

**IMPACT OF MICRO FINANCE ON WOMEN  
EMPOWERMENT: A CASE STUDY OF  
SELECTED DISTRICTS OF KHYBER  
PAKHTUNKHWA**



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EMPOWERMENT: A CASE STUDY OF  
SELECTED DISTRICTS OF KHYBER  
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*A thesis submitted to the Department of Economics, University of Peshawar in  
partial fulfillment of the requirement for the award of the degree of*

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## **APPROVAL SHEET**

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I, Syeda Nabahat, a student of Ph.D at Department of Economics, University of Peshawar, do hereby solemnly declare that the thesis titled *Impact of Micro Finance on Women Empowerment: A Case Study of selected districts of Khyber Pakhtunkhwa*, submitted by me in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Economics, is my original work, except where otherwise acknowledged in the text and has not been submitted or published earlier and shall not in future, be submitted by me for obtaining any degree from this or any other university of institution.

Dated: \_\_\_\_\_

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**Syeda Nabahat**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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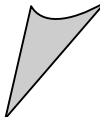
Allah

The Most Merciful, and the Most

Compassionate.

## **DEDICATION**

*This Effort is dedicated to My  
Loving Mother for her  
unconditional love and support  
and to my Husband for his  
cooperation and encouragement*



## **ABSTRACT**

From the time of its birth Pakistan is facing turmoil and deprivation in all aspects of life, keeping it from coming at par with the rest of the world. For over six decades Pakistan has made little progress due to the unfair division of resources and gender discrimination. The burden of this scantiness was put intensely on the women folk. Women play a vital role in domestic functions. Their role should be enhanced by empowering them financially. Microfinance has been found as a main antidote to empower women and eradicate poverty. The focus of the study has been on micro-credit, given to the poor women to help them to initiate business, in order to increase their income which in the long run will empower them. Main objectives of the study were to determine the impact of microfinance on the self confidence and decision making power of women in the study area. For this purpose a sample of 235 women who had taken credit from the two major microfinance institutions National Rural Support Program (NRSP) and Sarhad Rural Support Program (SRSP) were randomly selected from three districts (Peshawar, Mardan, Swabi) of Khyber Pakhtunkhwa province. Information regarding demography and other variables were collected through structured questionnaire. In order to understand the complexity of the phenomenon of women empowerment, a structured interview schedule was also conducted. Different statistical instruments i.e. descriptive analyses, bar charts, bivariate and multivariate analyses were employed to present the information scientifically, and to build up the relationship between the various explanatory variables and dependent variable. The analysis specifies that the response about joining microfinance was very encouraging. Beneficiaries of microfinance felt positive influence of microfinance on their level of self-confidence, family life, husband and wife relations, respect from in-laws, and decrease in household violence. Their decision making ability regarding income and expenditure, children education and health, had also increased. Women's own perception after joining microfinance was also very positive. The study further concludes that personal and socio-political empowerment of women is greater in district Peshawar, while their economic empowerment is greater in district Swabi. Similarly the decision making ability of women is greater in district Mardan. It is suggested that the process of available credit should be made easier and outreach of microfinance sector should be expanded to other far-flung areas of the country.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

Opportunities and access to the resources among men and women vary all over the world, but are more common in underprivileged developing nations. Basically a woman's role is as important as a man's role in providing stability to the family and development of the country. She, too, is entitled to the same rights and privileges as her counterpart, however, the under developed nations present a different scenario\ . There are inherent structural impediments that prevent and keep women from participating in the decision making process (Rehman, 2007). They are exposed to risks as regard to sources of income and livelihood. Likewise, opportunities are not open to females living in male-dominated society, in the underdeveloped countries. They are burdened with growing inequality as a result of many social and cultural factors. This unprivileged status is the result of multiple factors such as illiteracy, joblessness, early marriages, and familial violence which have prohibited women from attaining greater elevation (Rahman, 2007). The low standing of women is not only because of the tradition and culture but it is embedded in our political and financial structure, which needs to be altered. Women contribute through their work in maintaining the family unit but it is not accepted as manual labor. They are financially, as well as, socially dependant on male members of the family. Women don't enjoy the same standing as men in many respects (Rehman, 2007).

Women face the difficulty of accessing market and adopting improved technology, at the domestic level and also risk new form of gender division of work and personal empowerment particularly, with regard to their position in household decision making. Dearth of essential resources remain main problem underlying women's difficulty in formulating self-regulating decisions about their lives (MOWCA, 2008).

In many developing countries mainly women don't have the means to invest and they require inexpensive loan to earn a respectable livelihood. To meet these requirements different policies have been made at different spells e.g. special programs were set up and credit guarantee schemes were introduced. The outcome of these strategies has contributed nothing to the persistent economic development of women (Mehmood, 2002). Traditionally the low income community usually remains ignored or without any lucrative monetary services. (Rehman, 2007) The essential offer at the back of micro-finance is to alleviate poverty by providing credit to the poor people. Underprivileged persons are not capable to take credit from commercial banks usually because of the inability to provide some deposit (Ayertey, 2008).

The lack of opportunity to gain access further aggravates the already deplorable condition and enhances poverty level. This is where the plan of microfinance plays a pivotal role in alleviating the status of women in society (Ablorh 2011). This has resulted in the need for other institutions that meet the requirements of the underprivileged people for monetary assistance. Microfinance is playing an influential role in empowering the poor people especially women at the global level (Khan and Rehman, 2007).

## **1.2 Microfinance and women empowerment**

The process of women empowerment is a method of altering perceptions, in order to permit the individual to modify the surroundings. It is a process to change the prevailing conditions faced by women, for the better. The empowerment gives individuals strength and opportunities to build up talent, and autonomy (MkNelly, 2001)). The empowerment of women involves deliberate efforts. It can be achieved by eradicating prejudice against women, modifying the social institutions that do not help women and policies for the assurance of equivalent rights (Ablorh 2011). It is an elaborate structural change which will lead to the women to contribute in economic activities of the economy and then will add to the common welfare of the community (Khan and Rehman, 2007).

The meaning of empowerment is different in different socio-economic perspective. It specifies self-power, independence, self-determination, awareness for one's rights, and life of one's own choice for women (Mohammad and Mohammed 2007). Empowerment has different meanings and is significant at all levels, whether personal level or community level (Mohammad and Mohammed 2007). It enables women to face male subordination at household level. It infuses confidence among people from all walks of life. Economic empowerment means a positive change in savings and income besides decline in indebtedness (Khan, 2010). Social empowerment raises the level of education and public consciousness among women. Women will be considered empowered only when they start living their lives

according to their own wills with dignity, confidence and respect (Khan, 2010).

The study by (Kabeer, 1998) declares that the empowerment of women is a process of infusing confidence in them to make intentional life choices. To (Boden, 1997) empowerment means an increase in independence and authority in women and prepares them to take the decisions autonomously. It helps them to overpower resources, and strengthens their place in the society. According to (World Bank, 2002) an increase in resources and capabilities of disadvantaged people in order to enable them to contribute, influence, manage, and hold responsible positions in institutions is real empowerment. Kabeer( 2003) opines that the only way to empower women is to provide them opportunities to increase their income, through self-employment, thus enabling them to participate in community development. This enables them to make their own choices. According to United Nations Development Fund for Women (UNIFEM, 2000) women empowerment means their choice of bargaining power and developing their self respect and confidence by asserting their will in decision making.

Micro finance is the device that can bring an encouraging impact in the existence of the poor women. It is an imperative mechanism of feminine empowerment. Besides it also and reduces poverty (Rehman, 2007). Micro finance refers to; the regulation of a variety of economic services which includes money transfers and credit deposits to the poor people for their small business (Ayertey, 2008). To help increase their income microfinance provides financial and non-financial assistance to the needy persons. It is

beneficial for the poor people as well as for the financial institutions. It helps women in starting businesses of their own in order to reduce their poverty, as well as to empower them, and provide them a strong foothold in the society. According to Zaman (1999) micro finance for female is presently encouraged as a policy to improve the well-being of the poor women by reducing their poverty. Sharma (2007) explains that microfinance not only lowers the exposure to risks but also helps women to bear income shocks in a better way. Access to credit can contribute to breaking up the poverty trap by enabling them to borrow money for gainful investments, save money for future expenses. The provision of small loans to women for income creation can enhance their financial and social position in the community and in the family (Ayertey, 2008)). Microfinance is capable to empower women who can then pave the way for social and economic development. Since the introduction of microfinance, in many countries microfinance programs have been increasing their activities to lighten poverty and empowering women (Asim, 2008).

### **1.3 Problem statement**

Pakistan is an underdeveloped country where the majority of the population living in rural areas. Pakistan and mainly the province of khyberPakhtunkhwa have a relatively conservative and traditional society where women are viewed as a pictogram of respect and arrogance (Rehman, 2007). Women and their actions is basically a subject of respect for the males. The principle exercise is to endorse this respect by confining them within the limits of their houses (Maria, 2003). The fact is obvious when women observe strict *purdah*, have controlled mobility and accept unquestioningly whatever destiny the men

decide for them(Rehman, 2007). There exists inequality among women and men in the fields of service, decision making, health, employment, investment, and schooling. The responsibility and the position of women in a traditional society restrict their freedom of mobility and limit their access to economic resources (Maria, 2003). Disempowerment of women is caused by lack of education and lack of earnings. To cope with the low level of literacy rate along-with implementation of cultural taboos and gender discrimination there is a need for female empowerment (Laila, 2006). Because of low economic social, personal, familial and political empowerment of women, it is vital to find-out mediations through which this empowerment discrepancy could be neutralized. Empowerment of women means empowerment of the next generation (Younas, 2007). This indicates that women empowerment is very important for the development of society and country. Microfinance plays a significant role in women's empowerment. Microfinance can satisfy their desires to increase their potential to get personal empowerment especially in a country where women are faced with inequality (Albroh, 2011).

In Pakistan National Rural Support Program (NRSP), Punjab Rural Support Program (PRSP), Sarhad Rural Support Program (SRSP) and Agha Khan Rural Support Program (AKRSP) are among the various microfinance institutions. Loans are provided to women to enable them to start their own self businesses on a small scale, and to give them a sound footing. Micro finance is the need of the hour for Pakistan where lack of women development has caused a crisis which has retarded its economic growth (Khan et. al. 2011).

Hopefully the steps being taken by the government will have a positive effect on their economy.

Microfinance services are at their preliminary phase in the country. Microfinance activities were initiated in 2001 as an outcome of microfinance ordinance (Asim, 2008). Micro credit is the provision of small amount of money to the people, who are very poor to meet the requirements for conventional bank loans (Ayertey, 2008). In most of the underdeveloped countries, micro-credit particularly facilitates the underprivileged people to start small business in order to increase their income, and as a consequence get better living standard for themselves and their families (Jamal, 2008).

#### **1.4 Significance of the Study**

Being physically more powerful and aggressive, the males have always subjugated females in every way and in all societies. The area of study chosen by the researcher, apart from being intricate and complicated is also very innovative and ground-breaking for the reason that no such research on females with such a deep apprehension and profoundness has ever been conducted in Pakistan. The deficiency of research evidence in Pakistan in relation to the gender inequity, made it all the more important to identify certain aspects of women's empowerment. Along with this there are many other reasons that indicate the significance of the study.

First of all the purpose of investigating different aspects of women empowerment is to bring to the forefront the relationship between microfinance and women empowerment among the population in Pakistan.

Misapprehensions about female entrepreneurs persist in our society because of some conventional norms, therefore; this research was designed at bringing out facts unknown till now.

As the research is conducted in an Islamic country and more so in very conservative areas of Khyber Pakhtunkhwa, so it endeavors to measure the effect of family approach towards household, women empowerment, and status within household. This study is an effort to highlight some of the facts and figures of micro finance and women empowerment in selected areas of Khyber Pakhtunkhwa Province, which may be of great help in the better understanding of problems of this mal-treated group of society. The study focuses on the perception of women clients who borrowed loans from microfinance institutions.

The present study is significant as it explores the impact of microfinance on the self-confidence of women of Khyber Pakhtunkhwa in terms of purchasing power, freedom of mobility, taking part in family discussions and decisions along with the ability to spend money independently. Previously very few endeavors have been made to understand the problems faced by the females within this particular environment where customs and long-established norms are the main impediments in their development.

For the formulation of appropriate development strategy there is a need to accumulate and analyze gender disaggregated data, together with all the aspects of women's roles and actions particularly in Pakistan where there is a dearth of such information. The study is also significant as it presents an empirical data on the standing of women in the home, particularly in khyber

Pakhtunkhwa province. Furthermore this study is important because it contributes to the understanding of how females are influenced by financial reformation with the help of microfinance, and how they act in response to their personal and household characteristics.

### **1.5 Main Objectives**

To be meaningful, every work needs to devise the objectives of the study. In the light of the research topic, “Impact of micro finance on women empowerment” the main objectives of the study are as under;

- 1 To analyze the relationship between microfinance and women’s decision -making ability in Khyber Pakhtunkhwa.
- 2 To determine the impact of microfinance on women’s self confidence, in Khyber Pakhtunkhwa.
- 3 To analyze the impact of micro finance on living standard of females in Khyber Pakhtunkhwa.

### **1.6 Hypotheses**

The following research hypotheses are tested during the conduction of this study.

- 1 Access to microfinance will not have a positive impact on the living standard of females of Khyber Pakhtunkhwa.
- 2 Access to microfinance can’t increase decision making ability among females of Khyber Pakhtunkhwa.

- 3 Access to microfinance will not generate confidence among the females of Khyber Pakhtoonkhwa.

### **1.7 Limitations of the study**

The study comprises a number of limitations. First and foremost, the selection of sample for the study as they were limited in number and secondly, time and financial constraint were also faced. Thirdly, the data was collected from only three main districts of Khyber Pakhtunkhwa, which may not be considered to stand for the genuine picture of the entire country. Finally, the accurateness of the study greatly depends on the information given by the samples that are availing credit from microfinance institutions.

### **1.8 Organization of the Study**

There are five chapters in this research dissertation.

Chapter-I is Introduction that presents a concise background of the study and declaration of the research problem, coupled with a rationale for the significance of the study, research objectives, limitations and the overall organization of the study.

Chapter-2 presents theoretical literature related to microfinance and women empowerment.

Chapter-3 explains research methodology; this also includes brief description of the questionnaire, the characteristics of the sample, data collection procedure measurements issues and methods of data analysis and interpretation.

Chapter-4 presents analytical results. Statistical methodology applied to sample is discussed. The chapter gives the general idea about the nature of statistical facts we have used.

Chapter-5 summarizes the study, draws conclusions and makes recommendations based on the major findings.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

Numerous research works on women empowerment caused by the microfinance has been carried out all over the world. Similarly a lot of research has also been done within the country on the relationship of microfinance and poverty alleviation.

In order to put this research in an appropriate framework some of the existing foreign literature and research carried out in Pakistan would be reviewed, which will be very supportive in this study and will lead to a new track to analyze the impact of microfinance on women's empowerment more accurately.

#### **Women Empowerment**

MOWCA (2008) found that discrepancies among male and female are well-known in different areas such as; power over resources, employment, education, health, participation in the socio- political activities and decision making in family affairs. Women are socially and economically mistreated as compared to men. This makes the women deprived and less empowered. Therefore the main concern of all developing countries is to empower women.

Chaudhary and Nousheen (2009) observed that in many less developed countries important concern of current developmental policies is women empowerment. There are various socio-economic factors that determine women empowerment. Moreover, World Bank (2002) describes that these

factors are, self-strength, control over resources, freedom of one's choice, life of dignity, access to basic human needs, struggle for rights, autonomy, and decision making capability. While, Yunus (2007) opined that empowerment may be defined as increase in responsibility and control of women in various facet that have an effect on their living. Carr, Chan and Jabvala (1996) in their study on women's economic empowerment in South Asia defined empowerment as financial improvement, that amplified bargaining authority and structural transformation which facilitated women to have monetary benefits on continual basis.

Brown (2011) explains that empowerment is a multi-dimensional and subjective construct that is more strongly related to inner feelings than outer behaviors and is always changing, inclined by cultural circumstances, and is a creation of several experiences. She delivered that microfinance institutions are protecting borrowers from financial suffering, encouraging savings and expanding income as well as letting the borrowers to access resources that are needed for survival, and escalating the digit of cultured and skilled people.

