

ROLE OF MICROFINANCE IN WOMEN'S EMPOWERMENT INDISTRICDIR(LOWER)

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Abstract:

This research was conducted to analyze the impacts of microfinance on socio-economic conditions of microfinance borrowers in district Dir lower KPK, i.e. women empowerment and poverty alleviation. After literature review data was collected through structured questionnaires and in depth semi structured interviews. The targeted clients were either clients of the Bank of Khyber, Helping Hands or its implementing partner Crescent. Descriptive statistics and Correlation analysis were applied to the collected data using SPSS version 16. It was observed from the research that there is positive impact of microfinance on women empowerment and poverty alleviation though it was not very significant. In addition to this, microfinance are found to have serving less poor people while people in deep poverty still have a very limited access to microfinance funds. Overall microfinance plays positive role against poverty and it empowers women up to satisfactory level.

KeyWords: Poverty Alleviation, Microfinance and Women's Empowerment

Introduction

Poverty is considered as a deficiency of human welfare; the term poverty is usually associated with different social and economic values. According to O'Malley and Veltmeyer, (2006), there are three main poverty discourses, i.e. the income based approach, or money metric poverty discourse, the capabilities approach and the structuralism approach to poverty. In addition to income, other indicators of poverty include lack of access to drinkable water and nutritious food, poor health condition and regular exposure to some diseases, lack of access to educational services, inadequate shelter and lack of monetary and societal

security programs.

Poverty can be defined as a situation in which low income families cannot meet the basic needs of life. This situation leads to social vulnerabilities such as low literacy rate, low life standard and poor health condition etc. due to which human is motivated to dangerous crimes

and suicides. Weiss, Montgomery and Kurmanalievain 2003, reported that chronic poor are those who are permanent poor and transitory poor are those who temporarily fall into this situation by some unexpected incidents. According to Economic Survey of Pakistan (2009 - 10) the narrow concept of poverty is income poverty its broader concept is human poverty. Income poverty is the lack of resources to achieve the minimum material well-being set by national poverty line. Morris and Barnes, (2005) reported that Human poverty is the deficiency of choices for an acceptable social life's requirement. Conclusively poverty describes financial and social status of people. This research attempted to analyze impact of microfinance on life standard of poor in terms of increase in income, nutrition and educational consumptions.

Kabeer (2001) argued that Empowerment refers to the internal change in the capacity and rights to make preferences and decision; it is the process by which individuals attain the capacity to make preferences and decisions which affect their lives. According to World Bank (2001) report empowerment is the process of raising individuals and groups capabilities to make choices among alternatives and to act according to their choices. According to UNIFEM (2000) reports Women empowerment is the combination of developing a sense of self-esteem, achieving the skills to make choices, implementing the bargaining power, self-confidence and the right to manage one's own life. Malhotra, Schuler & Boender (2002) argued that empowerment refers to living according to one's own wishes. Empowerment is much important but till now neither World Bank nor any other major institution has developed any precise method for its measurement. Kabeer (1999) highlighted that researchers have used some key methods for measuring empowerment i.e. GDI Gender Development Index (GDI) and Gender Empowerment Measure (GEM). Cheston and Kuhn (2002) point out by saying that to be very realistic; certain measures of empowerment i.e. self-esteem, decision-making and self-confidence are directly affected by human psyche and human mind is very complex in its measurement so empowerment measurement is also as complex as human nature. Hashemi, Schuler and Riley (1996) took eight indicators of women empowerment like economic security, involvement in major household decisions, and freedom from domination by family, small purchase decision, political and legal awareness, and mobility, participation in politics, protest and large purchase decision

The other important aim of this study is to examine the impact of microfinance on poverty alleviation. According to Mayoux (1998) Poverty is a big problem in the third world and developing countries. Statistics around the world show that at least three billion people live under poverty line. Khan and Noreen (2012) concluded that it is also a fact that the world is full of economic discrimination on one side, countries show economic growth and increase in GDP, on the other side a big segment of population needs food, employment and basic needs to be fulfilled.

