 1 Bigha land, 1(1.67%) respondents have 6 to 10 kattha land and 1(1.67%) respondent have 11 to 19 kattha of the land in her name.

5.8 The types of house of the respondents

Housing condition shows the real economic status of the people. In the study area, respondents have various types of houses like mud wall with thatched roof, stone wall with tin roof, cemented without garden, cemented with garden. If the earning improves, the housing condition will also improve. Whether micro-finance had played significant role for improving the earning of villagers or not should be measures with the help of housing condition of its members.

The following table presents housing condition of the respondent:

Table No 5.8: The House of the Respondents:

Sl/No	Types of House	Number of Respondents	Percentage
1	Mud wall with thatched roof	2	3.33%
2	Stone wall with tin roof	34	56.67%
3	Cemented without garden	24	40%
4	Cemented with garden	0	0%
	Total	60	100%

Sources: Field Survey 2013

The majority of 34 (56.67%) of the respondents are lives in the house which is made up of stone wall with tin roof, 24 (40%) of the respondents are lives in cemented house without garden, and 2 (3.33%) of the respondents are lives in the house made of mud wall with thatched roof.

5.9 Household head

Household head have decisive decision making power in many cultural groups. Family members feel social and livelihood security under family head. To start new occupation household's support is necessary otherwise, difficult and conflict may starts in the family. So household head is powerful decision maker as well as has authority of the family. Situation of household head in the family of women respondents are presented in the following table.

Table No 5.9: Household Head of the Respondents:

Sl/No	Household Head	Number of Respondents	Percentage
1	Respondents	31	51.67%
2	Husband	25	41.67%
3	Both	2	3.33%
4	Others	2	3.33%
	Total	60	100%

Source: Field Survey, 2013

The household position of the respondents is female dominated. There are 31 (51.67%) female respondents who are headed their households, and there are 2 (3.33%) households in which decision in house are taken collectively by both husband and wife and at last there are two houses in which decision on the households are taken by father-in-law and father, who are head in their family.

This Chapter represents the linkages between socio-economic and micro-finance in the respondents. On the basis of this background of the respondents we can discuss, how much changes in the level of awareness brought by micro-finance program among the women respondents, which will be discuss in the next chapter.

CHAPTER-SIX

CHANGES ON THE LEVEL OF AWARENESS BROUGHT BY MICRO-FINANCE PROGRAM

Micro finance Program has contribution to Produced changes at the level or awareness to women who are involved in micro finance Program.

6.1 Changes in the Occupation of Respondents

In the study area occupation denotes employment of the people in different sector for earning purpose. Women of the study area are involves in different occupations before and after their involvement in micro-finance programs.

6.1.1 Occupation of respondents before their Involvement in Program

Table 6.1: Main Occupation of the Respondents before their involvement in program:

Sl/No	Main Occupation	Number of Respondents	Percentage
1	Agriculture	15	25%
2	Goat Farming	2	3.33%
3	Pig Farming	1	1.67%
4	Poultry Farming	0	0%
5	Business	10	16.67%
6	Daily Wages Labor	18	30%
7	Government Job	5	8.33%
8	Other job	9	15%
	Total	60	100%

Source: Field Survey, 2013

Table shows that respondents were engaged in variety of economic activities before their intervention in programs such as in agriculture 15 (25%), goat farming 2 (3.33%), pig farming 1 (1.67), business 10 (16.67%), daily wages labor 18 (30%), government job 5 (8.33%), etc. before initiation of the program. Out of total member 18 (30%) were engaged in Daily wages labor, 15 (25%) of respondents were engaged in agriculture and 10 (16.67%) were engaged in business. And remaining were engaged in other different occupations.

6.1.2 Occupational change after intervention of program

Table 6.2: Change in the Occupation of Respondents:

Sl/No	New Occupation	Number of Respondents	Percentage
1	Agriculture	3	5%
2	Goat Farming	4	6.67%
3	Pig Farming	3	5%
4	Poultry Farming	0	0%
5	Business	28	46.67%
6	Daily Wages Labor	8	13.67%
7	Government Job	5	8.33%
8	Other job	9	15%
	Total	60	100%

Source: Field survey, 2013

Table shows that there are changes in the occupations. Table shows that respondents are engaged in variety of economic activities such as in business 28 (46.67%), in agriculture 3 (5%), in goat farming 4 (6.67%), in pig farming 3 (5%), and 9 (15%) of respondents were engaged in other income generating activities, daily wages labor 6 (13.33%), government job 5 (8.33%), etc. after their intervention of the program.

