Microfinance behind closed doors: women and agency in rural Nepal

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Abstract

The thesis is concerned with how rural Nepali women engage with microfinance in a multi-caste locality characterised by a proliferation of lending institutions. In the past four decades, microlending practices have spread worldwide and so has the debate around their ability to improve the lives of borrowers. While some have seen ‘lending to the poor’ as a solution to world poverty, an increasing number of scholars have criticised microfinance providers as being neoliberal, and potentially neo-colonial, institutions that exploit impoverished and disenfranchised women. Rather than focusing on the narrowly framed question of whether microfinance ‘works’, the data and analyses offered in this thesis show how lending organisations allow women to engage in novel strategies—which I frame as agentive acts. These acts enable women to respond to the constraints and opportunities that they face in a changing socio-economic context.

I illustrate how rural women’s agency varies in different contexts because of their disparate domestic and institutional structures experienced within distinct caste groupings. These observations build upon key contributions in practice theory—a conceptual body of knowledge that focuses on the mutually influencing realms of structure and agency. Said differently, I develop an empirical case through the example of women’s savings and loan taking practices that shows how their actions are influenced by the historical contexts and contemporary social structures within which they operate. Ultimately, I argue that women’s agency is socially and structurally situated and that microfinance institutions provide novel ways for rural Nepali women to potentially improve their material conditions and social standings.

Drawing on ethnographic data collected in 2014 in rural central Nepal, I explore how women from different caste and ethnic groupings—Bahun and Chhetri, Janajati and Dalit—creatively engage with formal lending. I argue that women demonstrate different forms of agency in relation to microfinance based on their marital relations as well as their caste and ethnic affiliations. More specifically, I show how caste relationships, male outbound migration and inbound remittances influence to a large degree the potential success that some women can achieve. Dalit women, for instance, can use microfinance to counteract the discrimination that they experience because they can diversify their investment options. Janajati women use microfinance to improve their social standing through the purchase of socially valuable and symbolic land. Bahun and Chhetri women, by contrast, use microfinance to transform their household relationships and to enhance opportunities for their daughters. Through it all, the inner workings of microfinance remain
entrenched in caste divisions and discriminatory practices. These reflect the ongoing social constraints and challenges that persist even within Nepalese institutions that are ostensibly meant to work according to socially untethered capitalist and neoliberal logics. Taking these insights into consideration, the thesis concludes that although women's financial practices do not always correspond to those foreseen by lending institutions, women use microfinance to respond to their social and economic conditions, to pursue their aspirations and to bring about changes in their lives.
Thesis declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint award of this degree.

I give consent to this copy of my thesis when deposited in the University Library, being made available for loan and photocopying, subject to the provisions of the Copyright Act 1968.

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Signature of candidate:

Date:
18 December 2017
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Transliteration

Nepali is written in Devanagari script. The transliteration of Nepali words and phrases in this thesis is done in Romanised form and is derived from Turner’s *A Comparative and Etymological Dictionary of the Nepali Language*, 1931. This dictionary was accessed via an online database (on 30 November 2017) that is supported by the U.S. Department of Education at: http://dsal.uchicago.edu/dictionaries/turner/.
1 Introduction

Researchers should focus on delineating different kinds of agency, or different ways in which agency is socioculturally mediated in particular times and places (Ahearn 2001a: 122)

This thesis explores how rural Nepali women use microfinance creatively within a multi-caste locality characterised by a proliferation of lending institutions. They realise goals that are shaped by their life circumstances more than by the principles and goals of the microfinance institutions from which they borrow money.

In the past four decades, practices of microfinance have spread worldwide and so has the debate around their ability to improve the lives of borrowers. While some see in 'lending to the poor' a solution to world poverty (Swain and Wallentin 2009; Malik and Luqman 2005; Pitt and Khandker 1998; Hashemi et al 1996; Shuler and Hashemi 1997; Hashemi and Morshed 1997; Chowdhury and Alam 1997; Carr et al 1996; Hulme and Mosley 1996; Latif 1994; Lovel 1992), an increasing number of scholars criticise microfinance providers as neoliberal, and potentially neo-colonial, institutions that exploit impoverished and disenfranchised women (Moodie 2013; Keating et al 2010; Elyachar 2005; Gershon 2011; Hossain 2002; Ehlers and Main 1998; Hulme 2000; Goetz and Gupta 1996; Ackerly 1995; Montgomery et al 1996). A few others are more cautious and recognise that microfinance can have heterogeneous impacts, depending upon factors, such as women's bargaining abilities within the household (Ngo and Wahhaj 2012; Kabeer 1998), their ability to deploy subtle negotiations and to manipulate their marital relationships (Kabeer 1999: 447) and their desires to comply with socio-cultural prescriptions of honour and shame (Kabeer 2001).

In this thesis, I build upon these and other authors who looked at intersections between microfinance and gendered dynamics, to show the complexities and variability of the lived

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1 See Kabeer (2001) for an exhaustive critique of the methodologies used, questions asked, findings reported, and their interpretations given by some of these authors.

2 Anthropologists have suggested that placing a uniform evaluation upon the success or failure of microfinance can be misleading and have proposed a more nuanced approach to the analysis of the intersection between microfinance and gender dynamics. For instance, in Bangladesh, Schuler et al (1998), Rahman (1999), Karim (2008), and Sen and Majumder (2015) explore the potential increase of domestic conflict and the institutional manipulation of patriarchal norms to extract repayment, but also women's ability to navigate these constraints in resourceful ways. In Cameroon, Mayoux (1999; 2001) notes how hierarchical households and kin relations increase borrowers' responsibilities but do not significantly affect gendered relations. Johnson's study (2005) in Malawi indicates that women's contribution to the domestic income is
realities of women’s everyday lives. Rather than focusing on the narrowly framed question of whether microfinance ‘works’, I examine how microfinance works or does not work for different women. The data and analyses offered in this thesis show how lending organisations allow women to engage in novel strategies. Drawing upon data collected in 2014 during several months of anthropological fieldwork in the rural location of Situli, a community situated in the hills of central-western Nepal, I illustrate that women’s microfinance-related strategies vary in different contexts. This is because of the women’s disparate domestic and institutional circumstances experienced within distinct caste and ethnic groupings.

Historically, the Brahmans living in the hilly areas of the country, or Bahuns, as they call themselves, together with the Chhetris, constituted the dominant groups. They owned the majority of and the most fertile land (Regmi 1976; Caplan 1972; Cameron 2008). In a context where controlling land meant control over people (Cameron 1998: 69), these groups extracted services from the ‘lower caste’, Dalits, binding them and the Tibeto-Bhurman Janajatis in disadvantageous land-tenure systems (Regmi 1976: 127–8). Not only were Bahuns and Chhetris able to amass large wealth through landholding, but, thanks to their higher level of literacy and larger networks, they succeeded in occupying government posts and in dominating the political arena, ensuring stable and regular incomes for their families. While Janajati households could somehow navigate poverty through army wages (Ahearn 2001b: 18), they were still denied access to land as owners. Dalits remained the most vulnerable and discriminated group because they heavily relied upon Bahuns and Chhetris for survival (Cameron 1998: 75).

I explore how these asymmetric dimensions entail a several opportunities and constraints when women access the two savings and lending institutions that constitute the focus of my research. Pavi Sansthan, a locally owned co-operative provides cheaper loans, higher

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3 Bahuns are Brahmins who live in the hilly part of central Nepal. As I explain in Chapter 2, the caste system, a hierarchy based upon Hindu principles that regulates marriage, commensality and living arrangements, was imposed upon non-Hindu groups (Janajatis) by Rajput families migrating from Rajastan presumably in the fourteenth century. According to this stratification, Bahuns—those who traditionally covered the roles of priests and worshipped the gods—ranked at the top, followed by Chhetris, who were warriors. Janajatis, the ethnic groups which lived in Nepal before the Hindu migrants arrived, were placed in the middle of the caste hierarchy. Accordingly, Dalits, the Bahuns’ and Chhetris’ occupational castes that migrated with them from India, ranked at the bottom of the hierarchy.

4 A pseudonym.
interest rates and flexible repayment schedules. It is dominated by Bahun and Chhetri women, who allow Janajati and Dalit members to access only limited services. On the contrary, Changastan, a strongly profit-oriented microfinance institution, does not discriminate on the basis of caste, but it has rigid repayment schedules, expensive loans and minimal interest rates on savings. Because of their difficulties accessing most wanted services at Pavi Sansthan such as large loans, Janajati and Dalit women have no choice but to use Changastan or other institutions that offer similar conditions.

At the same time, Janajati and Dalit women are less restricted at home compared with those from higher castes. Bahun and Chhetri women are expected to comply with rigid patrifocal prescriptions such as arranged marriages, long-term cohabitation with in-laws and restrictions on leaving their house (Bennett 1983; Cameron 1998; Kondos 2004). However, Janajati borrowers are household heads, choose their partners, receive regular remittances from their husbands overseas and are less limited in their movements (Gellner 1991; Rankin 2004; McHugh 2002; Ahearn 2001b; Yami 2007). Also, Dalit women are socially recognised as self-sufficient economic actors, because of their long-established tradition of having an independent income (Cameron 1998: 198). These groups of women navigate the same lending institutions, but they do so through different strategies—which I frame as 'agentive acts' (Ahearn 2001b: 55)—that are heavily shaped by women's domestic and institutional opportunities and constraints. These acts enable women to respond to the challenges and utilise the resources that they have available in a changing socio-economic context.

Throughout the thesis, I illustrate how rural women’s agency, intended as ‘the socioculturally mediated capacity to act’ (Ahearn 2001a: 112) varies. These observations build upon key contributions in practice theory—a conceptual body of knowledge that focuses on the mutually influencing realms of structure and agency (Ortner 1989). Said differently, I develop an empirical case using the example of women’s savings and loan taking practices that shows how their actions are influenced by the historical contexts and contemporary social structures within which they operate. Ultimately, I argue that women’s agency is socially and structurally situated, and that microfinance institutions provide novel ways for rural Nepali women to potentially improve their material conditions and social standings.

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5 A pseudonym
I argue that women demonstrate different forms of agency in relation to microfinance, based on their marital relations as well as their caste and ethnic affiliations. More specifically, I explore how caste relationships, male outbound migration and inbound remittances influence, to a large degree, the potential success that some women can achieve. Overall, this thesis shows the variability of agency through a number of case studies. It also explores women's striving, the striving to exert their agency through microfinance. Dalit women, for instance, can use microfinance to counteract the discrimination that they experience because they can diversify their investment options. Janajati women use microfinance to improve their social standing through the purchase of socially valuable and symbolic land. Bahun and Chhetri women, by contrast, use microfinance to transform their household relationships and to enhance the opportunities for themselves and their daughters.

Through it all, the inner workings of microfinance remain entrenched in caste divisions and discriminatory practices. This indicates the ongoing social constraints and challenges that persist even within Nepalese institutions that are ostensibly meant to work according to socially untethered capitalist and neoliberal logics. Taking these insights into consideration, the thesis shows that women's financial practices do not always correspond to those foreseen by lending institutions and the neoliberal forces acting upon them (Sharma 2008; Shakya and Rankin 2008). Women use microfinance to respond to their social and economic conditions, to pursue their aspirations and to bring about changes in their lives, in new, personal ways.
Entering the field: ethnographic encounters and methodological considerations

In this section I introduce some of the subjective dimensions of my interaction with the local community. I start with an ethnographic summary of how I entered the community and I provide a brief introduction to Situli. Then I move to some methodological consideration, explaining how people's perception of my identity changed over time.

Early encounters

I arrived in Nepal in early October 2013, but was forced to remain in Kathmandu for nearly two months because of political instabilities before the elections to nominate the new Constituent Assembly. Strikes and riots kept shops and public offices closed for extended periods. During that time, I attended a language course, arranged my research visa and searched for a suitable location for my research. My goal was to study the impact of long established microlending institutions on a multi-caste rural community of female borrowers. During that time, I spent weeks going from one International NGO to another without any noteworthy results. Their directors welcomed me with enthusiasm and provided informative material about their 'successful' lending projects and their positive results in terms of female empowerment. However, as soon as I mentioned the intention of spending lengthy periods among the female borrowers, they expressed disappointment, suggesting that a daytrip from Kathmandu to 'visit' the women would suffice. I then decided to try with Nepalese NGOs and contacted the Centre for Microfinance (CMF). I was given unlimited access to the CMF library and provided with a list of places where numerous financial institutions had operated in the same area for longer than five years. In December, after the elections, I travelled extensively throughout the mid-western hills until I reached Situli.

I arrived in Situli with my partner on a foggy afternoon in December 2013, having travelled by bus from Kathmandu to visit the local women's savings and credit co-operative Pavi Sansthan. Over the phone, Susma, the manager of the co-operative had suggested we get off the bus as soon as we saw, on the highway, a big white building with the sign 'Hotel'. Around 4 pm, we reached the indicated spot and Susma came to the bus stop to collect us. The Pavi Sansthan office was right behind the 'hotel', the only restaurant in Situli where the 'tourist buses', those transporting foreigners to Pokhara, stopped.

The co-operative was situated in a large, two-storey building overlooking a large front yard. On the ground floor, two big rooms served as a meeting area and office respectively. There was an uncovered set of stairs to the kitchen on the half-finished upper floor. When
I quietly entered the meeting room and realised that there was a committee meeting taking place. The eight women sitting on the mats greeted us and quickly ended the meeting. Snacks and welcome greetings followed before we walked with Gopika, one of the staff employees, to her house. She provided us with accommodation until the following day, when I went again to the Pavi Sansthan office to present my research project. Susma was enthusiastic and communicated the intention of the committee to fully support me, including sharing access to their members' financial details. I enthusiastically accepted and left for Kathmandu.

In Kathmandu I met Jharana, a smart and curious 23-year-old woman. Jharana was born in Myanmar. When she was 2-years old, her parents moved to Nepal to provide a better education for her and her brother. Since Jharana’s paternal grandfather was a Nepali Brahman refugee in Burma, her parents took his thar (family name) upon moving to Nepal, so that their life could be facilitated by holding a higher caste status. Jharana grew up in Kathmandu and married a Chhetri man from a district in the western hills, who, in 2014, was living in India with his army platoon. Jharana had a 5-year-old son, who lived with her mother-in-law in Senjia. She visited her son regularly. However, since Jharana struggled with the obligations of a daughter-in-law, she lived in Kathmandu with her parents. Jharana identified herself as Buddhist and did not mind accepting food from Janajatis or Dalits. Her knowledge of the Nepalese language and cultural worlds, together with her semi-Nepalese identity, made her the perfect research assistant, interpreter and translator for the entire duration of my fieldwork.
The village and its people

Plate 2: A view of the study area. Situli Village Development Committee comprises the valley on the left-hand side and the surrounding hills.

Situli\(^6\) Village Development Committee (VDC)\(^7\) is an agricultural community situated in the central-western midlands of Nepal. The area of Situli comprises dry hills and terraced middle-lands surround a flowing river and a wide, fertile valley with several villages situated at different altitudes. Prithvi Highway, a major national road, not only splits Situli in two, but also provides access to Kathmandu, Pokhara, and Dulara\(^8\), the district headquarter.

The people of Situli live in nine wards, organised on the basis of caste, with people living in segregated caste groups. The wealthier Bahun and Chhetri families live in Gomasari and Situli, the two wards situated along the highway, with immediate access to their irrigated rice fields (\textit{khet}), schools and transportation. The poorest higher caste people live in Kurtupar and Nau, a 10 to 20-minute walk from the highway. Bahuns and Chhetris own brick or stone houses, depending upon their wealth, and semi-irrigated and dry lands in

\(^6\) Except for Pokhara and Kathmandu, all the names of places mentioned in the thesis are pseudonyms.

\(^7\) A VDC is a local geographical area, subdivided into wards, with administrative decisions made by the committee.
the valley. They tend to live in extended families. A man, his wife, his sons and their wives and children usually compose the household. The upper caste population of Situli is composed of many members of a small number of patrilineages. They all follow rules of exogamy that require men to search for their wives in distant areas. As a result, all the married women of Situli originate from distant districts, such as the southern plains of Tarai. For centuries, living in corporate households, has allowed male Bahun and Chhetri lineages to have sufficient labour and to accumulate significant wealth (Bennett 1983; Cameron 1998; Gray 1995). Further, during the past five decades, male administrative employment and their large landholding—partially leased and partially cultivated by daughters-in-laws—provided financial security. More recently, women have started pursuing cash-earning employment as well, gradually abandoning the fields.

Plate 3: One of the higher caste's recently built houses alongside the highway
The majority of Janajati (mainly belonging to Magar, Newar and Gurung ethnic groups) stone and mud households are scattered in Radapur, Tilgram, Turpitock and Sitakar. These villages are situated on the hillside, near forested areas and terraced dry lands (pakho). To reach them, people need to walk for from one and a half to five hours up a steep ascent from the highway. By contrast, those Janajati, who were able to purchase land and build brick houses through army pensions and remittances, move downhill and reside in the small neighborhood of Gomasari, which the villagers call 'Army toll'. Traditionally, a Janajati household consists of a married couple and their children. After marriage, the couple lives with the husband's parents for a short period, ranging from a few months to a few years, before establishing a neolocal household. Because Magar, Newar and Gurung people are not required to choose a bride from a distant area, women often marry close to their parent's household, where they can continue their petty trade activities, while their husband pursues a career in the army or seeks employment abroad.

Plate 4: A Magar dwelling situated in a remote, high altitude neighbourhood

The Dalit population of Situli is composed by Damais (tailors), Sarkis (traditionally leather workers) and Kamis (traditionally metal workers) and can be divided into two groups depending upon their wealth and locality. The poorest families live in Tilgram; the wealthiest, those who are recent migrants, or those providing services in high demand among the higher castes, such as sharecropping or tailoring, occupy Sitapur, a village reached by a 30-minute walk from Gomasari. Very few Dalit families own brick homes
and, when they do, they are composed of three rooms at most. Patrilocality is the norm among Dalits as well. However, a married woman only lives with her in-laws for a period ranging from a few months to a few years. Dalit men have the highest rate of unemployment in Situli because their traditional occupations (leatherworkers, tailors, metal workers) are in dramatic decline. Some of them undertake unskilled seasonal jobs in India or Nepal; others work as sharecroppers, porters or constructors, while those who can afford to, migrate abroad. Their wives take on casual jobs as well, usually in construction or agriculture.

Plate 5: Dalit dwellings situated uphill from the main road

It is obvious to even the most inexperienced visitor—as I was when I firstly arrived in Situli—that access to local resources such as water, land, transportation, education and employment is based on hierarchical privileges. For centuries, caste status has been, and continues to be, important in the socio-economic dynamics of Situli. However, this is changing. The presence of the Army Toll in Gomasari and the increasing abandonment of the surrounding fields hint at changes, as I explain in the following chapter.
Positionality and methodology

For nine months\(^9\), Jharana\(^{10}\) and I lived in Gomasari, the ward number one of Situli. In January 2014, when we arrived together, I only knew the staff and the committee members of Pavi Sansthan. These contacts were predominantly Bahun and Chhetris. They had already decided that Jharana and I would be staying at Gopika’s and her sister-in-law’s house, respectively. The two buildings were situated on the eastern side of the highway, 50 meters away from the road. Gopika lived with her husband, Rabhi, and their fifteen-year old daughter, Bhomaia. Rabhi’s older brother, Jharana’s landlord, lived in the attached building with his wife. The women from the co-operative gave a few reasons for our living arrangements. According to them, it would not be safe, for Jharana and I, to live on our own since both our husbands\(^{11}\) were away. Villagers would gossip about us and our reputation would be compromised. Additionally, there were no other ‘comfortable’ accommodations available in the village. The women believed that I, being a foreigner, would not be able to adapt to what they laughingly called, ‘the Nepalese living standards,’ and therefore they had placed us in two of the few houses with piped water and an indoor pit toilet.

During the first period of fieldwork, the villagers associated Jharana and I with Bahuns because of our living arrangements and the dietary prescriptions arising from the higher status of our hosts. Additionally, being a PhD candidate automatically put me in such a category, since higher education, is, in rural Nepal, a sign of higher caste status. My position in the field was never neutral and although I often stressed my ‘being an outsider’, I was, during the first months, seen as a married Bahun woman. In Gopika’s house I learned the appropriate behaviour and the rules of purity and pollution that regulated my life from then onwards. Every time I made a mistake Bhomaia patiently corrected me. My landlords never forgot to remind me to wear the symbols of my married status, the red vermillion powder (\textit{sindhur}) on the forehead and the necklace made of beads (\textit{pote}) every

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9 I collected the bulk of ethnographic data during the nine months I resided in Gomasari. During that time, I worked in four of the nine wards of Situli, specifically in the villages of Gomasari, Sitakar, Kurtupar, Sitapur, Tilgram and Radapur. Additionally, Jharana and I often travelled to the VDC office in Situli to collect quantitative and topographic data. Following this period, Jhanara and I moved to Dulara, the district headquarters, for one month, so that we could interact daily with the employees of: Changastan, the microfinance institution (MFI); the land taxation office; the agricultural department; the Women and Children Organisation; and the other MFIs and banks providing microloans in Situli that had their main branches in Dulara. Part of the 2011 Census data reported here was collected at the Dulara District Development Committee (DDC) office, which held this information for all the VDCs of the district. Jharana and I spent the last six weeks of my fieldwork in Kathmandu and Pokhara to interview the directors of Changastan and other public personalities involved in the Nepalese microfinance sector, as well as to conduct archival research at CMF and Thribhuvan University.

10 Except for Jharana, all the names of women and men mentioned in the thesis are pseudonyms.

11 Although I was not married to my partner, upon my arrival, my friends in Kathmandu indicated that a de-facto relationship was not seen as ‘honourable’, especially for a woman and especially in a rural area. They suggested that from then on, I identify myself as a ‘married’ woman.
time I left the house. They instructed me not to accept cooked food and water from Dalits because their 'bad' hygienic habits would make me sick. I was also strongly encouraged to wear sari (the Hindu traditional dress), heavy makeup and jewellery in formal occasions. My familiarity with the higher caste cultural world was not only dictated by my living arrangements, but also by a language barrier. In fact, most of the people that spoke English in the village were higher caste and, before I learned to communicate effectively in Nepali, it was easier to spend my leisure time with them.

Not only had I become familiar with the rules and regulations of higher caste women in their ghar (husband's house), but, because of my married status I could accompany many of the married women of the community during their visits to maiti (natal household) and mamaghar (maternal uncle's house) at various times, especially during festivals. I travelled with them during religious pilgrimages, leisure trips, every kind of puja (religious worshipping rituals) and I spent many days dancing rateuli\textsuperscript{12} during wedding celebrations. I also spent long periods at the Pavi Sansthan office where I observed daily interactions, formal meetings, client and staff training, and also extracted quantitative data from their registers. All of these experiences provided me with invaluable insights into the life of Bahun and Chhetri women. The data on higher caste cultural worlds that I use in this thesis was not only collected during these occasions, but also in 42 recorded interviews that I had with fourteen married higher caste women over a nine-month period. I also formally interviewed three of their husbands and other kin members, such as mothers, mothers-in-law, brothers and sisters-in-law.

Over time, Jharana and I became particularly close to a group of Janajati women living in Radapur, a remote village, and started to visit them regularly. This was initiated by the generosity of a woman named Banshi. She and her friends fed us regularly after the Changastan money-collection meeting in their neighbourhood and often travelled with us to Dulara or to other destinations to attend festivals. Since their husbands were abroad and their children in hostels in Dulara, they had the freedom to spend uninterrupted time with us quite often. As they explained on one occasion:

We (including Jharana and myself) are lucky because our husbands work abroad and can't check what we do. If we spend the entire day eating and drinking, how would they know?
They (our husbands) can only send us money!

\textsuperscript{12} In Situli, rateuli is the wedding dance that takes place at the house of each higher caste groom while he goes, accompanied by male and/or young family-members (jarti), to take the bride from her own house. The rateuli dance is performed by the women of the same social status of the mother of the groom, who traditionally waits for the bride to come to her house at night. While waiting with the mother-in-law to be, married women sing vulgar marriage-related songs, dance, play drums and eat sweet breads until the bride and the groom arrive.
Their honest, disinterested friendship was not only an invaluable support during the most challenging times of the research, but it also helped me to be perceived as more of a student rather than a higher caste affiliate. As with higher caste people, I formally interviewed 14 Janajati and 14 Dalit women, on each of three separate occasions. I also interviewed three husbands and two mothers-in-law for each of these two groups.

It was not until the final five months of fieldwork that I could access the Dalit world. I believe, as I explain in Chapter Six, that this was due to my association with Bahuns and their rules on avoiding Dalits. When Jharana and I were finally invited to the Dalit villages, we always accepted cooked food, as we believed that facing consequences at home would be less harmful than offending our hosts. On three occasions, we travelled with Dalit women outside Situli. Given the obstacles arising from the purity and pollution regulations, Jharana and I tried our best to be respectful towards the two cultural worlds; however, it was inevitable that our association with Dalit women would lead to the occasional problem for us and resentment of our landlords. Eventually, they became more tolerant, but, over time, supervision of our purification rituals upon return from the Dalit households became stricter and the access to the common kitchen more controlled.

Over nine months, I became very familiar with the local community. However, to a certain degree, I remained an outsider, since I held the privileged position of a white western person in a developing country. This resulted in a range of consequences, from getting the best seat on the bus to avoiding the line at the bank or other district offices in Dulara, Pokhara and Kathmandu. In Situli, it also entailed receiving numerous requests for money, goods and favours, such as to find jobs in Australia for some of the women's husbands. Over time, these requests diminished and then stopped altogether, given that I was unable to address them; however, the privileges remained. My presence in Situli was often used to promote the visibility of the local female co-operative. For instance, I was requested to deliver many public speeches, and present prizes and recognitions during Pavi Sansthan feminist initiatives and other community celebrations such as Women's International Day, Mother's Day and Teej. During the 2014 Teej celebration, because of

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13 My fieldwork extended over multiple locations. I spent nine months in Situli where I focussed on the life of the borrowers and activities at the local co-operative (Pavi Sansthan). During that time, I occasionally visited the MFI branch (Changastan) in Dulara. Then I moved to Dulara and spent one month focussing on the activities of that branch. I conducted a number of formal interviews with Changastan directors and central managers, during two weeks of fieldwork in Pokhara. Finally, I spent the last month in Kathmandu, where I interviewed Rastra Bank representatives and other stakeholders of the Nepali microfinance industry.

14 Teej is a Hindu festival celebrated by Nepali women in August or September, the date depending upon the Nepali calendar. During the three days of Teej, women fast and go to temples to pray for the long life of their husband and a firm and long-lasting relationship between them. They also wear ornaments, red and green saris, and sing and dance on the streets. In Situli and adjacent VDCs, groups of women took part in many singing and dancing competitions held on meeting grounds.
my presence, Pavi Sansthan was even able to have their own dance and song competition highlighted on the local TV channel and a three-column article published in the local newspaper.

In 2014, Pavi Sansthan was the most renowned female co-operative in Situli, while Changastan was still building its reputation. They both offered microfinance services to women. Their savings and lending practices resembled those of Grameen Bank, the very first institution that brought microcredit to global attention. In the next two sections of the chapter, I describe the Grameen model, how the microlending industry changed over time and how these changes were reflected in the academic debate.
Microcredit and microfinance

In 1976, Professor Mohammed Yunus launched the Grameen Bank Project, a program that provided credit options to landless people in rural Bangladesh who did not have physical collateral and, therefore, could not borrow from commercial institutions. The Grameen Bank Project grew quickly and extended to many villages. Over the years, the project obtained support from various commercial banks in the country and the International Fund for Agricultural Development and became a national program. In 1983, the government of Bangladesh transformed the Grameen Project into the Grameen Bank, a lending institution providing credit services to rural Bangladeshi people (Rahman 1999a: 3).

Since the 1970s, the pressure of population growth in that country had increased landlessness in rural areas, causing poverty to reach unprecedented levels (Rahman 1999a: 71). Initially, the Grameen Bank offered credit to men and women. Very soon, men proved to be unreliable borrowers; they often did not attend the group meetings, behaved in an arrogant way and verbally abused the fieldworkers (1999: 73). The bank then targeted women only, and by 1997, women made up more than 95% of the borrowers (Grameen Bank 1998). Yunus explains this shift in the recruitment rationale in the following terms:

Women experience hunger and poverty in much more intense ways that they are experienced by men. Women have to stay 'home' and manage the family with virtually nothing to manage with. Given the opportunity to fight against poverty and hunger women turn out to be natural and better fighters than men (1994: 40–41).

According to the Grameen Bank, when women had access to money, they tended to use it for their children's and household's wellbeing. Following this logic, to give women access to credit would primarily foster an improvement in household conditions, leading to an improvement in the socio-economic conditions of the society at large. Part of this improvement would result from the Grameen Bank model in which women were organised into small groups to raise their collective consciousness, while, at the same time, the group gave them the means to pursue socioeconomic empowerment (Rahman 1999a: 73). In the Grameen model women in each group borrowed in turns and repaid in regular instalments for their small loans. Collateral was not required because the group shared loan liability. That is, if one woman defaulted, the group would have to pay for her (Rahman 1999a: 78-79). Overall, group pressure functioned as collateral for the bank, guaranteeing repayment. Over the years, the Grameen Bank model achieved significant
financial results, such as a repayment rate of 90% (Rahman 1999a: 12). The model was recreated worldwide during the 1990s and Yunus received the Nobel Peace Prize in 2006.

Grameen Bank was founded in a period when the global development industry promoted the gender discourse. Since the 1970s, in fact, feminist movements had started expressing concern about the need for women to have greater access to poverty-alleviating credit programs (Mayoux 2005: 3). In 1975, Mexico hosted the first International Women’s Conference, where awareness was raised around women’s contributions to national economies and women’s rights (Mayoux 2005: 3). As a result, women’s organisations started setting up facilitated credit and savings facilities worldwide to promote female income and to raise awareness on women’s rights. But it was in the mid-1980s that donor-sponsored credit programmes mushroomed across NGOs and government organisations (Mayoux 1995a). These initiatives followed a poverty-reduction paradigm, where donors believed that poor people could be given a chance to break out of the poverty cycle through microcredit (Mayoux 2005: 4). In theory, microcredit would allow the poor to have the chance of engaging in small business activities, since official financial institutions were not willing to serve this portion of society. Overall, during the 1970s and 1980s, microcredit was a response to the philanthropic goal of eradicating poverty (Snow 1999; Khan 2008).

It was in the 1990s that the fame of Grameen Bank spread worldwide (Mayoux 2005: 3). Showing high repayment rates, they fitted within a new approach to development where helping the poor should also create profits for the lenders. Now, microcredit was not just required to be ‘successful’15, but also ‘sustainable in the long term’ (Brau and Woller 2004). This meant that lending to the poor had to provide an acceptable return on investments and reach the largest possible number of borrowers, so that investors could profit (Rhyne and Otero 1994; Megicks et al 2005). In other words, these programs had to prove that they were not existing at the expense of their investors (Khan 2008: 22). Microcredit became ‘microfinance’, providing a wider range of financial services in addition to small loans. At the same time, the cost of services increased (Khan 2008: 23). Clients were not charged lower interest rates anymore, but market-based rates—and often higher-than the market—to cover the costs of reaching rural areas. In this way, costs shifted to the already vulnerable poor households, and made it extremely difficult, for the ‘extreme poor’, to access financial services (Khandker 1996; Hasan 2003). This shift from microcredit to microfinance sparked a long debate in which scholars and policymakers

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15 Before the 1990s, microcredit institutions were regarded as successful if they met the needs of the targeted poor they were meant to help, in other words, if they showed results in eradicating poverty (Snow 1999).
examined the consequences for the poor, of the new capitalistic policies of the industry. In
the next section I briefly summarise this debate and suggest that it could be useful to
identify new, creative possibilities in the use of microfinance.

Reflecting on the possibilities of creative microfinance
As I explained, since the 1990s the microfinance industry has embraced a self-
sustainability paradigm, ‘through adopting principles of commercialism, gearing their
operations towards profitability, and implementing an effective cost control mechanism’
(Khan 2008: 22). A growing section of anthropological literature has expressed
considerable concern about this agenda. Authors note how, besides increasing the risk of
not lending to the poorest people, the focus on loan recovery allows for women to be
targeted because they are a less risky investment compared to men. Women are more
likely to comply with the discipline required by group meetings (Rankin and Shakya 2007:
59), they are more easily traceable and more likely to obey authority (Rahman 1999a: 73).
Overall, the authors believe that women are being targeted within patriarchal power
structures—the same constraints that they should be fighting through microfinance
(Rahman 1999a; Karim 1998; Moodie 2013; Sen and Majumder 2015).

Megan Moodie, in her study on Kiva, an online peer-to-peer transnational microlending
network, which connects lenders in the global north to borrowers in the global south,
reports that risk, which in microfinance is thought to accrue to the lender, has been in
practice, shifted to the borrower (2013). Female recipients must cope with unexpected
circumstances beyond their control but also, and most importantly, with over-indebtedness
encouraged by lending institutions, with the consequential risk of default (2013: 281). The
author argues that the growing interest of multinational banks in microfinance ‘depends
precisely upon a particular kind of gendered work in households that inhabit perilous
worlds’, in other words, the ability of women’s ‘greater talent for both management and
self-sacrifice’ (2013: 281). Microfinance profits from the fact that women are easy to
control and always repay their debt. They take on the risk and bring the burden within their
households, where it often increases anxiety and tension (Moodie 2013: 288) and makes
women’s task of social reproduction costlier (Moodie 2013: 280).

Other authors shed light on how profit-oriented lending institutions exploit the poor and
expose them to more financial risk than they can bear (Gershon 2011). Elyachar (2005)
and Keating et al (2010) call this process ‘accumulation by dispossession’. According to
Sen and Majumder, this happens:
because the poor are dispossessed of indigenous and local forms of production, markets, and sociability, which are turned into resources for reproducing the dominant forms of power at the expenses of the emotional, psychological, and communal well-being of the poor (2015).

This literature has identified the failure of microfinance as a panacea for world poverty. It has also portrayed borrowers as helpless victims of neoliberal and global forces imposed upon them by the mechanisms of microlending. In doing so, it has failed to capture the possibility that borrowers might creatively engage with the dominant forms of power without reproducing them, instead reproducing them partially for their own benefit, or even manoeuvring them in an advantageous way. In Situli, the rural community where I conducted my research, I have seen many of these dominant forces at play with sometimes devastating consequences for the borrowers. Nonetheless, most women were not passive victims of the situation, and they strategically engaged with unique ideas about microlending. These engagements could be particularly fruitful. As Shakya and Rankin envision, while discussing how borrowers use loans for purposes different from those intended by development programmes in Nepal:

The actions of users are ‘subversive’ in this sense, even if they are not likely to mount an explicit challenge to market-led development (though they may destabilise it). The point is not to impose uniformity on mostly disparate, uncoordinated practices but to show how cumulatively they reveal a capacity for innovation on the part of users that could prove instructive for formulating a progressive politics of development (2008: 1231).

Microfinance institutions request that the money be solely invested in money-generating activities. However, the use of loans for purposes other than those imagined by lending institutions, such as for consumption or for social events (Shakya and Rankin 2008: 1226) or the creative use of loans for such things as loan swapping, have the potential to foster transformative strategies. This is because, these new investments—seen as valuable by borrowers—can bring meaningful changes to their lives. Moodie (2013), drawing upon Kabeer, recognises such a possibility:

Her [Kabeer's 2001, 2005] work also points to the fact that the success of microfinance maybe the result of forces that have nothing to do with how a lending project is structured—for instance, the charisma of the individual borrower or the political mission of the lending institution (Moodie 2013: 287-288).

Moodie sees that microfinance could be successful, because of factors other-than microlending per se. She highlights the hidden potential in two cases of loan ‘misuse’. The first one was noticed during her fieldwork in India, where loans financed dowries, ‘a site of social reproduction par excellence, [which] represents an extremely important unofficial
site of investment' (2013: 290). The second case is taken from the Kiva website in 2009 and describes an instance of fraud, where four Guatemalan women 'misused' their loans by pooling their money to buy a plot of land. Their default was motivated by the land not being productive yet (2013: 299). In referring to the Guatemalan women, Moodie comments:

> It appears that their financial strategy was not simply to take out multiple loans but to try to invest in a different form of wealth than those entrepreneurial models encouraged by Kiva and its field partners. The 'unfortunate fraud' could also be seen as an effort to expand the scope and potential of microfinance, to turn the instability of loans into the stability of land (2013: 299).

In so doing, the women not only acknowledged the opportunities and the restraints of microfinance, but they also found a way to navigate the constraints, investing in valuable and meaningful assets, such as dowry and land.

It is for this reason that I suggest that if we consider women's creative use of microfinance as situated in specific times, spaces and cultural contexts, we might be able to see borrowers more as 'agents' and less as 'constructed subjectivities'. I propose to analyse microfinance practices as 'agentive acts' (Ahearn 2001b: 55). In this sense, I draw upon scholars that have investigated the centrality of women's agency in the development discourse and their ability to engage creatively with some of its dominant practices. Sharma (2008), for instance, has looked at how women navigate institutions that they are meant to engage with for their empowerment in neoliberal India. The author sheds light on how:

> the women who help implement projects like MS (*Mahila Shamakyha*, the women's organisation discussed in her book), however, do not merely translate pre-set empowerment agenda, but interpret and materially shape these visions through their everyday work practices (2008: 92).

I draw upon these concepts because the female borrowers of Situli reinterpret and reshape the visions of how microfinance is supposed to work and enact these reinterpretation in their everyday work practices.

In a similar fashion, Sen and Majumder (2015) apply Sharma's considerations to microfinance. Sen and Majumder challenge the assumption that lending practices necessarily benefit lending institutions, showing how women engaged in practices of informal inter-lending, which they learned whilst being affiliated with the institutions. Hindu-identified and Nepali-speaking borrowers in Darjeeling in India initially challenged
patriarchal gender norms whilst adopting microfinance practices. However, after experiencing constant family conflicts, as well as personal challenges and community-level tensions, they decided to disengage from the initiatives of the microlending NGOs operating in Darjeeling. In doing this—partly as a response to social conflict and partly as a response to the patriarchal limitations of the lending institutions—they minimised the borrowing risks by creating informal communal inter-lending groups (2015: 131-138). Throughout this thesis, I show that women deploy practices that make sense to themselves but do not follow the models presented by the lending organisations. They use loans and their membership of microfinance organisations for purposes and in ways that could not be initially foreseen by loan providers.
The thesis

Critical perspectives on practice theory and agency

This thesis is a comparative study on how women bring about changes to their lives through a creative engagement with microfinance. To explore these transformations I use practice theory, a body of knowledge that seeks to understand how 'actors, who are so much products of their own social and cultural context, can ever come to transform the conditions of their own existence, except by accident' (Ortner 1989:14). This happens through 'practice', which allows social reproduction to become social transformation through a mutually influencing recursive loop between 'structure' and 'agency' (Ahearn 2001a: 118). But how do practice theorists define 'practice', 'structure' and 'agency'?

Sherry Ortner, one of the most influential practice theorists, investigated the processes that led to the establishment of the first celibate Buddhist monasteries among the Sherpas of Nepal. She saw that the processes involved a combination of the society's internal dynamics, together with external forces that interacted with those dynamics (1989: 4). Her book is an important theoretical contribution because it focuses on the contradictions that generate practice. According to the author, actors do not necessarily find the bits of their culture equally meaningful in the same time and place (Ortner 1989: 198). This is because they face specific 'structural' contradictions. Some of them are power imbalances or simply contradicting prescriptions of the structure, while some others can be circumstantial restrictions, pressures and possibilities provided by historical events. Overall, Ortner postulates that practice is intended as every form of human action or interaction showing traits of asymmetry or domination in a specific historical and cultural setting (1989: 12).

At the same time, practice is intimately tied to structure, its constraining force. Not only is structure composed by cultural schemas which prescribe how actors should act, but it continually poses challenges, problems and contradictions to the actors—deriving from its internal conflicting discourses and patterns of practice—to which the actors must respond (1989: 14). This is possible because structure is an active, dynamic constraining force (Ortner 1989: 13). This is particularly applicable to the case of female borrowers in Situli. The structures that surround these women include: the expectations posed upon them by their husbands or in-laws, the way they should behave according to their caste status, and the prospects they have at the lending institutions. These structures are infused with asymmetrical relations of power and generate opportunities and constraints, which provide the challenges, problems and contradictions that women must respond to.
Actors are ‘loosely structured’ (Ortner 1989: 196). In being challenged by their structures, actors do not respond in ways that are completely new, but through actions that arise from the socio-cultural structures they live within as much as by their own agentive acts, which are shaped by the structure itself (Ortner 1989: 196). According to practice theory, agency is the key to explain how social reproduction becomes social transformation (Ahearn 2001b: 51). Agency is ‘the socioculturally mediated capacity to act’, where ‘all action is socioculturally mediated, both in its production and its interpretation’ (Ahearn 2001a: 112).

But how does the change happen? Ortner explains that:

reproduction takes place either because people cannot see alternatives, or do not have the power to institutionalise the alternatives that they see. Change takes place because alternatives become visible, or because actors have or gain the power to bring them into being (1989: 201).

Overall, social transformation takes place when actors envision new possibilities, or historical circumstances allow them to bring them about. In responding to new challenges and contradictions, actors not only adopt the 'expected' routine activities as conceived by the structure, but they ‘enact their interests, desires and intentions; pursue their goals, plans and projects…’ (Ortner 1989: 194). 16 Therefore, practice theory is also a theory of historical contexts, or of ‘ethnographic history’ (Ortner 1989: 16). Time-specific circumstances are important, as much as are structural ones, because they create the politically asymmetric relations that ultimately challenge actors and allow them to see and enact alternatives. In Situli, these time-specific circumstances are: male transnational migration, increased female education and enlarged lending opportunities. These features, as I show throughout the thesis, propelled relevant changes in the local socio-economic milieu, such as more tenant-friendly land tenure systems and new aspirations for women from all castes and ethnic groups. Further, microfinance not only fuelled women's new visions through enlarged lending possibilities, but it also provided space, for them, to enact their agency, to bring about change.

Because they use microfinance to make important transformations in their lives, I describe the women of Situli as 'agents'. I follow Karp's reasoning in characterising the actions of agents as more infused with ‘bringing about of effects' in comparison to those of actors

16 The key of transformation stays in the 'habitus', an important sub-category of structure that contains the durable dispositions, which actors are born into (Bourdieu 1977). This does not mean that actors minutely reproduce these dispositions all the time. They push against them and modify them in their lived reality and that changes the actor's individual social-cultural world, with the possibility of changing collective socio-cultural worlds as well, even for future generations.
Karp clarifies that the processes of reproduction and transformation pertain to the domain of the actor and the agent, respectively, which could be seen as two distinct aspects of the same person or two perspectives on the actions of any given individual (1986: 137). While the actions of the actor are rule-oriented or rule-governed, and therefore more structurally compliant, the agent actively exercises the ability to bring about changes and reconfigure the world (1986: 136). Karp’s considerations allow us to focus more on the transformative power of agents. Desjarlais, in his book on a homeless shelter in Boston, builds upon these considerations. In implying that agency can vary for different individuals in diverse times and places, he demonstrates that agency arises from the socio-cultural and political dynamics of a specific place and time (1997: 204). Similarly, Ortner (1995) highlights that:

> every culture, every subculture, every historical moment, constructs its own forms of agency, its own modes of enacting the process of reflecting on the self and the world and of acting simultaneously within and upon what one finds there (1995: 186).

People entangled in different structures and situated in specific times and spaces enact different forms of agency and transform their structures in different ways. Therefore ‘researchers should focus on delineating different kinds of agency, or different ways in which agency is socioculturally mediated in particular times and places’ (Ahearn 2001a: 122). At the same time, agency is not homogenous or unidirectional and shows characteristics of complexity. As Ahearn, in her essay on the importance of language within the agency discourse, explains:

> One fruitful direction for future research may be to begin to distinguish among types of agency—oppositional agency, complicit agency, agency of power, agency of intention, etc—while also recognising that multiple types are exercised in any given action. By doing this, we might gain a more thorough understanding of the ‘complex and ambiguous agency’ (MacLeod 1992) that always surrounds us (2001a: 130).

Building upon these considerations on the types of agency and their simultaneity within the same action, I explore, in this thesis, how agency comes about among the women of Situli and how and why it varies depending of their differing caste and domestic circumstances, in order to build a more nuanced view of agency.

**Rationale and contribution of the thesis**

In Nepal, social norms, moral codes and legal structures encourage women from all caste, class and ethnic groups to marry when they reach a certain age, depending upon their education, social status, and urban or rural setting. In Situli in 2014, the age at marriage ranged between 16 and 26 years. Once married, women were expected—by men and other women—to take on caring and reproductive roles and to make being wives and
mothers their first priority. In Situli, married women who took on paid or unpaid work outside home, scheduled these activities around their household duties.

Married women were constrained to varying degrees by rules of obedience, submission and tolerance towards their husbands and in-laws. As I will describe in the thesis, the different constraints and opportunities which arose followed diverse patterns across castes. In other words, the women of Situli experienced dissimilar structures. When it comes to socio-cultural structures, such as the kind of expectations that a husband and wife have of each other, or the expectations that mothers-in-law have of daughters-in-law, these vary a great deal across castes and ethnic groups. Consequently, women have varying ways in which they engage with patriarchy, family and marriage. Similarly, when it comes to historically situated structures, such as the types and extent of opportunities that women have, or do not have, within lending institutions, these also heavily depend upon their caste and ethnic group. This does not mean that these domestic and institutional dimensions of women's lives are separate; they are indeed related and mutually reinforcing, shaping the ways in which women engage with and enact microfinance-related practices.

The women of Situli navigate the same lending institutions. But they do so in dissimilar ways, because the driving forces that give their structures dynamism are different, and as a result, so are their agencies, the responses to the contradictions that confront their lives. I explore how, over time, women's domestic, socio-cultural, institutional and economic structures, together with their agencies, create continuity as much as change in their lives. These changes, as we might expect, vary significantly for different castes and ethnic groups. I identify Janajati women's agency as 'optimising', because they maximise their resources to pursue socio-economic mobility. I describe Bahun and Chhetri women's agency as 'leveraging' because they use their ability to borrow to gain control over their own lives and to pursue wider options for themselves and their daughters. For Dalits I use the term 'diversifying', because they invest in a variety of sectors to lessen their vulnerability and discrimination.

At the same time, I recognise that there is a degree of variability of structures from household to household and that the terms 'optimising', 'leveraging' and 'diversifying' cannot encompass the totality of women's acts, because agency is heterogeneous and multidimensional (Ortner 1995; Aheran 2001a). For instance, as we see in the case studies, while the agency of Dalit women can be mostly described as diversifying, it shows some optimising and leveraging as well. Similarly, some Bahun and Chhetri women
optimise and diversify too, but they principally leverage, and so on. Overall, the terms 'optimising', 'leveraging' and 'diversifying' are not intended as absolute or totalising, but as loosely characterising, because they draw, through directional lines, the major aspects of women's agencies.

Overall, this thesis contributes to the literature on agency. I describe the different nuances that agency can assume under diverse structural contexts and historical circumstances, exploring how the structural and historical forces interplay and create new practices in Situli. Further, I contribute to the debate on microfinance. I show that, if microfinance works for women, it depends upon many factors and variables including such things as their domestic relations, their degree of access to finances, their type of marriage and their living arrangements. These factors vary by caste. Ultimately, I argue that caste shapes women's practices of microfinance. These aspects need to be taken into consideration by policy makers when planning new strategies within the microfinance industry.

The structure of the thesis
This thesis is divided into two sections. In Chapters Two and Three I contextualise the research and provide a stepping stone for the following three chapters, which contain the ethnographic data that I use to substantiate the analysis. In Chapter Two I situate Nepal and Situli. I introduce Pavi Sansthan and Changastan, the two lending institutions that inform my analysis, and explain how they operate in a rural environment where the caste hierarchy matters and shapes people’s access to fundamental resources, such as land, education and migration. I also consider the role of microfinance institutions in a national setting where facilitated credit held a primary role in the long tradition of state-led approach to social protection.

