

**Women's participation in the formal financial market in Nepal:
Evidence from NLSS III data**

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This study attempts to determine factors that influence women's autonomy and empowerment in Nepali households. We look at a set of such variables for women, for instance, land ownership, access to credit from formal and informal financial institutions, decision to work outside of family, input to decision making on such family matters as accessing health services for herself and her children, sending children to school, and handling family finance. We explore whether there is gender bias on access to formal sources of credit or availability of public services. In particular, if there is bias or discrimination against women, what is the extent of such practices by geographic region, economic status, caste or ethnicity? We estimate a probit model for households that borrowed money from any source to see whether there is a gender-specific difference in participation in the organized credit market. We do not find a significant difference between male and female borrowers. We also find surprisingly that women-headed households borrow a larger amount on average than do male-headed households and discuss possible reasons for this.