

**AN IMPACT OF MICRO FINANCE ON WOMEN  
EMPOWERMENT IN PARBAT DISTRICT**

**A CASE STUDY OF MICRO FINANCE PROJECT –National  
Educational and Development Organization (NESDO)**

**A Thesis Submitted to the Central Department of Economics, Faculty of  
Humanities and Social Sciences in Partial Fulfillment of the Requirements  
for the Master’s Degree of Arts in Economics**

By  
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KIRTIPUR

2009

## LETTER OF RECOMMENDATION

The Thesis entitled **AN IMPACT OF MICRO FINANCE ON WOMEN EMPOWERMENT IN PARBAT DISTRICT -A CASE STUDY OF MICRO FINANCE PROJECT** –National Educational and Development Organization (NESDO) has been prepared by **Ms. Deepma Shrestha**, under my supervision and guidance as a partial fulfillment of the requirements for the degree of Master of Arts in Economics. I forward it with recommendation for approval.

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Date: @) ^% ÷ ! @ ÷ ) (

## **APPROVAL LETTER**

The Thesis entitled **AN IMPACT OF MICROFINANCE ON WOMEN EMPOWERMENT IN PARBAT DISTRICT- A CASE STUDY OF MICROFINANCE PROJECT- National Educational and Development Organization (NESDO)** prepared by Ms. Deepma Shrestha has been accepted as a partial fulfillment of the requirements for the Degree of Master of Arts in Economics.

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Date: 2009-03-22

## ACKNOWLEDGEMENTS

First of all, I would like to express my deep gratitude to Dr. Sohan Kumar Karna, Professor of Central Department of Economics for his constant encouragement, patient guidance, and supervision on several aspects of this research study. This work would never have been completed without his incisive observation that helped me a lot to get the proper prospective and a clear insight. I record my deep sincere and deep sense of gratitude to him.

At this time I would like to remember Mr. Arpan Paudel, who helped me at each step of this study including data collection, analysis and organizing the study would not been possible.

I would like to express my special thanks to all the staffs of NESDO for providing me with necessary information and data and all the experts who helped me by their response of questionnaire and giving the related information of Micro Finance in Nepal.

Finally, I am highly indebted to my family members for their continuous inspiration and their support in the entire period of study. Similarly, I would like to thank Rekha and Mahesh for their consisting support during the study. I express my sincere gratitude to staffs of Central Library, Kirtipur; Rastra Bank Library, Baluwatar; Center for Micro Finance, Baluwatar for their co-operation.

Deepma Shrestha

## **ABBREVIATIONS**

ACs= Asian Countries

ADB/N=Agricultural Development Bank of Nepal

ADB= Asian Development Bank

BWTP= Bisheswr With the Poor

C.V. =Coefficient of Variation

CB= Commercial Bank

CMF= Center for Micro Finance

DBs= Development Banks

DEPROSC= Development Project Services Center

DSCP= Deprived Sector Credit Program

DSMCP= Donor Supported Micro Credit Program

FINGOs = Financial Intermediary NGOs

FSCIs= Formal Sector Credit Institutions

GBB= Grameem Bikas Bank

GDP= Gross Domestic Production

GTZ= German Technical Co-operation

HDI= Human Development Index

HEI= Human Empowerment Index

IBP= Intensive Banking Program

INGO= International Non Government Organization

LDCs= Least Developed Countries

MC= Micro Credit

MCPW= Micro Credit Program for Women

MDG= Millennium Development Goal

MF= Micro Finance

MFI= Micro Finance Institution

MFPs= Micro Finance Programs

MFSs=Micro Finance Services

NESDO= Nepal Educational and Social Development Organization

NG= Nepal Government

NGO= Non Governmental Organization

NHDR= Nepal Human Development Report

NRB= Nepal Rastra Bank

PCRW= Production Credit for Women

PSCP= Priority Sector Credit Program

RBB= Rastrya Banijya Bank

RMDC= Rural Microfinance Development Center

RSRF= Rural Self-Reliant Fund

SACCOs= Saving and Credit Program

SKBB= Sana Kisan Bikas Bank

TLDP= Third Livestock Development Project

UN= United Nations

UNDP= United National Development Program

UNIFEM= United Nation Development Fund for Women

VDC= Village Development Committee

WAIBP= Women Awarness and Income Generating Programs

WAPs= Women Awarness Programs

WB= World Bank

WTO= World Trade Organization

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Nepal is developing, landlocked country. It is situated between two big countries India and China. Therefore, Nepal is known as buffer state. Economically, Nepal is dominated by financial and investing activities of these countries. Due to geographical difficulties and lack of infrastructure development of financial sector, the growth of financial sector is very slow.

Nepal is among the world's 50 least developed countries (LDCs), sluggish economic growth, a low level of industrialization, underdeveloped production structure with limited commodities to export, unbridled production growth, high concentration of labor force in agriculture etc are some of the specific characteristics that indicates Nepal's underdeveloped economic structure.

Nepal has a population of about 23 million and covers an area of 1,47,181 Sq. Km. It is divided into three ecological zones, the mountains, the hills and the terai. Nepal has 5 development regions, eastern, central, western, mid-western and far western. The country is further divided into 14 zones and 75 districts with ..... of Village Development Committees (VDCs) and 58 municipalities, which are further divided into smaller political units called wards.

Nepal is renowned for its socio-cultural diversity of 100 ethnicities, 92 languages and 9 religions (UNDP 2004). The religious composition shows that 80.6 percent Hindu, 10.7 percent Buddhist, 4.2 percent Muslim and 3.6 percent Kirant (CBS 2001) of total population. The proportion of population below the poverty line is 30.8 percent in aggregate but in rural area the situation is still high which is 31.6

percent (CBS 2005). Total population of Nepal consists 49.9 percent male and 50.1 percent female (CBS 2001).

Out of total population 85 percent population is living in rural areas, where they are busy on agricultural activities. Dependency on agricultural sector is 80 percent and the contribution of agricultural sector on GDP is 39 percent (CBS 2001). Apart from this sector however there are some other potential sectors as well, they are tourism, trade and service, transport, construction, financial, consultancy, informal sectors, carpet, garment, leather, and forestry based, pharmaceuticals, electrical and electronic, tobacco, cement, chemical, paper, sugar etc. All are feasible sectors, either they are small or cottage or large industry, needs economical as well as other environmental framework. So, such sectors are remaining underutilized and under mobilized.

National Consumption percentage is 87.5 percent of GDP. Gross domestic saving and investment is 12.5 percent and 27.3 of GDP (NRB Economic Report 2003/4). Saving and investment gap is 14.8 percent. Such huge gap implies that Nepal has heavily depended on foreign assistance to meet its investment requirement. So, Nepal is suffering from foreign dependency. And the lack of Self dependency is seen clearly. So, proper plan and policies are needed for the sustainable development of the nation.

After getting membership of WTO in 2004, more responsibilities and challenges are added on national level. Nepal is in an infrastructure development phase to activate WTO by 2010. After this phase there will be intense competition in every sector. Therefore, it is a time to make the nation strong by developing ignored rural areas by including women workforce in main stream of development. The root of national development is human development. Task of human development is only possible when both genders are economically, socially and politically empowered. So population should be empowered to make the foundation of sustainable development and globalization in Nepal by women empowerment.



## **1.2. Women Introduction**

Women comprised 50.1 percent of total population of Nepal. Patriarchy pervades most of country's cast and ethnic groups have one of highest indices of son preference in the world. Boys not only pass on the family name but represent “insurance” for parents in their old age and can carry out important rituals after parents pass out. Girls usually work at home and in the field considered too unimportant and risky to educate, given the high value attributed to virginity and dangers that schooling in the company of boys and men outside the household might pose to virginity by contrast early marriage constitutes a kind of virginity insurance. But the negative impacts of such decision are not considered. Over all women are discriminated at times, victimized forcing them to live insecure lives due to illiteracy ill health, poverty, discriminatory tradition and laws. In term of empowerment women lay far behind their male counterparts.

Most of the Nepalese women are living under low class living standard; although some of them are living standard life. Living standard of rural women is unbelievable. Rural women spend most of the time on agriculture and livestock related activities. They spend 10 to 12 hours in such non-paying works; they do not have any access of chances and opportunities to change their life style. The situation of racial discrimination is also creating very hard condition in rural life which also restricting to develop rural sector. Similarly, the Nepalese women's mobility is limited because their legs are locked by the chain of traditions; their hands are locked by household activities. Generally, women do not express their decision at front; it is due to the excessive male-dominated society.

At present women related plans, programs, strategies of NGO, INGO are implemented to develop and empower them. Women are showing much interest on self dependency. To make women economically, socially, and politically independent, programs such as, micro-finance income generation, skill development for informal enterprise and preparation for the formation and operation of co-operatives are being undertaken.

Literacy level of Nepalese women is 43 percent in 2001. Women lag far behind men in literacy and educational attainment life expectancy of Nepalese women is 61.5 year in 2001. Infant mortality rate is 64.4 per 100 live births. Maternal mortality rate of Nepali woman is 539 per 100,000 which is the highest in the world. Almost all deliveries take place at home only 13 percent deliveries are assisted by a skilled birth attendant. Nepalese women are victimized by various violence, such as traditional violence (Deuki, Jhuma, Badi) Violence based on superstition such as torture for alleged witchcraft, sexual Violence (trafficking and sexual harassment), Family violence (domestic polygamy, child marriage), dowry related violence (Torture both mental and physical). Hundreds of girls have crossed to different country with false assurance of employment. Women have only limited access to resources and limited control over those they can access. Of the total land holding female owns only 8.1 percent and the average size of their land is just two third that of an average male holding. Only 4 percent of at household has female ownership. Although a husband may keep property in the name of his wife, she cannot sell, rent and use for collateral propose. So, women are restricted to credit. Employment condition of Nepalese women is also not good over 70 percent are confined to self employed, unpaid and low wage informal sector, they have few formal job opportunities, their contribution on manufacturing sector is 23 percent in 2001 (carpet and garment) women are concentrated in low skill jobs because of their lack of education and trainings opportunities.

The main characteristics of Nepalese women based on rural areas are presented below:

**Poor Access to Finance:** - In Nepal, generally property is owned by males. Women lack ownership of property for use as collateral to get bank loans. Bank and financial institution consider women as less credit worthy. Women generally relay on loans from close friends and relatives to start their own desired task. Pewa, Dakshina in festivals etc. are the main sources of women property.

**Low Mobility:** - Compare to male, female tends to be less mobile. Traditionally, the place of women was confined with in four walls of home. In most developing countries, women can't travel alone in far away place poor mobility discourages the women to become self dependent.

**Lack of Skills and Experience:** - Illiteracy among women is widespread in Nepal. Ratio of literate women to men 15-24 years olds is .73 in 2003/04 (NG/ UNDP 2005). Women are lacking proper support do develop their competitive power and become self dependent. So, they perceive them self as inferior.

**Family Pressures:** - In many societies the main role of women is to look after the household and bring up children, this role prevents women to devote time and effort for their upliftment. In male dominated societies, husbands do not allow their wives to do their own desired works.

Poverty is a condition in which a person or community is deprived of and or lacks the essentials from a minimum standard of well being and life. Since poverty is understood in many senses, these essentials may be material resources such as food, safe drinking water and shelter or they may be social resources such as access to information, education, healthcare, social status, political power or the opportunity to develop meaningful connections with other people in society. Prevalence of poverty is quite high in women neither they have financial access nor they have property to pledge. So, the door step credit facility is very much supportive to the women. MFSs help to reduce the poverty which is wide spread on women. MFSs help in many ways as opens the avenues to the access on credit; major ingredient of production exorbitant cost being born by the poor people will be reduced. MFSs help to increase the opportunities for economic activities. Women will be empowered to obtain support services from the existing service delivery channels of local authority and government line agencies.

### **1.3. Empowerment**

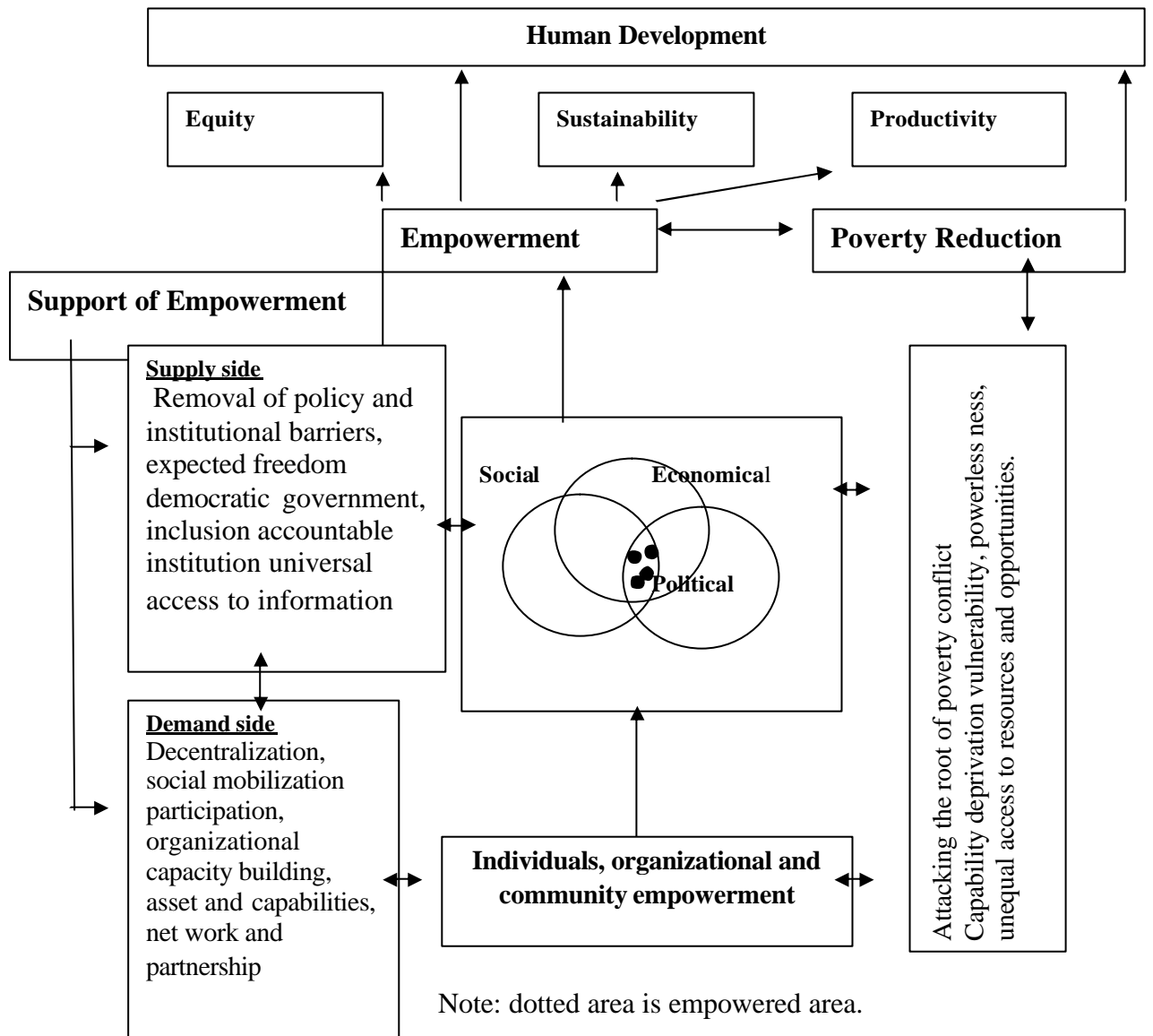
Empowerment is the expansion of asset and capabilities of poor people to participate in negotiation with, influence control and hold accountable institutions that affect their lives (World Bank 2004). It means transforming existing power in favour of these (women disadvantaged group and more generally the poor) who forced several limitations in exercising power and making voluntary choices. It is concern transformative use of power, in which a dominant agent also exercises his power in such a way that the subordinate agent learns certain skills that undercut the power differential between him/her and dominated agent. In other word empowerment is the process of increasing the over all capacity of individuals, which is very much essential to human development and poverty reduction. In this sense empower can be defined as the seed for the sustainable development for the country.

For the human development, population should be empowered. To empower them their economical, social and political condition should be made wide and self dependable when these three components take place in the practice, the human development will be achieved as the combined result. When the population gets empowered, the mission of Millennium Development Goals (MDGs), poverty reduction will be possible. After the empowerment equity, sustainability and productivity will be shown in prosperity. Various practices should be initiated from

supply side (national plan and policy) and demand side (community action) the whole conceptual frame work of empowerment and human development is shown below in figure.

Figure-1.1

### Human Empowerment Process



Nepalese Empowerment and Human Development figure, (NHDR, 2004).

Human Development Index (HDI) of Nepal is only 0.471 which is very lower than other countries. The situation of human development in rural area of Nepal is only 0.452 and urban 0.581. Similarly, Human Empowerment Index (HEI) of Nepal is only 0.463 and index of rural is only 0.439 which shows that empowerment of rural people is needed to increase human development level. Again, political, economical, and social empowerment indexes of Nepal are 0.646, 0.337, and 0.406

respectively. The situation of rural area on these indices, 0.642 (political), 0.304 (economic) and 0.372 (social), over all HEI of Hill area is 0.451.

#### **1.4. Financial Service**

Finance, the art and science of managing money, affects the lives of every aspect of every person and every organization. Finance is concerned with the process, institution market and instructions involved in the transfer of money among and between individuals, business and government. Financial market is the place where money lender and borrowers are busy to act and react. All the facilities that are provided by the financial market are financial services. Financial services cover all banking and non-banking institutions. The establishment of Nepal Bank limited in 1937 AD marks the beginning of financial services in Nepal. This was followed by NRB in 1986 AD, NIDC in 1956 AD, RBB in 1966 AD and ADB/N in 1968 AD.

Financial institution in Nepal were all government owned till 1984 AD. They consisted of NRB, 2 Commercial Banks (CBs), 2 Insurance Companies, 2 Development Banks (DBs), 1 Employee Provident Fund and 1 Credit Guarantee Corporation. The liberalization policy of government in the early 1980s opened up the door for private sectors initiative in financial sector. The growth has been significant in this sector. Total access of formal financial service to the population is only 20 percent. Remaining part is dealing with informal sector.

#### **1.5. Introduction of Micro Finance (MF)**

Micro Finance is a part of Development finance, specially rural or urban targeted toward specific groups of people male or female, falling in the lower bracket of society. MFSs include saving, credit, and other services such as micro money transfer and micro insurance. This service is differentiated by types of service employment and income orientated objectives target group, target community, target area and credit at home without collateral. So, micro finance helps poor people who have no collateral but willingness to work and desire to do some business activities from which he/she acquires employment as well as income.

Micro finance is not simply banking it is a development tool, it has been estimated that there are 500 million economically active poor people in the world operating micro enterprises and small business. Most of them do not have access to adequate financial services, which can be benefited by MFSs.