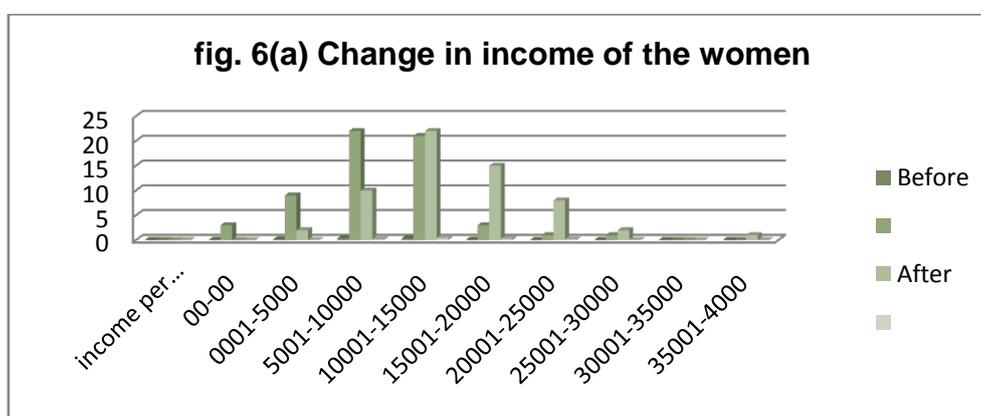
6.2 Changes in Income Level of Respondents

In the study area income denotes the earning of the borrowers of the program through any productive activity. The income may be in the form of money, articles as food grain, milk, and animal husbandry small industries etc. to know the changes in income before and after the program intervention.

Table 6.3: Changes in Income Level of respondents:

Sl/No	Before			After	
	Percentage	Number of respondents	Income per month	Number of Respondents	Percentage
1	5%	3	00-00	0	0%
2	15%	9	1-5000	2	3.33%
3	36.67%	22	5001-10000	10	16.67%
4	35%	21	10001-15000	22	36.67%
5	5%	3	15001-20000	15	25%
6	1.67%	1	20001-25000	8	13.33%
7	1.67%	1	25001-30000	2	3.33%
8	0%	0	30001-35000	0	0%
9	0%	0	35001-40000	1	1.67%
Total	100%	60		60	100%

Source: Field survey, 2013



Effect of the intervention of micro-finance programs on the income of the respondents at the study area has been positive. Table shows that before their involvement in the program 3 (5%) of the respondents were jobless but after their involvement in the micro-finance programs they started earn some money. In another case, before their involvement on micro-finance program only 21 (35%) of the respondents earned Rs 10001-15000 per month, but after involvement, 22 (36.65%) of the respondents earned Rs 10001-15000, on another case before their involvement in micro-finance only 3 (5%) of the respondents used to earn Rs 15001-20000, but now after their involvement in the micro-finance program 15 (25%) of the respondents earn Rs 15001-20000, per month. In yet another case, 1 (1.67%) of the respondent used to earn Rs 20001-25000 but now 8 (13.33%) of the respondents earn that amount of the money per month.

6.1 Living Standards of the Respondents

Standard of living refers to the level of wealth, comfort, material goods and necessities available to a certain socio-economic class in a certain geographic area. The standard of living includes factors such as income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, hours of work required to purchase necessities, gross domestic product, inflation rate, number of vacation days per year, affordable (or free) access to quality healthcare, quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, environmental quality, climate and safety. The standard of living is closely related to quality of life ([www.http://en.wikipedia.org](http://en.wikipedia.org)).

Living Standard of the respondent is often analyzed in terms of consumption pattern, sheltering pattern, clothing etc.

6.3.1 Consumption Pattern of Respondents

Consumption is a major concept in economics and is also studied by many other social sciences. Economists are particularly interested in the relationship between consumption and income, and therefore in economics the consumption function plays a major role.

Different schools of economists define production and consumption differently. According to mainstream economists, only the final purchase of goods and services by

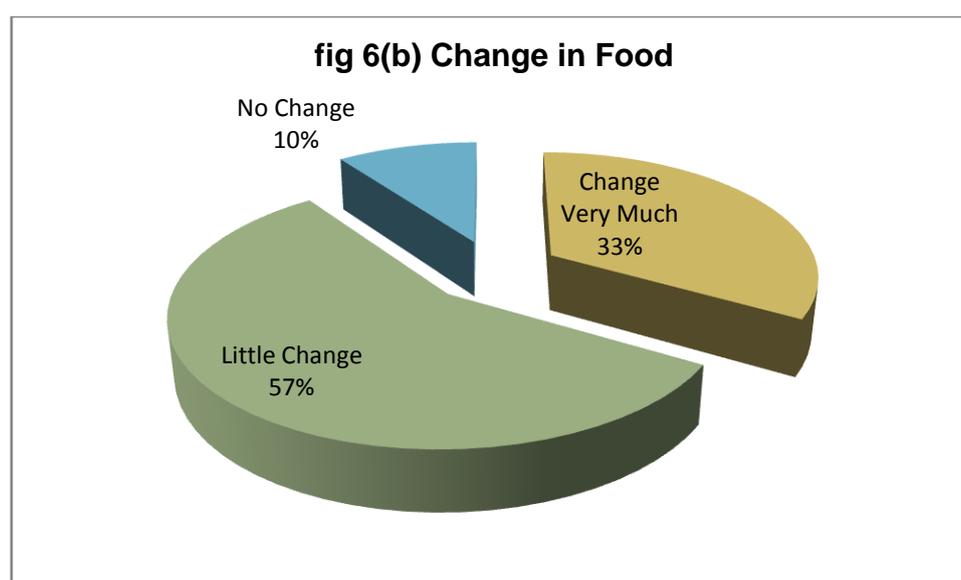
individuals constitutes consumption, while other types of expenditure-in particular, fixed investment, intermediate consumption, and government spending — are placed in separate categories. Other economists define consumption much more broadly, as the aggregate of all economic activity that does not entail the design, production and marketing of goods and services. (e.g. the selection, adoption, use, disposal and recycling of goods and services)

