



## A STUDY OF CASTE AND GENDER BARRIERS FOR THE OPERATION OF MICROFINANCE INSTITUTIONS (MFIs) IN NEPAL

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### ABSTRACT

*Micro-finance is used worldwide as an effective tool to reduce poverty through providing financial services to the disadvantaged groups such as low-income people and poor women who are traditionally excluded from such services. Nepal is one of the developing countries that is characterized by pervasive gender and caste bias. This study focused on gender and caste barriers that hinder the smooth implementation of microfinance institutions (MFIs) in Nepal. Using data from semi-structured interviews of ten employees of MFIs and other financial institutions, this study showed that staff of the Nepalese MFIs were aware of caste and gender discriminations, but they were inactive in overcoming these social and cultural barriers in their routine work. The findings indicated that the disproportionate male-female ratio among the staff was a major hindrance in the smooth operation of MFIs. Lack of female staff and the passiveness of female borrowers lead to the problem of communication between MFIs' staff and their clients. Based on these findings, we suggest that gender sensitive awareness training should be included in MFIs' training and advocacy programs for staff and clients in Nepal. Equal opportunities should be given to females and low caste people in the process of MFIs' recruitment.*

**Keywords:** *Microfinance Institutions (MFIs), Caste, Gender, Nepal.*

### Introduction

Nepal is one of the poorest developing countries located in South Asia which ranked 142<sup>nd</sup> for Human Development Index in the world (*Human Development Reports*,

2019). There is high rate of poverty in Nepal, but due to foreign aid and technological development the poverty rate is diminishing slowly. According to the survey, in 2016/17 the literacy rate of the population of age 5 years and above stands

at 68.3 percent. There is still big gap in the literacy between sexes in Nepal. The male literacy rate is 76.2 percent, and the female literacy rate is 60.5 percent (*Annual Household Survey 2016/17, 2017*).

The rate of poverty is highest in rural households with more children and with illiterate household heads who are self-employed in agriculture. The poverty level is lowest among urban residents who are self-employed in trade and services.

Microfinance includes the delivery of financial services to the poor. The core principle under the operation of microfinance is to provide loan to group of borrowers with peer monitoring to secure loan instead of relying on physical collateral like traditional financing usually used elsewhere in the finance industry (Bhuiya *et al.*, 2016). Microfinance allows poor people to protect, diversify, and increase their sources of income, the essential path out of poverty and hunger. The capacity to borrow a small amount of money to take benefit of a business opportunity, to pay for school bills, or to link a cash-flow gap, can be a first step in breaking the cycle of poverty. The fact that microfinance exists is due to inability or unwillingness of the formal financial system to provide small amounts of finance at odd times to people of small means, and this situation would persist even if banking services reach each and every habitation, either directly through a brick-mortar branch, or through a banking correspondent because the services which people below the poverty line need cannot be supplied by these institutions (Satish, 2015). Nepal has three different laws for MFIs according to

their organizational structures. The Financial Intermediary Societies Act regulates NGO-MFIs, the Cooperatives Act regulates cooperative societies, and the Banking Act regulates development banks (Guha & Ghosh, 2015).

When the poor and disadvantaged people are exposed to financial services such as MFIs, their living standards rise due to access of short-term low interest loans. The number of microfinance institutions has grown exponentially, yet microfinance still does not reach the remote hills and mountain areas. Dalits, the poorest caste group, are negligibly included in microfinance cooperatives (Burnside, 2011). Females who are considered weaker sex and the people from rural areas where there is no access of basic things like infrastructures are disadvantaged and they can benefit from such services of MFIs.

The rural residents of Nepal do not often have access to financial services from banks and cooperatives. This is partly due to infrastructure challenges and low population densities coupled with low-income levels to support the financial services. To address these challenges, the government of Nepal created a National Microfinance Policy in 2007. This policy had several objectives intended to facilitate the growth of the microfinance industry and increase outreach of services. Included in the objectives are development of institutional infrastructures to maintain financial discipline and accountability in the industry, and formulation of microfinance specific laws. This has seen micro finance institutions penetrating in such rural environments to

provide loans and services to the needy people in recent years. The earliest MFIs in Nepal can be traced back to 1956. Recent Micro Finance Institutions based on Grameen model came into existence in the early 1990s. In a way, MFIs fill the gap created by the government by providing these services required by the people in rural areas. MFIs have also been a useful tool to reduce poverty in Nepal.