In Chapter Three I highlight how, in 2014, neoliberalism constituted the leading strategy of the Nepalese approach to development and how this was reflected in the microfinance industry. I describe the rules, regulations and practices of Pavi Sansthan and Changastan, and I explain how they pursued profits in different ways. At the same time, I note that neoliberalism is not a point of analytical focus; it is not my goal to distinguish how neoliberal capitalism impacts on different groups of Nepali women. I look, rather, at the ways in which the new and emerging institutions—propelled by of neoliberal practices—present new chances and new restraints to the women of Situli.
In Chapters Four, Five and Six I show how women from different castes and ethnic groups use these opportunities and restraints to bring about changes to their lives. I explore how women navigate microfinance to deal with their own problems. When it comes to their daily use of loan and savings facilities, women do what makes sense for them, and not what the neoliberal doctrine prescribes. Women face other constraining and enabling forces deriving from being wives, mothers and daughters-in-law, from their caste status and from the changed socio-economic milieu of Situli. The three chapters explore the diversity of these forces and how they contribute to shaping women's agency. Throughout the chapters, it becomes evident that agency is always socially and culturally constrained (Ahearn 2001a: 55), and how, in responding to the challenges of the structure, agents transform their cultural worlds (Ortner 1989: 196).

Chapter Four focuses on the agentive acts of the Janajati women of Situli. They face many opportunities at home and wide limitations within institutions and they creatively use microfinance to navigate these chances and challenges. I argue that they are 'optimising agents'. The parallel with the economic term 'optimising' is not incidental. In strict economic terms, in fact, they minimise the risk of microfinance through land purchase, but they also extend their optimising skill to their daily lives reconfiguring a social universe of past exploitation in a present context of ethnic affirmation. In Chapter Five I explore higher castes' agency. I illustrate how, in a restrained domestic context of patrifocal visions, they desire more control over their own lives and wider options for themselves and their daughters. Through a personally meaningful engagement with microfinance, Bahun and Chhetri women bargain with patriarchy to achieve their ultimate goals. I argue that they are 'leveraging agents' because they capitalise on their ability to borrow large amounts to claim more negotiating power within their marital relationships. In Chapter Six I show how Dalit women use microfinance to ameliorate their economic vulnerability and the social discrimination they face. They have few options within lending institutions, but they benefit from family-related opportunities. I argue that they are 'diversifying agents' because they make multiple investments and diversify their sources of income at the same time.
2 Setting the scene

Plate 6: A common scene in Situli during harvest time

A high caste Hindu maintains
his or her privileged position in the hierarchy
not simply because of religiosity
and traditionally described roles
but also because of elevated economic position
as landlords and landowners
(Maslak 2003: 138)

At the time of my research, complex socio-economic dynamics were present the area of Situli, which, as I argue later in the thesis, heavily shaped the way rural women related to microfinance practices. This chapter provides an introduction to this socio-economic environment. I highlight that caste plays a prominent role in the life of the people of Situli, pointing out the fact that an analysis of their lending practices cannot overlook their perception of the caste hierarchy.
I start with contextualising Situli within Nepal geographically, demographically and historically. Subsequently, I move on to describe the local historical background. I give particular emphasis to land, migration and education, as three features that have been, for a long time, caste-related. At the same time, following substantial national transformations over the past two decades, these features have fostered change. During my stay, the women of Situli had various offers of formal and informal credit options, which need to be contextualised in space and time. Therefore, in the second part of the chapter, I introduce and explain the genesis of the two lending institutions that were the foci of my analysis in 2014.

**Contextualising castes and resources**

**Situating Nepal and Situli**

Nepal is a landlocked country stretching along for about 800 kilometres and for an average of 200 kilometres across. Three ecologically diverse regions run parallel to one another from east to west. While the northern Himalayan Mountains bordering China are characterised by extreme temperatures and rough topography, the southern plains bordering India experience a tropical climate. In the middle, the subtropical, fertile and densely populated hill region, where Situli is located, includes the metropolitan valleys of Kathmandu and Pokhara. Administratively, Nepal is a federal secular parliamentary republic divided into seven states and 75 districts. Each district has a district headquarters run by a District Development Committee (DDC) and a municipality office, which respond directly to the federal level, as well as a number of Village Development Committees (VDCs) and municipalities, depending upon population size. Situli is a VDC, situated approximately 10 kilometres from the closest DDC.

Predominantly Hindu, Nepali speaking and ethnically diverse, the population of Nepal in 2012 was 26.4 million (Government of Nepal 2012a). It is now estimated to be around 28 million (FACTs Nepal 2017) and is reported to be divided into 126 caste and ethnic groups. Chhetris amount to 16.6% of the total population and Brahmans to 12.2%.

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17 Although the terms 'caste' [jat] and 'ethnic group' [jati] are often used interchangeably in the Nepalese context, they encompass two different categories. The most emblematic evidence of their non-interchangeability is that some ethnic groups, such as Newars and Gurungs, have their own caste system. Gray (2012) presents an accurate differentiation of the two words. 'Caste' is the core feature of the subdivision, motivated by the Hindu concepts of purity and pollution, organising the Nepalese population into a ranking system, where each distinct caste group is characterised by degrees of purity in relation to all others castes, while, at the same time, the criteria used to differentiate castes (purity/pollution) do not change. (Gray 2012: 4; see also Hofer 1979). Ethnicity is, on the contrary, a social construction based upon boundary creation and maintenance (Barth 1969). According to Gray, because particular cultural differences, such as kinship, language, dress code, religion and ritual practice (2012: 7), are chosen by people to selectively differentiate their ethnicity from others, these oppositional characteristics can change over time, depending upon whom they are opposed to (6-7). The debate around caste versus ethnic group is a current and inflamed one in Nepal (see also Tamang 1999; 2009), especially since ethnicity was used as a dominant political discourse in the 1990s. In fact, while non-Hindu groups (Janajati) have used ethnicity to
Janajati groups (including Magars, Tharus, Tamangs, Newars, Rais, Limbus, Tharus and Gurungs), total together over 30% of the overall population, while the remaining consist of Dalit, Muslims and other minority groups (Government of Nepal 2012a). By contrast, like many of the remote hill areas of Nepal, nearly half (45.6%) of the 10,327 people living in Situli VDC belong to Janajati groups. The Janaitis of Situli are mainly Magars (33% of the total population), followed by Newars (11.6%) and Gurungs (1%). Almost one third of the residents belong to higher castes (16.4% are Bahuns and 13% are Chhetris). Dalits are the least numerous group, amounting to 22.7% of the total population, among which 15.5% are Kami, 2.3% are Damai and 4.8% Sarki. Giris—those who have renounced to worldly possessions, Muslims—which do not identify with any caste—and Gaines—the beggar-musicians, compose the remaining 2.3% of the population (2011 Census, in Government of Nepal 2012a).

Although they constitute only a fraction of the population, Bahuns and Chhetris have been, for centuries, the political and socio-economic elite of Situli and Nepal at large. Further, the higher castes originating in the districts surrounding the study area have held roles of leadership throughout the country. In fact, the strategic midland region where Situli is located has been at the core of the major historical and political events of modern Nepal and central to the major socio-economic transformations of the country since its unification in 1809. The national political elite, therefore, has traditionally come from the mid-western hills. Conversely, the communities of the eastern hills, Himalayan regions, and the Tarai, played almost no role in politics, administration and the army, their functions being limited to that of peasant, artisan and taxpayer (Regmi 1976: 6).

From 1743 to 1809, Prithvi Narayan Shah, king of Gorkha, unified over 52 little principalities under the Kingdom of Nepal through a military campaign. At that time, the mid-western populations were composed of three different groups: the Bahuns and Chhetris, with the ruling dynasty of Gorkha; their occupational castes—the Kami blacksmiths and goldsmiths, the Damai tailors and the Sarki leather-workers; and the indigenous groups of Magars and Gurungs. Bahuns and Chhetris, the political elite, descended from migrants originating in northern India, who had fled to Nepal with their ‘untouchable’ castes. The ruling dynasty of Gorkha had Indo-Arian origins as well, belonging to one of the Rajput families once ruling the Indian state of Rajastan. By the middle of the eighteenth century, the Rajput families had conquered the central and

claim their past of marginalisation during the Civil War (1996-2006), more recently some castes demanded recognition of their ethnic status in order to make sure of taking part in ‘a landscape dominated by the politics of ethnicity’ (Gray 2012: 11).
western midlands of Nepal, subjugating the Tibeto-Burman groups of Magars and Gurungs (Regmi 1976: 7).

The new Kingdom of Nepal experienced a period of internal turmoil after King Prithvi’s death, accentuated by disputes with the British East India Company over the southern territories. The war that followed (1814–16) left Nepal without large parts of its territory in the Tarai. Subsequently, another dynasty of Rajputs, the Ranas, who had moved from Kaski to Gorkha, ruled the kingdom from 1846 until 1953. Then, two coups d’état followed. The first one took place in 1951, and reinstated the Shah king and carried a failed promise of democracy. The second was in 1960 and saw the establishment of a party-less Panchayat Regime (Tamang 2009). During the Panchayat era, the Janajati and Dalit population of the country remained socio-economically and politically subjugated. Further, the strong nationalist agenda of the king during this period sought to culturally and religiously homogenise the population into one single category, Nepali-speaking Nepalis. In promoting the higher caste Hindu principles to regulate the new identity, the king reiterated the ideological and material supremacy of higher castes (Gellner 2005). As we see in the coming sections, this meant, in Situli, entangling Janajati and Dalits in usurious land tenure systems.

In 1990, a multiparty movement called the People’s Movement (Jana Andolan) brought winds of democracy, and the country held its first parliamentary elections in nearly 50 years, remaining, however, politically unstable. Frequent strikes and riots were violently repressed by the government. Disillusionment soon grew among the lower strata of the populations, to whom the government had promised land reforms to protect against usurious landlords. In February 1996, with wide popular support, the Communist Party of Nepal-Maoists (CPNM) started an armed conflict against the government of Nepal. The insurgency originated in four western districts, and quickly spread over the middle hills, where it was greeted with enthusiasm by the socio-economically disadvantaged groups of Dalits and Janajatis.

The subsequent ten-year-long Civil War created the conditions for a republic in Nepal, at the cost of 19,000 deaths and an estimated 150,000 displaced people. The aftermath of the Civil War created a strong political consciousness among historically excluded groups across the country (Tamang 2011), and in the central hills especially. Very frequently, my

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18 The years between 1960 to 1990 are known as the Panchayat period because the Nepali state claimed it was instituting democracy in village Panchayats (councils)’ (Tamang, 2009: 64). King Mahendra dismissed the democratically elected government in 1961 and imposed the party-less autocratic Panchayat form of government, a repressive political system that concentrated power in the monarchy (Tamang, 2002: 314).
Janajati and Dalit interlocutors in Situli referred to the war as a new beginning. They explained how the conflict ended the exploitative conditions in which they felt they had lived for generations, and how it had mitigated their unfair working conditions.

Whilst the conflict ended with the Comprehensive Peace Accord, the abolition of the monarchy and the declaration of Nepal as a Federal Democratic Republic, the country continues to face political and environmental instability. After further political turmoil following the failure to draft a new constitution, a major earthquake on 25 April 2015 killed nearly 9,000 and injured 22,000 people across the country, leaving many others homeless and without water and electricity. Since the quake originated in an area bordering the district containing Situli, many of its houses were destroyed and a many people died. On 20 September of the same year, a new constitution was approved by the Constituent Assembly. The document caused protests among Madhesi groups, who claimed to be excluded from political representation. These people live in the southern Terai plans and are closely tied to India for their cultural and ethnic heritage. Supporting their protest, on 24 September India placed an unofficial blockade on the transfer of fuel, medicines and relief goods into Nepal, that lasted months and increased the tensions within the country.

**Introducing caste**

But how did castes come into play in Nepal? Throughout the centuries, Nepal has been a meeting ground for diverse ethnic groups from Southeast Asia, Tibet, India and the western Himalayas. Early in Nepalese history, the Hindu political and military elites originating from North India (Bennett 1983: 11) pursued the assimilation of originally Buddhist Tibeto-Burmese groups, and made Nepal a Hindu kingdom, imposing a caste system of social and political organisation across the country (Regmi 1976: 9; Bhattachan 2000; Gurung 2003, 2005; Michaels 1997; Pfaff-Czarnecka 1997). This process reached its peak with the promulgation, in 1854, under the Rana dynasty, of the Muluki Ain, the national legal code 19. The legal document was revised several times until 1953, and was intended as a means of nation-building (Gray 2012: 2). In formally recognising that Nepal was composed of distinct groups with different characteristics, the ruling elite integrated

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19 As the literature highlights, the attempted assimilation of non-Hindu groups is not limited to the promulgation of the Muluki Ain and the institution of the Panchayat system (Tamang 2009). Although they have both been abolished decades ago, the idea of higher-caste superiority encompasses many aspects of Nepalese society. It is reflected in the choice of school curricula and female dress code (Maslak 2003), as well as public holidays and religious practices. Holmberg (1989: 15) identifies as 'Sanskritisation' the process through which Buddhist groups have become increasingly acculturated to Brahmanical caste ideology, while Srinivas (1952) uses the same term to describe the process through which Dalits emulated the practices of upper castes in India. Tamang (2009) and Maslak (2003) highlight how Nepali language, once spoken by higher-castes, became the national language, and how Hinduism was imposed as a national religion through a process of 'Nepalisisation' (Maslak 2003: 95). These practices further reinforced the existing hierarchy in favour of higher-castes.
them into the hierarchy of castes (Hofer 1979: 52) and ‘promote(d) a homogenous Nepalese society based upon Hinduism’ (Gray 2012: 2).

The codification regulated social life in a several spheres, such as commensality, marriage and living arrangements. Most importantly, it ranked the entire population according to the hierarchical Hindu caste system. Groups included, not only hill Hindu castes (Parbatiya), but also Newars, Tibeto-Burman ethnic groups (that in Nepal are now commonly called ‘Janajati’), the Bhotia people living in mountainous areas, Muslims and other indigenous groups from the southern plains (Bennett 1983: 8; Hofer 1979). The differentiation was based on normative principles of purity and pollution, which established the ranking based on the relative degree of purity of one caste over the other(s) (Gray 2012: 7). Dumont, the most famous and controversial explicator of varna, claims that ritual purity is a religious notion ‘to be found in the temporary impurity which the Hindu of good caste contracts in relation to organic life’ (1980: 47). In other words, higher castes, who are born ‘pure’, are particularly vulnerable when undertaking impure tasks and should avoid sharing water, cooked food and some forms of physical interaction with specific categories of people. The latter are called ‘untouchable’, or ‘Dalits’, who are believed to be permanently impure because of their specialisation in tasks requiring close contact with organic life, such as leatherworking, tailoring and metal working.

According to the Muluki Ain, the highest positions of the caste hierarchy were reserved for tagadhari (those who wear the sacred thread). As Höfer (1979: 45) described, the purest Brahmans, those who traditionally undertook the role of priests, ranked at the top, followed by the less pure Chhetris, initially warriors. Then, two Tibeto-Bhurman groups of non-Hindu matwali (alcohol drinkers) or Janajati followed. The first ones were described as ‘non enslavable’ and included Magars, Gurungs and higher castes of Newars; while the second ones, categorised as ‘enslavable’, included, among others, Bhotes, Tharus and Ghartis. The fourth category encompassed ‘impure’, ‘touchable’ castes, such as Newar service-castes and Muslims, while ‘untouchable’ castes of Damai, Kami and Sarki ranked lowest (1979: 45).

Over the years, the Shah, Ranas and Panchayat systems continued to use the caste system to legitimate their hegemony (Michaels 1997) and the more recent events

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20 Caste is characterised by two different dimensions, which are rendered through two different Nepali words ‘varna’, the ranking system; ans ‘jat’ the daily cultural and interactional system (Cameron 1998: 11).
promising democracy have failed in building a more egalitarian and inclusive society in Nepal. Furthermore, after 1990, neoliberal approaches to governance and economy deepened the economic, social and political inequalities across genders, castes, ethnicities and localities (Bennett et al. 2006; 2007a, 2016; Lawoti 2010). Indeed, the egalitarian Maoist discourses before and after the civil war softened, but did not dismantle caste privileges (Ogura 2012; Toffin 2013a, 2013b).

**Understanding caste in Situli**

Although discrimination based on caste was legally abolished in 1963 (Bista 1991), it still permeates many aspects of people's life, especially in rural areas (Cameron 1998; Folmar 2004, 2007; Gellner 2016; Rai 2017; Toffin 2013a). The inhabitants of Situli relate to each other through a number of frameworks, one of which is the Nepali version of the Hindu caste-system. This is visible in daily-life practices. For instance, those who rank higher tend to avoid, to varying degrees, those who rank lower. Temporary impurity deriving from occasional contact must be purified through drinking cow urine or sprinkling water touched by gold, while higher levels of contamination can cause harmful consequences. Since among the villagers there is significant disagreement on the level of effectiveness of the various purification rituals, the rule is: avoid contamination. Since water and cooked food, especially rice, are strong transmitters of pollution (*juto*), lower-ranking people can accept water and cooked rice from higher-ranking ones, but not vice versa.

Bahuns, rank at the top in Situli and observe a subdivision within their own caste (*jat*). They believe that Upadhaya Bahun rank at the apex, because their lineage has not experienced any intermarriage contamination with Chhetris. On the contrary, Jaisi Bahun rank lower, since they are born within a lineage which has been contaminated, at some point, through inter-caste marriage. Chhetris rank immediately after Jaisi Bahun. Bahuns accept water from Chhetris but not cooked food and prefer not to intermarry.

All Janajati groups rank after Chhetris. In Situli there are three major groups of Janajatis: Magars, Newars and Gurungs. Each ethnic group has its own *samaj*, an identity marker and solidarity-based group with a busy social agenda. People belonging to the same *samaj* meet regularly, perform rituals, and collect and redistribute money for various

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21 The term ‘Janajati’ has been used since the publication of the 1990 Constitution, to demand a political project more concerned with the diverse interests of non-Hindu Arian groups. By using the term ‘Janajati’ for self-identification, these groups demanded recognition for their past of exploitation and assimilation within a Hindu, monarchic state (Gray 2012: 9). They reject the definition of Nepal as a Hindu state and the fact that the majority of Nepalese are Hindu (Hangen 2007: 19, in Gray 2012: 9). In this configuration, the term ‘Janajati’ has been used in opposition to the cultural world of the dominant group, since the only characteristic shared by the various Janajati ethnicities is their non-Hindu ancestry.
community-oriented purposes. Although they became hinduised a long time ago, Janajatis are less strict when it comes to following Hindu prescriptions compared to Bahun, Chhetris and Dalits. For instance, all the Janajati women I interviewed celebrated Hindu festivities, but nearly half of them also identified as Buddhist or Christian. They also did not observe the menstruation-related segregation and, while all the other groups burned corpses, Gurungs buried them. Janajatis are predominately bi-lingual, except for Newars, who speak Nepali. Gurungs and Newars have their own caste hierarchy, which revolves more around dietary prescriptions than avoidance.

Dalits, in Situli, are forbidden from entering the homes of Bahun and Chhetris. In 2014, I found that higher castes avoided, as much as possible going to Dalit villages, crossing their paths or touching them, while Janajatis were much more flexible. Some of them, especially Magars, accepted cooked food and water and allowed Dalits in their homes. The three Dalit groups of Situli: Damais, Sarkis and Kamis, were originally Hindu and claim to have migrated to Nepal from India many decades ago with their higher caste patrons. Contrary to what higher castes believe, most of Dalit women observe period-based segregation and perform rituals.

But on what basis is this stratification legitimised in Situli? Dumont (1980) argues that within caste ideology, ritual purity supersedes socio-economic power. According to this theory, Bahuns who embody ‘spiritual’ powers ranked higher than the (late) king—a Chhetri who has ‘worldly’ powers—because of their ritual purity (Bennett 1983: 251). This is because power can change throughout one’s life, but caste cannot and is ascribed only through birth. Therefore, wealth, education and political power cannot change one’s status (Dumont 1980: 66-72). As Cameron highlights: ‘The logic of caste hierarchy, according to Dumont, is a synchronic and nonmaterial one’ (Cameron 1998: 11). According to this model, the history of subalterns can only be explained according to the logic of ritual purity and not through a historical process of exploitation and discrimination (Cameron 1998: 11). In other words, according to Dumont, Dalits are ‘lower’ because of their impurity and not because of their (historically acquired) inferior social conditions. Unfortunately, although this conceptualisation makes sense at the theoretical level and might correspond to the visions of upper castes, others have a different perception. As Maslak explains:

A high caste Hindu maintains his or her privileged position in the hierarchy not simply because of religiosity and traditionally described roles but also because of elevated economic position as landlords and landowners (2003: 138).

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22 On samaj as organisations focussed on cultural preservation see Gray (2012: 9).
That is, domination has a recognised material base. Rural people are very aware of the overlapping 'spiritual' and 'worldly' powers in the hands of the elites. In Situli, non-Bahuns often contest the legitimacy of the caste hierarchy. Not only do Janajatis and Dalits doubt ideas around purity and pollution, but they also believe that such justification is a construction to prevent them accessing resources and opportunities, such as land, education, government jobs and large loans.

At the same time, upper castes reiterate their superiority in everyday practices. For instance, Upadhaya Bahuns differentiated themselves from Jaisis and Chhetris and specified that they wouldn't give their daughters in marriage to them. Higher castes also called 'sano jat' (small/low castes) Janajatis and Dalits and used similar denigrating words for both groups. Similarly, to Upadhayas, Jaisis called themselves 'thulo jana', which means 'big people'. However, they did not recognise their lower status compared to Upadhayas. In our interviews, Chhetris called themselves and Bahuns 'thulo jana', but added sentences like: 'they (Bahuns) believe they are higher'. Higher castes also described Janajatis and especially Dalits, as dirty, shameless, morally corrupted, libidinous and sexually promiscuous. The Janajatis I worked with identified themselves through their own ethnic group—Magar, Newar and Gurung. They didn't like to be called 'sano', because they believed that their jat could not be encapsulated within the caste ranking. Nonetheless, when talking about Dalits, they mentioned their untrustworthiness, limitless desires for meaty foods and alcohol, propensity to lie and lack of financial discipline. They called them 'sano'. Dalit called Bahun and Chhetris 'thulo', because, they said, 'this is how they want to be called', stressing that Dalits themselves did not think they were 'sano'. On more than one occasion, Dalit women specified that after death, they believed that everyone became 'thulo', regardless of their caste. Nevertheless, when I tried to find out which one of the three Dalit groups ranked higher or lower, the women explained that their own jat ranked higher over the other two. That is, Sarkis believed they ranked higher than Damai and Kami and vice versa.

These different perceptions of the caste ranking (varna) suggest that Janajati and Dalit women doubt the justification of caste ranking based upon purity. They, indeed, explained it through socio-economic history and power, believing that higher castes had become 'thulo' (big) because they acquired all lands, studied and occupied the government positions, so that they could rule even more effectively. As a Kami woman articulated: ‘This whole story of [caste] pollution is only a construction to keep us quiet and make us work for them [higher castes]. We are people as much as they are’. From these considerations it seems that the 'subalterns' of Situli perceive their history not through the
synchronic ideology of ritual ‘status’ (Dumont 1980), but through a long tradition of caste-derived access to resources and opportunities. As we will see, for many centuries socio-economic power and purity were concentrated in the hands of the same people. I move on to describe how, in Situli, access to resources depended upon caste status.
Land and agriculture have played the leading part in Nepal's social, economic, and political life through the centuries ... Land has ... traditionally represented the principal form of wealth, the principal symbol of social status, and the principal source of economic and political power. Ownership of land has meant control over a vital factor of production and therefore a position of prestige, affluence and power (Regmi 1976: 1).

It is with these words that Mahesh Regmi, one of the most prominent Nepalese historians, opened his account of the Nepalese landholding system. Arable land has always been a scarce resource in Nepal (16.4% of the total land area) (Worldstat 2017). It is a country whose surface mostly consists of forests, alpine and snow-clad terrain, continuously exposed to the eroding force of rivers and where a fast-growing population depends on this limited area for their livelihood.

Since the unification of the country in the mid-eighteenth century, land was considered the property of the state. The state leased land to private individuals for cultivation at a subsistence level, who did not have the right to alienate it through sale, mortgage or bequest (Regmi 1976: 16). In fact, the oligarchic regimes that governed the country until 1951 gave land grants to the members of selected classes that supported them, such as
soldiers, religious teachers, priests and members of the nobility and royal family (1976: 22). In particular, tax-exempt and inheritable land was given primarily to Bahuns (Sharma Sastry 1967: 45, in Regmi 1976: 23). They received large amounts of the most fertile, irrigated lands (khet)\(^23\), together with dry lands situated in difficult terrains (pakho), which often were not even measured (Regmi 1976: 126). Bahuns leased out their lands to tenants who were forced to cultivate both khet and pakho lands, paying the rent through rice and keeping maize and millet for their own subsistence (1976: 126).

Following the political changes of 1950–51, the central government authorised the alienation of leased lands (Regmi 1976: 179), allowing the wealthier sections of the population to acquire even more property. In this scenario, the tenants who were previously able to obtain loans from local moneylenders, giving their own labour or part of their crop as collateral, could now give land as collateral. Many small farmers lost their lands in this way and were forced to mortgage their holdings for sums far below the real value (1976: 190). Land, therefore, became concentrated in the hands of big farmers. Regmi reported that in the district where Situli is situated, in 1961, middle and big farmers owned nearly three-fourths of the total land (1976: 191); while 28% of all households controlled 77.8% of the khet lands (1976: 187). Caplan notes that since 1951, Bahuns became extremely wealthy across the mid-western midlands. Bahuns lent money to other castes, especially Dalits, taking their land as collateral and acquiring it when they couldn't pay, increasing the dependency of Dalits upon higher castes (1972: 1-22).

To decrease these abuses, the central government of Nepal promoted land reform through the land Acts of 1957 and 1964, as an attempt to secure the position of tenants, allowing them to appropriate a larger part of the produce, and establishing ceilings on individual landholdings and control over rents (Regmi 1976: 208). However, the Acts had little impact on the agrarian structure per se (Wily et al 2008: 158; Cameron 1996: 89; Regmi 1976: 208). They failed in redistributing the properties to those who owned little or no plots of land, and reinforced the position of landlords as rent-receivers, without imposing any obligations on them. As a result, informal tenancy increased (Regmi 1976: 208-210).

At the time of my research in Situli, Bahuns and Chhetris owned the majority of land. For decades, Janajati and Dalit had been tenanting in extremely disadvantageous land-tenure

\(^23\) Regmi's definitions of khet and pakho lands (1976: 126) correspond to those I heard from the villagers of Situli in 2014: ‘Khet are lands in river valleys and terraces that can retain water for sufficiently long periods to grow rice and wheat. Pakho are lands situated on high terrain that are incapable of retaining water, so that only such crops as maize, millet, and dry rice can be grown'.
systems, such as *adhiya*. *Adhiya* prescribed that the cultivator paid a given percentage of the paddy crop as rent and retained the rest (Regmi 1976: 127-128). The tenants of Situli recalled that their share of the crop initially varied from one third to one fifth and it had only increased to half after the Civil War. Together with historical circumstances such as the civil war, other social dynamics have given more power to tenants in the last two decades. One of these factors is, as we see in the next section, increased female education.

![Plate 8: A Dalit tenant carrying straw to his Bahun landlord's house](image)

**Educated women**

Education, as much as land, has been for long time, a gendered and caste-based symbol of wealth, social status and power in Nepal. Historically, male higher castes could afford to pursue education because their wives and clients worked their land. They could then worship the gods and undertake other duties (Bennett 1983: 10). Over time, higher education, together with a tight social network called *aphno manche*[^24], allowed male Bahuns to access and monopolise government posts and other employments, which guaranteed a regular monthly salary. Because of their lack of education and *aphno manche*, these positions have always been out of reach for women, Janajatis and Dalits.

[^24]: *Aphno Manche* means literally ‘one's people’ and refers to one person's circle of associates, who can be approached whenever need arises. Bista explains that the dimension and quality of *aphno manche* not only measures one's influence, but that it is an institution in Nepalese society. For instance, a bank teller will go through considerable efforts to take less time to cash a cheque if the customer is a member of his circle, while, if he is not, the employee will take much longer (1991:98).
Women from all castes were, for many decades, denied access to formal education because ‘their traditional gender role as a future wife limits the likelihood of schooling’ (Maslak 2003: 44). Since young women would marry outside the family, their eventual future income would not be of any benefit for the natal household, while the only skills needed by brides would be domestic and agricultural ones (Bingham 1992). Maslak, in her analysis of Tharu female education in the Tarai, documents a change of perspective in this configuration around the late 1990s. The author reports that mothers’ desires for their daughters changed in favour of education because educated brides started acquiring a higher value on the wedding market. Therefore, sending daughters to school had the potential to ensure a financially sound marital arrangement (2003: 44).

Maslak’s findings were confirmed by recent Census data, which reflected a consistent effort by the Nepalese Government, to increase female education. Census figures showed that in 2001, 42% of the female population were literate and that this had increased to 57% in 2011 (Government of Nepal 2014b: 135) However, throughout Nepal, parents still privilege boys over girls for the duration and quality of education and the above government report showed that over the period 2001 to 2011, the male literacy increased from 65% to 75%. The gap in school attendance between girls and boys increased in favour of boys as soon as the level of qualification rose, and as soon as the poverty level of the household increased. Similarly, there were more girls in public than private schools (Government of Nepal 2014b).

Those who have benefitted most from the government initiatives are higher caste girls. Nation-wide, the higher levels of female school attendance were registered among Bahuns, with lowest levels among Dalit groups (Government of Nepal 2014b). Maslak’s study confirms this trend, explaining that higher castes place a higher value, compared to Tharus and Dalits, on the education of girls and boys (2003: 139) and that Tharus associate female education with Bahuns and Thakuris (2003: 95).

Similarly, in Situli higher caste girls studied longer and in better schools than other castes, but less and in worse schools compared to their brothers. According to the 2011 Census data held at the Situli VDC office, the majority of Bahun and Chhetri girls stopped studying once they acquired a bachelor certificate, while higher caste boys often continued until
they obtained a masters degree. Numerous Janajati girls and boys study until SLC\textsuperscript{25} or Plus Two, while Dalit boys and girls continue only until SLC or a lower level. While the gender gap remains, allowing girls from all castes to study longer not only means better jobs, but it also delays their marriage. As I discuss later in the thesis, these enlarged options not only provide an important motivation for women who want to change their lives, such as those from higher castes, but it also fosters important transformations in their household structure.

**Transnational migrants and remittances**

Within the socio-economic history of Situli, the changes around transnational migration are as relevant as those regarding landholding and female education. Nepalis have a long history of migration to India, due to the tight cultural and political ties between the two countries.\textsuperscript{26} However, over the past three decades male migration to other countries has increased thanks to the *Foreign Employment Act*. As a consequence, being able to reach more financially-rewarding destinations opened new, unexpected prospects for Nepali migrants and their families.

In 1985, The *Foreign Employment Act* allowed employment-related migration to countries other than India and the People’s Movement in 1990 further liberalised the travel regime. Since then, an increasing number of migrants have been heading to Malaysia and the Gulf countries, especially Saudi Arabia and Qatar (Government of Nepal 2014c; 2014d: 9–10). As a result, the Nepalese economy has increasingly become reliant upon remittances from abroad, to the point that Nepal in 2012 ranked third highest among world countries for the contribution of remittances to gross domestic product (GDP) (Nepal Remittance Association 2017). In 2013–14 remittances contributed to 28% of the GDP (NRB 2014), while more recently, in the fiscal year 2016–17, the proportion increased to 29.6% of the GDP. Remittances to Nepal averaged 204.8 USD (FACTS Nepal 2017) per capita per year. These are significant figures when compared to those for Bangladesh where the contribution of remittances to GDP was 6.1% in 2016 (Federal Reserve Bank of St Louis 2017). The average annual per capita remittance to Bangladesh was 94.2 USD and to India 54.3 USD of India (FACTS Nepal 2017).

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\textsuperscript{25} The School Leaving Certificate (SLC) is the final examination in the secondary school system of Nepal. It is equivalent to GCSE, the academic qualification in England. Every student must take this examination to complete the 10th grade of their study, before they enter higher secondary or intermediate level education (12th grade), commonly referred to as ‘Plus Two’.

\textsuperscript{26} In 1950 Nepal and India signed a Treaty of Peace and Friendship, which formalised the free movement of people between the two countries (Sijapati and Limbu 2012: 7). Since then, the large presence of Nepali workers in India has been documented by national population censuses conducted from 1952 to 1991, and over this time their number oscillated between 79.4% and 93.1% of total Nepalese migrants. In 2011, however, the percentage of Nepalese migrating to India had dropped to 37.6% (Government of Nepal 2014a).
Statistical data provide a demographic profile on this growing migrating population. For instance, the 2011 Census reports that the proportion of the population migrating to other countries was higher in the hills and in rural areas (85.4% of the total absentee population) compared to urban areas (14.6%). Further, at the micro-level, the country of destination reflects the household wealth, social status and education level of the migrants. From the mid-western hills, low-educated Dalits and poorest Bahun and Chhetris prefer India, Janajatis migrate to Gulf counties, while a few highly-educated Bahun and Chhetris move to the United States of America, Europe, Japan and South Korea (Government of Nepal 2015b: 19–21).

The district where Situli is situated stands out as one of the hilly localities that has had a greater number of migrants obtaining a labour permit, to work abroad outside India and Nepal. In 2014, over 8,000 men had left the district for destinations other than India. Furthermore, between 2008–09 and 2014–15, the proportion of all labour migrants in the district stabilised at well above a 2% share of total migrants, whereas for all the other hilly districts in Nepal, labour permits were granted to between 0.5 to 1.5% (Government of Nepal 2015b: 13). This means that the area has had a long, stable tradition of employment in destinations other than India, which dates to well before 2008.

Following the national and district trend, in Situli, Janajati men pursued long-term employment in Gulf countries and Malaysia, together with an increasing number of Dalits. To have an idea of the significance of this phenomenon, we should consider that 49% of the microfinance recipients affiliated to the formal lending institutions I worked with, had at least one male family member abroad (husband, son or brother-in-law). More than half of them were Janajati, one third were Dalit and the remainder Bahun and Chhetri. It is obvious that large numbers of migrant workers sending money back to their families can heavily affect the economic milieu of a relatively small agricultural community.

**Recent socio-economic changes**

Overall, how do developments in land-tenure, female education and male migration combine in the locality of Situli? A few facts will help us to understand.

During the period of my fieldwork, *bandaki*, a more tenant-friendly land-tenure system, had become increasingly common. A *bandaki* contract ensures that the tenant lends a
significant amount of cash to the owner (two to three lakhs\textsuperscript{27}, depending on the land size). The tenant performs all the labour and retains the entire crop. When the contract ends, usually after two or three years, the owner must return the borrowed amount without interest. Compared to adhiya, where the sharecropper performs all the labour and shares half of the crop, in bandaki, the landlord only retains the profits deriving from the loan. As higher caste women explained that in 2014, it was very difficult to find tenants, and they had no other choice than to give their husband's land in bandaki.

The scarcity of tenants was related to increased male migration and increased female education. In the past, Janajati and Dalit tenants and Bahun and Chhetri daughters-in-law performed the hard work in the fields. In 2014, the remittances received by Janajati and Dalit women from their husbands in Gulf countries and Malaysia were significantly higher than those coming in the past from India (Government of Nepal 2015b: 23). Therefore, these women increasingly refused to work as sharecroppers. At the same time, highly-educated Bahun and Chhetri girls pursued other employment and refused to work in the fields for their husbands.

In these changing configurations, women and men from all castes were viewing their world in different ways and pursuing new aspirations. Throughout the thesis, I argue, that this was made possible by the intersection of increased formal savings and credit facilities, male migration and female education. Statistical data for the fiscal year 2016–17 on remittance income suggest that, throughout the country, the remittances are used primarily for savings (28%) and secondly to repay loans (25.3%) (FACTS Nepal 2017). In the next section of the chapter I briefly introduce the lending institutions that the women of Situli used for their microfinance practices.

\textsuperscript{27} One lakh corresponds to 100,000 NPR, which, in 2014 amounted to 850 AUD. Therefore, two lakhs corresponded to 1,700 AUD and three lakhs to 2,550 AUD.
Situating complex borrowing practices

By the time I returned from fieldwork, microfinance institutions and co-operatives had reached almost every neighbourhood in Kathmandu, the hills and southern plains, while they were rare in the northern Himalayan regions (CMF 2016: 3). In 2015 the sector included 13,985 savings and credit co-operatives and 42 microfinance institutions. Together with other lending providers—such as 525 small farmer agriculture co-operatives and 27 financial intermediaries—they served around 3,815,702 clients (CMF 2016). Like the rest of the country, Situli was a VDC with numerous formal and informal credit opportunities, that mostly targeted women. In the four wards where I worked, I counted eleven informal credit-rotating groups, eight microfinance institutions that held periodical money collections and lending meetings and 13 co-operatives—a complex milieu of lending practices.

Informal lending opportunities

Practices of moneylending existed in Situli for centuries and were heavily shaped by caste privileges. The older villagers recall that until the 1950s, transactions took place in goods, especially rice, and not in cash, and that the role of the moneylender overlapped with that of the landholder. After the land reform and the opening of Nepal to imported goods, cash transactions became more common, while higher castes remained the principal lenders. The interest rate was 96% per year, meaning that if the borrowed amount was returned after one year, it had to be nearly doubled. However, the shorter the loan time, the lower the interest. Usually the monthly interest rate ranged from 8 to 10% per month. For instance, if one borrowed 100 rupees and returned the money after one month, they should return 108 to 110 rupees, 116 to 120 after two months and so on. After the introduction of formal lending in the 1990s, these interest rates dropped and in 2014 the rate ranged between two and three Nepalese rupees (NPR) for every 100 NPR borrowed, per month, which amounts to a 24% to 36% credit interest rate per year. During my fieldwork, those who borrowed money more frequently were Dalits. The moneylenders were often their higher caste patrons, with important exceptions, as we will see later in the thesis.

Additionally, other informal lending options were available, such as the dhikuti, guthi and samaj, ethnically based lending groups that relied on money rotation systems. Usually these groups were formed by ten to twenty women, who would contribute a certain amount each. In the case of dhikuti, one person would then borrow the entire amount with the obligation to repay it by the end of the year or month together with the agreed interest, usually 1.5 or 2 NPR for every 100 NPR. All the group members would then borrow in turn
and share the dividends informally (see Bhatta 2001: 287). Guthi and samaj (see Gray 2012: 10) involved similar credit practices but with additional social solidarity obligation, such as financially supporting a family who had had a loss or extraordinary expenses, or simply to oblige each member to purchase an agreed share of buffalo or pork meat during festival periods. Other money-rotating groups were caste-based, such as Mother’s Groups 28 and agricultural groups 29; while some others, such as Health Groups 30, worked intra-ward.

Plate 9: Women from the Mother’s Group meeting to organise an upcoming dancing performance

28 Mother’s Groups were female caste-based associations. Women belonging to the same Mother’s Group organised songs and dances during weddings or other celebrations when someone in the family of a members underwent the rituals. On these occasions they collected donations for their performances. With the money, they purchased partyware that was hired by community members. When they had collected enough capital, the members of Mother’s Groups took loans in turn.

29 Members belonging to agricultural groups contributed small amounts to purchase seeds and manure and to hire a plot of land. They cultivated vegetables and worked the land in turn. Then, they used the profits gained from selling vegetables to take loans on a rotating basis.

30 Health Groups were village-based female associations. Each member contributed with a small monthly amount. The group then bought medicines to sell to the community. With the profits, group members took loans in turn.
Co-operatives and microfinance institutions

Pavi Sansthan is a female multipurpose co-operative (CO-OP), one of the many bodies that, together with microfinance institutions (MFIs), provides microlending services in Nepal. A co-operative is an autonomous association of people who are considered the members of the co-operative and control the institution democratically. Associates come together on a voluntary basis to achieve common goals (Shah 2013: 59). Co-operatives can be of different types, such as: Savings and Credit, Multipurpose, Dairy, Agriculture, Fruit and Vegetables, Beekeeping, Tea, Coffee, Consumers, Science and Technology, and Energy (Kavitha 2008 in Shah 2013: 59). They have different goals, such as growing vegetables on a commonly hired plot or collecting milk from several producers, and treating and selling it to the public.

Most of Nepalese CO-OPs offer financial services based on the ACCION Credit Union Model (Shah 2013: 60; see also NFSCCU 2017 and CMF 2005), where members own shares in the association and manage it through elected committees. Activities are self-governed, and the capital is self-generated without the support of external donor agencies (Shah 2013: 59). The Co-operatives Act promulgated by the Nepali Ministry of Co-operatives and Poverty Alleviation in 1992, regulates co-operatives throughout the country, establishing that they should be composed of a minimum of 25 people. Members are responsible for formulating their laws and operational procedures through their General Assembly, which is also responsible for electing a Board of Directors and an Accounts Committee through the one person, one vote principle, every five years or less (Shah 2013: 159). The Board then appoints a management team, while the Accounts Committee is responsible for internal audit (2013: 160).

The Department of Co-operatives of Nepal estimates that some 5 million people are already affiliated in approximately 32,663 co-operatives and more than 57,894 people are employed directly in the co-operative business (Government of Nepal 2015a). Although female CO-OPs have a shorter history compared to the male ones, they have quickly spread throughout Nepal over the past two decades, slowly gaining a reputation for

31 The Nepalese microfinance industry is diversified. Most institutions are regulated by Nepal Rastra Bank, and are commonly referred to as MFIs. MFIs use several different operating models. They are: the Association Model or Group Model, that is usually formed by micro-enterprises inspired by socio-religious-cultural issues (Shah 2013: 58); the Community Bank model, initiated and capacitated by NGOs (59); the Grameen Joint Liability Group Model, a banking unit set up to serve a specific rural area with savings and loan services (60); and the Self-Help Group Model, similar to Grameen but gender-based and with added social goals (61). The two models not regulated by the central bank are: Rotating Savings and Credit Associations, informal groups of women that make a periodical contribution to a common fund, which is then provided to one member, chosen by consensus, lottery or bidding, in the form of a loan; and Savings-Credit Co-operatives (62).
success, as Prakash Raj Paudel, Chief of the Co-operative Division Office in Nepalgunj (in South-Western Nepal), explained:

Co-operatives run by women do not repeat mistakes. That's why they are more successful. Other co-operatives should learn from the success of those women. If loans are recovered and deposits are collected on time, co-operatives will not collapse. The success of the co-operatives run by women has become a matter of national pride (Paudel 2017).

Offering similar services, but within different operational guidelines, Microfinance Institutions (MFIs) or Microfinance Development Banks are institutions based on the Grameen Bank model, which provide microfinance services to women (CMF, 2016). In 2016, 98% of their active borrowers and 97% of their savers were women (CMF, 2016). MFIs are regulated by the Microfinance Policy of 2011 (Shah 2013: 155), which classifies them as banks. There is, then, a separation between stakeholders and clients or ‘beneficiaries’ (Bhatta 2001: 286), who do not own the company. At the same time, although MFIs target women as clients, the investors and managers are mostly men. The lack of female involvement at the management and investment level of MFIs has been noted at the national level, where it has been reported that only 25% of MFI staff are female and only 17% of the board members are women. Conversely, in female co-operatives, women are 100% in control (CMF 2016).

**Pavi Sansthan and Changastan**

The two savings and lending institutions that are the foci of this thesis are Pavi Sansthan, a community-based female CO-OP that had been operating in Situli for nearly twenty years, and Changastan, a bank with a strong commitment to microfinance that had worked in the area for six years. They have very different structures along with distinctive operational backgrounds, which I briefly describe in this section.

In 2014 Pavi Sansthan was well established in Situli with 974 members who were also shareholders, three committees and three permanent staff. In terms of capital, they had 50 million NPR invested in loans, 16.4 million NPR in savings, 5 million NPR in shares, a two-storey building and a highly valued 300 square metre plot of land. The activities of Pavi Sansthan were mainly financial; however, its multipurpose legal status hinted at a parallel social commitment. Pavi Sansthan organised rallies on female empowerment, female community-based celebrations, health, birth control and sanitation awareness initiatives. It also conducted management and accounting training for its shareholders, committee and staff members. Pavi Sansthan was an important support for female community-based activities, which allowed women to become more visible at the VDC and district level. The co-operative’s courtyard was, in fact, often used for the meetings of
Mother's Groups, Women and Children Organisation campaigns, wedding celebrations, and even political rallies.

The foundation of Pavi Sansthan goes back to 1995, when the Women and Children Organisation, a government body, implemented a project throughout the district to promote small loans to women. The promoters recruited women from all over Situli, willing to be involved in a savings group that shared liability on loans. Each group was composed of five women, who were accountable for each other's repayments. When they received a loan, they split the amount and paid within a set deadline. In 1997 Pavi Sansthan became officially registered as a savings-lending institution. The group system was abandoned, and women started taking loans individually, so that they were only responsible for their own money.

The number of members of Pavi Sansthan increased over the years. Originally, higher caste women were sceptical about the savings and credit groups. They deemed the project humiliating, since only Dalit and poor women would accept loans. Simran and Vishnu, the only two higher caste women to be involved with Pavi Sansthan since its beginning, started to lead the activities collecting savings in the village, and gradually overcame distrust of Pavi Sansthan and the fear that it would ‘run away with the money’. In 2001, Pavi Sansthan received its first loan from UNICEF. The money was used to lend to members and the initial capital was repaid to UNICEF within five years. In the following years, the co-operative received a few loans from other organisations and enlarged its savings capital.

The increasing popularity of Pavi Sansthan attracted more clients. As the capital increased, the interest for both savings and credit dropped, respectively, from 12% to 9% and from 24% to 15% annually, attracting even more women. And as it grew, the organisation's agenda gradually included social activities. In 2000, a permanent office was officially opened and local Bahun women with basic literacy and accounting skills were appointed to its staff. Profits continued to increase along with the expertise of the staff. These staff members, not only attended formal training, but also strategically enrolled in the local Grameen group to study its modus operandi. Finally, in 2008, the women of Pavi Sansthan purchased the plot of land mentioned above and slowly financed the building where I met them in 2014.

In 2014, the microfinance sub-branch of Changastan was operating in 10 western and central hilly districts, as a strictly financial institution. It charged 20% per year interest on
loans, while giving 6% on savings. Changastan had originated as a financial co-operative in 2005, when 113 wealthy men from a district in the western hills decided to invest their money in a savings and credit co-operative. The co-operative grew and, after two years, the shareholders decided to lend to non-members and Changastan became a bank that soon grew and spread across the districts. However, the investors were willing to maintain a strong commitment to microfinance and decided to allocate, every year, 25% of their loan portfolio for female microlending. As one of the Changastan managers explained to me, this strategy was successful because microfinance provided a higher marginal profit compared to its own 'modern banking' services.32

In 2014, the principal investors of Changastan were 128 men, including the original 113. They owned 70% of the shares, while the remaining 30% had to become available for public purchase every two years, as Nepal Rastra Bank prescribed. Based in Pokhara, Changastan opened a branch in Dulara in 2008 and stated to serve the area of Situli. As their clients in the area recall, several young employees walked to every single hamlet of the VDC and started recruiting women. Since then, Changastan staff have held monthly money-collection meetings in the various wards.

While Pavi Sansthan originated as a community-based, member-owned, female institution, Changastan was an 'outsider', male-dominated bank targeting the area to extract profits from female borrowers. Additionally, while the interest on savings and credit at Pavi Sansthan had decreased as soon as the institution became more financially stable, the opposite happened at Changastan. These structural differences had the potential to affect, as we see in the following sections, the long-term sustainability and reputation of the two organisations.

32 In Nepalese financial-related jargon, 'modern banking' refers to ordinary banking services, that do not involve microlending.
Plate 10: Women participate in a social event held in the co-operative front yard

Plate 11: Women from the executive committee deciding on the appointment of a new staff member at the local co-operative

Critical perspectives on co-operatives and microfinance institutions
In the late 1990s and early 2000s, a number of comparative studies conducted on Nepalese lending institutions concluded that community-based savings and credit co-
operatives (SCCs\textsuperscript{33}) were more sustainable in the long run when compared to other institutions, especially MFIs (Bennett et al 1996; Seibel et al 1998; Morduch 1999; Bhatta 2001; Ashe and Parrot 2002; Gingrich 2004; CMF 2005). This was due principally to their institution-building strategies (Bennett et al 1996; Yaron 1994; Gingrich 2004).