6.3.1.1 Change in Traditional food habits after their intervention in MF Program

Table 6.4: Change in Traditional food habits

Sl/No	Change in Traditional fooding like rice, bread, pulse and vegetable with Nontraditional fooding adding milk, egg, meat etc. in traditional fooding	Number of Respondents	Percentage
1	Change Very Much	20	33.33%
2	Little Change	34	56.67%
3	No Change	6	10%
	Total	60	100%

Source: Field survey, 2013



The table and chart shows that after intervention of program there is seen a change in the traditional food habits of respondents. According to survey, after intervention of the program 34 (56.67%) of the respondents changed their traditional food by little bit, 20 (33.33%) of the respondents changed their traditional food very much. Before intervention the respondents used to eat meat once in a month or in festival times, but now they eat it when they desire to eat. Now they also started to eat other expensive food items, there are also 6 (10%) of the respondents who did not change their traditional food.

6.3.1.2 Clothing Pattern of Respondents

Table 6.5: Clothing Pattern of respondents:

Sl/No	Change on Clothing as per necessity regular	Number of Respondents	Percentage
1	Change Very Much	20	33.33%
2	Little Change	34	56.67%
3	No Change	6	10%
	Total	60	100%

Source: Field survey, 2013

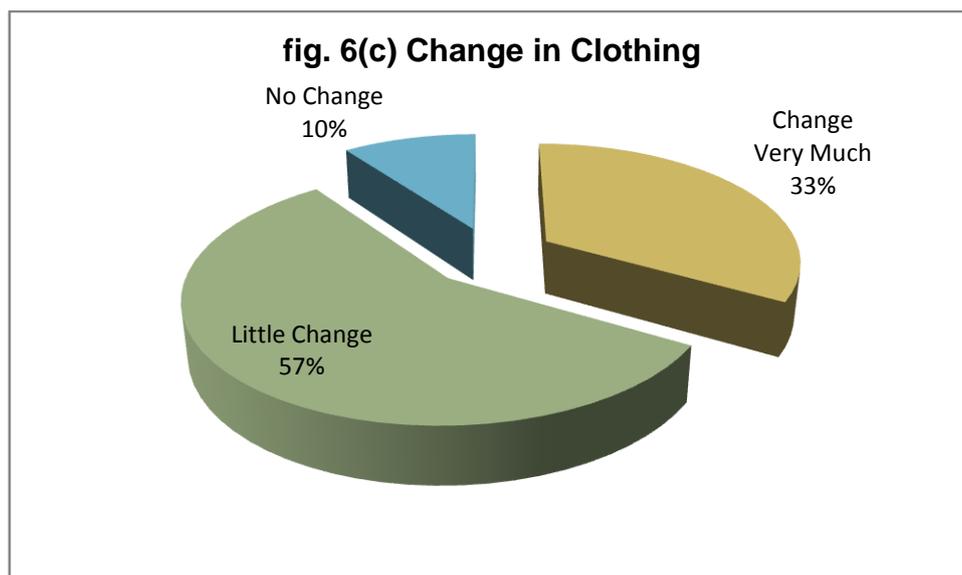


Table and chart shows after the intervention of the program 34 (56.67%) of the respondents change their clothing pattern by little bit and 20 (33.33%) of respondents changed their clothing patterns very much, but 6 (10%) of the respondents did not change their clothing pattern.