Rowlands (1997) explained that empowerment has two major aspects that can explain whether or not women benefit from using micro financial resources. They are personal empowerment and political empowerment with decision-making power being focus of the empowerment state. It is the capability to get earnings that facilitate involvement in financial decision-making. Batliwala (1994) opined that empowerment is the method of changing present power dealings and having greater power, over the resources. She determines that empowerment of women makes her change the philosophy of male dominance

and facilitate her to have access and power over resources and change the organizations through which the principles and tradition of subordination is reinforced.

Kumar (2013) in his study has defined that empowerment involves development in social and physical situations, along with decision making ability and power over resources and system for nourishing these benefits.

Rao and Kelleher (1995) defined women's empowerment as, power over decisions disturbing their living and self-determination and the ability of women to be financially independent.

Parveen and Ingrid (2004) concluded that empowerment can be increased by useful programs commenced by the authorities concerned in improving women's access to information and education. Similarly, Nawaz, et. al., (2012) conducted their study in Bahawalpur, Pakistan and found that utilization of microcredit in different income making activities empowers women at, economic, family and personal levels. Economic empowerment makes women powerful at other levels also.

Zaman (2001) conceded that microfinance played a significant function in reducing poverty, through income generation and encouraging women by giving them control over resources which increased their integrity and awareness.

Malik and Luqman (2005) revealed that empowerment means self-confidence, respect, access to resources, involvement in decision-making, power over remuneration an improved well being. It is a procedure of transformation

which gives them the capability to take control over their lives. Micro-credit programs bring positive changes at the personal level. Pakistan is a male dominated society where women feel deprived and underprivileged; to overcome this problem it is important and necessary to empower the women. They further defined empowerment as the procedure in which one has command over one's life economically, socially and politically. It cannot be denied that microfinance brings improvement in women's aptitude to manipulate decision making and family dealings; their status within the family and community improves. Microfinance also brings self-confidence among women participants as well as improves gender relations causes' reduction in family violence and accelerates economic empowerment.

James and Trail (1995) suggest that implementation of significant literacy programs and proper training was indispensable for women empowerment. This is one of the best ways to subdue poverty of rural women. Educated women can more easily protect their right and status and skillfulness of women had a useful impact on their socio economic circumstances.

Hashemi (1996) explains that outreach to financial services make women more self-confident, more decisive and more competent to handle gender discrimination in the system. Similarly, Kabeer, (1998) in his study clearly demonstrates that women spend more than their counterpart in the well being of their family.

Bennett (2002) Opine that empowerment is enhancement of possessions and social inclusion is elimination of institutional obstacles and improvement in

inducement to increase possessions and expansion in vision. He brings in the expression of social insertion besides empowerment.

All these definitions depict that Women's position, gender quality, women's empowerment and women's self-sufficiency are correlated expressions (Roy and Niranjana, 2004). A woman is empowered if she has the ability to take decisions and exploitation of her non-material as well as material resources for improvement of herself and her family members.

### **Microfinance and Women Empowerment**

Niethammer et al. (2007) identified that deficiency capital is one of the major restraint for economic development and women empowerment. It was concluded that microfinance program increase savings and facilitate income generating activities of the poor and ensure conventional returns. Most of the women observed a raise in their earnings as a medium for improving their standing within the household. The women intended to get a better position by their freedom of mobility, having their own income and the equal decision making power with men. Women entrepreneurs in the SME sector offer better employment to women. The economic rationale for providing finance to women is that women entrepreneurship is on the climb. Pakistan's microfinance sector has not been able to scale up as effectively as other countries.

Mumtaz (2000) concludes that microfinance programs concentrate on women because they are the poorer half of the most deprived segment of the society.

Empowering women is expected to move the household out of poverty, as they contribute their incomes to household wellbeing.

Ablorh (2011) evaluates that microfinance has enormously increased the empowerment of women. The study illustrates that small loans provided to women by microfinance institutions had improved the position of women within the community as well as in the family.

Amin and Pebley (1994) in their study concluded that microfinance has positive effect on woman's power over resources and decision-making. Their opinion about women empowerment is to identify their situation as compared to men in the society: in the perspective of husbands and families and at the national level governed by traditions and norms.

Cheston and Kuhn (2002) opined that micro finance programs could make a significant contribution to women's empowerment. They delivered that just financial assistance is not sufficient for empowerment of women but if these programs are properly designed then they can play their role effectively. They defined that empowerment is all about change, power and choice, but its capacity can be determined in the perception of the socio-economic background that affect women's choices. Receiving cash in their hands increases women's self-esteem and self-confidence. It also empowers them socially and politically.

Pitt and Khander (2006) explain that in Bangladesh, credit given to women by the Grameen Bank has had encouraging effects on self employment and the education of girls. The study found that microfinance is the tool that can bring

positive change in the living of the poor. It has also improved total household expenditures. The status of women within the home increases with the increase in their income.

Fidler and Webster (1996) enlightened that microfinance facilitates the women to start and enlarge small business and increase their earnings. Their involvement in decision making also increases. Microfinance provides them opportunities for self-employment. As less job opportunities are available in less developed countries even for men, so women cannot compete with men for fewer jobs and have to rely on self-employment for their earnings. Microfinance is mainly significant to increase the efficiency of self employment especially for women.

Hoque and Itohara (2009) describe that microcredit is increasing economic activities and partaking in household decision making of the rural women. The women participants of microfinance are more empowered than those who are not involved in micro-credit activities.

Abbas et al (2005) revealed that development brought by microfinance institutions in the business conditions of small entrepreneurs being accomplished is exceptionally significant. Even though microfinance is not a new idea yet many people are uninformed about micro financial services. Pakistan has to do much more for the development of this sector by experiences of others along with its own experience in the sector.

Schreiner (2002) defined microfinance as proper system planned to improve the wellbeing of the underprivileged through better access to credit and

savings. Ledgerwood (1999) describes microfinance as a monetary expansion approach accepted to benefit low-income women and men. Pitt and Khandkar (1996) explain that loans play an imperative role in social, economic, and political improvement of the condition of women.

Wright (2000) stated that micro credit by development agencies is supposed to improve lives of the poor, such as improvement of shelter, increasing gainful activities, access to education and empowerment of women. Zaman (1999) concluded that micro credit had the greatest effect on women power over income and also on the familiarity of societal matters. According to Hashimi et al. (1996) micro finance programs have been found to support crises coping system, make possessions, enhance the standing of women and expand income earning activities.

Mayoux (1995) in his research explores that most of the micro finance institutions have focused their activities on women empowerment, which covers many issues. Khan (2010) examined that the rural support program had a big economic impact on households and they might bring a major divergence to the families close to the poverty line.

Mayoux (2001) describes that microfinance is indispensable to women's potential to increase their household income, and enhance their status and independence. Impact assessment is vital to make sure that the possible assistance of micro-finance to empower women is realized in practice. The complexity of male manipulation is one of the most complicated challenges associated in working with women as microfinance clientele. Women confer loan to their male relatives instead of using it to start small business. They in

fact give the funds to their husband or other male family members. Although loan is approved in the name of women, but usually it is taken by men and other male members as women cannot refuse them. Some cultural aspects obstruct their capability to build up a project, take loan from microfinance and get the benefit from it. As household tasks of women consume most of their time, they cannot pay proper attention to their income earning task.

McKernan (2002) finds that microfinance improves small business of women participants which makes them financially independent. Women who fruitfully use their loan and put up a successful business project work more and usually harder than they have in the past. Thus increase in work load can show the way to poor physical condition, tiredness and overburden.

Hashemi and Scheler (1996) examined that the beneficiaries of microfinance were considerably more empowered than those who had not taken loan because of their control over recourses, freedom of mobility, and increase in decision making ability. To signify the influence of the programe, it was seen that empowerment of women increased with the length of membership. The study made Naveed (1994) showed increased status of women within the household because of the reason that now they can earn income for their family through their access to credit.

Maria (2005) in his research explored the impact of micro finance on the empowerment of women in the two countries i.e. Nepal and Pakistan. She hinted the dissimilarity of social change held between the women of these two countries due to micro credit. She concludes that due to micro finance services in Pakistan, some women enjoy decisions regarding their small business by

themselves. In this way they gain self- confidence, improve family relations and increase income. Moreover it is found in the study that lending to the women is not riskless but safer than men.

Hulme (1997) found that there is strong evidence that provision of microfinance services to the poor women; make them more confident and self-assured. Accesses to finance facilitate women to become financially independent by increasing their income, efficiency, decision-making ability and contact to markets. This is genuine empowerment that can take various forms.

Khan and Rehman (2011) revealed that microfinance institutions provide credit to underprivileged populace particularly those living in rural areas. This is a successful device for poverty reduction, improvement in health, schooling and getting better living standards. Microfinance programs specially focus women by facilitating them for self employment. A microfinance program increases confidence among its female borrowers and improves their living within the family which in turn empowers women.

Whitaker (2007) argued that micro credit given to the poor women increases the impact of microfinance among its clients. She delivered that women are generally the main family caretakers in various developing countries. By making them financially strong, improves their living standard, the result is that their children can get education and escape the poverty trap.

Iftikhar (2009) observed that microfinance has explicit impact on building of social capital. Most of the women realize that their respect and status is

shifting towards improvement due to microfinance and micro-enterprise development. Men are giving more respect to women's decisions. Micro finance makes them capable of removing ignorance regarding their role in the community and they can attain a lot of sociological enhancement i.e. decision making power, education, self respect health etc.

Riaz et al. (2012) concluded that micro-credit had a positive impact on the livestock, living standard, and household income of the members of credit organizations, therefore improving the economic conditions of rural women. They also discovered that micro-credit had an insignificant impact on savings and housing. It was found that the main obstacles to women empowerment were lack of earnings, employment opportunities and access to credit for women. Provision of financial services made it possible for the poor people to increase their household income and make assets. These people could make arrangements for their future and schooling of their children.

Appiah (2011) elaborates that the core purpose of microfinance is to alleviate poverty and empower women. Women constitute a huge part of microfinance recipients. Conventionally women in developing countries are incapable of contributing in economic activities. Microfinance offer women monetary support to begin business projects and enthusiastically contribute in the economy. It makes them self-confident, improves their standing and increases their decision-making ability, therefore reducing gender inequality. The results found that positive impact of microfinance on economic empowerment was less than social and psychological empowerment. Micro finance brings confidence, courage, talent and empowerment in women. The women

participants can easily move with their groups and hence take part in various social welfare activities with good support.

Bhusal (2010) in his research explored that the relationship between modest microfinance and women empowerment is not as sturdy as it is usually professed. Although micro finance increases social mobility, self-esteem and self confidence among women participants, yet there was not any considerable development in securing better economic support. Even, the longstanding problem of gender inequality and hopelessness remains uncontested. Thus, microfinance does not have a very encouraging impact on women empowerment as it is supposed to have. In addition, the minimalist microfinance has certain restrictions and, therefore, cannot add effectively to empowerment of the poor. He further concluded that only the provision of financial services through MFI cannot eradicate poverty or empower women.

Ayertey (2008) delivered the it was not verified that micro financial services have decreased poverty among its beneficiaries, however it was found that microfinance has had positive impact on household income of its clients, expenditure on education of children and profits of their small businesses. In spite of the eagerness the aim of microfinance programs to reduce poverty is yet to come to completion. He had suggested the need for further research on the cost effectiveness and impact of microfinance programs as well as on the outreach of these programs.

Wheatley (2011) concludes that microfinance is a useful device to empower women as it leads to fight for women's right. It is indispensable for poor women. Even a Small amount of loan given by microfinance institutions has

lasting effects on their lives and the lives of those related to them. She can commence a business and increase income. However the amount contributing financially is a cause of influence within the family. The echo of the supremacy they achieve will reflect through their children, their relatives, and in return throughout the development of their country.

Agion and Morduch (2005) suggest that microfinance plays an important role, in market expansions, poverty reduction and fostering social change. Microfinance not only lends loans to the needy but also covers the issues of poverty mitigation, by putting social impact on its clients and enlightening them to savings. But due to the lack in guarantee and deposits the underprivileged people are unable to avail loans from commercial banks. This situation led to the emergence of micro lending and microfinance. Microfinance has overcome this difficulty by providing credit to women for their economic activities, to empower them, and to give them social benefits in a sustainable manner.

Osmani (1998) and Hashemi et al. (1996) have also shown in their studies that micro finance programs help to empower women and improve welfare of their family. Women have become the privileged clients of microfinance institutions, as they tend to be good borrowers.

Herani (2010) says that objective behind provision of micro credit is lending money to the poor people without security. The condition of giving credit, control and harmony of group members, collection of repayments, and regulation of borrower's activities in micro credit system has played a major role in replacing the security. This has given confidence to women to acquire

loans for their venture. Microfinance gives women the opportunity to expand their collection of social, human, economic, natural and physical assets,

Goetz and Gupta (1996) in their study explored that women may turn out to be more involved in household decision making even when the credit is used in a combined venture with other household members. As women take loans they are solely responsible for paying them back.

Shah (2002) argued that the micro-financial services for the poor plays an important role in eradicating poverty from the world. She observed the increasing scope of microfinance institutions and said that with the passage of time the long-established tasks of women have now changed, women now actively participate in economic activities and thus contribute in the development of their country.

Noreen (2011) brought forth the evidence with the help of five indicators, related to education and child health, selection of life partner of children, decision to utilize loan and purchase of basic necessities to measure women empowerment. Microfinance plays an important role in women empowerment but less than expectations. Further, her study entails that the females using loans produced better results as compared to their male family members. She suggested that microfinance institutions should increase their support for underprivileged women.

Ringkvis (2013) conducted her research in Burma and found that women participants of microfinance programs are more empowered than those who are not. Their ability to make decision within household affairs has increased

considerably. They are more confident than their counterparts; the study showed improvement in living standard of women participants.

Khan (2008) elaborated that there was significant impact of micro credit on beneficiaries of microfinance as their earnings were greater than before. It also had encouraging effect on income, assets, house set up, nutrition, and health. The encouraging impact of the microcredit was also found on women empowerment. Microfinance also helped women clients to assess their status in the family

Khan e.t.al (2012) stated that the utilization of loan itself is important if it is used by women themselves. They studied women empowerment in Bhabawalpur district by making an index of five indicators i.e. education, marriage of their children, child health, small purchases and decision on the utilization of credit. They concluded that women can be more empowered if amount of loan given to them increases.

Bali and Wallentin (2007) conducted the study on non economic and economic determinants on women empowerment. They put forward that impact of economic determinants on women empowerment was greater, as loans from within the SHG facilitated the members to generate more income. This increased income created economic independence due to which their decision making ability within the household enhanced.

Morduch and Haley (2002) in his research explored that the assurance of microfinance should be kept in perspective. Microfinance programs provide funds for self-employment activities that increase their income instead of

shifting employment pattern. It hardly ever creates new job for others, their achievements are inadequate in the area with seasonal earning pattern and small population densities.

Gilbert (2006) has explored in his study that micro credit has very significant and optimistic effect on women empowerment and poverty reduction. His study was conducted in Lawra district of Ghana. He used primary data for the study. In the research he observed that because of micro credit women become self employed and earn income which is used for household purchases and improves their living standard. To increase productivity of capital given by microfinance institutions he stressed the need for training and education of women borrowers

Mustafa and Ismailov (2008) opine the need and significance of microfinance for the poor. They did not study any specific gender in Pakistan with respect to micro finance, yet their study is important as they asserted that the poor people can break the vicious circle of poverty by taking loan from microfinance institutions. They condemn the role of commercial banks as they do not want to give loan to poor people, the reason is that these underprivileged people have no appropriate knowledge, education and training to run businesses successfully. Likewise due to huge security and guarantee it is not possible for the poor to access loans from commercial banks. As a result they believe the microfinance is a way to finance these poor people.

Mustafa et al, (2000) analyzed positive impact of micro credit which is utilized by women. They elucidate that microcredit is an important instrument to eliminate poverty. Moreover, when these loans are used by women, they

improve living standard of the household by providing them better food improved health facilities and better education for their children, while men have the inclination to spend a significant amount of their earnings on social activities and personal satisfaction outside their homes.

Kamal et al. (1992) analyzed that economic independence is indispensable for women. Their earnings permit them to uphold their families. They become more self-sufficient and less dependent on their husbands.

Leach and Sitaram (2002) asserts that microfinance and micro-credit are now seen as a helpful device for women empowerment and poverty alleviation. The financial independence leads women automatically to their social empowerment.

Kabeer (1998) in her research found that microfinance programs bring changes in women, by giving them confidence and self-esteem. At household level, too, they achieved increase in love and consideration as women could now contribute financially in family budget. She also observed decrease in family violence.