The reasons given for such evaluations were various. For instance, Bennett et al (1996), Seibel et al (1998), Bhatta (2001) and Ashe and Parrot (2002) argue that reliance on member savings improves loan repayment and compels management to control costs, making co-operatives sustainable in the long run. Gingrich believes that the strengths of SCCs rely on: their community-based model, which allows close loan-monitoring; their long-established experience, since many co-operatives operated informally for years before being formally recognised (2004: 34); their selected clientele (2004:34); and their cultural homogeneity allowing them to work more effectively towards a shared goal (2004: 29). One of the most recent impact assessments in the Nepal Hills Districts (CMF 2005) reports that the success of rural co-operatives relies on their ability to pair financial with social goals which not only allows them to form a sense of belonging, but also to believe that ‘clients manage their cash flow and apply them to whatever household priority they judge most important for their welfare’ (CMF 2005: 25). In fact, co-operatives are more flexible. They grant loans for a wider range of investments compared to MFIs, such as land purchase and children’s education. These investments, although not classified as ‘income-generating activities’, are considered ‘productive’ according to the co-operative’s standards. However, they are not consistent with MFI guidelines.

At the end of the 1990s, MFIs were not spread evenly in Nepal but were concentrated mainly in the Kathmandu valley and the Tarai (Bhatta 2001). The lack of MFIs in the hills was justified through a lack of regular markets, where women could profit from their loans (Bhatta 2001: 287). Other reasons for the poor performance and lack of self-sufficiency of MFIs were: their recent establishment (Siebel et al 1998: 11); the low interest-rates, which do not cover operational costs (1998: 11); the interference of the government, which makes the banks donor-reliant and not interested in profitability (1998: 12); and the focus on poor women which excludes wealthy households from injecting capital into the banks (1998: 14).

\textsuperscript{33} Although Pavi Sansthan’s legal status is not that of a ‘savings and credit co-operative’, but that of a ‘multipurpose’ one, I compare it with other SCCs because the primary activities of Pavi Sansthan are savings and credit, while other activities are secondary.
The above financial evaluation of CO-OPs appears, in my opinion, appropriate, although in caste-based contexts as in rural Nepal the close selection of the clientele might exclude socially marginalised but financially capable groups. By contrast, these studies are not up-to-date regarding MFIs, since they were conducted at the dawn of Nepalese microfinance in the 1990s. In fact, 64% of all MFIs still active in Nepal were established after 2005 (CMF 2016: 4) and the industry has changed significantly since the late 1990s. For instance, MFIs are currently widespread in Nepal, except in mountainous areas (CMF 2016: 3) and markets are not the only source of income for women, as we will see in Chapters Four, Five and Six. Further, the interest charged by MFIs is higher on loans and lower on savings compared to that of CO-OPs. Additionally, MFIs are no longer donor-reliant for funding, as we will see in Chapter Three, and they do target wealthy women. Nonetheless, the long-term self-sufficiency of MFIs is maybe at stake (personal communication; see also Seibel et al 1998).

Throughout my research I found a widespread feeling among shareholders, credit recipients, directors, MFI fieldworkers and branch managers, NGO and Rastra Bank employees, that MFIs are not sustainable. As an MFI branch manager explained to me (personal communication): MFIs are ‘a quick way to make money and absolutely not sustainable in the long run because they are only extracting capital out of the poor’. It seems that only time will tell what the fate of Nepalese MFIs will be; in the meantime, drawing such conclusions at this stage might be premature. In the next chapter I discuss the differences and similarities between Changastan and Pavi Sansthan and I illustrate how the modus operandi of each results from the different historical circumstances that shaped the current goals of co-operatives and microfinance institutions in the specific context of Nepal.
Old and new dynamics

Pavi Sansthan and Changastan operate in a rural environment where caste-based privileges had largely determined access to resources for a long time (Regmi 1976; Bhattachan 2000; Gurung 2002, 2005; Michaels 1997; Pfaf-Czarnecka 1997). For many centuries, access to land depended upon caste privileges, with higher castes confiscating Janajati and Dalit lands as a result of usurious credit practices. Once they became tenants in a landlord friendly land-tenure system, they were prevented from pursuing any socio-economic mobility (Caplan 1972; Regmi 1976).

In this scenario, the democracy movement that started in Nepal with the change of constitution in 1990 and which is continuing, created political consciousness among historically excluded groups (Tamang 2011) favouring, at the same time, new articulations of caste-based privileges (Bennett et al 2006; Gellner 2007, 2016; Lawoti 2010; Ogura 2012; Toffin 2013a, 2013b). It also fostered socio-political changes that allowed male migrants to earn higher salaries in Gulf countries (Government of Nepal 2014d) and girls, especially from higher castes, to study longer (Government of Nepal 2014b). The increased availability of cash not only crafted new, re-configured desires among the villagers; but it also intersected with increased formal credit services (Bhatta 2001).

The two institutions that are the foci of this thesis offer similar services to female borrowers are characterized by different operational structures. Pavi Sansthan, the long-established female co-operative, is based on the ACCION model, which entails borrowing shareholders that own the institution and share the profits (Shah 2012; Bennett et al 1996; Yaron 1994; Gingrich 2004). Conversely, Changastan, the microfinance institution operating in the area for six years, is based upon the Grameen model, which involves a separation between shareholders and borrowers. Nevertheless, in the process of their operations, these institutions have provided a platform through which women from different caste background have been able to leverage new lending possibilities to their advantages, as I explore in the following chapters.
Once individuals are taught
how to enhance their self esteem
through empowerment techniques
and learn to properly govern themselves,
it is believed, society will automatically
get rid of the ailments that plague it
(Sharma 2008: 17)

Changastan and Pavi Sansthan, the two lending institutions that provide microfinance services to the women of Situli, had the potential to promote unequal socio-economic relations and to reinforce existing power-hierarchies. The reasons for this lay in the highly capitalistic policies of Changastan and in the appropriation of Pavi Sansthan by Bahun and Chhetri women, which I explore via specific examples in the chapter. Notwithstanding these hardships and challenges, in this section I argue that women criticised microfinance practices and deployed strategies to navigate the system in their own way.
The following ethnographic account is characteristic in this regard. It describes an unusual Changastan money-collection meeting, a monthly occasion where the fieldworker met the clients at an established meeting point—called 'centre house' in microfinance jargon—to collect their savings, instalments and loan-demand forms. Usually, during these meetings, women appeared silent and obedient and, as I illustrate in the second part of the thesis, enacted their own reinterpretation of microfinance once they left the meeting. In this case they were loud and outspoken, showing open contestation during the meeting. The episode is important because it helps us to foresee that new possibilities can emerge from a creative use of microfinance.

**The worst centre ever**

During my thirty days of fieldwork at the Changastan branch, Jharana and I followed Ram, a 26-year-old Bahun man who had been working at Changastan for nearly five years, to a few of his money-collection meetings. Ram was the accountant of the branch and ranked second in the office hierarchy, after the manager. He had a reputation of being the 'toughest' among all the fieldworkers; he was resolute both with the clients and the junior fieldworkers he managed, firm in his decisions and rude in his reproaches. Ram did not talk much. Working diligently for long hours, he was the first to arrive at the office and the last to leave at night. Ram was also the one in charge of holding 'risky' meetings, such as the one in Kurtupar. In fact, other staff members refused to hold meetings in Kurtupar, which they had re-named 'the worst centre ever'.

One day, Jharana and I went with Ram to Kurtupar. On the bus, Ram was nervous and refused to talk to us until we arrived at the centre-house, the roadhouse of an outspoken middle-aged Newari woman named Goma. Within the dark room on the ground floor of a building situated right on the highway, only three Newar women of the seventeen group members were present. The others, who lived in a village uphill, were taking their time, as Ram explained. He patiently sat on a stool near the large table at the centre on the room and told us to wait. After about thirty minutes, the entire group except for Ambita finally arrived and the meeting started. Ram, who would usually heavily scold and fine late arrivals, did not say a single word.

It soon became clear that Ambita had not sent her instalment. Ram refused to move on to the loan-request part of the meeting until Ambita's full amount had been repaid by the group members. The women, who had been very vocal already, created more chaos, laughing and teasing Ram for not being able to return to the branch with all the money. Two of them requested to take money out of their savings and Ram firmly refused,
insisting that they put together enough money to cover Ambita's instalment. They refused and also refused to call her or indicate her house to Ram, who, at that point, was determined to confiscate valuables from her home. After more than one hour of negotiations, Ram, exhausted, decided to withdraw half the amount requested by the two women in exchange for Ambita's phone number, only to find out that her phone was switched off. The women, at that point, couldn't stop laughing.

Ram insisted that the women repay the instalment, but they made signs to each other not to pay. Goma proudly whispered in Jharana's ear: ‘Last month, a ‘Miss’ from Susto (another MFI operating in the area) came here. We brought her to tears because we all took loans, and no one repaid!’ In the meantime, two of the women's husbands had come to pressure their wives to leave the meeting and go home to cook. They yelled at Ram and stood by the door. After two more hours of negotiation, some women still insisted on taking loans, while some others wanted to withdraw cash, but Ram refused until Ambita's instalment was repaid. Goma, noticing his determination, explained that Ambita's failure to pay the loan was in revenge against Rita, one of the other women of the group, who had an outstanding debt with her. Ambita hoped that the group would compel Rita to repay the loan for her.

In that situation, Ram could do nothing but wait, while Goma updated Ambita34 on the situation over the phone. More than once during the meeting, he had threatened them with refusing to grant loans for extended periods of time, but he had only received answers like: ‘You need us to take loans as much as we need them’, or: ‘Go on, take out our membership, who will pay your wage then?’ After three and a half hours, the women were still laughing and joking, while Ram was visibly exhausted. Finally, Ambita's sister-in-law arrived with the money and paid the instalment.

On the way back to Dulara, Ram explained to us that according to him, problems like the one we had just witnessed arose when the borrowing group was not ethnically homogeneous. In this case, the women belonged to different castes and used Changastan to regulate their own unresolved issues. Ram explained that the problem needed to be promptly addressed since Dalits and Janajati women constituted a profitable target for the bank because of their remittances and their inability to access large loans in co-operatives. His plan was to wait for Ambita's loan to be fully repaid and then withdraw

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34 Ambita owned multiple SIM cards. As Goma explained to Jharana, she would use them for different purposes. On that occasion, Goma had given Ram the number she knew Ambita would switch off when she did not want to be contacted by bank officers and contacted her on the number she used for friends.
the membership of the three Newar women, who were wealthy, lent money at high interest rates and abused the Dalit borrowers. He would then be able to hold the meeting in the village uphill, where the more honest Dalit women lived.

As we see later in the chapter, microfinance institutions have a provision that borrowing groups share liability for loans, so that group members are responsible to repay for defaulters. This provision, as I will explain, risks compromising existing solidarity relations among women and threatens their social cohesion because of group pressure and resentment against defaulters. However, the behaviour of the borrowers of Kurtupar shows that women question this policy and are able to come up with strategies to avoid possible negative outcomes. In fact, although Ram pressured them to take responsibility for the defaulter and attempted to gain control of Ambita’s possessions by enquiring about the location of her house, the women stood together against him and firmly refused. They waited until they knew whether Ambita would pay or not. Furthermore, while waiting, they embarked on an extended negotiation with Ram to obtain what they wanted, even though they had no intention of meeting their obligations. Aware of their value as clients, they used it to their own advantage. The sentences ‘Who will pay your wage then?’ and ‘Last month we brought to tears a fieldworker from another institution because we all took loans, and no one repaid!’ showed familiarity with the reasons shaping the fieldworker’s behaviour—the large loan targets that he had to achieve—together with an ability to use such knowledge to their own advantage.

What is more, the women of Kurtupar used microfinance to regulate their own unresolved issues and perpetuate unequal power relations. Ambita, in fact, took the loan in an attempt to compel Rita to repay the debt she had informally taken from her. Similarly, as Ram explained, the Newari women took advantage of the instalment-based repayment system to lend money with higher interest to the Dalit group members. These behaviours not only showed that women embedded microfinance within their own set of socio-cultural and economic practices, but also anticipated the possibility that they might use microfinance for means that are not foreseen by lending institutions, but that, according to the women, constitute worthwhile investments.
Theoretical engagements

Throughout the chapter, it will become evident that the modus operandi of both Changastan and Pavi Sansthan is driven by neoliberal and capitalistic forces, which they pursue through different practices. At the same time, these practices have the potential to increase inequalities and to foster a general deterioration of the quality of life of their clients. While I explore these possibilities through a several case studies, I explain that they do not stop women from manipulating the system. This will allow us, in the next three chapters, to see borrowers more as 'agents', rather than 'subjects' of neoliberal policies and see that women criticise the institutions and navigate the dangers. I also foresee that women could use microfinance for their own ends in innovative ways, creating new, useful possibilities.

This chapter engages with three sections of literature. To highlight the different alignment to profit of Pavi Sansthan and Changastan, I initially present a short historical account of the microfinance industry in Nepal. While compromising state-led social protection with deregulated rural credit, the state placed high financial expectations upon microfinance institutions. Conversely, co-operatives were not expected to provide high returns. Secondly, I engage with the concepts of 'neoliberalism' and 'neoliberal agent' to describe how the neoliberal discipline sees the self-maximising entrepreneur as a subject that should transform the society into a more equitable place. Finally, I engage with the literature that explores how this is not always the case because deregulated microfinance can reinforce unequal social hierarchies. At the same time, I discuss the work of authors who have described women's ability to navigate these dangers to their own advantage.

The case of Nepal

The beginnings and the compromise between social protection and self-help

Subsidised credit to poor rural people has a long tradition in Nepal. In line with the vision, promoted by King Mahendra during the Panchayat regime, that development (bikas\(^{35}\)) should be institutionalised and led by the state (Rai 2017), poverty-oriented programs responded to Keynesian views that development should not be left to markets (Rankin and Shakya 2007). For many decades, the Nepalese government used male co-operatives as a preferred tool to deliver social protection. In such a context, banks were forced to provide loans at facilitated (reduced) interest to rural farmers, who were viewed

as ‘citizens with rights to credit’ (2007: 53) and banks ‘not only as profit maximisers..., but as underutilised institutions to be activated for affirmative action, social engineering, and redistribution of wealth’ (Pulley 1992: 7, in Rankin and Shakya 2007: 53).

Specifically, the history of rural credit in Nepal starts in 1965, when the government created credit co-operatives financed by the Co-operative Development Fund in Chitwan Valley (south-central Nepal) to provide credit support to re-settlers. State-sponsored larger investments in rural credit followed, with the establishment of the Co-operative Bank in 1963, which became the Agricultural Development Bank in 1968 (Shah 2013: 51). Very soon, however, issues of money shortage and misappropriation of borrowed funds for personal use by some officials arose. To contain the damage, the government launched a number of initiatives, such as the Co-operative Revitalisation Program in 1971, the Small Farmers Development in 1975 and the Saipha Program in 1976, unfortunately without much success. At the same time, in 1974, Nepal Rastra Bank (NRB), the central bank of Nepal, made it compulsory for the other two state-controlled banks, Nepal Bank Ltd and Rastrriya Banijya Bank, to invest 5% of their deposit balance in the 'Small Sector'. This meant that families with low income could benefit from loans equalling 80% of their collateral, while high-income households were entitled to 70% (Shah 2013: 53). However, state-led lending programmes ran into great fiscal troubles (Rankin and Shakya 2007: 56) and, in 1984, most co-operatives were running at a loss. (Shah 2013: 52).

Not only was it not financially viable, but the rural credit sector was also heavily gender-biased, supporting male farmers as breadwinners in subsistence family farms (Rankin 2001). Following the publication of Acharya's and Bennet's *Status of Women in Nepal* in 1981, and a renewed interest among the global development industry towards gender inequalities, numerous female-targeted development programs emerged in the 1980s (Rankin and Shakya 2007: 54) aimed at providing collateral-free and group-based loans to rural women recruited by bank staff or the Ministry of Local Development (Shah 2013: 53). In the same period, World Bank donors started to criticise centralised initiatives to eradicate poverty, arguing that public subsidies discouraged repayment. They believed that market-driven lending practices would ensure sustainability for the sector and guarantee outreach to the poor (Rankin and Shakya 2007: 57).

The 1990s were years of big changes for the global development industry, where a self-help approach to development (Sharma 2008: 18) and a view that the new agents of

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36 The World Bank has supported the market-led approach to development over the past two decades, encapsulating it in a broader discourse on gender equality (Sharma 2008: 18). ‘Free’ women liberated from government welfare, taking full
change should be responsible, entrepreneurial rural women, started to emerge. Women were considered more financially reliable, because they supposedly prioritised their family's welfare more than men. They were also tasked with the majority of rural agricultural work, an activity with low monetary rewards that kept them fixed in poverty. If they became 'developed' and 'empowered', it was suggested that economic growth would follow and that society as a whole would benefit (World Bank 2006; Leve 2001: 109). According to this logic, microfinance was seen as a win-win approach because it allowed investors to profit and the poor to access the resources needed to improve their life circumstances (Singh et al 1997: 55–56, in Rankin and Shakya 2007: 58). In the same period, following the reinstatement of multiparty democracy in Nepal, state planners started accommodating donors' requests, but only to the extent that they contributed to social protectionist goals (Rankin and Shakya 2007: 64). Fearing that a market that was too unregulated might enlarge social inequalities, state planners opted for an intermediate, compromise model, which allowed the state to retain a certain level of control over the microfinance industry (Rankin and Shakya 2007: 68–69.)

Following the global success of the Grameen Bank in Bangladesh and the end of the Panchayat system, the Nepalese state facilitated the access of institutions such as rural development banks and NGOs to the industry (Rankin and Shakya 2007). The state encouraged Grameen replicators, establishing the Eastern and Far-Western Grameen Bikas Banks (GBBs) in 1992 (Shah 2013: 51), while still retaining a certain level of control. The board directors of the GBBs comprised, in fact, Nepal Rastra Bank (NRB) representatives. At the same time, the Deputy Governor or Executive Director of NRB headed the board and the government largely contributed to the share capital of GBBs (75%) (Shah 2013: 54). Additionally, to make sure that private institutions contributed to social protection, the central government promulgated, in the mid-1990s, the Rural Financial Markets Development Scheme. This scheme prescribed that all commercial banks invested 3% of their loan portfolios in clients meeting poverty criteria (Rankin and Shakya 2007: 64).

**Microfinance institutions versus co-operatives, different expectations**

Overall, while maintaining a centralised approach at the macro-level, the state promoted a self-help discipline at the micro-level, hoping to keep donors satisfied and show to the responsibility for their own and their family’s wellbeing are encouraged by governmental strategies through tactics promoting self-help (Cruikshank 1999; Dean 1999; Hindess 2004). The goal is to create new entrepreneurial individuals who are aware of their rights as responsible citizens and participate in a de-centralised power approach to governance (Cruikshank 1996: 234). These fully aware women ‘voluntarily submit to a tutelary power as a social worker, a bank or a co-operative as in our case, because it is in their self interest to do so’ (Sharma 2008: 17).
world successful results of the compromise\textsuperscript{37}. The World Bank, the International Monetary Fund and the Nepalese government all put considerable emphasis on the profitability of microfinance institutions, which were seen as the most efficient tool to accomplish poverty reduction. As a consequence, a 'looser' attitude was adopted towards co-operatives. Since they were less profitable, state technocrats decided not to invest in them because of the low profit return, which would be incompatible with neoliberal development. CO-OPs lost the status of development intermediaries in favour of microfinance institutions. The government, focussed on regulating the more profitable sector of MFIs and decreased control over co-operatives. The promulgation of The Co-operatives Act in 1992 simplified the registration process, de facto allowing numerous informal savings groups to legalise their position (Gingrich 2004: 38).

At the same time, microfinance institutions continued to proliferate, with the result that by the end of the 1990s, more state planners admitted the failure of state-led facilitated credit policies in reducing poverty. The state promoted a further liberalisation of the Nepalese development industry (Rai 2017: 134). At the same time, a certain level of resistance survived among civil servants, and the central bank of Nepal attempted to maintain supervision over the industry. In 2004, the government presented the Bank and Financial Institution Ordinance (converted into an Act in 2006), which had a provision of licensing microfinance banks as class 'D' banks\textsuperscript{38} (Shah 2013: 54) with precise regulations.

Additional regulations were introduced by the Ministry of Finance in 2011 through a new Microfinance Policy (Shah 2013: 155), while the NRB promulgated 'New Directives' in 2014 (NRB, 2014). In the same year, the state issued the Microfinance Act Combined, which stressed the prominence of the NRB in microlevel decisions, such as establishing the overall compound amount of collateral-free loan that could be granted to every individual client from a number of MFIs, or the maximum time for every loan repayment (NRB 2014).

\textsuperscript{37}The reason behind this compromise is that Nepal has been receiving international aid for more than seven decades. With the political changes of 1990 the amount of aid increased (Rankin and Shakya 2007) and, in order not to stop the flow, donors had to be pleased somehow. At the same time, through maintaining a strong regulative power over MFIs through the Central Bank, the state of Nepal succeeded in maintaining its authority. For exhaustive accounts on how NGOs and international aid have the potential to overcome state sovereignty see Karim (2008) for the case of Bangladesh, Sharma (2008) for India and Elyachar (2002) for Egypt. Elyachar suggests that the Egyptian state succeeded in reabsorbing international aid, so that it was used by the state itself, the direct opposite to how it was initially conceived (2002: 502). This could also be the case for Nepal, however further investigation is needed.

\textsuperscript{38}According to their capital, operational districts and functions, Nepali banks are ranked from class A to D. 'Class A' or 'Commercial Banks' are large banks which are allowed to deal with deposit and loan services provided to corporations of large/middle-sized businesses. 'Class B' or 'Development Banks' have less capital and district coverage than Commercial Banks and focus on the 'development' sectors such as industrial, agricultural and infrastructural. 'Class C' banks or 'Finance Companies' are financial institutions that originated as non-banks but that offer banking-services, such as insurance companies. They are regulated by the Finance Company Act, 2042 (1985). 'Class D' banks are called 'Micro Credit Development Banks' and focus on microfinance services (personal communication).
Currently, the state of Nepal is under significant pressure to show positive results from the microfinance business, while, at the same time, attempting to exercise control over the sector. For instance, during my fieldwork, it was compulsory for commercial banks to allocate 5%, and not 3% anymore, of their loan portfolio to MFIs. In 2014, to avoid losing control over what they considered a large percentage of investment, banks had created proxy MFIs with different names but under their own control (personal communication). In 2016, to compel banks to retain a certain level of commitment to microfinance, the NRB decided to intervene again. It allowed banks to devolve only 3% to MFIs, while requiring them to provide 2% of their loan portfolio as microfinance service directly from their own branches (CMF 2016).

In sum, microfinance institutions have been, over the past 20 years, under the constant pressure of performing financially, to show to the international community that Nepal is effectively reducing poverty through a state-led profit-oriented approach. In this scenario, the growth of MFIs during the period 1995-2011 seems not to have impressed the government (Shah 2013: 56-57), which is currently trying to strengthen the sector by providing further incentives. Accordingly, during my fieldwork in 2014, Rastra Bank had suspended all the licences for class A, B and C banks due to their excessive proliferation in the country, while still granting licences for level D banks, as one of the NRB employees explained to me in Kathmandu. With this historical digression in mind, I move on to engage with the academic debate on the meanings and implications of neoliberal and capitalist forces for the microfinance industry.

Critical perspectives on neoliberalism

The existing literature is consistent in stressing that neoliberal concepts are fundamental when it comes to the analysis of microfinance institutions. However, the same literature does not always agree on what is intended by the word 'neoliberalism', an 'open ended, plural and adaptable project' (Peck 2008: 3) that conflates several meanings (Ferguson 2009: 170). Ferguson's insights, drawn upon an analysis of the South African social security system, are particularly relevant because they allow us to look at the practices of Pavi Sansthan and Changastan as different dimensions of a complex, multifaceted, but overall consistent project. Often, the word 'neoliberalism' is used to identify a macroeconomic doctrine that values deregulated and free market based exchanges, where private enterprises are, ideally, not subject to state intervention. According to this view, the state itself should be 'run like a business' by profit-oriented private subcontractors (Ferguson 2009: 170).
In this sense, ‘neoliberalism’ indicates also the policies and practices associated with doctrines such as free enterprise, deregulated markets and personal self-help (Ferguson 2009: 170). Although according to Harvey these principles are difficult to achieve outside a utopian context, in the real world, the dominant, capital-holding groups use these doctrines on a global scale to enrich themselves and to exploit the poor and working class (2005). This Marxist view, however, does not do justice to a number of cases where states, such as Nepal, have included neoliberal macroeconomic policies in their agenda and have increased their social spending (Ferguson 2009: 171).

The word ‘neoliberalism’ is also used as a synonym for ‘capitalism’ to identify a force that further impoverishes the disenfranchised living in the world peripheries and to conflate the cultural formations related to our era of ‘millennial colonialism’, of ‘deregulated, insecure, and speculative times’ (Ferguson 2009: 171; see also Comaroff and Comaroff 2000). In this scenario, neoliberalism becomes responsible for ‘the subjection of targeted populations to certain rules that inform and regulate behaviour’ (Karim 2008: 6; see also Ong 2006: 4).

While supporting the free market at the global level, neoliberal doctrines advocate that rationality, individuality, and self-interest guide all actions at the individual level (Peters 2001). In fact, some authors use neoliberalism to pinpoint a Foucauldian economic ‘rationality’ that characterises specific subjects as ‘responsible’ citizens who are able to take care of themselves (Cruikshank 1996: 234). These models of personhood are conceived as miniature firms within a non-welfare state and they are expected to ‘respond to incentives, assess risks rationally and carefully choose from different courses of action’ (Ferguson 2009: 172). In short, to ensure that the neoliberal policies are implemented, social actors need to engage with a neoliberal concept of agency (Harvey 2005: 42), one that produces a conscious use of ‘means-ends calculus to balance alliances, responsibility and risk’ (Gershon 2011: 539)\(^\text{39}\).

\(^{39}\) Ilana Gershon, in her analysis of neoliberal agency, contraposes a ‘liberal’ form of agency, where workers temporarily rent out their body and labor capacity to the employer in exchange for a wage (2011: 539–540; see also MacPherson 1962), to ‘neoliberal agency’, where persons are ‘a collection of assets that must be continually invested in, nurtured, managed and developed’ (Martin 2000: 82 in Gershon 2011: 539; see also Leve 2011). Neoliberal agents are expected to become managers of selves composed of usable traits (see also Cruikshank 1999; Rose 1990; Brown 2006), which they should enhance based upon the employer's requirement (Gershon 2011: 540). According to this logic, the social relationships built by neoliberal selves have to be seen as alliances based upon market rationality. For instance, while in a liberal era, individuals were expected to renounce some of their autonomy to obtain some forms of security from their employers or government, neoliberal selves ‘create partnerships that distribute responsibility and risk, so that each can maintain their own autonomy as market actors’ (Gershon 2011: 540).
To be able to pursue self-interest and self-help, social actors must act rationally (Peters 2001), where the concept of 'rationality' is explained according to neoclassical economic theory, which describes economics as the logic of utility maximisation under conditions of scarcity. In this sense, 'rationality' is intended as the coherent reasoning behind the choice between the alternative uses of limited means (Polanyi 1944). Resources are limited, and therefore the rational agent must allocate them in order to maximise their net revenue (Soukup et al 2015: 3), selecting among alternative means to alternative ends (Burling 1962). The microfinance industry has embraced these principles. In highlighting a close connection among microfinance logics and neoliberal doctrine, Rankin and Shakya (2007) suggest that microfinance recipients are expected to behave as neoliberal agents:

The basic tenets of neoliberalism are embedded within the idea of microfinance: setting markets free, putting people to work, deregulating institutions, achieving efficiency, and celebrating the self-reliance and resilience of the family unit. They are also embedded within its rejection of subsidised credit and other forms of state intervention underlying prior approaches to rural finance (Rankin and Shakya 2007: 50).

In the context of microfinance, this rational, neoliberal subject is identified with a self-maximiser, female entrepreneur. Drawing upon her own data among Nepalese microfinance participants, Rankin describes this new model of womanhood as the 'rational economic woman' (2001: 20), a subject able to generate her own income through entrepreneurial practices and who is culturally inclined to 'invest wisely and look after her family and community' (Rankin and Shakya 2007: 59). As the authors explain, drawing upon Miller and Rose (1990):

When poor women are constructed as responsible clients in this way, the onus of development shifts downward to the rural poor and citizenship manifests not through entitlement to state services (social rights) but through capacities for local self-reliance (Rankin and Shakya 2007: 59)

This shift has had important echoes in Nepal from the 1990s, when Nepali credit recipients turned from being beneficiaries with social rights, to rational economic subjects that take responsibility for themselves and their own families (Rankin 2001: 28- 29). They now operated in the light of a neoliberal approach to development, where: 'Confronting poverty, powerlessness, and other lacks is not the job of the state, but the duty of individuals who have been properly inculcated in the ways of the market' (Sharma 2008: 17-18).

**Problematising coercive markets**

According to the neoliberal doctrine, rational subjects should create a more inclusive, egalitarian society because their participation in the market will free them from social
inequalities. This is because neoliberalism sees the market as the ‘ideal arbiter of resources and the harbinger of social good’ (Sharma 2008: 16). As Harvey notes, neoliberal doctrine prescribes that:

Human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property rights, free markets, and free trade … It holds that the social good will be maximized by maximizing the reach and frequency of market transactions (2005: 2–3).

According to this vision, the market will reward successful entrepreneurs. By pursuing self-interest, individual fulfilment and self-governance, individuals can contribute to transform the society. This possibility becomes, under the neoliberal doctrine, a social obligation necessary for political freedom and participatory democracy (Cruikshank 1996: 232). Yet, such a view does not question ‘the inherent goodness of economic, political and legal systems as they exist in the democratic, modern West’ (Sharma 2008: 23). Feminist literature has criticised the ability of the market to bring social justice, arguing that the market is not reliable in guaranteeing the most equitable social outcomes and could, on the contrary, accentuate social inequalities. In particular, scholars noted that the free market often reinforces gender bias and other social hierarchies, perpetuating unequal power structures (Kabeer 1994; Batliwala 1994; Moser 1993). This can be particularly true when it comes to microfinance.

During the past decade, a growing section of anthropological literature has been preoccupied with warning against the danger of making the lives of poor women even more perilous while extracting wealth through microfinance (Keating et al 2010; Moodie 2013; Elyachar 2005; Sen and Majumder 2015; Karim 2008; Rankin 2001; Sharma 2008). Drawing upon Harvey (2005) and feminist literature (Hartsock 2006; Eisenstein 2005; Fraser 2009), Keating and her co-authors (2010) argue that microfinance is a form of accumulation by dispossession, because it uses local forms of production, markets and social networks to reproduce dominant forms of power, de facto dispossessing women from these same resources and the initial usage that they made of them (see also Sen and Majumder 2015). According to these authors, capitalism risks damaging women to a great extent (Hartsock 2006: 181, in Keating et al 2010: 155), because women can experience the market as coercive rather than as an arena of free action (Fraser 2009: 40).

The term ‘accumulation by dispossession’ was initially used by Harvey (2003: 144). Drawing upon the Marxist concept of ‘primitive accumulation’—the processes of transferring wealth and resources in order to enable the concentration of capital in the hands of the capital holders at the disadvantage of the masses (Harvey 2003: 144)—the author argues that primitive accumulation is an ongoing process that needs to be deprived of its past temporality and applied to present times. Therefore, given that we are currently experiencing forms of accumulation in favour of the global north which cause dispossession in the global south (Harvey 2003: 147-148), the author believes that the phrasing ‘accumulation by dispossession’ seems more appropriate to identify this phenomenon.
Feminist scholars believe that this can be particularly true when certain power relationships are disrupted or created (Kabeer 1994; Batiwala 1994; Moser 1993). In particular, loan conditions with high interest rates, no grace period for repayment, and intensification of client's surveillance though group liability are perpetuated through a mass-scale recruitment of women, de facto enlarging the material base of the microfinance industry (Keating et al 2010: 162). These practices can disenfranchise female borrowers to the advantage of those engaged in capitalist accumulation (2010: 160).

For instance, women's work burdens and lack of opportunities are at risk of growing exponentially because they are pressured to be both market actors and domestic carers (Brown 2006; Fraser 2009). Feminist literature has many other examples illustrating how microlending has the potential to reinforce social hierarchies based on gender inequalities (Klenk 2004: 70–72; Goetz and Gupta 1996; Fernando 1997; Mayoux 1999; Narayan 2006). Microfinance can leave women undefended against lending institutions that use gender norms as a means of coercion (Rahman 1999a; Karim 2008)41; it can create tensions between women's desires to pursue new aspirations and their obligation to obey patriarchal norms (Sen and Majumder 2015); finally, it can increase the risk of breaking down social cohesion within communities through the use of group liability (Gerson 2011; Rankin 2001).

Furthermore, as Moodie notes, those who bear the risk and are responsible for higher liabilities are the borrowers, not the lenders (2013). Similarly, according to Rahman (1999a) and Johnson (2005) female borrowers are a 'low risk' investment for the bank, because they are easy to control, show obedience to authority and have high inclination to direct surplus income towards household expenditure. It is argued that they are targeted for their ability to fulfil debt obligations as much as for their capacity to address their daily challenges, thanks to a 'greater talent for both management and self-sacrifice' (Moodie 2013: 281). Furthermore, with the complicity of lending institutions, women take on multiple loans from multiple institutions and use the money for consumption and not for entrepreneurial activities, as microfinance policies prescribe. As a consequence,

41 Sen and Majumder (2015) found that in Darjeeling, the social reproduction of female borrowers and their families was challenged by microcredit practices to the point that they did not experience any support in difficult times neither from the family nor from the lending institutions. The new strains were so unbearable that women decided to withdraw and create their own informal lending group. Similarly, Karim (2008) highlights how in rural Bangladesh, lending institutions manipulate existing notions of honour and shame—resources through which rural women self-identify as morally superior to wealthy and urban communities—to coerce women to repay debt. The author recognises these practices as part of an 'economy of shame' (2008: 7) where the bank extracts, as collateral, honour and shame from poor, disenfranchised families for its own capitalistic goals (2008: 16).
borrowers’ lives become costlier, financially burdensome and extremely perilous (2013: 298).

The profit-led ends of lending institutions can also generate complicated relationships between the clients and those who have the duty to recover debts, the fieldworkers. Kar’s (2013) study focussed on the loan-recovery agents in Kolkata, urban India. The author sheds light on the work-related practices of ‘proxy creditors’, those who have the unpleasant task of recovering debts without being directly the owners of the lent capital (2013: 484). Fieldworkers, or, as Kar calls them ‘loan officers’ (2013: 484), are in a ‘position of real struggle to reconcile the abstract demands of a creditor assessing financial risk (and profitability) and the ethical position of an individual enmeshed in a particular social relationship’ (2013: 480). Other authors highlighted how the profit-led ends of the institutions they worked for, exposed fieldworkers to high levels of stress. In particular, Shakya and Rankin find that staff incentives to achieve high loan volume are a major contributor to the pressure on staff and borrowers, as is the need to manipulate existing social dynamics among women to achieve the institution’s targets (2008: 1225). At the same time, borrowers were often personally responsible in case of defaults, with severe consequences for the overall reputation of the institution, managers and stakeholders. As a consequence, fieldworkers sometimes cancel late-payment fees or overdue loans, while directly manipulating informal money transfer among women (Karim 2008: 20), activities not reflected in their official written records.

**New possibilities**

Although it is widely recognised that neoliberal and capitalistic forces often risk disenfranchising their ‘recipients’ at the advantage of the investors (Comaroff and Comaroff 2000 in Ferguson 2009: 171), it is also true that describing ‘recipients’ as mere victims only risks denying them agency. Women are not only ‘subjects’ who accept and embrace any ‘regulated behaviour’ (Karim 2008: 6; Rankin 2001) or provision that is imposed upon them by lending institutions. They are human beings with their own goals, aspirations and restraints, who often struggle for better lives.

As we see in the following chapters, women see microfinance as a means that could help them to bring about changes to their lives and, therefore, engage with savings and lending practices in ways that make sense to them. They see new possibilities and embed them in their daily practices, although few authors have documented these creative scenarios. Within the context of the development industry, Sharma (2008), looked at how women
navigated institutions that they were meant to engage with for their empowerment in neoliberal India. The author explains that:

*The women who help implement projects ..., however, do not merely translate pre-set empowerment agenda, but interpret and materially shape these visions through their everyday work practices (Sharma 2008: 92).*

These considerations are relevant because they allow for the possibility that borrowers envision new ways for microfinance to work. Within the Nepalese microfinance context, Shakya and Rankin (2008) analyse practices that were considered by the lending institutions as ‘an intolerable breach of financial orthodoxy’ (2008: 1220). Such practices include: using microloans for ‘illicit investments’—consumption, festivals or social rituals; taking simultaneous loans from multiple institutions; and practising loan swapping. In each of these cases borrowers take advantage of the loans to pursue something they deem valuable and which provide advantages for them. For instance, in using loans for social events, women ensure that they can rely on a solid network of support in times of need (Shakya and Rankin 2008: 1226). Similarly, through loan swapping and simultaneous borrowing, they can sustain long-term debt through repaying credit with debit (2008: 1221), and to lower the interest rates charged by moneylenders, who are then forced to compete with microfinance (2008: 1227).

Shakya and Rankin highlight how borrowers embedded microfinance within ‘existing social and material economies’ (2008: 1228). At the same time, they recognise the dangers of perpetuated cycles of indebtedness (Shakya and Rankin 2008: 1127), unaltered social and gender-hierarchies (2008: 1225), the use of shame to compel women to repay (2008: 1222) and the breaking down of social cohesion through group hostility towards defaulting members (2008: 1222). Women are not only critical towards the patronising actions of lending institutions, such as the oaths, singing, preaching, determination of client creditworthiness through the husband's income or property and the required guarantee of male guardians (2008: 1223), but they are putting ‘microfinance to uses different from those intended by development programmes and, as a result, changing its meaning’ (2008: 1231). I explore these uses more throughout Chapters Four, Five and Six, but for the present, turn to an analysis of the practices of two principal microfinance institutions in Situli.

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42 The authors noticed a widespread practice called ‘Making a show payment’, that is using loan swapping to extend the term of a loan. This entailed the client attending the loan collection meeting and repaying the principal of her loan through a loan borrowed from a moneylender. Then, she took another loan during the very same meeting, re-borrowing an equal amount to that she had just paid off. This new money would be then used to repay the moneylender (who usually charged higher interest rates). At the same time, the new loan taken from the institution had a longer expiry date than the previous one, which was the borrower's ultimate goal (Shakya and Rankin 2008: 1121).
Pavi Sansthan and Changastan: local articulations of neoliberalism

The following account highlights how the two lending institutions went about fulfilling market-led orientations and neoliberal principles through different practices and how they created stress, pressure and social castigation for the women. I explore these features through a description of public gatherings, meetings, loan-giving processes, financial goals and staff behaviours.

Entrepreneurising femininities

Pavi Sansthan and Changastan promoted a model of womanhood aligned with the principles of self-interest, productivity, hard work, financial discipline and entrepreneurship. This personhood was the means through which the institutions believed microfinance practices could transform women's domestic relationships, softening gender inequalities. Pavi Sansthan and Changastan conveyed these visions on several occasions, where the representatives of the two institutions provided specific guidelines to their affiliates on how to engage with microfinance.

One of these occasions was the local Changastan annual convention. The meeting was held in the largest hall of Dulara, hired for the occasion, where nearly 150 group leaders coming from the different money-collection centres of the DDC and surrounding VDCs were invited to meet the bank representative. After a brief welcome message, Prakash, the branch manager, read his yearly report highlighting the achievements of the branch in terms of number of centres, clients recruited, and loans achieved. Then, he invited the women to share their (pre-approved) stories of successful entrepreneurship. Radika, a woman with a four-year history of loan taking from Changastan, explained how it was extremely stressful to run her family before affiliating with the bank, because she did not have any sources of income. As she explained:

In 2010, the Dairy Distribution, a milk co-operative from Pokhara, opened a branch in Dulara. I then enquired on the possibility of selling milk to this co-operative. Our ancestral occupation was farming and we (she and her husband) had a cowshed and one buffalo already in our house. At that time, it was very difficult to obtain formal loans, but I was determined to build up a business. Initially I borrowed from a local moneylender and purchased another buffalo. I could not save, but I could sustain the family through selling milk. I was continuously worried about the future.

After one year, Changastan reached her village and Radika affiliated. Over the years, she took two major loans to enlarge her business. At the time of recalling her story, she owned...
five cows and one buffalo and was able to earn as much as her husband. She felt like her life had changed dramatically:

I am now able to save for the future and, while paying instalments at Changastan, it feels like not paying at all. I had only thought about cow farming, but Changastan gave me motivation and support through loans. I am happy now and I suggest all the sisters to affiliate to Changastan, build up a business and be self-reliant! Thank you!

The plot of Radika's story was similar to others recalled during the convention. They developed around the following structure. There was an initial period of tension, low motivation and preoccupation within the family due to lack of money. This phase of struggle was usually followed by the introduction of Changastan loans, which, paired with the client's hard work and avoidance of unnecessary expenses, created a new path of financial security and domestic harmony.

Afterwards, Ram, the branch accountant, explained that to become successful entrepreneurs such as the women who recalled their stories, clients should pursue hard work without complaining, optimise their expenses and not spend money unnecessarily. They should prioritise investing in money-generating activities, engage with financial discipline and moderation, and save regularly. He suggested that focusing on animal husbandry would be the best activity for women, because it would allow them to earn money while staying at home. At the same time, he highlighted that men should remain the breadwinners, while women should save for minor expenses:

If you have your own money, you'll be able to stand on your own feet, and you will be self-sufficient for small things, while not asking your husband for money at any time! Your husband will otherwise dominate you ... Your son, your daughter-in-law, everyone will dominate you. We don't want you to suffer in that way. We want your family members to love and care about you. If you have your own money, even your daughter-in-law will show care and affection!

While Radika highlighted the advantages of thinking in terms of productivity and of allocating time and money towards money-generating activities, so that women could financially contribute to the wellbeing of their families, Ram focussed on another dimension of this 'new' womanhood. He specified that because of earning, this woman should experience less domination and more appreciation within the household, transforming familial relationships. At the same time, he said, the husband must remain

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43 Animal husbandry was often women's primary 'official' loan-allocation choice in lending institutions. The loan registers of Changastan reported that nearly 80% of loans were used for animal husbandry, while at Pavi Sansthan the percentage was lower (55%). These data are not reliable because, as we see in the following chapters, women used loans for purposes that they regarded as more appropriate than animal husbandry.
the major breadwinner. This view is somewhat widespread in rural Nepal and, in informal conversations, women and men agreed, to different degrees, with such conceptualisation. An analogous, but slightly different interpretation was expressed by Maia, a 50-year-old highly educated, divorced and re-married urban Bahun women during one of the client's training sessions, which she facilitated at Pavi Sansthan. In explaining why women should save and borrow from female co-operative, to the 50 trainees sitting in a circle around her, Maia said:

Economic independence brings gender equality. Do not ask your husbands for the money to put into savings, since he can then ask you to come here and withdraw the money. Do take it from your own pockets. You should save in co-operatives, because then you can borrow money on your own. You will be supported by other women and then you won't be known through the name of your husband or son anymore, but by the name of your own co-operative.

According to the facilitator, being a member in a female co-operative, not only increased self-confidence, but allowed women to transform their marital relationships. Maia continued:

Your independence rate will increase and development [bikas] will follow. When two oxen plough, the stronger bears more load and even pulls the other one. However, if the two oxen are of same age and strength, they equally share the load of working. If you contribute to the household finances, you and your husband will be like the two oxen of similar strength. ... Men always scold us because we are not able to help them financially; that's why we are stuck behind. While working at home, we are doing an invisible job. We need to make our job economically visible! If you are financially self-reliant, your husband won't feel pressured to feed everyone in the family. If he does not feel frustrated because of that pressure, he won't scold and beat you.

Maia's words resonate with those that I heard during other social events held at the Pavi Sansthan office. They convey the idea that women experience domestic violence because they do not contribute to domestic income. Through becoming self-reliant, women can make their contribution visible and experience a decrease in domestic violence. As much as Ram, Maia believed that a woman who earns money, and does not just take on unpaid work, becomes more valuable for her household. As a consequence, according to the two institutions, engaging with microfinance decreases gender inequalities. As we see in the next case study, lending institutions retain the role of teaching women how to succeed, together with regulating their behaviour through fines, oaths, songs and encouraging them to show their fidelity to the bank. Changastan was, in theory, stricter than Pavi Sansthan in this regard, providing its clients with the 'passbook', a booklet where the credit and savings transactions of each client were recorded from time to time. It also contained: a
A simplified explanation of the microfinance doctrine, the main rules and regulations of Changastan and several guidelines on how to become a successful entrepreneur, together with the songs and oaths that women are requested to learn and perform during the money-collection meetings.\footnote{Women were also encouraged to respect Changastan rules and regulations through prizes granted during the annual conventions. At the end of each monthly money-collection meeting, the fieldworker assessed clients' performance through the following score-system reported on in the passbook:

\begin{itemize}
\item [a)] Punctuality \hspace{1cm} up to 5 points
\item [b)] Instalment and savings collection \hspace{1cm} up to 5 points
\item [c)] Numbers of loans \hspace{1cm} up to 10 points
\item [d)] Effort in enlarging the borrowing groups \hspace{1cm} up to 4 points
\item [e)] Taking care of the centre house \hspace{1cm} up to 5 points
\item [f)] Purchasing and making uniforms \hspace{1cm} up to 2 points
\item [g)] Number of members \hspace{1cm} up to 5 points
\item [h)] Bonus for opening fixed-term accounts \hspace{1cm} 6 points
\item [i)] Quality of centre management \hspace{1cm} up to 3 points
\item [j)] Bonus for every new member \hspace{1cm} 5 points
\end{itemize}

According to the institutions, rational economic women should balance their entrepreneurial initiative with domestic responsibilities. They should be family-oriented and work with the aim of improving the wellbeing of their children and of building harmonious relationships with their husbands. As a matter of fact, unmarried women were not eligible for Changastan membership. At Pavi Sansthan they were, but, in September 2014 I only counted two unmarried shareholders out of their 974\footnote{A committee member explained to me that since women move to their husband's village when they marry and visit their natal home only sporadically, it would be very hard for them to do regular savings at the co-operative in the area they originally came from.} and almost all microfinance recipients listed their husband as a 'nominee' on their savings records, meaning that if the woman died he would get the savings.
Plate 13: MFI borrowers meeting bank executives
Meeting the borrowers

Although they agreed on the model of womanhood to present to their clients, Changastan and Pavi Sansthan implemented their neoliberal principles through different practices. This is due to the different aims and goals of microfinance institutions (MFIs) compared to co-operatives (CO-OPs). Since MFIs were under constant pressure to perform financially, they had to enforce more profit-oriented policies on the ground and could not necessarily focus on long-term sustainability strategies, which entail more client-friendly relations. By contrast, CO-OPs could pursue long-term sustainability and implement more client-friendly policies because they did not have to show performance-related results at the national level and faced less regulations.

At 6.30 am of a humid and cold morning in February, I received a phone call from Januka, a Changastan contracted fieldworker, who Jharana and I had briefly met at the Dulara bazaar the night before. In a rushed voice, Januka announced that she was on a bus that had just left Dulara. Since our homes were situated on the way to her destination, Jharana and I managed to catch the same bus. Januka had reserved seats for us at the front. Januka was in an animated conversation with the driver, whom she was trying to convince to affiliate to Changastan using his mother as a proxy, that is, to use her as the client for the loan. While noticing us, she did not interrupt the conversation and said to the driver: ‘Even if your mother takes loans from somewhere else, it does not really matter. No one will know, and we offer better conditions compared to other banks’.