6.3.1.3 Sheltering Pattern of Respondents

Table 6.6: Sheltering pattern of respondents

Sl/No	Change in Sheltering Traditional compose of wood, soil & straw Modern compose of wood, soil, brick, tile.....etc	Number of Respondents	Percentage
1	Change Very Much	20	33.33%
2	Little Change	34	56.67%
3	No Change	6	10%
	Total	60	100%

Source: Field survey, 2013

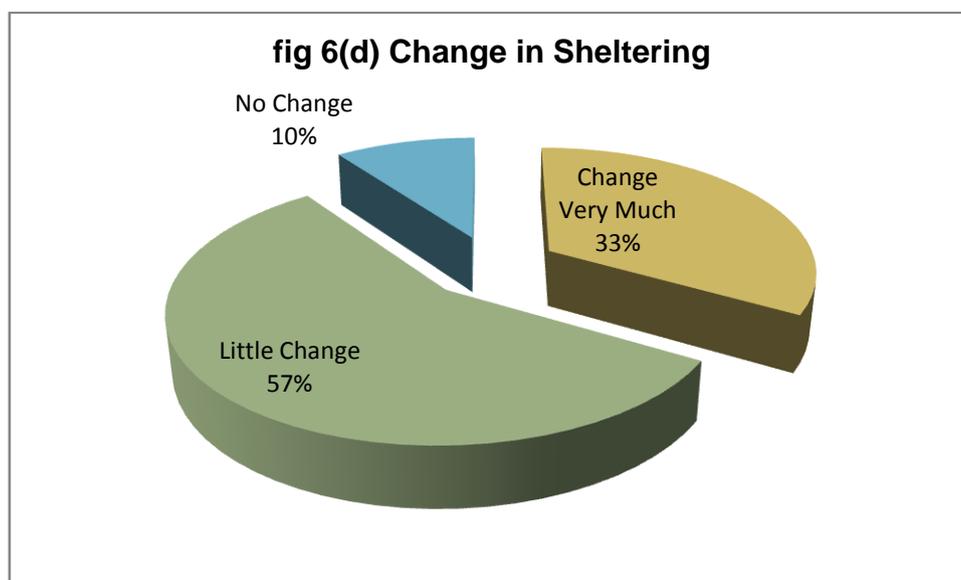


Table and chart shows the sheltering pattern of the respondents. According to the table 34 (56.67%) of respondents live in a house made of stone with tin roof, 20 (33.33%) of the

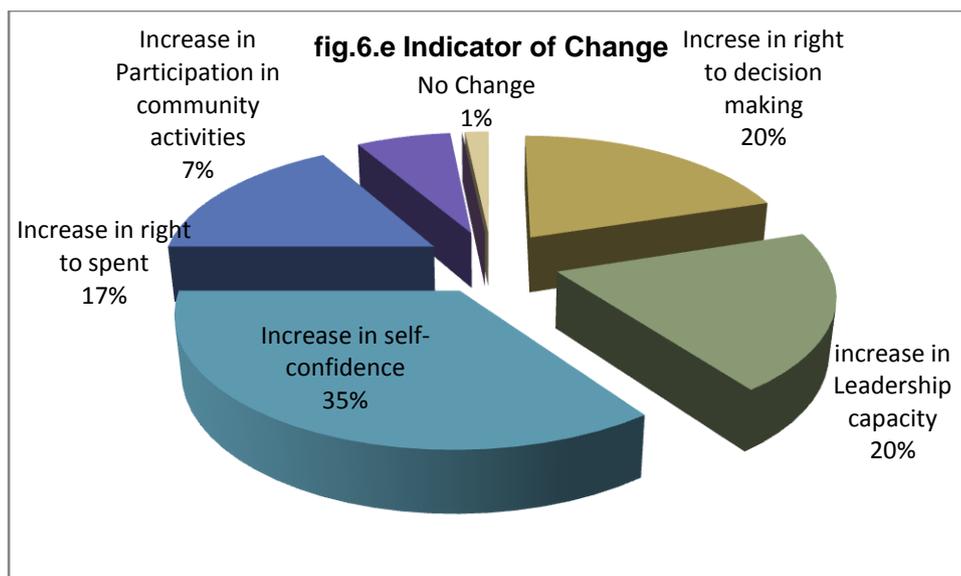
respondents live in a house made of cement and 6 (10%) of the respondents live in their traditional house. So we can say that the sheltering pattern of respondents have changes after intervention of the program.

6.3 Changes Among Respondents:

Table 6.7: Changes among Respondents:

Sl/No	Indicator of Change	Number of Respondents	Percentage
1	Increase in right to decision making	12	20%
2	Increase in leadership capacity	12	20%
3	Increase self-confidence	21	35%
4	Increase in right to spent	10	16.67%
5	Increase in participation in community activities	4	6.67%
6	Other changes	0	0%
7	No Change	1	1.67%
	Total	60	100%

Sources: Field survey 2013



Survey shows that after joining micro-finance program 21 (35%) of the respondents of has gained self confidence, they can able to face any problem by themselves, they became more confident. 12 (20%) of respondent have increase in right to decision making. 12 (20%) increase in leadership capacity. 10 (16.67%) of respondent have right to spent and at last 4 (6.67%) of the respondent have increase in participation in community activities.

Only 1(1.67%) of my respondent is not able to change her life after joining the micro finance program.

