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Rural Womens' Access to Community Finance

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Abstract
This study explained access of women in community finance and its impact on their household economy. To the end, 140 community finance groups of Phulwari Village was regarded as case of the study and purposively selected 66 households were unit of analysis. Under case study methodology, descriptive/explanatory research design was used to analyze collected data. The study found that out of total 140 community finance groups, 92 were women led, 6 men led and 42 were jointly led by men and women. And from 66 sample households women are involved in 154 financial groups. The numbers of members in one financial group ranges from 9 to 296 at the time of establishment. A total amount NRs 22 million is saved from financial groups. The natures of groups are mostly unregistered, led by women, small amount of saving and dominated by Brahmin and Chhetri. Community finance has increased saving habit of the members and led them more access to credit facilities. Women are socio-economically and politically empowered due to the impact of community finance. They are participating in community work, becoming self-employed and supported to household economy. The status of the family has been improved. Finally, the study found that, level of education, labour migration, saving/credit and training opportunities are the motivational factors for involving women in community finance.

Key words: Rural women, occupation, access, rural finance and family economy.

Introduction

Women have been facing exclusion in different areas of their daily lives due to their less access to the household economy. Going beyond the simple income deprivation, social exclusion is a state of poverty in which the individuals cannot access the living conditions that would enable them to both satisfy their essential needs and participate in the development process of the society, where they belong to (Zaher, 2003). The individuals considered poor when they cannot secure a minimum standard of well being and when they have limited or restricted choice and opportunity for a tolerable life (United Nations Development Program [UNDP], 1997). Therefore, when women cannot achieve their potentials through upgrading their capabilities or due to deliberate and structural constraints like gender, caste, ethnicity, religious orientation or other social barriers, such exclusionary process remains as the major obstacle for improving family economy. Around the world, 1.3 billion people live in less than one dollar per day. Among them 70 percent are women (United Nations [UN], 2009). The women in Nepal are also poor and marginalized in terms of property and financial access which is directly related with land holding and other fixed assets (Pokhrel et al., 2011). Women in Nepal are considered inferior to men and are not always allowed to participate in decision making related to their living condition and properties (Pokhrel, 2009). Without giving access to financial services to rural women the target of MDGs to reduce poverty in 21% by the year 2015 cannot be achieved.

Overwhelming majority of the Nepalese are residing in rural areas where they have been occupying a small parcel of land or even many are landless. The land distribution pattern of the country shows that about 7.5 percent big landlords have owned about one-third of the total agricultural land. Most of the landless people are working for those landlords, occupying large amount of land, in the form of tenants, attached or bonded labour (Bhusal, 2007). The lower class, marginalized and ethnic minorities of the rural Nepal compel to engage to the works, which have never been placed them above the poverty line. Despite significant improvements in economic and social indicators over the past two decades, poverty and social exclusion are still widespread in rural Nepal. Financial exclusion is increasingly being recognized as an important aspect of social exclusion where disadvantaged individuals and communities are isolated from mainstream financial services, particularly affordable and readily available credit (Affleck & Mellor, 2006). Hence, worldwide, community finance or micro finance related self-employment promotional schemes have been identified as a way of enabling those at risk of poverty and social exclusion to participate in the economic and political processes of society through self-employment, a significant step in rural development (Siewertsen, et al., 2005).

Community finance is one of the major strategies for financial inclusion, poverty reduction and rural development in Nepal adopting by different non-governmental organization as well as government organizations. Community finance has great potential for empowering women and also targeted for poverty education and livelihood improvement of rural people. It is widely recognized the availability of financial services for the poor household can contribute strongly to the achievement of the Millennium Development Goals (MDGs) (Littlefield & Hashemi, 2003). Community finance render financial services to the deprived group of the people and small entrepreneurs to help them in developing self employment opportunities and various income generating activities (Nepal Rastra Bank [NRB], 2008). Microfinance institutions have certain similar features such as having large number of women member, small size of individual/group loan, no collateral etc which are favourable for rural poor having low or no land ownership to get financial access from formal bank or financial institutions.