The driver timidly refused. When Januka caught a slight insecurity in his tone, she continued: ‘You won’t find these conditions anywhere else! We are the only MFI that makes you pay a 15% interest per annum on any loan amount’. Her last statement surprised me, and I gave her an interrogating look. Januka raised her second finger next to her mouth to tell me to keep quiet. She continued, addressing the driver:

When your mother takes her loan, we give her the money on a 20% interest. However, as soon as she pays the last instalment after twelve months, we return 5%. So, overall, she pays only 15%, as much as within CO-OPs. You see? We [Changastan] are even better than CO-OPs, because we give larger loans and charge the same interest as them!

Januka did not obtain any response because it was time for us to get off the bus and to start the one and half hour ascent to Sitakar, a remote village situated at a high altitude.

46 As we will see, proxy loans were very common in Situli. The proxy person would take the loan under her own name, and then hand the money to the real borrower. Although she would be legally responsible for the loan, practically she was not because the real borrower was in charge of repaying instalments. During fieldwork, I never came across any cases were the proxy got in trouble because the real borrower refused to repay the loan. However, that does not exclude the possibility that such instances might have occurred.
where Januka would hold the money-collection meeting. During the walk, Jharana and I got to know Januka a little better. She was an unusual character for her job, a short, agile, forty-year-old married Bahun woman. The other MFI fieldworkers, in fact, were all unmarried men and women aged in their twenties because their job was low-paid and demanded long working hours outside home. With a large smile, Januka encouraged us to walk faster because we were already ten minutes late. While walking, I asked Januka what was the reason to lie to the bus driver on the loan interest rate and she explained:

That's the way we get our clients! I have worked for Nesdo and Simrit [two other MFIs based in Dulara] and that's how it works in this sector. The more people you can fool, the better it is. There is no other way; we have to sell loans anyway; I lie to clients all the times to make them take more loans ... I know, they struggle to repay, but I also struggle to feed my children. In this sense, it's either my family's survival or theirs!

I had been to Sitakar numerous times on my own, with Pavi Sansthan staff, and with other Changastan fieldworkers, but never with Januka. I knew more than half of the female population of the village. They were all Newar and Magar relying on male remittances. The women were quite outspoken and aware of better formal credit opportunities in the area and therefore I was curious to see how they responded to Januka's strategy. We arrived at 8 am and quickly reached the centre house. The ten borrowers sat on the floor in two lines of five, facing the small stool reserved for Januka. She greeted them addressing women regardless of their age as 'Didi' (older sister), while they addressed her as 'Miss'. Januka stood up and quickly performed the bank officer's oath:

We will provide service unselfishly to all the group members, priority will be given to families with low income for the loan. We will not discriminate between people and take God as guarantor in fulfilling these duties.

Then she encouraged the women to stand up and to sing their song. They, reading from the passbook, reluctantly sang:

We will be disciplined and laborious
Will write our own fate and will be productive;

We will stay together in society without quarrelling
I will have to work for myself because no one else [will work] for me;

I will save even a little amount and avoid unnecessary expenses
A little saving now will help in the future;

We will learn good things and leave bad habits
We will start working today to improve the society in the future;

We were unhappy before but are very happy now
We came to Changastan thinking to make some money.

As soon as they finished and sat down, Januka recorded attendances and collected savings and instalments. She then enquired whether there were any loan demands. The women, looking down at the floor, were keeping silent. Januka addressed Bibha, Naraeni and Tulashi, the only three clients without loans at that time, saying that they had to take loans, even small amounts. They refused, mentioning various reasons such as inability to repay, the husband's aversion to small loan taking and inability to go to the Changastan branch on the following day to receive the amount. Januka insisted, stressing that even if they did not need the money, they could save it to their own personal account. The three women started to feel uncomfortable. To support them, some other group members politely said: ‘We won't be responsible if someone does not pay her loan back because she is clearly not able to repay!’ and: ‘If she runs away with the money we are not responsible for that because you forced her to do so!’ Upset, six of them left, refusing to perform the final oath. The others remained, stood up and read aloud from the passbook:

- We will always stay together in group.
- We will use loans in a proper way.
- We will pay the loan instalments on time.
- We will keep clean the house surroundings and the children.
- We will have small families.
- We will never dominate others.
- We will never tolerate to be dominated by others.
- We will always take group responsibilities.
- We will do what we say and call God as the witness.

In the end, only Bibha had accepted to borrow. However, after the oath, she kept repeating that her husband in Saudi Arabia would be angry at her, hoping that Januka would tear up her loan application form. But Januka refused. Then she left to hold her next meeting in another village. She turned one last time towards the women and proclaimed: ‘A loan is like sandalwood; those who can recognise it will find it precious. Those who can't [recognise its value] will only use it as an axe handle’.

Jharana and I remained in Sitakar for some follow-up interviews. The women explained that they were unhappy with Changastan. According to them, the bank was 'eating' their

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47 In so doing, Januka would receive both the loan-related and the savings-related incentives.
husband's remittances. They believed that they had been ‘fooled' by microfinance
institutions that had initially convinced them to subscribe with false promises. They
planned to withdraw their money as soon as all their loans were repaid. As Bhomaia, a
32-year-old Newari woman, explained:

They [Changastan fieldworkers] came knocking door to door for a while trying to convince
us [to affiliate], until we refused to talk to them. Then, they started to come every day to the
water well and talk to us until we reached the village. Then, they followed us back to the
well and waited until when we would go to fetch water again. They could have at least
helped us to carry the water (laughs). They chased us for nearly 14 months until we
accepted. But now, they are ripping us off, forcing us to take loans that we don't want. They
don't do anything good for women. Only Pavi Sansthan does well for women.

Bhomaia believed that not only the fieldworkers of the two institutions (Changastan and
Pavi Sansthan) behaved differently when it came to loan demands, but she was also
convinced that the gap in the savings and loan-related interest rate at the two institutions
revealed the 'greediness' of Changastan. In fact, while Changastan charged 20%48 per
annum on loans, clients only received 6% interest on their savings; Pavi Sansthan
charged 14% and gave back 9%. Bhomaia predicted that Changastan would soon
disappear from Situli, while Pavi Sansthan would remain.

On the following day, Jharana and I went again to Sitakar, this time with Gopika, my
landlady and staff member of Pavi Sansthan, who was appointed for the money collection
in the area for that month. We reached the village around 10 am and stopped at the first
shop we encountered to sit and rest. Maya, the owner, a 45-year-old widowed Chhetri
woman, who was also a client of Changastan, welcomed us with fresh water. Then, she
meticulously assembled a few straw mats in front of her shop. She invited us to sit for the
money collection. The Pavi Sansthan members slowly started to arrive and to sit on the
mats, waiting for their turn to hand the money to Gopika. They gossiped and shared
stories. Some of them brought ciel roti, a kind of fried bread, while some others gave
uncooked food to Gopika. The atmosphere was relaxed, although Janajati and Dalit
women complained about the Chhetris avoiding having to wait on the line.

Undistracted, Gopika continued her work. With the help of a calculator, she quickly
computed the amount due (the usual monthly savings plus the monthly loan instalment),
collected the money and handed back a handwritten receipt. Some of the women did not

48 At Changastan the women paid the interest on the original principal throughout the life of the loan. As a result, the interest
paid was not adjusted as the principal was paid off. On the contrary, at Pavi Sansthan, the interest rate was not only less,
but it was also adjusted as the principal was paid off, making borrowing much more affordable.
have the entire sum and Gopika allowed them to pay the interest only, encouraging them to take the rest of the money (from the loan principal) to the office whenever they could. Some other women enquired about loan options, interest rates and repayment schedules. Gopika abruptly replied that for anything regarding loans they should go to the Pavi Sansthan office on the allocated day of the month. More than 200 women came to the money-collection meeting and, in the early afternoon, as soon as the crowd diminished, Gopika started to relax. However, she never took part in the gossiping and laughing. We waited for the few remaining clients to be dealt with and, around 4 pm, we farewelled the women and headed downhill. On the way back, Gopika explained that if she didn't act in a distant manner, clients would not respect her and would not take the money collection seriously.

From the two group meetings we can ascertain some differences between the modus operandi of Changastan and Pavi Sansthan. For instance, the work-load of the two employees differed greatly. Januka did not have much time to spend in Sitakar because she had three more villages to visit in the morning and then she had to perform her accounting duties at the branch until late in the evening. Gopika, on the contrary, was allocated the entire day for money-collection and did not even bother returning to the office afterwards. This reflects a less profit-oriented organisation at Pavi Sansthan and a long-standing history of loyal membership compared to Changastan. For instance, while Januka encouraged loans, Gopika almost discouraged them, because she knew that many women were already interested in borrowing. At the same time, Januka's attitude with the women was friendlier compared to Gopika. She laughed and gently teased them, while Gopika maintained a level of detachment, which, according to her, was necessary to retain her superiority.
Plate 14: A fieldworker and borrowers during money-collection meetings
Requesting and receiving loans

Caste status was important at Pavi Sansthan. It allowed higher caste women to obtain many benefits, such as large loans, as I show below through the case of Maya and her mother. On the contrary, it was not caste status that affected loan-related dynamics at Changastan, but gender power structures. MFI staff members, as we will see in the case of Pramila, stressed the role of husbands in ensuring loan repayment.

As Gopika mentioned in Sitakar, loan-request at Pavi Sansthan was officially limited to two days per month. During these days, the women who wanted to borrow would go to the office with two witnesses—who were usually other Pavi Sansthan members—to fill in a loan-request form that would then be handed to the loan-approval committee, which met once every month. During these days the office was extremely busy, and the borrowers had to wait long hours. Bahun and Chhetri women, however, avoided the line and often submitted their loan-request on any other day of the month. Depending upon the staff's flexibility and workload, often they did not even have to go through the committee approval process and their loan would be granted on the very same day. Conversely, when Janajati and Dalit women came to the office and requested loans outside the scheduled dates, they were rudely invited to observe the rules.

On a rainy morning in July, Maya, the 45-year-old Chhetri women from Sitakar, arrived at Pavi Sansthan with her 72-year-old mother. As soon as they walked in, they were greeted by Bhomaia and Tulashi, two Magar women from the same village, who were waiting for the rain to stop so they could leave the office. They engaged in a short conversation and Bhomaia enquired about the reasons for Maya's visit. Maya responded that they wanted to request a loan. Bhomaia explained that she had come for the same reason, but she had been told to return during the designated days. Maya, ignoring her words, entered the staff office.

Maya needed a large amount (one lakh) to pay an outstanding debt, since her shop was not doing very well. Additionally, she had been sick and had spent six weeks in hospital. Maya explained that although at Changastan she could easily obtain a one lakh loan—since the bank expected their clients to have only 10% of the desired loan amount in their savings account, while at the co-operative the percentage was 50%—she had come to Pavi Sansthan because it was cheaper, and more flexible. At Pavi Sansthan, in fact, she could not only miss the monthly savings during money shortages, but, most importantly, she could also negotiate her repayment schedule multiple times. She could extinguish the loan with a few large instalments if she suddenly acquired the money. Alternately, she
could pay small amounts for extended periods. On that occasion, Maya, did not have enough money in her savings account at Pavi Sansthan to qualify for a large loan. For this reason, she hoped to borrow using her mother's account, which had more savings.

Instead of using her mother as a proxy, Gopika, the only staff member on duty for the day, suggested to Maya that she apply for a collateral loan\(^{49}\), that would allow her to pay only 10%, instead of 14% in interest and would keep her mother loan-free, so she could apply for another loan if needed. Maya's case was not the only circumstance where I witnessed the Pavi Sansthan staff suggesting cheaper options to their higher caste clients. This might suggest that, at the co-operative, caste-based power structures could end up being reinforced by a caste-based selective disbursement of loans. Collateral loans were also available at Changastan. However, in the view of the bank, they were not as profitable as non-collateral ones. In fact, I never witnessed any Changastan employees suggesting collateral options to their clients and when I conducted a survey among their loan recipients, 80% of them were not aware of such an alternative.

The loan-related procedure was easier for the clients of Changastan. Women, in fact, did not need to go to the office necessarily. They had to stand up during the monthly money-collection meeting in their village and make a public request specifying the purpose of the loan and the amount. The loan amount could be eleven times greater than the saved one, but had to be repaid in 12 monthly instalments. Once all the other group members had approved and clapped, the borrower needed to bring, as witnesses, two people external to the group, one of which the bank informally requested to be a male relative, preferably the husband, or alternatively the brother or father-in-law. If the loan demanded was less than a certain amount—15,000 NPR in very remote villages and 8,000 NPR in other cases—the fieldworker then proceeded to disburse it. If the sum was higher, then the borrower and the witnesses needed to go to the branch in Dulara on the following day to receive the money.

One day I was at the Changastan branch with Jharana and Pramila, a 40-year-old Magar women from a remote village, who had come to get her loan. She had come with two of her friends. After completing all the formal steps to obtain the loan, her form only needed the approval of the branch manager, Prakash. Before signing, Prakash asked Pramila why she was borrowing. She confirmed what was already written on the form, that was, to purchase a buffalo. Prakash then enquired why her husband had not signed the form and

\(^{49}\) A collateral loan involves borrowing against the borrower's assets as a security.
she replied that he was in India. The manager then requested his phone number, but Pramila replied that she did not have it. Prakash accused her of lying. Pramila quickly inserted her hand in her bag and switched off her phone, but Prakash noticed the gesture and became upset, threatening not to sign the form if she did not provide the number. Pramila quickly deleted her husband’s number from her phone just before Prakash grabbed it. Not finding the number, he called the two witnesses, enquiring about the reason for the loan, while he made sure they did not interact with Pramila before responding. The women said it was to purchase a buffalo and then Prakash signed the form. Looking straight into Pramila’s eyes, Prakash addressed her with the following words:

I am only giving you the loan because of them! (pointing to the friends). I am sure that you, as much as your friends are members of other MFIs and have a lot of experience in group borrowing. Therefore, you (referring again to the two women) already know that if she doesn't pay, you have to pay for her. You are professional in this sector [microfinance, hinting at the fact she probably took multiple loans from a number of institutions], so behave well!

I was shocked at seeing Pramila treated so paternalistically. As soon as she left, I confronted Prakash. Annoyed, he snorted. He took a deep breath and then replied:

The husband is the one who has to repay the loan; so I wanted to make sure he knew about it. That woman is clearly borrowing without his consent; otherwise she would have passed on the number without a problem. In the end, we would get the money back anyway, so I would have given her the money regardless. But I wanted to make a bit of drama, so that she feels scared of her husband's knowing and she pays on time.

Prakash had relied upon the idea that a Nepali husband had control over his own wife, to commit Pramila to repaying her loan. From this example it appears that Changastan practices might leverage gender-based power-structures to achieve their goals.
The women and the institutions

The rules and regulations of Pavi Sansthan and Changastan showed different alignments to neoliberal principles. As we have seen from the case studies, the two institutions used different practices to fulfil their aims. In this section I argue that, we can see from the practices of the two institutions that they have the potential to increase inequalities and insecurities and to fuel a general deterioration of the quality of life of their clients (Ferguson 2009: 170). In this sense, they risk using their ‘rational economic woman’ to reproduce dominant forms of power (Keating et al 2010).

Two successfully profitable businesses

Although the business models of Pavi Sansthan and Changastan had similar loan-repayment rates, they pursued different levels of profitability resulting in different practices. As Prakash highlighted, at Changastan women were hardly ever refused loans. When I visited the head of the Changastan microfinance department in Pokhara, he explained that the bank was consistently working towards: increasing its loan portfolio, maintaining the clients’ repayment rate at 100% and reaching the 80% loan/savings target, meaning that at all times 80% of the clients needed to have a loan. In Dulara, Prakash’s ambition was so to make his branch the most profitable of the entire country within two years, so he could get promoted. In this scenario, the combination of goals set by the bank and the ambition of the local manager, translated, as we have seen, not only into escalating aggressive sales practices towards clients, but also in a high level of pressure upon fieldworkers.

Changastan employees were in a delicate position, where, as Januka explained, they had to choose between their own survival and that of the clients. For instance, each employee had a target of 300 new loans per month. Further, there were increasing and decreasing wage incentives and penalties for reaching above and below this target. This goal was extremely difficult to achieve because, according to what I witnessed during the money-collection meetings, nearly 70% of the women had a loan already. If we consider that a senior, experienced fieldworker would usually manage approximately 650 women, the target of 300 new loans could only be reached if clients took small loans, so that women repaid quickly, and they borrowed again soon.

50 All clients of Changastan (and Pavi Sansthan) needed to have a savings account, where they had to save a certain amount every month. While Pavi Sansthan was more flexible and allowed clients to occasionally skip the monthly savings, Changastan was stricter and would not allow any woman to borrow until everyone had paid their dues (instalment plus savings).
Junior Changastan employees had further obligations, especially where clients demanded to end their membership or did not achieve the required growth in personal savings. For instance, if a woman decided to withdraw her membership, the fieldworker finalising the action would face a 40 NPR deduction per withdrawal from their own salary. Furthermore, fieldworkers had to make sure that each client's personal savings increased by 2% per month. This led to 'misbehaviours' (Kar 2013; Shakya and Rankin 2008; Karim 2008), such as refusal to withdraw client's membership or part of their personal savings, as Ram did in Kurtupar. At other times the staff would increase the 'amount due' instalment without telling the client, so that a certain amount went into the client's savings account. Often fieldworkers would not report 'problematic' centres, such as that of Kurtupar, which was classified as 'normal' on the branch database. Further, Changastan staff would hardly ever report loan 'misuse', that is a loan not allocated towards livestock or business\(^{51}\).

While at Changastan these practices were motivated by the maintenance of a 100% loan-repayment rate, Pavi Sansthan reached a similar target, which I calculated to be 99.2%, through different strategies. The co-operative did not have specific targets in terms of loans, savings or clients. The only aims were to end the financial year in profit, to make sure that the co-operative maintained its assets (land and building) and that the invested capital increased at 1% every year. These targets were easy to achieve. According to Susma, the Pavi Sansthan manager, women were motivated by the low interest rate and flexible repayment schedule. Members were interested in taking regular loans and had been doing so for many years; to continue borrowing at facilitated interest, they just had to extinguish previous debts. Another reason attracting clients to Pavi Sansthan was that they were all members of the same community. Staff and committee members had known shareholders and their families for generations and understood their financial difficulties.

**Generating inequitable social outcomes**

But what were the consequences of these two different alignments to neoliberalism for the clients? In this section I explain how the practices of the two institutions carried benefits, but could also add strains in the already difficult lives of the women (Fraser 2009; Keating et al 2010).

\(^{51}\) At Changastan, investments in business and livestock were the only ones officially allowed. In practice, women were clearly targeted for their husband's remittances and fieldworkers did not really bother checking how loans were allocated. At Pavi Sansthan, women were formally allowed to take on loans for activities that were not necessarily money-generating, such as children's education, transnational migration, land purchase or to extinguish pre-existing debts.
According to the neoliberal doctrine, the market should not only be the arbiter of resources, but also the harbinger of social good (Sharma 2008: 16). Neoliberal agents are seen as vehicles of change where a transformation of the self should bring about a transformation of the society, creating social justice (Cruikshank 1996: 236). During the money collection in Sitakar, Januka, the Changastan fieldworker, knew that women repaid loans through remittances. She also knew that Bibha's husband discouraged his wife from taking loans unless strictly necessary. Nonetheless, she forced Bibha to take the loan, ignoring the marital conflict that it could create. Similarly, when Prakash requested Radika's husband's phone number, he used the threat of male punishment to compel her to repay. How are these 'responsible citizens' supposed to create social justice, renegotiating existing power structures through microfinance, if the same power structures are used to coerce them to pay debt (Karim 2008; Rahman 1999b)? Overall, the celebrated female neoliberal agents run the risk of not lessening social inequalities at all, but of becoming the vehicles for the promulgation of new exploitative, unequal relations.

The remainder of this section is divided in two parts. In the first one I explain that Changastan reaches remote areas where Janajati and Dalit clients live and gives them access to larger and multiple loans—which they cannot get from Pavi Sansthan—potentially softening social hierarchies. At the same time, its operation: has the potential to make women over committed to loans, potentially worsening their economic condition; can break down social cohesion among women by using group pressure for repayment; and uses gender-based hierarchies to pressure repayment, potentially strengthening existing power-structures. In the second part I highlight how Pavi Sansthan could reduce marital inequalities because wives do not require their husbands to approve loans, but it has the potential to reinforce existing caste-based power hierarchies.

Changastan

Changastan had not only the financial means to reach remote areas where the Janajati and Dalit women with limited access to co-operatives live, but also had the ability to easily grant them larger loans at any time. This allowed them not to feel discriminated against caste-wise. As Ram explained after the meeting in Kurtupar, he was determined to reduce caste-based conflicts to the minimum, even at the cost of cutting out some clients\textsuperscript{52}. These arrangements come with higher interest rates and additional costs, such as that of

\textsuperscript{52}Given the increasing contribution of remittances to the local economy, Janajati and Dalit women had become the targeted clients of Changastan and the other MFIs operating in the area. In fact, when comparing data held in the registers of Pavi Sansthan and Changastan, it emerged that, at Pavi Sansthan, Bahun and Chhetri clients were 44% of all clients, Janajati 37.2% and Dalit 18.2% while at Changastan their proportions were respectively 7.4%, 61% and 31.3%. These data are even more significant if we consider that 45.6% of the overall population of Situli were Janajatis.
loan pressure or enforced payment through strict peer surveillance (Gerson 2011; Karim 2008: 18-19).

Not only did Changastan fieldworkers encourage women to take on more loans than they needed, as did Januka in Sitakar, but the branch manager was also part of an informal group of managers of local MFIs with the goal of extracting more debt from the clients. I came to know about these informal meetings by chance, although my requests to participate were always ignored. It was during a busy afternoon when the accountant from the Pokhara central office had come to audit the Dulara branch, that, while helping him with the registers, I came across the minutes of the meetings of the informal group of MFI managers. With Ram's permission, Jharana and I went through the documents and discovered that the managers had agreed not to compete against each other's institutions and had various strategies in place to maximise loan income.53

At the macro-level, these practices represent the struggle between a centralised state trying as hard as possible to control a highly profitable sector attempting to commit private investors to social protection and the sector, tired of demanding more de-regulated markets, pursuing profit through every means possible (Rankin and Shakya 2007). At the micro-level, these practices entail, for the borrowers, the danger of becoming easily trapped in an endless debt spiral. As Moodie notes, when women do not invest in money-generating activities, they use loans for consumption or to deal with other daily expenses (2013: 289; see also Bateman 2010: 204). In so doing, they commit to multiple loans from multiple banks, especially if they are encouraged to do so by the same lending providers, as Januka did with Bibha in Sitakar. They swap loans from one institution to another to keep up with repayments, with the result that their lives could become more costly and perilous because, for every expense, they have to pay an extra cost, the interest on the loan (Moodie 2013: 297).

What is more, Changastan policies risk breaking down women's social cohesion through an extremely efficient mechanism used to ensure repayment, group liability. Group lending is one of the most important principles of microfinance. Used in lieu of collateral, in

53 For instance, the bank managers committed to vary their interest rates only within a specific range, so that they could offer similar savings and insurance products. In this way, clients were forced to navigate similar financial services, to the advantage of the lenders. MFI managers also shared information about specific loanees, which they believed had access to significant remittances and, therefore, more debt could be extracted from them. At the same time, they shared a 'black list' of recidivist defaulters. They had also informally agreed to not respect the Rastra Bank provision prescribing that each borrower must not take loans from multiple institutions for an overall amount higher than two lakhs, the equivalent of 1,800 AUD at the time. They had also established a standard procedure in case a defaulting client was heavily indebted with a number of institutions. The procedure prescribed the order in which institutions would enforce repayment, through what means and the time-intervals between one repayment enforcement and the following one.
theory it should decrease risk for the borrower through a shared responsibility with other group members, allowing women without property to borrow. In reality, group lending is used to contain administrative costs through group-surveillance and, most importantly, to guarantee loan repayment through peer pressure (Yaron 1991: vii, in Gershon 2011: 540). The group loan responsibility system only applied to Changastan and not to Pavi Sansthan. In Situli, these groups were composed of friends and neighbours, a pre-existing solidarity network providing occasional or regular support. As we have seen from the case studies, Changastan and other MFIs transformed these networks into coercive entities that worked in favour of lending institutions instead of the women (Rankin 2001: 29). For instance, on the first page of their Changastan passbook, women are reminded of the negative consequences of public humiliation:

- You will get insulted in front of other people if you are unable to pay a single loan.
- The neighbours and society will have a bad impression of you.
- The members of the same group will be unfriendly and rude.
- You will have to walk with bowed head in front of others.
- You will be listed in the blacklist of the microfinance organizations.

Not only would group-members become unfriendly, but they would also be considered liable to cover the amount due by the defaulter and their further loans would be at risk. As we have seen in Kurtupar, Ram strategically used the latter policy, refusing to grant any loans, until women succeeded in shortening the meeting. As Karim recalls in the case of Bangladesh, to make sure they obtain their own loans, women police other women and often appropriate goods from the defaulter's house to repay her debt. As a result, pre-existing solidarity ties among borrowers, risk being turned into suspicious surveillance as women, trying to increase their wealth, monitor other women (2008: 19).

Group-pressure was not the only tool used to ensure repayment. Gender-based power structures were manipulated for the same purpose (Rahman 1999a; Karim 2008; Sen and Majumbder 2015), with the potential to exacerbate existing power structures (Kabeer 1994; Batliwala 1994; Moser 1993). As we have seen in the case of Pramila's loan, Prakash made sure that she feared punishment by her husband, in case of default. Although women would be granted loans anyway, Prakash explained that it was in the interest of the bank to let women know that they were controlled. In binding women to their husbands, not only for loan repayment—which, while husbands were abroad, left them a certain degree of freedom—but also for loan taking, as Changastan did for the loan-request procedure when they informally requested the husband to sign the form as a witness, Changastan risked reinforcing pre-existing gender-based hierarchies.
Pavi Sansthan

The modus operandi of Pavi Sansthan was more client-friendly. Loans were more affordable and repayment schedules more flexible. Furthermore, the practices of the co-operatives had the potential to ameliorate women's lives as wives, because they did not require their husband's approval and thus it potentially reduced gender-based marital inequalities. On numerous occasions, Maia, the training facilitator, warned against the risk of using a husband's money for savings, because he could then feel entitled to claim loans. At the same time however, Pavi Sansthan risked reinforcing other social inequalities, such as the caste-based hierarchy.

One of the reasons for this is the historical background of Pavi Sansthan. Pavi Sansthan was a higher caste dominated co-operative. Hence, with Bahun and Chhetri women occupying positions of power, caste-based discrimination had become common, to the point of affecting many aspects of daily interaction. For instance, I witnessed several cases where wealthy Janajati remittance recipients were refused loans, despite their ability to contribute to the financial profits of the co-operative. At other times, they were given the wrong advice as an attempt to discourage them from taking loans.

Another obstacle that prevented Janajati and Dalit women from fully enjoying facilitated credit at Pavi Sansthan was the provision on loan/savings proportions (and the lack of transparency thereof). Higher caste women had higher sums in their savings because they had been members of Pavi Sansthan for a long time. Having more savings meant that they could borrow larger amounts and then purchase more shares—it was compulsory to purchase a certain amount of shares every time a client borrowed—overall increasing their borrowing power even further. In fact, from 2009 to 2014, Bahun and Chhetri women took most of higher loans, while Janajati and Dalits received, respectively, the majority of middle and lower range ones.

But even if they did not have enough savings, higher castes could borrow more easily. As we have seen in Maya’s case, when their savings were not enough, they could opt for collateral loans. This option, however, required land ownership. As I explained in Chapter Two, those who owned most of the land in Situli were historically higher castes, although

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54 Pavi Sanshan clients could borrow an amount that was usually double or occasionally triple what they had accumulated in their savings. Conversely, at Changastan, they could borrow up to eleven times their savings.

55 According to the registers of Pavi Sansthan, Bahun and Chhetri women received only a small proportion of loans ranging between 3,000 and 19,000 NPR, while they obtained the majority of loans above 25,000 NPR. Janajatis received most of middle-range loans (amounts comprised between 19,000 and 25,000 NPR). On the contrary, Dalit women were mostly granted lower amounts (from 3,000 to 20,000 NPR) and hardly ever borrowed more than 25,000 NPR.
things were slowly changing. This meant that Bahun and Chhetri women could easily give their husband's land as a collateral. Only a few Janajati and Dalit women, those with land, could borrow similar amounts. While not guaranteeing the most equitable social outcomes (Cruikshank 1996), Pavi Sansthan had the potential to allow those in power to acquire even more advantages and those facing discrimination to become even more disenfranchised (Kabeer 1994; Batliwala 1994; Moser 1993). For most lower caste people the only other choice was to use less client-friendly microfinance services, such as Changastan.
What next?

Because of the specific Nepalese socio-economic and historical circumstances, characterised by a long-term tension between a state that prioritised social protection and private investors demanding de-regulated markets (Rankin and Shakya 2007), in Situli, microfinance providers adopted different business models to achieve profitability. In terms of profits, the two business models seemed successful, because they both had high repayment rates. However, each operated with the potential to increase inequalities, either between women and their husbands or between different caste groups, while clients, according to the neoliberal doctrine embraced by the microfinance industry (Sharma 2008; Elyachar 2002), should end up building a more egalitarian society because of their market-given self-reliance (Cruikshank 1996; Elyachar 2002).

After reflecting upon episodes such as those at Sitakar and Kurtupar, it is easy to see that some women opposed forced loan taking, doubted group-liability and showed confidence in their value as borrowers who could help increase the profits of lending institutions. Not only did they present compelling critiques of specific microfinance practices (Shakya and Rankin 2008), but they also contested them and made plans to counteract the perils of microfinance, as the cases of Ambita and the criticism of Bhmaia demonstrated. At the same time, they decided not to withdraw from their ‘mutually-satisfying’ relationships with lending institutions (Gershon 2011: 540), possibly because they, as much as the lending institutions, gained from the arrangement. This shows that women were not merely stressed, pressurised and socially castigated victims of aggressive neoliberal practices but also agents with the potential to navigate microfinance through using creative solutions (Shakya and Rankin 2008; Sharma 2008; Moodie 2013; Sen and Majumder 2015). Although these innovative practices are hinted at during some of the public interactions between clients and institutions, to become clearly visible, they require an ethnographic account of microfinance practices 'behind closed doors'. As I explore in the following three chapters, women's understandings and experiences of microfinance are complex and variegated, but always consistent with a striving to improve the lived realities of their everyday struggles.
The Janajati women of Situli

Plate 15: A young Nepali woman discusses loan strategies with her husband in Malaysia

... The relationship between rural subjects and NGOs is contradictory and varied; they instrumentally exploit each other

(Karim 2008: 9)
Land is a very important asset for Janajati women in Situli for a number of reasons. As we will see in this chapter, one of the driving purposes for the purchase of land is to stabilise loan risk, since it serves as an asset that can be sold in times of economic trouble or crisis. The reasons for this are elaborated upon via specific examples in this chapter. In this section, I argue that the ownership of land is also symbolically important; holding and owning it helps Janajati women enhance their social standing. This is a relatively new means through which they can assert themselves, a use of their financial resources that would have been unimaginable for prior generations.

Historically, landholding has been a main source of social prestige for higher castes (Regmi 1978, Seddon 1987, Seddon et al 1979). The consolidation of land in the hands of a higher caste elite also kept other castes and classes from achieving socio-economic mobility (Fricke et al 1993; Cameron 1995, 1996). For Janajatis (as well as for Dalits, as I will explain in a subsequent chapter), this meant that they were often caught in a cycle of labour exploitation that made them feel subservient or even oppressed. This is one of the main reasons, I argue, why Janajati women in Situli have been highly focused on acquiring land once that became a possibility for them through the use of microfinance loans. Microfinance has served as an enabler of personal, inter-caste, and socio-economic change in Situli. As I will explain, these changes have taken place in conjunction with a rise in remittances sent by male family members working abroad. This combination of loan taking and remittances has allowed Janajati women to engage in risk-taking to force substantial change. The story of Radika and her family is characteristic in this regard.

**Buying land, enhancing social standing**

Radika Gurung was 46-years-old when I met her in 2014. She lived with her two teenage daughters and husband in a very remote part of Situli that required a two-hour trek from the main highway. We initially met at the Pavi Sansthan office at the beginning of my research. She had come to take out a microfinance loan and had seen me while I was talking with a group of women. Seeing that I was a foreigner, and therefore a point of curiosity, she approached our group and eventually joined the conversation. It was a cursory sort of exchange, because at the time I was just gaining a sense of who was involved in microfinance lending practices in the region. If memory serves, she and I initially spoke about her family situation. It was much later when I obtained a fuller picture of her experiences with microfinance lending, and why she took loans. Those details were revealed to me over three visits to her home that I made during the year I spent in Situli.
Over the course of my exchanges with Radika and her family, I discovered that they had experienced much suffering over the long history of a debt due to a loan taken decades earlier from a particular Bahun family in their village, because of the ways that the debt was leveraged by that family. Radika and her family shared this history with me on a misty morning in August 2014. We did not expect that her husband would also join the conversation, but it began to rain quite heavily as we started to speak, and he soon came in from the fields. Hearing our conversation, he joined Radika, his mother, and her nieces in an emotional exchange about their past. Radika recalled that in the past, their family used to take loans from ‘big people’\(^{56}\) (thulo manche) of Gomasari, which is a ward near the highway where the Pavi Sansthan office is located. The people that lent them this money were owners of the plot of land that Radika and her husband cultivated. They felt that they had to take on this loan\(^{57}\) because of a particularly bad drought; the family simply did not have enough to eat. While it was a short-term solution, it created a long-term problem when they couldn’t find the money to pay the Bahun family back. The lenders, in response, suggested that Ram, Radika’s husband, could pay off the loan by working in their house as a servant. But the debt never seemed to diminish, even after Ram had spent over three years in their employment. Radika explained:

Even if you had worked there for a long time, they used to say that the loan had not been repaid, so they extended the loan contract. He [Ram] had to spend the whole day cutting grass, cleaning their shed, ploughing their fields and washing their dishes. And I had to work there alone [in the sharecropped fields] to feed my children—I even delivered my second daughter while working in their fields! We experienced so much suffering (dukkha). When working in adhiya for them, I used to only get one part of the [harvested] crop, while they got four parts. I even had to carry rice and straw up to their houses, and they did not even give me water to drink. We had to do that early in the morning or later at night and then come home to cook and eat. That’s why they have become fat! The Maoists fought over that [injustice] and now the system is that Bahuns carry the rice on their own and receive only half of the harvested crop ...

As Radika spoke, we were on the veranda of her house with a view of the mountains on the other side of the valley. At one point, it felt like the entire family was there. We were

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\(^{56}\) They used to borrow rice and maize during severe shortages from the same family of Bahuns, the same for whom they worked in adhiya. During my conversations with Radika and her family, they seemed to imply that it was expected that the landlord would provide for them in times of scarcity, although this was not explicitly mentioned when the two parties agreed on the term of land tenancy. This might suggest a pre-existing patron-client relation between Bahun and Chhetris and Janajati, similar to the niti-bhagya sistem between Bahun and Chhetris and Dalits (Cameron 1998:75), which I describe in Chapter 6. I wasn’t able to investigate this relationship any further because in Radika’s case the landlord was a close relative of my hosts in Gomasari. Radika’s family was unwilling to disclose more information for fear of retaliation. However, Banshi’s (featured later in the chapter) mother-in-law confirmed that, in the past, Janajati and Dalit tenants expected to be fed by the landlord in times of famine.

\(^{57}\) Loans, at that time, constituted of staple foods, mainly rice.
joined by not just Ram’s mother-in-law and Radika’s mother-in-law, but also other in-laws of Radika, her neighbours, and one of her sons—a total of roughly ten people (including me and my research assistant). Once Radika had shared her side of the story, Ram emphasised:

I was kept in their house for three years. Even after that long time they used to add interest to the loan amount—and (even) interest on that interest. First, they said it [my service] would be for one year, then two years, then three!

Hearing this, Radika’s mother-in-law joined the conversation:

They wrote a huge pile of [loan] contracts, and we had to keep paying and paying every month. They ate my husband’s entire army pension! … In the end, they took everything we had, our buffalos, goats, chickens and calves …

Radika’s mother-in-law stressed that since the Bahun could read and write and she herself was illiterate, she felt that they increased the amount of the loan contracts every time they felt the debt was not paid. She believed that when they confiscated her animals, they miscalculated their value and added additional loan contracts for the remaining amount to pay. Nonetheless, she felt disinclined to dispute the amount owed because of her illiteracy. From the words of Radika, Ram, and Radika’s mother-in-law, we can see how control over land not only meant control of food and economic resources, but also could mean control of people. The caste hierarchy was strongly reinforced by the land tenure system.

It was within this context that Radika and her family saw an opportunity in microfinance. By the time I came to know Radika, she was a member of Pavi Sansthan and Changastan. She was also a member of five more lending institutions. To help pay off these loans, she had sent her 21-year-old son to Qatar few times so that he could send back remittances. By 2014, Radika had purchased a small plot of land on the slopes behind her house with a loan from Pavi Sansthan. This, however, did not mean that their struggles were over. During the period of my fieldwork, the couple was still working the majority of their time in adhiya. That said, the act of land-holding made Radika and her family feel relieved. As Radika once said,

We own our own land now, what a relief! We have become bigger! …] When I work on my little plot of land it feels like I am feeding my own children and not theirs! I am so happy when I work there [in my own land] because it feels like I am the master of myself.

From Radika’s example it appears that the Janajati desire to own land is related to economic security, as well as to the prestige they associated with such asset.
Theoretical engagements

This chapter argues that microfinance served as a driver for personal, inter-caste and socio-economic change for the Janajati women of Situli. In particular, it shows how women selectively appropriate microfinance practices to improve their social standing. In line with the main argument of this thesis that women utilise microfinance in ways that are not initially intended by the lending institutions in Situli, this chapter is a contribution on how Janajati women use, or 'misuse', loans through a risk-taking strategy of over indebtedness to enhance their long-term profits.

The chapter relies on three sections of literature. Primarily, since I focus on three specific Janajati ethnic groups, Newars, Magars and Gurungs, previous studies on the cultural worlds of these indigenous women cannot be ignored. Secondly, I ground my analysis of Janajati women’s agency within practice theory, building on the content of previous chapters. Finally, in contending that microfinance favours women's social standing through loan use, the discussion needs to be briefly contextualised within the academic debate on loan misuse.

Situating Janajati women

In this section I briefly engage with the literature that describes Janajati women as facing less domestic restrictions when compared with Bahuns and Chhetris, as well as Dalits. In the 1970s and 1980s scholars documented the life of Janajati women in Nepal, who they univocally described as less restricted compared to that of higher castes (Goldstein 1978, 1981; Acharya and Bennett 1981; Molnar 1981, 1982; Pradhan 1981; Schuler 1981, 1987; March 2002).

Acharya and Bennett (1981), in their seminal work on the status of women in Nepal, explain the different levels of segregation through socio-religious motivations. Central to the two scholars’ argument is an opposing conceptualisation between the domestic and the public sphere. The authors believe that, in Nepal, women, in general, are relegated to the first one, while men control the second. They argue that in cultural worlds where the 'domestic versus public' sphere is drastically demarcated, women are not allowed to participate in politics, markets, government programs and institutions (Acharya and Bennett 1981). This is the case for higher caste women, who live for long periods with their in-laws and are responsible for accruing honour for their affinals through certain behaviours, such as obedience and restrictions on leaving their house (see also Bennett 1983).
Acharya and Bennet's (1981) analysis also shows that Janajati women experience less limitations. In their edited volumes, Rai and Magar women are described as facing a less drastic domestic/public dichotomy. At the same time, the Newars (Pradhan 1981) and Tharu seem to sit the middle (Acharya and Bennett 1981: xxxiv). Magar groups register high numbers of female-headed household because of male migration or army enrolment. Since men are often away, Magars highly value entrepreneurial skills in daughters-in-law (Molnar 1981, 1982). Other scholars validate these findings, asserting that among Tibeto-Burman groups in general, there has always been little concern related to virginity/purity and that property-related customary laws were flexible, allowing women to access land through means other than marriage (Goldstein 1978, 1981; March 2002). Similarly, parents often encouraged their daughters to marry at a later age, needing them to work at home (Schuler 1981, 1987).

More recent studies agree with the above cited literature while adding more reasons for the greater domestic opportunities for Janajati women (see also Yami 2007 in Tamang 2009: 75). For instance, Gellner (1991) and Rankin (2004) describe Newar women as skilled entrepreneurs, highlighting their freedom of movement when it comes to trading and markets, together with their rights over dowry, while they still experience stigma over re-marriage. McHugh (2002) and Ahearn (2001b) shed light on how both Gurung and Magar women have more control over their own destiny in choosing their life partners and face little (if any) stigma attached to remarriage (see also Acharya 2003). Finally, other authors (Fricke 1993 et al on Tamangs; McHugh 1985 for Gurungs; Molnar 1981 on Kham Magars) identify one type of cross-cousin marriage (bhena-sali in Magar) as another positive contributor to the married lives of Janajati women (see also Leach 1957; March 1979; Molnar 1981; Dyson and Moore 1983; McHugh 1985; Niraula and Morgan 1996). In this configuration, when a woman married the son of her father's sister (phuphu), her mother-in-law would also be her auntie. These arrangements usually allowed the daughter-in-law to enjoy preferential treatment once she moved to her husband's house and drastically diminished the chance of abuse.

The same authors claim that proximity and frequent visits to natal home are, for women, a precious source of informal power and strategies in crisis at their marital home (see also Cameron 1998: 189–190). As I show later in the chapter, in Situli, Janajati women's domestic opportunities allow them to enjoy more freedom when compared to higher-castes and to make important decisions in terms of finances. These opportunities derive, as I will explain, from male migration and marriage within the same village, but also from
the fact that, in Situli, in 2014, the *bhenasali* cross-cousin marriage was still the most common 'love marriage' option among many young Magar and Gurung couples.

**Critical perspectives on agency**

As I explain in this chapter, while the Janajati women of Situli experienced more opportunities at home, they faced more constraints within the lending institutions, which they navigated through microfinance. Their choices relied upon on several circumstances and contingencies. A relevant study in this direction is Cornwall's (2007), which sheds light on the survival tactics of Yoruba women traders of Nigeria as it tells their stories of choice, chance and contingency. As the author writes:

> The availability of options depended on women's relationships, which mediated their access to knowledge and experience, as well as their independent access to economic resources, information and opportunities for developing business skills. (2007: 38) ... Women's struggles for success and survival, ... are waged in domains where their positions as agents are relational, situational and above all, provisional. As members of families, associations and hearth-holds, their abilities to make active, purposive, choices are constantly reconfigured in relation to these of others (2007: 27).

The Yoruba women were primarily mothers and wives, and their capacity to make choices related to their working lives was shaped by their ability to cope with various contingencies, such as the choices and actions of others (2007: 30). Similarly, the choices of Janajati women of Situli were entangled with their social and family lives and the choices of their family members, friends and community members. As we will see in the chapter, this applied to microfinance as well. Initially, Janajati women were able to navigate the different circumstances which arose in their lives through access to remittances. When they started dealing with microfinance, their actions related to loan taking continued to be provisional, situational and relational (2007: 27) before becoming consolidated in specific financial strategies. This is not to say that their actions became less circumstantial throughout time, but that women learned to incorporate microfinance practices within their daily lives as one of the options to make their lives easier. These considerations recall Ahearn's emphasis on the fact that agency, the 'culturally constrained capacity to act' (2001b: 7), is culturally, socially and institutionally contingent (2001b: 61). Which is to say, that the wider patterns and structures into which women are born and experience through life can have a limiting or restricting force upon their choices, and hence their lives. Since women's actions are heavily dependent upon the circumstances they face, their agency is shaped by social structures (Ahearn 2001b: 55).
Ahearn’s study of love letters among Magars analyses the implications of literacy within social change in Nepalese society, showing how social actors can reconfigure and reinforce, challenge and accept categories of love, gender and personhood through their agency (2001b: 245), and more specifically through ‘agentive acts’ (2001b: 55). Her analysis is significant for this thesis, not only because it pertains to Magar women, who are, together with Newars and Gurungs, the protagonists of this chapter, but also because the significance of agency for social change, which she describes, is very similar to what I observed in Situli. Whereas she looks at love relationships and letter writing, I examine women’s loan taking practices.

According to Ahearn (2001b), a rise in female literacy, and the crafting of love letters, created space for women's agency in Junigau, in Palpa district, central Nepal during the 1980s and 1990s. The practice of writing love letters created a shift from arranged and ‘capture’ marriages to elopement because literate women started to take responsibility for their marriages (2001b: 256). Although the relation between consent and coercion remains problematic when it comes to Nepali women's choices, especially regarding marriage, young literate women, increasingly attributed the reasons for one's choices to human action rather than to fate (2001b: 47). In the 2000s, we see that microfinance and remittances have done something similar in locations such as Situli. During this period, the Janajati women of Situli, for instance, turned from being remittance recipients into financial planners and landowners. The historical intersection of microfinance, remittances and the availability of land for sale allowed their financial strategies to have greater flexibility. Both literacy and microfinance practices turned out to be significant for women’s agency in ways that were not intended in the first instance. Similarly, both created significant changes in women's lives (Ahearn 2001b: 246; Sharma 2008).

**Creative microfinance**

While institutions required that loans be given for money-generating activities, Janajati women, as I explore in the chapter, engaged with over-indebtedness. From the point of view of the institutions, this was loan misuse. Practices of loan swapping and loan pooling have been reported in many places where multiple credit services are available to women (Karim 2008; Shah 2013; Shakya and Rankin 2008); however, over-indebtedness is an extremely risky practice because it makes loans more expensive and difficult to repay (Karim 2008: 7; Moodie 2013: 298; Sen and Majumder 2015: 132). These risks certainly applied to women in Situli, but the Janajati women's case shows that positive results can emerge from over indebtedness.
In this chapter, we will see that ‘good debt’ can not only be positive, it is indeed highly desired by Janajati women who have learned to turn what the literature sees as a constraint (the risk of the loan) into an economic and social opportunity (Shakya and Rankin 2008; Moodie 2013). Karim's study in Bangladesh suggests that 'successful rural women are sometimes able to pool their loans together to send a male family member to the Middle East or Malaysia as a migrant labourer who, if all goes well, repays the investment at a higher rate to them (2008: 7)'. Women found a solution that could be profitable to them, and that they therefore invested in it. In Situli, Janajati women did not only send their male kin abroad to receive a higher repayment; but they financed male migration to make land purchase sustainable through remittances. Land purchase is a widespread trend among microfinance recipients outside Nepal as well. Kabeer (1998), for instance, reports a similar trend in Bangladesh. Within a Muslim milieu, where women often customarily waived their inherited land in favour of their brothers, female microfinance recipients used loans to purchase land under their own name, even though land was considered a 'male' asset (1998: 48). In so doing, women attempted and succeeded in stabilising their position at home. This decreased the dependence upon their husbands (1998: 65).

In minimising risk and maximising the outcome of their loan transactions through a number of financial strategies, the Janajati women became 'optimising agents'. To explain this phenomenon, I use Bourdieu's economics of practice. As the author suggests:

... The theory of strictly economic practice is simply a particular case of a general theory of the economics of practice. The only way to escape from the ethnocentric naiveties of economism, without falling into populist exaltation of the generous naivety of earlier forms of society, is to carry out in full what economism does only partially, and to extend economic calculation to all the goods, material and symbolic, without distinction, that present themselves as rare and worth of being sought after in a particular social formation — which may be ‘fair words’ or smiles, handshakes or shrugs, compliments or attention, challenges or insults, honor or honors, powers or pleasures, gossip or scientific information, distinction or distinctions ... (1977: 177-78)

Bourdieu's economics of practice extends the concepts of profit and exchange to cultural worlds, specifying that social actors carefully calculate their search for rare goods in their daily lives, seeking to obtain the maximum outcome and minimising the downsides. As we will see, Janajati women's skills extended well beyond the economic sphere and reflected a similar attitude in their everyday practices. In fact, they utilised their social network to enlarge their loan portfolio with land purchases that helped them navigate everyday
challenges and caste discrimination. With this in mind, I move now to an ethnographic account of Janajati women's practices related to microfinance.
Female-headed households

During my fieldwork, I often visited Radapur, a small hamlet situated in one of the most remote wards of Situli, inhabited prevalently by Janajatis (Magar, Newar and Gurungs), with a small population of Dalits. The first time that Jharana and I walked to Radapur it was a three and half hour trek from our house in Gomasari, which was situated on the highway. On that occasion, at 5.30 am on a dark and cold morning in March 2014, we were unsure of where to get off the bus, but confident that Banshi would be reachable by phone at any time in case we got lost. She had explained, in fact, that the trail to trek uphill (to her house) after getting off the bus was not easy to find.