Despite it, issues related to cultural and social factors that are embedded in the Nepalese society hinder the effectiveness of MFIs in Nepal. For instance, disadvantaged people are generally from lower caste or are females both of which are neglected in the society. MFIs ignore lower caste people in their recruitment process, because of this only high caste people get seat in the MFIs which is a major problem to the lower castes. Females are also discriminated in a similar way such that females have limited positions in the MFIs and some females are even harassed in the organizations.

Poverty is interconnected with the caste system in Nepal. It is because most of the people in higher caste have relatively higher income and high living standards compared to the low caste people. Nepal is characterized by the caste system which continues to classify people according to their occupation and ethnic background. In the caste system there is a hierarchy in all the groups which is termed as 'Jat'. Caste plays a significant role in the society of Nepal and most South Asian countries. The caste system of India, having lasted for around 3500 years, has proved to be one of the most enduring of Indian institutions.

Despite India's rapid economic development in recent decades, it still insinuates itself into the social, economic, and political fabric of the country India also being the caste embedded society have a similar condition as Nepal (Bidner & Eswaran, 2015). Most of the people who are from the upper caste dominate those from the lower castes and are restricted to marry lower caste people. Based on this brief background, this paper will focus on the awareness level of the microfinance institutions on gender and caste issues that may hinder their smooth operations especially for the deprived people from low caste such as "Dalits" (Burnside, 2011). The Hindu religion is based on a stratified caste system of which the lowest rung are the Dalits who are also known as the "untouchables" and they are considered to be outside the strata of the religious pyramid (Akhtar, 2020).

Females have high poverty levels compared to male counterparts in both higher and lower caste system which shows low caste females being in the most disadvantaged situation. Results show that gender inequalities reduce long term income per capita by 3.4% and the human development index by 4.6%. These results are mainly driven by inequalities within the family and in the access to education for human development (Ferrant, 2015). The paper will take into consideration gender bias which is also a hindrance for the smooth operation of a micro finance institution. For instance, MFIs mostly have female clients but male dominated staffs. In a male dominated society, this makes it hard for the females to communicate with them and vice versa as they are afraid of their

husbands, fathers, and brothers to interpret otherwise. This puts women at a disadvantage and if the financial institutions are not putting in place strategies to reach these women then it would pose a challenge for them to access loans from them. Nepalese women do not usually initiate communication to strangers specially males. So, they may not talk freely and express their problems to the male dominated staffs in the MFIs. So, in short, the study is trying to understand MIFs' awareness of gender and caste bias in relationships to the access of the loans by their clients.

### **Materials and Methodology**

This paper uses firsthand data collected through semi-structured questionnaires. Semi-structured questionnaires are used to get information from the respondents of various Microfinance institutions like NMBMF, and other financial organizations like Banks and cooperatives as well as and non-financial sectors for more broad information about gender and caste in general in Nepal.

For this thesis, the paper research a microfinance institution named Clean Village Microfinance in Nepal. Clean Village Microfinance Bittiya Sanstha Limited (CVMBS) now known as NMB Laghubitta Bittiya Sanstha Ltd. (NMBMF) is a National Level "D" class financial Institution licensed by Nepal Rastra Bank as per Bank and Financial Institutions Act 2003. Currently NMBMF is providing microfinance services to more than 94,450 deprived household from Hilly and Mountainous regions of Nepal with prime focus on low-income households,

assets-less, self-employed in the informal sector to uplift their livelihood increasing involvement in economic activities and income generating activities. Besides all these financial services, it also focuses on their social development, cultural promotion, educational development, skill development & many more by its fully operated 95 branch offices & 5 sub-branch offices with well-trained human resources (*Introduction / NMB Microfinance, 2021*).