Similarly, Micro finance can be defined as a provision of broad range of financial services such as deposit, loan money transfer and insurance to small enterprises and household. MF broadly is providing financial services to the poor under the premises that, they are marketable and if they get the opportunity they can earn and play- synthesis from different practices in public policy and MF. MF displays a small amount of short term working capital and in some case longer term investment loans and provides deposit facilities to small scale business and household.

So, MF is a program which provides opportunities to those who are usually considered non-bankable due to poverty, lack of sufficient property for the collateral propose and do not have capacity to save small amount of money, receive loan at their doorsteps with out collateral in a very simple way, which can be seed to build their economic foundation and empowerment.

### **1.6. History of MF**

The idea of MF is derived from England; "REKADEL PIONEER SOCIETY", is the pioneer of micro finance concept. In 1950s development projects began to introduce subsidized credit program targeted at specific communities. These subsidized schemes were rarely successful. Rural development banks suffered massive erosion of their capital base due to subsidized lending rates and poor repayment discipline and funds did not always reach the poor often ending up concentrated in hands of shelter off farmers. In 1976 Prof. Yunus implemented the MC experimental program in Bangladesh. Brazil and other few countries extended tiny loans to groups of poor women to invest in micro business. This type of micro enterprise credit was based on solidarity group lending in which every member of

a group guaranteed the repayment of all members. Through 1980s and 1990s MC program thought the world improved upon the original methodologies and bucket conventional wisdom about financing the poor. The year 2006 has proved to be very important year for micro finance development. The observation of 2005 as the international year of micro credit by the united nation followed by organization of Global Micro Credit submitted 2006 in Canada. Nobel Peace Prize Award awarded to Prof. Mohammad Yunus who is the founder of Grameen Bank of Bangladesh.

Nepal has three decades long experience in micro financing. In an effort to reduce poverty in the country, NRB as the central bank of country has been involved in the MFPs as the promoter and facilitator since 1974. Since then many MF focused program have been launched in the country and significant amount of financial resources have been allocated for the promotion of this sector. At present 5 Regional Grameen Bikash Banks (RGBBs), 6 Micro Finance Development Banks (MFDBs), 47 Financial Intermediary Non-governmental Organizations (FINGOs) and 19 Saving and Credit Co-operatives (SACCOPs) are licensed by NRB and directly involved in providing micro credit services in rural area.

Micro financing practice in Nepal has originated from traditional practices of co-operatives like Guthi, Dhikuri, Dharam Bhakari etc, at present there are numerous co-operative societies, NGOs, INGOs and Governmental Organizations (GOs) working under this sector. After the financial sector policy liberalization Nepalese financial sector has expended massively.

NRB introduced Intensive Banking Program (IBP) under priority sector credit program in 1981-82 in which every Commercial Bank (CB) has to invest at least 12 percent of its total annual disbursement to prioritized sector. Similarly, Deprived Sector Credit Program (DSCP) was launched in 1991-92 in which CB are required to invest 2.5-3 percent of their total loan to the sector. Since 1994 Micro Credit Program for Women (MCPW) has supplemented Production Credit for Rural Women (PCRW) launched in 1982 realizing the important role of



women in socio-economic development of nation. Banking with poor (BWTP) implemented since 1991 is a program executed by NGOs in association with self help groups. In addition, Rural Self Reliance Fund (RSRF) was initiated by government in 1991 through NRB to support the NGOs and saving and credit co-operatives working in micro credit program. ADB\N introduced Small Farmer Development Program (SFDP) in 1975 with the aim of providing micro finance services through group approach; later on ADB\N introduced another Small Farmer Co-operatives Limited (SFCL) Program as a means of graduation from SFDP by consolidating SFDP group in to Self sustaining co-operatives by transferring the assets and liabilities of SFDP. Government runs MFP, BWTP, and Women Awareness Programs (WAPs).

The earliest initiative for establishing MFIs in Nepal is dated back to 1950s when the first credit co-operatives were established for providing rural financial services that was the first step. Those co-operatives primarily intended to provide credit only to agricultural sector. The next mile stone was SFDP in 1975 with in ADB\N.

The institutional sectors that are working to develop micro finance sectors are NRB, RSRF, RMDC, CB, DB, FINGO, Saving and co-operatives, Traditional saving and credit program. Till the date SFDP, SFCL, PCRW, EGB, CGB, WGO, MWGB, NOBL, CSD, DEPROSC, Chhimek, Samaj, NRDSC, Priority sector lending are covering 7,11,000 members, among them 6,76,000 are borrowers. Total disbursement of these all organization is Rs10,85,74,09,000, outstanding loan is Rs 3,51,86,75,000 and saving is Rs 49,92,86,000 similarly, informal (SHGS, SCCs) are covering 5,60,000 members among them 2,80,000 are borrowers, their loans outstanding is Rs 80 million. (www.rmhc.com)

### **1.7. Regulatory status**

MFIs are regulated by various laws. These are NRB Act (2002), Agricultural Development Act (1972), Finance company Act (1985), Development Bank Act (1996) Social Welfare Act (1991), Company Act (1947), Financial Intermediary

Act (1998), and Insurance Act. It appears to be over regulated but in reality the situation is just different acts doing micro finance activities. The ultimate to develop, regulate, monitor and supervise is of NRB. On February 24, 2003 NRB issued regulation for the development banks which are engaged in micro finance, as a guide line to develop MFIs activities. Now, one Micro Finance center (CMF) is operating for the betterment of micro finance. MF is accepting as the poverty reduction tool. So, it has taken in to consideration of MDG too.

### **1.8. Statement of the Problem**

Males and females are two wheels of same cart, but in practice we can not get such consideration. They are ignored in every aspect. Plans or policies consisting women supporting concept are only focusing few aspects of women which are not sufficient to empower women. They are not allowed to take decision though the decision is related to them. If they take part in various programs such as social, education, women related, and then they are perceived badly and pronounced as “*Pothi Baseko*”. Economically, socially and politically women are dominated by their counter partner. It is so, because Nepal is one of male dominated countries. All property and other financial activities are conducted by male women do not have access to finance, which can be caused to improve their life.

Their mobility is made limited by social and family related barriers. So, they do not know about the global movement, which can be beneficial to learn some new idea to improve their comprehensive aspects. They are not allowed to take part in any program by their own desire.

Most of the Nepalese women, lack skill and experiences to do new things, it is so, because of illiteracy and lack of proper supports. In rural area of Nepal, the main role of women is to look after the household and bring up children. If wives want to do some thing new like business, services their husband and other family member restrict them. So, study deals with above maintained obstacles of rural women. After getting support on their doorstep how they react it, is shown by the result of the work.

### **1.9. Objectives of the Study**

The main objective of this study is to study the impact of MFIs on rural women of Parbat district of Dhaulagiri Zone. Based on the study I have raised following general and specific objectives;

1. To examine the socio-economic impact of micro finance project on rural women in operational areas of NESDO.
2. To analyze the political impact of micro finance project on rural women in operational areas of NESDO.
3. To evaluate the perception of women about MFIs.

### **1.10. Focus of the Study**

Sustainable development can not be achieved through central level plans, policies and urban orientation. So, all components of the country should be considered. The task of MFIs is quite appreciable. The study is conducted on MFIs providers which are operating under wholesale lending. The study area is Dhaulagiri zone and NESDO is selected as sample organization to draw the conclusion.

### **1.11. Significance of the Study**

The study is carried the rural areas test of MFIs. This is beneficial to know the perception of rural women on MFIs activities. How women are participating on MFIs? How they get services from there? And what types of activities are done through such services? Are interpreted;

### **1.12. Limitations of the Study**

- ? This study mainly focuses on MFIs operating in Dhaulagiri zone only.
- ? Related informations are directly taken from MFIs clients or primary sources are used.

- ? The whole areas and impact are not considered as matter of study, only selected impact and areas are studied.
- ? Sample method is judgmental.
- ? 20 percent (17 centers) of total centers (total centers 85) of NESDO are taken as sample unit.
- ? Informations are collected during the period of 15 Ashoj 2065 B.S. - 7 Kartik 2065 B.S.

### **1.13. Organization of the study**

The first chapter "Introduction"; consists general introduction of Micro finance and its activities, Empowerment concept, study area, objectives of the study, focus of the study, limitation of the study and finally organization of the study.

Second chapter "Review of Literature" consists of conceptual framework of Micro Finance and Empowerment, review of related literature. It includes review of the book, various published and unpublished reports, articles, journals and success stories of Micro Finance.

Third Chapter deals with the research methodology, which includes research related information, such as source of data, data gathering procedure, tolls for analysis.

Fourth chapter describes about the study area and the respective organization.

Fifth chapter attempts to analyze and evaluate the data with the help of analytical tools and interpret the result so obtained.

Chapter five sums up the result obtained through analysis and state the summary, conclusions, and recommendations of the study.

A bibliography, appendices, map of the study etc are enclosed at the end of the study.

## CHAPTER II

### LITERATURE'S REVIEW

This section is divided into three main headings they are concept/theoretical review of MF, concept/theoretical review of empowerment and review form related studies. Related information acquired from related newspapers, webs, magazines, articles, studies etc are interpreted in respective headings.

#### 2.1. Theoretical Review

Shrestha has disclosed the challenges of management in Nepalese MFIs for their sustainable development according to him, it is difficult to find a universal definition of micro finance due to its variation on the basis of implementing location, institution and program. In simplest term micro finance is defined as the financial service provided to the deprived group of people and small entrepreneurs to help them in developing their entire economic, social and political status, self employment opportunities and income generating activities, small size loan, compulsory saving, small scale entrepreneurs, diversified utilization and simple and flexible terms and conditions are the determining characteristics of its definition. Micro finance comprises of three Cs. Character, Capital, and Capacity. Micro finance as a program serves large number of clients focusing on women and whole world from the very grass roots level with financial sustainability (Shrestha, 2058 B.S.).

Dahal has clarified the roles of MF to achieve MDG. According to him, first of all potential characters (Women poor back warded communities) are involved in group to fight against the poverty through MFSs. In the second step various employment, self reliance related, skills are presented to the group to create capacity for the betterment of own self. In third step, they are provided micro capital to utilize their capacity and to generate income. After completing this first step of three Cs, MF adopted group are passed through next five steps of second

phase which are information, participation, partnership, ownership, agreement. The first step of second phase is information where MFSs adopted groups get information about raw material, production technology, market and complementary services through MFIs. After that they are forced to participate on education, health, sanitation, water supply and personality building. Then after they realize the whole network is for own shake and want to work in group which creates their partnership concept, such activities which are conducted in communities. Such activities become valuable for them and they think the entire effort as their own property and the concept of ownership takes place. Similarly, they realize their progress and MFIs effort to make them self dependent and agree to give continuity in such activities again and again, which is the foundation of women and back warded communities for their empowerment and poverty reduction (Dahal, 2063).

Thakur, has focused the small farmer development program as the pioneer of MF in Nepal. Micro credit refers to small-scale credit (up to Rs 30,000) targeted toward only rural poor people to increase their income level by fully utilizing their internal resources and skill. Generally it is short term credit and small in amount. Small scale financial services basically credit and saving along with essential social and community development activities are indicated by MFSs. Generally it is provided to targeted people who invest the small amount for productive/ service motive projects like farm or fish or heard or small grocery vender, marketing of agricultural products and inputs and such other types project meeting the needs of local people. Over all, MFSs can help people having lower income, increase risk improve management, raise productivity, obtain higher return on investment increase their incomes and increase the quality of their lives and those of their dependents (Thakur, 2058).

### **2.1.1. Micro Finance: Key Tool for Poverty alleviation and women empowerment**

MF is the provision of a broad range of financial services to poor and low income households such as micro savings, loans, payment or money transfer services and micro insurance. It also includes loans to micro enterprises. The main objective of MF is to help alleviate poverty by providing sustainable access to finance services to poor and low income household through MF. As per definition and objective we can easily analyze that MF has become a key tool for poverty alleviation and empowerment the poor. Even though MF is an important and relevant financial service to poor, other approaches including measures to promote human development such as education, health and other minimum infrastructures are required to enhance broad financial activities in rural area.

The major strength of MFI that provides MF services to poor people and helps them to improve their economic and social condition. The increased number of MF practitioners around the globe is an indication that micro finance sector can play an important role not only to help attain the government's policies on poverty reduction but also to help increase the income level and self employment of poor people through various types of income generating activities. The World Bank (WB) estimated that about 1.2 billion people live in absolute poverty and the dimension of the Asian poverty is much more diverse from the poverty status of developed country. Thus poverty alleviation strategy should be major task and objective of the Asian Countries (ACs). WB defines micro finance as "the provision of financial services to low income clients including the self employed. It includes both financial and social inter mediation. It is not simply banking. It is a development tool: similarly the founder of GB in Bangladesh Dr. Mohammad Yunus advocated for MF as, "We will have no other option but to establish credit as a human right".

In the case of Nepal, NRB has stated in its regulation that a loan up to Rs 40,000 provided by MFIs is considered as micro credit and saving mobilized by the groups of MFIs are considered as micro saving. In this way, efforts have been made to define and set the borderline of MC. The most important thing to note in above definitions is that all have tried to establish the linkage of MC with poverty alleviation and back warded communities' empowerment.

MC has successfully been experimented and implemented in Nepal since 1974, from small sector credit program, commercial banks to GB (1991), MC remains as the important financial tool to focus the rural poverty. Poverty situation in Nepal is alarming and to reduce this to reasonable level is also a major concern of the government plans and programs. The current 10<sup>th</sup> plan (2002-2007) has also incorporated micro finance as a major financial tool to overcome its single objective poverty reduction. To attain this objective, the five year plan has set out a number of policies and strategies along with various credit programs the plan has set target of Rs 101 billion rural credit to be disbursed during the plan period. It is believed that organized sector MFIs in Nepal have outreached more than 700 thousand families during the last to decades. Out of this five regional GB and four Grameen replicating banks have provided MF services to more than 331 thousand women clients and disbursed to total loan of Rs 19.53 billion during the past 12 years and also collected Rs 16.91 billion. Like wise, they have collected Rs 569 million as group saving over the period.

In ADB's view poverty is a deprivation of essential assets and opportunities to which every human is entitled (ADB, 1996). The essential asset may not be available to poor due to diverse nature of poverty and lack of political will, inadequate governance and inappropriate public policies and programs. In this context, ADB perceives sustainable economic growth and social development as the key components for reducing poverty and women empowerment. Therefore, the investment in MF stimulates economic growth which can reduce poverty by generating employment and incomes (ADB, 1996). According to Koirala (2001)



the ADB has recognized micro finance as powerful tool to promote economic growth, reduce poverty, support human development and improve the status of women. Further more, ( Payakural 2001) presents the evidence of test result of micro finance practitioners around the world as access of credit to rural poor has been found to be very effective tool for helping poverty reduction. It is because MF to the poor creates small business opportunities that help to improve the socio-economic condition of deprived communities.

MF is a powerful instrument for poverty alleviation. It enables the poor to take advantage of existing opportunities, build up their assets generate self employment develops micro enterprises raise income level build up self confidence, and self esteem improves purchasing power, empowers women and enhances overall economic growth, enhances domestic saving and provides escape route from poverty (Shrestha, 2001). In Nepalese context, even MF has been proven as effective and efficient mechanism in poverty reduction, endeavor most of MFIs have become unable to reach the ultra poor due to inability to identify and measure them on the other hand improving access to financial services has been commonly viewed as strong tool to fight against poverty, however the outreach of Formal Sector Credit Institutions (FSCI) has been concentrated due to high cost of their services delivery (Upadhyaya, 2001). Nevertheless MFI pursue the activities to promote the interest of the poor by providing basic services and contribute to increase in outreach sustainability and effectiveness.

### **2.1.2. Principles of MF**

Principles of MF are presented below

**Poor people need a variety of financial services, not just loans.** Like every one else the poor need a range of financial services that are convenient, flexible, and affordable. Depending on circumstances, they want not only loans, but also savings, insurance, and cash transfer services.

**MF is powerful tool to fight poverty.** When poor people have access to financial services, they can earn more, build their assets, and cushion themselves against external shocks. Poor households use MF to move from everyday survival to planning for the future: they invest in better nutrition, housing, health, and education.

**MF means building financial systems that serve the poor.** In most developing countries, poor people are the majority of the population, yet they are the least likely to be served by banks. MF is often seen as marginal sector- a "development activity" that donors, governments or social investors might care about, but not as part of country's mainstream financial system. However, MF will reach the maximum number of poor clients only when it is integrated into the financial sector.

**MF can pay for itself, and must do so if it is to reach very large number of poor people.** Most poor people cannot get good financial services that meet their needs because there are not enough to cover their costs. Cost recovery is not an end in itself. Rather, it is the only way to reach scale and impact beyond the limited levels that donors can fund. A financially sustainable institution can continue and expand its services over the long term. Achieving sustainability means lowering transaction costs, offering services that are more useful to the clients, and finding new ways to reach more of the un-bankable poor.

**MF is about building permanent local financial institutions.** Finance for the poor requires sound domestic financial institutions that provide services on a permanent basis. These institutions need to attract domestic savings, recycle those savings into loans and provide other services. As local institutions and capital markets mature, there will be less dependence on funding from donors and governments, including government development banks.

**MC is not always the answer. MC is not the best tool for everyone or every situation.** Destitute and hungry people with no income or means of repayment need other kinds of support before they can make good use of loans. In many

cases, other tools will alleviate poverty better for instance, small grants, employment and training programs, or infrastructure improvements. Where possible, such services should be coupled with building savings.

**Interest rate ceiling hurt poor people by making it harder for them to get credit.** It costs much more to make many small loans than a few large loans. Unless micro lenders can charge interest rates that are well above average bank loan rates, they cannot cover their costs. Their growth will be limited by the scarce and uncertain supply soft money from donors or governments. When governments regulate interest rates, they usually set them at levels so low that MC cannot cover its costs so such regulation should be avoided. At the same time, a micro lender should not use high interest rates to make borrowers cover the cost of its own inefficiency.

**The role of government is to enable financial services, not to provide them directly.** National governments should set policies that stimulate financial services for poor people at the same time as protecting deposits. Governments need to maintain macroeconomic stability, avoid interest rate gaps and refrain from distorting markets with subsidized, high default loan programs that cannot be sustained. They should also climb down on corruption and improve the environment for micro businesses, including access to markets and infrastructure. In special cases where other funds are unavailable, government funding may be warranted for sound and independent MFI

**Donor funds should complement private capital, not compete with it.** Donors provide grants, loans, and equity for MF. Such support should be temporary. It should be used to build the capacity of MF providers: to develop supporting infrastructure like rating agencies, credit bureaus, and audit capacity: and to support experimentation. In some cases, serving sparse or difficult to reach populations can require longer term donor support. Donors should try to integrate MF with the rest of the financial system. They should use experts with a track record of success when designing and implementing projects. They should set clear performance targets that must be met before funding is continued. Every

project should have realistic plan for reaching a point where the donor's support is no longer needed.