Banshi was a Magar microfinance recipient who had discretely approached me and Jharana at Pavi Sansthan a week earlier. On that occasion, outside the Pavi Sansthan office, when Banshi and her friends Maia, Anisha and Samia, asked me to join them in some food and drink. The lunch invitation was an attempt to position me and Jharana 'caste-wise'; they realised that I drank alcohol, ate pork and buffalo and that Jharana was a 'borderline' Bahun, who would eventually enjoy the feast. In addition to Pavi Sansthan, the four women had affiliated with Changastan (and a several other MFIs), the microfinance institution in whose money-collection meetings I had repeatedly tried to participate. For some reason the Changastan money-collection meetings were always rescheduled at a different time or place as soon as the fieldworkers became aware of my impending attendance. During our first conversation, Banshi strategically suggested that we attend the Changastan meeting with her and her friends, so the bank fieldworker could not reject us, given that we would arrive escorted by the borrowers.

At 5.40 am Banshi finally answered our call and we got off the bus. We quickly crossed the paddy terraces and the river to begin our ascent. The path was narrow and unstable, and I had completely lost my orientation after many sharp turns around the hillside. Luckily, Jharana felt the responsibility to lead and to get to Radapur on time. We hurried our pace whilst entering the forest that, according to the Bahun and Chhetris of Gomasari, was infested with monkeys and robbers. I had never felt more scared in my life; however, I attempted to hide my emotions and started making jokes to reassure Jharana. As soon as we safely exited the forest and the sun began to rise we felt relieved. The view became stunning the more we ascended. Dry land with young maize plants, uncultivated

58 The Bahun and Chhetris tried many times to discourage me from going to Radapur. They expressed concern over the possibility of being robbed by muggers or assaulted by macaque monkeys. When I asked if anything had ever happened to them, they admitted that they had never been to Radapur. Even the Pavi Sansthan staff workers, who used to walk long distances to collect the monthly savings, explained had always asked the women from Radapur to walk to the office to deposit their savings.
fields with spring blossoms and majestic trees, covered with bright vermilion flowers gradually replaced the paddies. Behind them, the cloudless sky uncovered the impressive snowy peaks of the Annapurna Range. I was tempted to take photos, but with the warnings still at the back of my mind, I decided not to attract attention by exposing my camera.

During the hike, Jharana and I stopped numerous times to take a breath and a sip of water. We were both heavily puffing, and were wondering how was it possible that we had not crossed paths with any Changastan fieldworkers yet, since that was the only trail to reach Radapur from the highway. Eventually we reached the school where Banshi had suggested to turn left and quickly began another step ascent. We then crossed through a Dalit village. Curious watchers came out of their mud houses to check out the 'strangers'. They quietly stared at us. I was unsure whether to wave, smile or ignore them and, as I usually did in these situation, followed Jharana's suggestions and bowed my head in silence. After a few metres we realised that we were lost, and our phones had no reception. Reluctantly, Jharana accepted my proposal of seeking help from the people around us.

Exhausted, we reached Radapur at 9 am and we met Banshi and her friends on the way. They had patiently waited for us but then decided to hurry, fearing to be fined for being late at the meeting. When we arrived, the Changastan fieldworker stared at us in surprise and did not fine the four women; we sat, and the meeting started. I kept silent for the whole time and stayed close to Banshi. After one hour, when the fieldworker left on his scooter to collect money from another village, Banshi and her friends proudly introduced us to the other women in the group before escorting us to Maia's house, where we had the most enjoyable lunch and afternoon.

After that initial visit in March 2014, the monthly money-collection meeting in Radapur became a ritual for me and Jharana. Over time, we met the women's family members who paid them regular visits, like Banshi's daughters and mother-in-law, Maia's sons, Anisha's husband and sons and Samia's son, father-in-law and sister-in-law. After a few months, even during the ruthless monsoon rains, the exhausting became pleasurable. The forest turned into a familiar place and the people living on the way often stopped us to offer water or to take a photo. Even when we felt we knew everything we needed to know about the four women, we never missed that meeting and the following lunch, which always came as a joyful, cheerful and long-awaited escape from the tensions in Gomasari.
During these occasions, Jharana and I spent the entire day with Banshi, Maia and Anisha (Magar) and Samia (Newar). On two occasions, we stayed overnight to participate in festival celebrations on the following day. The women's husbands lived abroad and, as a result, they were household heads. Samia was the exception as she lived with her widowed father-in-law and unmarried sister-in-law. The women who served as household heads did not experience significant restrictions and could schedule their duties in order to take a day off to spend time eating meat, drinking alcohol, chatting and gossiping with us. Samia, by contrast, experienced more restrictions. However, she often told her father-in-law she would take the goats to graze and joined us at Maia's house.

Maia and Anisha were sisters. Banshi had married their elder brother, but since Magar customs did not require women to get married far away, the three women lived close to their maternal homes. For instance, Maia and Anisha's homes were only a 10 and 20 minute-walk, respectively, from Banshi's, which meant they could seek support from their maternal family at any time. To spare their school-aged children from a long walk to school, the four women had organised accommodation for them in hostels in Dulara. They often described their lifestyle as relaxed, due to their husband's and children's absence, although I observed that they had a substantial and consistent work load. This derived from the fact that Janajatis lived in less favourable localities than the Bahun and Chettris. In fact, they lived in the most remote areas of the VDC, which were extremely prone to landslides and droughts, with limited access to water and with roads, which could not be used by cars and trucks. Furthermore, for these women, their fields were situated in the valley (a steep one-hour walk from home), with many of them living on the hillside. Additionally, they did not have gas stoves and running water and so water and wood fetching occupied a significant part of their time. In addition, they had buffalos and goats to feed; therefore, another significant part of their day had to be spent in cutting and transporting grass. Not having children and husbands to take care of did save a sizable portion of their time, although they missed the children and each week travelled to Dulara to see them, whilst children went home for the weekend. Women also kept in contact daily with their husbands abroad.

Navigating circumstances

In 2014 Banshi was a 41-year-old assertive and optimistic Magar woman. She always wore clean clothes and make up, even when she went to work in the fields. She always

59 The only exception was Maia's husband, who had recently relocated to Nepal for good after spending 18 years in Qatar. In 2014, he lived in Dulara because of his newly opened iron factory, while Maia lived in Radapur on her own.
wore a *cholo*\(^6^0\) on top of her *lung*\(^6^1\), while her friends preferred t-shirts. Her daily actions, from the early morning manual labour of flour grinding to the evening phone call to her husband, denoted the tenacious self-confidence of someone who has gone through a lot in life.

Banshi’s hardships began when she was married to a twenty-four-year old man at the age of fourteen. Following the wedding, the couple lived with his parents and his sisters Maia and Anisha for a short period of time. Shortly thereafter, he migrated to India and took Banshi with him. As she confessed, however, she felt like she was still a child only interested in playing. While he worked in the factory in India, according to Banshi, her husband was so possessive that he locked her in the house the whole day until he returned. She unwillingly got pregnant and delivered a son at the age of sixteen. The boy was disabled and could not walk, and Banshi never forgave herself for getting pregnant at a such a young age, which she identified as the cause of her son's disability. After two years, the young family relocated to live neolocally in Radapur. Banshi delivered two more daughters and her husband migrated to Saudi Arabia. Soon after his departure, she came to know that he had been having an affair while they were living in Radapur.

Banshi spoke of the affair openly, even though Maia, Anisha, and Samia were also present. At the time, we were all sitting on Maia’s veranda having a typical lunch of *daal bhatt*—with a serving of pork made especially for me—while we talked. Banshi served us intermittently as she shared her story, making sure to give us extra helpings of food as well as a few glasses of home-brewed alcohol fermented from millet. In a break between servings, she recalled what happened after she discovered the affair. Lowering her voice, she stated:

> I really felt betrayed. I intercepted one of the letters to his mistress. I could not leave, though. Where would I go? And [what about] my children? What would people say? My brothers' honour would be compromised forever if I left. I wrote to him [husband] saying that I had read the letter and I requested him to end the relationship. I don't know if he did; we never discussed the matter further.

Banshi’s comments show that she was hurt by the affair, but that several factors held her back from leaving her husband. Even though she mentioned to me that she did want to

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\(^6^0\) A traditional woman's blouse. The blouse is typically wrapped around the waist and can have an open or closed neck. *Cholos* of specific colours and patterns can also identify different castes and ethnic groups.

\(^6^1\) A traditional garment that women wear around the waist that is woven from cotton and comes in a variety of designs and colours. In Situli, *lungis* are mainly worn on informal occasions and by Janajatis and Dalits, while Bahuns and Chhetri women prefer the *kurta-surwal* combination or *sari*. 
leave him, she worried that the separation would hurt her children or cause unnecessary and harmful gossip among neighbours and relatives. As a dedicated mother, it seemed to me that the concern for her children’s welfare was the most prominent. Banshi’s only son was in a wheelchair living with her mother-in-law who took care of him in Dulara, located on a main highway. If Banshi were to separate, then she would have to go to her maiti and would not be able to take her children along. In Nepal, as she explained, although she legally has rights, in practice, a woman who divorces her husband, especially in rural areas, has no choice than to leave her children in her husband's house. Further, over the years, Banshi felt that since he was away for most of the time, there was no point in being resentful at him because it was in her own interest to keep the relationship as peaceful as possible. As she explained, she does not have to deal with him every day, so there was no point in being angry. ‘Better to focus on the positive relationships I have here and keep myself busy’, she added.

Regardless of his betrayal, Banshi’s husband, in fact, never stopped sending money to pay for her children's school fees and extra expenses (including the money needed for celebrations and festivals). Banshi, for her part, contributed to the income by working in the fields, brewing alcohol and exchanging it for food and household supplies. She also looked after the animals and received small allowances for her participation in campaigns on pre- and post-natal awareness. Although Banshi never went to school, she learned to read, write and make calculations on her own; she became a member of Pavi Sansthan in 1998 and initially took small loans when her husband's remittances were delayed.

Even though Banshi helped to financially support her mother-in-law, she was discouraged by her, numerous times, from taking formal and informal (moneylender) loans. This was because her mother-in-law was suspicious of those loans and wanted to protect her daughter-in-law. Banshi took her mother-in-law’s concerns into consideration but she did not have the same hesitations about taking on debt. Over time, she realised that she could take loans regularly from several official and unofficial credit providers, given that there was a long quarterly interval between remittances. By 2014, Banshi was a member of six savings and credit organisations, in addition to Changastan and Pavi Sansthan, plus three informal associations as well as a Mother's Group. She was also very active in the community and was involved in a few associations as a social worker. In that same year, she spent three-quarters of her husband’s three-monthly remittances to repay loans. With

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62 Banshi’s mother-in-law was sceptical towards loans because she had experienced abuses similar to those described by Radika Gurung and her family.
the remaining one-fourth of the remittances she covered her children’s hostel and school fees.

Banshi’s first loan was the result of a delayed quarterly remittance from her husband. When the money did not come in, she took a loan to cover basic expenses. Once the remittance finally arrived, she was able to pay off the initial loan. However, she continued to have monthly expenses, such as her children’s school fees, that needed paying, whereas the remittance continued to be a quarterly payment. Eventually, Banshi realised that she could use loans to cover those monthly expenses, which could be paid off quarterly. This was Banshi’s solution to an ongoing struggle she had with her husband. Banshi had tried repeatedly to get him to send monthly remittances but he refused as he did not like to pay the transaction fees.

Initially, Banshi struggled to obtain loans at Pavi Sansthan because of her caste, even though she was fully capable of repaying due to her husband’s remittances. At the same time, several new microfinance institutions scanned the district to recruit borrowers and she enrolled in a few of these programs. Banshi quickly acquired the skills to juggle multiple loans, although she was living in constant debt. When I asked whether she was aware of the financial costs of loans, Banshi nodded and said that since the benefits overcame the costs, it was worth paying a bit more to have the chance to access what she called an ‘unlimited cash flow’.

Since initially her husband and mother-in-law were against her borrowing practices, Banshi encouraged the mother-in-law to spend long periods in Dulara to take care of her children (and to avoid hearing her criticism). Once that shift happened, Banshi took it upon herself to look after the house and the animals in Radapur, while her mother-in-law spent long periods in Dulara. Her mother-in-law’s absence allowed Banshi to live alone in Radapur for most of the week without being accountable to anyone for her movements. Over time, Banshi’s actions gradually convinced her husband that borrowing was the best choice. By 2014, she had even convinced her mother-in-law that she was doing the right thing.

At the time of our interactions, Banshi was the poorest among the four remittance-recipients of Radapur. Her loan history showed that from 2009 to 2014 she had taken 11 loans from Changastan and Pavi Sansthan, for an overall amount of 1,345,000 NPR. As
part of the overall figure, she regularly borrowed small amounts for household expenses, medical treatment, to get land in bandaki and to pay for her children's school fees, while she used intermediare and major loans for large investment. For instance, in 2014, she borrowed two loans of intermediate amount, to repay an old loan to informal moneylenders and to buy land under her own name. Furthermore, Banshi took two major loans as proxy, one for her sister who had a poultry farm and the other for Anisha to buy land. During one of our conversations, Banshi admitted that she could not imagine how her life would be without loans, although the constant worry of repayment and the preoccupations deriving from her tight budget gave her 'tension'. As she stated:

I take loans from everyone. I often run short of time because I have to attend meetings [money-collection] here and there, [putting pressure on] my other commitments. Loans give me tensions; I often can't sleep because remittances might be delayed. I am afraid I won't be able to repay on time and I might lose my reputation. In that case they [lending institutions] won't give me loans anymore. My relatives here don't give loan without interest. Only my sister-in-law (Madhu) once gave me 60,000 NPR without interest for one year to buy land. No one else helped me and I had to take loans all the time. What to do? Over time I have built my reputation of good loanee, and nowadays everybody gives me loans easily because I pay back in time. I have taken loans for everything.

Banshi's worries were not only due to the preoccupation with monthly repayment, but also to the fear that if she defaulted, her borrowing power would be compromised. However, she had no choice other than to accept the ‘tension’ and cope with it. Banshi faced numerous challenges and restrictions as well as opportunities. She was able to successfully navigate these to ultimately improve her life circumstances. Thanks to her loan taking, for instance, she had tenanted land in bandaki, and she was able to purchase land under her own name, where she planned to build a brick home for herself, husband, son and daughter-in-law. He was living in a mud house.

63 Throughout the dissertation, I define 'small' loans as between 15,000 and 50,000 NPR, 'intermediate' the amounts between 51,000 and 250,000 NPR and by ‘major’ the loans above 251,000 NPR.
Plate 16: A mother-in-law helps her daughter-in-law with the food preparation

Benefitting from marital support
Anisha was 41-years-old in 2014. Her romantic relationship was envied by all her friends. They often mentioned that she had the best fate among the four. She always giggled at such comments, before exploding in a vigorous laugh, knowing that it was very true. In 2012 she had moved downhill with her seventeen- and twelve-year-old sons, where she had built a brick house and bought irrigated land. Although she was very busy with her household and husbandry chores, every day she climbed the hillside to visit her friends, sister and mother, except for the rare occasions that she visited from Dulara. Yelling on the way to announce her arrival, Anisha always made sure to bring a treat for her friends. Indeed, when Jharana and I were scheduled for lunch, she happily provided meat and fruits, the most expensive goods.
In one occasion I was lucky enough to interview Bohodur, Anisha's 37-year-old husband and matrilateral cross-cousin, who had been abroad in Saudi Arabia and Qatar for thirteen years and had returned to Radapur in 2014 for a short period of time. He joined me, Jharana, Banshi, Maia and Samia for one of our lunches after the Changastan meeting. While the other women were busy preparing food, and taking care of the animals, Jharana and I had a private conversation with him and Anisha on Maia's veranda. Bohodur missed his family; however, he did not earn enough to take them with him. He acknowledged that living apart was very hard but strengthened a mutual feeling of reliance, because the husband was in charge of earning and the wife had to make effective financial decisions. Bohodur's salary (75,000 to 80,000 NPR) was significantly above the average in Situli (10,000 NPR) and Anisha received the highest amount of remittances among the four women. She had always been very generous with her friends and helped them financially on numerous occasions. In 2014, I observed that she was extremely skilled in simultaneous loan practices, although Bohodur did not fully approve her transaction, as he emphasised during our interview:

I don't stop her, but I don't like taking loans from many people because we will have difficulties to repay. I often ask her to wait until I send her the remittances and use that money, but sometimes she does not listen to me; so, what can I do? I am fully dependent on her, because she is responsible for everything (laughs). All the land is under her name and so is all the money in the bank. I have a relaxed life in Qatar but here she has to manage everything. Even nowadays that I am back in Nepal I ask her [for] money (laughs) and she gives it to me. She controls our finances, otherwise I would spend them all!

Anisha confirmed:

When he is here I feel like he spends the money unnecessarily, but what can I do? I have to give it to him, because he is the one who earns it. Last week I even had to borrow 5,000 NPR from Gopika for him!

Bohodur trusted Anisha. He admired her ability to manage the land, the house, the family and the remittances and he was glad that she had taken over his role of financial manager of the family. As Anisha explained, although they were financially stable, he often complained about the tension he experienced due to loans because of pressure of repayment. Initially, before Bohodur's departure, Anisha worked in the fields and retained the profits earned from selling animals, milk and alcohol; however, she had to ask him for additional cash. Since he had left, however, she had become the financial manager. While being away, Bohodur was a caring and supportive husband. For instance, in 2012, Bohodur supported Anisha's decision to stop working in the fields, as the workload had become too heavy. In so doing, she could focus on animal husbandry, taking care of two
buffalos, one pig, two goats and twenty chickens. She also managed the profit from twenty-six ropani\(^{64}\) of land she had given in \textit{bandaki}. The land was part of Bohodur's inheritance, as a result of his father investing his army pension.

Anisha's first loan was not for herself; in fact, she took it as a proxy for Banshi. Then afterwards, Anisha saw the opportunities offered by investment in loans and decided to borrow regularly from Pavi Sansthan, Changastan, other MFIs and moneylenders. Anisha used her husband's remittances to pay back the loans. Over the years, she consistently purchased land, near a major road, that had the potential to increase in value. In 2011, she bought land for 42,000 NPR. She then sold it for 300,000 NPR and in 2013 she bought another plot for 800,000 NPR, which she planned to sell soon.

To buy her second parcel of land Anisha took one formal and one informal loan. She then repaid the formal one through remittances in one year and took a third (formal) loan to repay the second (informal). Similar to Banshi, Anisha's financial strategies involved a combination of proxy, formal and informal loans that she repaid through remittances. At the same time, she took several small and intermediate loans to invest in gold ornaments. Additionally, in 2014 she took a major loan and became a moneylender. Anisha's loan practices were aimed at making profitable investments that she repaid in instalments with the remittances that her husband sent. If it were not for this strategy, as she explained to me in our conversations, she would have taken years to save the same amount from remittances to purchase the assets. In fact, she believed that taking loans forced her to invest wisely because of the instalment discipline, whilst a commitment to just savings did not motivate her enough to avoid unnecessary expenditures.

\textbf{Coping with hardship}

Equally interesting is Maia's story. In 2014 she was an energetic 47-year-old. During our lunches on the veranda of her house, which was situated on a panoramic hill with breathtaking views of the Himalaya, she jokingly scolded Banshi for wasting time putting on make-up instead of cooking our lunch. Maia, in fact, always wore a \textit{lungi} and a torn t-shirt and she never put any make-up on, except when she left Radapur. The truth was that, even though Banshi was her sister-in-law and therefore ranked lower, Maia herself happily took care of food and drinks, while Banshi only had to serve us, showing deference by helping herself last.

\(^{64}\) In Situli one ropani corresponded to about 509 square metres.
Maia had eloped with her husband at the age of twenty, which Banshi always recalled as a very sad event. According to Banshi, during the few months that she spent as a new bride in her husband's house (Maia's and Anisha's brother) the two sisters-in-law eloped within a short period of time, leaving a profound feeling of sadness in the house and Banshi without playmates. ‘You had no pity for me!’, Banshi often joked, meaning that the two sisters were not concerned about making her transition into their house any smoother.

Maia and her husband lived in India for one year before returning to Radapur, where she remained with his parents for an exceptional amount of time, fourteen years, while he worked in India and in Saudi Arabia. According to Banshi, Maia's in-laws were extremely restrictive and did not allow her to sleep in her maiti for a single night, not even during festivals. Sadly, Maia recalled that the most important thing, during that period, was her husband's support:

At the beginning, he used to say that I should tolerate [my in-laws] and be patient because even though they dominated me, he always loved and respected me. He encouraged me to be patient because one day we would be able to live in our own house. I used to like that way of thinking, at least I had some support.

Notwithstanding her husband's encouragement, the situation did not improve and Maia, exhausted by her in-laws' behaviour, travelled to meet him in India. The couple spent ten months together, until his parents got angry and requested he send her home immediately. Maia's husband, then, decided to solve the problem. The couple travelled to Radapur and he separated from his family, making sure Maia lived in a hut, but on her own, before he left again for Saudi Arabia. Separation was not easy for Maia, since her husband's parents refused to give them any land. The couple had no savings, and Maia worked in adhiya for other people, as she recalled:

We thought that if they (our in-laws) saw us working in adyà they would give us some land, but they didn't. I have even worked in adyà for my father-in-law for one year; however, he had no pity in seeing me struggling and did not give us any land.

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65 Marriage by elopement was the preferred one among the Indigenous communities of Situli, Gurung, Magar and Newar women explained that the couple would either spend one night outside before being recognised by both families as husband and wife, or the two would meet at an arranged place and then go together to the man's house, with the complicity of his family. The woman would then stay the night and seek to be recognised as a married daughter from her natal family on the following day. However, the same women admitted that marital practices had changed in the previous two decades. Many more Janajatis (and Dalits, as I will explain in Chapter 6) had shifted their preferences towards arranged marriages because of the influence of Bahuns and increased cash flow from remittances, allowing the exchange of more expensive presents between the two families and the possibility of hosting a party. Srinivas (1952) reports a similar trend in India and calls it Sanscritisation (also used by Maslak (2003) in the Nepali context). The author defines Sanscritisation as ‘the process through which lower castes move up the ritual hierarchy by emulating the practices of higher castes’ (Srinivas 1952: 483). For a more detailed discussion see Chapter 6.
In these unfortunate circumstances, Maia affiliated with Pavi Sansthan and took a number of small loans before a substantial one. As she recalled:

I sold my gold ornaments to take land in bandaki, so I could save the majority of my husband's remittances instead of using them for buying food. When I got the money back from bandaki, I took a loan in addition to the initial amount and bought this land to construct our house.

Maia's first loans were a response to desperate financial and family circumstances, and microfinance provided her a way out from the abuses of her in-laws. In 2011, when Maia's husband was still overseas, she sold her gold ornaments again and combined two major loans, one formal and one informal, to buy another parcel of land under her own name. She used the same financial strategy as Banshi and Anisha. As she stated: ‘Later, when my previous loan at Pavi Sansthan was extinguished, I took another loan from Changastan to pay people back and slowly repaid Changastan through remittances’. It was in this way, by strategically taking on new loans and paying back old ones, that Maia was able to collect the funds needed to purchase new land.

Over years of regular loan taking, Maia refined her financial management skills, improving her strategies for proxy, formal and informal loans and for loan swapping. These abilities were extremely useful when, in 2013, her husband returned to Radapur for good. Once again, without a regular income, the couple had to find a way to create a new, steady income. They decided to open a small foundry through a combination of loans. Maia’s husband was familiar with her borrowing practices; however, on that occasion he was extremely sceptical about the large debt they would incur. In the end, she managed to convince him to borrow the money.

At the time of our exchange, Maia held seven loans (three formal and four informal) for a total of 1,800,000 NPR, a very large amount which in 2014 corresponded to about 16,000 AUD. Maia repaid the formal loans in one year, using the income from the factory and then she took four more formal loans to repay the moneylenders. Maia was worried that the profit from the factory would barely cover loans and expenses. These preoccupations, that she identified as 'tension', kept her awake on countless nights.

Like Banshi's, Maia’s case demonstrates that she faced numerous challenges, which she was able to overcome over the years, as well as opportunities. Her involvement with microfinance allowed her not only to navigate her contingent financial restrictions, but to deploy strategies which significantly improved her life circumstances. In fact, she and her
husband were able to overcome a second period of hardship, opening a foundry thanks to loans.

Plate 17: A woman preparing a treat of sweet breads for her children

Securing assets, acquiring respect

Samia's house was situated at intermediate altitude, at the same distance between the top of the hill (Maia and Banshi's houses) and the valley (Anisha's house). She lived with her alcoholic father-in-law and unmarried sister-in-law. Every second day Samia visited her four-year-old son who lived in a hostel in Dulara.

Samia, 25, was always the last one to arrive at the Changastan meeting in Radapur and the first to leave Maia's house after our lunches. On one occasion she could not come. Her friends had made me aware of the difficult situation she faced at home, highlighting not only that her in-laws abused her, but that her husband had not been financially supportive for a long time, which they identified as due to a lack of love from his side.

Even after a few months I still was not sure if it was a good idea to ask her direct questions about her marital relationship. I was hesitant about how to approach the topic and afraid of recalling bad memories. One day, however, while we were singing and dancing after our monthly lunch in mid-August 2014, she poignantly enquired: 'When are you going to interview me? You have recorded their words many times but never mine!'
My reaction was a mixture of surprise, relief and excitement and I promptly replied: ‘Right now, if you want!’ Her friends sat around us on the veranda and Jharana turned on the voice recorder making sure it was well visible. Samia started, in an assertive tone:

I was the only daughter among five boys. My mother died when I was five. Since then I can recall my brothers saying that they would marry me off at a very young age, so they could have one mouth less to feed. I felt sad and cried often.

She was born in Sindupalchok, a remote district east of Kathmandu. At fifteen, borrowing 5,000 NPR from her uncle, Samia started to trade goods from Tibet and soon she became a successful business woman. She repaid the loan after one year and made a 500,000 NPR profit. Since Samia was a Shresta, she had the chance to adopt good business practices by looking at the example of other successful Shresta businesspeople. At 19 years-of-age, after meeting a man in Pokhara she was 'lured' (her own words) to elope with him. Her future husband would repeatedly cheat on her and she eventually regretted the decision to get married. They moved to Radapur, and soon after their marriage he started bringing girls home. Of this trauma, she stated:

I felt like I wanted to kill myself. I was used to travel and earning money, but here I had to work for these people [in-laws] and tolerate his attitude. I had no other support than Banshi, Maia and Anisha.

Soon after, her husband left for Malaysia and Samia realised that she was pregnant. As she explained:

He was earning, but he did not send me any money ... whenever I went to maiti or when my brothers came, they gave me few rupees and I utilised that to pay for my son's treatment, as he was always sick. We could not eat because he [my husband] would spend all his money with prostitutes in Malaysia.

Left with a young infant and no money, Samia tried to resume her trade; however, her husband and father-in-law did not allow it. Looking at the recorder and raising her tone, she continued:

Finally, I thought that if I became member of a microfinance institution, I would be able to take loans and pay back later. At the beginning, Banshi lent me the money for membership at Pavi Sansthan, and, after few loans, I was able to convince my husband to send me money, occasionally I threatened him ...

Affiliation with Pavi Sansthan, Changastan and several other credit providers seemed an appealing alternative to Samia. She thought that if she took multiple loans at the same time, she could compel her husband to repay them. Although she initially received small

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66 Shresta is the merchant caste of Newars.
amounts, as soon as she was able to obtain larger loans, he sent more money and Samia became in charge of the household finances. Similar to her friends, she heavily invested in land. From 2009 to 2014, Samia took nine loans from Pavi Sansthan and Changastan (plus other loans from other MFIs), for an overall amount of 1,295,000 NPR. With small amounts, she bought chickens, goats and buffalo for family consumption. However, she took her first major loan to acquire land in bandaki to cultivate. On that occasion Banshi and Anisha acted as her proxy at Pavi Sansthan, so she could mobilise more money.

After improving her family's supply of food, in 2012 Samia purchased two lots of land under her own name, by combining 400,000 NPR in formal loans with 500,000 NPR from moneylenders. On that occasion, Anisha acted as her proxy at Pavi Sansthan, since Samia had a loan there already. When she extinguished the loan under her own name at Pavi Sansthan, she took a second one from Pavi Sansthan to repay the moneylenders and then repaid Pavi Sansthan in instalments from remittances. At the same time, she continued to pay the one that Anisha had taken for her. In 2013 she purchased a third parcel of land in Pokhara. Samia used the same strategy: she mobilised formal and informal loans at the same time, repaid the formal ones through remittances, then took a second round of formal loans to pay back the moneylenders and finally repaid the second formal loan through remittances. In 2014 Samia had repaid the informal loans and was finishing paying back the two formal ones.

According to Samia, she used her entrepreneurial skills to force her husband to financially commit to their marriage. In 2014, she wanted to build a house on one of the three plots of land and sell the other two, as she felt that in so doing she would need to take further loans and would receive more remittances. She believed that since she had commenced to take loans, her husband had started to love her. In fact, during his previous two visits from Malaysia, no girls had come to her house in Radapur. Samia felt that she had acquired more power in the relationship and she explained that if he cheated on her while he was away, it was really 'his business'. She added that she had her son and caring friends and that she spent more time with them than with her husband. Samia concluded that being apart from her husband really helped to mitigate the resentment she had against him, as long as he kept sending money. Her friends, who had kept quiet until then, joined the conversation:

**Samia:** Nowadays he knows that I have to repay loans and, when he sends me few money, I tell him to keep it for himself and I can pretend to be angry, that’s it! (Banshi laughs) I win over him now, before he used to win over me.

**Maia:** He must be surprised nowadays!
Samia: I tell him ‘If you don’t listen to me I will elope with another man and that’s how I win (they all laugh). I add that I will go away with our son and he gets scared.

Anisha: Now she has loans and land under her own name, so he won’t do those things [going with prostitutes and bringing other women home] again. He has to be afraid of her.

Her friends were sympathetic towards Samia's choices and admired her resilience; while Jharana and I agreed that she was lucky to have such supportive friends. Then, we thanked the four women and prepared for the long descent. But Samia stopped us, requesting we follow her to her house, since her in-laws were away, and she could feed us with a treat of yoghurt and honey. When we arrived at her house, she directed us to her bedroom, which was situated on the second floor of the stone-made cow shed. I was surprised because Janajati compounds in Situli usually consisted of a two-storey mud building for people and a stone shed for the animals.

Samia had arranged her bedroom where the fodder was usually kept. The room was cold and humid, but cosy. Coloured carpets covered the floor next to her bed and posters of Bollywood actors adorned the walls. At the bottom of the room, an impressive fifty-inch flat screen TV played loud videos of Teej songs and dances. I asked where she got that TV, since I had never seen anything similar in Dulara. She smiled, replying that her husband had brought it from Malaysia during his last visit. ‘He loves me a bit nowadays’, she continued. Then, from a hole in the tin roof, Samia saw her father-in-law returning from grazing the animals and said to us:

Go down the stairs, fast, before he sees you! I will take a nap, so he can think I am still at Maia’s and leave me alone. He can't climb stairs, so he never comes here, that's why I have chosen this room!

She quickly turned off the TV and farewelled us.

Samia's story shows that she experienced more restraints and challenges compared to her friends. In fact, her husband was not supportive, at the beginning, not even financially. She was young, lived far from her maiti and cohabited with her in-laws. However, her ability to use microfinance created opportunities and a space where she could make choices and be active in relation to her expectations. Taking loans without her husband's consent, she acquired indirect control over her husband's earnings, together with securing land assets under her own name. She continued to suffer from her husband's infidelity; however, she had found a way to reinforce her position at home and acquire some respect within her marital relationship.
Overall, the stories of Banshi, Maia, Samia and Anisha show that they used their loans taken from Pavi Sansthan and Changastan primarily for land purchase, migration and house construction. This resonates with the quantitative data on women's allocation choices from 2009 to 2014, which I extracted from the registers. These data show that 32% of loans were used to purchase land, 25% to send a family member abroad and 16% to build brick houses. The case studies suggest that these three investments are interconnected. In fact, women invested in land directly and indirectly. Not only did they allocate microfinance loans directly towards land purchase, but they also financed transnational migration, which, in turn, generated remittances for land purchase. But why did they prefer land over other assets, such as gold ornaments and brick houses? As I highlighted through Radika's story at the beginning of the chapter, a major reason might be a desire for social standing. At the same time, as I explain in the next section of the chapter, land might be the best way to stabilise the risk of loans because of its rapidly-increasing value in Situli.

These numbers—and those on loan allocation presented in the following chapters—were extracted from the official loan registers of Pavi Sansthan. The data at Changastan were too unreliable to be used here because MFI only officially allowed loans for business and livestock. It was impossible to estimate the real percentages based upon household surveys and formal interviews for loans taken at Changastan. Conversely, Pavi Sansthan officially allowed loans for migration, land and house construction. However, borrowers (from both institutions) admitted to having consistently lied on the real loan usage when they did not want to share the loan allocation details with staff and other women. Generally, they would justify as 'livestock' loans for 'private' use. This means that the above numbers are underestimated. However I believe, based upon the formal and informal conversations I had with the women, that they are an appropriate representation of their most common loan usages.

Land value had increase dramatically over the five years previous to my research. Since Pokhara airport would become an international one soon, the central government had established that Prithvi highway would be widened accordingly. As a result, the price of land around the highway increased enormously.
Plate 18: Women witnessing friend’s or neighbour’s formal interviews
Strategising daily practices

Opportunities and constraints

According to the stories that Maia, Anisha, Samia and Banshi shared, Janajati women had many opportunities at home. It appears they were able to take advantage of these opportunities because of particular aspects of their marriages. First, their marital relationships were couple-centred and they all experienced some kind of support from their husbands. Furthermore, even in cases where this support was only financial, women perceived it as a sign of love that motivated them to stay in difficult marriages. Additionally, long-distance relationships helped them to mitigate negative feelings.

Something that favoured couple-centred relationships was the way partners chose each other. Janajati’s preferred marriage was by elopement, meaning non-arranged and most likely a love marriage. Elopement meant that the spouses were free to choose each other and since they often originated from the same village, the woman's natal household was situated at very short distance from her ghar. Frequent post-marital contact with natal kin can provide support and security in case of abusive marriages but also strengthen relationships between the two households (Leach 1957, Dyson and Moore 1983, Niraula and Morgan 1996). Furthermore, among Janajatis, early separation from in-laws seemed to strengthen the husband-wife relationship from the very beginning of the marriage. Accordingly, in Maia's, Banshi's and Anisha's cases, even though the husbands were abroad for long periods, the couples spent some time neolocally before separation, in Nepal or overseas.

A second reason has to do with living conditions. The fact that women lived separately from their in-laws meant that they were able, from the very early stages of their married life (except for Samia), to retain the profits of their petty trade. A third and highly important reason is the wife’s control over finances. As husbands were away and wives were left in charge of looking after the family in Nepal, the women controlled finances and could choose to allocate remittances as they pleased. Husbands had no choice other than trusting and relying on them, as Bohodur highlighted: ‘I am fully dependent on her (Anisha)’.

However, Banshi, Anisha, Maia and Samia experienced a few difficulties at home. Banshi, for instance, faced marriage at an early age and a number of abuses from her husband; Maia was forced for many years to live with her abusive in-laws and struggled because of landlessness. Anisha initially had to ask for money from her husband. Samia’s constraints
were more significant. In fact, she lived with her in-laws and far from her natal district; she faced marital abuses and shortage of money for a long time.

In addition, Banshi, Samia, Maia and Anisha all experienced restraints within the lending institutions because of their caste. Pavi Sansthan was higher-caste dominated. Consequently, at the co-operative, they did not have access to large loans and to allowances received for participating in client training. Similar to Dalits, they all had to wait long hours and adopt a submissive attitude before obtaining their loans. Conversely, at Changastan, they did not face caste-related discrimination and had access to larger loans, but they encountered strict financial discipline. For instance, they had to pay higher interests, keep borrowing when not needed, pay fines if they arrived late to money-collection meetings, repay instalments on time and be financially liable for other's defaults.

**Individual and collective agency**

The words of Banshi and her friends show that women recognised that while their obligations and duties created frustration, pain and struggle, nonetheless they strived for better lives. They used microfinance to navigate their constraints and opportunities and moulded their financial strategies according to their circumstances. Their agentive acts arose from the intersection of microloans with their husband's absence, access to remittances and several other circumstances, which varied from household to household. These circumstances included such things as relationships with husbands, natal family, children and in-laws. As Banshi and her friends explained, their financial and domestic strategies were extremely conditional. In accordance with literature findings, such as in Cornwall (2007) and Ahearn (2001b), it seems that women's agency, is circumstantial and strictly related to their cultural worlds.

As much as the those of the Yorubas (Cornwall 2007), the practices of the four Janajati women seemed to draw on their options and limitations, and show a skilled, personally meaningful, navigation of the two. For instance, a delay in receiving remittances motivated Banshi to take her first formal loan. Had she received regular monthly remittances, she would probably not have borrowed in the first instance. Similarly, having a disabled son forced her to keep him in a hostel from a young age, adding substantial expenses to her budget and enlarging her need of cash. At the same time, having a collaborative mother-in-law willing to look after her grandson in Dulara, allowed Banshi to avoid criticism over excessive borrowing and enlarge her loan practices. Likewise, Maia's unfortunate circumstances due to long cohabitation with in-laws and landlessness favoured her loan practices, while her acquired loan-juggling skills allowed her, after more than a decade, to overcome further difficulties related to lack of regular income. Equally, Bohodur's love and
understanding of Anisha's unbearable workload allowed her to lease his land and focus on growing the family's wealth through a number of investments. Finally, Samia's circumstances heavily shaped the way she exerted her agency over microfinance practices as well. Loans provided her with leverage to gain power in her marital relationship, forcing her husband to repay debts and give her control over the household finances.

Together with personal constraints and opportunities, the four women shared some common practices and characteristics, which also affected the way they exerted their agency. They shared information about loans and borrowing practices and some women's choices on how to exert agency seemed to impact on the other women's choices. Samia, for instance, decided to embrace microfinance after looking at Banshi's practices. Most importantly, they all shared similar financial strategies and their agentive acts appear, to some extent, to be similar. One of the most important factors that they all shared was having the role of financial manager and remittance recipient, given their husband's absence. Additionally, their first contact with microfinance was to meet a need, not as a planned long-term strategy. Samia was the exception here—she approached it as a strategy from the very beginning. After that first loan, the women realised that loans could eventually provide financial security during times of cash shortage and easily be repaid at a later stage. At the same time, although they shared a certain financial stability, they all faced similar conditions within the lending institutions, such as limited access to large loans at Pavi Sansthan and high repayment rates at Changastan and other MFIs. Furthermore, after years of loan taking, they had all acquired the skills to make sure they could enlarge their loan portfolio and repay debt in the way they deemed most suitable.

Primarily, they affiliated with several institutions, so they could take multiple loans at the same time. In so doing, the women moved together around several MFIs. Unlike Pavi Sansthan, these institutions considered the group of four or five women liable for others' defaults. The four friends trusted each other and affiliated together with the same MFIs, so that they only shared each other's liability, not that of untrusted other borrowers. Usually it was Banshi that introduced new MFIs to the group because she had easy access to information through her network of social work. Banshi, Maia, Samia and Anisha served at each other's proxy, turning the constraints they experienced within MFIs institutions, such as being forced into continuous debt, into an opportunity. In fact, there was always someone among them who needed extra cash, so that the friend who was forced to take a loan acted as her proxy. But proxy loans functioned as another important strategy, that of mobilising larger amounts to invest in assets. When Anisha and Banshi acted as Samia's
proxies at Pavi Sansthan, it was because Samia already had a loan at the co-operative. When one of the four had a loan already in that institution or she needed an additional one to reach the desired amount to make the investment of choice, her friends borrowed for her.

Overall, the women’s strategies showed an active engagement with their structural opportunities and constraints, to the point that they were able to transform their constraints in opportunities, in particular transforming into resources the restrictions experienced within institutions. In doing so, the four friends constantly improved their financial techniques and, most importantly, shared such knowledge. Not only did they mutually support each other, but they also created a shared strategy, the loan-swapping-remittance mechanism, which transformed their lives. The next three sections will shed light on these transformative results.

Risk management and the loan-swapping-remittance mechanism
In being culturally constrained, agents respond to the cultural structures in an active, creative way (Ortner 1989: 194). One of the most innovative practices that the four women created to respond to the challenges of the structure in which they were entangled, was the loan-swapping-remittance mechanism, which was their collective financial strategy. It worked as follows. In the first instance, Janajati women approached moneylenders because, even though their interest on credit was higher, moneylenders did not require monthly instalments and women could delay repayment. At the same time, the four friends borrowed from lending institutions. In combining formal and informal loans, they were able to amass a significant amount of money to invest. Then, they prioritised the repayment of the formal loans through remittances. Having extinguished the formal loans, they took a second round of formal loans to repay the moneylenders in bulk and to avoid increasing the debt. Then the women repaid the institutions in instalments through remittances.

This system allowed Banshi and her friends to mobilise significant amounts of capital in a short period of time, especially since co-operatives and MFIs only allowed loans in proportion to savings and one loan at a time. Additionally, at Pavi Sansthan, Janajati’s demand for loans was higher than what they were offered. Furthermore, moneylenders did not accept instalments, but they requested that the amount be repaid in full along with

69 In Situli, money lending was widespread even before the introduction of MFIs and CO-OPs. Inter-caste money lending required interest, even if the loan was repaid on the following day (interest was not charged for loans to higher castes, repaid on the same day.), while intra-caste borrowing was differently regulated. In that case interest was not required if repayment occurred within one month, while money retained over a month by non-kin would be required to be repaid with interest. For money borrowed within the kin sphere (maternal, paternal or affinal) interest was not required. But, of course, exceptions, as Banshi reminded us, did exist.
interest. The rate was 2 to 3 NPR every 100 NPR per month, which amounted to a 24% or 36% credit interest per year, while lending institutions ranged from 15% to 20%. The reason why moneylenders did not urge repayment was that the longer the borrower kept the money, the higher their profit. Women explained that moneylenders were expensive but ‘you could forget about that loan’, while lending institutions were cheaper but required monthly instalments. The women’s opinion on instalments was ambiguous; instalments were ‘good’ because of their smaller size, but ‘bad’ because they had to be paid anyway and could not wait if remittances arrived late. But this was all accommodated within the loan-swapping-remittance mechanism logic, which, not only optimised women’s resources, such as remittances, through formal and informal loans, but it also made the most out of their impediments.

In this configuration, it is evident that the major risk of the loan-swapping-remittance mechanism was over-indebtedness. Moodie argues that where women struggle to repay for a number of reasons such as over-indebtedness, circumstances beyond their control, or the policies of lending institutions that compel them to take on more debt than they can reasonable afford, the risk seems to be transferred to borrowers (Moodie 2013: 297–298). In Situli, this appears to be the case for Janajati women’s practices. If fact, Maia, Samia and Banshi constantly took more debt that what they could reasonably afford. In addition to the loan-swapping-remittance mechanism, their practices involved proxy and multiple formal and informal loans at the same time, depending upon how many memberships they had and how large their social network was. However, my findings suggest that the amount of debt they could ‘reasonably’ afford was an extremely subjective concept, since, according to the women, they could cope by pairing the remittances with intensive work in the fields, animal husbandry and petty trade. In other words, their heavy indebtedness had a high cost in terms of workload and preoccupations, since on more than one occasion they admitted that they worked less and were less stressed before microfinance.

The four women appeared to be well aware of the negative consequences of over indebtedness. They complained about the worries deriving from excessive debt, using the word ‘tension’ numerous times. In Situli, the English term ‘tension’ has been incorporated into Nepali and can be translated as ‘worry’ or ‘preoccupation’. Sen and Majumder (2015) define women’s perception of risk as ‘an expression of not being able to balance the different worlds and power structures they had to navigate’ (2015: 132). Banshi and her

70 In Situli, the institutions that enforced strategies to ensure prompt repayment were generally MFIs, while Pavi Sansthan adopted a more flexible repayment schedule. The Changastan staff did not grant loans before completing the money collection, did not allow cash withdrawal from women’s savings accounts and encouraged informal debt among clients. Additionally, their staff never reported defaults, forcing the rest of the group to repay.
friends perceived ‘tension’ as something very similar to Sen and Majumder’s ‘risk’. When I enquired about what tensions they referred to, they explained that loans were expensive, they were difficult to repay because of the tight instalment schedule and there were multiple interests required from loan swapping. Furthermore, at Changastan, delayed repayments gave women a bad reputation that could jeopardise their future borrowing power.

Overall, Janajati women were never sure if they would be able to repay the next instalment because of circumstances beyond their control such as variability in the remittance amounts they received. Additionally, holding multiple memberships meant multiple meeting to attend every month, which had a high cost in terms of time, energy investment and work subtracted from their daily activities. Women mentioned two other risks. There was the potential for conflict with sceptical (and judgmental) family members, as well as the challenge they faced in convincing friends and neighbours to join new money lending institutions, so that they could have a reliable group for borrowing more money. Overall, the four Janajati women acknowledged the risk of over indebtedness. However, they decided to take it anyway because they deemed the deriving costs, including the heavier work load, worth the potential benefits. They were convinced that living with debt was, undoubtedly, more viable than living without it. As Banshi reminded us, she had no other choice.

The four women aimed to transform remittances into land and other assets, such as brick houses and gold jewellery. Without the loans, it would take them a very long time to save the desired amounts. Furthermore, as Anisha admitted, without financial discipline she would have never been able to invest. The loan-swapping-remittance mechanism made their aspirations viable. It allowed them to optimise their quarterly or biannual remittances by channelling the money towards assets. As any good optimising agent would do, Banshi, Maia, Anisha and Samia did not irresponsibly engage in over indebtedness; they indeed recognised the risk, evaluated it and decided to take it. Risk seemed circumstantially viable because it permitted them to acquire highly desired assets.

The most desired asset was land. According to the four women, land acquired value in the long-term and could be sold for a higher price, generating profit. It was, overall, an investment to increase their financial security. Selling land guaranteed secure profit and recovery of the interest paid on loans. In other words, to invest in land meant that they did not end up with a loss, and, most importantly, they profited from the interest paid on loans. If we compare the Janajati women’s choices to those of the Guatemalan women
described by Moodie (2013: 299), it seems that in both localities, land purchase was a way to minimise and stabilise the risk of loans.

**Transformed personal, domestic and social relationships**

Microfinance allowed Banshi to provide better living conditions for her disabled son and to avoid pressuring her husband when the interval between remittances became too long. Loans helped Maia to set up a living income in desperate circumstances; Anisha appreciated financial discipline to increase the wealth of her family. To Samia, microfinance provided the chance to compel her husband to send more remittances, acquiring bargaining power within her marital relationship. But, most importantly, they all became landowners. In this section, I discuss the meaningful changes that women made to their lives thanks to microfinance and the land they were able to purchase.

As I have highlighted in the introduction to this thesis, practice theory identifies agency as the key to understand how social reproduction becomes social transformation (Ahearn 2001b: 55). Practice theory postulates that through engagement with structure, agents transform the structure, as Ortner highlights, structure ‘... is challenged, defended, renewed, changed’ (1989: 196). While engaging in microfinance practices, Banshi, Maia, Anisha and Samia transformed their lives and the structural circumstances they had previously experienced. For instance, when Maia’s husband returned to Nepal permanently, she continued to manage the household finances, as he did not resume his role as financial manager. We can expect a similar result when, eventually, Banshi’s, Samia’s and Anisha’s husbands return to Radapur for good. Similarly, after many years of skilled loan-related strategies, the four women learned to overcome or disregard their kin’s scepticism towards debt. As we have seen, the changes differed for each of the women featured. In some cases, the husband embraced the new practice (Maia’s), sometimes he simply accepted it (Banshi’s), while, in some others, he became unwillingly complicit (Samia’s and Anisha’s).