Significance of the Study

According to Gilal, Jatoi, and Soomro (2011) Pakistan has 66% (122 million) people whose daily income is less than US\$ 2/day. Only 15% of total population in Pakistan has access to formal financial institutions and the remaining 85% cannot access these institutions. Microfinance targets the remaining 85% of the population and especially those who have their income less than US\$2/Day. Chaudary and Nosheen (2009) explain that many national and international financial institutions are active in Pakistan against poverty alleviation and empowering women. Millions of rupees are in circulation to achieve the objectives of poverty alleviation and women empowerment.

Research Question

Based on the background study, the following research question was developed; What are the impacts of microfinance on poverty alleviation and women empowerment of the poor people in Dir Lower?

Research Objectives

In the light of research topic the objectives of this research was carried out to know how microfinance work to strengthen women, and alleviate poverty i.e. increase income and savings, pattern of consumption, access to health and standard education and assets building etc.

Broad objectives of the study are as following.

- i. To evaluate the impacts of microfinance on life standard of the borrowers.
- ii. To evaluate the role of microfinance in the area of women empowerment.
- iii. To know whether microfinance is really the banking for poor or not.

Universe of the Study

This study was conducted on the role of microfinance with aim to initiate with broad objective on poverty alleviation and women empowerment in Dir Lower. It was not only my personal experience but everyone knows that the women in this district were dominated by their male counterpart therefore I was interested to evaluate the performance of microfinance on women empowerment. During my reading, I also observed that poverty is one of the major problems that the community faces today. It was also understood that microfinance can be an effective tool to overcome the poverty in rural areas. Bearing in mind the discussion above, this research focuses on one of the major socio-economic challenge, inferiority of women in comparison to their male counterpart and poverty faced by developing countries including Pakistan. It has been proven by research that poverty is one of the major causes of vulnerability of underdeveloped communities. Being part of the microfinance program, the researcher has chosen district Dir (L) as a sample area for investigating different financial approaches towards alleviating this challenge of poverty and empowerment.

Review of Literature

Introduction

According to Chaudry and Muhammad (2003) every person/institution either has excess or deficit of financing. Those, with excess of financing, save the extra money while those who face deficit, borrow to fulfill their needs certain financial institutions exist to bridge the gap between deficit and excess financing. Durrani et. al, (2011) conduct a research study and explain that Microfinance is the provision of wide variety of financial services including insurance, payment, transfer and credit to low income people, especially to women. It also aims the access of low income people to financial services in the long run. Statistics show that only 15% of the population have access to formal financial institutions while the remaining 85% is considered to be unbankable because they cannot provide physical collateral to financial institutions. The microfinance targets the remaining 85% part of

population who do not have access to formal financial institutions especially those who have their income less than US\$ 2/Day.

Javed et al. (2006) emphasize on the role of Microfinance is not only the name of micro credit but it is complete banking system for poor including micro credit, insurance, money transfer and savings etc. Only 15% of total population in Pakistan has access to formal financial institutions and the remaining 85% cannot access these institutions. Microfinance targets the remaining 85% of the population. Microfinance in today's age refers to a range of financial services such as entrepreneurial and consumption loans, savings, insurance services, etc. to the poor and low income people that has broadened the scope of microfinance for its target market. It is not an end itself and not a solution for poverty and low income rather it is a mean to find a solution for the above problem. According to Transparency (2009) Microfinance not only provides funds to poor but it makes alliances with other companies i.e. joint venture and partnership to provide jobs and other social needs of the poor.

Philosophy of Microfinance

Herani, Rajar, and Dhakan (2007) explain that Poverty alleviation and women empowerment are two main objectives of microfinance and these are agreed to be the Philosophy of Microfinance or the reason for its existence. Poverty exists everywhere even in developed countries of the world. In Pakistan about 50% of the population live their lives below poverty line.