6.4 Changes in the Status and the Prestige of Respondents:

Status means rank, social position, relation to other relatives, importance and prestige means respect, reputation, or influence derived from achievements power association etc.

Table 6.8: Changes in the Status and the Prestige of Respondents

Sl/No	Any Change	Number of Respondents	Percentage
1	Yes	57	95%
2	No	3	5%
	Total	60	100%

Sources: Field survey 2013

The table shows that 57 (95%) of the respondents are able to change their status and prestige. On the other hand, it also shows that 3 (5%) of the respondents are not able to gain any change in their status and prestige.

6.5 Change in the Economic Condition of Respondents:

Table 6.9: Change in the Economic condition of Respondents:

Sl/No	Any Change	Number of Respondents	Percentage
1	Yes	59	98.33%
2	No	0	0%
3	Do Not Know	1	1.67%
	Total	60	100%

Source: Field survey, 2013

The reports show that 59(98.33%) of the respondents were able to change their economic condition. Now after joining the micro finance program and participating in trainings provided by them they are able to improve their economics conditions.

CHAPTER-SEVEN

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Summary

This is a sociological study on the role of micro-finance for women's empowerment and this study also focuses on the experiences of women living in Adarashanagar of Butwal Municipality. It also aims to highlight on the problems faced by women in the process of their engagement in the activities and changes brought about by their involvement in micro-finance programs.

Review of micro-finance programmes have indicated that the primary obstacle to access remains inappropriate and bureaucratic procedures, prohibitive collateral requirements and excessively high transaction costs incurred by both lender and borrower.

Recent initiative like the Micro-Credit Project for the Women (MCPW) sponsored by the ministry of local development and various governmental and non-governmental clan of the Gramin Bank have served to modify women's picture. The research problems of the study were: Why did they become member of micro-finance program? What are women's areas of preferences of loan and income investment? What is educational, economic, health and skills status of women? What are major problems faced by women members?

The overall objective of this research are to identify impacts of micro-finance programme as well as income investment areas, and to examine the problems faced by women in their socio-economic activities on saving/credit programme for women organized by micro finance organization, to identify the socio-economic status of women and the social and economic changes brought about by micro-finance program and to explore the increasing level of awareness after their involvement in micro finance program.

The research design of the study includes both descriptive and analytical research. Questionnaire survey, case study and observation were research methods used in this research. Systematic presentations of the results were provided already in chapters four, five and six.

The natures of data are both qualitative and quantitative. Qualitative data are collected through observation, case study and quantitative data are collected through interview questionnaire and survey sampling. Both primary and secondary types of data were collected.

The study about training provided by micro-finance shows that most of the women were trained but not all trained women involved on the same occupation as they had been trained. 11 (18.33%) had received business, 8 (13.33%) beauty parlor, 6 (10%) received hotel cooking trainings. Other were received trainings in others activities such as tailoring, vegetable farming, goat farming, pig farming, computer training making candle and incense stick, bee keeping etc.

The main component of the micro-finance institution type of micro-credit institutions is to provide credit to women on income generating activities. The main body of the research is related to loan amount, areas of investment, consequences of the micro credit program and changes of income as well as status of women members. Availability of loan also for women also differed from person to person. All members did not receive the same amount of loan. Availability of loan depends on area of loan investment, technical skills of receiver, economic status and recommendation of group members. Easy loan makes difference on the life of skillful women if they handle, it properly.

The investments from loans that they get from micro-finance show that in the field area, 35 (58.33%) female respondents were able to spent money from loans, a total of 17 (28.33%) of the husband spent money from loans, in 6 (10%) of the households, father-in-law spent money from loans, and 2(3.33%) of the household money from loans was spent by other members like father and mother.

From the study, it can be deduced that after joining micro-finance program, 18 (30%) of the female respondents have developed self confidence, 12 (20%) have developed a leadership capacity in themselves, 10 (16.67%) have increased their right in decision making, 10 (16.67%) have increased their right to spent, 6 (10%) changed their attitude, 3 (5%) now can participate in community activities, no change was found in 1 (1.67%) of the respondents.

The study about educational qualification among respondents shows that 20 (33.33%) of women are illiterate who had never gone to school and never had opportunity to participate in non-formal education, 13 (21.67%) of the women are literate as they know somehow to read

and write, they got opportunity to participate in formal or non-formal education. Among the total respondents 9 (15%) of women had completed SLC, and only 3 (5%) were able to complete their intermediate level, 8 (13.33%) were able to complete their Bachelors level and at last 7 (11.67%) were able to complete their Masters level. Presently, all the respondents realized the importance of education, and express sense of humiliation of being dropped out of school. Now, they send their children to the public or private schools.