Here is why, access to financial services has been highlighted as an important means for poverty reduction, Gender Equality and Social Inclusion (GESI) in particular and rural development in general. It gives poor people four sets of benefits: Saving, credit, insurance and payment services. The saving provides a cushion that enable people to cope with unexpected events, as well as to gather usefully large sums of money for investment in livelihood activities or payment of expenses. People to acquire income which increase household assets as a result of credit and insurance enable people to protect their assets against losses whereas payment services enable people to send and receive remittances from family and friends, receive pension and social benefits (Ritchie, 2007). However, lack of investment, entrepreneurship development and market access has made them more vulnerable towards poverty and financial insecure. Recently, there is growing interest on community finance with an assumption that it can contribute to risk diversification and sustainable livelihood of the people by the effort of continuing eroding the chronic poverty. Most of the donors of community finance and micro-insurance scheme focus gender awareness as one of their guiding principle in financing micro-credit activities. Women's participation in those financing have been crucially regarded as a means of success of the scheme. Women are regarded as the sensitive and honest while working with monetary things and their sincerity is another crucial fact which has been the result from the some of the researches in community finance.

Many Nepalese rural poor particularly women lack access to financial services such as saving and credit to conduct their businesses, develop entrepreneurship, plan for their futures and protect against risk. About 66% of Nepalese people still depend on traditional sources of finance which is costly and less reliable such as borrowing from relatives or local moneylenders, or by selling hard gained assets (UNDP, 2011). Lack of access to appropriate/affordable financial products and services is a serious hindrance to socio economic development among women and poverty reduction. Most o the financial institutions are concentrated in accessible area. Hence, much proportion of the people is less accessible to the financial institution not only in terms of physical access but also social and economic access. The poor also need access to financial services to help them weather untoward events such as illness and crop failures

Micro-finance program was introduced in Nepal through various programs in the early 1970s such as Small Farmers Development Program (SFDP) in 1975. Nepal Rastra Bank, central bank of Nepal directed commercial banks to begin the intensive banking program which, involved commercial banks in micro credit in 1981. Then after, Production Credit for Rural Women (PCRW) was introduced under Ministry of Local Development. The program has focused women as the member for micro credit. Since then, numbers of different programs related to micro finance are run by different organizations (NRB, 2008). In addition to that, several thousand indigenous saving and credit groups exist in Nepal mostly emerged over last two decades. Microfinance is not simply banking for the poor; it is a development approach with a social mission and a private sector-based financial bottom line that uses tested and continually adjusted sets of principles, practices and technologies.

Sharma (2007) studied Micro-finance service practices in Nepal and found that it leads to social and economic changes in the borrowers after the participation in the programs. Increasing income among borrowers results increase in food sufficiency, consumption of nutrient food, good caring of children health, health awareness and preventive measures of health, good education of the children, repair and maintenance of home. Three different paradigms are discussed in different literature about the women empowerment and micro-finance (Mayoux, 2011). The financial self-sustainability paradigm concerns to design provision of financial self-sustainable micro-finance services to the rural people, poverty alleviation paradigm considers poverty reduction and increase well being and the feminist empowerment paradigm considers micro-finance as an entry point for women's economic, social and political empowerment. However, this study tried to explain feminist paradigms and analyze the social, economic and political empowerment of women living in Phulwari Village of Kailali District.

Research Objectives

- To find out status of in/formal financial institution in the study area.
- To analyze the impact of community finance on household economy.
- To examine affecting factors to get membership in community finance.

Research Design

The research is descriptive and explanatory in nature. The researching issues, women access to community finance has been examined and described. The field, Phulwari Village Development Committee (VDC) of Kailali District was a case of the study. Total 140 community finance groups recorded in the VDC was regarded as population of the study. Out of that selected 66 sample households were from 4 community finance groups located in ward 8 and 9 were regarded as unit of analysis. The study was based on primary sources of information however some secondary sources of information such as village profile, institutional reports and records were also have been used. The primary data were collected through questionnaires, key informant interview and focus group discussion techniques. And the collected data were analyzed on the basis of simple statistical tools such as percentage, ratio, and average.