According to Swain and Wallentin (2009) Poverty is the situation in which low income families cannot meet the basic needs of life. This situation leads to difficulties such as low literacy rate, low life standard, poor health condition etc. due to this situation human is motivated to dangerous crimes and suicides. In patriarchal societies in developing countries like Pakistan, the women are almost totally dependent upon their counterpart in making different household and investment decisions and access to financial institutions. They are often considered to be less empowered. Dr. Muhammad Younas the inventor of microfinance started practicing of microfinance in Jobra village of Bangladesh for the purpose of alleviating poverty and empowering women. Thus, it can be said that microfinance basically exists for the purpose of poverty alleviation and women empowerment.

Different Perspectives of Poverty

The Income-Based Approach to Poverty

Kim et al. (2007) carried out research and find out that The Bretton Woods Institutions such as the World Bank and IMF, are of the view that poverty is a situation in which individuals' lack financial resources to fulfill their basic needs. According to this view point human welfare is directly associated to control over commodities and poor are those who do not have enough income to meet a minimum threshold.

Capability Approach to Poverty

The capability approach to poverty focuses on a variety of people's capabilities such as the capability of being healthy, educated and capability of being able to be part of a political process. It concentrates on what people were able to do instead of what they have. Poverty comes when people lose capability to lead valuable lives. Under the capabilities approach, income is only a means to enhance the capabilities and ultimately human development.

Microfinance and Poverty Alleviation

According to Cheston and Kuhn (2002) Microcredit programs have positive impacts on income and assets building capacity of women in Bangladesh, income of women is increased by 18% of total microfinance credit. Impacts of microfinance on education are complex. Male education is increased in both the cases whether the borrower is male or female but female education is increased only if the borrower is female. The poor spend 91% of their income on nutrition for this purpose they utilize loan from informal sector. Muhammad Akram and Hussain (2011) concluded from research study that Microfinance can raise the income level and life standard of poor as evidence are here from Bangladesh's experience where microfinance is used for improving life standard and uplifting income level of the poor segment of population. Positive relationships exist between microcredit and income level, microcredit and life standard, micro insurance and income level and micro insurance and life standard. Siddiqui and Gilal (2011) find out that some people perceive that microfinance is an excellent resolution for economic problems in the developing countries and it can help in poverty alleviation, women empowerment, improving education standard, literacy rate, and nutrition status of household and unemployment reduction. From experience of Grameen Bank, Kashf Foundation and other microfinance institutions it is proved that microfinance borrower not only repay their debts but also raise their income by properly utilizing the money.

According to Waheed, (Khan, Khan, and Ullah, (2009) Pakistan has 25 million households who depend on microenterprises for their daily needs. They find employment opportunities in these microenterprises either as an owner or employee to other. Microfinance has provided 50,000 posts of credit officers in India. From 1992 to 1998 poverty rate declined by more than 20%, i.e. 3% per year in the program area and at least 50% of which is directly caused by microfinance.

Microfinance and Women Empowerment

Transparency International (2009) report Microfinance is not an end itself and not a solution for poverty and low income rather it is a means to find a solution for the above problem. Microfinance not only provides funds to poor but it makes alliances with other companies i.e. joint venture and partnership to provide jobs and other social needs of the poor.

Women empowerment is a complex concept, to understand it, we have to study the past published work on the topic in the context of microfinance. Hashemi, Schuler and Riley (1996) took eight indicators of women empowerment like economic

security, involvement in major household decisions, and freedom from domination by family, small purchase decision, political and legal awareness, and mobility, participation in politics and protest and large purchase decision. They collected data from 1300 female clients of Grameen Bank and Bangladesh Rural Advancement Committee. According to World Bank (2001) empowerment is a process which enhances individuals and groups' competencies for acting according to their wishes by choosing from different alternatives. Women empowerment is as much important as men empowerment, according to their report slow economic growth, weak governance, low life standard and greater poverty is caused by gender discrimination in the context of empowerment. Microfinance also provides additional power to women to take part in household decision making and it improves women bargaining power due to access to information and credit. Nouman, Khan, and Khattak (2011) found that in Pakistan's context women have very limited access to formal financial institutions and they depend on their male counterpart for their financial needs. They are considered less credit worthy in formal financial institutions. In these circumstances microfinance is the only source for financing their own businesses.