The land holding pattern of the respondents of Adarashanagar ward 6 shows that 21(35%) of the respondents are landless, 27(45%) of the respondents have up to 5 kattha of the land in their name, 10(16.67%) of the respondent has above 1 Bigha land, 1(1.67%) respondents has 6 to 10 kattha land and 1(1.67%) respondent has 11 to 19 kattha of the land in her name.

The housing conditions of the respondents, show that majority of 34(56.67%) of the respondents live in a house made of stone wall with tin roof, 24 (40%) of the respondents live in cemented house without garden, and 2 (3.33%) of the respondents live in a house made of mud wall with thatched roof.

While talking about the occupation of respondents a change in their occupation is observed. For instance, before being involved in micro-finance program, they were largely involved in agriculture and daily wage labor, but after their involvement in micro-finance program they changed their occupation pattern. Now they are more interested towards starting their own business and cottage industries from where they earn profit which has changed their living standard.

On the other hand, after their involvement in micro-finance programs, their lifestyle has also improved. Now they can make decisions about where to invest money from loans and have become confident in doing their work. They actively participate in community activities. After involvement in micro-finance programs, their status and prestige as well as their economic conditions have also changed.

Almost half of the people in the country live in unacceptable conditions of poverty and a majority of them are women. Majority of them are illiterate and are engaged in agriculture and work as wage laborers for their livelihood. Women are the important sources of energy for development and their groups can be an effective channel for resources aimed at meeting the needs of poor people in the rural areas. These potentials can be best realized if they are

integrated into whole spectrum of development program rather than regulated to the marginal sector currently reserved for women.

In recent years, there has been growing realization on the importance of women's participation in the development process and need for their advancement. As a consequence, numerous national as well as international organizations have been established which carry out programs targeted at enabling women to become aware of their situation and exploit potential to gain relative economic independence together with a better position in their households as well as society. Provision of credit is regarded as one of the potentially strongest force towards achieving this goal. Micro-finance, since its evolution has proved as an effective tool to strengthen various programs to reduce poverty and as a way to attack poverty and the implementation of micro-finance program. Focusing on women as a target group has produced substantial impact on economic empowerment of women through their economic self sufficiency.

The major findings of the study are:

- Most of the beneficiaries of the micro-finance programs are relatively poor and married women.
- The study has found that the overall role of micro-finance programs for women on benefiting earning, poverty alleviation and living standard is positive and social status is increasing.
- The involvement in the income generating activities has built self-confidence of village women in their abilities. New type of occupations like hotel and retail business appeared in women's groups.
- The women beneficiaries from micro-finance program have improved their economic status and equally stimulate their living standard.
- Women's poverty has reduced after intervention of micro-finance programs.
- The study on the micro-finance program shows that they became more active after the program. They can now make their own decisions on their activities, now leadership capacities has also increased, they can now have right to spend, they can now buy what they need in the day to day life or what is essential for them in their day to day

life without the permission of the senior members of their family. Now there is an increasing level of women participation in the community activities.

7.2 Conclusion

A country like Nepal whose economy is based on agriculture and the majority of women are involved in this sector micro-finance program is the best way to uplift women economically as well as socially.

Under these circumstances, micro-finance program is relevant where commencing of big industries, factory, and enterprises in remote and rural areas by the people living there is out of their capacity. Taking loan from bank is cumbersome and needs long procedure to be followed. Due to lack of education the rural poor dare not go to bank for loan. They never try to do something to improve their living as they have been habituated to be satisfied from their traditional agricultural process and production.

Poverty alleviation is the main target of government in developing countries. In the process of development, Nepal has adopted a free economy, especially after the restoration of democracy in 1990. Under the free market economy, NGOs are put forward for the development of country as a part of private sector.

In, Nepal till 5th five year plan women's development programs were ignored by policies makers. The policies of development of the women come in light after the 5th five year plan in the 6th five year plan. In the 6th five year plan the policies makers decide to formulate policies to generate increased employment opportunities for workers, training in different vocations and necessary facilities relating to capital market provided.

In the 7th five year plan encourage women for greater participation in aspects of women's development such as in social and economic status of women, skill and develop themselves in capable and productive citizen to make themselves self-reliant.

In Nepal, the 8th five year plan emphasized the importance of NGOs in enhancing production activities and socio economic development. The 9th and 10th plans continued this emphasis on NGOs role in development.

Micro-finance programs provide fruitful initiatives as it reaches door to door of rural poor and them to save and engage in economic activities especially women, who are confined to in the homes and household chores. Micro-finance is also one of the worthiest ways to expose

women in the society. So, they can realize their equal importance in the society. They can understand their ability, their hidden talents and skills.

Increase in self-confidence of people is as important as materialistic achievement through community development during the initial stages of development. Therefore, better reliance on the participation of women in community project makes vital development program. People get involved in the program planning and its execution by them are organized in to farmers organization, youth club or women association. Realizing this fact Government of Nepal has conducted many institutions for micro-finance program. The whole role of the program is to be associated in multi-dimensional ways, which in this study is not possible due to various constraints. Anyway the impact of program of income generation and living standards is positive though it is not satisfactory.