### **Respondents**

Mostly the respondents are from micro-finances and financial organizations like banks, cooperatives. The interview guidelines were circulated to the chairman of clean village microfinance and 5-8 staffs from the same microfinance ranging from bottom level to top level staffs. Although the Clean village microfinance is in its early stage of operation which will be a plus to get information from the fresh people there. From the interviews this paper collects information about their social conditions, if caste or gender issues are hindering them to get services from MFI. The paper tries to explore the MFI's objectives, agenda, and programs for the deprived people and the level of proper communication with the staffs.

The female clients are mostly the people who come to MFI for getting the loan or some other purposes. As with the ground study that is in the section below, found out that most of the female clients do not speak with the staff much and obviously a stranger like me. The clients were not open to the stranger, but they seem to talk properly with the staff of the organization. So, it can

become a challenge to get an interview with the clients. And with the chairman of the MFI, I would be using social media to take interviews which is another challenge for me because of the short time off the chairman.

The respondents who participated for the research are as follows. Most of them are from Microfinance Industry and from various financial (governmental and private) organizations.

## **Results and Discussion**

This paper will categorize the interview responses based on the issue of caste and gender in the MF as well as in other financial organizations. The first section is about people's awareness level of gender/caste discriminations. The second section questions about the impact of such discrimination on the MFI, which helps to measure the extent of discrimination present in the organization. The third section focuses on the suggestions given by the respondents for the alleviation of gender and caste bias.

### ***Level of Awareness for gender and caste discriminations among MFI staff***

In general, the findings indicate that the respondents were fully aware about the gender and caste barriers that hinder the smooth operation of MFIs.

According to Respondent 8, *"Of course, I am aware about gender and cast related sensitiveness in our society. As we are a service provider for all peoples in micro-finance, we should know the sensitivity of different aspects. If we are not*

*aware about this, problem may occur, and which can harm our corporate goal."*

Likewise, most of the respondent in the study shared the same views. Based on the feedbacks, people were aware of the prevalence of such discrimination in the society. Most of the participants said there should not be anything such as lower caste or higher caste people in Nepal.

Similarly, most of respondents adopt the view that the organizations do not care about the caste or gender of the people when it comes to issues of recruitment but rather about the qualification and experiences of the candidates. Above all, most of the respondents said they do not have any caste issues in their organizations. Below are some of the extracts from the interviewees.

Respondent 3: *"Operation of micro finance organization is one part of the business while gender and caste are another. These two things are not related to each other because MFI always need capable person either they may be Dalit or other."*

Respondent 4: *"In my opinion the word "Dalit" should not be used because this word itself is a discrimination. We all are Nepali so we should be called Nepali and the government should move forward to end issues related to caste by removing caste system itself. I know it is very challenging in a religious country like Nepal. But it is not impossible. Our generation should start this process of removing caste system by ourselves."*

**Table 1: Demographics / Respondents**

Respondents	Age	Gender	Institution	Level of Management
1	27	Male	Media/MFI	Middle
2	22	Female	MFI	Low
3	33	Male	MFI	Middle
4	24	Male	Cooperative/Bank	Top
5	29	Male	MFI	Middle
6	34	Male	Finance/ Tax Department	Top
7	32	Female	MFI/Government	Middle
8	25	Male	Bank	Middle
9	28	Male	MFI/Bank	Top
10	26	Female	MFI/Cooperative	Low

According to Respondent 1, *“It is a traditional notion that people are stratified based on castes. But due to modernization, globalization and increasing economic challenges, there has been equal participation of various castes in the country’s economy. However, certain level of social restriction is still prevalent. I agree there are still certain castes which are totally back warded and look down upon by the society. But policy does not discriminate them, it is society.”*

This is a true situation in Nepal. Government policy will not be able to solve caste issues due to religion and other complicated factors. The fact is that the caste system should be neutralized by ourselves. Not calling us a high caste or low class will solve the problem of caste biasness.