Methodology

Universe of the study

The universe of this study district Dir lower is located at the North West of Pakistan and surrounded by District Swat from North East, Dir upper from North West, Bajaur from the West and Malakand agency from South East. The said district has seven Tehsils i.e. Tehsil Timergara, Tehsil Adenzai, Tehsil Lalqila, Tehsil Munda, Tehsil Samarbagh, Tehsil Balambat and Tehsil Khall and 41 Union Councils. The total area of district Dir lower is 1582 Km² (Swain and Wallentin, 2009) while overall population of the area is about one million. Very low development indicators were observed in term of infrastructure. District Dir lower is one of the underdeveloped districts of KPK. The literacy rate is comparatively low. The youth is almost unemployed and they have very low chance of business therefore they work as labor and the per capita income is comparatively low. The agricultural sector mostly depends upon tube wells and rain, no proper system to water the crop is available. Total area under cultivation is 44,000 Acres and it produces rice, maize and wheat crop. Here is lack of industries in district Dir.

The research information was collected through structure questionnaire and interview from the microfinance clients in district Dir lower. Dir Lower was selected for this study because of

two main reasons. First, most of the people are low income because of lack of opportunities in the area. NGOs like Helping Hand and CRESCENT and are working here for poverty alleviation and women empowerment through microfinance in Dir Lower. Second, data availability and access to data are very crucial in research.

Major Banks working in the focused district are National Bank, Habib Bank, Muslim Commercial Bank, Allied Bank, United Bank, Bank of Khyber, Zarie Tarqati Bank and Meezan Bank. In education sector university of Malakand which is located at Chakdara, is major institute of the area while Abdul Wali Khan University Mardan campus is also working in the headquarter of the district Dir i.e. Timergara. One post graduate college and two degree colleges for male and one for female are also building the future of local residents. Two technical colleges and one commerce college are functional while one degree college and one commerce college are under construction and except all these public sector institutions dozens of colleges are also providing education not only to students from Dir lower but also to the students of the nearby areas. Fourteen male and eight female higher secondary schools, sixty male and twenty six female high schools, 93 male and 63 female middle schools while 832 male and 409 female primary schools are established by government of Pakistan for the betterment of the local residents.

Access to microfinance borrowers and data collection in Dir Lower was comparatively easy because the researcher itself belonged to the mentioned area and already knew the microfinance clients in Dir Lower. Secondary data was collected from already published research papers, books, newspapers, and magazines while primary data was collected from two sources namely; micro finance clients and microfinance institutions. A

comprehensive questionnaire was used to collect data from micro finance clients and an interview was conducted with manager in BOK and area manager of Helping Hands.

Sampling Technique

Data was collected from 54 respondents from The Bank of Khyber and 51 from CRESCENT, randomly selected where interviewed through structured questionnaires.

Data Analysis

The collected data was analyzed through (SPSS) Statistical Package for the Social Sciences (Version 16) software. As the data was collected from male and female clients of microfinance institutions and the questionnaire included general and objectives related questions. Therefore the nine questions which was related to women empowerment and was analyzed separately from other questions. Descriptive statistics and pairwise correlation was used to undertake a comprehensive analysis of the collected data. The results were presented in tabular form.

Hypothesis

H₀: There is no relationship exists between microfinance and poverty alleviation.

H₁: There is strong relationship exists between microfinance and poverty alleviation.

H₀: There is no relationship exists between microfinance and women empowerment.

H₁: There is strong relationship exists between microfinance and women empowerment.