Phulwari Village at a Glance

Phulwari Village Development Committee at present situated in Dhangadhi sub metro Politian city. It is completely a flat village with an average 180 meter height from mean sea level (see in figure number 1). It consist an area of 44.7 Km^2. It has 39 settlements, ward 7 largest and ward 2 smallest having household of 897 and 221 respectively (Village Profile, 2013). The village is bordered by Mohana River in the western and southern part whereas it is separated by Ghurra River in the east with Hasuliya village. The soil of the village is fertile however lacks surface irrigation facility. Most of the farmers use pump set for irrigation. The village is highly populated accommodating 20508 people in 3844 household with population density of 459 persons per square kilometre. Among total population, 9681 are male and 10827 are female (CBS, 2011). Town planning and Dipo bazaar and Syaule bazaar are the major market hinterlands. According to CBS (2011), ward 7 has highest population (4591) whereas least population (1092) is found in ward 5. The proportion of male over female (sex ratio) of the village is only 89.4 which is lower than the national average (94). The village is well connected with district headquarter and intersected by postal road in which up gradation of postal has been underway. The postal road, which was gravelled, is going to be metal road within a year or soon. There are one multiple campus, seven secondary schools and 11 primary schools in the village. It has one secondary school with private management and some primary boarding schools. Two development banks have established branchless services recently. The village has a couple of large cooperatives for financial services and hundreds of financial groups in formal and informal status. Simple services such as computer, electronics, mechanics, and cable network are available herein.

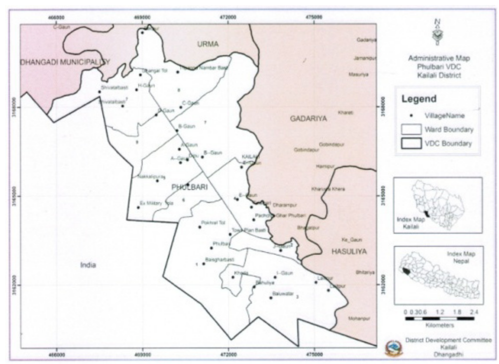

Figure 2. **Administrative Map of Phulwari**

Phulwari village is diversified in terms of society where many ethnic groups are inhabited. Most of the migrated people are living with mutual respect. Tharu is main adibasi ethnic group of this area, which has highest population. About 30.9 percent people are from Tharu community followed by Brahmin and Chhetri which occupy 18.0 and 16.4 percent population respectively. Dalit people have 14.4 percent population whereas Janajati has 8.9 populations. The educational status of the village is good as it has declared 100 percent literate village in 2013. The primary occupation of the villagers is agriculture. However, about two-third of the households have insufficient food from farm. Basically after government have established five ex-Kamaiya camps in several parts of the village where they have got up to 5 Kattha of land which is not sufficient for their larger household size. Similarly, most of the people migrated from hilly part of the district occupy small amount of land which is not sufficient for their families. Such families supply food from different sources. Some of them go to India for seasonal employment, some of them work as wage labour and some of the households manage food deficit from the remittance and some have to compel to take loan to manage food deficit.

Discussions of Findings: Status of Community Finance

Two banks have started branchless facility the VDC since couple of years. Before that there was an informal financing mechanism in which villagers compelled to pay 60 percent annual interest to the money lenders. Despite, some of the people had access to the banking services for the loan such as Agricultural Development Bank (ADB). The interest rate of such bank was low as compared to the informal channel but due to the documentation and other formalities, loan processing time, people prefer to take loan from informal channel. Furthermore, the people who got loan from ADB could not pay back, ignored about it, and did not know about fine and other they were badly rampaged by the loan. After the restoration of democracy, community finance program started formation of saving & credit group in order to take loan with the initiation of district agricultural office, INGOs. Some of the groups were formed to get incentives such as training, seed grant, agricultural tools, fisheries development input, baby of the livestock such as pig and goat, improved seed etc from such organizations. Many of such groups were not functioning but some of such groups are still working.