Regarding gender issues, interviewees said the passiveness of female people are due to the culture and tradition in the society. This is what Respondent 2 had said, *“Yes, it’s true that most of females are passive speakers in Nepal because of the*

*culture of our society that females shouldn't be so talkative.”*

Most of the interviewees had this same opinion about females being passive speakers. But regarding this case most answers were focused on education of females. Many said that if the female is educated then she will have the power to not only speak but also to initiate business, work on offices and many more.

Similarly, Respondent 5 says, *“In the past in Nepal, there were restrictions on the ability of females to speak freely with males, but at present the situation is different so I don’t think that this has implications for processing of loans and monitoring in the MFIs. Now a day female in Nepal have properly utilized their rights guaranteed by the constitution of the country. They do not accept restrictions to speak freely with males. They have utilized their rights and come into the front line to process and monitor MFIs.”*

Most interviewees had a same opinion about which they said it is a traditional phenomenon and some even said that Dalits

cannot be helped because of the weakness in the government's policy making. But in conclusion, the staffs of MFIs are aware about the fact about the existence of the gender/caste discrimination. They know the lower caste people (Dalits) and Nepalese women being a passive speaker. Being aware of such conditions they did not care about the recruitment process and most of them said they need capable staffs whether they are Dalits or females. So, this shows that the MFIs is open to all castes and gender regardless of discrimination.

Similarly, Respondent 5 says, *"In Nepal there are various castes and people stratified according to their caste membership'. I profoundly agree with this statement because Nepal has a unique feature that is 'Unity in diversity'. There has never been conflict in the country in the name of caste and culture. We respect each other's caste membership which is the hidden beauty of Nepal."*

According to Respondent 4, *"Yes, this is the characteristics of old Hindu traditional society. According to this culture, females are considered as the housewife only. The role of women is limited within the boundaries of the house. This resulted into the restrictions on the ability of females to speak freely with males. This has negative impacts on women entrepreneurship which also causes bad impacts on loan processing."*

Most of the other interviewee stated that the discrimination is there due to the society. They said we are moving forward but the society still moving on a slow pace. When asked about the accident that

happened in Nepal in February most of the interviewees accept the accident happened due to the fault of the society.

According to Respondent 6, *"This is the extreme case of blasting the traditional social structure practiced in Hinduism. The time is changed, and society is also changing. But traditional society takes much longer period to become advance society. In this case, I think, the so-called Dalit (lower cast people) take violent way of rebel. This change will make some changes in society but for rapid modernization and eradicating social caste system (the discriminatory social system) government should take action against this system by making new strong laws and implementing the law strongly."*

From all these feedbacks we can say that there is prevalence of Gender/caste discrimination in Nepal. Although people try to hide such bias created from Gender and caste, but they will somehow show how they react to such barriers. Most people are seen innocent on their responds which was expected from the questionnaires. But to know the depth about such gender/caste discrimination and in-depth study should be conducted.

### **Male Female Ratio**

The ratio of male and female proves composition is a hindrance in Nepalese MFIs. It is because as stated in above section females are passive speakers so when there is large number of males than females then the communication flow will not be smooth and major problems may occur due to communication gaps. This is

further explained by the feedbacks from respondents below where many respondents reported that there were more males than females in microfinance institutions.

According to Respondent 4, *“In my institution, there are more male workers than the females. However, it does not come from policy level to select male over females. In Nepal, females are reluctant in making out-station field visits, therefore in the posts where such requirements are a necessity, males are preferred. But it is to be noted that a female with charismatic personality is likely to lead success to the project more than males. People are impressed with such confident and talented ladies. In my institution, there are few females in the higher posts, who made it their based on their talent.”*

Similarly, Respondent 6 said, *“In my organization, the ratio of males to female staffs is 70:30. This ration clearly shows the total male dominated society in Nepal. This will be changed if the state implements the strong women empowerment actions for whole society. I think the less women staff in my organization causes many difficulties in loan investment e.g., in loan processing, documentation, field visit, group formation etc.”*