7.3 Recommendations

Based on the above mentioned summary, conclusion and researchers field experience, following recommendations (suggestion) have been made for further improvement of successful implementation of micro-finance program for women all over the country.

- The program should develop practical and varied training courses for the women related to the development activities according to the needs of a particular community.
- All savings product have to be implemented, otherwise ideal saving products should exit from the policy.
- Loans should be properly inspected, otherwise it may result in misuse. Loans should be properly utilized for the purpose it has been taken for.
- Priority should be given for personal attitude of the client, nevertheless collateral and savings only.
- It is not good to allocate the budget for same community support activities, but it will be better to give priority for other social welfare activities such as sanitation, awareness and education.
- Regarding rules and regulations, information and knowledge should be transferred among the members.
- Co-operatives should not be religiously and politically biased.

- Provision for flexible policy towards poor, deprived, and landless will be better.
- The position of the program staff should be permanent so that they can perform their responsibility with confidence and concentration. Given the field orientation nature of work of the program, allowance should be raised.
- To supervise the use of loan and to provide effective skill to advice on the management of loan, field staff should be trained regularly so that the clients of the program receive technical as well as marginal guidance to manage micro-finance programs.
- The program should include literacy classes as well as orientation classes in which the women development section staff should provide all information about loan, repayment schedule and interest rates etc. This will be of great importance because researcher had many respondents who said that they did not pay the loan because they heard that the money has come from outside for the poor of Nepal.
- The active role of local political leaders and teachers must be necessary for the success of the program.
- Micro-finance program is not a family business, so members of board and executive committee of the institution must be given their roles and responsibilities.
- Agricultural sector is dominant in absorbing the program. Mostly the loan is used for investment on beekeeping, poultry farming, goat farming, pig farming, buffalo farming and agriculture with vegetable farming. So livestock sickness and livestock death makes emergency burden on the borrowers. To solve the problem, the following points are purposed:
 - a. Healthy livestock should be supplied to the borrowers.
 - b. Necessary vaccine should be arranged at appropriate time.
 - c. Though there is a provision of insurance (in the case of death of livestock) but it has not been smoothly implemented. So there is a need for smooth implementation of insurance provision as well as the provision of insurance to livestock suffering from diseases too.

- Micro-finance programs should widen their area by appointing staff to hear, understand their problem and to find out alternatives as well as solutions so that they are not victimized by excessive burden of debt.
- Monitoring and supervision should be frequently done to utilize loans in actual purpose otherwise many of the borrowers have to pay back loan by selling their property.
- There is marketing problem, it was indeed observed that there were marketing constraints to solve the farm produce, mostly in vegetable farming. Women produce vegetables at expensive cost, but in the time of selling produce there is a problem of market, which must be solved.

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Appendix 1

QUESTIONNAIRES FOR WOMEN OF ADARASHANAGAR OF BUTWAL MUNICIPALITY

Questionnaire no:...

Date:.....

A) PERSONAL INFORMATION

(A.a) Name of the Respondent:.....

(A.b) Zone..... District:..... Municipality.....
Ward:..... Locality

(A.c) Age-

(A.d) Sex : (1) Male (2) Female (3) Third Gender

(A.e) Caste/ Ethnic group:

- (1) Brahmin (2) Chhetri (3) Magar
(4) Newar (5) Tamang (6) Gurung
(7) Other

(A.f) Education Qualification

- (1) Literate* (2) Illiterate
(3) SLC pass (4) 10+2 level
(4) Bachelor level (5) Master level

Note Literate means under matriculation*

(A.g) Marital Status:

- (1) Married (2) Unmarried
(3) Widow (4) Separated

(A.h) Family head:

- (1) Respondent herself (2) Husband
(3) Both (4) Other

(A.i) Family size:

- (1) 1 to 4 members (2) 5 to 10 members
(3) 11+members

(A.j) What is your main Occupation before and after joining MF program

Occupation	Before	After
(1) Agriculture		
(2) Goat farming		
(3) Pig farming		
(4) Poultry farming		
(5) Business		
(6) Daily wages labor		
(7) Government job		
(8) Other Jobs		

A.d

A.e

A.f

A.g

A.h

A.i

A.j

Before

After

B) ECONOMIC STATUS

(B.a) What type of house do you have (own or rented)

(1) Mud wall with thatched roof

(2) Stone wall with tin roof (3) Cemented with Garden

(4) Cemented with Garden

(B.b) Toilet Position:-

(1) No toilet (2) Temporary toilet (3) Permanent toilet

(B.c) Land size:-

(1) Landless (2) Up to 5 Kattha (3) 6 to 10 Kattha

(4) 11 to 19 Kattha (5) Above 1 Bigha

B.d) Do you have land in your own name

Yes No

If yes,

Did you have it earlier or owned it later after the program/project began?