At present community finance is not a new concept in Phulwari village as they used to collect from every members of the community in sake of making fund for worship in temple or maintenance of hand pump, well etc. Now, every small settlement has at least a couple of saving and credit groups (see in table 1). They are running mostly on informal basis. They have made mutual understanding and some rules and regulation about saving and credit. They mostly collect their saving in monthly basis ranging from 10 to 1000 NRs. They take loan on rotational basis or on the basis of need and urgency. They give priority to the members who have not taken loan earlier and most urgent one.

Table 1. ***Number and Nature of Finance Groups***

Nature	No of Groups	Percent
Men	6	4.3
Women	92	65.7
Mixed	42	30.0
Total	**140**	**100.0**

(Field Survey, 2014).

The above table reveals that about two third of the financial groups are formed and managed by women. However, in many cases the financial keeping is done by male members, mostly among a member's husband, son etc. About 30 percent financial groups are of mixed nature. In some of the mixed nature groups also there is high number of female members. Moreover, in some groups only a couple of members are male. The male members were mostly kept to manage the financial book keeping. However, in some of the mixed groups, female member has also taken the responsibility of accounting and finance.

Many of the financial groups in the study area are functioning without registration. They make some rules and regulation from their own to operate the group saving and credit. On few those organizations have registered. Those who have not registered their group reported that they involved in group only for the help at the time of difficulty and the money they collect is in manageable size so they do not think necessary to register. The community finance group registered in any organization to get support. Some of the groups have reported that the main aim of establishing the group is to get support from government organizations (GOs) and non-government organizations (NGOs). Some of the groups have got seed grants while other have got improved seed, some tools for agriculture, pumping set, the fry or fingerlings, pesticide, training etc. A total of 9 groups have reported that they got technical/financial supports in any part of their group life. Those groups have registered in child learning centre, DADO, district cooperatives, agricultural service centre, women development office, livestock service centre, VDC office and Swarm Jagriti Samaj.

Regarding general features of community finance, most of them are found women led from where a gentle man cannot get membership. The numbers of members in one financial group ranges from 9 to 296 at the time of establishment. However, the number of total member in a group changes as some members may leave the group and some more members may enter in the groups. Most of the members who have left the groups have migrated from that area. Most of the groups have members below 15. The median number of member is 20 whereas the average member is 23. There is perfect negative relationship between number of member and number of groups or higher the members lower is the number of group. Likewise, all the groups reported that they collect saving in monthly basis especially on Saturday.

Community finance group exist in all the wards of the VDC however they are not evenly distributed throughout the VDC. Highest numbers of such groups were reported in ward number 7 where a total of 30 groups were observed. The ward is the largest ward in terms of area as well as population. Low numbers of financial groups were reported in ward 2 which is the second smallest ward in terms of population. Low number of population is reported in ward 5 but as it is the village centre, it has more number of financial groups. The average number varies with different wards ranging from 15 in ward 2 and 34 in ward 6. The ward 5 and 6 has highest proportion of people involved in financial groups 39.8 and 32.9 percent respectively. When we look to the population, this reveals that one out of four members of the household are involved in community finance. Out of total sample households, 43.9 percent household have more than one member involved in community finance whereas in some households 4 members have been involved same or different groups. Some of the members are involved in as many as 8 different financial groups. In total, the 66 households are involved in 154 financial groups. As there is no bank or financial services and effective daily saving mechanism, people take this as an opportunity for saving their earnings for future. Other thinks it as for financial security. As they involved in many groups, the chances of getting more loan increases and the chances of getting loan in every corner of the month increases because they fix their collection date mutually excluded with other groups.

Participation of Women in Community Finance

The participation of women in community finance has different reason discussed in different literatures. Some argue that it is due to absence of women as male member often goes out for work. Other argue that women are focused by different developmental and financial organizations as they are honest and the paying back ration is very high in women as compared to male. In addition to that some literature states that organization give focus to women not only as per their sincerity but also thanking that if women are economically empowered, the family economy improved significantly. And if women are economically empowered, their level of social and political empowerment also increased significantly.