**The key bottleneck is the shortage of strong institutions and managers.** MF is a specialized field that combines banking with social goals. Skills and systems need to be build at all levels: managers and information systems of MFI central banks that regulate MF, other government agencies and donors. Public and private investment in MF should focus on building this capacity, not just moving money.

MF works best when it measures and discloses its performance. Accurate, standardized performance information is imperative, both financial information (e.g., interest rates, loan repayment and cost recovery) and social information (e.g., number of clients reached and their poverty level). Donors, investors, banking supervisors, and customers need this information to judge their cost risk, and return.

These Principles were developed and endorsed by CGAP and its 33 member donors, and further endorsed by the Group of Eight leaders at the G8 Summit on 10 June, 2004 ([www.cgap.com](http://www.cgap.com)).

### **2.1.3. Characteristics of MF**

- ✍ Different Financial services of Micro size.
- ✍ Separate provision for non financial services.
- ✍ Very simple process for all types of services.
- ✍ Vulnerable people.
- ✍ Business rather than donation.
- ✍ Services available at door step of client.
- ✍ Collateral free loan.
- ✍ Cost recovery interest rate.

#### **2.1.4. MFSs to the clients and its impact**

MFSs seek to include the following groups and people.

Female heads of households, poor women, pensioners, displaced persons, retrenched workers, small farmers and micro entrepreneurs fall into four poverty level destitute, extreme poor, moderate poor, and vulnerable non poor.

Like everyone else, most poor people need and use financial services all the time for their various purposes but they are not enjoying such services because of lack of education, ownership, skill and so on. Poor people with access to saving, credit insurance and other financial services are more resilient and better able to cope with the every day crisis they face. Even the most rigorous econometric studies have proven that micro finance can smooth consumption levels and significantly reduce the need to sell assets to meet basic needs. With access to micro insurance, poor people can cope with sudden increased expenses associated with death, serious illness and loss of assets. Such activities are very much beneficial for such clients' life advancement and poverty reduction.

MF programs are generally targeted to poor women by providing access to financial services only through- making women responsible for loans ensuring repayment through women maintaining saving accounts for women. Providing insurance coverage through women, MFIs send a strong message to households as well as to communities many qualitative and quantitative studies have documented how access to financial services has improved the status of women within the family and communities. Women have become more assertive and confident. In regions where women's mobility is strictly regulated, women have become visible and are better able to negotiate the public sphere. Women owned assets including land and housing and play a stronger role in decision making.

Although access to financial services open up possibilities of improving their economic condition of the poor in some cases clients can be left worse off ill-advised credit can lead to too much debt. Sustainable financial services that improve the

condition of the poor depend on a clear vision of sustainability. On careful programs design on efficient operations and very importantly, on constantly trying to understand and meet client' need.

### **2.1.5. What is MFI?**

MFI is and organization that provides financial services to the poor. This very broad definition includes a wide range of providers that vary in their legal structure, mission, methodology and sustainability. However, all share the common characteristics of providing financial services to a clientele poorer and more vulnerable than traditional bank clients.

Historical context can help explain how specialized MFIs developed over the last few decades. Between the 1950s and 1970s governments and donors focused on providing subsidized agricultural credit to small and marginal farmer in hope of raising productivity and incomes. Suring the 1980s micro enterprise credit concentrated on providing loan to poor women to invest in tiny businesses, enabling them to accumulate assets and raise house hold income welfare. These experiments resulted in the emergence of NGOs that provided financial services for the poor. In the 1990s many of these institutions transferred themselves into formal financial institution in other to access and on hand client saving thus enhancing their outreach. So, MFI can be broadly defined as many organization credit union, down scaled commercial bank, financial NGOs or credit co-operatives, that provides financial services for the poor. Main characteristics of MFIs are pointed below;

- ✍ Formal Provider
- ✍ Ownership structure
- ✍ Focused on poor
- ✍ Services

### **2.1.6. Micro Finance Poverty and women**

There are many reasons why women have become primary target of micro MFs. At a macro level it is because 70 percent of world' poor are women. (www.worldbank.com). Women have a higher unemployment rate than men in virtually every country and make up the majority of informal sector of most economies. They constitute the block of these who need micro finance services.

Targeting women have also proved to be a successful efficient economic development tool. Research performed by the UNDP and the WB among others, indicators that gender inequalities inhabit overall economic growth and development. A recent report of WB confirms that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance and lower living standard for all people.

Women are usually the primary or sole family case takers in many developing countries. Helping them gain additional, daily income improves the condition of their entire household. Putting extra income in women's hands is often the most efficient way to affect an entire family, as women typically put their children's need before their own. Children are more likely to complete their education and escape the poverty trap than their parents are. Giving women access to micro-credit loans therefore generates a multiplier effect that increases the impact of a MFIs activities benefiting multiple generations.

### **2.1.7. Model of MF**

Pradhan, in his article has highlighted the model of MF as,

In Nepal, MF practices have been used in different terms. Now a days, the term MF is broadly used and generally relates to financing the poorest sector. At present, there are seven micro finance models in the formal sector.

**Grameen Model (GM):** Amidst the rural financing institutions, five Grameen Banks (GBs) have been established in five development regions of the country

with initiative and major share participation of NRB (60-70) Percent and Government (10-16) percent and four private sectors MF development banks are operating on the grameen system of Bangladesh.

**Small Farmers Co-operative (SFCL) Model:** SFCL is a newly developed financing model, which is based on co-operative principle. To run this model, ADB\N has initiated to convert Small Farmer Development Projects Office (SFDPO) into SFCL under co-operative Act- 1998. on the other hand, ADB\N has also set up Sana Kisan Bikas Bank (SKBB) in 2002 to meet wholesale credit requirement of SFCLs for on lending to small farmers.

**Financial Intermediary by NGOs (FINGOs) Model:** FINGOs is the latest development in MF practices. It is believed that more than 10,000 NGOs are operating the country either is MF or in social and community based development. Out of these, 47 have got license from NRB for doing limited banking operation.

**Priority Sector and Deprived Sector Credit (PSDSC) Model:** CBs have been involved in MF since 1974 through the mandatory credit requirement of NRB named as PSDSC. Now, NRG has declared a phasing out policy of priority sector credit program which will be completed by the F.Y. 2006/2007 and only the mandatory requirement, which is 3 percent of total Credit for Deprived Sector (DSC) will remain unchanged.

**Saving and Credit Co-operatives (SACCOs) Model:** SACCOs is a member-based organization registered with the objective of self development among the members at local level. As of mid Jan. 2006 there are 2350 SACCOs registered under the department of co-operative out of which only 20 have got license form NRB for doing limited banking transaction.

**Donor Supported Micro Credit Programs (DSMCP):** Nepal has undergone various Micro Credit Projects (MCP) like PCRW, MCPW, Poverty Alleviation Program in Western Terai (PAPWT), Community Ground Water Irrigation Sector Project (CGISP) and Rural Micro Finance Project (RMP). Major reason for



commencing such projects was to help strengthen the lending capacity of the MFIs and also to support them through financing for longer period. But each MCP has its own specific objectives and working area. These projects were also designed to support the credit requirement of the participating financing institutions for on lending to rural and deprived sector people.

**Wholesale MF Model:** Whole selling in MF began with the establishment of RSRF in 1991, later in 2000, Rural Micro Finance Development centre (RMDC) under Rural Micro Finance Project (RMP), came into existence with an objective to cater the credit needs of MFIs for on lending purpose. In the year 2002, another whole selling MFI called SKBB was also established to supply wholesale credit and capacity building to SFCL. Another wholesale institution called National co-operative Development Bank (NCDB) came into operation in 2003.

In short, the basic objective of creating such wholesale MFI is to make MFIs easier and continue access to cheaper fund and also to arrange resource for capacity building and increase on lending capacity of MFIs to make them sustainable and viable. With regard to wholesale financing in MC sector, RSRF is the pioneer and it has wide coverage (231 partner organization in 47 districts as of mid Jan.2006) (Pradhan, 2063).

#### **2.1.8. Monetary policy 2006-07 review**

Monetary policy related to MF are presented below

- ? The MF banks having capital of Rs 20 Million and operating 10 districts can extend their program to additional 5 Hill districts with out adding capital.
- ? A separate fund will be created for making equity investment in MFIs. Interested national and international agencies can provide resources to raise

fund. The fund invested by commercial banks in this fund will be considered as deprived sector lending.

- ? The RSRF will be transformed into a self governed and organized "Microfinance and Co-operatives Institution (MFCOI)" during the fiscal year 2006-07.
- ? The NRB has submitted a draft of national MF policy to the government of Nepal. As per the policy "Microfinance and Co-Operative Bill 2006" is under preparation.
- ? After enactment of the "Microfinance and Co-operative Act 2006" a second- Tier institution will be established, which will be responsible for regulation, inspection and supervision of MFIs.

## **2.2. MF in Nepalese Context**

### **2.2.1. Recent Trends of MF in Nepal**

Bista has highlighted, the introduction of priority sector credit three decades ago in 1974 as a directed credit program to CBs is being phased out from 2007/8 under financial sector reform program is to affect MF activities in the country. Apart from priority sector credit about 7 hundred thousand families have benefited from other MF activities in 2004. However the situation is not expected to improve because in the last three years about 200 branches of commercial banks (100 each of NBL & RBB) situated mostly in rural areas have been closed down due to security problem.

A numbers of MFP are operating in the country under different approach, model and support. They include donor's supported production credit for rural women, MCP for women, poverty alleviation project in Western Terai, TLDP, Community ground water irrigation sector project, Rural MF Project, ADBN supported SFDP and Small Farmer Cooperative society, Grameen bank model adopted by Grameen Banks and Micro Credit Development Banks, Financial Non-Governmental

organizations, Saving and Credit Cooperatives and Commercial Bank's deprived sector credit. So there is multi- agency approach in micro finance activities although they had reached to only one third of the poor house-holds.

MF sector has observed the emergence of wholesalers within its fold. In recent years, wholesalers like RSRF, RMDC and SFDP have been established to provide credit facility to MFIs for on lending to the clients. The basic objective of establishing such wholesaler's is to provide easy and continued access of fund to MFIs within the country.

Many MFIs have now discarded artificial and low interest rates of the past and have adopted flexible interest rates. Determination of market based interest rates on competitive and sustainable basis is the main factor for the development of financial system especially rural and MF. Real and needy poor clients want easy and continued access of credit on a timely basis but not the lower rate. Realizing the importance and practicality of market based interest rates most of the MFIs have adopted flexible interest rates and have done away with low interest rate which is now a thing of the past.

MFI is judged primarily by its outreach, effectiveness, accessibility, viability and sustainability. Many MFIs have not been able to achieve viability for various reasons which are a major concern for their development. Any MFI started either with donor or domestic support cannot operate or expand for too long unless it is self sustained. It can achieve sustainability only when the operating income from loans is sufficient to cover all operating cost. Financial viability allows MFIs to maintain its operation without any subsidy or grants and allows the institution to continue as sound organization.

Rural Development Banks (RDB) established on regional basis tin the public sectors are in the fore front of MF business. They have experienced many ups and down in their operations. In order to improve their operation and financial health of these banks privatization of these banks has been introduced. Disinvestment of

51 percent of shares held by NRB in profitably operated Western Rural Development Bank (WRDB), Butwal to group members, staff, MFIs and public has improved the structure and performance of the bank. Similar methodology and procedure is being followed in Eastern Rural Development Bank, Biratnagar where in 56.75 percent share of NRB is to be off-loaded. This will help to improve the image, structure and performance of the banks by bringing in professional management in the bank and help to make them viable and sustainable.

Although MFs is related to the poor and small in loan size its deposit and lending rate has to be commercial in nature MFIs should not think of soft loan at below the market rate in present system of liberalization, which is neither realistic nor dependable. Keeping in view the changing scenario MF has slowly adopted commercial loan of market based interest rates for its viability. Sustainability of MFI is recognized as the basic issue for continuity and expansion of such programs in Nepal. (Bista, 2063).

### **2.3. Conceptual review of empowerment**

UNITERRA, highlighted the conceptual framework of MF as below during the training held on June 5.7.

Empowerment is a process that emerges from people themselves. Only concerned bodies, organization etc. can empower themselves to make choice or to speak out on their own behalf. The role of development workers is to provide tools (information, awareness, leadership, training, etc) to support the empowerment. There are not magical recipes. Each context is specific and development workers must be able to analyze and identify what could be more efficient in each situation. However, empowerment needs usually a combination of different actions. (UNITERRA, 2006)

### **Development skills**

To participate in decision making

To communicate

To influence and negotiate

To develop other technical skills that enabling them to play and active role in development process

### **Equitable access to resources such as:**

Information, trainings, technology, decision, networking

### **Awareness rising**

For men and advantaged people about social exclusion and inequities

To make visible and value of potential of socially exclusion people

About human rights legal rights, women's rights, citizenship rights, children rights etc.

### **Solidarity**

Building alliances, sense of belonging and co-operation among people.

Supporting socially excluded people to create their own group of influence

Promoting the integration of socially excluded people in other groups in the communities,

Supporting networking

### **Development of self esteem of socially excluded people,**

By setting their own agenda

By having dreams visions, projects

By giving value to their contribution to the well being of the house hold and the community

By being encouraged and listened to

By increasing their self confidence

### **2.3.1. Women Focused Micro-credit Development Program**

Paudel has highlighted women focused program in his article as;

**PCRW:** - It was initiated in 1982 with support of UNICEF, PCRW is a pioneer women targeted program designed to increase the participation of women below the poverty for their decent living. Target group of this program includes, land less household, female headed household, disadvantaged social and ethnic groups and ethnic groups having per capita income less than minimal standard. PCRW groups were linked to participating banks through WDD of MCD. All total, it has covered 1, 27,615 women of 782 VDCs of 67 districts.

**MCPW:** - ADB, Manila was the initiator of MCPW, project started in 1994. This is the first credit program in which the government recognized NGO involved in micro financing activities in farming women group, mobilizing group saving and linked group members, CBs selected branches for credit support. This program involves 37,592 women of 100 different VDCs of 12 districts.

RDB a prototype of Grameen Bank Bangladesh was established toward the end of 1992 by NG-NRB, for assisting the poorest of the poor women living in remote areas. RDB has operated in all development regions. It has included 1, 50,270 women of 907 VDCs of 42 different districts.

**Banking with poor (BWT)** initiated since 1991 with joint effort of the Foundation for Development Co-operation (FDC) of Australia and RBB. The main objectives of the program to promote socio-economic self reliance of rural poor on the one hand and explore a viable and sustainable banking mechanism for the CBs on the other, total members of BWT are 12013 as of mid 2001.

**Women Awareness and Income Generating Program (WAIBP)** NGO has started WAIBP after the success of PCRW, MCPW. The main objectives of the

program are to uplift socio-economic status and increase political awareness of women empowerment program. WAIBP was since the FY 1999/2000 in the 954 VDCs of Nepal aiming to cover all 3914 VDCs of the kingdom in five year. (Paudel, 2058)

### **2.3.2. Nepalese Women**

According to Leduce, women have less access to paid jobs or income earning than men and they do more unpaid work. In 1997 only 4 percent of all economically active women work in the formal sector, 63 percent of women are employed in unpaid work compared to 24 percent of men. Similarly, 30 percent of women were engaged in income earning activities compared to 44 percent of men. 7 percent of women were employed in paid job compared to 32 percent of men.

In 2002, the female economic activities rate (age 15 and above) was 56.8 percent. Women work more hour than men. In 1994 women's work burden was 10.9 hours in comparison to 7.8 hours of men. There is 3.1 hours difference between work burdens.

In 2001, 43 percent men and 26.4 percent women were literate. The school enrollment ratio at primary level was 67 percent for boy and 46 percent for girl. 23 percent of boys and 14 percent of girls were registered at the lower secondary level and 22 percent of boys and 12 percent of girls at the secondary level 29 percent of the girls children between the age of 5 and 10 are enrolled in primary school. 12 of which are forced to drop out by the end of their first session.

Women participation in remote areas has lower access to health services. The maternal mortality rate for 1,00,000 births is 415 (it is 6 for 1,00,000 in Canada). In 2001, total fertility rate by women was 4.3 (in Canada it is 1.5 only). In 1996, 42.4 percent of married women give birth by age of 19. 32.6 percent of birth attended by trained health personals.

Women have less access to political power than men. In 1998, parliamentary election, 5.1 percent was women's candidacy. In the 1999 elections out of a total of 2212 candidates, only 35 were women. Only 12 emerged as parliamentary members constituting less than 6 percent of the total number of seats

Women cope more with physical and psychological violence than man. According to SAATHI and the Asian Foundation (1997), 95 percent of women and girls surveyed reported first hand knowledge of violence, of which 77 percent was from their own family members. 5000 to 7000 Nepalese girls are trafficked to India for prostitution some girls are as young as 10 year old.

Women are more discriminated against by laws, institutions, religion and mentalities than men. Women are more imprisoned by traditions, cultures, values that are sometimes very unfavorable to women. Women support more discrimination against women in the house hold than men in some families girls are still married at their early age. In the Hindu cast-system, widows are deprived of their right to remarry. Polygamy is still practiced many women bear very difficult relationship and harassment within household. Denial of divorce and if there is a separation, it is always considered by the society as the women' fault. (Leduce, 2006)

### **2.3.3. Is women inclusion necessary to reduce poverty?**

According to Wehnert ".....Definitely! Women are the most disadvantaged group among the poor their access to the financial market is very limited. Time and again it has been proven that women are performing much better with regard saving and loan repayment than their male colleagues without women there will be no country in the world that would improve substantially the standard of living" (Wehnert, 2058).

According to Pokharel "..... Until and unless women are brought into the main stream for social and economic change, we will fail to bring change in rural



poverty. There are numerous social taboos which do not allow the women to come out of home these hurdles need to be broken down which is only possible when we help them organize through social mobilization process for empowerment. Women need to organize for the decision of their choices and voices. They should be socially organized which can be effectively achieved through social mobilization, COs of women are more effective, honest in transaction and doing things better in practice. The women must be placed in the center of Micro planning for micro economic development", ( Pokharel, 2058).

As women represent about half of the population and are mostly excluded from the traditional financial services, with out involving women in socio-economic activities, it is impossible to alleviate poverty

#### **2.3.4. Working style, gap and problems of MF industry in global context**

The most common micro finance product in a micro credit loan usually less than \$100. These tiny loans are enough for hardworking, micro-entrepreneurs to start or expand small businesses such a weaving basket raising chickens or buying wholesale product to sell in a market. Income from these businesses provides better food, housing healthcare and education for entire families and most important additional income provides hope for a batter future.

In addition, the poor like all of us , need a secure place to save their money and access to insurance for their homes, business and health, MFIs are now innovative to help meet these needs, empowering the world's poor to improve their own lives. The global repayment rate for MC loan is higher then 95%, which allows MFIs to lend these funds to even more clients. By giving the world's poor a hand up not handout, MF can help break the cycle of poverty in as little as single generation. During the past 30 years MF has been proven to be a powerful poverty alleviation tool. It is one of the only development tools with the potential to be financially self sustaining. However even after more than 30 years of industry effort 80% of the

working poor (more than 400 million families) are still with out access to micro finance services. At current growth rates the gap will not be closed for the decades. For MF to achieve its potential as global poverty alleviation tool, the MF industry must grow to scale. Symptoms of the MF industry problem are presented below, MFIs need both capital and internal operating capacity to achieve scale.