However, as Ortner indicates, the changes not only pertain to the structure (1989: 196). Daily practices affect agents too. Over the years, Banshi and her friends, changed from remittance recipients to landowners. The four women purchased land under their own names, as did all the other ten Janajati women whose microfinance practices I followed during my fieldwork. This transformation was due to several interrelated circumstances, such as availability of land for sale, as I have discussed in Chapter Two, and new national regulations, which prescribed that Janajati women, together with all Dalits and other
disadvantaged castes, would be granted a significant discount on taxes while purchasing land under their own name.

In Situli land became available for sale only recently. Historically, Janajatis experienced landlessness (Regmi 1976, 1978) and a number of deriving consequences. They were disadvantaged tenants in land-tenure systems, which made them dependent for subsistence upon Bahun and Chhetris, especially during periods of drought. Landlords often assumed the role of moneylenders and extracted free labour from tenants when they deemed a loan to be outstanding. Consequently, Janajatis became easily trapped in a debt spiral, as Radika confirmed: ‘Even if you had worked there for a long time, they used to say that the loan had not been repaid’.

In the perception of Janajatis (and Dalits as I explain in a following chapter), the Maoist revolution had brought social change declaring such loan contracts illegal. However, land remained in the hands of higher castes after 1990, and the conditions of tenants changed only marginally. As one of my informants recalled, tenants became entitled to half of the harvested crop, instead of one third or one fourth. Furthermore, after the revolution, free labour could be not be extracted anymore. Further, a consistent cash flow of remittances affected the hilly districts of Nepal from the mid-1990s (Sijapati and Limbu 2012). This allowed the families of migrants to increase their purchasing power and decrease the labour force in the fields, because they could then buy rice instead of having to grow it. In this context, women like Banshi and Maia could afford to refuse to work in adhiya and demanded bandaki, a more tenant-friendly land tenure system. At the same time, higher-caste landlords’ daughters-in-law became gradually more educated (Acharya 2003) and refused to work in the fields. Bahun and Chhetris, as a consequence, decided to sell land. As we have seen from the case studies, Janajati women did not hesitate in taking advantage of the changed conditions, especially because the loan-swapping-remittance mechanism made land purchase feasible in the short-term.
Optimising agents

Bourdieu's economics of practices (1977: 177–178) extends the concepts of profit and exchange to cultural worlds. In saying that humans carefully calculate their search for rare goods in their daily lives, the author suggests that agents seek to obtain the maximum outcome, minimising the downsides. In making the best or most effective use of the situation with its possibilities and restraints, Janajati women found an alternative with the most cost-effective or highest achievable performance. They minimised the risk and maximised the outcomes by choosing the loan-swapping-remittance mechanism to purchase land. Not only did they make the most of the financial resources they had available, such as remittances, as well as formal and informal and loans; but they maximised their use of multiple memberships, their friendship, caste and family-related opportunities, turning their weaknesses into strengths. In one word, they optimised.

The parallel with the economic term 'optimising' is not incidental. In strict economic terms, not only did they minimise the risk of microfinance through land purchase (Moodie 2013: 299), but they also extended their optimising skill to their daily lives (Bourdieu 1986), reconfiguring a social universe of past exploitation in a present context of ethnic affirmation. They were, indeed, not mere victims of an aggressive neoliberal agenda (Rankin 2001; Mayoux 2001; Elyachar 2005; Keating et al 2010; Gershon 2011; Karim 2011; Moodie 2013) but optimising agents able to make significant changes to their lives, skilfully using the institutions that might be seen by others to use them. ‘Thus, the relationship between rural subjects and NGOs is contradictory and varied; they instrumentally exploit each other’ (Karim 2008: 9).

Throughout the chapter it has become evident that Janajati women’s agency is always socially and culturally constrained (Ahearn 2001b: 55), responding to the challenges of the structure (Ortner 1989: 196). The Janajati women of Situli faced more opportunities at home and more constraints within institutions compared to higher castes. Their desire for social standing was a response to past caste oppression and financial exploitation. They actively used microfinance to navigate these restraints and opportunities in an ingenious, although situational, circumstantial and contingent way (Cornwall 2007: 38). Over the years these women practised and refined their financial and domestic strategies and their agentive responses to the structural caste-related impediments had transformative results. Not only did they gain irreversible control over domestic finances and the trust of their relatives, but they became astute investors, and turned from simple remittance-recipients
into landowners, taking advantage of social and historical circumstances such as the availability of land for sale and the increasing number of microfinance institutions.
Instead of openly voicing their feelings or publicly rebelling against unjust treatment, many women instead have learned how to manage their husbands through endurance, manipulation, and deception (Gamburd 2000: 203)
In Situli, higher caste women pursued wider opportunities for themselves and their daughters through microfinance. Within a context of highly constraining domestic arrangements, these women desired to transform their household relationships. As we will see in the chapter, one of the motivations to alter these relationships was to acquire more control over their own lives and to pass on these achievements to their daughters. In this section I argue that the education of daughters is an important investment through which women pursue meaningful changes, such as the transformation of Bahun women’s household relationships. We will examine this through the stories of Bibha, a 23-year-old Bahun young woman, and her mother Tulashi, a 50-year-old Pavi Sansthan affiliate. As we will see, the two women experience different levels of constraints because of their education and lack thereof. They also value education as a means that can allow women to access more options.

Until the two decades prior to my research, education was reserved for male Bahuns (Maslak 2003: 44). Education was a priority for higher caste men, because it allowed them to obtain government-related jobs, paired with the aphno manche network. In Situli this mechanism has been recently extended to women. However, in 2014, in upper caste households, a daughters’ education was still not favoured over a son’s. For instance, a particularly wealthy family would encourage the completion of a masters degree for sons and that of bachelor for daughters, or that of bachelor for boys and SLC or Plus Two for girls.

The archival data I collected at Pavi Sansthan for the period 2009–14 showed that 26% of the total loans taken by Bahuns and Chhetris were allocated toward education, which was women’s first choice, before livestock (24%) and business (14%). During the two decades prior to my research, higher caste women in Situli provided higher education to their daughters once that became a possibility through the acquisition of microfinance loans. This corresponds with a nation-wide rise in female education (Government of Nepal 2012b).

**Educating daughters, enlarging opportunities**

Tulashi, one of the five founding members of Pavi Sansthan, was aged 50 years in 2014. She and her daughter Bibha were among the very first people I met in Situli. At the beginning of my fieldwork in January 2014, Jharana and I passed everyday through the front of their two-storey house, that was attached to the Pavi Sansthan office. Four people lived permanently in the house: Tulashi, her husband, her mother-in-law, and Esha, the
youngest daughter. They belonged to one of the most prominent Bahun families of Gomasari.

Tulashi spent her mornings cultivating the vegetable garden at the front of the house under the vigilant eye of her mother-in-law, who sat in the shade of the nearby veranda. Tulashi always wore a red and green sari. The dress made her movements difficult and often one edge caught in the soil, and she quickly pulled it out. Tulashi had five daughters, three of which were married with children and lived in Kathmandu, Pokhara and Dulara respectively. Very often, seeing myself and Jharana heading to the office, she called us in for a tea or a small snack, which we politely accepted.

During a sunny morning in February, Tulashi called us in to meet her fourth-born daughter, Bibha. Bibha was completing her last year of a bachelor degree in software engineering in Pokhara and had just arrived at her family home for the weekend. She spoke English fluently. Instead of the traditional kurta-surwal, a more ‘appropriate’ outfit for a woman of her age in Situli, Bibha wore t-shirt and jeans. When I explained that I was studying in Australia, Bibha proudly showed me her new iPhone, which she had received from Sydney. Bibha had made a website for a business located in Sydney and had been repaid with the phone. She explained that to earn some pocket money she created websites for business companies. Bibha and I became friends quickly and we often visited each other.

I also met Tulashi at the co-operative numerous times. She came to Pavi Sansthan regularly either for loans, to make decisions, or simply to gossip with the staff and committee members. Over the course of my informal exchanges with Tulashi, I discovered that she had been given in marriage at age 14 years to a much older man. After the wedding, Tulashi’s mother-in-law abused her for decades. On one occasion, we were enjoying a cup of tea in the shade of Tulashi’s garden. She recalled:

> It was terrible. They [her husband and his family] brought me here and I did not even know why. No one ever explained to me that I had been given in marriage or what marriage was. Since the very first morning, they [parents-in-law] made me work hard in the fields, no matter if it rained or the sun burned my face. I was constantly exhausted at that time.

The only person who did not abuse Tulashi and occasionally helped her in the fields was her husband. A few years after marriage the two became romantically involved. It was at that time that the surveillance of her mother-in-law increased. In Tulashi’s words:

> My mother-in-law was constantly keeping an eye on me. I could not even go to the toilet on my own; she would follow me all the times. She also started to beat me without reason. I
was young and did not understand her behaviour. I wanted to visit my parents and siblings, but they [parents-in-law] never allowed me to leave. They also did not allow us [Tulashi and her husband] to sleep in the same room for nearly ten years. I had to sleep with my mother-in-law ... can you believe it? She would lay next to me as if she was my husband (laughs)! But my husband and I were smarter; he would bring me food in the fields during the day and we would have sex there (laughs).

Tulashi’s parents-in-law wanted to postpone the closeness developing within the romantically involved couple. Sipping her tea, Tulashi explained that usually, in Nepal, in-laws feared that if the couple became too close, the son would only ‘listen to his wife’. In her case, however, Tulashi believed that they took advantage of the fact that she was young, inexperienced and far from her natal village. At 21 years-of-age she became pregnant. The mother-in-law was furious; she starved her daughter-in-law and hit her belly numerous times, hoping for a miscarriage. Over the years, Tulashi delivered five daughters and her mother-in-law’s abuses increased. Tulashi’s husband was also disappointed by the lack of sons, and, according to her, that and frequent work-related travels prevented him from acting against his parents.

Tulashi, to escape the abuses, joined Pavi Sansthan from the very first day of its activity and became one of the most prominent founding members. Due to her involvement in the local co-operative, Tulashi was able to visit India, received many prizes for her social work and initiated a shared agricultural co-operative with other higher caste women. After two years of membership at Pavi Sansthan, she became the household financial manager. Most importantly, over the years, she took loans to educate her daughters, which her husband repaid through his government wage. In reflecting upon her life, Tulashi admitted:

I would never want for my daughters to experience what I faced. That’s why I struggled for decades to educate them. Even my husband, initially, did not want to spend money for their schooling, but, in the end, I convinced him. He is not bad, but fears his parents and the villagers. I fought against everything and everyone to make sure my daughters’ future was be better than mine.

Tulashi saw education as a way of freeing her daughters from the same restrictions that she was subject to, such as domestic abuses, no access to finances and a general lack of control over her own life. In the past, she had often brought her daughters to Pavi Sansthan and the feminist marches that the co-operative organised. She taught them to be financially self-reliant. Most importantly, she made sure that they all completed university.
On a Sunday afternoon, Jharana and I went to collect grapefruits with Bibha, Tulashi’s daughter, in the garden of one of her relatives, which was situated a 30-minute walk from our house. On the way, I was struck by how much Bibha’s words to me recalled those of her mother. She stated that if it wasn’t for Pavi Sansthan, she and her sisters would have never been able to study and obtain their jobs. Furthermore, thanks to Pavi Sansthan, she could follow her dream to study abroad. According to Bibha, Tulashi could take more than the five lakhs allowed as a maximum loan, by combining up to ten or more loans from her own friends, who would act as proxies. Bibha’s father, who worked for several NGOs at that time, would, as usual, repay the instalments.

Bibha completed her studies soon after that encounter and immediately obtained a government job in Kathmandu, thanks to one of her father’s friends. The parents then arranged her marriage. Although Bibha felt disappointed and frustrated because she saw marriage as an obstacle to her career, after a detailed examination of the prospective husband, she believed that her married future would be not so bad. As Bibha explained:

> My parents searched for an educated husband, since I am highly educated. He seems a nice guy. For instance, he convinced his parents not to ask for a high dowry, given that my family spent so much money for my education. He has studied in the UK. This means that we might end up moving abroad for my masters. Also, he lives and works as a lecturer in Kathmandu, so we won’t be visiting his parents in the Tarai very often.

Bibha believed that a woman with an independent income that lived neolocally with her husband had less chance of being abused. She was also convinced that an educated husband would be more inclined to support his wife’s career. With these prospects in mind, Bibha married in April 2014.

As the stories of Tulashi and Bibha illustrate, Bahun and Chhetri mothers chose to educate their daughters to give them the opportunities that they themselves did not have. Education not only offered direct access to financial resources, but it also increased women’s value on the wedding market and, possibly, their bargaining power within marital relationships. In Situli, education is a relatively new means through which young higher caste women can assert themselves. It generates the ability of negotiating between personal desires and cultural expectations, something that would have been unimaginable for prior generations.
Plate 20: An educated young woman can’t contain the joy while getting ready for her wedding ceremony. She is about to marry an educated young man and live neolocally in Pokhara.

Plate 21: The parents of the bride washing the feet of the newlyweds as a sign of respect.
Theoretical engagements

This chapter argues that microfinance served as enabler of personal and social change for the Bahun and Chhetri women of Situli. In particular, it shows how women used microfinance to transform their domestic relations, making positive changes to their lives and to that of their daughters, with the added effect of enhancing their social prestige. The chapter, exploring Bahun and Chhetri women's agency, is a contribution to the main argument of the thesis on how women use microfinance in ways that are meaningful to them but not initially intended by the lending institutions (Sharma 2008; Sen and Majumder 2015).

I engage with three sections of literature. Firstly, in highlighting the difference between Bahun and Chhetri women's domestic constraints and the opportunities they face in NGOs deriving from their caste status, I focus on previous studies analysing the cultural worlds of higher caste women. Then, I position women's actions within a practice theory framework, building upon the content of previous chapters. Finally, I situate women's investment choices within the literature on microfinance that focusses on preferred forms of investment in contexts other than Nepal.

Situating Bahun and Chhetri women at home and within NGOs

The literature is unanimous in describing Nepalese Bahun and Chettri women as facing more domestic restraints than Janajatis and Dalits (Bennett 1976, 1981, 1983; Sharma 1980; Allen 1982a, 1982b; Cameron 1998).71 Bennett's (1983) analysis identifies the ambiguous status of the higher caste woman as contributing to these limitations. The author identifies two complementary and opposing models operating in these women's lives: the 'filiafocal' and the 'patrifocal'. These are based on different groups of values and concerns, which derive from women's consanguineal and affinal ties, respectively.

Within the filiafocal system, daughters and sisters are considered sacred and ritually pure, they are pampered and worshipped as superior vis-à-vis their male kin, enjoying relative freedom in their natal home. By contrast, the patrifocal model relates to a woman's procreation power and her reproductive role (Bennett 1983: viii). A higher caste woman, particularly, has duties of obedience towards her affinal males and older affinal females, ranking lowest in their household hierarchy. A daughter-in-law is considered dangerous and highly polluting because of the suspicion related to her being an 'outsider' and also

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71 The sanctioning of female behaviour is thought to date back to a text by the Hindu philosopher Manu, 'Manusmriti', in The Laws of Manu (c. 200 BC–AD 200), which sets out the Hindu law code (Radhakrishnan and Moore 1971: 189–192).
because the relationship of love and affection that she eventually develops with her husband poses a threat to his loyalty to the patril ine (1983: 180). Therefore, the severe prescriptions governing a daughter-in-law's behaviours are aimed at controlling her sexuality and power within the household domain.

The daughter-in-law is seen as a competitor by her affinals, especially by her mother-in-law, whom she has to obey and show deference (Bennett 1983: 180). However, what Bennett sees as an issue of competition over control of resources, for Cameron (1998) is a matter of honour (ijat). The two analyses are complementary and shed light on the motivations for higher caste women's segregation. In fact, a non-modest, immoral, and non-obedient daughter-in-law, whose sexuality is not controlled, can easily compromise the prestige and honour of her affinal family (Cameron 1998: 137). To avoid the family's loss of honour and to demonstrate her own loyalty to her husband's patril ine, a daughter-in-law has to show deference and emphasise her low ranking. She is expected to perform all the hardest work, such as 'carrying manure, cutting grass, working in the fields, husking rice, and scrubbing pots' (Bennett 1983: 180).

A good daughter-in-law should be less educated than her male kin and husband; and often much younger than the latter. This last feature, paired with the stigma attached to remarriage and widowhood, usually translated into long years of suffering and discrimination in old age. In the past, it was common to give teen-age, uneducated daughters in marriage. The younger the daughter, the less 'polluted' she would be and the more honour she would generate for her natal and affinal families. In addition, there were practical advantages in early marriage. For the girl's natal family, it meant that they had one mouth less to feed and the younger and the less educated she was, the smaller was the required dowry. She also would spend longer years performing work for the in-

72 The dominating patrifocal model is organised around the solidarity of agnatic males (Bennett 1983: 142) and the ranking of males over females and of elders over youths. In the Hindu moral universe, the model is complementary to a fili focal logic, where women rank higher than men and youngsters higher than elders (144). Such logic is strikingly visible in the affinal-related relations governed by the Hindu principle whereby wife-takers rank higher than wife-givers (Dumont 1961, 1964, 1966; Doherty 1974; Bennett 1978). Particularly, the concept of kanyadan (gift of a virgin daughter) conveys that, for the wife-givers, 'the purer and more valuable the item is, the more merit is received from giving it' (Campbell 1976: 102 in Bennett 1983: 144). In so doing, giving what is of most valuable that they have, a father (and his sons) will always rank lower than the lineage to which he has given his daughter in marriage, while they will always rank higher compared to his wife's maiti, according to a system that Dumont called 'hypergamous hierarchy' (1966: 101). According to Bennett (1983: 145), this rationale expressed in a number of rituals, such as those performed during the annual Bhai Tika celebrations, or that of the bride's consanguineals washing her and the groom's feet on the wedding day, represent the daughter's significance in this context. The rituals celebrate her sacredness and appropriateness as a religious gift, because of her superior purity.

73 The purity–pollution polarisation is intended here in both terms of absence of menstrual blood and virginity at marriage. In Nepal, it was believed that when a daughter was given in marriage before menarca, her parents would go to heaven. At the same time, the younger she was, the more chance she would be a virgin. Virginity (a form of controlling her sexuality in her natal household) at marriage is currently considered a requirement for Bahun and Chhetri brides as they have to accrue prestige to the natal family.
laws and would be less vocal, more docile and more inclined to tolerate abuses. She had to tolerate beating and humiliation until her status was gradually elevated by age and the delivery of children, especially sons (Bennett 1983: 181). Overall, the duty to accrue honour to their natal and affinal families was incorporated within a higher caste woman's identity and affected her respectability and social status (Holland et al 2001: 214-232). However, it heavily constrained her ability to earn and retain money.

Together with early marriage, domestic segregation, long-term cohabitation within the extended family and stigma attached to divorce and widowhood, another major impediment for upper caste women, is that of distance from her natal family, which results in very rare visits and limited support (Leach 1957; Dyson and Moore 1983; Niraula and Morgan 1996; Cameron 1998: 189–190). The reasons for this distance are mostly due to arranged marriages with strict rules and regulations about eligible spouses. As we see in this chapter, in Situli, rural Bahun and Chhetris observe strict caste-endogamy, gotra exogamy74 and seven-generation exogamy from each of the parent's side (Bennett 1983; Cameron 1998). In the study area, higher caste patrilineal clans (kul) are clustered around the same area (Situli and other bordering VDCs) and hardly ever migrate, due to land ownership, with the consequence that eligible spouses often live outside the district.

While at home they are extremely disadvantaged, Bahun and Chhetri women face many opportunities within female NGOs, because of their higher caste status, when compared to women belonging to other castes. Prasain (1998), in his literature review on the controversial position of the academia in the Nepalese development enterprise, argues that:

> Although the rhetoric would have us believe that development is associated with the poor, powerless and the marginalized section of the population, given the prospects of power and profit involved in the enterprise, the socially, economically and politically powerful groups constitute the most prominent players in development ... [Their] sustained dominance is made possible through the deployment of complex and varied cultural tactics (1988: 342).

Later, the author specifies that, in Nepal, these powerful groups are Bahuns, Chhetris and Newars (1988: 384). 75 If Prasain emphasises the caste-based supremacy of the policy

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74 Gotra is one's clan and is not apparent from his or her surname. According to the Hindu Nepali kinship and marriage system, gotra exogamy embodies the ultimate incest taboo. A person is forbidden to marry within the same gotra (Cameron 1998: 177).

75 Most of these studies were carried out in the Kathmandu Valley, where Newars are prominent alongside Bahuns and Chhetris. In the rural context of Situli, however, Newars hold a different position. They are, in fact, associated with other Janajati groups, such as Magars and Gurungs and, similarly to them, they do not hold privileged roles in NGOs and public offices.
makers, Tamang highlights that the beneficiaries of these policies are upper caste women as well, because they are the ones interviewed during data-collection (1999, 2002a, 2009). They hold the power to make their 'voice' heard, whereas the development industry denies the 'heterogeneity of women's lived experience' (2002a: 317). As she clarifies:

Hitherto unquestioned in their authority being Nepali and being female—to produce information about 'Nepali women', the reports, etc, of these elite women hardly acknowledge the relative positions of power and privilege from which they speak. ... Historical circumstances have meant that those who currently have the educational levels necessary to belong to this elite, are most likely to be from the 'upper-caste' Bahun and Chhetri (Kshatriya) families (1999: 40).

Tamang believes that higher caste informants interacting with national and international NGOs not only have constructed a biased portrait of the 'Nepali woman', but that, in return, the agencies have facilitated the hegemonic agenda of the same Hindu elites in power. It is in this historical configuration, where higher caste and educated women have strategically established connections with state elites (Tamang 1999, 2009) and where Bahun and Chhetri NGO policy-makers have been deciding what needs to be done (Prasain 1998) for Bahun and Chhetri beneficiaries (Tamang 2002b), that I analyse the case of Pavi Sansthan in Situli. As I show through the chapter, there is much room, within the local lending institutions, for Bahun and Chhetri women to perpetuate their caste-based domination.

**Critical perspectives on agency and practice**

The chapter is mainly concerned with what happens 'behind closed doors', and in exploring the domestic sphere of the higher caste recipients of microfinance. Several studies argue that female microfinance recipients who experience domestic restraints in contexts other than Nepal are not involved in the decision-making process on loan usage because the money is used by husbands or other male kin (Goetz and Gupta 1996; Ackerly 1995; Montgomery et al 1996; Hulme 2000; Rahman 1999a; Karim 2008). Although higher caste Nepalese women are heavily constrained by their domestic relations, the chapter explores how they have adopted a number of strategies to acquire control over loans and ensure repayment. As I argue, women pursued their goals using a variety of strategies, including manipulation and compliance aimed at indirectly modifying their complex familial relations.

MacLeod's (1992) concept of 'oppositional agency' is extremely useful for the case of Bahun and Chhetri women. In her study, Arlene MacLeod (1992) explores the 'accommodating protest' of middle-class women who had chosen to veil in Cairo in the
middle to late 1890s. Some women chose to veil to reconcile their role of wives and mothers with that of waged workers, while some others refused the veil (oppositional agency) and some others postponed it to their married life. In a growing urban environment where the cost of purchases was dramatically increasing, they experienced the pressure of increased workload and the tensions from not being able to reconcile their role of financial provider with that of caregiver. In a web of complex power relations with the other gender, women expressed a demand for renewed dignity through compliance (MacLeod 1992: 552). As the author explains:

Ideologies of opposition and inversion are less attractive when the end goal centres on creating a new relationship of CO-OPERation or equality rather than eliminating the other. … In such a context, the ambitions of women in power struggles necessarily become more complex (1992: 554).

In a scenario where actors seek recognition of their new status, they ‘accept, accommodate, ignore, resist, or protest—sometimes all at the same time’ (MacLeod 1992:534). Bahun and Chhetri women’s domestic cultural worlds, after the introduction of microfinance, display similarities to that of the women of Cairo. MacLeod’s analysis is extremely important because it shows that women seeking new familial relationships can adopt different solutions to the same problem, that of domestic constraints. I argue that this is due to women’s specific circumstances. In fact, women's agency emerges according to the social, political, and cultural circumstances of a specific place and time (Desjarlais 1997: 204). As we see later in the chapter, drawing upon the structure in which they were entangled, Bahun and Chhetri women deployed different responses. Some embraced open protest, while others preferred accommodation and acceptance, while some others combined the three, depending upon their circumstances.

In this configuration, some studies argue that in circumstances where women are highly constrained, oppositional agency is not the most effective solution, not just because the relationship sought is a more egalitarian one (MacLeod 1994: 554), but because the social cost is too high. In these cases, women adopt ‘patriarchal bargains’ expecting rewards for good behaviour (Kandiyoti 1998 in Jeffery and Basu 1998: 223). As Jeffery highlights in an edited volume on women’s activism in South Asia: ‘women do engage in oppositional agency aimed at resisting their situations, but women’s agency is often deployed towards ends that give feminists much less cause of celebration’ (1998: 222). Similarly, in her transnational analysis of female Sri Lankan migrants who served as housemaids in the Gulf Countries, Gamburd notes that women often hesitate to directly challenge the gender hierarchy, especially when they might end up being heavily sanctioned. Therefore, ‘Instead of openly voicing their feelings or publicly rebelling against unjust treatment,
many women instead have learned how to manage their husbands through endurance, manipulation, and deception’ (Gamburd 2000: 203). Drawing upon this literature, I explore the agency of upper caste women as heterogeneous and adaptable and I explain how they leverage, through microfinance, their opportunities and limitations to bring about changes to their lives.

**Contextualising investments**

In this chapter I claim that microfinance allowed women to pursue wider opportunities for themselves and their daughters not only through the manipulation of their domestic relationships, but also through their daughter's education and the appropriation of the local microfinance institution. The literature on microfinance has already hinted at how these three dimensions of women's choices contributed to expand their range of opportunities.

Kabeer’s study in rural Bangladesh has noted the correlations among female microlending, their marital relationships and daughter's education. Women in ‘non-conflictual (marital) relationships’ (1998: 65) increased their value within the household because of their ability to access loans, which was perceived as an increase in affection, love and consideration that they received from family members, especially husbands (1998: 65). At the same time, more individualised forms of behaviour, where women used loans to aid their economic independence, signalled greater conflict within the household (1998: 65).

In regard to a daughter's education, Kabeer’s study found that in rural Bangladesh, the second most common reason for women taking a loan was to support their daughter's education; the most common was for land purchase. The author defines the education choice as a ‘transformatory investment', capable not only of closing the gender gap in education, but also of providing women with better opportunities after marriage (1998: 52–54). In rural Bangladesh the reasons given by the mothers were like those given by Bibha and Tulashi at the beginning of this chapter: education enables girls to marry more educated and better-behaved husbands, less dowry would be asked by the groom's family and, finally, wives would avoid being completely dependent upon their husbands when they have their own incomes. Quantitative studies in the same country report similar patterns (Pitt and Khandker 1995; Khandker et al 2003).

Towards the end of the chapter I argue that microfinance practices bring enhanced social reputation, an added benefit to the life of Bahun and Chhetri. Through social recognition, their reputation, an important component of upper caste prestige, increases. Sanyal's
study (2009) in rural West Bengal is relevant in this regard. The author highlights how microfinance fosters women's groups' initiatives against under-age marriage, excessive use of alcohol and wife beating. Women's collective mobilisations acted as moral vigilantes, coercing male members of the community to stop abuses (2009: 533). In this context, the author argues that public recognition and reputation are pivotal for women, especially if they are bounded by severe rules of patriarchy, such as in the case of higher caste women in Situli. As I explain, public recognition is just as important for the household constrained Bahuns and Chhetris in Situli as it is for rural women in West Bengal. In each case, it allows them to show, to the inter-caste community, that they matter as a caste-based group, and that they have a good reputation.
Constrained at home, privileged outside

From early January to late August 2014, Jharana and I walked daily along the highway to reach the Pavi Sansthan office, which was situated in the western part of Gomasari. We crossed the ward countless times, passing in front of almost every higher caste household. We often stopped for a quick chat with the villagers, who usually invited us in for a cup of tea. The regular walk, together with our initial day-long visits to the office, gave us visibility from the very beginning. I quickly became familiar with the Bahun and Chhetri women and their families, who developed a curiosity about my work and, in general, my life in the village. My access to their domestic lives was facilitated by my host, who was one of the Bahun Pavi Sansthan staff.

I soon realised that Pavi Sansthan was a Bahun and Chhetri dominated co-operative. Although Bahun and Chettri women held multiple memberships in other savings and credit institutions, they tended to save and borrow mainly from Pavi Sansthan, which was also the most affordable source of formal credit in the VDC in terms of interest rate. Being at the Pavi Sansthan office was, for Bahun and Chhetri women, like being within a circle of very close friends. The women belonged to the same community, many of them were kin (having married men from the same lineage), neighbours, work colleagues and also borrowing peers. During the 15 years between its inauguration and my fieldwork in 2014, the Bahun and Chhetri women had developed feelings of belonging and ownership around Pavi Sansthan, which they perceived as their own co-operative.

Caste-based discrimination was common at Pavi Sansthan. Overall, the staff members openly displayed a reluctance to lend higher amounts to middle and lower castes and persuaded even the wealthiest among Janajatis and Dalits to downside their initial borrowing requests. Other forms of caste discrimination included the impolite way staff and committee members addressed middle and lower caste clients. In contrast, Bahun and Chhetri women easily obtained larger and more frequent loans using several strategies. As we see in the chapter, they manipulated the rules of the co-operative to their own advantage. At the same time, these higher caste women who discriminated against middle and lower castes at Pavi Sansthan struggled significantly to pursue the opportunities that Janajati and Dalit women already enjoyed at home. The cases of Anindita and Rasiya are striking examples in this regard.

Transforming domestic dynamics

Anindita was the most controversial character among the committee members of Pavi Sansthan. She would come to the office only for the meetings that paid her 250 NPR or
more, while she would pretend to be busy all the other times. Her greediness was legendary in Situli. In fact, her lack of popularity can be inferred from the following anecdote, which other Bahun and Chhetri women recalled numerous times to make fun of her. For a leisure trip involving some members of Pavi Sansthan, Anindita begged the Pavi Sansthan staff to purchase her cucumbers. They unhappily consented because she overcharged. During the fieldtrip, when Anindita was asked if she wanted her share, she nodded, quickly hid the vegetables in a bag and later tried to re-sell them to a friend.

In 2014 Anindita was a 46-year-old Bahun originating from a significantly wealthy family living in Pokhara. Growing up in the city, she acquired a high level of education for her age; she passed SLC. After an arranged marriage, Anindita struggled to accept the transition from the city to the village, believing that her life was 'ruined' after marriage. Her sense of frustration did not only originate from the decline in lifestyle that the adaptation to a rural environment inevitably brought, it also derived from her domestic circumstances.

For many years, Anindita’s mother-in-law and her husband were abusive. They did not allow her to talk with anyone, nor could she step outside the house or access any money. Psychological abuses were frequent as well. Her husband continuously repeated that he had married to bring someone to work in the house. She felt hurt, but she tolerated this because she did not want to dishonour her family. Reflecting upon her experiences during our informal exchanges, Anindita repeated numerous times that learning to endure maltreatments had nurtured her resilience. In fact, when I met her, she appeared shy and discrete. However, Anindita always addressed her interlocutors politely but firmly, often making requests that other people would be embarrassed to make. In a majority of the times, her conversers could not refuse because of the humbleness of her tone. As she explained to me: 'I had to learn to put myself down with words and to fight quietly through my acts'.

Anindita became a member of Pavi Sansthan in 2001, when she started saving the money that her natal family gave her during festivals. From the very beginning she had to fight with her husband and mother-in-law to be allowed to attend client training. In so doing, she could receive the daily allowances, which she promptly hid in her savings at Pavi

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76 Participation in training was an opportunity that all women I interviewed desired most. In fact, it gave them the chance to receive allowances that they were able to hide. The subjects discussed during trainings, did not provide any further knowledge to the participants. The modality of teaching (hierarchical and reproaching towards non-perfectly literate women) was not helpful. The contents had little to do with financial issues, but included discussion of such things as maternal health and personal hygiene. The women were not interested in these topics. What they valued was the opportunity to take a break from household chores and infants, spend time with peers in a non-domestic environment, receive a free meal and some money, together with indulging in some me-time without being excessively questioned at home.
Sansthan. Even though she knew that her behaviour would attract retaliation—the mother-in-law would starve Anindita's children while she was away; on return, her pockets would get searched for cash and she would be beaten—she persisted, thinking that the perpetrators would get tired at some point.

After 18 years, nothing had changed according to Anindita. Then, following a family dispute between the mother-in-law and her son, Anindita and her husband separated from the extended family and went to live in a hut with their children. It was at that time that Anindita's life changed. As she recalled:

I realised that I had to do something, since he was still afraid that his family would backbite and say that he gave money to me, whereas I did not see a single rupee.

Anindita used her savings and loans to set up a vegetable business, but encountered resistance from her husband, who continued to devolve his income towards his family, mainly to repay a major loan, educate his younger brothers and pay for their marriages. Following her increased mobility, the mother-in-law spread gossip that Anindita was having affairs and acting shamelessly. In fact, she did spend long hours outside home, usually at the Pavi Sansthan office or at meetings of the other organisations she belonged to. Seeing the profits originating from her investments, Anindita did not get discouraged, even though she did not see any changes in her affinal and marital relationships. In one of our conversations, Anindita reflected on her husband's behaviour:

He used to not let me go out of the house and I had to force him to let me leave. He was afraid that if I went out, I might say bad things to people or have affairs. He used to beat me when people told him bad things about me.

Anindita continued to tolerate this abuse. She believed that if she was a good mother and wife alongside being a good entrepreneur, her husband would have less to complain about. She always left the house after having performed her home duties and made sure to be at home in time to prepare meals.

By the time I met her in 2014, however, things had significantly changed according to Anindita. Although the partition of her father-in-law's property had not occurred yet, she now managed a profitable farm that, in addition to producing vegetables, provided milk to a local dairy co-operative. Anindita also managed two female agricultural groups, was a member in three co-operatives, and in the committee for the district association of co-operatives, and in mother's groups and forest committees. Over the years, she had invested large loans in the vegetable business, gradually turning it into a farm. With the profits, she had built the brick house where she lived with her family. Most importantly,
Anindita was able to provide her daughters with the same level of education as her son, hoping that they would struggle less than she did.

In 2014, despite these changes, her relationship with husband had not changed in relation to some important aspects of their finances. In fact, she knew very little about how he allocated his regular income. At the same time, her quest for better opportunities was not over since she still faced problems at home. When they fought, her mother-in-law still blamed Anindita for the separation that had happened 18 years earlier. Similarly, Anindita's daughters complained about the long hours she spent away instead of staying at home. Nonetheless, Anindita had achieved important transformations within the domestic dynamics. For instance, over the years, she had 'bought' her own freedom of movement through giving money to her husband and mother-in-law when they needed it. As she explained:

Now in the morning he asks me what is my plan for the day and where will I go. My mother-in-law now even calls my daughters and husband to eat at her place when she knows I am not at home and she even calls me when people come to ask for vegetables or milk.

Anindita's case shows strong outcomes in regard to the possible transformations within domestic dynamics. Initially, she faced numerous restrictions in the domestic sphere due to her higher caste status. Because of the same status, however, she enjoyed many opportunities within the institutions. Over the years, Anindita was able to navigate these opportunities and constraints through a patient negotiation between her role of daughter-in-law and that of entrepreneur, facilitated by her skilled use of formal lending. As a result, she acquired more bargaining power within her marital and affinal relationships.
Manipulating domestic restraints

Rasiya's house was situated halfway between mine and the Pavi Sansthan office. Every morning she waved at me and Jharana from the balcony on her upper floor. However, she never came to greet us at her gate, which was situated on the highway. I found her behaviour a bit strange, especially during the first weeks of my fieldwork, when other villagers always came out of their homes to interact with us, motivated by curiosity.

One day, Rasiya came to the office to demand a large loan, and I introduced myself. Rasiya did not seem very interested in interacting with me and Jharana. When I enquired about the possibility of having a private chat, she quickly responded that she only used loans to educate her daughters and that she did not have anything else to add. Rasiya explained that two of her daughters were married, had completed their bachelor degrees and held secure office jobs thanks to their father's *aphno manche*, while the other two were still enrolled at university. She added that she was extremely proud of having highly educated daughters.

After few more quick interactions at the office during the following weeks, the Pavi Sansthan staff explained that Rasiya's movements were restricted to the point that she could not come very often to the co-operative. And, when she did come, she always left after a few minutes. I soon realised that informal conversations were not an option with Rasiya and removed her from my list of people I could interview.
Unexpectedly, after a few months, Rasiya invited Jharana and me to her house for an interview. This happened after I had interviewed almost all the higher caste women in her neighbourhood. I suspect that, by then, my visits had become a matter of prestige, and Rasiya, given her high social status, felt the pressure of needing to be interviewed. She summoned us on a Saturday at eight in the morning, when her mother-in-law had gone to the temple and her husband was visiting friends. In talking about her husband, Rasiya used highly deferential pronouns and referred to him almost as to a divine entity. On the contrary, I had heard from her neighbours, scary stories about his irascible behaviour and Rasiya’s severe beatings. Further, Rasiya’s husband had a contentious dispute with his brothers over the impending partition of their deceased father's property and Rasiya had to comply with her husband's request of not associating with her sisters-in-law. Other villagers rumoured that Rasiya was so scared of her mother-in-law that she did not even dare to collect the courgettes that she planted. Overall, Rasiya was the only one among my interlocutors that refused to openly discuss the abuses she experienced at home, which I suspect were numerous.

Fifty minutes into the interview, Rasiya announced that we had to quickly end the conversations because her mother-in-law was coming back. She rescheduled for the following Saturday at the same time. On that day, upon our arrival, Rasiya made tea and cut fresh fruits for Jharana and me. Then she joined us on the veranda. Fearing another early return of her mother-in-law, the atmosphere was quite tense. Jharana and Rasiya were silent. I felt extremely uncomfortable, and, to elicit a conversation, asked Rasiya to tell us more about her life. In 2014, Rasiya was 50-years-of-age and married into one of the wealthiest Bahun families of Situli. She explained that because she had completed grade twelve before marriage, she had taken on an employed job for fifteen years, from which she had just retired.

I then asked if not having a son had affected her life. Rasiya explained that because of her 'inability' to bear sons, she had to tolerate consistent abuses and humiliation from both her mother-in-law, who had always lived with the couple, and her husband. I asked what kind of abuses. Rasiya, losing her patience, replied: ‘You should know this already by now ... In Nepal parents-in-law are bad. All they want is grandsons!' .

Although she had worked for years at the local co-operative, Rasiya's income had always amounted to one third of her husband's, who held a government post. Over the years, he had been responsible for the majority of household expenses and had always done the grocery shopping. However, in the past, when it came to their daughters' education, he
and his parents were not inclined, initially, to send them to boarding schools, since it was presumed that they would get married and leave. Rasiya then decided to borrow small amounts to purchase their stationary. After few loans, she perceived an increase in love and affection from her husband, as she recalled:

> It felt as if we had a money exchange, I took on increasingly higher loans and he, most of the times, felt like it was his duty to repay. He loved me (maya lagnu) more ... occasionally he would bring home my favourite sweets from his trips to Kathmandu.

Noticing a new pattern in her marital relationship, Rasiya, for fifteen years, took significantly high (1 to 1.5 lakhs) loans from Pavi Sansthan to give them the best education. During the interview she stressed again that her daughters' education was the best achievement of her life:

> Whenever they say that his (Rasiya's husband's) daughters have done well, I want my name to be added there as well. During ceremonies at school and university children's parents' names are read out loud. I want my name, Rasiya Lamichanne, to be read loud next to my husband's because I have done so much for their education. I have become as big as he.

Rasiya's contribution to her daughters' education was significant, and she sought public recognition for that. I congratulated Rasiya and enquired how could she afford to repay the loans with her small wage. She explained that occasionally she sought help from natal family, but, more often, she asked for money from her husband who, according to her:

> ... has always given me money when I asked because I have always been a good wife. I obey to him and address all his requests ... I cook the food he likes and take care of his mother. I take extra care of her when he is out (working far from Situli for long periods), so my mother-in-law does not get the sense that her daughter-in-law dominates her. In that way she feels loved by me and, most importantly, she shares this feeling (the feeling of being loved by Rasiya) with her son.

Rasiya believed that her mother-in-law and husband felt loved when she obeyed and pampered them. In 2014 she had to retire from her employment at the co-operative. Her plan was then to leave the house as rarely as possible and to increase her dietary restrictions, so that her mother-in-law and husband could see that she was devoted to her role of daughter-in-law and wife. Feeling reassured, the first one would not backbite, while the second, seeing that she was respectful and caring, could not refuse to repay the loans. To Rasiya, manoeuvring her husband's reactions through her own behaviour, was a legitimate and effective strategy to pursue her goals.
Given her weak position as a mother of four daughters, as well as living with an abusive mother-in-law and an abusive husband, Rasiya responded to the circumstances in a personal way. She strategically paired her ability to take loans with a tolerating behaviour, reassuring her husband and mother-in-law. This allowed her to educate her daughters. In so doing, Rasiya, as much as Anindita, transformed the financial relationship with her husband through microfinance, because she could take loans without worrying too much about repayment. Although using different strategies, they both subtly manipulated domestic constraints rather than provoke open contests. Rasiya and Anindita manipulated the complex relations between money, affection and love to create more opportunities for themselves and for their daughters. The following paragraphs will explore their daily practice and shed light on some traits of their agency.
Plate 23: Young girls at school
Plate 24: A higher caste student enjoying her day off from school

Plate 25: Mother and daughters-in-law preparing sweet breads for the impending marriage of a close relative
Strategising daily practices
Opportunities and constraints
Bahun and Chhetri women dominated Pavi Sansthan, the local lending institution. In 2014, they constituted the majority of clients, committee and staff members. They also owned more than half of the shares and savings, took higher loans and made most of the decisions, either formally or informally. Their opportunities were not limited to being credit providers and loan recipients, but extended to their connections within NGOs and government institutions (Tamang 1999, 2002b, 2009; Prasain 1998).

For instance, Anindita's brother-in-law worked at the local branch of the national agricultural department and kept her updated on the periodic delivery of free seeds for female agricultural groups. Since she belonged to two agricultural groups, she would collect the seeds as soon as they arrived and then re-sell them to her group peers. Additionally, Anindita's nephew worked in a bank, which consistently received government funds. Through her nephew, Anindita made sure that Pavi Sansthan borrowed large amounts at an advantageous interest rate to increase their loan portfolio.

Similarly, Tulashi's nephew held a government position in the department that granted study grants to Dalit and Janajati girls. Tulashi was always updated on the latest regulation in study-grant matter and referred, under commissions, Janajati and Dalit clients to her nephew. Anindita and Tulashi's male kin were entangled in a tight network of contacts in numerous government offices. Consequently, the women could access these contacts and use them to their own advantage, especially to earn and retain finances.

While highly favoured within the microfinance institutions, Bahun and Chhetri women were highly constrained within their domestic worlds, especially after marriage (Bennett 1983; Cameron 1998; Kondos and Ban 1990; Kondos 1991). As we have seen from the stories of the women featured in the chapter, a combination of factors significantly affected their lives: limited education, early and arranged marriage, distance from natal family, long cohabitation with in-laws, late partition of husband's property, expectations to deliver sons, and limited access to work outside home.

In 2014, Anindita's mother-in-law still blamed her for the separation of her and her husband from his family home. This shows that among higher castes, long-term cohabitation with in-laws (an average of nine years after marriage, compared to one and a
half years among Janajatis and a few months for Dalits\textsuperscript{77}) can exacerbate the conflicts between daughters-in-law and the extended family, making women's lives ever harder (Bennett 1983: 180–183). Nonetheless, in Situli, Bahun and Chhetri women faced a late separation\textsuperscript{78} from the joint family. Extreme cases are those of Tulashi and Rasiya, who never separated from their in-laws. Consequently, daughters-in-law had to tolerate domestic constraints for a long time.

After many years, Rasiya could not even sell a chicken in the absence of her mother-in-law. Long cohabitation within an extended family also translated into an expectation of pooled household finances, where the financial manager was the father or mother-in-law (Gray 1995: 152). In this arrangement, daughters-in-law had limited access to financial resources and were expected to surrender any income to the financial manager. To counteract these obligations, Anindita hid money in her maiti and at Pavi Sansthan for many years. At the same time, she decided to start her husbandry and agricultural business but, only after separation, because the income from such a business would be difficult to hide.

Although Anindita and Tulashi faced different domestic circumstances, the feelings they shared during our interviews regarding their household relationships were a mixture of frustration, resentment and resilience. They felt trapped and constrained, especially during the first part of their married lives. They felt controlled and abused and desired more freedom, more control over their own lives and better opportunities for themselves and their daughters. In these domestic circumstances, Bahun and Chhetri women did not feel able to openly voice their aspirations, but they recognised the significant difference that microfinance could make to their own lives.

**Leveraging opportunities and social networking within institutions**

Practice theory poses that agency is socially and culturally shaped and that agentive acts are carried out in response to the structure of agents' own cultural worlds (Ortner 1989: 196; Ahearn 2001b: 55). Anindita’s, Tulashi’s and Rasiya’s cultural worlds included similar institutional opportunities and the same network of caste-based solidarity that could be activated within this context of institutional opportunities. This section explores how Bahun

\textsuperscript{77} Data collected during my fieldwork in 2014.

\textsuperscript{78} I use 'separation' to indicate the shift from patrilocality to neolocality. A couple with children would 'separate' from his parents and brothers and live in another place. 'Partition' indicates the division among the male heirs of the paternal property. The choice of the term 'separation' instead of 'partition' is because in Situli, often, separation occurred without immediate partition; that happened after a few months or even years or sometimes over an extended period of time, following a period of cooling-off of relations after the separation of the first son. As we have seen in Anindita’s case, separation was the result of long-standing factors, however it usually happened suddenly after a quarrel.
and Chhetri women combined their opportunities at Pavi Sansthan with their higher caste social network to widen their opportunities even further.

Anindita, for instance, from 2012 to 2014 did not take any loans and purchased 50,000 NPR (400 AUD) in shares, a very large amount if compared to those of the other shareholders. According to Pavi Sansthan regulations, shares produced an annual profit, which was paid in cash to the client. It was compulsory to purchase a number of shares whilst taking a loan. This policy initially aimed at encouraging loans and developing a sense of mutual belonging, given that the more money borrowed overall, the higher the profit for every single client. Six months after Anindita's first investment, five of her close friends did the same, and, in 2014, seven more friends of friends followed in their footsteps.

Gopika, a staff employee, kept an account under the name of her nephew, who lived permanently in the US. In so doing, she received the 24% interest on savings reserved for clients who had a relative abroad who sent remittances, instead of the usual 8% interest rate on normal monthly savings. He was not aware he held such an account. Gopika kept saving as per remittances allowed, taking money in and out as she pleased, although this was not supposed to occur without the account holder's written consent. While none of the Janajati or Dalit wives of migrant workers were aware of such a facility; Gopika felt obliged to share the information only with Anindita and Ambita, her trusted 'combined borrowers' and opened remittance accounts for them, who, in fact, did not have any family members abroad. Similarly, from Bibha's words at the beginning of the chapter, we know that Tulashi could use several trusted higher caste borrowers as proxies to borrow up to 25 lakhs, which in 2014 corresponded to 22,000 AUD. As I soon realised, proxy and combined loans were a widespread practice among the higher caste borrowers.

The strategies of Anindita, Gopika and Tulashi were individually initiated but then shared within their higher caste circle, showing that some women's choices on how to exert agency impacted on some other women's choices. In a similar fashion, Bahun and Chhetri women collectively strategised by advertising posts or committee positions among higher caste only. They also required a specific level of education, which only higher caste women were assumed to have, to participate in client training that provided allowances to the participants.

Bahun and Chhetri women could not openly legitimise their exclusive participation in the training using the caste-based hierarchy as they preached egalitarianism during training;
however, they could legitimise it through an education barrier. When confronted by the disappointed Janajati and Dalit clients, they communally reiterated that only those who had successfully passed SLC could be admitted to client training. In so doing, higher castes collectively secured access to monetary allowances even though very few of them had passed SLC.