Ahmad et al. (2004) explored that access to credit can make women self-determining and empowered. It also increases their decision making power within household. Credit increases women's income as a result they contribute more in household expenses. This makes them independent of their husbands to spend more on their family affairs. Women are financially weak as compared to their male counterparts and their low status is the result of their

weak economic position. Economic independence improves their status in the society.

Irobi (2008) the findings of his study are that the microfinance involvement has an encouraging impact on mitigation of poverty among the women borrowers. She further explored that after receiving the loans; majority of the women practiced improved earnings and consequently enhanced their economic political and social status-which is the main objective of microfinance. Microfinance is a feasible device for raising the earnings of its clients, improving their conditions and reducing poverty. Women invest the loan taken from microfinance institutions in different businesses which capitulates encouraging results. This increased their income and improved their standard of living. The evidence proved that microfinance beneficiaries were more empowered and had a superior living than before.

Scoggins (1999) in his findings showed that participation in credit program increases women's decision making ability. Credit programs are optimistically linked with women empowerment. He defined empowerment as a part of her freedom of mobility, financial independence, ability to make decisions regarding small purchases and freedom from domestic violence.

Sogol (2010) microfinance has enhanced the financial position of women and their household but these women do not imagine any of the other consequences of their membership. Accessing loans from the MFI gave them the resources needed to strengthen them. Improvement in their social mobility

and interactions with other people was observed by both women participants and their family members. It was also noticed that women clients began to work together more with other people, in both formal matters of business as well as informal exchanges. Support from household members was vital in determining whether women took part in the program as without their support, women feel pressure in all phases of their lives. Increasing women's earnings also directly improves welfare of the household as women spend most of their earnings to fulfill the needs of their families.

Dobra (2011) opined that microfinance programs provide financial services to women to activate their industrious ability to promote economic development. Micro financial services provide the women opportunity to self-employment, add to family welfare and create self-confidence among them. Furthermore, it is quite evident that such women participants are more inclined to use most of their income on their household expenses. Thus, the welfare of the family and society is enhanced. In many cases, microfinance programs only improve personal empowerment. In order to increase their usefulness of the empowerment procedure, microfinance programs have to raise their related version and the political dimension. Thus, the prevalence of the economic dimension of microfinance has to be enhanced

Johnson (1998) argues that women's access to microfinance is an effective method of bringing credit into the family, as women are expected to take reimbursement seriously, even if they do not manage the credit themselves. She states that although as a participant in microfinance projects women

empowerment is enhanced but from time to time negative impacts can also be seen. Yet microfinance is greatly helpful in reducing gender inequality.

Sarumathi and Mohan (2011) the study claims that impact of micro finance are substantial in improving, skill, talent self-confidence, and empowerment. They have experienced freedom to move with their groups. They conducted the study in the Pondi-cherry region of India to discover the role of microfinance on women empowerment. They mentioned that women participants realized enhancement in their psychological and societal empowerment more than economic empowerment. These women can now take part on various activities of social interests with excellent support, whereas during interaction with the participants, it is realized that some clients are asking to have supplementary training sittings in income creating activities.

Prashad (2004) opines that empowerment is a complicated perception. It cannot be passed on to others; it has to come from persons themselves. However, to maintain efforts individually empowerment should be flourished. Microfinance presents resources for this purpose. It is therefore imperative for such programs to be elegant in order to fulfill the requirements of the needy clients. However, if appropriately supported, these institutions have the utmost possibility to reach women in the far flung remote areas. Microfinance interventions cannot change the age old norms and practices of the family and society in just a few years. So long term efforts should be made to empower women.

Nawaz et al. (2012) find that utilization of microcredit has encouraging effects on economic empowerment as well as familial empowerment, political

empowerment and empowerment of women at individual level correspondingly. The theoretical model portrays that use of microfinance has positive impact on four variables together with economic, individual, familial and political empowerment. The results are consistent with the theoretical model.

Sulaiman et al. (2012) conducted a study to discover the association among microfinance and women empowerment in Pakistan. They measured women empowerment on different variables such as higher education, employment, and share of women in total assets. It was concluded that there was positive relationship between the women empowerment and microfinance. Microfinance is important in improving women empowerment by providing them self employment, trade activities, and economic independence. Almost more than fifty percent of entire population is females but because of the long-established usages, practices and religious constraints, female participation in economic and business activities is very little. Yet it can be seen that fabulous transformation has been brought about because of the microfinance in Pakistan.

Sugg (2010) argued that in many developing countries, gender discrimination greatly adds to the nation's poverty and slows down their economic development. Therefore the possibility of empowering women through micro-credit makes microfinance an undeniable idea at global level. Microfinance has grown to be admired for its capability to empower the microfinance users and its potential to alleviate poverty. Woman empowerment grants her autonomy and control over her life, add to welfare of her family and make

them financially independent. It is for these simultaneous reasons of poverty mitigation and women empowerment that various microfinance institutions have upheld their endeavor and get monetary assistance.

CIDA (2002) agreed that micro credit empowers rural women by expanding their role in the family by giving them cooperative achievements with other women, self-confidence and improved their status at the community level. Access to loan provides them the opportunity to have a say in household expenses and accomplishment in the business make them secure.

Yunus (2007) identified that increased levels of income facilitate the family to pay for school fees, books, and uniforms. It also assists parents to handle the household expenditures and they do not send their children to earn livelihood. He personally met with many doctors and university students who are the children of the first generation of microfinance borrowers. This was the verification of his statement that the growing number of educated youth helps them to have opportunities to secure employment and improve living standard of their family.

Parveen (2007) examines that problem of poverty is a global issue specifically in the third world countries. To cope with this the best example is Bangladesh's success by introducing micro-financial services initiated by the Grameen bank. Microfinance is found to be successful in eradicating poverty, empowering women, increasing living standard, and increasing self-confidence among women and improving health care. Therefore to eliminate poverty and empower women microfinance plans may take a substantial period of time to create the required impact

Gobezie (2010) elaborated that there exists gender disparities in developing countries which retard their economic growth and development. The country with a higher level of gender inequity faces greater level of poverty. Moreover, these societies also experience lower standard of living. Over the years many endeavors have been made by several non government and government organizations to uphold empowerment of women. Microfinance intervention is one of these efforts. Microfinance lending is often determined to give loan to women as access to credit can improve their bargaining position and decrease dependence on the male family members. The women participants opine that they were getting advantage of microfinance services in terms of having better food for their children, themselves, and their families. Women's involvement in joint decision-making through microfinance may comprise a major move over their previous lack of assets and power. By providing micro-credit to women for earning a livelihood, microfinance programs can considerably enhance woman's resources, thus diminishing her overall vulnerability. Financial assistance to women has therefore been revealed to create a multiplier effect that improves the welfare of the family as well as the community.

Sangeeta and Meenu (2011) highlighted in their research that micro finance is emerging as an influential instrument of women empowerment. It can reduce gender discrimination. Microfinance has empowered women successfully by giving them credit for the development of their family. This study originated wonderful saving pattern among females but still there were many impediments in the way of financial assistance for women. They revealed that

women empowerment to a great extent depended upon the economic empowerment of women and microfinance could be a very powerful instrument to empower women in the near future.

Jain and Jain (2012) elaborate that microfinance had played a main part in various growth and gender policies for the reason that it had a direct link to poverty alleviation and women empowerment. Women played a significant role in any society and economy. Microfinance lending had been endorsed as they were helpful in empowering women. It was concluded that, rural women were competent to vote autonomously without any guidance from their husbands and their involvement in Gram Sabah meetings had also increased. Women participants had been capable to communicate their ideas liberally in the family and in groups. They were also free to talk about their problems with bankers, officials and NGOs. It was also observed that their responsibility in decisions regarding children's education had increased greatly as compared to decisions regarding savings and expenditure. The results firmly revealed that on an average, there was a considerable improvement in women empowerment.

Albee (1994) studied that economic empowerment scheme generally determined on income-creating activities, made women financially independent. The study found that income creating activities covered an extensive area, such as small business sponsorship, job creation plans, and credit and savings groups.

Rutherford (2000) examined the dissimilarity between microfinance and micro credit. Micro-credit represents a small loan given to the deprived women

whereas microfinance is a wider term which includes savings and insurance. Microfinance envelopes many financial services being provided to the needy in order, to improve their living standard.

Sharma (2007) explained the impact of microfinance on women empowerment. It was established that microfinance institutions had contact with only a small fraction of the inhabitants, but they have to increase the accessible services to get better results. It was recommended that in order to expand microfinance services government should put up a favorable atmosphere.

Isidore et al. (2010) explained that women had the main responsibility in the financial stability and development of their household, however there were a few impediment, like, joblessness, gender inequality and low income which had slowed down their efficient performance. It was revealed that in developing countries, women did not have effortless access to microfinance for their business ventures. Their business performance was also low as compared to their male counterparts. But microfinance had an encouraging effect on their business enterprise.

Lakwo (2007) Microfinance emerged as an important instrument to be followed by development agencies, as it could reduce poverty and empower women. However it was found that microfinance appreciably assisted women empowerment. Women had proved to be good wives and mothers, and they had openly taken up conventional roles of men. Their work had also moved away from the boundaries of the kitchen to the markets. Women had achieved the right to own property and decision-making independently as well as

jointly. Still, to uphold married life, women had a preference for joint possession with household members or their husbands. It could be noticed that in spite of the minute and diversified change women were empowered. Their power within is a sign of their self-esteem, and self-worth. They were utilizing their power with others to lessen male domination. Similarly, by means of their small business, women were attaining power to modify their household sources of income. All these, reflect a power conversion linked with increase in power over their lives.

Aruna and Jyothirmayi (2011) explored that microfinance had a substantial effect on the awareness and self worth, financial position, and control over decision of women clients. By using women empowerment index (WEI) they found that productive utilization of microfinance loan had a significant influence on women empowerment. The study proved that it was effective in increasing the living standard of the underprivileged people, and lower middle class. However microfinance institutions had their own boundaries to reach the very poor people. Financial independence supports and increases women empowerment. Study found that participation in microfinance had improved the income level of the clients. There was considerable increase in savings and asset positions. It had converted participants from the status of unemployed to employ. Microfinance was supposed to occupy a vital responsibility in development of the country by serving the poor to have essentials of life enhancement in economic benefits as well as women empowerment. The study also signified that microfinance activities have an encouraging impact on the earnings, assets, employment, savings, and access to loans, awareness, ,

ability to make decisions and self-confidence. The empirical findings support the positive relationship among microfinance and women empowerment.

Chowdhury and Adiya (2011) opined that microfinance was extensively linked as a cause of women empowerment. They declared that in Bangladesh over 90% of microfinance clients were women. The growing requirement for loan points towards the attractiveness of the program. The findings of the study confirmed that women clients have considerably demonstrated improvement than suitable non-participants. Under male domination these women were eventually providing their credit to their husbands, which would entirely invalidate all impacts that had caused empowerment. In spite of this, one can wrap up that in Bangladesh rural women though economically independent were still experiencing cruelty by their husbands. They suggested that for women empowerment microfinance institutions should reinstate the faith among the women clients and their family members about money matter.

Suresh and Lakshmisha (2013) identified that microfinance had played a vital role in improving women empowerment, poverty eradication, and dependence on money lenders, provision of loan clients and savings and monetary benefits. There had been an incredible increase in the improvement of SHG Bank linkage. Microfinance programs had restrained themselves to the disbursement of loans to women but acceptance of a loan and use of loan was the assurance of improving financial position of women. It had the possibility to improve the welfare of deprived women in less developed countries. Microfinance program in India had been gradually endorsed to empower

women. Microfinance helped in lifting women out of poverty and getting economic and political empowerment within their household, and community.

Katy (2004) examined different studies on impacts of microcredit on women empowerment in Nicaragua, and found that there was unconvincing statistics exploring changes and their associations with the standard of living of women. She also mentioned that the standard of living for women became visibly improved because of microcredit. Women were working to earn fewer wages that cannot even cover their basic expenditures. The irresistible requirement of the inhabitants to meet their financial needs revealed the necessity for a new move towards to monetary development in Nicaragua. Most of Nicaragua's women could not approach financial authorities in order to increase their earnings. Providing a woman the facility to improve her financial strength and getting credit with no guarantee, improved her self-confidence, increased her position in the household, established better family relations, provided her a better position in the community, and educated her about her rights. She also found that increase in the choices for financial services, permitted women to decide which resource was useful to improve their financial position. She recommended that empowering the feminine residents will bring about a substantial development.

Khan (2010) had highlighted that microfinance was a very successful developmental device contributing a lot in improving women empowerment. Financial help for women is an excellent initiative, as shown by the study. Besides giving them loan, microfinance expected women to identify themselves and make their own selections. Studies disclosed that women spent

most of their income on their families as compared to their counterparts. This entailed the outcome of microfinance were greater when woman participants were targeted. By taking loan they could increase their income that would assist them to provide nutritious food, better education for children, clothing, and might also increase their assets. Ultimately these women get benefit from the credit by ever-increasing their role in decision-making of their family, which is a success in itself.

Ruchi (2012) examined the impact of microfinance on socio-economic empowerment of women Self-Help Groups (SHGs) members in Nainital. She observed that after joining the group there was considerable improvement in asset building capacity of women. Their income level had increased which implied increase in household expenditures. The decision making ability of women participants had also increased. This led them to contribute in political and social activities

Amir (2009) observed that in Pakistan the idea of microfinance programs mainly empowered women through access to credit. Credit given through microfinance programs could help to reduce poverty by increasing living standard as well as women empowerment. Microfinance is a hopeful device which could add to the development of the economy. The study stated the magnitude of microfinance on women empowerment in Pakistan and assessed that women participant had become economically and socially empowered with the help of microfinance. It was discovered that access to microfinance could empower women to become more self-assured, more decisive and confident.

Singh (2009) mentioned that microfinance had been established as a thriving device for self-determination of women in the northern areas of Bangladesh, where women have a relatively low status. Their financial situation was very pathetic as compared to men. These circumstances had compelled rural women to accept microfinance as the main scheme for improving self confidence. The idea of microfinance was in fact ground-breaking for developing nations. The study stated improvement in living standard, self confidence and decision making ability of women clients that led to their empowerment.

Malavika Balachandran (2009) analyzed that women were more liable to survive in poor conditions especially in less developed countries. They constituted a great part of the population. The statistics of International Labor Office shows that 70% of the worlds deprived populous are women. However modern banks do not offer them loan, as being poor and inexperienced and therefore ignore a majority of women in less developed countries. Microfinance is the way of bringing women out of this poverty trap, by enabling them to increase access to loan, insurance, and other financial services. These women participants play a much better role in running their household expenses. Furthermore; the women usually spend their earnings to increase their saving, health facilities, provision of nutritious food, and education of their children. Microfinance has also improved marital position of women through their better economic position. Nevertheless, the disparity between male and female still exist. The achievements of microfinance in empowering women are apparent. This also leads to economic development.

Ali and Alam (2010) revealed that Pakistan required development in the field of microfinance to accomplish their objective of outreach microfinance to 10 million clients by the end of 2015. It is considered that microfinance is the main source of supplying loans and other essential monetary services to enhance productivity, income, and to decrease unemployment. It also had a positive impact on; health, education, food and living standard. They found that the government of Pakistan was aware of the significance and helpfulness of microfinance and was taking steps to maintain and improve the microfinance sector impressively.

Bercaw and Devin (2008) discovered that the women were extremely poor and disempowered which is the key dilemma all over the world. The women participants were facing multiple socio-economic problems because of lack of decision making ability, self-esteem, limited choices and powerlessness against male dominance. These women needed support from government and non-government organizations. Microfinance interventions had encouraging results for disempowered women. An assessment of the data showed positive impact on female empowerment indicators. Nevertheless, even though women involved in microfinance interventions realize considerable rise in their empowerment, still they were dependent on their husbands for monetary assistance. Therefore, he suggested that in future there should be an increase in women's access to generously proportioned micro loans so that they could make the best use of their business returns and turn out to be more self-sufficient. To increase general welfare women should have the equipment to develop socially, emotionally and economically.

Sundarapandian, M. (2006) argued that microfinance is an innovative and self-motivated move which has played an important role in eliminating poverty and empowering women by making them economically independent, and conscious of their privileges. Microfinance also facilitated in meeting the financial requirements of underprivileged people including women.