Most MFIs lack the capital to grow,

Even through the industry has demonstrated that MFIs can be self-sustaining business, most still rely on a limited pool of donor dollars. Without access to capital growth traditionally stops once initial grant money is distributed as MC loans. For rapid sale rapidly, MFIs must access large amount of capital to expend their operation and provide loan and other financial products to dramatically more clients. These large amounts of capital are accessible only through the formal capital markets, and currently most MFIs have neither the track record nor the clearly articulated business plan to attract this funding. Most MFIs lack large scale internal operating capacity without sufficient internal operating capacity growth stops once a program reaches several thousand clients, adequate internal operating capacity includes improvements in areas such as information technology, infrastructure internal controls, new product development and human resources. When MFIs relay on donor dollars there is rarely enough money to make the necessary investment in these key areas to create an operation that is well run and has the ability to grow on a sustainable basis. Thus most MFIs are small and stay small. (Review from [www.cgap.com](http://www.cgap.com))

### **2.3.5. Empirical Review (RMDC Report)**

#### **MF a source of women empowerment (success story)**

Sita Thakur, 45 resident of Benddawar-6 of Dhanusa, expresses sincere gratitude to the S.B. Bank which has helped her transforms into an entrepreneur from a laborer and to escape from poverty she had desperate life when she took the first

loan from the MF bank. Now, she has her own house and shop worth over Rs 500,000. She has added household asset, such as radio, television, fan, etc. her two children have completed their schooling and the youngest son is at 8<sup>th</sup> level in an English medium school in Dhanusha. Due to poverty, she had to leave school while studying at grade four. At the age of 20 she got married with a man of poor family, who had only a thatched roof house and one acre or low fertile land. For livelihood, they had to rent in other's land for cultivation life became even worse when her husband died after nine years of marriage in 2047 BS. She was desperately toiling to feed her three small children.

With saving of Rs 1200, she started selling spices at periodic hat bazaar (weekly market) which turned out to be a failure. In search of a small capital she knocked at the door of money lender but none were kind to her. That had downgraded her moral and prevented her from initiating some economic activities in an effort to survive. At such a time she heard about MF bank providing credit without collateral to the poor. With excitement she enrolled as a member of credit group of the bank. For the first time in 2054 BS, she borrowed a loan of Rs 3,000 and started selling spices again in the periodic markets. After repaying the first loan she borrowed another loan of Rs 7,000 to expand her petty trading. Emboldened by the success, she has been continuously borrowing till the date from the bank. She now owns an outstanding loan of Rs 35,000 to the bank. Till the date, she has borrowed a total sum of Rs 1,58,000 from the bank and has repaid every loan installment on time. Now, her average daily sale in the business is Rs 3500 which includes profit margin of 15-20 percent.

Similarly, there is another interesting story of Khalari Devi Mehata, resident of Maddha Harshai-8 of Sunsari. Before her involvement in MF, she was in the state of terrible poverty. Her family had only 2 kattha and 10 dhur land and 2 goats and a hut house with grass roof. So, her life is passing through very lower level. When she heard about NRDSC from a staff of NRDSC, she involved herself in NRDSC as member in five member group at Devangung. Being chief member she got first credit at last and started to sell vegetable in Biratnagar. So, she and her husband

started to work together, at the end of the year they generated Rs 4200 after repaying loan. They added additional 1 kattha 6.5 dhur land by this money. After that she is continuously borrowing from NRDSC. Now, she has own modified house a buffalo, which gives 5-6 liter milk. Her children go to school. According to her, her bad days are decreasing day by day.

Mrs Lila Devi Shrestha is another member who is benefited from MFs.

She is resident of Tripureshwor, joined in group No 3, few years ago. In the beginning she borrowed Rs 12000 for small hosiery industry from SFDP Tripureshwor. She was able to sell woolen sweaters worth Rs 90000 for the three success-ding seasons and was able to reap a net income of Rs 20,000-25,000. Lila now knows the demand for her product to be high during the months of Aswin to Magh. In the off season or during other months she makes sweaters and maintains the stock to sell during the winter. At the time of visit SFDP division on July \$ 1994 she had a stock of worth Rs 80000. Lila had paid last installment of Rs 3000 and owned nothing to the SFDP.

Lila, unmarried, when she joined SFDP, is now married. She was able to manage the marriage expenses out of the income she made from her enterprise. After marriage her husband who was unemployed previously helps Lila full time in every aspect, particularly in buying raw materials and selling the sweaters in the market. Lila is living happy conjugal life with no financial stress and strain to maintain her family. (Shrestha, 1998).

#### **2.4. Review of related studies**

No. of articles are being reviewed to have a clear understanding and greater insight about the subject matter during understanding this study. So, they are briefly reviewed below. For the general purpose, reviews of articles have been divided in to two portion review of MF related articles and review of dissertations.

#### **2.4.1 Review from MF related articles:**

"In Nepal, over half a dozen MFIs have been in operating since the early 1990s. These institutions now serve a total 2, 23,521 poor household with the total cumulative loan disbursement of Rs 6.69 billion" ( The Raising Nepal, 20<sup>th</sup> April, 2000)

According to Dr. Richard Vokes, resident representative of ADB/N "In the financial sector, the focus of ADB support is on improving the legal and regulatory formwork and the sustainability of the non-bank and MF sector. At the same time WB is providing support in the commercial banking reform while the IMF is supporting the government's efforts to improve the overall regulatory and supervision environment and strengthens the capacity of the NRB. Inside corporate and financial sector reform undoubtedly represent a great challenge to the region and Nepal. An even greater challenge is the task of improving the quality of life of the millions of people who remain in poverty. According to a commonly used definition of poverty- those who live on less than US\$ 1 a day" (A political and Business Weekly, April 27<sup>th</sup>- May 2000)

According to Dr. Tilak Rawal, "the MF sector is gaining ground in the rural areas of Nepal as a situation to the economic problems of the rural Masses". Highlighting the importance of MF, he further says- "MF is the key to poverty alleviation and lot of opportunities are open to the rural masses because of proper resource mobilization under this concept". (A Political and Business Weekly, edition of 10<sup>th</sup>-16<sup>th</sup> Feb, 2000").

According to Stuart Furtherford, founder chairperson of SAVE, Bangladesh, "the success of MF sector depends very much on the management of money. The extremely low saving rates in South Asian region is because of the presence of a large number of money lenders. ( A political and business weekly, Edition of 10<sup>th</sup> - 16<sup>th</sup> Feb,2000").

"MF is based on the concept that the poor can save, are, creative, resourceful and disciplined, and also participants in development. The repayment rate is over 95% of attendance at the weekly center meetings is near about 100%. At these meeting borrowers receive through education on the necessity of repaying the borrowed funds". (Prof. Ritusmeikan, 2000)

If it were true that the poor were just like the rich but with less money, the global situation would be vastly easier than it is. As it happens, the poor live in different ecological zones, face different health conditions and must overcome agronomic limitations that are very different those of rich countries. Those differences in deed are often a fundamental cause of persistent poverty". ( Sachs, 1999)

It has been proved in many countries that investments in rural development have been successful and has enriched the country in due course of time. The economy and prosperity of countryside are developed properly; what we call rural finance the country's economy would surely receive a boost". ( Adhikari, 2003)

Nimal Fernando, Rural –finance specialist, says, "There has been uneasiness among promoters of MF about failure to reach the poorest defined as those in the bottom half below the poverty line. The core issue is whether it is realistic to expect that MF can be provided to the poorest on a sustainable and large scale basis". (The Himalayan Times, 12<sup>th</sup>, April, 2004")

Micro credit summit of 1997 set the goal to reach 100 million poorest families with micro credit campaign show that by the end of 2001 more than 59 million families around the world have benefited from Micro credit of this number 268 million are among the poorest. (Newsletter by Grameen trust, Jan 2003)

#### **2.4.2 Review of Thesis.**

Since the MF and Empowerment are relatively new discipline, only handful researches are undertaken by few researchers. Therefore, very few dissertations are available in the libraries, which are briefly reviewed below.

Yogmaya Kharel undertook the research study entitled; "Impact of Grameen Bikas Bank on Poverty alleviation among the Women of the far Western Development region" in September 1998. The specific objectives of this study were;

To find out the impact of micro credit given by the Grameen Bikas Bank on the living standard and income generation capacity of women.

To find out the extent to which poverty alleviation has been achieved.

To find out the impact on the status of women especially with regard to their role in decision making

Thus this study was undertaken to identify the impact of micro credit extended by Sudur Paschimanchal Grameen Bikas Bank on Socio-economic status of women. Likewise, this study also carries the objectives of measuring the degree of achievements towards poverty alleviation and women support. The major findings of this study were;

MFs are very much supportive to enhance the socio-economic status of women and on poverty alleviation. The study further says that increasing per capita income of MF client's justifies the fact.

Mf activities are not very much supportive towards the women support. Even though, there has been significant improvement in the women's education, health and employment situation, the decision making power of women has not been improved accordingly.

Like wise, another research was carried out by Bindeswor Prasad Lekhak in 2004 and the title was "Micro Finance in Nepal and the case study of SFCL Anandvan, Rupandehi, ADB/N". This study was designed the following objectives;

- ✍ To study the financial sustainability and viability of SFCL.
- ✍ To know the improvement in socio-economic status of SFCL clients;
- ✍ To know the major problems of SFCL Anandavan.

The research carried out by Lekhak has drawn the following findings;

The organization is financially viable and sustainable as well. It is because, the cost is effective, repayment is satisfactory, profit is reasonable and resource utilization is optimum.

SFCL's Programs are effective to enhance the socio-economic status of its clients. After implementation of the SFCL's programs, clients have been started to earn more, awareness about development, sanitation and education has been enhanced.

However organization has faced different problems like lack of alternative leadership, lack of support from agencies, political interference and lack of professionalism.

The next research was undertaken by Bishal Shapkota in 2000 under the title of "Impact of Grameen Bikash Bank on Rural Poor Women". It was case study of Purbanchal Grameen Bikash Bank. The study outlined the followings objectives;

- ? To study whether the women taking services from the P-GBB were really poor before taking services.
- ? To study the impact of P-GBB on rural women in every field of society.
- ? To examine the changes made by the program before and after of its implementation.
- ? To study different aspects related to performance of P-GBB.

### **Finding of the study are;**

Most of the families are nuclear, there is still need of awariness, maximum numbers of the borrowers are married women (30-40 aged women) high demand of Micro credit on rural, women are better borrowers then male etc. MFs are so much



important on the economic upliftment of poor women. Likewise, the study also shows that MFs are playing significant role in the enhancement of social status of women.

Another research entitled, "The role of Grameen Bikas in alleviation of poverty" was carried out by Bijaya Ram Acharya in 2000 by taking Pubanchal Grameen Bikas Bank as case study, along with specifying the following objectives:

- ✍ To find out the changes in financial condition of women before and after participation in the program of Grameen Bikas Bank.
- ✍ To identify the motivation of people toward Grameen Bikas Bank.
- ✍ To Analyze the financial position of Purwanchal Grameen Bikas Bank over the period of 5 year i.e. Fiscal Year 2049/50 to 2053/54.

His research has drawn the following major findings,

Borrowed loan has significantly diverted the rural women from traditional sector to non traditional sector. Income level of borrower is raised, satisfactory increment in self-employment. Motivation of people toward bank is positive. Women are uplifted and become conscious in their socio-economic status.

The next research was undertaken by Surenjena Poudyal in 2005 under the title of "Micro Finance and Its Impact on Economic Upliftment of Women ". It was case study of Baluwa VDC of Kathmandu District. The study outlined the following objectives;

- ✍ To evaluate the impact of micro finance on the economic upliftment of women.
- ✍ To examine the enhancement in the status of women by micro finance program in Baluwa VDC.
- ✍ To suggest appropriate measure to improve micro finance on the basis of economic upliftment of women.

According to her, MFs are so much important on the economic upliftment of poor women of Baluwa VDC. It is because access to the MFSs makes women able to generate income to support their poor households. Likewise, the study also shows that MFs are playing significant role in the enhancement of social status of women in the VDC. It is because; women have achieved self sufficiency which ultimately support them to make a place for themselves in the society. They have been more socialized. And now they are started to involve in social activities and decision making process actively. For the improvement of MFSs of SFCL, she has suggested following measures:-

Government or concerned organization should support to micro entrepreneurs to seek the market for their product. Proper monitoring of loan mobilization is essential to ensure the loan extended is employed on productive sector.

Another research entitled, "Micro finance in Nepal and Role of RMDC in Micro Credit Development" was carried out by Minu Shrestha in 2005, along with specifying the following objectives:

- ✍ To examine the Micro finance performance of RMDC
- ✍ To examine RMDC's contribution to microfinance development in Nepal.

Her research work has drawn the following conclusions;

RMDC's recovery rate is less than 50%. This could be a major problem as a wholesale provider. Small holders do not have easy access to financial services of RMDC. It is because it provides its financial services to only its big partners not to other.

Agricultural lending is a fast and recoverable lending for reducing poverty. Most of them have got the idea about agricultural field. So, they can easily use and repay these ting of lending at time. Only soft loan is not a way to reduce poverty. Other things like technical assistance and training to specific field should be supplied along with soft loan. Training to the MFIs should be provided to the MFIs for capacity building and systematic working.

Although above thesis are conducted to know about MF and women they have only focused on very few issues of women but in this study three major issues of women which are really needed to empower the women are focused, and analyzed through Z-test and evaluated by Chi-square test.

### **Research Gap**

Although some of the researches have conducted on the subject of MF, out of total research only very few are available for public use. Trend of selecting MF as a matter of research from the new researchers (students) was limited in the past, but at present trend is satisfactory. As meaning of MF consists very broad definition of micro fund mobilization and it incorporates a lot aspect of societies so, to know the real impact of MF, all relevant aspect of societies should be evaluated. In the same concern I have selected women as a matter of study which is majority in population but ignored from the stream of sustainable development of country and dominated by males. Mainly, this research is focused on women empowerment and with the boundary of empowerment; I have introduced three major pillars (economical, social and political). However, the study is entirely new in Parbat district no research related to MF has so far been done in Parbat district my research justifies the present work.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3. Introduction**

Research methodology describes the systematic way of one and different tools and techniques to be followed by the researcher. In this chapter different methodologies are used for the briefing of collected information.

#### **3.1. Research Design**

Descriptive, cross sectional and analytical research design are used in the study. Descriptive approach is used mainly for conceptualization of the problem, cross sectional approach is used to compare there figure (numerical) and analytical design is used to analyze the qualitative and quantitative data.

#### **3.2. Population and Sample**

Dhaulagiri zone has only four partners of RMDC; they are DCRDC, NESDO, CYC, and RAF. I have taken NESDO as study organization and total numbers of centers of Parbat district are our total population. Among total centers of Parbat I have taken 20 percent of center, which consists totally women borrowers. Sample selection procedure is on judgmental basis because of topographical difficulties.

#### **3.3. Sources of Data**

The study is mainly based on primary data. For the purpose to know organization itself, its activities, total disbursement, collection, outstanding amount I have used secondary data. To test clients' perception and impact of MF on rural area, I have visited different groups of different centers of NESDO around the Parbat district.

### **3.4. Data Collection**

Organization related data are directly taken from the organization, for this purpose I have taken journals, related profiles, etc of NESDO as secondary sourced data.

To know the clients' attitudes, test, and impact of MF on rural I have visited the different group of different centers of NESDO around the Parbat district with structured questionnaire (as Appendix-29), oral interview is also conducted to get brief information as primary data.

### **3.5. Data analysis and presentation.**

Data itself give no meaning. They should be analyzed and interpreted by using different tools and techniques. These tools and techniques may either be statistical or may be other. As for as this study is concerned, two kinds of tools arithmetic and statistical tools are used. As and arithmetic tool percentage analysis mean, coefficient of variation are used and as statistical tool Z-test and  $X^2$ -test are used to draw inference.

#### **3.5.1. Percentage Analysis**

A percentage is a way of expressing numbers as fraction of 100 and is often denoted by using % sign. Percentage is a proportion stated in terms of one hundredth that is calculated by multiplying by fraction. It presents the inference or result in absolute terms. In this study, this tool is used to measure the proportion of respondent which are depended on their male partners, no. of savers, general information about respondents etc. This tool helps us to compare the proportion of different unit in various issues.

### 3.5.2. Z- Test (Two Proportion test)

Z-Test is used to test the significance of parametric test for sampling of attributes.

Z- Test is used under the following assumptions;

When sample size is 30 or more then 30

Then sample have been drawn form normal population.

Then sample are independent

It is a significance test of great practical utility is the test of significance of proportion or percentage in which the population is divided in to two mutually disjoint classes representing the qualitative characteristics in such a way that one possesses a particular attribute and other does not possess that attribute. The same method is use for testing of significance of sample proportion or percentage as is used for testing of sample mean except in respect of finding the standard error of proportion which is used in place of standard error of sample mean for computation of test statistics used for decision making.

Same time in statistical investigation, a problem arise in respect of determining whether the two sample proportion could have been drawn from the same parent population or whether two sample proportions differs significantly or not. To verify this assumption, I use Z-Statistics.

Let  $n_1$  and  $n_2$  denote the size of large sample and Let  $X_1$  and  $X_2$  which denote the observed number of one e vent.

Now,  $P_1$ = observed sample proportion of event A before MFP=  $X_1/n_1$

$P_2$ = observed sample proportion of event A after MFP=  $X_2/n_2$

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

**Where,**  $\hat{P} = \frac{X_1 + X_2}{n_1 + n_2}$

$$\hat{Q} = 1 - \hat{P}$$

In this study I have used this test to test preoperational change in various 5% level of significance.

### 3.5.3 Chi-Square Test.

This test explains the magnitude of discrepancy between expected frequency and observed frequency. Actually chi square tests allow us to do a lot more than just test for the equality of several proportions. If I classify a population in to several categories with respect to two attribute (such as perception and no of respondent). I can then use a chi square test to determine whether the two attributes are independent of each other. In this study I have used chi-square test to find out women perception, experience, social response, reaction. This is often used to know the differences between in theory and observation. So it is given by;

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Where

O= Observed frequency

E= Expected frequency

X<sup>2</sup> is a non-negative quality. Hence its value ranges from zero to infinity.

Condition for the application of X<sup>2</sup>-test

Total number of frequency should be as large as 50

Sample observation should be independent etc.....

