

## **Community Women in Micro-finance Interventions Bharati POKHAREL(Nepal)**

Just like in any other least developed nation, the role of non-government organizations (NGOs) and community based organizations (CBOs) in Nepal over the past decade in mobilizing women and mainstreaming them in community activities has been significant. This period has seen a considerable proliferation in number of NGOs in Nepal which is mainly due to the favorable acknowledgement accorded by the national five-year plans. Rural household women particularly of the remote villages of Nepal who used to run away from the sights of the development workers and activists now lead their fellow women in development interventions. Although there is still much to be done in order to truly empower women of Nepal, such an impact indicates that realizing the overall goal of women's development is possible with persistent efforts. The main community activities successfully carried out by women in Nepal are related to: 1) micro credit 2) community forestry 3) water management 4) health and sanitation 5) nutrition and child care 6) renewable energy 7) community development, and 8) capacity building.

Micro-credit programs in Nepal have targeted those women of rural communities who normally have no alternative means of generating incomes and supporting livelihoods. They neither own land to cultivate, nor are allowed access to credit. Community women are grouped into 8-10 and offered small loans of usually up to USD150 for each group member. These funds are mainly to assist women undertake income generating activities within their capabilities. These activities range from goat/pig rearing, buying chicks and raising them for sale, other livestock rearing for selling milk, cash crop farming as a tenant tiller, operating sewing and knitting houses, etc., to running small enterprises such as tea-snack shops. As obvious with their nature, women have maintained excellent repayment record at more than 98% on average. Studies have shown that women-only groups are far more effective than mixed (men-women) groups in paying back the due installments in time. Most of the income generating programs have been supported by UNIFEM, CEDPA, USC-Canada, Oxfam, UNDP, SAP, PCRW, Grameen Bank and ADB.

Research studies have also indicated that women tend to switch their activity according to their changing needs or experiences. For example, under a bilateral project majority of loans (about 80%) were initially taken by women for livestock raising and agricultural activities. Once the insurance of livestock was made mandatory, many women switched to other equally beneficial enterprises to save the premium and invest it back in their businesses. Besides promoting business acumen, cultivation of compulsory saving habits has been another major contribution to the community women. Since these groups are required to save Rs.20 to Rs.100 monthly, a strong collective economic asset base has been built and sustained in otherwise economically dormant rural areas. It has also cultivated a strong sense of ownership and pride in community women, as they have easy access to savings in the form of loans for their business or private needs. Another important contribution to rural economy has been the mainstreaming of women into productive roles who have otherwise been economically inactive homemakers, which means a significant improvement in the labor force.

Besides income generation, the beauty of grouping community women under the micro-credit program lies in the fact that these groups are being effectively mobilized for other community development activities as well. For example, they take part in capacity

building and awareness raising programs. According to ADB, over 79% of women beneficiaries of this project experienced the impact of training mainly in the form of new technology adoption and use; exposure to new skills as well as employment and assets creation, etc. Basic training played key role in motivating women to participate in income generation activities while vocational and management skills training enhanced their credit absorptive capacity.

Although micro-credit has generally provided a platform for community women to organize themselves in groups and take charge of not only income generating activities but also community development interventions, certain points have to be considered in order to ensure sustainability. For instance, efforts have to be made to ensure monitoring of performance of groups even after a project intervention is over. One way to do that would be the facilitation of upgrading of relevant groups into cooperatives. There has to be a provision of regular capacity building intervention, since most of the women group members are illiterate and lack basic educational foundation. Maintenance and sustenance of proper cross-sectoral network and linkage between micro-finance projects and other community development interventions is equally important to ensure overall social, cultural and economic rights of community women.