Das (2012) examined the influence of microfinance on women's decision making ability inside the household, and their status surrounded by tradition and custom and management virtues. He observed the issue of empowerment of women and the indicators of empowerment and recognized that there was improvement in women's decision making ability, followed by financial empowerment, consciousness about their rights and power exercising of these rights. He measured SHG as a useful empowerment replica.

Nawaz (2013) explained that microfinance had had an optimistic impact on women empowerment. It increased women's economic autonomy and their situation in society. The study was conducted in Bangladesh. Both secondary and primary data had been used for the analysis. The results declared that microfinance played a significant role in the economic, education, and social training of a woman.

Holvoet (2005) in her study highlighted that though the small amount of credit did not change women's decision-making ability inside the household, yet, when loans were pooled with more investment through women's groups and societal influence, considerable change in decision-making ability was experienced. She conducted her research on women empowerment in Kenya.

She discovered that when women are group members the influence of credit was greater.

The aforementioned studies meticulously argued about the impact of micro finance on women empowerment. Some studies found a positive impact of the microfinance on the socio-economic conditions of women (Panda 2009; Abbas, et.al.2005 ;) all over the world, while other researchers concluded that there was an insignificant impact of microfinance was seen by Kabeer (2003), While, Bali and wallentin (2007) were very optimistic about the impact of microfinance on women empowerment. In the perspective of Pakistan the impact of microfinance on women empowerment was examined by very few researchers. Study conducted by (Khan, et.al 2011) in Gujrat district of punjab, Pakistan, asserts that micro finance had the possible and powerful impact on women empowerment, although in a few cases women were not able to utilize the credit for their empowerment. Moreover (Malik and Luqman (2005) declared that microfinance program had optimistic impacts on women empowerment all over the world but some negative impacts had also been found. All these aforesaid studies give an idea about diverse perceptions on the topic of microfinance and women empowerment.

However, the encouraging impacts of microfinance are universally and generally acknowledged. There is a need to find out how micro financial services influence women to enhance their status in the family and in the community. The previous studies discussed women empowerment in general, however, in this viewpoint; the present study is different, as it attempts to determine the impact of microfinance on four dimensions of women

empowerment i.e. economic, socio-political, familial and personal within an underdeveloped province of an underdeveloped country especially from women's perspective. The previous studies were used as a helpful device to conduct the present study.

## **CHAPTER THREE**

### **METHODOLOGY**

For the achievement of aforesaid results and verification of formulated hypotheses, the following research methodology was adopted. Analytical structure of the study, techniques of data collection, the sampling technique and research method used in the procedure of data collection will be provided. The data analyses methods are also given.

#### **3.1 Study Area and Sampled Data**

The study is mainly focused on micro-finance and its impact on women empowerment. Field survey was planned to accumulate the data regarding women empowerment. Moreover, interviews with executives of microfinance institutions were carried out as well as field visits were made in associated microfinance institutions.

Both quantitative and qualitative methods were used for data collection (Khan, 2010). Quantitative method was applied for data compilation technique such as, a questionnaire that uses numerical data, whereas qualitative method was utilized for data assortment process such as an interview or non-numerical data. Thus, the results of the study depend on both qualitative and quantitative methods.

The population for the study covers the residents who have been affianced in microfinance activities and live in the three districts of Khyber Pakhtunkhwa,

province of Pakistan i.e. district Mardan, Swabi and Peshawar. The microfinance beneficiaries were randomly selected, as they were supposed to be acquainted with the activities of microfinance and could answer the questionnaire. Structured questionnaire was used pertaining to the objectives of the study, to assemble the data as well as for interviewing the women participants of microfinance institutions. These MFIs provided help to obtain the addresses of the clients and the required data. The study aims to focus on three selected districts (Peshawar, Swabi and Mardan) of Khyber Pakhtunkhwa province, as the number of female borrowers is greater in these districts.

### ***3.1.1 Primary Data***

The study was mainly a survey research; therefore, the prime reliance was on primary data. Primary data was collected from women in the selected districts who attained credit from the chosen microfinance institutions i.e. National Rural Support Program and Sarhad Rural Support Program. All women participants of these MFIs were inhabitants of selected districts constituted the universe of the study. Data collection was done by pre-tested household schedules. The questionnaires for the study in view were distributed to women beneficiaries of MFIs simply because it explores contribution of microfinance to women empowerment. Furthermore, along with the questionnaire, in person interviews, observations and discussions with microfinance officials and participants were the important instruments of data compilation.

### ***3.1.2 Secondary Data***

Even though the outcomes of the study are greatly dependent on the primary data, secondary data is also required to realize the theory and definitions. Different studies, journals, thesis, books, as well as internet sources were utilized as a secondary statistics to get the appropriate material. Similarly secondary data was also assembled from office files of microfinance institutions. For the assurance of quality of secondary sources most of the studies, which were analyzed and used by other researchers for their studies were also considered. Secondary data was also collected from official statements and published reports issued by different organizations.

### ***3.1.3 Questionnaire Design***

A questionnaire was constructed to get the required data. The questionnaire contained demographic information about age, marital status, education, number of family members, number of earners, occupation and income of the household, number of children, family type and questions related to saving, assets, health, family relations, and household expenditures etc. Structured questionnaire was used and some dichotomous questions were also inquired to accumulate the information from the sample. Questions were very precise with a predetermined choice of answers. Dichotomous questions were solicited that had only two response choices, “yes” or “no”. While multiple-choice questions were asked, in which the choices of answers were given and respondents were told to select one or more.

This questionnaire consisted of different segments. First segment included questions regarding socio-economic and demographic information of the respondents. Second segment contained information on women's situation in the family about getting microcredit. In the third segment questions were asked regarding situation of the women after getting micro credit. Last segment collected information on the subject of the impact of microcredit on their social, political, economic, personal and familial empowerment. As most of the sample was unacquainted with English language therefore to get appropriate answers of the questions the questionnaire was translated into Urdu to get appropriate response.

#### ***3.1.4 Pre-Testing***

To find out the credibility of the questionnaire, a pretest based on twenty-five respondents was conducted. Shortfalls observed in the questionnaire were detached and errors were omitted before organizing the final draft of the questionnaire.

#### ***3.1.5 Sample Size***

The main purpose of the study is to find out the impact of microfinance on the empowerment of women; therefore, all women participants who had borrowed from selected microfinance institutions represent the population of the study. Due to time and financial limitation it was not possible to conduct a complete survey of all the women who have got assistance from MFIs. Determination of accurate sample is something to think about. If the required accurateness is attained by the reduced sample than greater sample size is waste of time and

resources (khan, 2010). Thus, a sample which is representative of the population is taken for the study. Keeping in view the homogeneous characteristics of the female borrowers in each selected district, a small sample fairly represents the whole universe. Therefore the sample size for primary data collected from three districts is 235 respondents, which have been divided among the districts according to the number of female participants of microfinance institutions. For this purpose, major microfinance institutions were selected which had a large clientele of borrowers and had been operating for at least five years in the field i.e. National Rural Support Program and Sarhad Rural Support Program. The total numbers of female borrowers from selected microfinance institutions were counted and the proposed sample size was distributed proportionately to the number of female borrowers in each sampled district (Chaudhry, 2009).

$$n_i = n \cdot N_i / N,$$

Where

$n_i$  = sample size of the  $i$ th stratum,

$N_i$  = population of the  $i$ th stratum,

$N$  = total population,

$n$  = total sample size

### **3.2. Theoretical framework**

Theoretical framework is normally developed in accordance with literature review; it categorizes the association of relationships between the variables viewed as significant to the study of specified issues. Women empowerment was measured by constructing simple index on the basis of four dimensions of women empowerment i.e. socio-political empowerment, economic empowerment, familial empowerment and personal empowerment. Definitions and methods to measure these variables are given below.

#### ***3.2.1 Empowerment;***

Empowerment means growing of the religious, social, political, and economic power of communities and individuals. It entails developing self-belief of the individual in her personal ability (Mohammad and Mohammed 2007). Various scholars have defined it differently in different, cultural, social and political circumstances. Some of the indicators of empowerment are, control over recourses, self-determination, self-strength, freedom of mobility, right to vote, spending according to one's own will, self-respect, and decision making ability (Mohammad and Mohammed 2007). Empowerment can be familial, social, personal, economic, and political.

WE = f (EE, PE, SPE, FE) where.

WE = Women Empowerment

EE = Economic Empowerment

PE = Personal Empowerment

SPE = Socio-Political Empowerment

FE = Familial Empowerment

### ***3.2.2 Economic Empowerment:***

Economic empowerment refers to increase in financial resources i.e. increase in income, savings, expenditures and self-employment. There is increase in consumption according to marginal propensity to consume, ensuring an increase of productive investment and assets. Women are economically empowered when they have control over resources, spend according to their own will, work to earn income for themselves and for their family, and make decisions concerning financial matters (Mohammad and Mohammed 2007).

WEE =  $f(\text{Noc, Age, Ms, Nof, Mc, Ft, Mi, Hh})$  where

WEE = women economic empowerment

Noc = number of children

Age = age

Ms = marital status

Nof = number of family members

Mc = micro credit

Ft = family type

Mi = monthly income

Hh = household head

- EE = f(POR, WEI, HE, DM) where
- EE = economic empowerment
- POR = power over resources, (household income)
- WEI = work for earned income,
- HE = contribution in household expenditures.
- DM = decision making ability regarding financial issues (decisions on saving, borrowing and investment)

### **Model 1**

$$WEE = (\beta_0 + \beta_1 \text{ age} + \beta_2 \text{ ms} + \beta_3 \text{ noc} + \beta_4 \text{ nof} + \beta_5 \text{ mi} + \beta_6 \text{ ft} + \beta_7 \text{ mc} + \beta_8 \text{ hh} + \mu),$$

where  $E \mu \approx 0$  and  $\text{var of } \mu \approx \sigma^2$

### ***3.2.3 Social and Political Empowerment:***

Social empowerment refers to the awareness among women who are really mistreated and dominated by males in various areas of the underdeveloped countries. Generally, Social empowerment is associated to the involvement of people in different political institutions and communities, decision-making influence and freedom of mobility. The other factors included in social empowerment are increase in the use of contraceptives and participation in different social and political meetings (Mohammad and Mohammed 2007).

Political empowerment refers to women's right to vote. There are many areas in the province where women are deprived of this right. Therefore political

empowerment is included in the study. It also includes their association with political parties, expression of their own view point about political matters.

Social and political empowerment can be determined by;

WSPE =  $f(\text{Noc, Age, Ms, Nof, Mc, Ft, Mi, Hh})$  where

WSPE = women socio-political empowerment

Noc = number of children

Age = age

Ms = marital status

Nof = number of family members

Mc = micro credit

Ft = family type

Mi = monthly income

Hh = household head

SPE =  $f(\text{FM, DM, RV, SPP})$  where

SPE = socio-political empowerment

FM = freedom of mobility

RV = right to vote,

SPP = social and political participation,

DM = decision making regarding social and political activities.

## **Model 2**

WSPE =  $(\beta_0 + \beta_1 \text{age} + \beta_2 \text{ms} + \beta_3 \text{noc} + \beta_4 \text{nof} + \beta_5 \text{mi} + \beta_6 \text{ft} + \beta_7 \text{mc} + \beta_8 \text{hh} + \mu)$ , where  $E \mu \approx 0$  and  $\text{var of } \mu \approx \sigma^2$

### ***3.2.4. Familial Empowerment;***

Familial Empowerment refers to empowerment within household. It is related with understanding between husband and wife, decrease in the burden of house hold work, more respect with in household from husband and other family members, decisions on the spacing between children, type of contraceptive to be used, decision making power with in household and respect from in-laws.

WFE =  $f(\text{Noc}, \text{Age}, \text{Ms}, \text{Nof}, \text{Mc}, \text{Ft}, \text{Mi}, \text{Hh})$  where

WFE = women familial empowerment

Noc = number of children

Age = age

Ms = marital status

Nof = number of family members

Mc = micro credit

- Ft = family type
- Mi = monthly income
- Hh = household head
- FE = f (HV, BW, SW, DM) where
- FE = familial empowerment
- BW = decrease in household burden of work,
- HV = Decrease in household violence,
- SW = Spending according to own will
- DM = Decision making ability regarding family issues

### **Model 3**

$$WFE = (\beta_0 + \beta_1 \text{ age} + \beta_2 \text{ ms} + \beta_3 \text{ noc} + \beta_4 \text{ nof} + \beta_5 \text{ mi} + \beta_6 \text{ ft} + \beta_7 \text{ mc} + \beta_8 \text{ hh} + \mu), \text{ where } E \mu \approx 0 \text{ and } \text{var of } \mu \approx \sigma^2$$

#### ***3.2.5 Personal Empowerment:***

Personal Empowerment refers to individual self-confidence, self-esteem, self-determination, life of dignity and respect, decision making ability, feeling strong within the household and strength within a woman. If a woman is personally empowered it declares that she is confident and has the ability to take interest in decisions with in the family and outside in the business also.

$$WPE = f (\text{Noc, Age, Ms, Nof, Mc, Ft, Mi, Hh}) \text{ where}$$

$$WPE = \text{women personal empowerment}$$

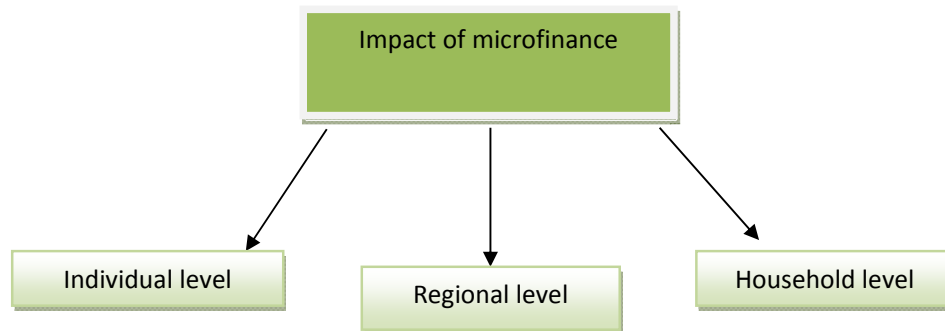
- Noc = number of children
- Age = age
- Ms = marital status
- Nof = number of family members
- Mc = micro credit
- Ft = family type
- Mi = monthly income
- Hh = household head
- PE = f (SC, DR, FS, DM) where
- PE = personal empowerment
- SC = self confidence felt by women themselves
- SR = dignity and self respect within the household and community
- FS = feeling strong within household
- DM = decision making within the household regarding personal matters

**Model 4**

$$\text{WPRES} = (\beta_0 + \beta_1 \text{ age} + \beta_2 \text{ ms} + \beta_3 \text{ noc} + \beta_4 \text{ nof} + \beta_5 \text{ mi} + \beta_6 \text{ ft} + \beta_7 \text{ mc} + \beta_8 \text{ hh} + \mu), \text{ where } E \mu \approx 0 \text{ and } \text{var of } \mu \approx \sigma^2$$

### 3.3 Measurement of Microfinance in Different Levels

According to (Wakoko, 2003) and (Dunn, 1999) the impact of microfinance can be studied at three different levels i.e. individual level, household level, and entrepreneurial level. The present study also follows three levels to evaluate the impact of microfinance on women empowerment. These are;



**Figure-3.1: Measurement of microfinance in different levels**

#### ***3.3.1 Household Level***

Due to microfinance the social and economic status of a household is expected to changes. It brings changes in the level of household income, improvement in living standard, change in household assets and increase in household expenditures (Wokoko, 2003).

### ***3.3.2 Individual Level***

Different studies declare that microfinance brings a positive change at individual level. Some of the important changes are control over resources, self-esteem and respect from others, improved self-confidence level and improvement in decision making ability of women (Wokoko, 2003).

### ***3.3.3 Regional Level***

Microfinance can be more effective in some regions as compared to others. For this purpose three districts were selected and impact of microfinance was compared in these regions.

## **3.4. Model Specification**

### ***3.4.1 Choice of Regression Technique***

There are some regression models where dependent variables are dichotomous; take 0 or 1 values. In the present study we want to examine the determinants of women empowerment as a function of age, number of family members, marital status, monthly income, number of children, women empowerment is a dummy variable and can take only two values 1 woman is empowered 0 if not empowered.