The information was gathered from 105 registered microfinance clients of The Bank of Khyber (BOK) and Helping Hand. Among these respondents 37 was female and 68 was male. The information relevant to only female clients in term of women empowerment was analyzed separately while that information which was related to poverty alleviation and life standard was analyzed together. The results were shown as under;

Demographic Characteristics

Particulars	Specification	Frequency	Percent	Valid Percent	Cumulative Percent
Age	Less than 25 years	22	21.0	21.0	21.0
	25-40 years	43	41.0	41.0	61.9
	40-50 years	31	29.5	29.5	91.4
	50 years	9	8.6	8.6	100.0
	Total	105	100.0	100.0	
Gender	Male	68	64.8	64.8	64.8
	Female	37	35.2	35.2	100.0

	Total	105	100.0	100.0	
MaritalStatus	Single	18	17.1	17.1	17.1
	Coupled	87	82.9	82.9	100.0
	Total	105	100.0	100.0	
Qualification	Graduate	18	17.1	17.1	17.1
	Undergraduate	23	21.9	21.9	39.0
	Matriculate	29	27.6	27.6	66.7
	Illiterate	35	33.3	33.3	100.0
	Total	105	100.0	100.0	
Profession	Personalbusiness	105	100.0	100.0	100.0

Dependents	1-4 Members	24	22.9	22.9	22.9
	4-8 Members	56	53.3	53.3	76.2
	9-12Members	21	20.0	20.0	96.2
	12 Members	4	3.8	3.8	100.0
	Total	105	100.0	100.0	
Duration	Lessthana year	11	10.5	10.5	10.5
	1to 2years	31	29.5	29.5	40.0
	2to 5years	63	60.0	60.0	100.0
	Total	105	100.0	100.0	

Age

Mean value and S.E of the respondents was 2.257 ± 0.086 showing that most of the respondents was in the age range of 25-40 years and 40-50 years. The lowest age range i.e. Below 25 years contained 21% respondents while the highest range above 50 years contained 8.6% respondents.

The age range 25-40 years contained 41% and 29.5% respondents was in the range of 40-50 years.

Gender

Total 105 respondents was enquired of which 68 (64.8%) was male and 37 (35.2%) was female, as shown in the table below. Mean value and S.E obtained was 1.352 ± 0.046 .

MaritalStatus

Mean value and S.E was 1.828 ± 0.036 . The result showed that 82.9% respondents was married while 17.1% was still unmarried.

Qualification

Among all the respondents 33.33% was illiterate while 66.67 was literate. Among the literate 17.1% was graduate, 21.9% undergraduate and 27.6% matriculate. Mean value and S.E for all the responses was 2.771 ± 0.106 .

Profession

Mean value 3 and standard error was 0 which show that all the respondents had their own business. None of the respondents was government or non-government employee.

Dependents

The respondents were asked about their dependents family members. The responses was classified in four classes. Only 22.9% respondents had their dependent family members from 1 to 4. 53.3% respondents answered that they had 4 to 8 dependent family members while 20% claimed that their dependent family members was ranging from 9 to 12. Only 3.8% respondents claimed that their dependent family members was 12 persons. Mean value and S.E for the responses was 2.047 ± 0.074 .

Duration

Impacts of micro finance cannot be observed at once, it needs time. This question was asked to know how long the respondents remained with micro finance institution. Mean value and S.E

was 2.495 ± 0.066 . 10.5% of the respondents had less than a year of dealing experience with micro finance institution, 29.5% remained for 1 to 2 years while 60% respondents remained 2 to 5 years with micro finance institution.

Validity of the Research

This research study was mainly based on the statistical conclusion validity paradigm which explains the relationship existing between the two variables? Statistical conclusion validity pertains to the relationship being tested. It refers to inferences about whether it is reasonable to presume co-variation given a specified alpha level and the obtained variances (Chapman and Chapman, 2003). There are however some limitations to statistical conclusion validity such as low statistical power, violation of assumptions, reliability of measures, reliability of treatment, random irrelevancies in the experimental setting, and random heterogeneity of respondents. However, since the undergoing research does not pertain any complex experimental set up, therefore, the researcher has relied on this approach.

Reliability of the research

Reliability in social sciences means the consistency of performance of a particular measurement

if repeated again and again. Measurements are considered reliable to the extent that they are repeatable and that any random influence which tends to make measurements different from occasion to occasion or circumstance to circumstance is a source of measurement error. In other words as research shows, reliability is the degree to which a test consistently measures whatever it measures. The measurements in this research study are consistent in

both perspectives. As the responses made during other similar researches in the same field have a close similarity to the researcher obtained. Similarly the results that researcher obtained in different occasions have resemblance in the performance though there were some thematic differences in the organizations or individuals interviewed.