Whereas Respondent 8 answered, *“Composition of male and female in our institution is almost 50:50. However females are given more priority in City area or in their hometown as they are unable to travel out remote branches out of their residence due to family restriction as well as they are given more preference for their choice. In my opinion favoring gender in this way is*

*not acceptable as both male and female are equal. Both should be treated equally.”*

Based on the respondent females are discriminated. For instance, the first respondent has indicated that there are more males than females in most financial institutions regardless of the successes that some females have registered in the institution. Similarly, the other respondent despite saying that there is 50:50 composition between males and females are not given opportunity to work in some areas such as rural areas. This proves difficult for females in rural areas to access loans from these MFIs because they must communicate with male counterparts which is uncomfortable for them.

#### ***Impact of the Caste/Gender Barriers on MFIs' operation***

This section answers how gender and caste discriminations become a hindrance to the smooth operation of MFIs in Nepal. Most of the respondents responded by saying gender and caste does not matter now a days and hence, it does not become a major hindrance to the smooth operation of the MFIs because the impact of caste/gender bias in not as severe as a decade ago in Nepal. The following are the answers of the respondents when they were asked about the gender/caste barrier in Nepalese Microfinances.

Respondent 1 said, *“Personally, I am out of this so-called upper caste or lower caste notion. Therefore, it does not matter to me who is in front to seek service. I duly perform my duty without any discrimination.”*



Similarly, Respondent 5 answered, *“I can never imagine the way not to give services to lower caste people because no caste is higher or lower in Nepal in front of the constitution. It is just a malpractice in the conservative society. If I were asked by my senior management personnel not to give services to so called lower caste people, I would not accept this command and convince my senior to grant their rights in financial sector.”*

Respondent 5: *“There might be few examples where a low caste person is ignored by institutions. Such is the attitude of ignorant educated. They should get over with such traditional dogmas. In my organization, once I suggested management to hire more of socially disadvantaged, females and low caste people for enough inclusion and express the corporate social responsibility by expressing solidarity with the nation wise campaign of equality.”*

Many others explained how discrimination would not be a good thing for the organization. But when the question about the senior was asked to the respondents, most of them showed a sense of uneasiness while answering the question and they were not clear. Which may become prone to harassments. Unlike western worlds if the seniors behave rudely or harasses the staff physically or mentally then they have every right to sue or take legal action to the boss or senior.

Gender issues especially sexual harassments by the males, many female respondents talked about the improper policy by the government and no proper law for women for such harassment and rape

cases countrywide. Women respondents said they are helpless to such conditions because if they try to sue the harasser then they fear the loss of the job. Whereas male respondents talked about the gender equality and woman rights about such harassments.

Respondent 8 says, *“Such harassment usually happens in Nepalese organizations which is very uncivilized and tragic activities as well. But normally in big cities and in big organization, such activities are minimal; however, in small organizations and rural areas such activities are high.”*

Respondent 5 says, *“Yes traditionally the impact of socio-cultural barriers was large in context of Nepal but now a day it is gradually getting narrow. I do not think that many women workers are sexually harassed in many organizations because Nepalese women are more conscious about their rights to security. It can be found in rare case in some organizations but still this should pull by the root for the betterment of prosperous modern Nepal.”*

From the findings of the research most of the people gave a clear answer to the questions whereas female respondents were not as clear as the male respondents. It is proved that when it comes to the topic of gender and caste issues in Nepal, females tend to avoid or be passive in such cases. It is due to the culture and religion. As seen in above feedback most respondents said that only highly educated females have the courage to stand up against the society whereas male do not need to be educated to raise his voice. This is because in Nepalese the society is mostly male dominated. Females becoming passive due to society

and culture is a major hindrance in the smooth flow of operation because there will be high levels of gap in the communication. Communication is regarded as a major factor for the smooth performance of any formal or informal work.