Earlier Later

B.f) Which animals do you domesticate

(1) Buffaloes..... (2) Pigs(3) Cows (4) Goats...

(5) Cocks & Hens (6) Other animals.....

B.g) Is the food that u produce sufficient?

Yes No

If No,

How many months for the year ?.....

B.a

B.b

B.c

B.d

If yes,

B.f

B.g

C) SAVING AND CREDIT

C.a) Do you participate in any programme organized by micro credit?

- (1) Mostly participate (2) Occasionally participate (3) None

C.b) Have you taken any loan

Yes No

If yes,

Name of the institution?.....

When?.....

How much?.....

At what interest rate?.....

C.c) How many times have you taken loans?

- (1) 1 time (2) 2 times (3) more than two times

C.d) In household who spends the loans

- (1) Respondent (2) Husband
(3) Father- in -law (4) Mother -in-law
(5) Others

C.e) For what purpose is the loan spent?

- (1) Agriculture/husbandry (2) Local level business
(3) Cottage industry (4) Construction
(5) Foreign employment (6) Domestic, socio-cultural purpose
(7) Others

C.f) Is the loan fully spent in particular purpose or not

Spent Not spent

If not, then where have you used it

- (a) Have in cash
(b) Have spent on other household need animals
(c) Others specify

C.a	<input type="checkbox"/>
C.b	<input type="checkbox"/>
C.c	<input type="checkbox"/>
C.d	<input type="checkbox"/>
C.e	<input type="checkbox"/>
C.f	<input type="checkbox"/>
If not	<input type="checkbox"/>

C.g) How is your business performance?

- (1) Highly profitable
- (2) Profitable
- (3) Not profitable
- (4) Losses

If losses, how did you repay yours loan

- (1) By Selling agricultural product
- (2) From salary
- (3) Profit from other business
- (4) Others sources

If profitable, then

What is your monthly income before and after intervention in the program?

- (1) Before: Average Rs.....
- (2) After: Average Rs.....

C.h) How much is your monthly savings

- (1) up to 300
- (2) Rs. 301-600
- (3) Rs. 601-900
- (4) Rs. 901-1200
- (5) 1200 above

C.i) After paying the loan, what have you done to the remaining income?

- 1) Spend on Household daily need
- 2) Spend on Health of children and family members
- 3) Paying fees of children
- 4) Invested in other income generating projects
- 5) Others specific.....

C.g	<input type="text"/>
If	<input type="text"/>
losses	
Income	
Before	<input type="text"/>
After	<input type="text"/>
C.h	<input type="text"/>
C.i	<input type="text"/>

D) EMPOWERMENT/ CHANGE IN SOCIAL STATUS

D.a) Did you undergoes any training program

Yes No

If yes

Name of training.....

D.b) Are you satisfied with this micro-finance program?

Yes No

If Yes,

How are you satisfied from this project/program

- (1) Increased right within family to take decision
- (2) Leadership capacity developed
- (3) Increased self-confidence
- (4) Increased right to spend
- (5) Increased participation in community activities
- (6) Others

If Not,

What do you think may be the reasons

.....

D.c) Has your status or prestige in your family gone up after you joined this group

Yes No

D.d) For how many hours in a day are you working at present and before becoming member of micro-finance?

Before

Now

D.e) Do you think your poverty has been reduced by joining the programme?

(1) Yes (2) No (3) Do not know

D.a	<input type="checkbox"/>
D.b	<input type="checkbox"/>
If yes	<input type="checkbox"/>
.	.
If not
D.c	<input type="checkbox"/>
D.d	Before.... Now.....
D.e	<input type="checkbox"/>

D.f) Has there been any change take places in your Living Standard after joining the Micro finance programme

Yes No

If Yes, then mention:

Living Standard	Changed very much(a)	Little Change(b)	No Change(c)
Consumption Pattern*			
Clothing Pattern*			
Sheltering Pattern*			

Note:- Consumption Pattern* means- rice, bread, pulse and vegetable with Nontraditional food milk, egg, meat etc. regular

Clothing Pattern* Means- Clothing as per necessity

Sheltering Pattern* Means- Change in Sheltering Traditional compose of wood, soil & straw to Modern compose of wood, soil, brick, tile

D.g) How many children did you send to school before joining the program/group and after joining.

Before(1) Son..... (2) Daughter.....

After (1) Son..... (2) Daughter.....

D.h) How do your family members and neighbors deal with you after joining the group?

(1) Good (2) Ok (3) Bad

D.i) Do you have any suggestions or comments from your side to makes this programme more effective?

D.f

If yes

D.g

	Son	Dau-ghter
Be-fore		
After		

D.h

D.i

.....