An exceptional characteristic of the model stated above is that the dependent variable is of the category in which the response is only no or yes. Dummy variable is dependent variable if we use a typical linear regression model, and the interest is to discover the probability of occurrence and the probability that

the event will not occur. But some estimation problems are related with this type of models, like:

- 1) The disturbances are not normal and violate the assumption of linearity
- 2) Heteroscedastic variance of the disturbances
- 3) Non fulfillment of  $0 \leq E(M | X) \leq 1$  means the conditional probability of occurrence of the event is outside the 0 and 1 range
- 4) Very low value of  $R^2$  shows that model is not fit very good (vasishat,2012)

Linear probability model is not rationally a very good model as it presumes that there is linearly increase in  $p_{b i} = E (M = 1|X)$  with  $X$ , but this increased effect remains constant which is not pragmatic (vasishat, 2012). Therefore, there should be probability model with two characteristics: (1) if  $X$  increases,  $p_{b i} = \log E (M = 1|X)$  also increases but varies between 0-1, and (2)  $p_{b i}$  and  $X$  has a nonlinear relationship, i.e. as  $X$  gets smaller, 1 come up to 0 at slow rate and come up to 1 at slow rate as  $X$  gets larger. In the presence of such problems we cannot use the linear probability models (Arafat, 2013).

Binary dependent variables compel us to use logit model instead of Linear Probability Model. The “logit” model gives solution to these problems:

$$\text{Ln} [p_b / (1 - p_b)] = XB + \epsilon$$

Where:

- $\text{Ln}$  is the natural log,  $\log_{\text{exp}}$ , where  $\text{exp}=2.718$

- $p_b$  is the probability of occurrence of event,  $p_b (Y=1)$
- $p_b / (1 - p_b)$  is the odds ratio
- $\ln[p_b / (1 - p_b)]$  is the logistic regression
- The models have same components.

The difference between logistic and probit model is that the error term in probit model is normally distributed but in logistic model we have to make certain adjustment because the error term is logistic distributed. The logistic distribution constrains the estimated probabilities to lie between 0 and 1 (Arafat, 2013).

For example, the predictable probability is:

$$p_b = 1 / [1 + \text{exponent}(-\alpha - \beta X)]$$

Therefore:

- if  $\alpha + \beta X = 0$ , then  $p_b = .50$
- as  $\alpha + \beta X$  becomes larger,  $p_b$  comes near to 1
- as  $\alpha + \beta X$  becomes small,  $p_b$  come near to 0.

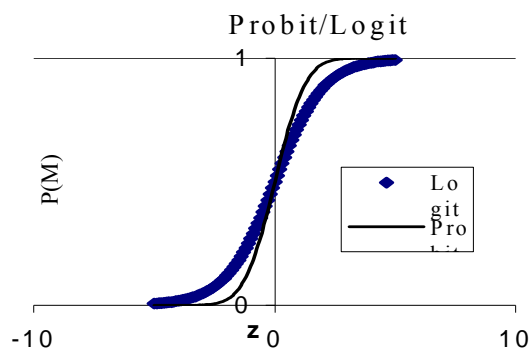
The coefficient should be carefully interpreted. The slope coefficient shows rate of change. The slope coefficient is explained as the change in the log odds as X changes. This procedure is used to find-out marginal effects in variables (Arafat, 2013).

Which is,  $\partial p_b / \partial \beta = \partial f(w) / \partial w (X\beta) \times \partial w (X) / \partial X$  where  $f(\beta X)$ .

$\beta$  is the cumulative frequency of continuous random variable i.e. probability density function, which ranges from 0 to 1 (vasishat, 2012).

Logit models and probit models are used extensively in such type of research where dependent variable is binary. There is very small adjustment required to compare the coefficient of the both models (Arafat, 2013).

So it is preferable to use the logit model for the determinants of women empowerment. Figure 3.2 shows the difference between the logit models and probit models more elaborately.



**Figure-3.2: Probit/Logic Model**

### ***3.4.2 The Logit Model***

Logistic regression model is the method that permits for estimation of the probability of occurrence of an event which predicts a binary dependent result from a set of independent variable (vasishat, 2012). In the present study of

women empowerment, the dependent variable is women empowerment in relation to No of children, house-hold head, family type, age, micro-credit, monthly income, number of family members and marital status.

$$P_b = E (M=I/X) = (\beta_i + \beta_1 Noc_i + \beta_2 Hh_i + \beta_3 Ft_i + \beta_4 A_i + \beta_5 MC_i + \beta_6 MI_i + \beta_7 NFM_i + \beta_8 MS_i) + e$$

Where X is a vector of all variables in the model like No for No of children, hh for house-hold head, Ft for family type, A for age, MC for micro-credit, MI for Monthly income, NFM for number of family members and MS for Marital status.

Let us take the following illustration of the Women Empowerment

$$P_i = E (M=I/X) = \frac{1}{1 + e^{\{\beta_i + \beta_1 noc + \beta_2 hh + \beta_3 ft + \beta_4 A + \beta_5 MC + \beta_6 MI + \beta_7 NFM + \beta_8 MS\}}}$$

$$P_i = E (M=I/X) = \frac{1}{1 + e^{-W_i}} \quad (3.11)$$

Where

$$W_i = \beta_i + \beta_1 Noc_i + \beta_2 hh_i + \beta_3 Ft_i + \beta_4 A_i + \beta_5 MC_i + \beta_6 MI_i + \beta_7 NFM_i + \beta_8 MS_i$$

The above equation (3.11) is called logistic distribution function. The value  $W_i$  is between  $-\infty$  to  $+\infty$ ;  $P_i$  varies between 0 and 1.

An estimation problem has been generated because  $P_i$  is nonlinear in X as well as in the  $\beta$ 's. Therefore we cannot use OLS technique for parameters estimation (Vasishat, 2012).

So probability of being empowered is given by  $P_i$

$$\frac{1}{1 + \exp^{(w)}}$$

Then  $(1 - P_i)$ , the probability of not empowered is

$$(1 - p_i) = \frac{1}{1 + \exp^{(w)}}$$

Therefore, one can write

$$\frac{p_i}{(1 - p_i)} = \frac{1 + \exp^{(w)}}{1 + \exp^{(-w)}} \text{----- (3.2)}$$

$P_i / (1 - P_i)$  is the odd ratio in favor of women empowerment i.e.; the ratio of the probability that women become empowered or not. The natural log of (3.2), is

$$L_i = \ln \left[ \frac{p_i}{1 - p_i} \right] = W_i = \beta_0 + \beta_1 \text{Noc}_i + \beta_2 \text{hh}_i + \beta_3 \text{Ft}_i + \beta_4 \text{Ai} + \beta_5 \text{MC}_i + \beta_6 \text{MI}_i + \beta_7 \text{NFM}_i + \beta_8 \text{MS}_i + \mu_i \text{.....} \text{ (3.3)}$$

Logit is denoted by L.

Now four equations of interest can be written in the following form:

$$L_i = \ln \left[ \frac{p_i}{1 - p_i} \right] = W_i = \beta_0 + \beta_1 \text{Noc}_i + \beta_2 \text{hh}_i + \beta_3 \text{Ft}_i + \beta_4 \text{Ai} + \beta_5 \text{MC}_i + \beta_6 \text{MI}_i + \beta_7 \text{NFM}_i + \beta_8 \text{MS}_i + \mu_i \text{.....} \text{ (3.4)}$$

Maximum likelihood method is used for the estimation of logistic model. This is known as a method to find estimation of an unidentified parameter of an assumed population distribution.

Three main techniques are used in this study. Before the multivariate analysis, bivariate analysis is used to find out the relationship between two variables. To find out the determinant of Women empowerment, binary dependent variable is used in logistic model. Binary dependent variable represents the two outcomes of our dependent variable i.e. “Yes” or “No”.

### **3.5 Conceptual framework**

Conceptual framework is generally established in accordance with the theoretical framework and literature review. The variables used in this study were classified into three levels i.e. individual characteristics, household characteristics and regional characteristics (khan, 2010). These elements affect women’s empowerment in different ways. Individual characteristics include age and marital status of women participant; Household characteristics consist of, household monthly income, number of family members and number of children, family type, and household head. These characteristics not only affect women empowerment but also have an effect on access to microfinance.

In the present context, microfinance is an independent variable that tends to empower women. Women empowerment as dependent variable remained the main concern for the present study. Four aspects of women empowerment were considered which include: economic, socio-political, personal, and familial empowerment.

Women get empowered if they achieve self-confidence (personal empowerment), economic independence (economic empowerment), freedom of mobility & right to vote (socio-political empowerment) and power to take

decisions within household (familial empowerment). Economic empowerment is measured on four indicators, i.e. power over resources, work for earned income, contribution in household expenditures and decision making ability regarding financial issues. Familial empowerment is also measured on four indicators, i.e. decrease in household burden of work, decrease in household violence, spending according to own will and decision making ability regarding family matters. Indicators of personal empowerment are self confidence felt by women themselves, dignity and self respect within the household and community, decision making ability regarding personal matters within the household and feeling strong (strength in women). Social and political empowerment is measured on four indicators, i.e. freedom of mobility, right to vote, social and political participation, and decision making regarding social and political activities.

Women Empowerment= (Economic empowerment+ Personal empowerment+ Familial empowerment + Social and political empowerment).

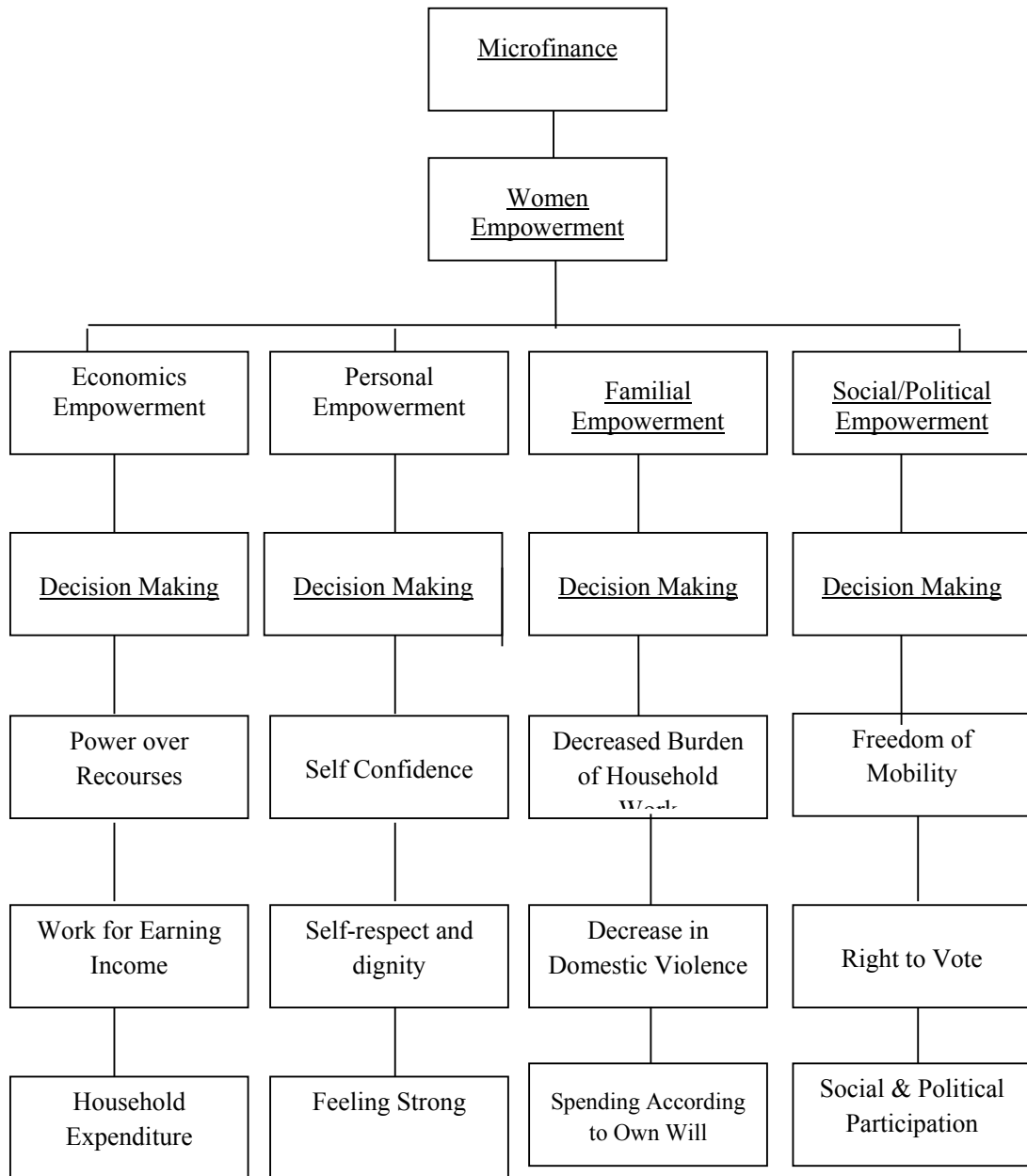
### ***3.5.1 Independent variables;***

Microfinance, age, marital status, household monthly income, number of family members, number of children, family type, and household head are taken as independent variables.

### ***3.5.2 Dependent variable;***

Women Empowerment, power over resources, work for earned income, contribution in household expenditures and decision making ability regarding financial issues, decrease in household burden of work, decrease in household

violence, spending according to own will and decision making ability regarding family matters, self confidence felt by women themselves, dignity and self respect within the household and community, decision making ability regarding personal matters and feeling strong within household, freedom of mobility, right to vote, social and political participation, and decision making regarding social and political activities.



**Figure-3.3: Coceptual frame work**

### 3.6 Specification of the Model

The objective of the study is to examine the impact of microfinance and other demographic variables on women empowerment for which four models were constructed. Since the dependent variable has two outcomes the logistic model

has been applied to estimate the determinants of women empowerments. The study estimates model I to know the determinants of women personal empowerments. Model II is constructed to know socio-political aspects of women empowerment. Model III was constructed to know economic empowerment of women and the last model IV is made to know familial empowerment of women. These models are given below.

$$PE = \beta_i + \beta_1 \text{Noc}_i + \beta_2 \text{hh}_i + \beta_3 \text{Ft}_i + \beta_4 \text{A}_i + \beta_5 \text{MC}_i + \beta_6 \text{MI}_i + \beta_7 \text{NFM}_i + \beta_8 \text{MS}_i + \mu_1 \dots\dots\dots \quad (\text{I})$$

$$\text{SPE} = \beta_i + \beta_1 \text{Noc}_i + \beta_2 \text{hh}_i + \beta_3 \text{Ft}_i + \beta_4 \text{A}_i + \beta_5 \text{MC}_i + \beta_6 \text{MI}_i + \beta_7 \text{NFM}_i + \beta_8 \text{MS}_i + \mu_2 \dots\dots\dots \quad (\text{II})$$

$$\text{EE} = \beta_i + \beta_1 \text{Noc}_i + \beta_2 \text{hh}_i + \beta_3 \text{Ft}_i + \beta_4 \text{A}_i + \beta_5 \text{MC}_i + \beta_6 \text{MI}_i + \beta_7 \text{NFM}_i + \beta_8 \text{MS}_i + \mu_3 \dots\dots\dots \quad (\text{III})$$

$$\text{FE} = \beta_i + \beta_1 \text{Noc}_i + \beta_2 \text{hh}_i + \beta_3 \text{Ft}_i + \beta_4 \text{A}_i + \beta_5 \text{MC}_i + \beta_6 \text{MI}_i + \beta_7 \text{NFM}_i + \beta_8 \text{MS}_i + \mu_2 \dots\dots\dots \quad (\text{IV})$$

Model I is for personal empowerment and it is measured through four variables which are; self confidence felt by women themselves, dignity and self respect within the household and community, central to decision making within the household and feeling strong within household. Each dependent variable has two outcomes “Yes” or “No”. So, it is estimated through logistic regression model. The dependent variable used in each model are number of children, house-hold head, family type, age, micro-credit, monthly income, number of family members and marital status.

Model II is for socio-political empowerment and it is also measured through four variables which are freedom of mobility, right to vote, social and political participation, and decision making regarding social and political activities. Each dependent variable has two outcomes “Yes” or “No”. So, it is estimated through logistic regression model. This model also uses the same independent variables to measure socio-political empowerment.

Model III is for Economic empowerment and it is also measured through four variables which are power over resources, work for earning income, contribution in household expenditures and decision making ability regarding financial issues. Each dependent variable has two outcomes “Yes” or “No”. So, it is estimated through logistic regression model. This model also uses the same independent variables to measure economic empowerment.

Model IV is constructed to measure familial empowerment and it is also measured through four variables which are decrease in household burden of work, decrease in household violence, spacing between children and decision making ability regarding family matters. Each dependent variable has two outcomes “Yes” or “No”. So, it is estimated through logistic regression model. This model also uses the same independent variables to measure familial empowerment.