Involvement of women in community finance is found encouraging in the study area. About 26 percent women are involved in financial groups whereas the percentage of male in their total population is only 4.3. The ratio of women's involvement varies in different wards. About two third of women are involved in community finance where the proportion of male is less than one percent. The key informants reported that there is high number of male absent in the household. The labour migration to India and Middle East has not only put burden to the women but also gives opportunity to come out of the household chore and empower them socially, economically and politically. The VDC is occupied by different caste ethnicity groups. Due to the resettlement program as well as migration then after, most of the caste ethnic groups, except some caste/ethnic groups found in the central/eastern Terai, resides in Nepal can be found in this village.

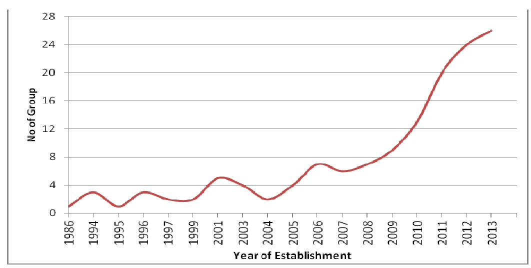

***Figure 2.* Trend Analysis of Community Finance**

However, the involvement of caste ethnic group in community finance is not proportion to the caste ethnic composition. According to the caste ethnic composition of the VDC, 30.9 percent people are Tharu but their involvement in community finance is only 17.6 percent. Similarly, Thakuri and other communities have also low proportion of people involved in community finance. But Brahmin Chhetri and Janajati have higher percentage of people involved in financial groups. This is due to the saving different saving habit and income. Tharu people have low level of income as well as saving habit. According to the key informants, they have recently practicing such community financial practice within their community. As we discussed earlier, community finance has no long history in this village. A couple of saving and credit groups were formed by different institutions to expand their activities and change the habit of people to save. Most of the groups were formed after the restoration of democracy but specifically after peace agreement. The numbers of community finance groups were increased rapidly after 2006 (see in figure 2). The member of community finance groups is not evenly distributed. In all ward the member in such groups is higher than the household. In ward 9, each household has about 1.25 members (5 members from each 4 houses). The ratio is lower in ward two where there is similar (only one more household) number of member and household (see in table 2).

Table 2. *Involvement of Household in Community Finance*

Wards	HH involved in Group (A)	Member (B)	HH -Member ratio (A:B)
1	364	383	1:1.05
2	75	76	1:1.01
3	230	239	1:1.04
4	303	313	1:1.03
5	399	435	1:1.09
6	497	516	1:1.04
7	637	683	1:1.07
8	199	216	1:1.09
9	285	355	1:1.25
Total	**2989**	**3216**	**1:1.08**

(Field Survey, 2014).

The above table highlights information on occupation and involvement in financial groups. Data indicates that most of the members of the household involved in community finance have agricultural occupation. From the interview with key informants and discussion with businessman, it is found that the entire business persons are involved in at least one saving and credit groups. All the household of the member are of Hindu religion.

Impact of Community Finance

Community finance has mixed blessing in terms of positive economic impact on household economy. Some argue that it fails to generate benefits substantial enough to alleviate poverty where it is implemented. Similarly there is different opinion about the gendered impact of micro-finance in the community. Some (Khandker, 2005; Cockbum, 2006) believe on the effect only substantial only for women however others (Ocasio, 2012) argue that the impact goes equally to the household without distinguishing gender. The micro finance is more designed to the poor and women who are regarded as the self employed group of the society. The loan they get from financial groups can be used for small business and production sector. However, the study has found that most of the loans obtained from the groups are being used for household expenditure which includes buying of consumption goods, treatment, educational material, paying interest of another loan etc. However, some of the respondents have reported that they have been using this credit facility for business as well as buying/renting in land and sending their household members abroad for foreign labour migration.