Based on the findings that the researcher did with 4-5 female clients in March 2015, they were not comfortable to talk with the researcher simply because he was a male stranger to them. In most cases Nepalese Woman are scared or shy to talk to strangers. It was further noted that all the females had a positive view that loans obtained from MFI had improved their living standards. Besides, the females reported that they felt a little nervous while talking to the male tellers of the MFI. This proves gender disparities in Nepalese Organizations in rural areas where women feel uncomfortable to speak with their male counterparts.

### ***Prevention Measures for Discrimination***

This section responds to the third research question which is how the Staffs of MFIs overcome gender and caste discrimination. Most of the respondents replied that education, social awareness and law implementation is the best method to solve gender/caste discrimination. But in fact, education may not solve the problem of gender and caste discrimination.

Respondent 1 says, *“Primarily, it is the education that will eradicate such problems. People should be taught how western countries have been able to develop by eliminating such discrimination and racism.”*

Respondent 8 says, *“Social awareness, strong law implementation, making equal distribution of resources and making harmonious society with development are some tools to solve the problems with Dalits.”*

Similarly, Respondent 3 also said, *“We never think about caste affect any people capacity, if they get such opportunity then they also can do something towards the country.”*

And when talking about preventive measure and the women harassments the respondent answered as communication being a crucial factor in stopping harassments. As stated in above sections and literature it is proved that women in Nepal are passive and they do not raise their voice which is a major reason of getting dominated. So, respondents answered women should be given equal rights as male counterparts by the means of law implementation and social awareness.

Respondent 8 says, *“According to my knowledge and understanding, gender and caste discrimination in general organization of Nepal is almost out of practice. Some individuals may have such attitude but in majority they are not so active.”*

Respondent 1 says, *“In general organization, management should hire people regardless of their caste and gender. If a task is allocated to certain groups, the group should be composed of various castes as well, so that people will learn to cooperate with each other. This will generate respect among each other.”*

Respondent 5 says, *“Law implementation, rule of law, social awareness and modernization of society can be done to minimize such socio-cultural barriers in Nepal.”*

Respondent 4 says, *“Woman harassment is very frequently happening event in Nepal and such activities are strictly taken by governing body as well, if such thing happened in front of me, I would have quick response to stop it and warn such people. However, in extreme case I may take a legal action as well.”*

According to Respondent 1, *“I would take the side of female and make her comfortable first. I would motivate such males to eliminate such behavior as it would damage their reputation. If the problem continues after few warnings, such males should be disclosed in front of all staffs and order him to seek forgiveness from victim. This should demotivate other staffs from carrying such mistakes.”*

Most of the respondents agreed discrimination related to caste and gender should be stopped by making small changes starting from their own circles. This is a must because people should not only depend on government for policy implementation and new rules and regulation.

### **Conclusion / Concluding Remarks**

The paper exams gender and caste barriers that hindering the smooth operation of MFIs in Nepal. It is very important for financial sectors such as MFI to deal with these social and cultural bias because most of their clients are from low caste groups

and most are females. The empirical findings are summarized below:

1. Respondents were fully aware about the social and cultural barriers that hinder the operation of MFIs. Many people explained there should not be anything such as lower caste or higher caste people in Nepal. The staffs of MFIs are aware about the existence of the gender/caste discriminations. They know the lower caste people (Dalits) and Nepalese women being passive speakers. Being aware of conditions like gender and caste discrimination the staffs did not care about the recruitment process. Because most of them said they need capable staffs whether they are Dalits or females. So, this shows that the MFIs is open to all castes and gender regardless of discrimination.
2. Most of the respondents said gender and caste does not matter at present context and hence, it does not become a major hindrance to the smooth operation of the MFIs in Nepal because the impact of caste/gender barrier was not as severe as a decade ago. Male staffs are more in MFIs compared to Female staffs. So, women being the passive speaker there is communication gap between the male and female staffs and with female clients. Females becoming passive due to society and culture is a major hindrance in the smooth flow of operation because there will be high levels of gap in the communication. In Nepal policy as in western world is not

very powerful and most of the policies have not yet been implemented. So, people get harassed because they are from disadvantaged groups such as lower caste groups or opposite gender specially females. It is proved that when it comes to the topic of gender and caste issues in Nepal, Females tend to avoid or be passive in such cases. It is due to the culture and religion.