In this study I have used this tool to test women perception and all the tests are based on 5% level of significance in respective degree of freedom (n-1)

### 3.5.4. Mean (Average)

Simply a mean of a set of observation is the sum of all the observation divided by number of observation. Arithmetic mean is also know as arithmetic average, when I use step deviation method for continuous series I calculate mean by using following tool,

$$\bar{X} = a + \frac{\sum fd}{N}$$

Where,

$$\begin{aligned} \bar{X} & \text{ ? Mean} \\ a & \text{ ? assumed ? mean} \\ d & \text{ ? ? } \frac{X - a}{h} \\ X & \text{ ? midpo int} \\ \text{or ? } X & \text{ ? } \frac{\text{lower lim it ? upper lim it}}{2} \\ h & \text{ ? class ? size} \\ N & \text{ ? ? } f \text{ ? total ? frequency} \end{aligned}$$

This calculation is done to know the before and after income change of respondent.

### 3.5.5 Coefficient of Variation (C.V.)

The relative measure of dispersion based on the standard deviation (Absolute measure) is known as C.V., it show the per unit risk associated with per unit extra income.

It is calculated by using

$$C.V. = \frac{s}{\bar{X}}$$

Where,

$$s = \text{standard deviation}$$

$$\text{or } s = hx \sqrt{\frac{\sum fd^2}{N} - \left(\frac{\sum fd}{N}\right)^2}$$

$$h \text{ ? class ? size}$$

$$d \text{ ? ? } \frac{X - a}{n}$$

$$a \text{ ? assumed ? mean}$$

$$X \text{ ? mid ? po int}$$

$$\text{or ? } X \text{ ? } \frac{\text{lower lim it ? upperpo int}}{2}$$

C.V is independent of unit. So, two distribution can be compared with the help of C.V. for their variability. Less the C.V. more will be the uniformity,



consistency etc and vice versa. In this study I have used C.V. to test the consistency of income of respondent after involving MFP.

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

#### Data, Methodology and Justification of Objectives

Figure-3.1

MICRO FINANCE		
Flow of Services ↓	Flow of Services ↓	Feed back ↑
Socio-economic Impact	Political Impact	Women Perception
Income Change ( mean, C.V)	Women power	Women experiences ( $X^2$ -test)
Saving ( % & descriptive)	for Decision	Women perceptions ( $X^2$ -test)
Consumption Pattern (Z-test)	(Z-test)	Social responses ( $X^2$ -test)
Clothing Pattern (Z-test)	Women	Support of MFP ( $X^2$ -test)
Drinking Water (Z-test)	participation on	Dependency ( % &
Sanitation ( toilet and	various issues.	Descriptive)
bathroom) (Z-test)	(Z-test)	
Occupational change (Z-test)		
Fuel consumption (Z-test)		
+ve   impact	+ve   impact	+ve   response
↓ EMPOWERMENT		

## CHAPTER IV

### DATA PRESENTATION AND ANALYSIS

#### 4.1. Introduction of Dhaulagiri Zone

Dhaulagiri zone is situated at western part of Nepal. It consists 4 districts- Baglung, Parbat, Mustang and Myagdi. Total population of Dhaulagiri is 5,56,191 out of these women percentage is 53.64. Dhaulagiri zone includes 1 municipality and 170 VDCs. Total area of this zone is 8,148 Sq. Km.. Zone is stretches from over Himalayan region to Hilly region, Jomsom, Baglung, Kushma, Beni, Dhorpatan, Kalika Temple etc. are the main place. Most of the people of this zone are depended on agriculture, livestock, small scale-industry, business are the main pillar of economical condition. Cultural diversity, bio-diversity, beautiful places, paper industry, herbs industry etc are potential sector that can attract the other's attention.

Now a day, road way, telephone, water supply, educational packages, health related program, human development and physical infrastructure development related activities are expending all over the zone. So, it is in a rapid development stage. Four partners of RMDC (DCRDC, CYC, RAF, and NESDO) are promoting MFs in the zone.

#### 4.2. Parbat

It is one of the district of Dhaulagiri Zone which has total population 1,57,823. Out of whole population women proportion is 54 percent and total area of Parbat district is 494 Sq. km. Total no. of VDCs of Parbat are 55 and 495 wards.

Total economically active population of district is 65.2 percent. Women active population is 66.2 percent, women are depended on agriculture by 75.9 percent similarly 9.4 percent of women are engage in salary/wage or own economic enterprises (CBS 2006). Participation of women on industry is only 2 percent,

10.10 percent of women are participating on small scale and cottage business. (Parbat DDC, newsletter 2058). Social empower index of Parbat is 0.613, economic empowerment index is 0.398, political empowerment index is 0.565 and over all HEI is 0.525, human poverty index of Parbat is 35.5 percent and HDI of Parbat is 0.504. (UNDP, 2004) Financial and supporting institutions, Donors, INGOs, NGOs which are operating in district are RBB, Branch of NRB, Branch of ADB\N, UNDP, BBL, RWSSSP, JICA, DFID, GTZ, TLDP, SMP etc ( News letter of Parbat DDC, 2058)

### **4.3. Nepal Educational and Social Development Organization (NESDO)**

NESDO is one of the famous NGOs of Parbat district. The head office of the NGO is situated in the heart of Kushma bazaar.

NESDO was established in 2051B.S. as an NGO in the lap of Dhaulagiri Zone in Patichaur VDC of Parbat. In spite of the limited scope and resources, the organization has achieved a significant success in poverty reduction on rural area of Parbat district through the socio-economic upliftment and empowerment of back-warded communities and women.

Mainly NESDO is conducting various awareness related programs, income generating trainings and programs, such as saving and credit programs to improve social, economical, political condition of deprived and back warded communities by giving priority to community development and service oriented program. Similarly, Self- reliance, Water Supply, Sanitation, Suspension Bridge Construction, Rural Infrastructure Development, Non-formal education, Sustainable Soil management, Maternal Health, Motivation etc. is the focused program to the operational area of NESDO.

The government recognized and various NGOs, INGOs are officiated with NESDO for the sustainable development of back warded communities, women and organizations. Among them Pact, GTZ, FFW, NEWA, Fund Board, BBL, SSMP,

TLDP, LFP, World Education , RMDC etc are main donors or sources of resources.

NESDO used to conduct all donor based program before 2057. After that organization has changed the concept of its past and started MF. According to organization's related document, NESDO was started MFP and established the organization as MFI, because the vision of sustainable poverty reduction is not possible by handed money, so organization realized that it must depend on itself. NESDO was registered in NRB and started to play the role of financial intermediary and service provider to the deprived communities and women by giving the slogan "NESDO, Self Reliance Banking Program For Poverty minimization" in Parbat district".

#### **4.4. Current Status of NESDO**

NESDO had launched MFS in only Six VDCs in 2057 B.S. but till the date it has approximately covered the district. It has expanded its branches to Kaski in 2061 B.S. till the date four districts are touched by MFSs of NESDO. There are Six branche offices, 23 staffs, 14 field staffs, total no. of covered VDCs 36, total self reliance center 805 but in Parbat it is only 84, total members are 4,521 among them 2,656 are borrower. Total amount of investment by MFI is Rs.4,86,80,810.00 total collected credit Rs.3,11,37,301.00 and total outstanding amount is Rs.1,75,43,509.00 (NESDO PROFILE).

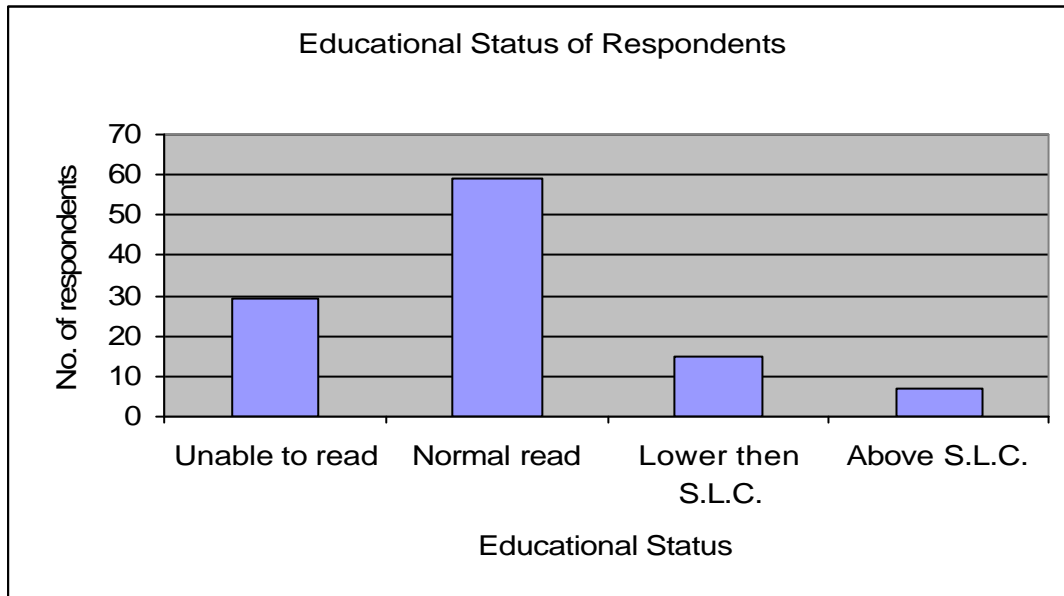
#### **4.5. General Information of Respondent**

Being the study of MF targeted to the women, I have studied women form the NESDO, to know the women activities I have asked various structured questionnaire. So, this section consist various information like as educational status, marital status, and distribution of respondents by cast/ ethnicity. No. of respondent are analyzed by percentage technique.

#### 4.5.1. Educational Status of Respondents

I have studied total 110 women respondent out of them, I find their educational status, scattering in following term. (Related to Question No.1)

Figure No: 4.1  
**Presentation of Educational status of respondent**



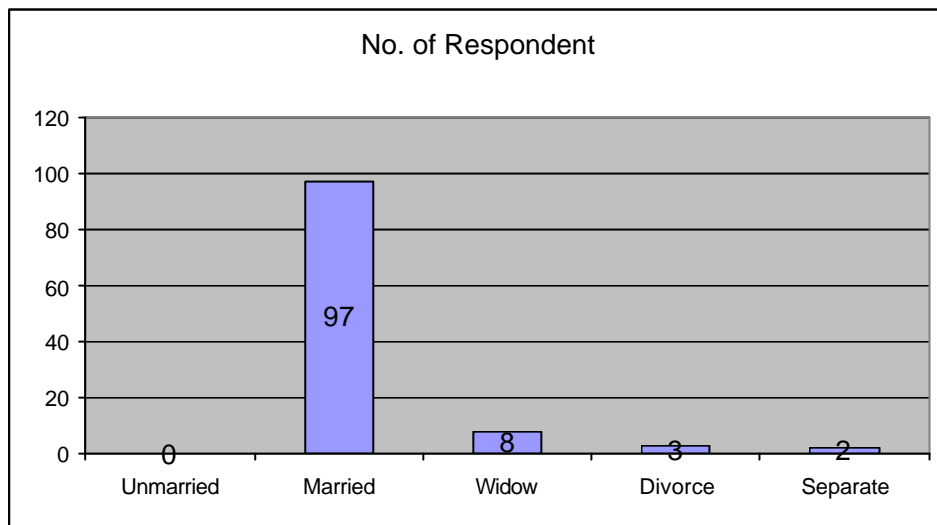
Source Annex-1

On total I had visited 110 respondents, out of them around 30 are found illiterate, 59 respondents were under the normal literacy level, around 12 respondents were literate having lower than SLC education and only 7 respondents were in the bracket of higher than SLC. So, educational status of remote women is miserable.

#### 4.5.2 Marital Status Respondents

This study has allocated the responses of respondent in to five different subheadings and the marital status of respondents are also scattered among this sub headings, which are presented as;

Figure No: -4.2  
**Presentation of Marital status of respondent**



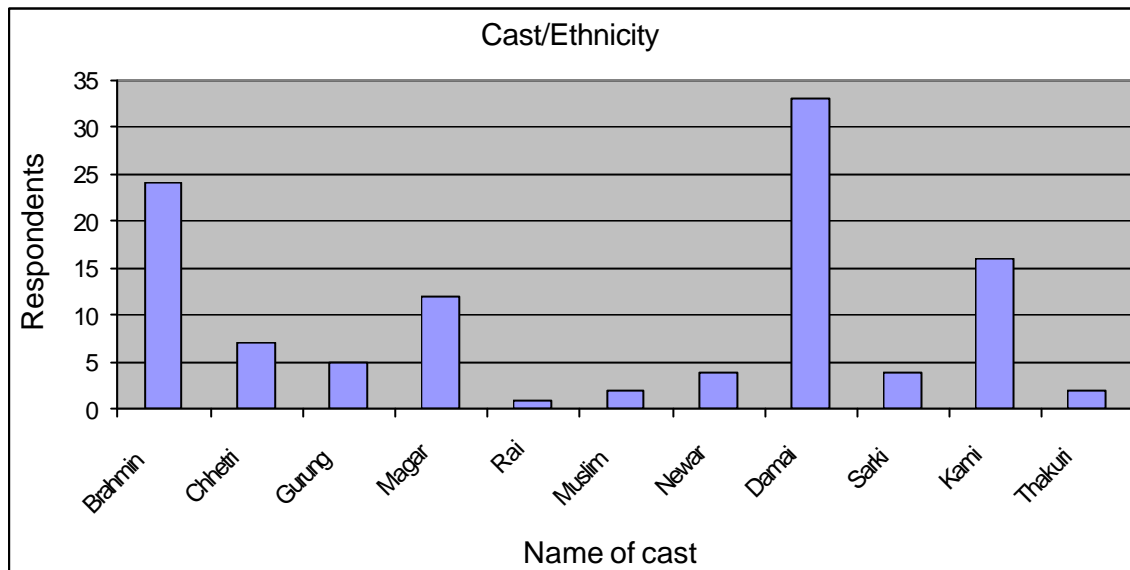
Source Annex-2

Unmarried women were not found during the study, 97 women were found married and living with their husband. Similarly 8 respondents were widow, 3 respondents were divorced, and only 2 respondents were living separately, although their husbands are alive

### 4.5.3. Distribution of Respondents by Caste/ Ethnicity

Our study have consisted 11 different castes. No. of respondent which are falling into these different castes are shown in table.

Figure No: 4.3  
Presentation of Caste/Ethnicity



Source Annex-3

Above figure informs us that MFPs of selected MFI are more focused to those who are suffering form various discrimination. Generally Sarki, Kami, Damai, are known as extremely discriminated caste. MFPs of NESDO have given more focus on such caste so, program seem to, target group oriented.

### 4.5.4. Mean Age and Average Loan Provided to Respondents

All 110 respondents have their own age so I have used direct mean technique to find out the average age of our respondent i.e., 35 year (From Appendix-28). It gives the meaning that MFPs focusing those aged group who are economically active and energetic in every aspect; matured energetic group are focused by MFPs. (Related to Question No.5)

Respondents are provided Rs.13,232.00 (From Appendix-28) as collateral free credit in average by NESDO. Which signifies that NESDO is operating with in the maximum credit limit of Rs.30,000.00 which can be provided by MFIs.

#### **4.6. Socio- Economic Impact of MFPs on Rural Women.**

This study has incorporated various social and economic impact related issues under this heading. Mainly, study deals with significance of changed income after involving MFPs, occupational change due to involvement in MFPs, change in life style ( consumption, clothing, fuel), respondent's awareness on sanitation (use of improved drinking water, toilet and bathroom). Tests of such subheading are presented sequentially.

##### **4.6.1. Significance of Changed Income level of Respondent.**

Income is the outcome of investment on monetary and non monetary efforts. Under this heading I have taken both level of income of respondents before and after involving MFP and analyzed by using mean and coefficient of variation test.

Presentation of Income and no of respondents (Related to Question No.7)



**Table-4.1**  
**Income level of respondent before and after joining MFSs**

Annual income(Nrs)	No. of Respondent Before MFPs	No. of Respondents After MFPs
Below 1000	8	1
1000-2000	19	4
2000-3000	13	17
3000-4000	18	7
4000-5000	20	14
5000-6000	5	9
6000-7000	1	14
7000-8000	7	11
8000-9000	3	4
9000-10000	6	7
10000-11000	2	5
11000-12000	2	4
12000-13000	0	0
13000-14000	1	1
14000-15000	3	6
15000-16000	1	0
16000-17000	0	2
17000-18000	0	0
18000-19000	0	0
19000-20000	1	4
<b>Total Respondent</b>	<b>110</b>	<b>110</b>

Source: Field study 2008

**Table-4.2**  
**Summary of income level of respondent before and after joining MFPs**

	Before	After	Result
Mean Income (NRs.)	4754.55	7000	Increased
C.V.(%)	78.41	62.23	Decreased

(Source Appendix-1)

Above table shows the positive impact on mean income of respondent after MFP is increased to Rs.7000 and C.V. is decreased to 62.23% percent which gives positive result to us. It means increased income is more consistent then previous income.

Their economical condition is improving after MFPs.

#### 4.6.2. Saving

Saving is one of the major component associated with in the boundary of MF. So, MFI are enforcing their clients to save because they have made the provision of regular weekly meetings with small amount of deposit. They have determined pre-standard to save. NESDO have the provision that their client must save Rs 30 during their monthly meeting. If they don't save the money then they are restricted to attend the meeting so 100% women are saving even a small amount of money. (Related to Question No-4)

#### 4.6.3. Occupational Movement

This section deals with the occupational changes of respondent after involving MFPs. For the calculation purpose I have categorized occupation of respondent in to two groups like traditional occupation (agriculture, buffalo keeping and wage) and modern occupation like (goat keeping, poultry forming, small business, hotel etc) (Related to Question No.3 and 6)

**Table-4.3**  
**Occupational change of respondent**

Occupation	Before	After
Traditional ( agriculture, buffalo keeping, wage)	X1=82	X2=58
Modern (goat keeping, poultry forming, small business, hotel)	28	52
Total	N1=110	N2=110

Source: Field survey 2008

#### Hypothesis test

**Null Hypothesis (Ho):**  $P_1=P_2$ : there is no significant change in proportion of respondent, whose main occupation was traditional before involving MFPs.

**Alternative Hypothesis (H1):**  $P_1>P_2$  there is significant decreased in proportion of household whose main occupation is traditional after involving MFPs.

Tabulated value of  $Z = 3.36$  (From Appendix-2)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960.

**Result:-**

Since tabulated value of Z is lower than calculated value so null hypothesis is rejected and alternative hypothesis is accepted. So proportion of household whose main occupation is traditional before involving MFPs has been decreased significantly.

**4.6.4. Consumption Pattern:-**

This section deals with the consumption style of rural women. Is MFPs are becoming effective to improve consumption pattern of rural women? Here I have tried to answer the question. (Related to Question No.8)

**Table-4.4**  
**Consumption pattern of Respondent**

Conditions	Before	After
Improved	X1=20	X2=100
Normal	90	10
Total	N1=110	N2=110

Source: Field survey 2008

**Hypothesis test**

**Null Hypothesis (H<sub>0</sub>):**  $P_1=P_2$  there is no significant improvement in the proportions of women population in the concern of consumption patterns after involving MFPs.

**Alternative Hypothesis (H<sub>1</sub>)**  $P_1>P_2$  there is significant improvement in the proportions of women population in the concern of consumption patterns after involving MFPs.