People of the study area are saving NRs 10 to 1000 per month according to the capacity of the group people. The male group and mixed group have been saving more amount than the women group. The women group in an average only save NRs 52 per month whereas the average amount is NRs 113 for male group and NRs 243 for mixed groups. The total saving of the study area is more than 22 million NRs. The study found that average saving per group is 0.16 million in which Ward 5 and 9 have higher saving per groups (0.45 and 0.29 respectively) but ward 6, 7 and 8 have only 0.07 million saving per group. The total saving of the groups varies from NRs 5000 to NRs 2200000 as well. The old groups having higher number of people have more saving. Some of the women's groups have reported that they save for a couple of years and when the saving increases that creates burden to manage money and not always saving is not borrowed by group members, they divide all the money or certain of it and again start. As a result they have low amount of saving.

Access to loan is very important in rural people's livelihood. The rural people have many uncertainties as their livelihood is managed on ad hoc basis. The poor and vulnerable poor people fall in poverty when they met some shocks mostly due to uncertainty in agricultural production, health and medicinal expenditure, environmental hazards and others. As a result they have to take loan. In most cases, they do not feel comfortable to take loan from formal financial institutions having tedious formalities and documentations. Similarly other important source of rural finance is money lenders which charge very high rate of interest. As a result rural people see such financial groups as a panacea for their deficit finance management. The loan and saving pattern of the study area is presented in table 3.

Table 3. ***Saving and Landing of Loan***

Nature of Groups	Monthly Saving	Initial Saving	Current Saving	Increased Saving	Total Landing	Landing % of Total Saving
Men	113	8413	219333	26	218500	99.6
Women	52	1810	108178	60	107950	99.8
Mixed	243	7227	259201	36	257028	99.2
Average	**112**	**3718**	**158249**	**43**	**157411**	**99.5**

(Field Survey, 2014).

The above table shows that a total of 21.85 million rupees has been used by group members as a loan which is about 99.5 percent of the total saving of their respective groups. Most of the people reported that they joined to the community group to get credit at the time of emergency. They have been taken it as insurance for financial security to manage financial shocks. The maximum loan taken by a member in women's group is low as compared to mixed and men's groups. The highest average loan taken by member of women's group is about 19000 whereas the maximum amount taken by mixed group member 51200 and the member of men's group is 60700. Most of the women replied that they use loan in household expenditure and to buy education material for their children, manage Tiffin and kitchen. However, the men member replied some other work than household one such as sending son to international labour market, paying other loan, constructing building, buying land and so on.

Most of the people (about 90%) have taken loan from their financial groups. They use to take loan mostly from money lender before entering into the group. Only about 9 percent have gone to the bank. The interest rate of the money lender was reported as high as 60 percent per annum. However, the rate of interest presently is mostly 12 -18 percent. Some of the groups have also taken 24 percent per annum. Most of the loan taken by members of the financial groups is small in amount. About 45.5 percent have taken loan only up to 10000. Only 10.6 percent have taken loan above 40,000. Some of the people have taken loan more than 3 lakhs from those financial groups. People even take Rs 500 loan from the groups and pay back. People take loan for different purposes. Most of the rural people take loan for household expenditure. Half of the people of the study are take loan for different expenditure of the household such as buying food, clothes and other needs of the household members. Similarly about 15 percent reported that they took loan for the sake of their children's higher education. About 11.7 percent household have reported that they took loan for business. Some have taken the loan for house construction, others have taken loan to buy livestock, land, send their family member in foreign employment and spend on health and medicine. The saving pattern and loan availability has improved the household facilities and amenities in the study area. Most of the households in the study are has *kachhi* houses mostly walled with timber and roofed by tile and thatch. About 71 percent households have such housing condition. Some of the households have changed from such condition to *semi pakki* structure walled with brick and cement and roofed with tin. Most of those people have reported that they have used their saving and taken loan from the group to construct houses. A couple of households have changed their *kachhi* house to *pakki* one. We cannot say that the involvement of group has contributed this but most of the respondents have reported that the group has given hope and support for financial management. The change in housing is presented