At Pavi Sansthan, Bahun and Chhetri women could not only borrow large amounts according to flexible criteria, but they did not have to account for their actions, as long as the loans were repaid, and the annual balance of the co-operative was not compromised. Therefore, they often twisted the regulations of Pavi Sansthan to their own advantage and deployed strategies to maintain the privileges of microlending within their own caste-based circle. Some of these strategies were initiated by single individuals and then shared with their peers, while some others were collectively initiated. Most importantly, Bahun and Chhetri women relied on each other, and often used such trust to enlarge their opportunities; in other words, they leveraged their caste-based network.

At Pavi Sansthan, their shared and collective agentive acts would have not been possible without their expertise in the institutional rules and regulations, and a highly functioning social network, which they did not hesitate to use collectively for specific purposes. In leveraging these connections, the higher caste women showed that agency derives from specific structures, in this case their institutional opportunities.

**Manoeuvring domestic constraints**

But what did women do once they made sure they had higher loans, larger interests on their savings and shares and had monopolised allowances from client training? They took this money home, where they still faced restraints. This section explores how, domestic constraints, as much as their institutional opportunities, shaped the agentive acts of higher caste women, highlighting traits of their heterogeneous agency in a structural context of patrifocal visions.

One day, Jharana and I attended a workshop called ‘Successful strategies for the daughter-in-law/mother-in-law relationship’ at the Pavi Sansthan office. The instructor, a middle-aged Bahun employee from the Women and Children's Organisation, explained that before going out to participate in savings and credit groups, women should complete all their household chores. She explained:

> If you already wake up at 3 or 4 a.m., you have to wake up at 2 or 1 a.m., so that at 9 you can leave home. In that way, your mother-in-law cannot call you 'lazy'. Also, your husband
won't complain. If they scold or beat you, you promise them to be home to prepare the next meal; but don't stop going out and tolerate their abuses as much as you can. If possible, take infants with you and wear a sari, so that everybody can see that you are a good daughter-in-law.

The Pavi Sansthan workshop seemed to suggest combining compliance and protest to turn household dynamics in women's favour.79 Given the upper caste’s domestic circumstances, compliance with the expectations of a mother-in-law was deemed less risky and more effective than oppositional agency. In her monographic account on women's agency in Uttar Pradesh, Jeffery notes: ‘Women handled and perceived their situations in diverse ways. Their agency was evidenced in different guises, including ones that upheld the status quo rather than challenged and undermined it’ (Jeffery and Jeffery 1996: 17). Anindita’s manoeuvrings exemplified this complex agency of compliance and challenge. Finding herself with hostile in-laws and husband after marriage, Anindita adopted, from the very beginning, practices of compliance. She obeyed and tolerated abuses, but, at the same time, she hid her own money at Pavi Sansthan and in her maiti. She did not aim to accommodate patriarchal norms per se. She wanted to obtain specific benefits, such as the permission to attend members’ workshops at Pavi Sansthan, so she could secretly save money. Similarly, when she returned home from the Pavi Sansthan office, she tolerated retaliation, complying with the expectation of being a good Bahun daughter-in-law. Then, she repeated her actions over and over. She persisted in being humble and stressed her submission, while silently striving to achieve her goals. She upheld the status quo for many years, as did the subjects of research by Jeffery and Jeffery (1996), Kandiyoti (1998), and Jeffery (1998).

One time, following a furious argument, Anindita's mother-in-law left her son and his family without money, food or utensils. It was then that Anindita performed one of her most strategically duplicitous gestures, which, by the way, she was very proud of. She went to her mother-in-law's house, bowed down, kissed her feet and said: 'I have always loved and respected you, and I will keep doing it until I die'. The woman's anger disappeared immediately. Anindita and her husband obtained food, utensils, separation and partition of the property straight away.

79 In that occasion I was surprised by the lack of concern about the increased workload that such advice might create. However, I soon learned that higher caste women did not share such a preoccupation and highly valued the opportunity to leave home and earn small allowances at Pavi Sansthan; they were happy to pay the cost of an increased workload.
Subsequently, separation meant that Anindita had to tolerate abuses from one person only; and that she could allocate less time towards household chores. The circumstances had changed. At that stage, Anindita could afford to modify her actions. She gradually increased her time outside home. However, she only left after cooking meals and performing household chores. She took loans and grew vegetables to sell; she went hungry when her husband would not give her money, and most importantly, she did not give up. Accepting the beating, she always balanced protest, acceptance, resistance and indifference, varying the degree of each form of agentive response according to the circumstances, as Cornwall found in her study (2007).

After a few years, Anindita became financially independent and stopped asking for money from her husband. The household politics had changed again, and Anindita's agency changed accordingly. Nonetheless, she still completed her household duties as often as possible. In 2014, I observed that when she could not, her mother-in-law cooked food and delivered it to her son and grandchildren. Over time, Anindita discretely subverted the gender norms, giving money to her husband to reiterate her loyalty, but, at the same time, to maintain her freedom. Her highly purposive and focused acts epitomise a very adaptable agency. Anindita's agency could be described as 'heterogeneous', not only because she actively adapted to and at the same time brought about the changing circumstances she faced, but also because she combined elements that could appear contradictory, such as compliance and direct opposition.

Rasiya, as much as Anindita, desired better opportunities for her daughters, but she was ready to sacrifice much more. As much as Anindita's, her agency was responsive to her domestic impediments. Given her unique circumstances, Rasiya chose to increase the level of accommodation and compliance over the years. Having no sons and never separated from her mother-in-law, her status at home was more precarious than Anindita's and she was forced to adopt an extremely submissive attitude to ensure her daughters’ education. Her tactical devotion towards the husband and mother-in-law was necessary to retain her decision-making in loan management and to guarantee loan repayment.

Like Anindita's, Rasiya's agency was highly adaptable. In fact, in 2014, she had just retired from her employed work. Because she did not receive any pension, her financial dependency had increased. Nonetheless, she was determined to ensure the completion of her daughters' studies. Rasiya decided to reinforce her home seclusion and not to eat meat—reputed to be impure and polluting by Hindu ideology—and thus increase her
purity status, so that she could be regarded as a good daughter-in-law. She looked after her mother-in-law and further spoiled her husband. Her strategy was the opposite of Anindita’s. Over the years, Rasiya increased the amount of compliance and accommodation above that expected of a daughter-in-law rather than decrease it, as Anindita did, making her agentive acts even more indirect. At the same time, Rasiya's actions, as much as Anindita's, were highly purposive. She was fully aware that thanks to her ability to take loans, she could manipulate her husband and she did not hesitate to leverage such an opportunity to achieve her goals.

Rasiya's agency resembled that of the veiled protest in Cairo (MacLeod 1992), where women expressed their desire to maintain acquired privileges—in the Egyptian case, outdoor mobility and independent earning—through the reinforcement of specific traditional practices (1992: 543). In Rasiya's case, the privileges to be maintained were: ensuring her daughters’ education, decision-making in loan allocation and repayment of loans by her husband. In the end, Rasiya was able to manipulate the gender norms without openly challenging them. Her agency shows traits of heterogeneity as well, because her actions quickly adapted to the circumstances and combined different strategies, which in her case were compliance and manipulation.

Overall, the lived histories of Rasiya and Anindita show that their agency was heavily shaped by the patrilocal domestic structure in which they lived. Oppositional agency does not seem to have much scope in the cultural worlds of rural Bahun and Chhetri women. As much as for the Muslim women in Cairo (MacLeod 1994), the changes brought by microfinance in these higher caste women’s lives risked causing public sanctioning if they failed to be ‘good’ mothers, wives and daughters-in-law, while remaining borrowers and entrepreneurs. This was due to the domestic constraints arising from the higher caste women’s responsibility to accrue honour to their natal and affinal families and to the fact that Hindu ideology socially sanctioned widowed and divorced women (Bennett 1983; Cameron 1998; Holland et al 2004: 232). The open rebellion of daughters-in-law would make their domestic circumstances even more difficult, therefore they chose more discrete strategies. As Jeffery and Basu state: ‘Women may consent to patriarchal authority rather than critique it, endure and comply rather than overtly challenge, or practice the bodily modest and verbal reticence appropriate for a “good woman”’ (1998: 223). The higher caste women featured in the chapter bargained with patriarchy (Kadiyoti 1998), but nonetheless their practices were effective in achieving specific goals. Their purposive, quickly adaptable and highly successful acts showed traits of 'heterogeneity', deploying different strategies at the same time to generate meaningful changes in their
lives. The following paragraphs will explore these transformations and the politics behind their achievements.

**Leveraging loans and intimacy**

This section explores how higher caste women use loans to reconfigure their domestic relationships, but also how they leverage their intimate marital relationships for loan repayment. Several studies suggest that female recipients of microfinance who face significant domestic constraints and lack of access to finances, hardly ever have any decision-making power when it comes to loan allocation (Goetz and Gupta 1996; Ackery 1995; Montgomery et al 1996; Hulme 2000; Rahman 1996; Karim 2008). Rasiya's, Tulashi's and Anindita's stories show that this was not the case for them. Even though they struggled to access finances, the women exerted a significant level of control over loans and their repayment. This was not only true in the case of Anindita, whose income supported the entire family, but, most importantly, applied to Tulashi and Rasiya, who had little income. Similarly, within all the 14 higher caste families I followed during my fieldwork, I found that the decision to take formal loans from Pavi Sansthan was made together by husband and wife, although only four out of the fourteen wives earned independently. Returning to our focus women, when Rasiya and Tulashi wanted to further educate their daughters, the husbands consented, even when they had to fully repay the instalments. This seems to happen in the majority of households for a number of reasons.

The husbands of higher caste borrowers that I interviewed in Situli explained that they understood that the consequences of a loan default would impact on them as breadwinners as well as on the borrower. Overall, they felt responsible for their wives' defaults. Secondly, these men explained that since their wives started bringing loans home, they felt relieved from the pressure of being the only financial providers. They felt that their wife's ability to borrow from Pavi Sansthan made them feel like the couple had a kind of exchange, because they were both contributing.

From these responses, it appears that women's ability to bring home large loans was highly valued by husbands. In fact, in Nepal, microfinance targets mainly women (Shah 2013), whilst men generally do not have this opportunity. In a highly constrained domestic environment, where women are finally able to increase their value in the eyes of their

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80 In 2014 almost all the husbands of Pavi Sansthan clients were familiar with the rules and regulations of microfinance. They mostly owned shares in the few co-operatives that allowed male investment.

81 In Situli, men could purchase shares in one co-operative out of the three operating in the VDC. However, they were only allowed to take small loans. MFIs however, did not allow any forms of male investment.
husbands, it is not surprising that some women, such as Tulashi and Rasiya, felt that their husbands loved them more after they were able to borrow (Kabeer 1998: 65). It is also not surprising that, in a domestic field of forced long-term cohabitation with extended families, the opportunity to take loans is one that Bahun and Chhetri women could learn to use strategically to manoeuvre their marital relationships in a way that their household circumstances as daughter-in-law before microfinance would not have allowed.

Not only did these women use loans to reconfigure marital relationships, but they also manoeuvred their intimate marital relationships for loan repayment. One morning, towards the end of my fieldwork, Jharana and I were heading to the Pavi Sansthan office. While we walked alongside the highway, Sattyadevi, a loud and outspoken 40-year-old Bahun woman invited us in for tea. When we entered the living room, I recognised a dozen of the higher caste Pavi Sansthan clients that I had already interviewed. Their ages spanned between 35 and 60 years. They were chatting, sitting on the ground, while drinking tea to celebrate Poonam's return to maiti. Poonam was Sattyadevi's niece; she was 19-years-old and she was there visiting her natal home for the first time after delivery of her child. While the older women laughed loudly, Poonam, silently sitting on the bed, breastfed her two-month-old son.

I soon realised that the topics discussed were not ordinary ones. In fact, women were sharing their sexual manipulation-strategies. While laughing, they felt comfortable with Poonam, who had just delivered her son, and Jharana, who also had a son, and encouraged them not to be shy. However, they stopped for few seconds looking at me and realised that I did not have children. Sattyadevi, giggling, quickly reassured them saying that it did not matter because I was a foreigner, alluding to the Nepali stereotypes on Western women's freedom.

As the conversation went on, I understood that normally, when women did not feel like having intercourse with husbands, they would call their children to sleep in their bed for the night, so that the husband had to sleep in another bed. Children could be 'called to bed' for long, uninterrupted periods, such as for several months or even years, as a strategy to coerce husbands through forced sex abstinence. Among chaotic laughs, older women flaunted their abilities and instructed the youngsters on how to sexually manipulate their husbands, resulting in the young women becoming more embarrassed much to the amusement of the others. That morning I learned that women never called children to bed the night before the loan instalment was due and often sent kids to sleep in the living room. In seeing the women almost competing over their manipulative skills, I
soon understood that sexual manipulation was a well-established female leveraging practice in regulating marital power dynamics, which borrowers used without hesitation to motivate husbands towards loan-repayment.

Of course, not all the higher caste women of Situli might have been in a position to sexually manipulate their husbands, and certainly sexual manipulation is a strategy that women have used for centuries in contexts other than Nepal and microfinance. However, the vignette is emblematic in showing that microfinance-related strategies can work through channels that we might never be able to explore fully, and, most importantly, they can involve forms of manipulation. At the same time, it shows that given Bahun and Chhetri women's limited access to finances and strict domestic restraints, they heavily rely on leveraging the inextricable relationships between love, affection and financial resources in which they are entangled.

Overall, being able to contribute with large loans to the domestic income, increased higher caste women's value and power within the household dynamics in indirect ways, with the result of manipulating their marital relationships. Further, for some women, these practices were part of mutually reinforcing strategies. On one hand, they made sure that instalments were covered and, on the other, that marital relationships continued to change in their favour. They were able to repay old loans and to continue taking new ones, together with feeling more loved and valued by their husband. Leveraging loans and intimate relationships, investing in their daughter's education and leveraging their higher caste network, were all strategies that Bahun and Chhetri women used to pursue wider options for themselves and their daughters in a domestic environment dominated by patrifocal visions.

**Transformed personal, domestic and social relationships**

As we have seen in the previous paragraph, formal lending is a tool that Bahun and Chhetri women have learned to use with meaningful results. In Situli, through engagement with microfinance, the higher caste women challenged, transformed, renewed and defended specific aspects of their lives, widening the options for themselves and their daughters.

The most important transformation in the three women's lives was to their marital relationships, although in very different ways. In 2014 Tulashi and Rasiya were involved in the decision-making process regarding the allocation of their husband's wage. Anindita
was wealthy, not beaten anymore, her husband helped in the vegetable garden, she occasionally gave him money and he was happy for her to leave in the morning. In other words, her acquired financial self-sufficiency allowed Anindita to find alternative means to pursue her goals. She had literally 'bought' her husband's complicity. Although not directly involved in microlending, things had changed for Bibha, Tulashi's daughter, as well. As with the girls educated through their mother's loans in Bangladesh (Kabeer 1998; Pitt and Kandker 1995; Kandker et al 2003), Bibha could, in 2014, negotiate better conditions for her married life, as her mother had hoped since the very beginning of her involvement with microfinance. Bibha's is a particularly significant transformation because it shows the potential transfer of new marital relationships to the daughter's generation.

The transformations in the lives of higher caste women were not limited to the achievement of wider options for themselves and their daughters. An added effect of microfinance was enhanced reputation. Reputation (nama), in the sense of social recognition, generates ijat (respect, honour), an important marker of prestige according to the Bahun and Chhetri women of Situli. In fact, Anindita explained that Pavi Sansthan had given her the possibility to get out of home, feel confident when speaking in public and to participate in other associations, such as forest committees, mother's health groups, political parties, and school and VDC-based committees. As a result, in 2014, she was recognised as 'big' (thulo) by people from the community who showed respect by addressing her with deferential pronouns and asking her opinion on important matters. I noticed the desire to be known and respected among other higher caste borrowers as well. They expressed, in different contexts and situations, the wish to become 'big people' (thulo jana) because of their engagement with microfinance. In Nepali, this phrasing is not only used to address people who rank higher in the caste hierarchy; it also refers to someone who is respected (and/or feared), is well-known, and is asked for their opinion on important matters. The following anecdote shared by Simran, a 50-year-old Chhetri woman, is illustrative.

In 2013, under the direction of the Women and Children Organisation, Pavi Sansthan formed observation committees to monitor domestic violence. Simran soon became the most influential member of the observation group for Situli and she was often called in to mediate disputes. On one occasion, she had to mediate a case where a man had two wives and repeatedly beat the first one. Simran was called by the neighbours. When she arrived, and woke up the man, he was so intimidated by her, that everyone thought he would run away. Then, Simran, the man and the wives went to see a lawyer and agreed that the first wife would get all the property, while he would leave for India with the second
one to avoid the shame. In discussing the experience, Simran was particularly proud of being a mediator. What she enjoyed most, was people's recognition, as she explained:

I am very proud of what I have achieved; people now know that I am a good person; I am big (thulo). They respect me (uslai ijat diyeyo);\(^{62}\) everyone greets me; they call me anytime when they need help. Nowadays men do listen to me. They wouldn't listen to their wives or neighbours, but they would listen to me. They are afraid of me because I know many things. I used to be very scared of my husband and other men twenty years ago, but now it is them that are scared of me ... I have become big (thulo).

According to Simran, being involved in social work had made her 'big'. She was well-known and people asked for her opinion on important matters. As a consequence, she was obeyed (manna parne), and feared (dar lagcha) by the community. Simran's words recall those of the women interviewed by Sanyal in West Bengal (2009) where borrowers' public actions of social sanctioning created feelings of respect and recognition among the community. One of these borrowers declared:

Now when we go to the market, if we say something then people pass comments [such as], 'nowadays you can't even talk to them [to the women borrowing from the local MFI]. If you say anything out of line to one of them, then 20 will arrive [at your doorstep], and they won't let you off easily. We're scared of them!' (Sanyal: 2009: 545).

To restate the above, another interviewed member of the local MFI involved in the public activities of social sanctioning promoted by the same MFI, commented: 'Now even the police are afraid to approach us!' (Sanyal: 2009: 545). As in West Bengal, in Situli, thulo jana encompassed the meanings of reputation, public respect, fear and caste status that are important components of prestige for Bahun and Chhetri women. This is confirmed by the fact that, after affiliating to Pavi Sansthan, higher caste women had become members of local political parties. Anindita and Tulashi were often able to persuade politicians and government officials to make donations for the feminist events hosted at Pavi Sansthan.

\(^{62}\) In this context the term ijat (honour, respect) is used to identify a continuous perception of feeling respected within the community that, in turn generates prestige for the woman and her family.
Leveraging agents

The Bahun and Chhetri women of Situli desired more control over their own lives and wider options for themselves and their daughters. Throughout this chapter I described how, through a personally meaningful engagement with microfinance—which encompassed the appropriation of the local lending institution, the strategic use of loans and the education of daughters—these women were able to achieve their ultimate goal of transforming their domestic relationships, since it was at home that they faced the largest constraints (Bennett 1983; Cameron 1998).

I have also explored how women's agency is always socially and culturally constrained and that actors creatively shape the structure as much as they are shaped by it (Ortner 1989: 196; Ahearn 2001b: 55). Higher caste women quickly adapted to changing domestic politics throughout their lives, showing traits of heterogeneous agency in combining different strategies (Gamburd 2000; Jeffery and Jeffery 1996; Jeffery and Basu 1998), where they bargained with patriarchy (Kadiyoti 1998) to negotiate specific benefits. This was only possible due to another dimension of Bahun and Chhetri women's structural world, the large opportunities provided within local institutions (Prasain 1998; Tamang 1999, 2002b, 2009).

To navigate their constraints, the higher caste women took advantage of their privileges; in other words, they leveraged their opportunities. At the local co-operative, they invested highly in their caste-based network to enlarge their savings and borrowing options, so that they could take more money home. Similarly, at home, they acquired more negotiation power within their marital relationships, capitalising on their ability to borrow large amounts. This contrasts with the literature that identifies constrained female microfinance-recipients as being their husband's proxies (Goetz and Gupta 1996; Ackerly 1995; Montgomery et al 1996; Hulme 2000; Rahman 1999a; Karim 2008).

Agents have the power to transform the status quo (Ahearn 2001b: 55; Ortner 1989: 196; Karp 1986: 137). Overall, leveraging is a feature of higher caste women's heterogeneous agency because of their unique circumstances that they used to make transformative changes to their lives. Leveraging their caste-based privileges within institutions, Bahun and Chhetri women enlarged their borrowing and savings power. Leveraging their borrowing ability at home, they were able to educate their daughters and re-shape their own complex network of domestic relationships, so that they could acquire more control over their own lives. Most importantly, their leveraging acts were transmitted to their
daughter's generation. Borrowers' educated daughters did not leverage loans and social cohesion as their mothers, but they leveraged their education to seek better marital relationships.
The availability of options depended on women’s relationships, which mediated their access to knowledge and experience, as well as their independent access to economic resources, information and opportunities for developing business skills (Cornwall 2007: 38)
The Dalit women of Situli are the most socially vulnerable section of the local population, but through microfinance, they pursue sustainable livelihoods with less marginalisation. As I will explain, one of the driving factors for such precariousness is caste-based discrimination, which makes their livelihoods unstable. Their striving for better lives is documented via specific examples in this chapter. In this first section, I argue that seeking opportunities within lending institutions, which discriminate against them because of their caste, is very important for Dalit women.

In Situli, during the two decades prior to my research, male migration and female paid jobs provided a regular cash flow to the Dalit population, but did not lead to them realising socio-economic mobility. There were several reasons for this. Land remained in the hands of Bahuns, Chhetris and (some) Janajatis; government posts continued to be reserved for the highly-educated; finally, co-operatives, such as Pavi Sansthan, deployed direct and indirect strategies to restrict the benefits of microfinance to higher-caste elites, although offering certain services to Dalits. The latter, for their part, remained trapped in disadvantageous land-tenure systems controlled by their higher-ranking patrons (Cameron 1998); and could not access highly paid positions because of a lack of education.

In 2014, well aware that microfinance could help them in achieving more sustainable livelihoods and financial stability, the Dalit women of Situli demanded wider participation in lending institutions as borrowers and shareholders. Their difficulty in achieving this was evident to me during one of my daily visits at the Pavi Sansthan office at the beginning of my fieldwork. I was surprised to witness how long it took the staff to allow a group of Dalit women to fill in a loan-demand form. The following account illustrates the humiliation and discrimination to which Dalit women were subjected in their attempts to obtain loans from Pavi Sansthan.

**Navigating institutions, seeking opportunities**

On a very warm morning in mid-April, I arrived at the Pavi Sansthan office with one of the staff at 9 am. A group of eight Dalit women were waiting for us in the front yard. As soon as the main door was open, Jharana and I sat in the larger room of Pavi Sansthan. The room was situated right at the entrance of the building and served as a meeting or waiting area for the Janajati and Dalit clients. On the right, a little door lead to the staff office, where the loan transactions occurred, and the higher-caste clients briefly waited to be served. The Dalit group quietly sat on the floor of the same room where we were and
continued gossiping, while the staff walked into the office. The two parties did not exchange any words.

After about thirty minutes, a Kami woman got up and entered the office, politely requesting a loan application form. She was rudely sent back and told to wait. She returned to the group and waited until 12 pm, when one of her friends went to make the same request, this time in an even humbler tone, only to receive a similar treatment. In the meantime, I counted ten Bahun and Chhetri women who successfully walked in, filled in the same form and quickly left; four Janajatis were allowed into the main office after a three and a half hour wait.

Around 2.30 pm, two women from the Dalit group carrying young infants started to become impatient because their children had been crying for a while. The group became increasingly louder and I moved to the staff room to observe their reactions. The staff appeared significantly disturbed by the noise, but nonetheless they continued their jobs. One of the women with the baby came to the office. Using highly deferential pronouns (hazur haru), she calmly repeated the request, apologising for being an illiterate, low ranking borrower interrupting their hard work. She begged for a loan form, but she was sent back. Seeing their friend returning empty-handed, the women in the waiting room started raising their voices to address each other, laughing and singing so loud that it became impossible for the staff to work in the other room. More higher-caste clients came to borrow, the staff still ignored the Dalits.

At 4.30 pm, the three staff members got up and started tidying the room for the following day. One of them, having noticed that one of the waiting clients had come again to the main office, reluctantly grabbed the three loan-application forms from the table and handed them to her. The group in the other room suddenly became silent. The applicants quickly filled in the forms and the witnesses signed or thumbprint marked them. In the meantime, the staff locked the door of the office to exit the building. The eight clients stood up asking how could they get the money if the door was locked already. The staff responded that the cash for the day had finished and they could try to come back on the following day to see if there was any available. The clients, disappointed, left. Jharana and I followed them, while the staff locked the main door and headed to their homes.

After that day, I found that the long wait of the Dalit clients who wanted loans at Pavi Sansthan could last for days. However, none of the women became discouraged by the inconvenience and promptly returned to the office on the following day(s). Dalit women
were obviously not happy at being humiliated and having to endure long hours of waiting. However, their strategy of deference, paired with indirect pressure, allowed them to eventually obtain what they wanted. Overall, they deemed that receiving formal loans without the need for collateral and with smaller interest rates was an important opportunity. As a Kami borrower highlighted during one of our informal conversations:

In other co-operatives they don't give loans without collateral, while at Pavi Sansthan they accept non-collateral loans up to 30–40,000 NPR. Such opportunity is so important for us lower-caste people, as we don't usually own land. The only problem is that we want more money and they (staff) try to avoid that ... but we are stronger than them!

The discrimination that Dalit women had to put up with to access loans was shown during another phase of my fieldwork. In February 2014, when I started checking the registers of Pavi Sansthan, I was often confused when noticing that the amounts regularly saved by Dalit women were much lower compared to the average for Bahuns, Chhetris and Janajatis. Additionally, the overall contribution of Dalit clients was sporadic. I enquired with the staff, only to be told that Dalit clients were unreliable, drunkards and ‘bad borrowers’. I remained suspicious.

After a few months, during one of my first conversations with Nirmala a young Dalit shopkeeper, I discovered the existence of Thabaisit, a Dalit co-operative that replicated the Pavi Sansthan model, counting over 90 members, eight lakhs in capital and a small community hall built thanks to a grant from the local VDC. Thabaisit was founded in 2011, when six Dalit women and men decided to create an alternative to the higher caste domination of the microfinance field of Situli. As Phavit, the husband of one of my informants and co-founder of Thabaisit explained:

The Maoist Revolution freed us from slavery. It compelled Bahuns to tear the pile of loan contracts that they used to force us into unpaid labour ..., but we are still treated as inferiors everywhere. We decided to do something. They [co-operatives] have done nothing to eradicate caste discrimination. I have travelled this country extensively, but I have never seen anything different. The rich people have invested in them [referring to other co-operatives in the areas where shareholders did not usually apply for loans]; they give loans to poor families and eat the profit of those interests. At Thabaisit we eat our own profits, and nothing goes to them [Bahun and Chhetris]! ... Our own co-operative is growing fast, but it does not have the lending capability of other MFIs, so we have to keep borrowing from them (Pavi Sansthan).

The parallel activity of Thabaisit, together with the patient, day-long humiliating wait at Pavi Sansthan to obtain something they were entitled to, were effective strategies that the Dalit women of Situli used to claim wider participation as shareholders and microfinance
borrowers. They saw value in microfinance; therefore, they desired less discrimination and more opportunities, so that they could benefit more from the loan and savings facilities.

Plate 27: A young girl unwillingly washes utensils in the river. As she explained, she would have rather preferred going to school on that day.

Plate 28: An older brother takes advantage of a wedding celebration to force-feed his younger sister. As he explained: ‘So she won’t cry of hunger at night’
Theoretical engagements

The argument I propose in this chapter is that microfinance served as an enabler of personal and social change for the Dalit women of Situli. In particular, I show how women adopted microfinance practices to navigate a context of financial scarcity and social discrimination. In line with the main argument of the thesis that women use microfinance strategically in personally meaningful ways that were not initially intended by lending institutions, I analyse the ways in which Dalit women mitigated discrimination and marginalisation through multiple investments.

I commence this section by situating the Dalit women within the literature that explores their cultural worlds, with particular attention to their historical dependency upon higher castes and the more recent social changes that affected such dependency. I explain how their long-standing social vulnerability parallels their wide recognition and acceptance as self-sufficient economic actors. Then, I contextualise their vulnerability within lending institutions, engaging on the one hand with the authors that highlight the risks of such vulnerability, and on the other, with those who explore the resourceful ways that socially marginalised women might ameliorate their livelihoods through a creative use of microfinance.

Situating Dalit women

In her ethnographic account on the gendered and caste-based relationships of the Dalit women of Bhalara, a farming community in far-western Nepal, Cameron argues that changes in patronage relationships impoverished Dalits because it increased their reliance on land (1998). At the same time, it allowed Dalit women to access waged jobs and become financially independent. As we will see in the chapter, the socio-historical circumstances of Situli resemble those of Bhalara and affect the way Dalit women engage with microfinance.

Historically, in Nepal, Dalits had very limited access to landholding. Bahun and Chhetri patrons (riti) owned land, which was worked by their wives and daughters-in-law, and regularly provided harvest shares to Dalit landless dependants (bhagya). These, in return, crafted utensils, tailored clothes, and made shoes, baskets, utensils, pots and ornaments (Cameron 1998: 75). The riti-bhagya relationship implied the right, from one side, to claim services from the other and vice versa. For instance, a family of tailors (Damai) had

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83 For a complete description of the riti-bhagya system see Cameron (1998: 75–83).
the duty to provide all the clothing for the family of their patrons, who, in return, were expected to meet their subsistence needs at any time (1998: 75). Occasionally, Dalits would work the land of their riti higher caste families (1998: 96). Patronage rights were inherited from father to sons, ensuring the trans-generational continuity of the relationship (1998: 77).

Over time, in Bhalara, socio-historical change transformed the patron-client relationship. A rise in imported mass-produced goods since the 1950s slowly decreased the demand for the commodities produced by Dalits, negatively impacting on their traditional crafting activities (1998: 95). At that point, patronage relationships increasingly revolved around sharecrop farming. A growing number of bhagya, unable to live off artisan production anymore, turned into farmers for their patrons or for others and their livelihoods became extremely vulnerable. Population growth, intensive agricultural production and increasing numbers of natural disasters caused soil erosion making arable land a scarce resource (1998: 70).

At the same time, land reforms failed in redistributing land among those who had plenty and those with none (1998: 70; see also Seddon 1987; Seddon, Blaikie and Cameron 1979; Bienen et al. 1999; Regmi 1978). Land acquisition for Dalits remained problematic. In fact, higher castes would rarely sell land to Dalits, preferring Janajati buyers (Cameron 1998: 70, see also Chapter Four of this thesis). As a consequence, Dalit men migrated abroad or took on seasonal jobs, while women focussed on the less profitable agricultural work, showing a great deal of flexibility in being able to switch from one job to another. As Cameron highlights:

Untouchable women more frequently work for others in a variety of capacities. ... low-caste women's labour is the first to be freed into the rural labour market. As land declines further, as the material base of riti-bhagya inter-caste relations deteriorates, and as capitalism penetrates more deeply into the rural setting, we can expect this trend to continue (1998: 129).

Working as sharecroppers or waged cultivators meant, for Dalit women, significant and constant labour input offset by uncertain harvests and frequent indebtedness if natural disasters occurred. Although their lives had become more precarious, there were some positive outcomes for Dalit women. At home, women's waged labour was highly regarded as a contribution to the family income. Also, ironically, Dalit families did not have to endure the domestic conflicts associated with owning land. As Cameron clarifies:
Since well over half of the land worked by low castes is not owned by them but is matya\textsuperscript{64} or haliya land, low-caste families do not usually have the conflicts over inheritance, partitioning of the property, and the beliefs about affinal women's threat to the patrilineal system of land inheritance (Bennett 1983) that are common among upper-castes families. The value of untouchable women’s labour and the lack of inheritable land among low-caste families thus occur at the expense of beliefs that otherwise restrict women’s independent economic activities and power (1998: 129).

Not only did the lack of landholding facilitate Dalit women’s independent activities, but they prioritised earning over dedicating their life to the wellbeing of their husbands and other affinals. According to Cameron this is reinforced by Hindu prescriptions. In fact, unlike higher caste women, who have as a primary dharma (religious duty) that of serving their husbands, Dalit women have ‘dharma specific to jāt and to their work. Low caste women say their dharma is primarily to work, so they can provision their families and secondarily to serve their husbands’ (1998:149). As a result, there is an absence of subservient acts by Dalit women towards husbands, such as drinking their foot-washing water or eating from their used dinner plate (1998: 149). As the author writes, ‘… Dalit women are socially recognised and accepted as self-sufficient and powerful economic actors’ (1998: 198).

Couple-centred relationships
As we see through the chapter, the Dalit women of Situli were often involved in couple-centred relationships because of their living arrangements deriving from their cultural worlds and socio-economic circumstances. They frequently relocated neolocally. Absence of nearby extended family and cohabitation with their partner meant that marital relationships heavily affected the way women engaged with microfinance because their partnership constituted their immediate family unit and was the place where they sought support. This also meant that in the unfortunate cases where women faced abusive and problematic relationships, they could end up isolated, if they could not rely on the support of natal families. Difficulty in accessing this support might be due to living in a distant locality, poverty, or refusal by parents to support a daughter’s independent choice of partner.

Allendorf’s (2013) analysis of marital practices among self-identified Nepalese and Nepali speaking people in rural Darjeeling provides some valuable insights in this regard. In a hilly, multi-caste community, the author found that elopement was the most common form of marriage in 2010 (2013: 459). The relevance of Allendorf’s study for this chapter lies in

\textsuperscript{64} Matya is a land tenure system similar to bandaki and haliya is the equivalent of adhiya in Situli.
her description of the positive and negative aspects of love and arranged marriages according to local interpretations. Taken together with Cameron's findings, they suggest that practices associated with 'love marriage' best fit the Dalit cultural world.

Love marriages are initially based on love, affection or attraction between the couple and culminate with their elopement, consisting in spending a few nights away from the woman's house and then receiving the parents' blessing upon return (Allendorf 2013: 460). By contrast, arranged marriages are organised by the parents. They pertain to the higher caste cultural world, although a few Janajatis and Dalits practised arranged marriages in the study area.

While the bride’s or groom's participation in the choice of a partner could vary in arranged marriages, love unions usually involved self-choice. In Darjeeling, self-choice led to less conflictual marriages, because the spouses would more likely love and understand each other. However, a major drawback was the risk of public sanction and parental disapproval, which translated, in the long term, into a lack of support for women if relationships became abusive. On the other hand, an arranged marriage was seen as more honourable and prestigious because it guaranteed, in theory, the absence of premarital pregnancies. It also had the potential to maintain better inter-generational relationships, since a woman's in-laws would presumably treat her better if they had played a role in choosing her. At the same time, the wife could turn to her parents for support during difficult times if they had a role in choosing the groom, and therefore held a certain level of responsibility for their daughter’s misfortune (Allendorf 2013: 460-462).

In line with Allendorf's findings, Cameron provides a practical explanation for higher-caste’s preference of arranged marriages, as opposed to the Dalit's inclination towards elopement and love marriages. She argues that a Hindu culture of obedience better fits the living arrangements of Bahun and Chhetri couples cohabiting with extended families who hold land:

If the daughter-in-law is brought-in as a stranger, her in-laws are better able to extract respect and service from her than if she has been intimately involved with their son before marriage. The arranged marriage is therefore seen as more stable than a love marriage, not because the couple is less likely to separate or divorce, but because there is stability in the extended household, through the control the in-laws have over their daughter-in-law and her compliance with family hierarchy (1998:194).
In other words, within a landholding extended family, where litigations over inheritance and allocation of financial resources are frequent (Bennett 1983: 176), if the bride and the groom are not romantically involved before marriage, she lacks the influence over him required to direct the economic and political dynamics of the household in her favour, at least not until feelings eventually develop among the two.

Among Dalits, given the lack of landholding and the preference for neolocality, which I discuss later in the chapter, there are very few economic interests at stake. Companionate marriage is sought, based on romantic, marital love with choice of partner. Further, even when the marriage is arranged, Dalit women are usually consulted before the formal agreement is made between the two families, and they are often entitled to refuse the match. As Cameron suggests: ‘For women a sense of control over their current marital situation might also derive from the degree of choice that they had in their original betrothal arrangements’ (1998:195). The sense of marital satisfaction of the Dalit women of Bhalara was, according to the author, higher because they had more voice when it came to choose their partner.

In Nepal, Dalit women also have the choice to leave unsatisfactory relationships with less stigma compared to higher castes (Cameron 1998: 149). In fact, the Hindu-prescribed inauspicious status of widowhood can be erased through a non-socially sanctioned remarriage. While a higher caste woman's duty towards her husband's patriline continues after his death (Cameron 1998:150), upon widowhood, a Dalit woman returns to live in her natal house until she remarries. She is less likely to be required to continue providing services to her affinals, since there is no land to work and be fed from (Cameron 1998:189).

Overall, the literature is consistent in attributing to Dalit women more choice and flexibility in matters of marriage, divorce and widow remarriage. It seems that Dalit women's ability to earn their own money and to pursue couple-centred marital relationships without stigma positively contributes to their greater freedom when compared to higher castes. Drawing upon this, throughout the chapter, I argue that the quality of their marital relationships significantly shapes the way women engage with microfinance.

Kabeer explored the significance of marital relationships for the borrowing practices of Bangladeshi women (1998). The author found that in households where women had a harmonious relationship with their husband, the loan was used jointly. In these cases, women's access to loans increased their value within the household, which borrowers
perceived as an increase in affection, love and consideration that they received from family members, especially husbands (1998: 65). On the contrary, where the marital relation showed conflictual traits, such as abuse and violence, women used loans to separate their own income and to pursue investments individually (2008: 65). Building on these insights, I explore how women not only used loans to ameliorate their overall financial conditions when they faced problems due to a lack of marital support, but also how they shared loans with men they loved and secured greater harmony in their intimate relationships.

**Contextualising vulnerability**

While Dalits experience several opportunities at home, they face more restrictions within lending institutions than higher caste and Janajati women. As we see through the chapter, the financial scarcity, landlessness and lack of social privileges they face, together with their limited access to large loans from local lending institutions, such as Pavi Sansthan, make Dalit women extremely vulnerable to the aggressive tactics of large-scale microfinance providers, such as Changastan.

Pavi Sansthan was controlled by higher-castes, as were most of Nepalese NGOs (Tamang 1999, 2002b, 2009). By contrast, Changastan was owned and managed by profit-oriented stakeholders. While at the co-operative Dalits faced discrimination, at the MFI they experienced aggressive debt-encouraging practices (Goetz and Gupta 1996; Rahman 1999a, 1999b; Ahmad 2007, Karim 2008). Karim's analysis is particularly relevant to our case, because it focuses on loan practices among socially vulnerable women in Bangladesh (2008), identifying similar challenges to those that Dalit women experience in Situli.

In reflecting upon the role of debt in regulating social behaviour, Karim highlights how the peer-monitoring practices enforced by MFIs disrupt the social equilibrium of the community, causing social sanctioning for the defaulter with disastrous consequences, such as 'house breaking ', a sign of ultimate shame that entailed selling off the defaulting member's house because everything had already been repossessed (2008: 19). As the author explains: '... poor women police other poor women, evicting poorer members from the group in fear of losing future income' (2008: 18). The last case study presented in this chapter illustrates how the financial tyranny of microfinance institutions can negatively impact upon the life of vulnerable women, making their livelihoods even more precarious than before.
 Aware of these dangers that affected some of their community-members, I explore how Dalit women make their own way through microfinance and, as much as the Bahun and Chhetri and Janajati borrowers featured in previous chapters, they navigate their opportunities and constraints in a creative way (Sharma 2008; Sen and Majumder 2015, Shakya and Rankin 2007). In particular, they choose to use their loans for multiple investments to stabilise precarious livelihoods and to found their own alternative, caste-based co-operative to decrease discrimination.

Sen and Majumder's study in Darjeling uncovered similar practices, where women withdrew from the main provider of microfinance to create informal communal inter-lending groups (2015). The authors report feelings of subordination and oppression among Darjeeling recipients of microfinance as a reason for withdrawing from formal credit and creating informal inter-lending groups. To counteract these feeling, borrowers created their own inter-lending group without the strains that lending institutions had previously added to their lives (2015: 131–138). Building upon Sen and Majumder's argument, I acknowledge that Dalit women's agency carries counter-hegemonic traits. However, I frame the Dalit co-operative within a broader set of agentive strategies that women deploy to diversify their investments. In doing so, I refer to the theoretical framework used so far in the thesis, that is, I analyse women's practices as a mutually influencing recursive loop between 'structure' and 'agency' (Ahearn 2001a: 118).
Accessing the community

Sitapur was the Dalit section of Situli. I did not venture into Sitapur until later in my fieldwork because I always felt a certain level of discomfort around the Dalit borrowers at Pavi Sansthan. At the office, they would answer my questions quickly and then continue their conversations without showing any interest. I felt like I was disrupting their lives even when I enquired if I could eventually accompany them to the fields, to Dulara or other public places. During the first phase of my fieldwork, I perceived the Dalit world as inaccessible.

At the same time, the rigid prescriptions regulating commensality within the community did not work in my favour. My higher caste landlords firmly discouraged me from going to Sitapur, knowing that I would accept food and water from the villagers. They were afraid that I could pollute their kitchen causing illness to the family. For a long-time I considered excluding the Dalit women from my investigation. I also understood that Dalit women were hesitant because of my ties with the local higher castes. I lived in a Bahun house, my research assistant was Bahun and I approached them within a Bahun-dominated cooperative. Furthermore, at the office, for as much as I tried to minimise it, Jharana's and my familiarity with the staff was quite evident.

Even though I knew that I would never be able to acquire the same level of familiarity that I had with Bahuns, Chhetris and Janajatis, I was determined to obtain an invitation from a Dalit borrower. In that way, I could access her circle of friends and maybe walk into a Changastan money-collection meeting accompanied by a client. When I was finally invited by the Changastan staff to join the money-collection meeting in Sitapur, I remained hesitant. On more than one occasion I declined such an invitation, fearing that if the clients saw me arriving with the Changastan staff member, who was Bahun as well, my association with higher-castes would become definitive.

My occasion arrived when, in the waiting room of Pavi Sansthan, I listened to a conversation among a dozen Dalit borrowers waiting for their loans. The women were discussing a big celebration that would take place in Dulara on the following Easter Sunday. Since it was a Christian event, the women enquired about my faith. I responded that since the majority of people in Italy and Australia were Christians, I was one of them. On Easter Sunday at 7 am, three Dalit women came to my house to take me and Jharana to Dulara. Luckily my landlords could not protest because our involvement was clearly based on religious grounds.
During that Sunday morning, I bonded with a few members of the Dalit community, who then invited me to Sitapur and to the Changastan meeting in the same village. I visited their dwellings numerous times and, from early May, Jharana and I started to spend the day in the village regularly.

Sitapur was connected to Gomasari by an unsealed and narrow road, which a fast walker would need no more than 30 minutes to cover. Dalits, then, could access Prithvi highway quite easily for most of the year. From June to October, however, the river separating the two wards overflowed, making the crossing extremely problematic. During the monsoons, on more than one occasion Jharana and I returned to Gomasari because the current was too strong. That year, the heavy rains caused landslides in Sitapur, often destroying the mud houses situated on the hillside, while downstream the road became narrower because of the seasonal puddles where buffalos hid to escape the heat. The rains brought epidemics and the villagers of Sitapur were too weak to keep the walking path to the highway accessible.

Unfortunately, environmental instability was not the only struggle faced by the Dalit women of Sitapur. The stories of Nirmala, Ambika, Bhavisana and Mirutika presented here, although different, exemplify the struggle against socio-economic vulnerability that they all had to endure throughout their involvement with microfinance. Nirmala’s case explores the importance of family support in the navigation of limited opportunities related to microfinance. Similarly, Ambika’s story exemplifies how women's entrepreneurial endeavours and couple-centred relationships can foster significant economic changes, together with an active quest for equality within discriminating lending institutions. Bhavisana's case is one of navigation of a difficult marital relationship through self-reliance and loan taking. Mirutika’s story, in being different from all the other 'successful' stories of borrowing illustrated so far in the thesis, shows that sometimes highly disadvantaged women are not able to use the system to their advantage.

**A supportive family**

Nirmala was a 30-year old woman living in Sitapur. I met her during one of the monthly committee meetings at Pavi Sansthan, where she was the only Dalit representative. She and her husband belonged to a carpenter caste. Like other Dalit women, she would not drop-in to the co-operative office for a chat or a catch up on gossip, as the higher-caste women frequently did; she only came for financial purposes.
Nirmala was not a regular borrower from Pavi Sansthan, although she saved constantly. While she had refused to be interviewed at the co-operative, as soon as she saw us roaming around in Sitapur, she called me and Jharana from behind the counter of her shop situated at the entrance to the village: ‘Come in and have a fresh drink, today; it's too hot’, she said. ‘I have a fridge here!’ We entered the shop and Nirmala took out soft drinks from her small fridge.

Nirmala explained that she lived with her husband and two school-aged children. The shop, which occupied one room of their newly-built brick house, was not going very well, and she complained: ‘Clients buy on credit and never pay back their dues. I wish we never moved down here; we spent all that money and we have not recovered any yet’. Nirmala and her family had moved downhill in February 2014. In 2013, Nirmala's eldest brother returned from Qatar to Sitapur for good. As soon as he realised that Nirmala's children had to walk a long distance to reach school, he offered to swap her land with part of his own, which was located downhill. Nirmala and Badal, her 30-year-old husband, accepted the generous offer. They demolished the old house uphill and used the same bricks to build a smaller dwelling in the new place. To do so, they took a considerable loan from local moneylenders.

Sitapur was Nirmala's maiti. She was kanchi, the youngest and only sister of seven brothers, who had worked abroad for many years before becoming some of the few Dalit landowners of Sitapur. Nirmala's brothers had spoiled her since her childhood, as she proudly explained during the conversation. They wanted to keep her close even after marriage and financially helped her and Badal numerous times. On that scorching morning of June, thirty minutes into the conversation, Badal came to the shop from the main road carrying three heavy sacks of rice on his back and immediately started to serve the clients behind the counter so that Nirmala could focus on us. Badal was a seasonal bus driver in India. He spent long periods away, but he always returned home during the monsoons. After a few minutes Badal joined us at the back of the shop. I asked him if he wanted to take part to the interview. He nodded and started to flirt with his wife, since I was enquiring about their wedding. Nirmala and Badal teased each other about who liked the other most or who said, ‘I love you’ first. Their flirting appeared to me quite unusual by Nepali standards, whereby husband and wife did not show their feelings in public.

Nirmala’s and Badal's marriage was arranged in 2002. Badal had been recommended to Nirmala's parents as a reliable partner by some relatives. Nirmala, 18-years-old at the time, was given the chance to briefly meet him privately to decide whether to approve or
refuse the match. During that first encounter, knowing that he originated from a remote area of Parvat district, Nirmala asked Badal to move to Sitapur, her natal village. Badal accepted and they married soon after. As Badal explained:

I still have some ancestral land in Parvat. It is on the way to Machhapuchre and Annapurna Base Camp; therefore, it might become very valuable in the future because of tourism. However, that area has no electricity and motorable roads. So, our children would have walked long distances to go to school. From the very first day we met, Nirmala and I shared the dream to educate our children and that would have not been possible in Parvat. Here they have the opportunity to attend boarding schools, we have electricity and easy access to transportation. One day, when my land becomes valuable I'll sell it and buy land here.

Overall, the difficulties of raising a young family in a remote area were more of an issue than Badal’s family honour. According to Hindu tradition, a man should never eat or stay too long in his wife’s *maiti*. To the couple, however, educating their children was a priority. In 2014, they were the only two Dalit children attending the local boarding school.

I visited Nirmala’s and Badal’s shop numerous other times. During the following months, I conducted few joint and separate interviews where they shared other details of their lives. Badal never went to school and, being unable to read and write, left Parvat for India as a young boy to work as a truck driver. After marriage, Nirmala joined him in India and fell pregnant with their first child. Then, the couple agreed for Nirmala to move to Sitapur to live close to her parents, while Badal would join her as soon as their financial situation became stable.