Correlation Analysis

Correlation between Business Worth before loan and Business Worth after loan

Correlation		Business Worth before loan	Business Worth after loan
Business Worth before loan	Pearson Correlation	1	.216*
	Sig.(2-tailed)		.027
	N	105	105
Business Worth after loan	Pearson Correlation	.216*	1
	Sig.(2-tailed)	.027	
	N	105	105

*.Correlation is significant at the 0.05 level (2-tailed)

Pearson correlation analysis (2-tailed) was applied to the data. The value of “r” obtained was 0.216, while the calculated value of r^2 was 0.046. Moderate relationship between business worth before and after the micro financing exists. The result is significant at 5% chance of error.

Correlations Approximate monthly income after loan

monthly income before loan and approximate monthly income

Correlations		Approximate monthly income before loan	Approximate monthly income after loan
Approximate monthly income before loan	Pearson Correlation	1	.253*
	Sig.(2-tailed)		.009
	N	105	105
Approximate monthly income after loan	Pearson Correlation	.253*	1
	Sig.(2-tailed)	.009	
	N	105	105

The above table shows that $r = 0.253$, $r^2 = 0.064$ and $p = 1\%$. Moderate correlation exists between approximate monthly income before and after getting the loan. From the result it can be concluded that 25.3% change in monthly income is observed after micro financing.

Correlations Meat usage frequency before loan and Meat usage frequency after loan

Correlations		Meat usage frequency before loan	Meat usage frequency after loan
Meat usage frequency before loan	Pearson Correlation	1	.204*
	Sig. (2-tailed)		.037
	N	105	105
Meat usage frequency after loan	Pearson Correlation	.204*	1
	Sig. (2-tailed)	.037	
	N	105	105

*.Correlation is significant at the 0.05 level (2-tailed).

The above table shows that $r=0.204$, $r^2 = 0.048$ and $p= 5\%$. Weak correlation exists between meat usage frequency before and after getting the loan. From the result it can be concluded that 20.4% change in meat usage frequency is observed after micro financing.

Correlations Consumption on and Nutrition before loan Consumption on Nutrition after loan

Correlations		Consumption on Nutrition before loan	Consumption on Nutrition after loan
Consumption on Nutrition before loan	Consumption on Nutrition after loan	1	.208*
	Sig.(2-tailed)		.033
	N	105	105
Consumption on Nutrition after loan	Pearson Correlation	.208*	1
	Sig.(2-tailed)	.033	
	N	105	105

*.Correlation is significant at the 0.05 level (2-tailed).

The above table shows that $r=0.208$, $r^2 = 0.043$ and $p= 5\%$. Weak correlation exists between nutrition Consumptions before and after getting the loan. From the result it can be concluded that 20.8% change in nutrition Consumptions is observed after micro financing.

Correlations Children schooling before loan and Children schooling after loan

Correlations		Children schooling before loan	Children schooling after loan
Children schooling before loan	Pearson Correlation	1	.128
	Sig.(2-tailed)		.194
	N	105	105
Children schooling after loan	Pearson Correlation	.128	1
	Sig.(2-tailed)	.194	
	N	105	105

The above table shows that $r=0.128$, $r^2 = 0.016$ and $p= 1\%$. Weak correlation exists between Children schooling before and after getting the loan. From the result it can be concluded that 12.8% change in Children schooling is observed after micro financing.

Women Empowerment

Correlations Domestic violence before getting loan and Domestic violence after getting loan

Correlations		Domestic violence before getting loan	Domestic violence after getting loan
Domestic violence before getting loan	Pearson Correlation	1	.152
	Sig.(2-tailed)		.369
	N	37	37
Domestic violence after getting loan	Pearson Correlation	.152	1
	Sig.(2-tailed)	.369	
	N	37	37

The above table shows that $r=0.152$, $r^2 = 0.023$ and $p= 1\%$. Weak correlation exists between domestic violence before and after getting the loan. From the result it can be concluded that 15.2% change in monthly income is observed after micro financing.