In overall, most of the respondents reported that they have got loan in low interest. They have also got loan without collateral and some of the respondents have reported that they have increased their income after joining the financial group. About 81.8 percent household of the study area reported that the economic condition of the household increased after involvement in financial group whereas about 18.2 percent have reported that their economic condition remained the same. One of the pertinent impacts seen in the study area due to community finance is change in the intra household power dynamics between male and female members. The change in power dynamics has changed the gender relations within household, which can have wider impact on the society. Far too often in the development world, the assumption is made that access to credit will automatically enable poor people to invest in profitable activities, pay back their loans with interest, and improve their economic security. This assumption greatly understates the element of risk. Many poor people are already highly indebted, and additional debt may undermine their economic security rather than enhance it. This is particularly true if financial services providers are focused mainly on credit delivery, without reference to the borrower’s capacity to identify and manage profitable livelihood activities (Allen, 2005). In this case also a couple of groups have a couple of bad loans that is because the members have no financial ability to pay back loan. They used that loan for household expenditure and celebrating ritual, entertainment, in nonproductive sector, which has even made difficulties of their livelihood. However, most of the women involved in community finance found socially, economically and politically empowered.

Affecting factors to get Membership Community Finance

Though there is majority of financial groups involved and managed by rural women, not all women of the community participate in financial groups. Some of the factors promote women to participate in such groups whereas some of the factors are considered responsible for lowering down the involvement of women. Different motivational factors work for the involvement of women in community finance. Different approaches are discussed by Echavez et al., (2012), the efficiency approach to lending to women emphasizes the women as assuming more reliable in terms of repayment. The poverty reduction approach emphasizes the well-being of the family by expecting that women allocate more of their earning to household welfare than men resulting welfare of the household particularly of the children. The empowerment approach focuses more on the social outcomes of women's access to loans including enhanced decision-making power in the household as well as community. It empowers women and enhanced visibility of women in public space and also increases not only access but also control over resources.

Foreign labour migration is one of the challenges of the country as well as study area. About 13 percent households have reported that they have one or at least one member in labour migration to different countries of the Middle East. Due to the male member out for the labour migration, women in the community have been shouldering burden of children and old aged people. However, at the same time women have developed their capacity to empower themselves in terms of economic and political aspect. They present themselves in the community meeting and have learnt about how to interact in the group as well as they have regular saving and can take loan. They can decide themselves whether to join the group or not. Hence, the foreign labour migration to the male has positive impact on participation on community finance group by women in the study area. Similarly, education is another factor for women empowerment. Many of the women in the study area are still illiterate. They cannot read and write as a result they mostly hesitate to participate in the community in different issues. In some groups due to not having well qualified and confident women in group to handle the financial management, women have invited male to handle the register and finance. Some of the local people who have not yet involved in the community finance have reported that they are illiterate and do not know about the group and finance and they cannot trust to other people. Hence, they denied becoming member in the financial groups.

More than 90 percent people have expressed that the main factor motivating to join the financial group is for saving and credit. However, some of the groups were formed to get agricultural extension services such as improved seed, fertilizer, tool and training, seed money, technical assistance for fish farming and skill based training for off seasonal vegetation and commercial agriculture. As already discussed, rural women do not have saving habit as well as platform to save. They take this as an opportunity for saving as well as taking loan at the time of necessity. The poor people focus on loan as they are highly run their economy with uncertainties. At the time of shock, they can get loan from the group which is one of the most motivational factor for participating women in community finance. Different factors works as a barrier for participating of women in community finance in the study area including low level of education, lack of trust among members of the community, lack of confidence about the financial matter, household burden and lack of money for regular finance.

Conclusion

Community finance is becoming popular among poor and middle class people and also becoming security strategy of financial deficit in Phulwari village. The trend of community finance is increasing in rural areas as there are any formal financial institutions for saving and credit. Most of the groups are informal which lead members an easy entry as well as exit. Some of the groups have accumulated more than two million rupees and now thinking about turning into small financial institution within VDC. Most of the group are managed by women, which has not only empowered women but also placed women outside household chore and involved in community work and gained knowledge about the community participation and decision making. The housing condition, household amenities and asset are increasing and also have increased the female ownership on physical properties. Because of community finance women are becoming socially, economically and politically empowered. From this we can say that women are more benefitted than male from community finance in the study area. However, due to lack of knowledge about financial matter, lack of trust with some members of the community and inability to save some money in regular basis, still most of the women are discouraged themselves to participate in community finance.

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