Calculated Value of Z= 10.83 (From Appendix-3)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### **Result:-**

Since, calculated value of Z is higher than tabulated value of Z so alternative hypothesis is accepted. So, there is significant improvement in the proportions of women population in the concern of consumption patterns after involving MFPs.

#### **4.6.5. Clothing Pattern of Respondent**

This heading deal with the clothing pattern of respondent, the main purpose of this heading is to find whether MF is supporting to change their clothing pattern of respondent? (Related to Question No.9)

**Table-4.5**  
**Clothing pattern of respondent**

Conditions	Before	After
Improved	18	105
Normal	X1=92	X2=5
Total	N1=110	N2=110

Source: Field survey 2008

#### **Hypothesis test**

**Null Hypothesis (H<sub>0</sub>):**  $P_1=P_2$ : there is no significant difference in the population proportion of women whose clothing pattern was normal, after involving MFPs.

**Alternative Hypothesis (H<sub>1</sub>):**  $P_1>P_2$ : there is significant decline in the population proportion of women whose clothing pattern is normal after involving MFPs.

Calculated value of Z= 11.81 (From Appendix-4)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:-**

Since calculated value exceed the tabulated value of Z so I have evidence that population proportion of women whose clothing pattern was normal before the arrival of MFPS have decreased significantly.

**4.6.6. Condition of Drinking Water**

This section deals with respondents' awareness about drinking water after becoming economically self-dependent. Significance of this test is to find out the respondents response on drinking water and its management. (Related to Question No.12)

**Table-4.6  
Condition of Drinking Water**

Conditions	Before	After
Improved	X1=30	X2=95
Normal	80	15
Total	N1=110	N2=110

Source: Field survey 2008

**Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1=P_2$ : proportion of population who has good condition of drinking water is not changed after involvement in MFPS.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ : proportion of population who has good condition is increased after involvement in MFPS.

Calculated value of  $|Z| = 8.85$  (From Apendix-5)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:-**

Since calculated value exceeds the tabulated value of Z so I can say that proportion of population who has good condition of drinking water is increased after involvement in MFPS.

#### 4.6.7. Toilet and Bathroom user

Here I have tested the proportion changed in toilet and bathroom user before and after the involvement in MFPs. (Related to Question No.13)

**Table-4.7**  
**Toilet and Bathroom user**

Conditions	Before	After
Improved	X1=41	X2=87
Normal	69	23
Total	N1=110	N2=110

Source: Field survey 2008

#### **Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1=P_2$ : proportion of toilet and bathroom user population is not changed after involving MFPs.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ : proportion of toilet and bathroom user is increased significantly after involving in MFPs.

Calculated value of  $|Z| = 6.29$  (From Apendix-6)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

#### **Result:-**

Since calculated value of Z is higher then tabulated value so, I can say that proportion of toilet and bathroom user is increased significantly after involving in MFPs.

#### 4.6.8. Fuel Consumption:

I have taken into consideration various fuel alternatives from our study area and classified them into two groups by giving name improved and poor. An improved source includes Bio-gas, LP gas, electricity, solar, improved oven etc and poor sources includes firewood, animal residual etc. (Related to Question No, 14)

**Table -4.8**  
**Fuel Consumption**

Conditions	Before	After
Improved	X1=26	X2=58
Normal	84	52
Total	N1=110	N2=110

Source: Field survey 2008

### **Testing of Hypothesis**

**Null Hypothesis (H<sub>0</sub>):** P<sub>1</sub>=P<sub>2</sub>: population still completely uses traditional sources of fuel or there is no significant difference in proportion of population in fuel consumption before and after then arrival of MFPs.

**Alternative Hypothesis (H<sub>1</sub>):** P<sub>1</sub><P<sub>2</sub>: population doesn't completely use traditional sources of fuel or there is significant decline in the proportion of traditional sources of fuel user after the arrival of MFPs.

Calculated value of  $|Z| = 4.44$  (From Apendix-7)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### **Result:-**

Since the tabulated value is lower then calculated value so, I can say that proportion of population using traditional sources of fuel are decreasing now a days after the arrival of MFPs.

### **4.7. Political Impact of MFPs on Rural Women.**

Under this heading I have considered women's power of decision making and women-participation on different issues. The main significance of this section is to measure the impact of micro finance on participatory condition and decision making level of rural women. When human being becomes economically strong then he/she conduct various activities based on his strong deeds. So every aspect of human being are interlinked so if one aspect become strong then other aspect also

react differently or they have auto relation. Main focus of this section is to test the women's activities which are auto related with financial aspect.

#### **4.7.1. Decisional Power.**

Inclusion in social and family decision making process empowers the women because it develops the perception of pride with in women. It enables women to make themselves as in an integral part of family and society as well. So, increased outreach of women to the decision making process on social units either in family or in society implies the increased dignity of works. So the present study thoroughly deals with the empowerment of women through the enhancement of decision making power with special reference to the MFSs rendered by the NESDO to its clients. To examine whether the MFSs of NESDO are supportive, different variables regarding the decision are identified. They are; food and cloth related, entertainment and educational, land related, agriculture related, livestock related, loan payment related and health and treatments related decision pattern of women are tested sequentially below. (Related to Question No.17)

##### **4.7.1.1. Foods and Cloths.**

In this section I have asked the question with our women respondent, about decision of food and cloth they replied as follows, (other consist their male counters)

**Table- 4.9**  
**Decision on Food and Cloth**

Who makes Decision?	Before	After
Self	X1=12	X2=100
Other	98	10
Total	N1=110	N2=110

Source: Field survey 2008



## Testing of Hypothesis

**Null Hypothesis (Ho):**  $P_1=P_2$ : there is no significance change in population proportion in the concern of women decision on food and cloth before and after involving MFPs.

**Alternative Hypothesis (H1):**  $P_1<P_2$ : there is significant increment in population proportion in the concern of women decision on food and cloth before and after involving MFPs.

Calculated value of  $|Z| = 4.44$  (From Apendix-8)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### **Result:-**

Since the tabulated value of Z is lower then calculated value so I can say that there is significant increment in population proportion in the concern of women decision on food and cloth before and after involving MFPs.

### **4.7.1.2. Entertainment and Education**

Women respondents are asked question about their decision level on entertainment and education before and after involvement in MFPs. They replie as,

**Table-4.10**  
**Decision on Entertainment and Education**

Who makes Decision?	Before	After
Self	X1=14	X2=93
Other	94	17
Total	N1=110	N2=110

Source: Field survey 2008

### **Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1=P_2$ ; proportion of women population is not changed in the concern of women decision on entertainment and education related decision before and after involving in MFPs.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ ; proportion of women population is increased due to MFPS in the concern of women decision on entertainment and education.

Calculated value of  $|Z| = 4.44$  (From Apendix-9)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:-**

Since, the calculated value is higher then tabulated so I can say that, proportion of women population is increased due to MFPS in the concern of women decision on entertainment and education.

**4.7.1.3. Land**

In this section I have asked the question about ownership of land, sales and purchase decision making about the land to our respondents. They expressed their feeling as;

**Table- 4.11**  
**Decision on Land related issue**

Who makes Decision?	Before	After
Self	X1=8	X2=38
Other	102	78
Total	N1=110	N2=110

Source: Field survey 2008

**Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1 = P_2$ ; there is no significant difference in the proportion of women respondent in the concern of land related decision before and after joining MFPS.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population is increased due to MFPS in the concern of land related decision.

Calculated value of  $|Z| = 4.97$  (From Apendix-10)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### **Result:-**

Since the tabulated value of Z is higher so I can say that proportion of women population is increased significantly due to MFPs in the concern of land related decision.

#### **4.7.1.4. Agriculture and Agro-product**

Respondents were asked about the agricultural related decision, like sales of agro-product, purchase of such product, about the plantation, harvest etc. They replied as;

**Table- 4.12**  
**Condition of Women Decision on Agriculture and Agro-product**

Who makes Decision?	Before	After
Self	X1=15	X2=59
Other	95	51
Total	N1=110	N2=110

Source: Field survey 2008

#### **Test of Hypothesis**

**Null Hypothesis (H<sub>0</sub>):** P<sub>1</sub>=P<sub>2</sub>: there is no significant difference in women proportion in the concern agriculture and agro-product related decision before and after joining MFPs.

**Alternative Hypothesis (H<sub>1</sub>):** P<sub>1</sub><P<sub>2</sub>, proportion of women population is increased due to MFPs in the concern agriculture and agro-product related decision after joining MFPs.

Calculated value of  $|Z| = 4.97$  (From Apendix-11)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:-**

Since the calculated value exceeds the tabulated value so proportion of women population is significantly increased due to MFPs in the concern agriculture and agro-product related decisions.

**4.7.1.5. Livestock**

Respondents were asked about their decision on livestock related filed like as purchase, sell etc. They expressed their feeling as;

**Table-4.13**  
**Decisional level of Women on Livestock**

Who makes Decision?	Before	After
Self	X1=15	X2=71
Other	95	39
Total	N1=110	N2=110

Source: Field survey 2008

**Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1=P_2$ , proportion of women population is not changed due to MFPs in the concern of livestock related decision before and after involving in MFPs

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population is increased due to MFPs in the concern livestock related decision after involving in MFPs

Calculated value of  $|Z| = 7.74$  (From Apendix-12)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:**

Since tabulated value of Z is lower then calculated value so proportion of women population is significantly increased due to MFPs in the concern livestock related decisions.

#### 4.7.1.6. Bank Loan and Repayment

I had asked our respondent about decision of borrowing loans from bank, they replied as;

**Table-4.14**  
**Decisional level of respondent on Bank related issues**

Who makes Decision?	Before	After
Self	X1=4	X2=22
Other	106	88
Total	N1=110	N2=110

Source: Field survey 2008

#### Test of Hypothesis

**Null Hypothesis (Ho):**  $P_1 = P_2$ , proportion of women population is not changed due to MFPs in the concern of bank loan related decision.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population is increased due to MFPs in the concern of bank related decision.

Calculated value of  $|Z| = 7.74$  (From Appendix-13)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960.

#### **Result:-**

Higher the calculated value indicate us proportion of women population is significantly increased due to MFPs in the concern bank related decisions.

#### 4.7.1.7. Personal Health and Treatment

Questions that were asked to know about the decisional ability to disburse money on their health and treatment were answered as;

**Table-4.15**  
**Decisional level of respondent on personal health and treatments**

Who makes Decision?	Before	After
Self	X1=21	X2=90
Other	89	20
Total	N1=110	N2=110

Source: Field survey 2008

### **Test of Hypothesis**

**Null Hypothesis (H<sub>0</sub>):**  $P_1 = P_2$ , there is no significant difference in women proportion in the concern of personal health and treatment related issues before and after joining MFPs.

**Alternative Hypothesis (H<sub>1</sub>):**  $P_1 < P_2$ , proportion of women population is increased due to MFPs in the concern of their personal health and treatment related decision.

Calculated value of  $|Z| = 9.31$  (From Apendix-14)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960.

### **Result:-**

Since calculated value of Z is higher then tabulated value so we can say that proportion of women population is significantly increased due to MFPs in the concern of their personal health and treatment related decision.

### **4.7.2. Participation**

It refers to the women inclusion in decision making regarding social and family related issues by giving priorities to participation of women. It is positive perception of women that they are integral part of their family and society as well. Participation enables women to make decision not only on the family but also on the society. It means participation is a process, which induces women to make decisions for the best benefit of not only themselves but also the every single

person of society. To test the conditions of women participation on different issues, I have selected various issues like family planning, daughter's marriage, to send girls school, to send girls out as boy, to social issue, inter caste marriage, widow's marriage and cloths, racial discrimination and social and household sanitation. (Related to Question No.18)

#### 4.7.2.1. Family Planning

In this section, I have asked question about family planning our respondents replied as;

**Table-4.16**  
**Respondent's Participation on Family Planning**

	Before	After
Yes	X1=38	X2=95
No	72	15
Total	N1=110	N2=110

Source: Field survey 2008

#### Test of Hypothesis

**Null Hypothesis (Ho):**  $P_1 = P_2$ , proportion of women population who participates in family planning is not significantly changed due MFPs.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population who participates in family planning is significantly increased due to MFPs

Calculated value of  $|Z| = 7.86$  (From Apendix-15)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960.

#### Result:-

Since the calculated value is higher than, the tabulated value so we can say, proportion of women population who participates in family planning is significantly increased due to MFPs

#### 4.7.2.2. Daughter's Marriage

In this concern, I have asked question about participating condition on their daughter's marriage with our respondents. They responded as;

**Table-4.17**  
**Respondent's Participation on Daughter's Marriage**

	Before	After
Yes	X1=16	X2=99
No	94	11
Total	N1=110	N2=110

Source: Field survey 2008

#### Test of Hypothesis

**Null Hypothesis (Ho):**  $P_1 = P_2$ , proportion of women population who participates in their daughter's marriage as their male partners is not significantly changed due MFPs.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population who participates in their daughter's marriage as their male partners is significantly increased due to MFPs

Calculated value of  $|Z| = 11.7$  (From Apendix-16)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

#### **Result:-**

Since calculated value is higher than, the tabulated value of Z so we can say proportion of women population who participates in their daughter's marriage as their male partners is significantly increased due to MFPs

#### 4.7.2.3. Send Girls to School

In this concern, I have asked question about participating condition on the topic of daughter's education. They respond as;



**Table-4.18**  
**Participation of Respondent's to Send Their Girls School**

	Before	After
Yes	X1=36	X2=106
No	74	4
Total	N1=110	N2=110

Source: Field survey 2008

### **Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1 = P_2$ , proportion of women population who participates positively in their daughter's education is not significantly changed due MFPS.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population who participates positively in their daughter's education is significantly increased due to MFPS

Calculated value of  $|Z| = 9.86$  (From Appendix-17)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### **Result:-**

Since calculated value of Z is higher than tabulated value so we can say that proportion of women population who participates positively in their daughter's education is significantly increased due to MFPS

#### **4.7.2.4. Send Girls Out as Boy.**

In this concern, I have asked question about participating condition in the concern of daughter's mobility. They responded as;

**Table-4.19**  
**Participation of Respondent's to Send their Girl Out as Boy**

	Before	After
Yes	X1=22	X2=68
No	88	42
Total	N1=110	N2=110

Source: Field survey 2008

### Test of Hypothesis

**Null Hypothesis (Ho):**  $P_1 = P_2$ , proportion of women population who participates positively in their daughter's mobility is not significantly changed due MFPs.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , proportion of women population who participates positively in their daughter's mobility is significantly increased due to MFPs

Calculated value of  $|Z| = 6.31$  (From Apendix-18)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### Result:-

Since calculated value of Z is higher than the tabulated value so, we can say proportion of women population who participates positively in their daughter's mobility is significantly increased due to MFPs

#### 4.7.2.5. To Discuss on Social Issue.

In this concern, I have asked question about participating condition in the concern to discuss on social issue. They responded as;

**Table-4.20**  
**Participation of Respondents to Discuss on Social Issues**

	Before	After
Yes	X1=19	X2=93
No	91	17
Total	N1=110	N2=110

Source: Field survey 2008

### Test of Hypothesis

**Null Hypothesis (Ho):**  $P_1 = P_2$ , there is no significant different in the proportion of women who participate to discuss on social issues after involving MFPs.

**Alternative Hypothesis (H1):**  $P1 < P2$ , there is significant increase in the proportion of women population who participates to discuss on social issue after involving MFPs.

Calculated value of  $|Z| = 9.98$  (From Apendix-19)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:-**

Since the calculated value exceed the tabulated value so we have evidence to say that there is significant increase in the proportion of women population who participates to discuss on social issues after involving MFPs.

**4.7.2.6. Inter-cast Marriage.**

In this concern, I have asked question about participating condition in the concern to support inter-caste marriage. They responded as;

**Table-4.21**  
**Participation of Respondent to Support Inter-caste Marriage**

	Before	After
Yes	X1=24	X2=52
No	86	58
Total	N1=110	N2=110

Source: Field survey 2008

**Test of Hypothesis**

**Null Hypothesis (Ho):**  $P1 = P2$ , there is no significant difference in the proportion of women who participates to support inter-caste marriage after involving MFPs.

**Alternative Hypothesis (H1):**  $P1 < P2$ , there is significant increase in the proportion of women population who participates to support inter-caste marriage after involving MFPs.

Calculated value of  $|Z| = 3.97$  (From Apendix-20)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

### **Result:-**

Since the tabulated value is lower than calculated value so we can say there is significant increase in the proportion of women population who participates to support inter-caste marriage after involving MFPs.

#### **4.7.2.7. Widow's Cloths and Marriage.**

In this section, I have asked question about participating condition in the concern to support widow's cloths (other than white), and marriage. They responded as;

**Table-4.22**  
**Participation of Respondent to Support Widow's Cloths and Marriage**

	Before	After
Yes	X1=19	X2=35
No	91	75
Total	N1=110	N2=110

Source: Field survey 2008

### **Test of Hypothesis**

**Null Hypothesis (H<sub>0</sub>):**  $P_1 = P_2$ , there is no significant difference in the proportion of women who participate to support widow's cloth and marriage after involving MFPs.

**Alternative Hypothesis (H<sub>1</sub>):**  $P_1 < P_2$ , there is significant increase in the proportion of women population who participates to support widow's cloth and marriage after involving MFPs.

Calculated value of  $|Z| = 2.51$  (From Appendix-21)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960

**Result:-**

Since calculated value is greater than tabulated value so we can say that there is significant increase in the proportion of women population who participates to support Widow's cloths and marriage after involving MFPs.

**4.7.2.8. Racial Discrimination.**

In this section, I have asked question about participating condition in the concern to raise voice against the racial discrimination. They responded as;

**Table-4.23**  
**Participation of Respondents against the Racial Discrimination**

	Before	After
Yes	X1=20	X2=51
No	90	59
Total	N1=110	N2=110

Source: Field survey 2008

**Test of Hypothesis**

**Null Hypothesis (H<sub>0</sub>):**  $P_1 = P_2$ , there is no significant difference in the proportion of women population who participate to raise voice against the racial discrimination after involving MFPs.

**Alternative Hypothesis (H<sub>1</sub>):**  $P_1 < P_2$ , there is significant increase in the proportion of women population who participates to raise voice against the racial discrimination after involving MFPs.

Calculated value of  $|Z| = 3.22$  (From Apendix-22)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960.

**Result:-**

Since calculated value exceeds the tabulated value of Z so we can say that there is significant increase in the proportion of women population who participates to raise voice against the racial discrimination after involving MFPs.

#### 4.7.2.9. Social and Household Sanitation.

In this concern, I have asked question about participating condition in the concern to support social and household sanitation. They responded as;

**Table-4.24**  
**Participation of Respondent to Social and Household Sanitation**

	Before	After
Yes	X1=23	X2=97
No	87	13
Total	N1=110	N2=110

Source: Field survey 2008

#### **Test of Hypothesis**

**Null Hypothesis (Ho):**  $P_1 = P_2$ , there is no significant difference in the proportion of women population who participates to support social and household sanitation after involving MFPs.