### **3.7 Variable Specification:**

#### ***3.7.1 Dependent variable:***

##### **a. Women Empowerment:**

Different studies used different variables for determination of women empowerment. The present study considers four aspects of women empowerment i.e. personal empowerment, socio-political empowerment, economic empowerment and familial empowerment. These are measured by using different variables. The study for economic empowerment of women used four variables like power over resources, work for earning income, contribution in household expenditures and decision making ability regarding financial issues. A woman is economically empowered when she has control over resources to be used by her. Similarly, it provides economical independence as she has the ability to earn for herself and the capacity to contribute in household expenditures enhancing her importance. Economic empowerment implies that women must be considered while making decisions on household financial matters. Hence for this purpose woman economic empowerment was measured over these four variables.

The study for personal empowerment of women used four variables which are feeling strong (strength in women) within house-hold and community, self confidence, dignity and self-respect and decision making regarding personal matters. A woman is personally empowered when she feels herself strong and burly inside the house-hold. She knows the importance of her status and

position in the household. At the same time self confidence is a very important variable to measure personal empowerment. This is also one of the objectives of the study that micro finance brings self confidence among women of the study area. Another variable used is self- respect and dignity of a woman that adds to her personal empowerment. Women decision making ability also makes her personally empowered. That's why these variables are used to measure personal empowerment.

Another aspect of women empowerment is socio-political empowerment. Participation in social and political activities makes the atmosphere healthy and helps in character building and empowerment of women, women are considered empowered when they move freely without any restrictions from the household, community and in-laws, to visit her native family members, friends and in-laws (Khan, 2010). Their political empowerment means women's right to vote according to their own choice without any imposition or instructions from other family members. Along with freedom of mobility and right to vote, women's decision making ability concerning social and political issues is also important to measure their socio-political empowerment.

To find out the determinants of women familial empowerment this study uses four variables. These variables empower women in different ways. Women are empowered inside the household when their burden of household work decreases as well as there is a decrease in household violence. Another important element of women's familial empowerment is the freedom to spend the resources according to their own will, without asking anyone, on different household tasks. As women are known to be responsible for household jobs,

they might have the freedom to make decisions on different family issues. Therefore these variables are included to measure women empowerment.

### ***3.7.2 Explanatory variables***

The Explanatory variables are composed of a set of variables that affect women empowerment. The assortment of these variables is, based on previous studies and data availability on women empowerment. The following dependent variables have been incorporated to find out the determinants of women empowerment. Microfinance along with two variables at individual and five at household level were used in the present study in order to verify their importance as determinants of women empowerment.

#### **a. Micro credit**

Microfinance is being considered as the most significant and useful method in determining women empowerment. Microfinance is used interchangeably with the term micro credit. It is a part of microfinance and is the expansion of small amount of credit given to the poor to enable them to increase their earnings and brings improvement in their life style (Ali and Alam, 2010).

### ***3.7.3 Individual Level variables***

#### **a. Age**

Age plays a vital role in women empowerment. It invokes implication of control and regard. It has been seen that family differences are often resolved by elder family members, who have the experience, knowledge and understanding that comes with old age, as is usually assumed (Wokoko, 2003). This view is also supported by (Khan, 2010) who found that experience of old

age makes a woman capable of taking a stand. And with the passage of time when she becomes mother-in-law, she gets the authority over her daughter-in-law. As time passes even a defenseless woman becomes empowered. The relation and understanding between husband and wife also increases with the passage of time enabling them to tackle different problems together (Mostofa et al. 2008). So the importance of age in women empowerment cannot be denied.

**b. Education**

Education brings knowledge and responsiveness in a woman. The country cannot be economically, socially, and politically enlightened without educated women (Haq, 2000). Education increases her knowledge concerning her rights and plays an important role in her decision making ability. Usually, with the increase in education economic contribution of women also increases. This has a positive influence on the family income, which improves their status within the family. It also gives information, understanding, self-assurance and potential for a career (khan, 2010).

**c. Marital Status**

Married women because of their affiliation to husbands are considered more powerful than unmarried women. They are likely to make more decisions in their homes than single women. This is because married women share responsibilities with their partner. Single women are less empowered in terms of decision making as they have to look upon their elders that include their brothers, fathers, mothers and sometimes their grandparents.

### ***3.7.4 Household-Level Variables***

#### **a. Family type**

Different studies have found that women empowerment is influenced by the type of family. Sridevi (2005) elucidates that the majority of the decisions were made by elder family members. Young women faced many restrictions mainly in terms of their mobility, and involvement in decision making. Household Income was shared by all family members. While women living in nuclear families enjoyed more power over resources and decision making. Roy and Niranjana (2004) concluded that women living in nuclear families were less empowered than those who belonged to joint family.

#### **b. Household head**

Household head being male or female plays an imperative role in the life of his siblings. Household head is considerably related with an increase in the ability to make decision for women. It is a matter of fact that household head can empower or disempower the women by allowing them to do or not to do certain things related to family traditions.

#### **c. Monthly income**

Household income is total income earned by all family members in a month. Income is the main determinant of a household's socio-economic position and thus its position in the social stratification system.

**d. Number of family members**

This variable is used as one of the indicators to determine the number of members living in a particular household. This variable exposes that a household that bears large number of members extends more rights to women. Another reason is that having more family members' women can get moral support especially from other females in terms of household work, child caring and social visits. So, the purpose of inclusion of this variable is to find out the effect of large and small family members on women empowerment.

**e. Number of children**

A woman's strength increases with the increase in the number of her children. Her control over resources increases to fulfill the requirements of her children. More children make women more empowered. A child motivates women to access micro credit in order to increase their earnings by participating in productive activities. This is intended to facilitate them to make adequate money to contribute in household expenditure. Considerably, having more children provoke the use of microfinance that a person has accessed (Ayertey, 2008). Thus number of children of the microfinance borrowers was a necessary variable to incorporate for analysis.

# **CHAPTER FOUR**

## **ANALYSIS OF DATA/PRESENTATION OF RESULTS**

### **Introduction**

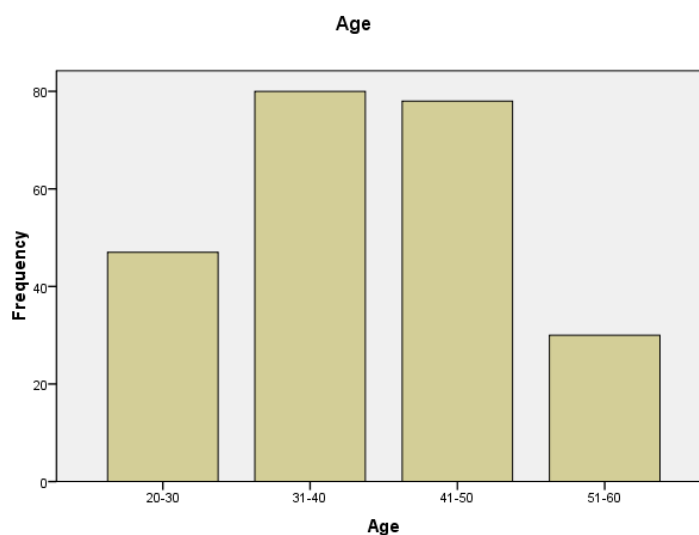
The data concerning the study was collected, structured and analyzed by means of the scientific methodology. The quantitative results of the study are discussed and presented in this chapter.

#### **4.1 Descriptive analysis**

Descriptive analysis was carried out to accomplish the objective of the study, and also to know the demographic and socio-economic characteristics of the sample and their household in the study area. According to Nachmias and Nachmias, (1992) descriptive analysis is used for categorizing and analytically summarizing the data in a comprehensible form. It is based on the percentages and classification of the data.

**Table 4.1.1 Frequency distribution and percentages of respondents with respect to age**

	Frequency	Percent	Cumulative percent
<b>20-30</b>	47	20.0	20.0
<b>31-40</b>	80	34.4	54.0
<b>41-50</b>	78	33.2	87.2
<b>51-60</b>	30	12.8	100.0
<b>Total</b>	235	100	-



**Explanation:**

Table 4.1.1 above shows that the largest proportion of the sample 34.4 percent was between 31 and 40 years of age. About 33.2 percent of the sample was between 41-50 years. The youngest age being 20 and 30 years was 20.0 percent. A very insignificant proportion 12.8 percent was between 51-60. This advocates that more or less all respondents were financially responsible members of their households, and this is also a sign that they were hypothetically competent of making imperative decisions in the household as

it is general experience that the middle aged women have more know-how than younger and aged women. Since age increases the maturity and expertise to take correct decision also amplify and one becomes more responsible. In contrast younger women have lack of proper decision making ability (Iftikhar, 2009). The analysis of the data showed that the majority of our respondents were middle aged and responsible borrowers.

**Table 4.1.2: Frequency distribution and percentage of respondents with respect to their Marital Status**

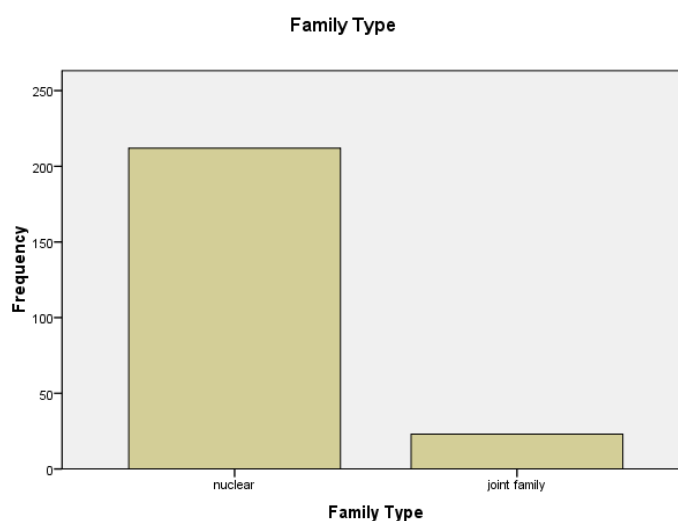
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Married</b>	223	93.7	93.7
<b>Unmarried</b>	12	6.3	100.0
<b>Total</b>	235	100.0	

**Explanation:**

As far as marital status is concerned majority of our respondents were married the table 4.1.2 depicts that almost 93.7% women were married, living with their husbands and supporting their families. While 6.3% were unmarried. This also reflects that these women shared responsibilities with their husbands and also because usually, marriage bestows respect and prestige and is related with the privileges of access to resources (Wokoko, 2003)

**Table 4.1.3: Frequency distribution and percentage of respondents residing in nuclear/joint family system**

	Frequency	Percent	Cumulative Percent
<b>Nuclear</b>	212	90.2	90.2
<b>joint family</b>	23	9.8	100.0
<b>Total</b>	235	100.0	

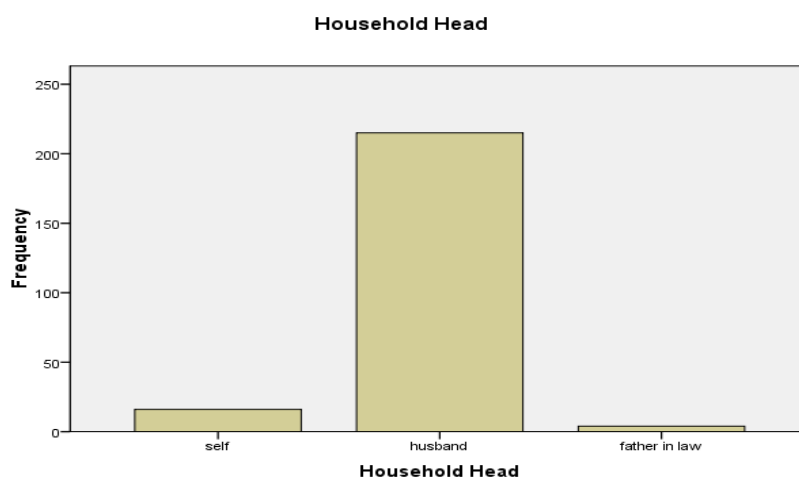


**Explanation:**

The study finds that majority of our respondents were living in nuclear families as the percentage is 90.2 as compared to those living in joint families i.e. 9.8%. (Table 4.1.3) this reflects that micro finance makes them financially independent to live and manage their own house. They can live a life of self-governing and self-determination without the constraint of in-laws. This also reveals that these women borrowers can make more decisions at home; they can exert control over decisions that also involve resource allocations.

**Table 4.1.4: Frequency distribution and percentage of respondents with respect to Household Head**

	Frequency	Percent	Cumulative Percent
<b>Self</b>	19	8.0	8.0
<b>Husband</b>	215	91.5	98.3
<b>any other</b>	1	0.4	100.0
<b>Total</b>	235	100.0	



**Explanation:**

Table no 4.1.4; shows that majority of households are headed by husbands of the respondents. The percentage is 91.5% .only 8.0 % households are headed by the respondents themselves. Rest of 0.4 % households were headed by fathers in law. This is because percentage of respondents living in nuclear family is greater compared to females living in joint family. One of the reasons is the frequent collapse of joint family system in many areas of the world (Offenhauer, 2005). It signifies that customs and traditions are changing leading towards betterment.

**Table 4.1.5: Frequency distribution and percentage of respondents with respect to education of Household Head**

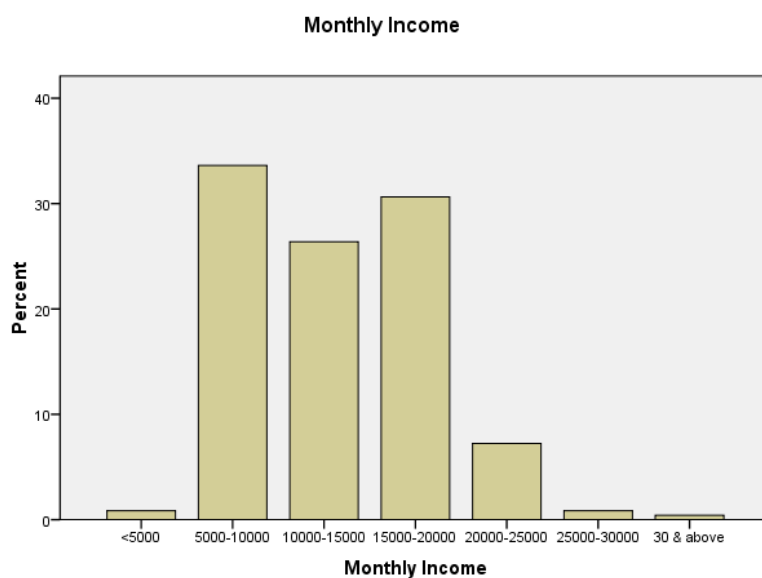
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Middle</b>	3	.8	1.2
<b>Nil</b>	226	96.1	97.3
<b>Primary</b>	6	2.5	100.0
<b>Total</b>	235	100.0	

**Explanation:**

With regard to education of respondents majority of them were uneducated as shown in the above table 4.1.5. The percentage of those who had never been to school was 96.1. Although they were not literate yet they contributed financially in their household responsibilities. Microfinance makes them economically independent and enables them to add to household recourses. Whether they borrow for themselves or for their husbands they share the burden with their spouse. This reflects that because of microfinance, education is not a barrier to earn a respectable livelihood in the way of these poor people. The remaining sample was literate though. 2.5% have got primary education and only .8% was educated till middle.