3. Most respondents clarified education and social awareness as possible ways to minimize such discrimination. Despite most of the respondents suggested education was the best way to deal with gender and caste discrimination, the best way is to have radical changes in the social structure and the removal of the caste system. As revealed in the literature the caste system is embedded in the society in such a way that removing it would be a challenge not only faced by the government but by the locals as well.

It has also been evidenced from the study that women are currently getting appropriate recognition in the society. The literature indicated that women were still lagging in the society which is true in most rural areas of Nepal but in urban areas like Kathmandu most females are educated, and they take part in many productive activities in most organizations. In the past, women were less in such productive activities, but this is changing as revealed by respondents that there were certain seats reserved for the women in organizations.

It is the sad truth of the Nepalese society that females should not go on a long-distance work, such as field projects or other cities far from home. This is because of the social structures in the society and families which are meant to ensure the security of the females especially from immoral behaviors. Compared with females from western countries, they have their freedom to do various economic activities and initiate their own businesses. But in the context of Nepal such freedom comes with a heavy price. The price the females pay are not in monetary terms, but in social, cultural and religious terms. If they have a courage to do new things there will be many questions before them regarding where they got the permission to venture in such activities. But now there are many females who are educated, and they can stand in equal terms as their male counterparts. The society is changing in a fast pace where females are getting the taste of so called “freedom”.

In conclusion, it is clear from the findings that caste and gender discrimination is still common in Nepalese societies. It is also clear that many MFIs were aware of such existing caste and gender discrimination but that as individuals they do not approve of such discriminations based on caste and gender. The study also noted that the MFIs were organizing various awareness programs on caste and gender discrimination for them to be able to reach all people with their services regardless of their status.

### **Policy Recommendations**

Gender and caste sensitive awareness programs should be conducted in various

organization throughout Nepal. Caste discrimination done unknowingly from the concept developed by previous generation people who think low caste people should be called lower caste because they did something wrong in their past lives. People do not know why low caste people are discriminated, they just think they are born to be discriminated and in worst case scenario low caste people are not counted as humans. So, when people are given sensitive training about caste this concept will be removed. Thus, filling the gap of unaware caste discrimination.

Certain number of seats in an organization should be reserved only for females. Such policies should be considered by the government. Although this policy, it not fully implemented as evidenced from unequal ratio of male to female in most organizations. Regarding caste the government should allow high number of low caste people to be recruited in various organization suited with their skills and expertise. This will create a platform where high caste people and low caste people will continuously interact with each other thereby eroding issues of caste differences which will on the long run reduce discrimination in the society based on the same.

Government, while engaging with other institutions, should take a leading role in reforming the social structures like the religious institutions where issues of caste are very pronounced. Only when the government shows commitment in such issues and engages relevant authorities in this cause would people be able to

appreciate the existing problems and willing to reform in the long run. Social and cultural changes aimed at neutralizing gender and caste bias should be promoted in the long run.

### **Limitations of the Study**

The main limitation of this study was the difficulty in getting precise information from the respondents. Semi-structural questionnaires were circulated through email among staff of the MFIs under study. Due to the distance, there was no way to have face to face communication with respondents, which makes it difficult to get in-depth information from them. Although, the information was able to get the feedbacks of around ten people, there would have been more feedbacks if the time difference between the countries were parallel.

Another limitation is that respondents themselves were not clear about the feedbacks in some questions. This may be due to inability to express themselves due to social pressure and unaware about the discrimination. And the education level of the respondents was high, so this research only considers the feedback from educated people and not from the lower educated people. It is because the respondents all were educated which shows there were very low or no non educated staffs in MFIs. So, this is a limitation of the study because if low educated were to be asked the same question then the feedback may change drastically. Rather than education sensitive training related to caste and gender awareness should be conducted to neutralize such discrimination and is the effective way than education.

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