

The WORTH Program in Nepal Empowerment through Literacy, Banking and Business

Executive Summary

WORTH is a women's empowerment program that combines business, banking and literacy—a program in which women become social activists, social entrepreneurs, and effective leaders who bring about change in their communities. Pact implemented the WORTH program in Nepal between 1999 and 2001, reaching 125,000 women in 6,000 economic groups across Nepal's southern Terai. Approximately 1,500 of these groups, with 35,000 members, received additional training to become informal-sector Village Banks (VBs). A Maoist insurgency plunged Nepal further into civil war after 2001, when Pact's formal program support ended and WORTH groups, including VBs, were entirely on their own.

In 2006, as Pact contemplated a new social franchising approach for WORTH and the Maoist insurgency began to subside, Pact asked Dr. Linda Mayoux, a women's empowerment specialist based in Cambridge, England, to head a research effort with the Valley Research Group in Kathmandu. The research would determine if any of the 1,500 VBs still existed despite the civil war and the collapse of national governance, and, if so, how they were faring as community banks and as vehicles of change. The study would also determine how WORTH, which was initially known as the Women's Empowerment Program (WEP), affected women's ability to create wealth, generate new incomes, and tackle broader issues such as domestic abuse and community development.

To achieve a 95 percent confidence level (a margin of error of 5 percent), researchers needed to find at least 272 VBs from a random sample of 450 from seven of the 21 WORTH districts. Seven Nepali research teams fanned out across the 500-mile-wide Terai in four-wheel-drive vehicles, rickshaws, *tempos*, and on foot. Their search uncovered 288 thriving VBs as well as another 45 banks that WORTH women had helped to start on their own. The researchers conducted in-depth interviews with rank-and-file members and management committees, along with women who had left their VBs and members of groups that had dissolved. For comparison, they also interviewed a group of poor, non-WORTH women in Village Bank communities.

Five of the researchers' findings are particularly important:

Wealth creation

- A Village Bank today holds average total assets of over Rs. 211,000, or \$3,100, more than three times its holdings in 2001. Each woman member of WORTH now has an average equity stake of \$116 in her Village Bank.

Sustainability

- Approximately two-thirds (64 percent) of the original 1,536 Village Banks are still active eight and a half years after the program began and five to six years

after all WORTH-related support ended. That means there are nearly 1,000 surviving groups with approximately 25,000 members.

Replication

- A quarter of the existing WORTH groups has helped start an estimated 425 new groups involving another 11,000 women with neither external assistance nor prompting from WORTH itself. If all these groups are currently operating, then more Village Bankers are conducting business today in Nepal than when formal WORTH programming ended in 2001.

Literacy

Women highly value WORTH's focus on literacy and their new ability to educate their children:

- 97 percent of respondents reported that literacy is "very important" to their lives
- 83 percent reported that because of WORTH they are able to send more of their children to school.

Domestic disputes and violence

- Two-thirds of groups reported that members bring their personal or family problems to the group for advice or help. Of these, three-quarters reported helping members deal with issues of domestic disputes and related problems. Forty-three percent of women said that their degree of freedom from domestic violence has changed because of their membership in a WORTH group. One in 10 reported that WORTH has actually helped "change her life" because of its impact on domestic violence.

Additional significant findings include:

- The overwhelming majority of women report that they have increased access to health services for their families because of WORTH
- Two-thirds of groups are engaged in community action, and three-quarters said that the group has done something to help others in the community
- Half of the groups report efforts to reduce gender discrimination in their communities
- Village Banks have created and maintained relationships and networks, providing informal technical assistance to each other with no external assistance
- Women's self-confidence has increased significantly. The vast majority of VB management committee members report that their lives have changed as they have become leaders in their families and communities
- Almost half of the women interviewed said that WORTH made them better able to cope with the Maoist crisis and the crumbling of government services.

Today in Nepal, Village Banks provide loans and other services to perhaps 35,000 women. The members of these groups have increased their financial assets substantially, while bringing development and social transformation to their communities. For almost a decade WORTH has proved remarkably robust and resilient in the hands of poor women who faced daunting obstacles. Yet for all this documented success, WORTH and other savings-led microfinance programs remain among the best kept secret in the world of

international development and poverty alleviation. Although together such programs reach some two million poor people, they go almost unnoticed by the \$20 billion credit-led microfinance industry.

The empowered women in this study—like WORTH women elsewhere in Asia and Africa—have proved themselves equipped to lead a new generation of entrepreneurs who can take WORTH to other women across Nepal and beyond through a model of social franchising now being pilot-tested. This franchising model is as creative and potentially groundbreaking as is WORTH. VB women have the knowledge, creativity, and motivation to turn WORTH into a business venture, helping each other generate a new source of income as they train other women to join the growing network of WORTH Village Banks. WORTH has the potential to become an international movement that supports women's efforts to lift themselves, their families, and their communities out of poverty.