**Table 4.1.6: Frequency distribution and percentage of household with respect to monthly income**

	Frequency	Percent	Cumulative Percent
<5000	2	.9	.9
5000-10000	62	33.6	34.5
10000-15000	79	26.4	60.9
15000-20000	72	30.6	91.5
20000-25000	17	7.2	98.7
25000-30000	2	.9	99.6
3000& above	1	.4	100.0
Total	235	100.0	



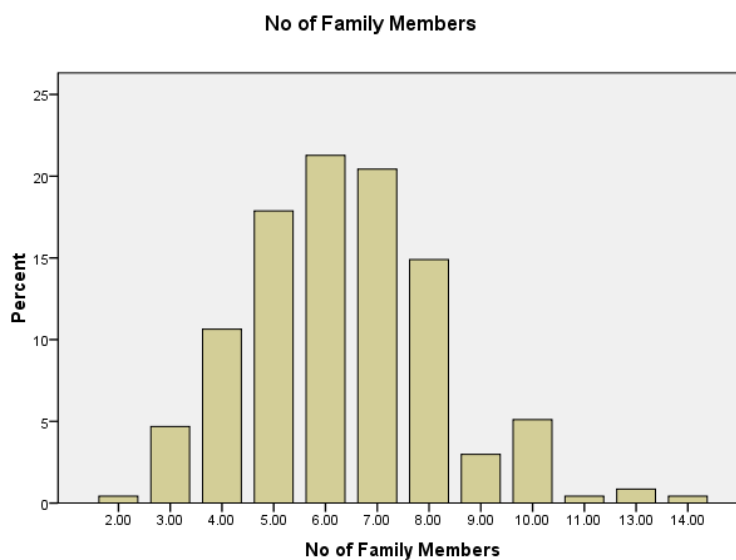
**Explanation:**

In order to see the income level of household they were categorized according to their monthly income. As portrayed in the following table monthly income

of about 33.6 percent of the participants were 5000 to 10000 whereas only. 9 percent with income of less than 5000 these categories can be considered very poor. Similarly about 26.4 percent of the female clients of microfinance institutions had a monthly income of 10000 to 15000 while nearly 30.6 percent of the participants belonged to the income group of 15000 to 20000. Apart from this there were about 7.2 percent of female borrowers with an income of 20000 to 25000 and only an insignificant proportion of the microfinance beneficiaries belonged to the income group of above 25000 i.e. only .4 percent as shown in the table. Almost 60 percent of the participants had the income that varied between 5000 to 15000. The survey data depicts that the percentage of female borrowers falling into low income groups is reasonably higher compared to the richer income groups. This indicates that microfinance helps the poor women to alleviate poverty and empower themselves.

**Table 4.1.7: Frequency distribution and percentage of respondents' with respect to No of Family Members**

	<b>Frequently</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>2</b>	1	4	4
<b>3</b>	11	4.7	5.1
<b>4</b>	25	10.6	15.7
<b>5</b>	42	17.9	33.6
<b>6</b>	50	21.3	54.9
<b>7</b>	48	20.4	75.3
<b>8</b>	35	14.9	90.2
<b>9</b>	7	3.0	93.2
<b>10</b>	12	5.1	98.3
<b>11</b>	1	.4	98.7
<b>13</b>	2	9	99.6
<b>14</b>	1	4	100
<b>Total</b>	235	100	

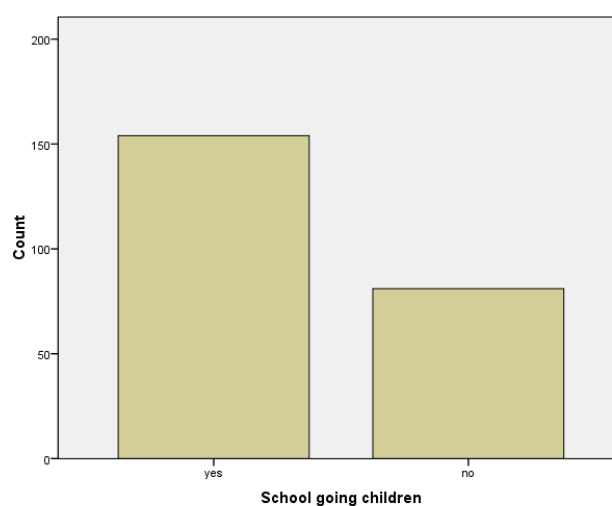


**Explanation:**

The analysis shows that 5.1 % of participants had three or less than three family members. This indicates that respondents had either no children, or they were newly married. The percentage of 5 family members is 17.9; whereas 10.6 % have 4 members in their family. The analysis shows that 41.7% had 6to 7 family members and 14.9% had 8 members in their family. The study finds out that only 9.8% had 9 or more family members. Larger family size indicates higher level of consumption which in turn requires increase in income to overcome these expenses. Microfinance provides them the opportunity to improve their economic position. A large number of family members also signify low level of saving, as propensity to consume is higher.

**Table 4.1.8: Frequency distribution and percentage of respondents With respect to no. of school going children**

	Frequency	Percent	Cumulative Percent
<b>Yes</b>	154	65.5	65.5
<b>No</b>	81	34.5	100.0
<b>Total</b>	235	100.0	

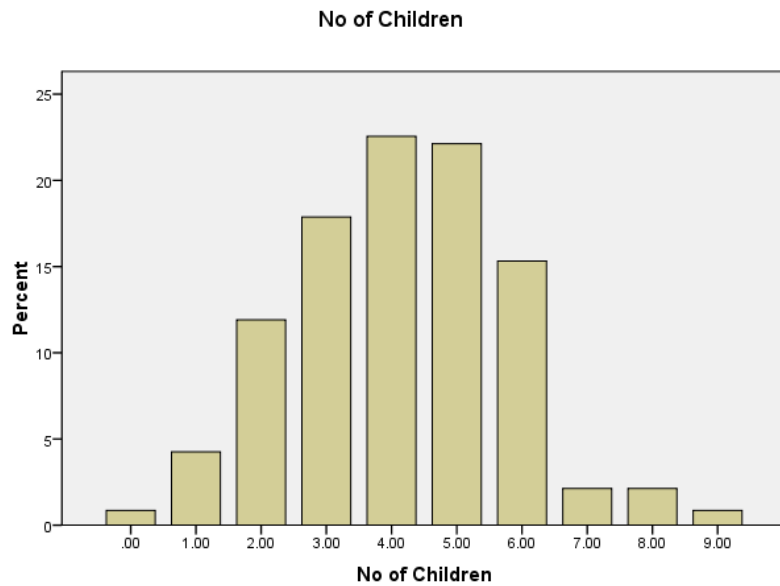


**Explanation:**

Table 4.1.8 shows that percentage of school going children is higher compared to children who are not going to school i.e. 68.5% and 34.5% respectively. The study finds that majority of respondents and household heads were illiterate and had never been to school but they in turn were educating their children with the help of microfinance.

**Table 4.1.9: Frequency distribution and percentage of respondents with respect to number of children**

	Frequency	Percent	Cumulative Percent
0	2	.9	.9
1	10	4.3	5.1
2	28	11.9	17.0
3	42	17.9	34.9
4	53	22.6	57.4
5	52	22.6	79.6
6	36	15.3	94.9
7	5	2.1	97.0
8	5	2.1	99.1
9	2	.9	100.0
Total	235	100.0	



**Explanation:**

The analysis shows (table no.4.1.9) that majority of respondents 22.6% and 22.6% had four and five children respectively. The household having three children were 17.9% and families of six were 15.3%. While 11, 9% had only two children. The percentage of more than six was 2.1 and 2.1 for families of seven and eight while .9% for household having nine children.

**Table 4.1.10: Frequency distribution and percentage of respondents with respect to education of Household Head**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Middle</b>	8	3.4	3.4
<b>Nil</b>	220	93.6	97.0
<b>Primary</b>	7	2.9	100.0
<b>Total</b>	235	100.0	

**Explanation:**

Education is a kind of human resource that makes better utilization of accessible opportunities as well as decision-making in the home. It is an important element of one's socioeconomic position in the social sphere. The analysis shows that majority of the respondents 93.6% were illiterate, they had never been to school whereas 2.4% household heads had got primary education and 3.4% had studied till middle. The results clearly indicate that respondents who were microfinance beneficiaries belonged to low income group.

**Table 4.1.11: Frequency distribution and percentage of respondents with respect to the period of credit**

	Frequency	Percent	Cumulative Percent
1. 1year	113	48.0	48.0
2. 2years	67	28.5	76.5
3. 3years	55	23.4	99.9
Total	235	100.0	

**Explanation:**

Table 4.1.11 indicates the period of credit taken by the clients. It can be seen that 48.0% of our respondents belonged to the category that had taken loan for the first time. These are pipeline borrowers, who are eligible for loans using the similar criteria as the borrowers, and the recipients who obtained their first loan and have not yet reimbursed it. Apart from this 28.5% of the respondents had taken loan for second time and 23.4% have taken loan for the third time. These are the participants who have taken more than one loan from the institution. It is the strategy of the organization's management that they replicate loans only to those borrowers who are best in its timely repayment. The credit taken for the second and third time from microfinance institutions depicts that these borrowers are able to return it back. Only those women who demonstrated an ability to make full and timely repayment on their first (one-year) loan would be given a second and third loan.

**Table 4.1.12: Frequency distribution and percentage of respondents with respect to In-laws respond to the idea of joining microfinance**

	Frequency	Percent	Cumulative Percent
Didn't approve	4	1.7	1.7
Approved, but not happy	132	56.2	57.9
Accepted w/o confrontation	87	37.0	94.9
Didn't seek consent	12	5.1	100.0
Total	235	100.0	

**Explanation:**

Traditional and cultural norms prevail in the society, which reveal that in-laws have a major role in a woman's life. Father -in- law and sometimes mother-in-law influence the decisions made by their daughter in law. They had to do as they were told by in-laws if they wanted to live in their husband's house. The analysis shows that only 5.1% women had not asked their in-laws about starting business and 1.7% in-laws had not approved the participation of respondents in microfinance activities. While 56.2% of in-laws had approved but were not happy and 37% had given their approval but after some resistance. Despite these domestic problems respondents had joined microfinance which shows their concern for loan.

**Table 4.1.13: Frequency distribution and percentage of respondents with respect to attitude of husbands after joining microfinance**

	Frequency	Percent	Cumulative Percent
Didn't care any more	22	9.4	9.4
Is more accepting now	213	90.6	100.0
Total	235	100.0	

**Explanation:**

Cooperation and support of husband plays a very important role in the life a successful woman. The analyses reveal that 90.6% husbands were more supportive and accommodative after joining microfinance. Only 9.4 % women did not care any more for their husband's attitude. This reflects that microfinance has given them the ability and opportunity to express themselves and improve their family relations.

**Table 4.1.14: Frequency distribution and percentage of respondents with respect to attitude of the in-laws after joining microfinance**

	Frequency	Percent	Cumulative Percent
Didn't care any more	40	17.0	17.0
Are more accepting	185	78.7	95.7
Didn't talk to them	10	4.3	100.0
Total	235	100.0	

**Explanation:**

Although before joining the microfinance the attitude of most the in-laws was not encouraging but after participation almost 78.7% in-laws had a supporting behavior. About 17 % women expressed least concern for the response of their in-laws. They were self motivated and self determined after joining microfinance. 4.3% had not severed terms with their in-laws.

**Table 4.1.15: Frequency distribution and percentage of respondents with respect to affect of joining microfinance on family life**

	Frequency	Percent	Cumulative percent
less family quarrels	177	75.3	75.3
No change	24	10.2	85.5
Other (specify)	34	14.5	100.0
Total	235	100.0	

**Explanation:**

Microfinance had an effect on the life of female borrowers. Almost 75.3% respondents had experienced less household quarrels and 14.5% had given various other reasons. Their income had improved, their living standard has increased, and they had experienced increase in their social circle and gained respect from other family members. No change was observed by 10.2% respondents on their family life. Microfinance has also improved their skill and abilities. Some of the respondents mentioned increase in their expenditures as the credit facilitates the women to generate income, and enjoy a sense of success and self-respect.

**Table 4.1.16: Frequency distribution and percentage of respondents with respect to affect of joining microfinance on domestic violence**

	Frequency	Percent	Cumulative Percent
some times	60	25.5	25.5
most of the time	39	16.6	42.1
never	136	57.9	100.0
Total	235	100.0	

**Explanation:**

In a traditionally bond rural society a husband beating his wife is very common. Generally women face domestic violence especially in rural areas. Microfinance has improved the situation by making them economically independent as 57.9% women responded that they were never beaten by their husbands. The percentage of women sometimes beaten by their husbands was 25.5% .Whereas 16.6% women suffered from this dilemma very often.

**Table 4.1.17: Frequency distribution and percentage of respondents with respect to decision of joining microfinance**

	Frequency	Percent	Cumulative Percent
Independently	27	11.5	11.5
Jointly with husband	203	86.4	97.9
Jointly with other family members	5	2.1	100.0
Total	235	100.0	

**Explanation:**

The decision to join microfinance was taken independently by only 11.5% of the respondents. The percentage of joint decision of husband and wife to connect with microfinance activities was 86.4% as compared to the joint decision with other family members which was only 2.1%. The majority of respondents had not taken the decision alone as their spouses have asked them to borrow. The credit was taken by women, but was utilized by their husbands or by both of them.

**Table 4.1.18: Analysis of decisions regarding financial matters**

S.No		YES	Percent	NO	Percent
1	Decisions on the purchase or repair of house	156	66.4%	79	33.6%
2	Decisions on the Purchase of gold, jewelry for family	146	62.1%	89	37.9%
3	Decisions on saving and investment	224	95.5%	11	4.7%
4	Decision on issues of borrowing money	232	98.7%	3	1.3%

**Explanation:**

The table above signifies that majority of our respondents could take decisions on different economic aspects. About 95.5% respondents could decide on the issues of saving and investment and 98.7% had the ability to decide about the topic of borrowing .The results show that 66.4% women had taken decisions on the purchase, construction, modification or repair of house whereas this issue was undecided by 33.6% of the participants. When asked about decisions on the purchase of gold and jewelry for family 62.1% women were able to take decisions on the matter but 37.9% replied in negative.

**Table 4.1.19: Analysis of decisions regarding Income and expenditure**

S.No		YES	Percent	NO	Percent
1	Have your own income	155	66%	80	34%
2	spend for the family yourself	200	85.1%	35	14.9%
3	Get husband's income in your hands regularly	218	92.8%	17	7.2%
4	Discussion when he spends income for the family or his own requirements	224	95.3%	11	4.7%

**Explanation:**

The table reveals that 66% women have their own income which indicates that they have their personal business and they utilize the credit for productive purposes. The remaining 34% do not have their own income; they are not utilizing credit by themselves. As far as expenditures are concerned almost 85.1% respondents spend themselves only 14.9% does not spend money according to their own will. The percentage of husbands who ask their wives while spending was 92.3 and only 7, 2% do not consider the matter of spending with their spouse. Majority of respondents 92.8% receive share of their husband's income regularly while 81.7% were of the view that they have the freedom to spend money they had borrowed. Most of microfinance institutions focus on women for the reason that their repayment ratio is higher, this is also proved by the present study that almost 94.4% respondents had repaid the money they had borrowed. This is clear indication of economic independence of the recipients of microfinance.

**Table 4.1.20: Analysis of decisions regarding education and health**

S.No		YES	Percent	NO	Percent
1	Decisions on the issues of children's education	220	93, 6%	15	6, 4%
2	Decisions on number of children	193	90.65	42	9.4%
3	Decisions on the spacing between children	187	97.6%	48	20.4%
4	Decisions on the treatment of family members	208	88.5%	27	11.5%
5	Decisions on the type of contraceptive to be used	195	83.0%	40	17.0
6	Decisions on the nutritional requirements of, family and children	223	94.9%	12	5.1%

**Explanation:**

The study found that 93.6% of the respondents could decide about issues related to education of their children whereas 90.65% could decide the number of children they have. Only 9.4% couldn't take this decision. Similarly 97.6% of the sample had the ability to decide on the matter of spacing between children, but the type of contraceptives to be used was decided by 83.0%. The remaining 17.0% had no influence of the use of contraceptives. As regards other health issues 94.9% of women participants could take care of nutritional requirements of their family and children, and 83.0% were able to decide for the treatment of their family members

**Table 4.1.21: Analysis of Women’s own perception after joining micro finance**

S.No.	Question	Yes	Percent	No	Percent
1	become more self confident	235	100.0	0	0
2	gained more respect in family	233	99.1	2	.9
3	gained economic independence	217	92.3	18	7.7
4	gained more respect in the neighborhood/community	233	99.1	2	.9
5	improved understanding between husband and wife	229	97.4	6	2.6
7	Decrease in burden of house hold work	156	66.4	79	33.6
8	increased freedom of mobility	214	99.1	21	8.9
9	Living standard has improved	235	100.0	0	0

**0**

**Explanation:**

After joining microfinance institutions almost all the respondents 235 in number agreed upon the fact that their confidence level had increased. Majority of women 233 have put on more respect in the household. They had gained economic independence 217 by getting credit from microfinance institution. Their importance and respect in the community and neighborhood 233 had enhanced. Microfinance had also improved family relationship by increasing understanding between husband and wife. AS loan is taken by women, their economic status increases which strengthens their position in the household.