**Alternative Hypothesis (H1):**  $P_1 < P_2$ , there is significant increase in the proportion of women population who participates to support social and household sanitation after involving MFPs.

Calculated value of  $|Z| = 8.67$  (From Appendix-23)

Critical value, of Z at 0.05 level of significance for one tail test is 1.960.

#### **Result:-**

Since calculated value is greater than tabulated value so we can say there is significant increase in the proportion of women population who participates to support social and household sanitation after involving MFPs.

#### **4.8. Women Perceptions.**

This section includes the women perception about MFPs and about their surroundings. The main focus of this section is to give feedback to MFIs and check the confidence limit of women after getting MFSs similarly this section also check

the social perception and reaction to women after involving in MFPs. Are the society and women themselves in the favor of MFPs? Is answered here;

#### 4.8.1. Women Experience.

I had question about women experience in MFPs. This section is focused to know about women experience on involvement in MFPs. They replied as (Related to Question No.11)

**Table-4.25**  
**Experience of Respondent about MFPs**

Experience	Best	Better	Good	Bad	Very Bad
No of Respondent	40	45	25	0	0

Source: Field survey 2008

#### Test of Hypothesis

**Null Hypothesis ( $H_0$ ):** there is no significant association between women experience and MFPs viz MFPs has not given any new experiences to rural women or their experience is as same as before the MFPs arrival.

**Alternative Hypothesis ( $H_1$ ):** there is significant positive association between women's experience and MFPs viz MFPs has given new experiences to rural women or their experience is positive then previous.

Calculated Value of  $\chi^2$ :- 83.189 (From Appendix-24)

Critical value: the tabulated value of  $\chi^2$  at 0.05 level of significance for 4 degree of freedom is 9.49.

#### Result:-

Since calculated value of  $\chi^2$  is higher then tabulated value so,  $H_0$  is rejected and alternative hypothesis is accepted. So there is significant positive association between women's experience and MFPs viz MFPs has given new experiences to rural women or their experience is positive then previous.

#### 4.8.2. Role of MFPs to Small Household Expenses.

Respondent expressed their feeling that the MFPs are very supportive to cover all small and household expenses. They replied differently as; (Related to Question No.21)

**Table-4.26**  
**Role of MFPs to Fulfill Small Household Expenses**

Experience	Extremely	Approximately	Normally	No
No of Respondent	40	45	25	0

Source: Field survey 2008

#### **Test of Hypothesis**

**Null Hypothesis ( $H_0$ ):** women perceived that there is no significant association between MFPs and fulfillment of small house hold expenses viz clients perceives MFPs do not supports its clients to fulfill their small household expenses.

**Alternative Hypothesis ( $H_1$ ):** women perceived that there is a significant association between MFss and fulfillment of small house hold expenses viz clients perceive that MFSs is positively supporting to fulfill their small household expenses.

Calculated Value of  $\chi^2$ :- 90.3 (From Appendix-25)

Critical value: the tabulated value of  $\chi^2$  at 0.05 level of significance for 3 degree of freedom is 7.82.

#### **Result:-**

Since tabulated value is lower then calculated value so,  $H_1$  is accepted. So women perceived that there is a significant association between MFSs and fulfillment of small house hold expenses viz clients perceive that MFSs is positively supporting to fulfill their small household expenses.



### 4.8.3. Social Perception on Women's Community Participation.

Respondents were asked to know the social perception on women whether their society is taking their community participation of women positively or negatively. They replied as; (Related to Question No.19)

**Table-4.27**  
**Social Perception on Women' Community Participation**

How	Best	Good	Normal	Bad	Very Bad
No of Respondent	17	47	37	5	4

Source: Field Survey 2008

#### **Test of Hypothesis**

**Null Hypothesis ( $H_0$ ):** Society perceived that there is no significant association between MFPs and social perception about women community participation viz MFPs have not brought any changes on social perception regarding to women community participation.

**Alternative Hypothesis ( $H_1$ ):** Society perceived that there is a significant association between MFPs social perception about women community participation viz MFPs have brought new positive change on social perception regarding to women community participation.

Calculated Value of  $\chi^2$ :- 67.65 (From Appendix-26)

Critical value: the tabulated value of  $\chi^2$  at 0.05 level of significance for 3 degree of freedom is 7.82.

#### **Result:-**

Being calculated value higher than tabulated value so we can say society perceived that there is a significant association between MFPs social perception about women community participation viz MFPs have brought new positive change on social perception regarding to women community participation.

### 4.8.3. Social Response on Woman's Mobility, Leadership & Decision.

Respondents were asked whether they are treated differently after joining MFPs. How society is taking their mobility, leadership, and decisional changes. They replied as, (Related to Question No. 20)

**Table-4.28**  
**Social Response on Women' Leadership, Mobility and Decision Making**

How?	Best	Good	Normal	Bad	Very Bad
No of Respondent	31	37	20	17	5

Source: Field Survey 2008

#### **Test of Hypothesis**

**Null Hypothesis (H<sub>0</sub>):** Women involvement in MFPs and social response to women have not any significant association viz society' response is as usual to women before and after the women involvement in MFPs.

**Alternative Hypothesis (H<sub>1</sub>):** women involvement in MFPs and social response to women' mobility leadership and decisional support of women have significantly associated viz society perceived positively to those women who are involved in MFPs and becoming dynamic by leading power, easy mobility and decisional inclusion.

Calculated Value of  $\chi^2$ :- 67.65 (From Appendix-27)

Critical value: the tabulated value of  $\chi^2$  at 0.05 level of significance for 4 degree of freedom is 9.49.

#### **Result:-**

Since calculated value is higher then tabulated value so we have evidence to say women involvement in MFPs and social response to women' mobility leadership and decisional support of women have significantly associated viz society perceived positively to those women who are involved in MFPs and becoming dynamic by leading power, easy mobility and decisional inclusion.

#### 4.8.4. Dependency level:

To check out the dependency level of respondents, respondents were asked question whether they asked small money with their male partners and the answer was;

**Table-4.29**  
**Dependency Level of Respondents**

Dependency	Before	After
Yes	85	17
No (Self-dependent)	25	93

Source: Field survey 2008

Out of 110 respondents 93 replied as self-depended and remaining 17 respondents replied as depended. It shows the 84.55% of the proportion of women have become self-depended and remaining 15.45% of women are still depended on their male partners. (Related to Question No. 26)

#### 4.9 Major Findings.

Summary of findings of the study are presented below in bullets.

- ? MFPs of NESDO are poor and target group oriented. MFSs are provided to eleven different castes which include mostly illiterate and married women.
- ? In average NESDO has distributed Rs.13232.00 to its clients. Average age of clients is 35 year. So it has focused matured and household women of different parts of Parbat district
- ? Income level of women is increased to Rs.7000.00 from Rs.4755.00 after involving MFPs. Since C.V. is decreased to 62.23% from 78.41. So, increased income is more consistent than before involving MFPs.
- ? Being economically self-dependent or getting easily getting MFSs women are slowly changing their traditional occupation. This is positive impact of micro lending of MFIs.

- ? Consumption patterns of women are far better than previous. They are improving their consumption level, which is positive impact to improve lifestyle of rural women.
- ? Clothing pattern of women improved significantly.
- ? Condition of drinking water, toilet and bathroom is better than previous, which proves that women are getting awareness through MF as well.
- ? Although fuel consumption pattern of women is giving positive result, most part of the women respondent is still with traditional sources of fuel like firewood.
- ? NESDO has made provision for compulsory saving, so women are saving even a small amount of money.
- ? In aggregate socio-economic condition of women seems to be better than their perception of past. It means they are getting credit and awareness as well.
- ? Today women are able to make decision about their food, cloths, entertainment and education as well, because of financial assistance of MFIs
- ? Women are also making decision about land, livestock, agriculture, bank loan borrowing and repayment which were used to take by male only. These are the proof of women self-dependency.
- ? Most of the proportion of women is economically active to make decision about their personal health and treatment as well.
- ? Rural women are becoming politically aware; today they are taking part in family planning, their daughter's marriages as their male partners.
- ? Rural women are realizing their weakness so; they have started to behave their daughter as their son which is the strong foundation of women empowerment.

- ? Rural women are started to take part on social discussion and social and household sanitation program. It signifies that they are internally empowered.
- ? Women are raising voice against racial discrimination, and they are supporting widow's marriage and inter-caste marriage. Although results of facts are positive in the study but such domination and discrimination widespread in rural. But the initiation to eliminate such traditional misdeeds is done by women although they are very few in number. It is a strong proof of women empowerment.
- ? Women perceive MFSs positively, social response and reaction is also good in the study but it is not as good as study in practice. It signifies that MFSs are desirable in rural areas of Parbat district.
- ? Women are becoming, self-dependent, self-conscious and self-motivated to become as dynamic as their male partners.

## CHAPTER V

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary:

Nepal is a developing country; its most of the part is covered by rural areas which is very far from infrastructural access. Similarly, more than 50% of the total population is covered by women and most proportion of women population is still in the quick sand of traditional trap, Nepalese women are backward in every aspect, they are perceived as 'liability' where their male partners are perceived as 'asset'. For the sustainable development of country through poverty reduction such back-warded proportion of population should be taken into consideration from respective person, organization from very grass root level to very top level.

ADB/N was the pioneer, who launched rural based programs at first, which are becoming sources of inspiration for newly established organization, such as NGOs, INGOs. Today various programs, policies, NGO, INGOs, Government organizations are working to support rural life. Among a lot of programs MF is becoming effective program because of its best performance and unique features.

MF is a financial and social intermediation to the poor or especially for women. As financial, social intermediation, according to available resources, MF provides financial services like micro credit, micro saving, micro insurance and micro remittance. These all organizations which are facilitating the services rendering process of MF are known as MFIs. Easily getting services of MF attracting backward women, which may be caused to push women toward new horizon

In this study, I have defined the new horizon as empowerment of women. Empowerment is a situation where women have their self-dependency, free mobility, free participation on their own desired sector and field. In other word women will get rid off from traditional trap. The meaning of empowerment becomes meaning-full when women become economically, socially and politically

strong. So, our matters of concern are three pillar of empowerment and impact of MF on these pillars in the context of women.

I have, categorized various important facts under these heading, I have jointly used social and economical impact of MF as Socio-economical impact of MF which consists various sub-heading and test like as income, saving, consumption patterns, sanitation (drinking water, toilet and bathroom) clothing patterns, occupational changes, fuel consumption etc. I have taken second pillar of empowerment as political impact of MF which consists decisional power or women and women participation on various issues. Similarly, I have taken another pillar as women perception about MF which play role of feedback to MFPs, MFIs and for their own self too. This includes women experiences about MFPs, social response to women after involving MFP, women perception on MFP as supportive program to fulfill household and other small expenses women dependency level after involving MFP and changing family support after involving MFP.

To collect all related information I have visited NESDO which was operating in Parbat district. Working areas of NESDO have visited by us with structured questionnaire and interview. Requirement of data is fulfilled by primary survey for the general introduction and other related of information I have taken NESDO related journal, statements etc. Collected data are analyzed, tested, interpreted by using descriptive as well as statistical approach. Mainly percentage, Z-test, mean, C.V. and Chi-square test are used to give meaning for raw data. Socio-economic impacts are tested by using mean, C.V. and Z-test, political impacts are tested by using Z-test and Perceptions of women are tested by using Chi-square test. After testing raw data I get following facts,

Most of the women beneficiaries of MFPs are relatively poor; women having no income or low income are focused by NESDO. So, it seems to be target group oriented. The women beneficiaries from MFP have improved their earning and equally stimulated their living standard. As becoming them member of MFP they

have become more active mentally as well as physically. They have widened their thinking about participation, communication, fund management discussion, co-operative power, and accountability about their task, social and leaseholds sanitation etc. As they have to gather once in a month to repay and for saving, they have get chance to discuss on their improvement and failure of their own activities, which is a big foundation for empowerment.

All tests derived from socio-economical impact indicate positive result. So women are becoming socio-economically active. All tests derived from political impact of MFP are also providing positive results, so women are becoming politically strong. Perceptual test also gives positive result so MFPs are desirable in rural areas of Parbat district.

## **5.2. Conclusions:-**

This study has raised issue about women empowerment, and I have taken MFSs supporting program. Therefore the whole study is based on women, MFSs and impact of MFSs the whole needed data are taken from working area of NESDO. The main three pillars of women empowerment are realized as socio-economic empowerment and political empowerment. To find out the impact of MFPs on respondents, before and after its implementation, various conditions are taken from primary sources and tested by using various tools. Eventually I have drawn following conclusions of our study.

Our first objective was to find out socio-economic impact of MFPs on rural women. In this concern I have tested various test, aggregate result of this main heading is positive. So, I can conclude in the point that MFPs are creating positive socio-economic impact of rural women. It means MFPs are encouraging, forcing, facilitating rural women to become socio-economically empowered.

Our second objective of the study was to find out political impact of MFPs on rural women. In aggregate, results of this section area also positive. So, rural women are



becoming politically conscious, they are taking parts in various social as well as family decisional aspects. It means rural women mobility is becoming wider, their influences is giving meaning to society. So, they are politically empowering.

Our third objective of the study was to know about women perception about MFPs in this concern I have tested social responses, perception and women experiences perception, dependency level and family support, all tests give positive result so, I conclude that rural women have best perception about MFPs. It means they are demanding MFP for their support.

Now, our all objective are met so, the study ends with the conclusion that the MFP is a desirable and effective tool to empower the women on rural area.

### **5.3 Recommendations:**

MF is desirable in our rural areas but the study is not done to know about impacts of it on implemented areas. So it would be better to support, facilitate, researchers or academician by the concern bodies.

Though this study has shown positive changes in all the sectors considered. This positive change might be because of the economic aspect but socially the concept like widow mirage and cloths, women mobility on the society are not easily accepted. This is because of lack of awareness and education. MFP should include programs to enhance education and awareness.

MFPs are seemed to money focusing only; they have not included other aspect of empowerment deeply.

MFSs are helpful to the poor to enable them to finance specific private income-generating activities to increase their income. How ever, it is vitally important to ensure that the loan facilities provided to the poor or the poor are not utilizing the provided fund for consumption purpose. The actions of such borrowers, if imitated by other poor people, could produce a negative impact on the future growth of MF.

So, respective MFI is recommended to adopt proper monitoring, evaluation and feedback mechanism.

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**Annex-1****Educational Status of Respondents**

	Unable to read	Normal read	Lower then S.L.C.	Above S.L.C.	Total
No. of Respondent	29	59	15	7	110

**Annex-2****Marital Staus of respondents**

	Unmarried	Married	Widow	Divorce	Separate	Total
No. of Respondent	0	97	8	3	2	110

**Annex-3****Cash/Ethnicity**

Cast Group	No. of Respondent
Brahmin	24
Chhetri	7
Gurung	5
Magar	12
Rai	1
Muslim	2
Newar	4
Damai	33
Sarki	4
Kami	16
Thakuri	2
Total	110

### Appedix-1

Annual Income	Midpoint (X)	$d = \frac{X - 9500}{1000}$	Before MFPs			After MFPs		
			F <sub>1</sub>	F <sub>1</sub> d'	F <sub>1</sub> d' <sup>2</sup>	F <sub>2</sub>	F <sub>2</sub> d'	F <sub>2</sub> d' <sup>2</sup>
Below 1000	500	-9	8	-72	648	1	-9	81
1000-2000	1500	-8	19	-152	1216	4	-32	256
2000-3000	2500	-7	13	-91	637	17	-119	833
3000-4000	3500	-6	18	-108	648	7	-42	252
4000-5000	4500	-5	20	-100	500	14	-70	350
5000-6000	5500	-4	5	-20	80	9	-36	144
6000-7000	6500	-3	1	-3	9	14	-42	126
7000-8000	7500	-2	7	-14	28	11	-22	44
8000-9000	8500	-1	3	-3	3	4	-4	4
9000-10000	9500	0	6	0	0	7	0	0
10000-11000	10500	1	2	2	2	5	5	5
11000-12000	11500	2	2	4	8	4	8	16
12000-13000	12500	3	0	0	0	0	0	0
13000-14000	13500	4	1	4	16	1	4	16
14000-15000	14500	5	3	15	75	6	30	150
15000-16000	15500	6	1	6	36	0	0	0
16000-17000	16500	7	0	0	0	2	14	98
17000-18000	17500	8	0	0	0	0	0	0
18000-19000	18500	9	0	0	0	0	0	0
19000-20000	19500	10	1	10	100	4	40	400
		Total	110	-522	4006	110	-275	2775

Where, 9500 is assumed mean  
1000 is class height (class size)

### Calculation of Mean and C.V. before joining MFPs

a) Mean

$$\bar{X}_1 = a + \frac{\sum fd'}{N_1} \times h$$

$$= 9500 + \frac{-522}{110} \times 1000$$

$$= 4754.55$$

b) C.V.

$$C.V. = \frac{\sqrt{\frac{1}{N_1} \sum fd'^2 - \left(\frac{\sum fd'}{N_1}\right)^2} \times h}{\bar{X}_1} \times 100$$

$$= \frac{\sqrt{\frac{1}{110} \times 4006 - \left(\frac{-522}{110}\right)^2} \times 1000}{4754.55} \times 100$$

$$= 78.41\%$$

Calculation of Mean and C.V. after joining MFPs

a) Mean 
$$\bar{X}_2 = a + \frac{\sum fd'}{N_2} \times h$$

$$= 9500 + \frac{257}{110} \times 1000$$

$$= \bar{X} = 7000$$

Calculation of C.V.

c) C.V.

$$C.V. = \frac{\sqrt{\frac{1}{N_2} \sum fd'^2 - \left(\frac{\sum fd'}{N_2}\right)^2}}{\bar{X}_2} \times 100$$

$$= \frac{\sqrt{\frac{1}{110} \times 2775 - \left(\frac{275}{110}\right)^2}}{7000} \times 100$$

$C.V. = 62.23\%$

### Appendix-2

Now, P1= Sample proportion of respondents whose major occupation was traditional before the arrival of MFPs.

Or P1= X1/N1 = 82/110= 0.7455

P2= Sample proportion of respondent whose major occupation is traditional after the arrival of MFPs.