Conclusion

The aim of this study is to investigate the impacts of microfinance on women empowerment and poverty reduction through improving life standard. This research finds a significant relationship between microfinance tools and economic empowerment of the people particularly the poor class. Similar result was drawn by Durrani in (2011), Hossain (1997) and Cheston and Kuhn in (2002).

Based on the results of descriptive statistics in this study, three main dimensions can be concluded. First, the research provides evidence that poverty may be substantially reduced by applying certain microfinance tools e.g. micro credit, micro saving and micro-insurance etc. Second, the same microfinance tools may be successfully used in achieving women empowerment as evident from the analysis. Third, this research describes a very important question whether microfinance is really banking for the poor. The research reflects a moderate access of microfinance to the poor which often causes ineffectiveness of such scheme. Extensive literature on the topic also supports this statement as there are cases in different developing countries where microfinance schemes have not fully achieved their objectives.

The research incorporates combined views of both male and female of the sample area. Majority of respondents had their dependent ranging from 4 to 8 members each which is one of the reasons for availing microfinance service. Similarly, a considerable number of respondents told that microfinance agents may be

an efficient source of information for them. Most of the respondents showed their capacity to borrow from conventional banks but they did not resort to it which shows they were less poor or relatively rich. The reasons for this lack of interest are the complex procedures of the bank, lack of awareness regarding microfinance and the prevailing perception among the people particularly about the banking services. The research also described the usage of loan by borrowers and concludes that a significant majority of borrowers invest their borrowed amount in business activities while some borrowers spend the amount for personal purposes. In such cases there will be lack of income generating activities and income will not increase. The analysis reflected a positive view about the loan recovery and reveals that contrary to general perception; the borrowers returned their loans on time conveniently. This positive approach may be a good indicator for potential microfinance institutions in the area.

The average socio-economic position of respondents reveals a considerable majority of people have their own homes while most of the people do not have their own cars. This reflects the lower middle class's socio-economic status of borrowers in the area. Similarly, majority of borrowers' business financial positions was as low as less than PKR 200,000. The analysis shows that there is significant increase in the business worth of microfinance clients after borrowing the loans. A stronger correlation is also observed from the analysis while there is a continuous increase in the business worth and monthly income of individuals. Increase in the consumption of individuals was observed but this increase was not significant for microfinance clients. Majority of people reported their income less than their consumption while a little number of individuals' income was slightly higher than their consumption. Most of the respondents do not save over time however, those who save, their saving amount is relatively low. Microfinance can also help people in building their assets over time as evident from the analysis where some people reported to have purchased new assets as a result of microfinance services showing that microfinance helps in assets building, the claim is also supported by (Mayoux, 1998).

Microfinance also helped people increase their consumption on nutrient food. For example people consumption level of certain superior item e.g. meat and fruits etc. was increased. Children's schooling is significantly affected by microfinance, as the research is evident that the number of clients whose children were enrolled in private schools was increased while the number of clients whose children were taught in government schools decreased significantly. Half of the respondents were of the views that they can provide better and standard education to their children than before. It is observed that the microfinance clients contribute in community welfare as the research is evident that two third of the respondents contributed in charity funds, donations and gave loans to needy people in the society which shows that microfinance has positive impacts on society. Most of the female clients do not have any hurdle while going out of their homes while a considerable portion of the population experienced an increase in their mobility due to microfinance. Still most of the

respondents have no change in their mobility. More than half of the respondents take part in daily purchase and major household decision, still they are not so much powerful to dictate their counterpart, in case of conflict the husbands are dominant and their suggestions are accepted. It is observed that domestic violence after getting microfinance facility is decreased. Weak correlation exists between domestic violence before and after getting microfinance facility.

Conclusively microfinance has positive impacts on women empowerment, life standard and women empowerment both in term of economic and social terms. If one helps a poor to stand on his own feet it will not only bring a revolution in his life but it will also have positive impacts on society and the dream of healthy and educated society will become true.

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