During the following six years, Badal continued to work in India, occasionally visiting Sitapur. Nirmala in the meantime, delivered a second child. As soon as she moved to Sitapur from India, Nirmala wanted to open a grocery shop, but she was denied large loans at Pavi Sansthan and at other lending institutions. At the same time, her living arrangements were extremely favourable because she could focus on her entrepreneurial aspirations. She organised a small shop from her own bedroom, selling home-made alcohol and fried bread. Because of cohabitation with her parents and sisters-in-law, Nirmala could rely on her family to take care of the children. She enjoyed a privileged position in the house because her sisters-in-law ranked lower than her and, performed all the household duties.

Nirmala saved Badal's remittances and the profits from her small business for four years. Then, she merged her savings with several minor loans from Pavi Sansthan and local
moneylenders to purchase a small plot uphill under her own name and built a brick house with a room for a proper grocery shop. The new business grew quickly, and Nirmala took other small loans from Pavi Sansthan to enlarge the shop. In the meantime, the profits reached a stable level. Then, the couple decided that Badal's job could become seasonal and he moved to the new house in Sitapur for five months every year.

Overall, Badal trusted Nirmala's financial decisions. In 2014 the couple had invested a significant amount of the borrowed money to expand the business purchasing a wider variety of goods. However, their plan had not worked because clients' transactions were based on credit. The negative circumstances did not impact on the couple's harmony and they struggled together to get by. Badal handed to Nirmala most of his salary, that, added to the small profit from the shop, was just enough to cover the expenses. Nirmala allocated one third of their monthly income towards her children's education and the rest to purchase food.

During our last interview in August, Nirmala told me that Pavi Sansthan had refused her a big loan. Since the local moneylender had requested Nirmala to return the money she borrowed to shift her house, her plan was to repay the moneylender with the money borrowed at Pavi Sansthan and then extinguish the formal loan in instalments. Nirmala was outraged and accused the higher caste women of caste-based discrimination, sharing the following episode to reinforce her accusations.

In 2013, after ten years of membership, Nirmala was elected as the only Dalit representative on the Pavi Sansthan managing committee. During the meetings Nirmala kept quiet and hardly ever helped the other members to write the minutes, even though she was probably the most capable among all, having completed the tenth grade. One day, at the end of the monthly meeting, food and drinks were provided to the committee members. On that occasion, the senior higher caste women invited her outside to eat and drink separately. Nirmala explained:

I felt so humiliated that I lost my appetite suddenly and went home. I left my food there, but I am sure that they [the higher caste women] threw it away even though I had only touched the plate. I cried and for months did not bother to attend the meetings anymore. At the office, they preach that we [women] are all equal, but they are the first to discriminate.

Nirmala's case shows how a caring husband and the natal family's support play an important role in the navigation of limited opportunities for Dalits within microfinance organisations, allowing her to pursue her aspirations without surrendering to the first
obstacle, such as a denied loan. In fact, although she had been member of Pavi Sansthan for 10 years, she had only taken two small loans. It was not easy for her to borrow large amounts given her limited savings and carpenter caste.

Ambika, a 50-year-old outspoken Kami borrower, publicly confronted the Bahun and Chhetri committee members about Nirmala's incident, during the Annual General Meeting. Ambika addressed the higher caste committee members with the following sentence: ‘If you don't like us, just return our money and take back our membership’. After that AGM, Nirmala was not invited to eat separately anymore. Ambika’s intervention sparked significant outrage among the Dalit community of Pavi Sansthan. Later, several Dalit clients suspended their savings at Pavi Sansthan for months until they needed further loans. Ambika herself did not save at Pavi Sansthan for two years, focussing on Thabaisit and a third co-operative. She only resumed her savings at Pavi Sansthan a few months before taking a large collateral loan. Ambika's story merits examination as well. As we will see, not only does it exemplify a case of economic transformation, but it also highlights the feelings that many Dalit women shared in regard to their social vulnerability.

**Pursuing entrepreneurial goals**

During one of our conversations, Ambika declared:

> You [Concetta] know the committee and staff at Pavi Sansthan act like political parties: they immediately welcome us [Dalits] with tika, but then they discriminate against us; they are only after our money.

Ambika was convinced that Bahuns and Chhetris kept Pavi Sansthan privileges within their own circle when it came to training, travel and posts, with the justification of their education. She had the feeling that the loan administration fees had increased too quickly, and that staff and committee members spent such money uselessly for celebrations and travelling. Ambika explained these behaviours through what was, for her, a typical upper caste trait—greediness:

> Bahuns are greedy (lobi) and this is what they do. We save our money there [at Pavi Sansthan], but then they don’t allow us to withdraw when we need it; so, why save it there for the others [It was not clear if she refers to account nominees or Pavi Sansthan shareholders] to get it when we die? Why are they [higher-caste staff and committee members] so greedy? They already have a lot of money, but they want even more. I only keep my membership there because loans are cheaper.

Despite her criticism, Ambika was a regular borrower of Pavi Sansthan because of her status. She was the wife of the most respected man in Sitapur, Phavit. Phavit was an
influential political activist, who also owned a considerable amount of land, which Ambika could use as collateral for loan taking.

During my fieldwork, I often met Phavit at the bus stop on the way to Dulara, to where he travelled regularly. Phavit was a member of the local Maoist party and advocated for Dalit rights within the local government institutions. He was active in making sure the allocated funds were effectively used to maintain the local road, electricity line and water system. Thanks to Phavit’s considerable influence, the only road connecting Sitapur to Prithvi highway was built. Phavit also helped illiterate villagers to access employment. According to Nirmala he was the informal village head of Sitapur, the ‘only one who knew how to talk to big people [upper castes] and look after our [Dalit] interests at certain levels’.

Ambika was extremely busy with her farm and vegetable business and it was difficult to have long conversations with her. It was during a humid afternoon, after Phavit had fallen asleep on the veranda, that Ambika decided to share her story. She asked me and Jharana to follow her to the chicken barn. She commenced:

I am happy here; my husband loves me, and he does not abuse me. Back in maiti, when I was little they did not love me at all. They only started loving me a bit when I sold the woollen blankets that I had learned to make. My parents did not send me to school; I wanted to learn to read and write, but they sent me to the fields every day. Every day I tried to escape and spent time with the elders in the village who taught me to make woollen artefacts. My parents scolded and beat me continuously. I wanted to go to Baglung to learn carpet weaving, but they never allowed me.

Ambika’s sense of not feeling loved in maiti was quite unusual among the women of all castes that I interviewed. She felt that the lack of fond memories about her maiti reinforced her sense of belonging to Sitapur, which was a migration destination for herself and Phavit. They were both born in Myagdi district and they eloped together at the age of 18 years.85 After living for ten months with his parents, the young couple decided to move to Sitapur because of its proximity to markets, roads, health facilities and schools. Eventually, Phavit’s parents, brothers and their families moved to Dulara, selling their

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85 Only Dalits and Magars lived in Ambika’s natal village. According to her, it was common for women to assess the characteristics of possible husbands before marriage. Priority was given to good character and financial capability to take care of dependents. Afterwards, if the two liked each other, the woman would go to his house and sleep there for a few nights. Later on, if her family called them back to give their blessing and celebrate, they performed the rituals; otherwise, according to Ambika, they were not necessary. By contrast, in 2014, in Sitapur, an increasing number of Dalit families preferred arranged marriages (mhagi bia). According to Ambika, this was due to their proximity to the higher caste dwellings. On another occasion, Banshi, the Magar borrower featured in Chater Four, mentioned a similar trend among the Janajatis of Radapur.
ancestral property in Myagdi. With his share of the money, Phavit purchased the 16 ropani of land that he still owned in 2014\textsuperscript{86}.

Ambika and Phavit struggled during the first years following relocation in Sitapur, when she gave birth to three sons and one daughter. Ambika always worked in the fields, and because Phavit's land was dry and unproductive, she often took on waged jobs and sharecropping. She also looked after the family's animals and brewed alcohol to sell. Phavit remained the major breadwinner for a long time. He worked as a carpenter in Sitapur and also migrated to Qatar for a few years. The couple struggled to educate their three sons up to SLC, but they never sent their daughter to school. She was left in charge of the household chores. As soon as the sons completed SLC, Ambika took major loans of one lakh for each from Pavi Sansthan to send them abroad, which they promptly repaid through remittances. They migrated to Malaysia, Saudi Arabia and Qatar respectively, while their sister married in Tilgram, one of the most remote and poorest hamlets of Situli.

In 2014, Ambika was one of only two women in Sitapur to earn a regular income from a vegetable business. In 2009 she had decided to stop growing millet and maize and to invest in cash crops. The decision came after her last son paid off his migration-related loan. Ambika decided to borrow for herself this time, as she explained:

I had realised myself that it would be more profitable to sell vegetables at the market in Dulara than cultivating maize and millet. Although I worked day and night, we were struggling significantly and did not have enough food to eat; so I decided to give it a try. I knew I had to be very smart, because many people got ruined taking loans.

Initially, she sold vegetables and gradually repaid the loan with the profits. Then, with additional loans from Pavi Sansthan, she expanded the business numerous times. She opened a poultry farm with 40 chickens, added two buffalos, 15 goats and she even opened up a nursery and an apiary. She also brewed large amounts of alcohol to sell in Nirmala's shop. In 2014 Ambika's farm was the family's major source of income and she had finally taken over the household finances from Phavit. She earned a monthly average of 19,500 NPR, an impressive amount when compared to the 12,000 NPR earned by higher caste men in their government posts in Situli. Ambika was particularly proud of her granddaughter's education. Her 10-year-old daughter's daughter lived in Sitapur with Ambika, so she could go to school easily, since it took two hours from her own village. Ambika explained that this was only possible because of her business; otherwise, Phavit

\textsuperscript{86} They paid 1,500 NPR per ropani, while in 2014 they could sell it for three to four lakhs per ropani.
would have never allowed it. Overall, Ambika was satisfied about the changes in her own life and in her family. As she explained:

We are able to eat good food whenever we like now. The farm has changed our life drastically. I can earn more than my husband’s wage when he used to work. I can now spend the money I earn as I please.

Although she had made significant improvements, the livelihoods of Ambika and her family were still vulnerable. In 2014 the rains were late and nearly half of the cash crop had died. As she explained, cultivation in Sitapur, was heavily dependent upon rainfall, since the existing irrigation system served the fields of the Bahuns and Chhetris situated in the valley. She explained that the lack of an irrigation system discouraged other Dalit cultivators from planting cash crops. The Dalits of Sitapur had tried numerous times to build their own irrigation system taking advantage of their uphill access to the river, since the river flows down from the mountains. However, their attempts were prevented by higher castes complaining about the reduced river flow rate. Ambika estimated that, for that year, the drought would heavily affect her income.

Ambika’s struggle to improve upon her life circumstances included, as much as Nirmala’s, the navigation of a number of opportunities and constraints. She perceived her household environment as supportive and motivating in achieving her entrepreneurial goals, she could obtain large formal loans and her husband was non-violent. At the same time, she had to wait many years before engaging in significant entrepreneurial activities, privileging the needs of her family first. She also fought to demand more equality within local lending institutions and more access to environmental resources.
Plate 29: Jharana leading the way to Sitapur

Plate 30: Husband and wife sharing tasks of daily work
Plate 31: A young grandmother preparing a treat of fresh milk for her grandchildren

Plate 32: Pairing work with baby-sitting
Overcoming difficulties through independent income

Bhavisana was a 36-year-old chubby character with a contagious smile. Her clothes were always in fashion and her make-up impeccable. Bhavisana lived in Sitapur but every day she crossed the river to Gomasari, the higher-caste neighbourhood of Situli to reach her tailoring shop. Situated in the basement of a multi-storey building owned by a wealthy Newar family, Bhavisana's tailoring shop was an explosion of colours. The fabrics hung in meticulous order from an iron bar connecting the two lateral walls. Three sewing machines of the best brand were situated at strategic points in the room to ensure the best sunlight at any time of the day.

Bhavisana's tailoring business was the most popular and well-established of Gomasari. Every day, when I walked past the shop, which was situated ten metres off the highway, I saw Newar, Bahun, Chhetri and Dalit women stopping by to place their orders, collect their clothes, check the new garments or simply gossip, sitting on the outdoor bench. Bhavisana never sat with them; she sewed from the inside. As she explained during our first informal conversation at the shop: ‘I don't like to waste my time uselessly; I work from dawn to dusk’.

I often visited Bhavisana to get my clothes repaired. Many of our interactions took place at the back of the shop, where she shared happy stories of her youth. Bhavisana learned to sew at the family shop in the Tarai in childhood. She spent a few years with her father in India, where she helped him in his job as army tailor. As soon as she had her period, Bhavisana's father sent her back to her mother in the Tarai and married her off without her consent at 17 years of age. She moved to Sitapur, became pregnant straight away and gave birth to a baby girl. The delivery was problematic, and she decided not to have children anymore. Bhavisana's husband demanded more children over the years. He wanted a son, but Bhavisana always refused to stop taking the pill. He abused Bhavisana for nearly two decades, beating her and threatening to send her back to the Tarai. Additionally, he did not provide any money or goods to Bhavisana and her daughter. Bhavisana decided to tolerate her husband's abuse, given that she could earn and retain small amounts. In fact, she had been sewing from her home in Sitapur since the day after their wedding. Over the years, she had slowly built up her clientele and, with a combination of small loans from Pavi Sanstan and informal moneylenders, she opened the shop in Gomasari.
On a sunny February afternoon, I went to Bhavisana's shop to order a new winter cholo.\(^{87}\) She took me to the back of the shop. Having heard rumours about her complex marital situation, I asked how she was faring. While taking the measurements for my outfit, Bhavisana, lowering her tone, shared the following anecdote. In February 2013, Bhavisana's husband announced his intention to marry a Bahun woman who had been his mistress for a few months. Bhavisana was desperate and sought advice at Pavi Sansthan. Two higher caste committee members summoned the husband and in front of a lawyer explained to him that it was illegal to take a second wife. They clarified that he would face severe consequences. If he wanted to remarry, he had to divorce Bhavisana first.

A few weeks before the incident, Bhavisana had taken loans from two lending institutions and a moneylender to enlarge the shop. She had calculated that more than half of her income for the following two years would be spent in repayment instalments. Given the new circumstances, if she was to leave her husband's house, she would need to rent out a place, which would leave her unable to pay for her daughter's education. Following the advice of the women at Pavi Sansthan, Bhavisana demanded a divorce settlement from her husband: he was to pay off the debts from all the lending institutions and money lender and to transfer the house to her name, so she could continue to live in Sitapur. He accepted. Bhavisana's husband did not have the money to repay the debt and his mistress borrowed from seven different providers to extinguish Bhavisana's debt. Bhavisana signed the divorce papers, and the new couple left for Saudi Arabia. In the meantime, the business profits rose steeply and Bhavisana was finally able to keep her daughter in a hostel in Dulara and pay expensive tutors to make sure she continued her studies.

In June 2014, Bhavisana's husband returned to Sitapur. He had broken up with the mistress and asked Bhavisana to take him back. She accepted, but kept the property under her own name. The changed circumstances meant, for Bhavisana, the possibility of having more power within the marital relationship. Her husband accepted Bhavisana's desires to not have other children and to educate her daughter. He also stopped abusing her. At the time of our last conversation in July 2014, Bhavisana's daughter had just passed SLC. In August, she had won a prestigious scholarship to study midwifery. Bhavisana told me:

I'll marry her late, at 21, when she has completed her education. Now my husband agrees on that and he does not want more children. I now earn as much as him. He hands all his

\(^{87}\)A traditional woman's blouse. The blouse is typically wrapped around the waist and can have an open or closed neck. Cholos of specific colours and patterns can also identify different castes and ethnic groups.
salary to me nowadays. I do regular savings in Thabaisit, Pavi Sansthan and another cooperative, I have no debt, a house and a profitable shop. Next year I'll take a loan to send my husband abroad. You [Concetta] know? It's not good to rely on a sole investment, what if that fails?

Bhavisana's life had not been easy. However, her tailoring talent and entrepreneurial skills helped her in manoeuvring the circumstances. Her navigation of microfinance included multiple small loans. At the same time, she appreciated the legal assistance and moral support she received from the higher caste women of Pavi Sansthan. Reflecting on her experience, Bhavisana admitted that if she hadn't demanded and obtained property, things could have gone differently. This suggests that even though caste-based discrimination might prevent Dalit women from fully benefitting from the financial opportunities of microfinance, higher-caste dominated institutions can still offer critical support to the wider female community in times of need.

**A ruined life**

Mirutika was 30 years of age in 2014. She was the wife of my Bahun landlords’ bhagya (land tenant). In 2014 she was sharecropping in the adyà fields behind our house. Every three or four days she came to our doorstep in bare feet and wearing ripped, stained clothes, which were too short and too loose for her tall and skinny body. Mirutika sat on the ground and waited quietly for hours. The first time that I saw her at the doorstep I enquired from my landlords about the reasons for the long wait. They instructed me not to talk to her. Sometimes Mirutika’s 10-year-old son joined her silently in the waiting. Although my landlords saw her at the front door, they entered the house ignoring her, only to make her wait longer before they enquired about the reason for her visit. Often it was only a matter of getting tools or manure to work in the fields behind our house. I wanted to talk to Mirutika. However, I was afraid to publicly disobey the instructions of my landlords, so I decided not to approach her at the house.

In 2014 Mirutika was not a member of Pavi Sansthan anymore and so I tried to talk to her during many Changastan meetings in Sitapur. She always refused. I had almost given up when she approached me after one of these meetings. On that occasion the meeting had started without her. Mirutika, in fact, had no friends among the Changastan borrowers. At 7 am, before the Changastan staff member arrived, the other Dalit borrowers explained to me that Mirutika had come earlier to demand money and since everyone had refused to help her, she had gone to search for money in the village. They also suggested that I
should not associate with her because she would try, as with anyone else, to extract money from me.

As soon as the meeting started, the borrowers collected their savings and loan instalments, instigating the 'Miss' to make Mirutika pay a late-arrival fine. After twenty minutes, the women became impatient because, if Mirutika did not come, the Miss would refuse to give loans. After twenty more minutes of waiting, Mirutika came without the money. Knowing that no one would lend her cash, she begged the Changastan staff member to withdraw the money from her savings. The fieldworker promptly refused. After two hours of negotiation, during which the women refused any request to lend her money, the fieldworker decided to end the meeting without granting any loans, telling Mirutika to find the money anyway and to bring it to the branch in Dulara on the very same day. The women were furious; two of them needed loans and publicly insulted Mirutika. She quietly left the meeting and approached me. Mirutika enquired whether I still wanted to interview her. I nodded. Jharana and I followed her to the river to help in washing clothes. On the way, Jharana whispered in my ear that the day before she had lent 1,000 NPR to Mirutika out of pity after seeing her landlady (with whom Mirutika had a patron-client relationship as well) refusing the loan.

As we approached the river, Mirutika explained that her bad reputation in the village was due to her family's bad luck. She had three young children. Her husband used to be a constructor and a plougher, but he would spend his entire wage on alcohol. Mirutika, to feed her family, had always paired her sharecropping work with formal and informal loans. Occasionally, she took on casual jobs, such as stone-breaker or load-carrier. Although she did not invest the loans and often she had to work more to repay the interest, the microlending system worked for a while because loans allowed her to pay the children's school fees and other necessary goods, for which large amounts were needed upfront. However, during the twelve months prior to our conversation, her husband had become very sick and she had taken on large debts to treat him. Neither traditional nor biomedical treatments had worked and she had taken further formal and informal loans.

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88 The monthly money-collection meeting of Changastan was scheduled upon a 'savings at first – borrowing at last' schedule, so that the group could be the enforcer and the guarantor of loans. This meant that women could demand loans only after all of them had handed their monthly savings and instalments to the fieldworker. If there was a defaulter, no loans would be granted for that month.
Given that her household expenses and the debt spiral had increased drastically in 2014, Mirutika had taken more land in adyà. She was, however, struggling to keep up with the work in the fields and could only rely on her children for help. She regretted having migrated to Sitapur with her husband, because, at least, if they had stayed in his village, she believed that her parents-in-law would have helped her. Mirutika felt like she would never be able to repay the loans and regain the trust of the community. As she explained:

Sometimes I wish I could die, so I don't have to struggle to repay all these loans. I work and work without stopping but I get nothing; and the pile of debt grows and grows. As soon as I earn something, or I get my share of harvest, I have to give it to someone. My children's stomachs remain empty and they don't go to school. I don't even sleep anymore, I have a constant headache and I get more tired day after day. Healers and prayers don't work anymore; I also owe so much money to them [witch doctors and healers]. Everyone is rude with my family and me, no one cares if my children are sick; they all hate us.

Mirutika hoped that her suffering would end soon, and so did Jharana and I. Suddenly, she stopped rinsing the clothes. She remembered that a group of outraged moneylenders were going to 'break her house' as a sign of ultimate shame on the very same morning. She abandoned the clothes on a stone alongside the river and ran uphill towards the hut. When I returned home that night, my landlady, having heard from the villagers that I had gone to Sitapur for the Changastan meeting, enquired if Mirutika was affiliated to Changastan as well, because the night before she had come to her house to ask for money. I nodded. She replied:

She asked 2,000 NPR saying that her husband was sick and needed to be treated at the hospital, but I refused because I don't believe her ... You see? I was right! She needed the money for the Changastan instalment; she is member of all these lending institutions. She does not understand that they [lending institutions] are businesses and want their money back with interests! She and her husband are so lazy! Don't believe to anything she says!

My landlady's thoughts resonated with those shared by the Changastan Dalit borrowers on the very same morning during the money-collection meeting. In circumstances where Dalit women face lack of domestic support, unstable income and lending institutions that pressure them to take on more debt than what they can afford, microfinance can literally ruin their lives. Mirutika's experience of heavy indebtedness, exacerbated by availability of formal loans in Situli, shows how microfinance can negatively affect extremely vulnerable women.
Strategising daily practices

Through practices Nirmala, Ambika, Bhavisana and Mirutika navigated their restraints and possibilities in ways that demonstrated their ability to be active agents in realising goals that they developed. Within practice theory, agency is the key to understand how social transformation emerges from social reproduction (Ahearn 2001b: 55). This section explores how Dalit women's agency is heavily shaped by their socio-economic and cultural circumstances, what Ortner (1989: 13) would call 'structure', in our case borrowers' institutional and domestic opportunities and constraints. At the same time, agents have the ability to (re)constitute their cultural world (Karp 1986: 137), transforming the initial structure. Accordingly, I explore how Dalit women's reconstructions of their worlds are unique because of their unique structures (Desjarlais 1997: 204).

Opportunities and constraints

According to the stories that Nirmala Ambika, Bhavisana and Mirutika shared, their lives differed from those faced by Janajati and Bahun and Chhetri women described in Chapters Four and Five. Dalit women experienced the most constraints within the microfinance institutions, while within the domestic field they benefitted from more options compared to Bahuns and Chhetris (Cameron 1998; Bennett 1983). These opportunities originated, but were not limited to: the ability of women to have a say when it came to marital arrangements, partner's choice and divorce (Cameron 1998; Allendorf 2013). The case of Nirmala and Badal, who negotiated living arrangements before marriage and navigated financial strains together, and those of Ambika and Mirutika, who eloped with their partner of choice, are emblematic in these regards.

Nuclear neolocal families were common among Dalits as much as they were for Janajatis. In fact, not one of the women featured in this chapter lived in an extended family. Living arrangements played an important role in women's freedom because extended families entailed more obligations, restraints and increased workloads for women. In Situli, the average Dalit couple separated from the in-laws less than one year after marriage, compared to several years among Bahuns and Chhetris and one and half years for Janajatis. This corresponds with literature, where the absence of landownership is identified as a contributor to early separation from the husband's extended family (Cameron 1998). As a matter of fact, very few Dalit families owned land in Sitapur.

Indeed, Dalits seemed more prone to relocation due to their limited unmovable assets, such as land (Cameron 1998) and smaller families. Nirmala, Mirutika and Ambika lived in
a village different from that of their in-laws because they moved to Sitapur after marriage due to locality-based opportunities. When the husband is supportive, couple-centred relationships can be an opportunity for women. In the case of Nirmala, whose husband accepted to move to her maiti for good, relocation facilitated her frequent post-marital contacts with her natal family, which the literature identifies as a major contributor to marriage stability (Leach 1957; Dyson and Moore 1983; Niraula and Morgan 1996; Cameron 1998: 189–190). Similarly, moving to Sitapur with her husband helped Ambika to overcome the negative feelings of her lived experience in her natal household. Overall, relocation and neolocality shifted the focus from the lineage to the couple, conceiving it as a separate, private unit, distinct from natal and affinal families and gender groups.

At the same time, couple-centred relationships were not always a resource for Dalit women as much as they were for Janajati women, whose husbands spent long periods abroad. Because the husband often lived in the same house, when Dalit women faced difficult marital circumstances, they could do very little to ameliorate their lives if they did not have an independent income. Couple-centred relationships could become a constraint when the husband is not supportive, as the cases of Mirutika and Bhavisana show. While the first felt that the absence of in-laws was not positive for her (Allendorf 2013: 460–462), the second consistently worked to acquire financial autonomy. As I explain in the next section, in these situations, independent income was the key. Overall, women’s positive relationships with their husbands, stable independent incomes and nuclear domestic arrangements, were factors that heavily shaped the way Dalit women engaged with microfinance.

Opportunities at home did not necessarily mean opportunities within the society at large. As much as in the rest of Nepal, Dalit families in Situli experienced many impediments deriving from their caste and socio-historical circumstances. For instance, recent changes in patron-client relationships caused impoverishment, precarious livelihoods, male migration and lack of access to land (Cameron 1998). These social constraints extended to the lending institutions. At the local co-operative, the Dalit women were penalised not only because of their caste, but also because of their lack of financial resources and assets. Nirmala and Bhavisana not only faced long waits at Pavi Sansthan, suspicion as untrusted borrowers and exclusion from full participation in the activities of the co-operative, but they were also denied larger loans because of their limited savings and landlessness. Therefore, because of restricted borrowing power paired with limited income, Dalit women could not afford any of the strategies pursued by Bahun, Chhetri and Janajati women, such as proxy and compound loans or loan-swapping.
Additionally, they were particularly vulnerable to the aggressiveness of microfinance institutions such as Changastan. The MFIs operating in the district targeted Dalit and Janajati clients, employing aggressive profit-driven strategies (see Chapter Three). While Janajati women had the financial resources to counteract these practices—such as regular remittances and army wages—Dalit women struggled to navigate the circumstances. As in the case of Mirutika, a non-manageable over indebtedness, paired with a difficult marital relationship, could easily make a precarious livelihood even more hazardous (Karim 2008; Rahman 1999a; Moodie 2013; Keating et al 2010; Elyachar 2005; Rankin 2001).

**Intersecting opportunities and constraints**

Nirmala, Ambika, Bhavisana and Mirutika, well aware of their commonly shared social constraints and opportunities, used microfinance to navigate them. At the same time, their lived histories were extremely different, and allowed them to mould their financial strategies upon these circumstances. This combination of shared and individual chances and challenges is the key to explore Dalit women's agency. Within a practice theory frame, Ahearn (2001b: 61) and Ortner (1989: 195) suggest that socio-cultural, political and historical forces play an important role in shaping women's agencies. In line with this, but focussing on women's domestic positionality, Cornwall implies that women's agentive acts are relational, situational and provisional, because they are continuously reconfigured by the choices of others, especially their family members (2007: 27). Which is to say, the wider patterns and structures into which women are entangled can have a limiting or enabling force upon their agency.

In Sitapur, domestic relationships, especially marital support (Kabeer 1998: 65) were fundamental variables. Nirmala's navigation of microfinance would have not been possible without the support of her natal family and of Badal. She could not borrow large amounts from Pavi Sansthan and had to pair small loans with her husband's remittances during her first period of membership, to open the shop. Similarly, according to Ambika, Phavit's support was critical for the success of her entrepreneurial aspirations. Conversely, Bhavisana and Mirutika's non-supportive relationships left them alone to face difficulties. Together with these, other individual circumstances affected the women's microfinance related strategies. Nirmala enjoyed numerous privileges because she was the youngest sister of four brothers who had lived abroad for over a decade. For a long period of time, she did not engage with microfinance and relied on her husband's remittances and parents' support. At the same time, Ambika's exceptional opportunity of being able to borrow large amounts from Pavi Sansthan thanks to her husband's land, gave her the...
chance to create a profitable business. In contrast, Mirutika's husband's problems with alcohol and sickness affected her ability to repay debt.

Notwithstanding these individual constraints and opportunities, the women shared the long-established practice of having an independent income, which, intersecting with their individual circumstances, contributed to the use of specific practices. While one relied on occasional income, three of the women relied on a regular wage obtained through business practices. Independent earning facilitated their use of microloans for business-oriented activities, taking away husband's obligations towards loan instalments and reinforcing their financial autonomy. Because the society they lived within recognised them as self-sufficient economic actors (Cameron 1998: 198) they could overcome domestic restraints.

For instance, financial self-reliance helped some women to mitigate the consequences of difficult marriages. In circumstances where the absence of in-laws makes a non-supportive husband an even more unfortunate contingency, formal loans paired with independent earning seemed to be the key to improve women's living conditions. Bhavisana would have not been able to navigate an abusive relationship if she had to rely on her husband for loan instalments and if she faced larger divorce-related stigma as Bahun and Chhetri women did. In fact, she could sustain herself and her daughter, together with providing her with a good education. Similarly, for many years, Mirutika's ability to pair her agricultural waged job with microloans supported the entire family, including her alcoholic husband, before the debt spiral swallowed her. On the contrary, within supportive marital relationships, such as in the cases of Ambika and Nirmala, formal loans and independent earning significantly contributed to improve their family livelihoods. The profits from her own business allowed Ambika's family to eat good food at all times, and Nirmala to be financially covered in emergency situations.

The Dalit women seemed to embrace the idea of neoliberal entrepreneurship inherent in microfinance institutional principles, adapting it to their circumstances of social discrimination and vulnerability, precarious livelihoods, marital instability and financial scarcity. As I explore in the next section, they combined formal loans, business opportunities and growing remittances in creative ways.

**Overcoming vulnerability through diversification**

Socio-historical circumstances continuously pose problems and challenges to agents, to which they have to respond (Ortner 1989: 296). How did the Dalit women of Situli respond
to the challenges posed to them by the caste-based and institutional structures? In other words, how did they actively work to overcome poverty and social marginalisation? In this section, I argue that they did so through a diversified allocation of their microfinance-related strategies. In particular, they combined female-headed businesses, multiple memberships in financial institutions and male migration.

During the 15 years prior to my research, socio-economic circumstances fostered important changes in Sitapur. The construction of the road that connected the village to Prithvi highway and the local schools made the area more accessible. Enlarged opportunities for formal lending were introduced to the women of Sitapur in the same period, although for Dalits, they were still limited compared to those for other castes and ethnic groups. Male transnational migration remained, for few years, their first investment, as in the case of Ambika. Then, the increasing flow of remittances facilitated the accumulation of capital needed to open businesses. As a result, in Sitapur, the number of small female-headed businesses tripled in 15 years.

It is not surprising, then, that loan-allocation registers for the period of 2009–14 held at Pavi Sansthan reported that businesses (31%) and transnational migration (15%) were the first and third preferences among Dalit women. Dalit borrowers invested in businesses because home-based entrepreneurial activities perfectly combined their reproductive role with their socio-cultural productive responsibility towards the family (Cornwall 2007). Allocating one room of the house to the shop allowed Bhavisana, Nirmala and Ambika to take care of their children or grandchildren and household chores, while, at the same time, earning money.

However, Dalit women believed that focussing only on one investment was risky, even more risky given the financial ferociousness of Changastan and their limited opportunities at Pavi Sansthan. Their fears were well-founded. Women continued to be vulnerable even after they had consolidated their businesses. For instance, in 2014, when Nirmala’s clients started to buy on credit, her shop stopped being profitable. Nirmala and Badal did not have large areas of land or other kinds of financial security on which to rely. They struggled again to keep afloat. Bhavisana’s business, before her husband left for Saudi Arabia, heavily relied on loans and she feared that she would end up in loss if he kept the house where they lived. Ambika’s farm was heavily dependent upon rainfall, which,

89 Changastan loan registers were not reliable for loan-allocation, because the MFI did not officially allow loans allocated for purposes other than ‘business’ and ‘livestock’.
According to her, in 2014 had been scarce and this would heavily compromise her profits. Similarly, Mirutika 'got by' juggling between loans and casual jobs to feed her family. Yet, as soon as she faced unexpected expenses, such as her husband's medications, her life was ruined. To avoid this risk, women continued to invest in transnational migration while, at the same time, managing their own business. This meant that if one investment failed, they could still rely on the other one. The cases of Bhavisana, who planned to send her husband abroad anyway, of Nirmala whose husband continued to work in India seasonally, and Ambika, whose sons sent regular small amounts to her and Phavit, are significant in this regard.

According to the registers of Pavi Sansthan, the second preferred choice of Dalit women's loan allocation was labelled as 'savings' (23% of their total loans). It took me a while to realise that these loans were taken to save or purchase shares at Thabaisit. Thabaisit was a valuable investment for Dalit women because in replicating savings and credit practices within their own caste-based co-operative, affiliates felt like they had more control over their own money. As Phavit highlighted, past and present feelings of abuse and discrimination from higher castes motivated Dalit women to seek an alternative solution that made them feel less marginalised.

Sen and Majumder (2015) report feelings of subordination and oppression among borrowers as a reason for withdrawing from formal credit and creating informal inter-lending groups. In so doing, they re-appropriated group lending practices without the strains that lending institutions had previously added to their lives (2015: 131–138). In Situli, although experiencing similar feelings, Ambika, Nirmala Bhavisana and Mirutika, did not choose to withdraw from Changastan and Pavi Sansthan and enrolled in many other lending institutions. This suggests that there were additional reasons behind their actions in addition to counteracting discrimination. The women, in fact, created their own inter-lending group—where they directed the majority of their savings—while, at the same time, they used other lending institutions principally for loans, missing the monthly savings where it was not compulsory (Pavi Sansthan and other CO-OPs) and minimising it where it was (Changastan and other MFIs), so that they could have more borrowing choices.

Why did they keep saving where they faced discrimination (in CO-OPs), if they had an alternative? When I discussed this issue with the four women, it seemed that keeping more options open by diversifying the potential sources of loans made them feel less financially vulnerable, although the price of discrimination was high. Overall, the advantages of maintaining their membership in multiple institutions overcame the
drawbacks. In particular, Ambika could borrow large amounts, Bhavisana received free legal support, Mirutika could manage for a period of time through loan swapping, and Nirmala could combine formal and informal loans.

To the four women, diversifying appeared the best solution to counteract their economic instability. The story of Mirutika, who ended up trapped in an endless loan-debt spiral, is striking. Her case shows the disastrous consequences that vulnerable clients too often face where profit-driven institutions exploit the poor exposing them to more financial risk than what they can bear (Gerson 2011; Moodie 2013). Ambika, Nirmala and Bhavisana were well aware of stories similar to that of Mirutika, where lending institutions encouraged unsustainable informal moneylending and social sanctioning to recover their money. Not only did the women choose strategies of diversification—such as a combination of male migration, female entrepreneurship and multiple membership—to decrease the risk of failure and over indebtedness, but they agentively worked towards ameliorating the marginalisation and discrimination that came with being a Dalit for both themselves and the following generation, through the institution of Thabaisit. Overall, these women created new visions of microfinance (Sharma 2007; Shakya and Rankin 2007). These creative uses of microfinance, as we see in the following section, brought about significant changes to women's lives.

**Transformed personal, domestic and social relationships**

The impact of microfinance on the life of Dalit women was never neutral. Microfinance allowed Nirmala to have her husband in Sitapur for longer periods, turning his long-term migration into a seasonal one. Thanks to loans, Ambika's and Bhavisana's businesses flourished. Because of excessive borrowing, Mirutika paid the highest price of social sanctioning: isolation. Agents modify the structure of their cultural worlds (Ortner 1989: 196), where their practices transform the status quo. In diversifying their investments, their domestic strategies and their lending institutions, the four Dalit women transformed their lives and those of their families, sometimes in a positive way, while at some other times with negative outcomes.

While engaging in microfinance practices, the four women transformed the structural circumstances they previously experienced. In 2014 Nirmala owned a brick house and her children attended boarding schools, as she and Badal had wished from the very first day they met. Bhavisana's husband did not abuse her anymore and accepted her decisions on family planning and their daughter's education. While a few years earlier he would not have shared his salary with her, in 2014 she had become the household financial...
manager and the person who made strategic decisions on loan investment. Similarly, Ambika became the household financial manager and breadwinner. Her family could eat nutritious food whenever they wanted and, for the very first time, she could spend money as she pleased, allowing, finally, a female member of her family to receive formal education. Women's creative, diversifying agency allowed them to ameliorate poverty, stabilise their livelihoods and decrease the feeling of discrimination that they faced within caste-stratified lending institutions. In other cases, such as that of Mirutika, microfinance allowed her to get by in the short term, but it only made things worst in the long run.
Diversifying agents

Overall, the Dalit women featured in the chapter brought about significant changes to their lives. Because of their historical socio-economic vulnerability, engaging with microfinance did not necessarily generate positive outcomes. The ‘diversifying agents’ who were able to take advantage of the opportunities, improved upon their life circumstances. They ameliorated their economic vulnerability and the risk of being trapped in an endless loan-debt spiral; they increased the long-term sustainability of their livelihoods and decreased social discrimination. Women’s agentive acts concretised through strategies of diversified loan investments.

Through a combination of female-headed home-based entrepreneurship, transnational male migration and membership in multiple lending institutions, borrowers were able to bring about significant changes to their lives. In this scenario, Thabaisit, their caste-based co-operative, was not only one among many simultaneous investments, but was also a response to their desire to 'stand on their own feet'. For other borrowers, microfinance added new strains to their troubled lives. Not only did they continue to face precarious livelihoods, but they also had to pay the price of social marginalisation.

Overall, it appears that, in rural Nepal, Dalit women risked not being able to use microfinance to their own advantage. This is because they belonged to the most socio-economically vulnerable segment of the population. In fact, they faced scarce opportunities and marginalisation within higher-caste dominated co-operatives and the aggressive tactics of microfinance institutions (Rahman 1999a; Karim 2008; Gerson 2011). At the same time, they experienced neolocality and couple centred relationships (Cameron 1998). While these features generally translated into loving marriages (Allendhorf 2013) and in more freedom for women, they also generated significant restraints in cases where the husband was not supportive. When this happened, Dalit women navigated domestic constraints through a skilful combination of independent income and microfinance practices.
7 Conclusions

Every culture, every subculture, every historical moment, constructs its own forms of agency, its own modes of enacting the process of reflecting on the self and the world and of acting simultaneously within and upon what one finds there (Ortner 1995: 186)

A central aim of this thesis has been to explore how female borrowers engage with microfinance in Situli, a rural community of mid-western Nepal. I focus on how women's practices emerge from their familial relationships and from their savings and borrowing activities within two of the many lending institutions operating in the area, Pavi Sansthan and Changastan. The results that have arisen from my study suggest that the opportunities and constraints that women experience at home and within lending institutions significantly contribute to the way they set up and pursue their goals and strategise their microfinance-related practices. Indeed, these women are primarily wives, mothers and daughters-in-laws and embed their microfinance practices within these relationships and the associated obligations and expectations (Cornwall 2007; Kabeer 1998).

Further, their opportunities and constraints are heavily based upon their caste and ethnic group. As I have shown, Dalit, Janajati and Bahun and Chhetri women have different ways in which they engage with patriarchy, family and marriage. Upper castes are more restricted by rules of obedience and toleration towards their affinals and face limited access to financial resources, while Janajati and Dalit women access money more easily and experience more couple-centred relationships. In addition to these long-established practices, the women of Situli have experienced, during the past two decades, several socio-economic changes that increased their options. Male transnational migration and female education created space for emerging, new aspirations, which could be realised through microfinance. As I have argued in the thesis, these possibilities are also caste related. For instance, Bahun and Chhetri women have the possibility to access higher education. At the same time, Janajati and some Dalit women receive remittances from their husbands working in Gulf countries and Malaysia, which are higher compared to the past when their husbands travelled to India only. Similarly, microfinance-related options

90 For instance, the remittance flow allowed Janajati and some Dalit women to refuse disadvantageous land tenure relations in high-caste's fields. Educated upper caste daughters-in-law refused to work long hours in the fields and increasingly
vary with caste. While Bahun and Chhetri women could access cheaper and more flexible credit facilities compared to Janajatis and Dalits through their manipulation of the rules and regulations of the local co-operative, the latter two groups were targeted by highly profit-oriented microfinance institutions that deployed aggressive lending practices on the ground.

Notwithstanding these differences, I explored how enlarged lending opportunities meant, for women of all castes and ethnic groups, the possibility to navigate their individual circumstances and to bring about desired changes to their lives. Specifically, the daughters of higher-caste borrowers became educated through microfinance and were able to access salaried jobs and acquire more value on the wedding market, while their mothers succeeded in transforming their own marital relationships. Similarly, through microfinance, Janajati women could purchase highly desired land and increase their social standing, while Dalits could decrease the level of financial instability and social vulnerability that they experienced within the local community.

Overall, the evidence discussed in this thesis suggests that the way in which microfinance ‘works’ in rural Nepal depends upon the set of relationships that women are entangled within, many of which are shaped by their position within local caste and ethnic groups. As a consequence, I suggest that ethnic group and caste-related status are important variables that should be taken into account when planning microfinance-related intervention in rural Nepal. Policy planners should be aware that women from different cultural backgrounds might prefer specific investments, such as land for Janajati women, or an alternative co-operative for Dalits, that have meanings additional to that of just increasing wealth. Similarly, if women are allowed to follow their aspirations in allocating the money towards the ends that they deem meaningful and desirable, I hint that microfinance could not only help in poverty reduction, but it could also contribute to social change. Nevertheless, I demonstrate that sometimes this might not be entirely possible, not only because of the profit-driven objectives with which certain lending institutions operate, but also because of women's personal circumstances. In particular, because of their socio-economic vulnerability, Dalit women are those who risk, more than others, not to be able to use microfinance to their own advantage.
An abiding theme of the analysis has been Situli women's agency. Practice theorists focus on how agency and structure work together to reproduce old practices but also to create change (Ortner 1989: 201). In describing these processes, they suggest a lose definition of 'agency' as 'the socio-culturally mediated capacity to act' (Ahearn 2001a: 112). They further indicate that since agency can vary highly across cultures, historical moments and inherent contradictions within structures (Ortner 1995: 186; 1989: 12), scholars should focus on describing such variability and distinguish among types of agency (Ahearn 2001a: 130). Throughout the thesis, I have demonstrated the variability of agency through three terms, optimising, leveraging and diversifying, arguing that they respectively pertain to three groups of women: Janajatis, Bahuns and Chhetris, and Dalits. I have also examined the features that contribute to such variability developing an empirical case that shows how borrowers' actions are influenced by the historical context and contemporary social structures in which they operate (Ortner 1989; Ahearn 2001b).

Although recognising that specific microfinance practices deployed by lending institutions create stress, pressure and social castigation for borrowers, I have maintained that the women of Situli are 'agents' because they bring about changes to their lives through a creative engagement with microfinance. Most importantly, these women are able to see alternatives to the way they live and to bring them into being. Specifically, in skilfully navigating new and old structures, they create the conditions for new practices. The new structures that I have explored in Situli are: microfinance opportunities, increased female education, transnational male migration and changed land-tenure rights; I examined, as old structures, the expectations dictated by women's domestic and social relationships. Overall, women's practices vary throughout caste and ethnic groups, because of differences in: the structures, the driving forces that give dynamism to these structures, and the agencies that bring about change in women's lives.

It was evident in my research how women belonging to Janajati, Bahun and Chhetri and Dalit groups deployed different types of agency. Janajati women's agency could be described as 'optimising'. Building upon their managerial skills within female-headed households, they created the loan-swapping-remittance mechanism, a stratagem to optimise multiple loan opportunities within lending institutions, with regular remittances. In so doing, not only did they minimise the risk of loan default through land purchase, but they also extended their optimising skill to their daily lives, reconfiguring a social universe of past exploitation into a present context of ethnic affirmation. Bahun and Chhetri women, on the contrary, used the opportunities for obtaining larger loans within lending institutions
to overcome their domestic impediments. I have portrayed their actions as 'leveraging'. Capitalising on their ability to borrow at the local co-operative, they acquired more negotiation power within their marital relationships. Being able to bring home large amounts of money, allowed these women to be recognised as a contributor to the household's economy. This meant that they were able to manoeuvre within loan-allocation decision-making and the loan repayment process and, to a certain extent, to increase their value within domestic relationships. At the same time, they financed their daughters' further education, so that they could also acquire more control over their own lives after marriage. Indeed, through heterogeneous strategies that varied from oppositional agency to a husband's manipulation, Bahun and Chhetri women quickly responded to their unique domestic circumstances. By contrast, Dalit women's actions showed traits of diversification. Highly discriminated against and subject to strict repayment rules and high interest rates within lending institutions, they used microfinance to lessen the marginalisation and socio-economic vulnerability that came with being a Dalit. Relying on their strong background as self-sufficient economic actors, they diversified simultaneous investments, so that if one failed, another would be available as a back-up.

Overall, the agencies of the women of Situli were not as strictly neoliberal as the lending institutions had envisioned. However, they still acted 'economically rationally' by the way they used economic resources to achieve valuable ends. This common trait among different agencies brings us to the final point I wish to make. That is, although it is useful to investigate the various types of agency across different cultural worlds and historical circumstances, we should be careful not to impose rigid categorisations for two reasons. The first one is that multiple types of agency could be exercised in any given action (Ahearn 2001a: 130; MacLeod 1992). As I have anticipated in the introduction to this thesis, the terms 'optimising', 'leveraging' and 'diversifying' are not to be intended as encompassing the totality of women's acts within a specific caste or ethnic group. Dalit women, for instance, optimised and leveraged as well, as much as Bahuns and Chhethris did, and so on. The case of Samia, a Newar young woman (Chapter Four) who leveraged loans and used her entrepreneurial skills to claim more respect within her marital relationship, together with optimising her financial strategies, is emblematic in showing the multidimensionality of agency. The structures that women face vary, to a certain degree, from household to household, and, as a consequence, their agency varies. Further, because agency also varies according to historical circumstances, which can quickly change as well, women have to be flexible and adapt to the new circumstances. As I demonstrated, a striking example of agentive adaptability is that of the Bahun and Chhetri
women, who have to be extremely flexible because their circumstances quickly change after marriage and even more after the shift from patrivirilocality to neolocality.

The second reason has to do with the need to recognise the commonalities among forms of agency. As my study reveals, the three types of agency I identified show some common traits. Primarily, women from all castes and ethnic groups exerted a high level of direct or indirect control over the loans they took, both in terms of allocation and repayment. This resulted in them being able to use economic resources to achieve valuable ends. Further, their agentive acts show a high level of strategic and planned thinking, together with the ability to manipulate the circumstances to their own advantage. This last trait is particularly evident in the case of Bahun and Chhetri and Janajati women, who have more room to transform their constraints into opportunities—because of their highly advantageous position within institutions and at home, respectively—but also in the case of Dalits, who manipulated their multiple memberships in lending institutions to be able to establish their own co-operative and invest in it. Finally, the presence of collective agency among leveraging, optimising and diversifying agents suggests that women share further similarities. Among Janajatis, Dalits, Bahuns and Chhetris, the actions of one women could influence those of others and lead to shared patterns of behaviours or financial strategies. The loan-remittance mechanism in the case of Janajati or the higher castes' sexual manipulation of husbands are significant examples in this regard. Overall, while discussing agency, variability, flexibility, adaptability, but also similarity, are aspects that cannot be ignored. Because these features could be inherently contradictive, it then becomes difficult, and unproductive, to formulate a detailed definition of agency that works for all. Therefore, I suggest the flexibility inherent in 'loose' definitions of agency will allow us to shed light on the heterogeneity of human's actions.

In conclusion, I argue that women agentively use microfinance to bring about meaningful changes in their lives through strategies that might not be initially foreseen by lending institutions. In doing so, they deploy forms of agency which are varied, flexible and entrenched in their socio-historical positioning. It is therefore critical, for these features to be taken into account by the microfinance industry, so that borrowing practices could become more supportive of women's diverse aspirations and promote social inclusion in rural Nepal.
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