Or P2 = X2/N2= 58/110= 0.5273

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

Where

$$\hat{P} = \frac{X_1}{N_1} = \frac{82}{110} = 0.7455$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.7455) = 0.2545$$

$$Z = \frac{.7455 - .5273}{\sqrt{0.7455 \times 0.2545 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

Z = 3.36



### Appendix-3

Now,  $P_1$  = Sample proportion of respondent whose consumption pattern is already improved

$$\text{Or } P_1 = X_1/N_1 = 90/110 = 0.8182$$

$P_2$  = Sample proportion of respondent whose Consumption pattern is improved after involving MFPs.

$$\text{Or } P_2 = X_2/N_2 = 10/110 = 0.0909$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.8182 - 0.0909}{\sqrt{0.4545 \times 0.5455 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = 10.83$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{90 + 10}{110 + 110} = 0.4545$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.4545) = 0.5455$$

### Appendix-4

Now,  $P_1$  = Sample proportion of respondents whose consumption pattern was normal before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 92/110 = 0.8364$$

$P_2$  = Sample proportion of respondent whose consumption pattern is normal after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 5/110 = 0.0455$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.9364 - .0455}{\sqrt{0.4409 \times 0.5591 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = 11.81$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{92 + 5}{110 + 110} = 0.4409$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.4409) = 0.5591$$

### Appendix-5

Now,  $P_1$  = Sample proportion of respondents who has good condition of drinking water before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 30/110 = 0.2727$$

$P_2$  = Sample proportion of respondent who has good condition of drinking water after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 95/110 = 0.8636$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.2727 - 0.8636}{\sqrt{0.5682 \times 0.4318 \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -8.85$$

$$|Z| = 8.85$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{30 + 95}{110 + 110} = 0.5682$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5682) = 0.4318$$

### Appendix-6

Now,  $P_1$  = Sample proportion of respondents who use toilet and bathroom before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 41/110 = 0.3727$$

$P_2$  = Sample proportion of respondent who use toilet and bathroom after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 87/110 = 0.7909$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.3727 - 0.7909}{\sqrt{0.5818 \times 0.4182 \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -6.29$$

$$|Z| = 6.29$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{41 + 87}{110 + 110} = 0.5818$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5818) = 0.4182$$

### Appendix-7

Now, P1= Sample proportion of respondents who use traditional sources of fuel before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 26/110 = 0.2364$$

P2= Sample proportion of respondent who use traditional sources of fuel after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 58/110 = 0.5273$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.2364 - 0.5273}{\sqrt{0.3818 \times 0.6182 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -4.44$$

$$|Z| = 4.44$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{26 + 58}{110 + 110} = 0.3818$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.3818) = 0.6182$$

### Appendix-8

Now, P1= Sample proportion of respondents who makes decision about food and cloth before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 12/110 = 0.1091$$

P2= Sample proportion of respondent who makes decision about food and cloth after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 100/110 = 0.9091$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.1091 - .9091}{\sqrt{0.5091 \times 0.4909 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -11.02$$

$$|Z| = 11.02$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{12 + 100}{110 + 110} = 0.5091$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5091) = 0.4909$$

### Appendix-9

Now,  $P_1$  = Sample proportion of respondent who make the decision about entertainment and education before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 14/110 = 0.1273$$

$P_2$  = Sample proportion of respondent who make the decision about entertainment and education after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 93/110 = 0.8455$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.1273 - 0.8455}{\sqrt{0.4864 \times 0.5136 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -10.66$$

$$|Z| = 10.66$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{14 + 93}{110 + 110} = 0.4864$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.4864) = 0.5136$$

### Appendix-10

Now,  $P_1$  = Sample proportion of respondents who used decide in the concern of land before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 8/110 = 0.0727$$

$P_2$  = Sample proportion of respondent who decide in the concern of land after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 38/110 = 0.3455$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.0727 - .3455}{\sqrt{0.2091 \times 0.7901 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -4.97$$

$$|Z| = 4.97$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{8 + 38}{110 + 110} = 0.2091$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.2091) = 0.7901$$

### Appendix-11

Now, P1= Sample proportion of respondents who used to make agricultural as well as agro-product related decision before the arrival of MFPS.

$$\text{Or } P_1 = X_1/N_1 = 15/110 = 0.1364$$

P2= Sample proportion of respondent who makes agricultural as well as agro-product related decision after the arrival of MFPS.

$$\text{Or } P_2 = X_2/N_2 = 59/110 = 0.5364$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.1364 - 0.5364}{\sqrt{0.3364 \times 0.6636 \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -6.28$$

$$|Z| = 6.28$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{15 + 59}{110 + 110} = 0.3364$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.3364) = 0.6636$$

### Appendix-12

Now, P1= Sample proportion of respondents who used to make decision on livestock related field before the arrival of MFPS.

$$\text{Or } P_1 = X_1/N_1 = 15/110 = 0.3436$$

P2= Sample proportion of respondent who makes decision on livestock related field after the arrival of MFPS.

$$\text{Or } P_2 = X_2/N_2 = 71/110 = 0.6455$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{0.3464 - 0.6455}{\sqrt{0.3910 \times 0.6091 \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -7.74$$

$$|Z| = 7.74$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{15 + 71}{110 + 110} = 0.3910$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.3910) = 0.6091$$

### Appendix-13

Now, P1= Sample proportion of respondents who used make decision to borrow money form banks before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 4/110 = 0.0364$$

P2= Sample proportion of respondent who makes decision to borrow money from banks after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 22/110 = 0.20$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.0364 - .20}{\sqrt{0.1182 \times 0.8818 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -3.76$$

$$|Z| = 3.76$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{4 + 22}{110 + 110} = 0.1182$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.1182) = 0.8818$$

### Appendix-14

Now, P1= Sample proportion of respondents who used to make decision on their personal health and treatments before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 21/110 = 0.1909$$

P2= Sample proportion of respondent who makes decision on their personal health and treatment after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 90/110 = 0.8182$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.1909 - .8182}{\sqrt{0.5046 \times 0.4936 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -9.31$$

$$|Z| = 9.31$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{21 + 90}{110 + 110} = 0.5046$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5046) = 0.4936$$

### Appendix-15

Now, P1= Sample proportion of respondents who used to participate in family planning before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 38/110 = 0.3455$$

P2= Sample proportion of respondent who participate in family planning after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 95/110 = 0.8636$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.3455 - .8636}{\sqrt{0.6045 \times 0.3955 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -7.86$$

$$|Z| = 7.86$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{38 + 95}{110 + 110} = 0.6045$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.6045) = 0.3955$$

### Appendix-16

Now, P1= Sample proportion of respondents who used to participate in their daughter's marriage as there male partners before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 17/110 = 0.1545$$

P2= Sample proportion of respondent who participate in their daughter's marriage as there male partners after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 99/110 = 0.90$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.1545 - .90}{\sqrt{0.5273 \times 0.4728 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -11.7$$

$$|Z| = 11.7$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{17 + 99}{110 + 110} = 0.5273$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5273) = 0.4728$$

### Appendix-17

Now,  $P_1$  = Sample proportion of respondents who used to participate positively in their daughter's education before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 36/110 = 0.3273$$

$P_2$  = Sample proportion of respondent who participate positively in their daughter's education after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 106/110 = 0.9636$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.3273 - .9636}{\sqrt{0.6455 \times 0.3546 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -91.86$$

$$|Z| = 9.86$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{36 + 106}{110 + 110} = 0.6455$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.6455) = 0.3546$$

### Appendix-18

Now,  $P_1$  = Sample proportion of respondents who used to participate positively in their daughter's mobility before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 22/110 = 0.20$$

$P_2$  = Sample proportion of respondent who participate positively in their daughter's mobility after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 68/110 = 0.6182$$

Test of statistics  $H_0$ ,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.20 - .6182}{\sqrt{0.4091 \times 0.5909 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -6.31$$

$$|Z| = 6.31$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{22 + 68}{110 + 110} = 0.4091$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.4091) = 0.5909$$



### Appendix-19

Now, P1= Sample proportion of respondents who used to participate to discuss on social issues the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 19/110 = 0.1727$$

P2= Sample proportion of respondent who participate to discuss on social issues after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 93/110 = 0.8455$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.1727 - .8455}{\sqrt{0.5091 \times 0.4909 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -9.98$$

$$|Z| = 9.98$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{19 + 93}{110 + 110} = 0.5091$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5091) = 0.4909$$

### Appendix-20

Now, P1= Sample proportion of respondents who used to participate to support inter-caste marriage before the arrival of MFPs.

$$\text{Or } P_1 = X_1/N_1 = 24/110 = 0.2182$$

P2= Sample proportion of respondent who participate to support inter-caste marriage after the arrival of MFPs.

$$\text{Or } P_2 = X_2/N_2 = 52/110 = 0.4727$$

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.2182 - .4727}{\sqrt{0.3455 \times 0.6545 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

$$Z = -3.97$$

$$|Z| = 3.97$$

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{24 + 52}{110 + 110} = 0.3455$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.3455) = 0.6545$$

**Appendix-21**

Now, P1= Sample proportion of respondents who used to participate to support widow's cloth and marriage before the arrival of MFPs.

Or P1= X1/N1 = 19/110= 0.1727

P2= Sample proportion of respondent who participate to support widow's cloth and marriage after the arrival of MFPs.

Or P2 = X2/N2= 35/110= 0.3182

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.1727 - .3182}{\sqrt{0.2455 \times 0.7545 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

Z = 2.51

|Z| = 2.51

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{19 + 35}{110 + 110} = 0.2455$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.2455) = 0.7545$$

**Appendix-22**

Now, P1= Sample proportion of respondents who used to participate to raise voice against the racial discrimination before the arrival of MFPs.

Or P1= X1/N1 = 20/110= 0.1818

P2= Sample proportion of respondent who participate to raise voice against the racial discrimination after the arrival of MFPs.

Or P2 = X2/N2= 51/110= 0.4636

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.1818 - .4636}{\sqrt{0.6455 \times 0.3545 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

Z = 3.22

|Z| = 3.22

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{20 + 51}{110 + 110} = 0.6455$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.6455) = 0.3545$$

**Appendix-23**

Now, P1= Sample proportion of respondents who used to participate to support social and household sanitation before the arrival of MFPs.

Or P1= X1/N1 = 23/110= 0.209

P2= Sample proportion of respondent who participate to support social and household sanitation after the arrival of MFPs.

Or P2 = X2/N2= 97/110= 0.791

Test of statistics Ho,

$$Z = \frac{P_1 - P_2}{\sqrt{\hat{P}\hat{Q}\left(\frac{1}{N_1} + \frac{1}{N_2}\right)}}$$

$$Z = \frac{.209 - .791}{\sqrt{0.5455 \times 0.4545 \times \left(\frac{1}{110} + \frac{1}{110}\right)}}$$

Z = 8.67

|Z| = 8.67

Where

$$\hat{P} = \frac{X_1 + X_2}{N_1 + N_2} = \frac{23 + 97}{110 + 110} = 0.5455$$

$$\hat{Q} = (1 - \hat{P}) = (1 - 0.5455) = 0.4545$$

**Appendix-24**

Test of Statistics, Ho

$$X^2 = \frac{\sum (O - E)^2}{E}$$

Where, O = observed frequency

E = expected frequency =  $\frac{\sum O}{n}$

n = No. of observation

Calculation of Chi-square (X<sup>2</sup>)

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
40	22	324	14.73
45	22	529	24.05
25	22	9	.409
0	22	484	22
0	22	484	22
110		Sum of (O-E) <sup>2</sup> /E	83.189

Degree of freedom= (n-1)=(5-1)=4

**Appendix-25**

Test of Statistics, Ho

$$X^2 = \frac{\sum (O - E)^2}{E}$$

Where, O = observed frequency

$$E = \text{expected frequency} = \frac{O \cdot n}{n}$$

n = No. of observation

Calculation of Chi-square ( $X^2$ )

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
22	27.5	30.25	1.1
68	27.5	1640.25	59.65
20	27.5	56.25	2.05
0	27.5	756.25	27.5
110		Sum of (O-E) <sup>2</sup> /E	90.3

Degree of freedom = (n-1) = (4-1) = 3

**Appendix-26**

Test of Statistics, Ho

$$X^2 = \frac{\sum (O - E)^2}{E}$$

Where, O = observed frequency

$$E = \text{expected frequency} = \frac{O \cdot n}{n}$$

n = No. of observation

Calculation of Chi-square ( $X^2$ )

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
17	22	25	1.136
47	22	625	28.41
37	22	225	10.23
5	22	289	13.14
4	22	324	14.73
110		Sum of (O-E) <sup>2</sup> /E	67.65

Degree of freedom = (n-1) = (5-1) = 4

### Appendix-27

Test of Statistics, Ho

$$X^2 = \frac{\sum (O - E)^2}{E}$$

Where, O = observed frequency

E = expected frequency =  $\frac{\sum O}{n}$

n = No. of observation

Calculation of Chi-square ( $X^2$ )

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
31	22	81	3.68
37	22	225	10.23
20	22	4	.182
17	22	25	1.36
5	22	289	13.14
110		Sum of (O-E) <sup>2</sup> /E	28.368

Degree of freedom = (n-1) = (5-1) = 4

### Appendix-28

#### Average Loan and Age of respondent

S.N.	Age	Loan Rs	S.N.	Age	Loan (Rs)
1	30	20000	29	24	1000
2	43	20000	30	25	3000
3	36	10000	31	20	3000
4	45	25000	32	30	2000
5	35	30000	33	27	10000
6	35	50000	34	24	10000

7	30	30000	35	50	10000
8	35	30000	36	37	30000
9	31	10000	37	38	20000
10	34	15000	38	28	10000
11	29	20000	39	23	20000
12	30	15000	40	57	20000
13	27	5000	41	40	20000
14	48	5000	42	40	20000
15	40	5000	43	29	10000
16	31	10000	44	58	20000
17	40	10000	45	32	12000
18	40	10000	46	32	12000
19	40	50000	47	23	12000
20	45	10000	48	29	15000
21	64	25000	49	26	25000
22	45	20000	50	24	25000
23	29	20000	51	36	25000
24	51	5000	52	33	30000
25	36	10000	53	26	30000
26	35	30000	54	30	30000
27	36	30000	55	36	30000
28	18	2000	56	50	30000
57	20	30000	83	28	2000
58	45	10000	84	32	5000
59	35	30000	85	30	1500
60	30	25000	86	23	2000
61	44	30000	87	30	10000
62	46	10000	88	51	2000
63	40	20000	89	34	5000
64	45	5000	90	42	2000
65	45	10000	91	30	1000
66	33	5000	92	40	3000
67	65	1000	93	31	4000
68	22	10000	94	20	10000
69	29	5000	95	33	5000
70	35	2000	96	48	10000
71	50	1000	97	41	10000
72	41	2000	98	32	10000
73	26	2000	99	46	1000
74	40	2000	100	35	5000
75	31	10000	101	35	5000
76	35	5000	102	30	5000
77	25	2000	103	48	5000



Appendix-29

nwlj Q sfoqndn]uflldof dlxnf?sf]zzlQms/0fdf kf/3f]kēfj cVbog ; Dj Gwl  
k7gfj nl @)^\$

gfd===== 7ψfgf===== hflt===== wdξ=====  
pdξ===== ; dxsf]gfd =====af8{g#=====  
; aGwt vfnl 7fpdf .==\_ lr6x nufpg]

!-z]f]s l:ytLM ; fwf/0f n]k9 ug{g; Sg]===; fwf/0f n]k9 ug{; Sg]===P; Pn=; l  
eGbf sd==== P; Pn=; l= eGbf al9====

@= a]flxs cj ZyMclj j flxtf====lj lj lxtf====kf/kfr5]====lj wj f====cG0

#= nwlj Qm sfoqndf kj 7 ug' kj 3f]k7M

e} lkfng====x]6n====sv/fkfg====s]if====

afv]kfng====Hofnfbf/l====vb]k; n====cG0 =====

\$= tkf06]lgoldt art ug{ePsf]5 . 5====5g]=====

%= tkf06]nwlj Q sfoqndaf qm0f slt / sg p27osf]

nflu lngēPsf]xf]

lzif\$	/sd ?
slif	
sv/fkfg	
vb]k; n	
e]; kfg	
afv]kfng	
x]6n	
cG0	

^= nwlj Q sfoqnddf ; dfj 7 ePkl5 tkf0sf]k7f M

e} lkfng====x]6n====sv/fkfg====s]if==== afv]kfng====Hofnfbf/l

====vb]k; n==== cG0 =====

&= tkf03f]cf} t cfDbfgl k|tdlxgf nueudf slt xG5

sfoqnd cul8 ?=====

sfoqnd k5fl8 ?=====

\*= tkf03f]pkēf]usf]:t/ s:tf]5 .

sfoqnd cul8=====

sfoqnd k5fl8=====

(= tkf03f]; dxdf lgoldt a7s xG5 . xG5===== xbg]=====



!)= nwlj Q sfoqmdn]tkf0hf0{s:tf]cgej lbPsf]5 . Psbd /fd] = /fd] =  
 l7s} = g/fd] = clt g/fd] =

!!= tkf0sf]3/df vfg] gxfpg]kflgsf]cj Zyf s:tf]5 .

sfoqmd cul8 =

sfoqmd k5fl8 =

!@= zffno Pj :gfg uksf]cj Zyf

sfoqmd cul8 =

sfoqmd k5fl8 =

!#= tkf0h]kofu ug]0Gwgsf ; f]x?

sfoqmd cul8 =

sfoqmd k5fl8 =

!\$= tkf0{3/fof; l s/fx?sf nfufot cfo ; fdfgo s/fx?df cem}kl/j f/sf cfo ; b:o  
 ; u e/ kg{kbf< kb5 = kb5 =

!%= 3/kl/j f/sf cfo ; b:osf]; xof]udf sfoqmd cul8 / sfoqmd k5fl8 sg}

kl/j t6 ePsf]5 . 5 = 5 =

!^= tnsf lj ifodf tkf0sf]3/kl/j f/df s:n]lg0f6 ub5 .

lj ifo	cul8		k5fl8	
	cfkm}	cfo	cfkm}	cfo
vfgf tyf nQf sk8f				
lzIff, dgf]-hg				
3/hUuf ; DaGwl				
s[if pTkfbgsf]lj qnl ; aGw				
kzkl5 tyf r]kfof				
a\$af6 qndf lng ; fy}eQnfg ug{				
lghl :j f:Yof]krf/				

!&= lgDg lf]df xg]lg0f6df tkf0sf]; xeflutfsf]l:ytI

lj ifo	cuf18		k5f18	
	5	5g	5	5g
kl/j f/ lgofhg				
5f7f5f/l5f]lj j fx				
5f7lnf0{:sh k7fpg				
5f7lnf0{5f7fnf0{/x 3/ aflx/ hfg lbg				
; fdfilhs 5nkmsf nflu				
c6t hflto lj j fxsf]klfdf				
5j f5t / hfthfltsf]lj /f]df				
lj wj fn]nufpg]nuf Pj +j wj fsf]lj j fx				
3/of; l Pj +; fdfilhs ; /; knf0sf]af/df				

!\*= tkf0sf]; fdbflos ; xeflutfnf0{; dfhn]s; /l lnPsf]5 . Psbd /fd] =

/fd] = l7s} = g/fd] = cltg/fd] =

!(= tkf0sf]ultlzntf, lg0f6 Pj +g]Tj nf0{; dfhn]s:tf]k]oQ/ lbPsf]5. Psbd

/fd] = /fd] = l7s} = g/fd] = cltg/fd] =

@)= tkf0sf]6ogtd cfj Zostf kl/kltdf nwlj Qn]s:tf]; xofu u/}f]5 .

Psbd} = l7sl7s} = clncln = 5g =

@! sfognd kl]tsf]tkf0sf]/fo, ; Nnxf Pj +ugf; fx? 5g ls <

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