This fact is approved by 156 and opposed by 79 respondents. Whereas 214 women clients agreed that they had become more mobile after availing the facility of microfinance as compared to prior position. Living standard of microfinance beneficiaries had also improved. Almost all the participants 235 accepted the fact that their living standard is better than before. None of the respondents have denied this truth.

## 4.2 Bivariate Analysis

As according to the objectives of the study a bivariate analysis is used to find-out the determinants of women empowerment.

This study used primary data from 235 house-holds. Different questions were asked to find-out the role of microfinance to empower women in KPK province. Data was taken from three districts of KPK i.e. Peshawar, Swabi and Mardan.

**Table 4.2.1: Analysis of bivariate relationship between Credit history and Monthly Income**

Credit History	Monthly Income			Total
	<10000	<20000	<30000	
Credit taken for 1 year	2	103	8	113
Credit taken for 2 years	1	41	25	67
Credit taken for 3 years	0	29	26	55
<b>Total</b>	3	173	59	235

*Source: Household primary data*

### **Explanation:**

Table 4.2.1 is constructed to describe a clear picture of credit taken by the house-hold from microfinance institutions. The results show that monthly income of the family increased and also shows the result of increase in monthly income at various credit levels. When credit was taken for the first time the income of only two women was below ten thousand, while that of one

hundred three women was about twenty thousand and the income of eight women were nearly thirty thousand.

When we talk about those women who had taken credit for the second time, the table shows that the income of one woman was less than ten thousand, forty one women were less than twenty thousand and twenty- five women were less than thirty thousand. The table also shows that when credit was taken for the third time income of none of these women was below ten thousand, twenty nine women were below twenty thousand and twenty six women were below thirty thousand. So, the analysis shows that there is incredible increase in the income of microfinance beneficiaries. For the first time users income of two women was below ten thousand and for the second time users income of one woman was below ten thousand, while for the third time users income of none of the respondents was below ten thousand

**Table 4.2.2: Analysis of bivariate relationship between Credit History and Family type**

Credit History	Family Type		Total
	Nuclear Family	Joint Family	
Credit taken for 1 year	100	13	113
Credit taken for 2 years	61	6	67
Credit taken for 3 years	51	4	55
<b>Total</b>	212	23	235

*Source: Household primary data*

**Explanation:**

Table 4.2.2 is constructed to know credit history and that of family type. According to the hypothesis nuclear families are more inclined towards taking credit than the joint families. The table 4.2.2 shows that hundred women belonging to nuclear family had taken credit for the first time (one year) and only thirteen women belonging to joint family have taken credit for the first time. Likewise sixty one women belonging to nuclear family and only 6 women belonging to joint family had availed the credit for the second time (two years) from microfinance institutions. It is also shown in the table that fifty one women belonging to nuclear family and four belonging to joint family had gone for the third time too. So, it is clear from the table that women living in nuclear families are more inclined towards credit as compared to those women who belong to joint family.

**Table 4.2.3: Analysis of bivariate relationship between Credit History and Age**

Credit History	Age (in years)				Total
	20 to 30	31 to 40	41 to 50	50 to Above	
Credit taken for 1 year	30	43	28	12	113
Credit taken for 2 years	11	22	27	7	67
Credit taken for 3 years	3	19	22	11	55
<b>Total</b>	44	84	77	30	235

*Source: Household primary data*

**Explanation:**

Table 4.2.3 is constructed to show credit history and age of the women. The purpose of this table is to show the age of the women who have taken loan from microfinance institutions. The table given above shows that thirty women with ages ranging from twenty to thirty years have taken credit for one year while forty three aged between 31-40, twenty eight of age 41-50 and twelve women of age 51 and above had taken loan for one year respectively. The participants who had taken loans for the second time were eleven in the age group between 20-30 and twenty two in the age group 31-40. It was also shown that the number of respondents who belonged to age group of 41-50 were twenty-seven and only seven for the age group of 51 and above. There were some respondents who had taken loans for the third time, they were three, nineteen and twenty-two for the age group 20-30, 31-40 and 41-50 respectively. The number of female borrowers who were above forty was only eleven. Therefore, the number of women who belonged to age group thirty to forty was greater i.e. 84 as shown in the table.

**Table 4.2.4: Analysis of bivariate relationship between Credit History and House-hold head**

Credit History	Household Head				Total
	Self	Husband	Father in Law	Any other	
Credit taken for 1 year	10	103	0	0	113
Credit taken for 2 years	6	61	0	0	67
Credit taken for 3 years	3	51	0	1	55
<b>Total</b>	19	215	0	1	235

*Source: Household primary data*

**Explanation:**

The table 4.2.4 is constructed to show the relationship between credit history and house-hold head. The house-hold head plays an important role in women empowerment. Among the respondents who had taken loans for the first time, ten respondents belong to self headed house-hold and one hundred three belong to husband headed house-hold. Similarly, among the women who had taken loans for the second time, six were resided in self headed house-hold and sixty one were living in husband headed house-hold.

The participants who have taken loan for the third time were three in number for self headed house-hold and fifty one were living in husband headed house-hold. The table also shows that there was only one woman who was living with house-hold headed by other than her husband or self. Hence as depicted by the table 215 respondents were living in the house-hold headed by their husbands and nineteen female borrowers were themselves the head.

**Table 4.2.5: Analysis of bivariate relationship between Credit History and Marital Status**

Credit History	Marital Status		Total
	Married	Unmarried	
Credit taken for 1 year	106	7	113
Credit taken for 2 years	64	3	67
Credit taken for years	53	2	55
Total	223	12	235

*Source: Household primary data*

**Explanation:**

Table 4.2.5 is made to determine the relationship between credit history and marital status. It is shown that 106 married women and seven unmarried women had taken loan for the first time. Similarly, the analysis also shed light on the women who had taken loans for the second time (two years). Among them 64 were married and only three were unmarried. The respondents who had taken loans for three years were 53 in number who were married and only 2 were unmarried. It is therefore, observed that 223 women were married and only twelve unmarried, among the beneficiaries of micro- finance.

**Table 4.2.6: Analysis of bivariate relationship between Monthly Income and Savings**

Monthly Income	Savings		Total
	No	Yes	
<10000	1	2	3
<20000	119	54	173
<30000	37	22	59
Total	157	78	235

*Source: Household primary data*

**Explanation:**

Table 4.2.6 displays the monthly income of the respondents and the level of their savings. Two respondents belonging to income group of less than ten thousand opined that saving was possible while reply of one was in negative. The women who belonged to the income group of less than twenty thousand were also asked about their savings among them 119 replied that they could not save any amount of money out of their given income while 54 replied that they could. Similarly, for the income group of less than thirty thousand thirty-seven women could not save and twenty -two were able to save. Therefore, as the table sheds light on the relationship of monthly income and saving, and revealed that 157 could not save while only 78 respondents were able to save out of their given income.

**Table 4.2.7: Analysis of bivariate relationship between Credit History and Familial Empowerment**

Credit History	Familial Empowerment				Total
	Burden of Work	Spending according to her own will	Household violence	Decision-making	
Credit taken for 1 year	8	56	43	6	113
Credit taken for 2 years	7	23	31	6	67
Credit taken for 3 years	3	27	18	7	55
<b>Total</b>	<b>18</b>	<b>106</b>	<b>92</b>	<b>19</b>	<b>235</b>

*Source: Household primary data*

**Explanation:**

The table 4.2.7 shows the relationship between the credit history and familial empowerment. The table displays that the number of respondents who had taken loan for one year were eight in number who observed decrease in burden of work after joining micro-finance and 56 of them were able to spend according to their own will. The house-hold violence had been reduced for forty-three women and six women were of the opinion that they could play a vital role in house-hold decision making.

Similarly, for the respondents who had taken credit for the second time, reduction in house-hold burden of work was observed by seven women and twenty-three respondents replied that they can spend according to their own

will. Whereas thirty-one female borrowers observed, decrease in house-hold violence and six were able to participate in household decision making.

Among the respondents who have taken loan for three years, only three have observed reduced burden of work, while twenty-seven were able to spend according to their own will and 18 respondents had expressed decrease in house-hold violence. There were only seven respondents who were able to play their role in decision making. As displayed in the table majority of the women i.e. one hundred and six were able to spend according to their own will and ninety-two women borrowers had observed reduction in house-hold violence while eighteen had expressed reduction in burden of work .Nineteen of them observed their increased role in house-hold decision making.

**Table 4.2.8: Analysis of bivariate relationship between Credit History and Economic Empowerment**

Credit History	Economic Empowerment				Total
	Contribution in House hold expenditure	Work for Earned Income	Decision Making	control over resources	
Credit taken for 1 year	71	32	8	2	113
Credit taken for 2 years	36	25	2	4	67
Credit taken for 3 years	37	15	2	1	55
<b>Total</b>	<b>144</b>	<b>72</b>	<b>12</b>	<b>7</b>	<b>235</b>

*Source: Household primary data*

**Explanation:**

One of the important elements of women empowerment is her economic independence. The table 4.2.8 depicts the relationship between credit history and economic empowerment of women. The table shows that with the credit taken for the first time, seventy-one respondents were able to contribute in house-hold expenditures. Out of them thirty-two women were allowed to work for earned income, eight women could participate in house-hold financial decision making and only two had control over resources.

Similarly, with the credit taken for two years, thirty-six women were able to contribute in house-hold expenditures and out of them twenty-five women were able to earn income. Among them were only two women who could

participate in financial decision making and three women had power over their resources.

As for as the credit taken for the third time is concerned, the table 5.2.8 shows that thirty-seven women could contribute in house-hold expenditures and twenty-five were able to earn income. Similarly, two women were able to participate in financial decision making and only one woman had control over resources. The analysis shows that the women were able to contribute in house-hold expenditures were one forty four in number, while seventy-three respondents could work to earn income and twelve replied their increasing role in house-hold financial decision making. Only four of them had control over resources.

**Table 4.2.9: Analysis of bivariate relationship between Credit History and Personal Empowerment**

Credit History	Personal Empowerment				Total
	Feeling strong	Self confidence	Dignity & self respect	Decision Making	
Credit taken for 1 year	37	31	5	40	113
Credit taken for 2 years	15	32	3	17	67
Credit taken for 3 years	16	20	10	9	55
<b>Total</b>	<b>68</b>	<b>83</b>	<b>17</b>	<b>66</b>	<b>235</b>

*Source: Household primary data*

**Explanation:**

Table 4.2.9 is constructed to show the relationship between micro-credit and personal empowerment. As far as credit taken for the first time is concerned, forty women felt themselves stronger inside the house-hold and thirty-three were more self-confident. Among them five women replied increased dignity and self respect within the house-hold and forty were able to take decisions about their personal matters.

Similarly, for the credit taken for the second time, fifteen women felt themselves in a stronger position within the household and thirty-two were more self confident. Likewise three respondents felt that they were awarded more respect and seventeen of them were able to take decisions about their personal matters.

As far as credit taken for the third time is concerned, the feeling of sixteen women was very strong within the house-hold and twenty women were more self- confident. Out of them ten women felt dignity and self respect within the house-hold and nine respondents were able to play their role in personal decision making. The analysis shows that greater number of the women i.e. eighty-three had felt increase in their level of self confidence after taking credit and sixty-eight women replied that micro credit makes them feel strong within the house-hold. While seventeen of them were of the opinion that micro credit had increased their dignity and self respect within the household, and sixty six respondents declared that micro-finance had enabled them to increase their role in personal decision making.

**Table 4.2.10: Analysis of bivariate relationship between Credit History and Social-Political Empowerment**

Credit History	Social-Political Empowerment				Total
	Freedom of mobility	Right to vote	Social-political participation	Decision making	
Credit taken for 1 year	85	21	5	2	113
Credit taken for 2 years	36	13	14	4	67
Credit taken for 3 years	31	13	7	4	55
<b>Total</b>	<b>152</b>	<b>47</b>	<b>26</b>	<b>10</b>	<b>235</b>

*Source: Household primary data*

**Explanation:**

Another important aspect of women empowerment is their socio-political empowerment. The table 4.2.10 is constructed to show the relationship between micro-credit and their socio-political empowerment. As far as credit taken for the first time is concerned, eighty-five respondents have achieved freedom of mobility. Whereas, twenty one women got the right to vote and the analysis also shows that five women were able to participate in social and political activities and two were able to make socio-political decisions.

Similarly, with the credit taken for the second time thirty-six women have got the freedom to move around and thirty have got the right to vote. Out of them fourteen respondents were able to participate in social and political activities and four were able to participate social and political decisions making.

Likewise credit taken for the third time is concerned, the table depicts that thirty-one women had got the freedom of mobility and thirteen had got the right to vote. The analysis also shows that fourteen women could participate in social and political activities and four were able to make social and political decisions.

It is discovered that one fifty two respondents have got the freedom of mobility after availing micro-credit and forty-seven have got the right to vote. So Majority of women participants enjoyed freedom of mobility as a positive impact of microfinance. As far as their participation in social and political activities and decision making ability regarding social and political decisions is concerned, only twenty-six and ten women felt these two influences respectively. This is because of the fact that mostly in rural areas women do not participate in social and political activities and even in some remote areas they are not allowed to cast their vote.

### 4.3.1 Multi-Variate Analysis

**Table 4.3.1: Personal Empowerment (Logistic Regression for the Determination of Personal Empowerment)**

Regression	Feel strong (1=Yes)		Self confidence (1=Yes)		Dignity (1=Yes)		Decision Making (1=Yes)	
	<i>Odd Ratios</i>	<i>Std.rr</i>	<i>Odd Ratios</i>	<i>Std.Err</i>	<i>Odd Ratios</i>	<i>Std.Err</i>	<i>Odd Ratios</i>	<i>Std.Err</i>
No of Children (<3=1)	0.480021**	0.1671	0.527412*	0.0215	2.310835*	0.2635	0.465117*	0.0905
Age (>30=1)	1.177046**	0.1946	1.090720 *	0.3225	2.477526*	0.6271	1.380435**	0.9235
Micro credit (1 year=1)	2.728572*	0.3316	2.527851*	0.0160	5.03352 5*	0.3251	8.363751*	0.8139
Monthly Income (>10k=1)	3.138458*	0.3864	2.421058*	0.1287	2.186836*	0.0253	2.176218**	1.8325
Number of family members (<4=1)	1.672518*	0.6242	2.087602*	0.0312	2.350197*	0.6057	2.278991*	0.6870
Marital Status (Unmarried=1)	0.964865**	0.3385	0.426002*	0.0215	2.08135*	1.6543	0.510461*	0.0993
Regional Characteristics (Peshawar is base Category)								
Swabi	0.6932742*	0.1381	0.626102*	0.0116	0.155831*	0.0263	0.845214*	0.0552
Mardan	0.510374*	0.0992	0.633728**	0.1432	0.915721*	.0321	0.786251*	0.0451
Number of observations	235							
LR chi <sup>2</sup> (9)	226							
Pseud0 R <sup>2</sup>	0.208							
Log likelihood	-184.034							

\*Significant at 1%, \*\*Significant at 5%, \*\*\*Significant at 10%

**Explanation:**

Table 4.3.1 is constructed to show the impact of Micro-finance on personal empowerment of women in district Peshawar, Swabi and Mardan. To measure personal empowerment this study uses the variables like number of children, age, family income, number of family members and marital status. Micro-credit is used to measure the role of credit to make women personally empowered.

The above table shows that the number of children plays an important role in the personal empowerment of women, less than three children is our base category. To show personal empowerment, four different categories are used, these are feeling strong, self confidence, self-respect and dignity and decision making. The results show that when the number of children is less than three it decreases empowerment of women by 0.480021 times as compared to those who have more than three children. Here feeling strong has two outcomes “Yes” and “No” and yes is our base category. It means that those women who have less than three children feel less empowered than those who have more than three children.

As far as self confidence of women is concerned it is found that women who have less than three children is 0.527 times less confident as compared to women who have more than three children. Living in a male dominant society followed by traditional norms and culture, having more children means more empowerment, which is also proved by the results shown in the above table. If the number of children is less than three the women respondents feel 2.310

times less respect and dignity in the house hold compared to the respondents having more children,

Decision making plays an important role in women empowerment. If a woman is consulted while taking decision in different personal matters she is bond to have a strong position inside the house. The results show that number of children has a substantial influence on women's decision making ability. Microfinance beneficiaries with less than three children have 0.465 times less role to play in decision making. This is because of the fact that in conservative societies greater number of children is considered to be an asset for the family and pride for the father. The respondents with more children are more decisive and empowered.

Age, too plays an important factor to empower women. It is a symbol of experience and it also conjures meaning of power and prestige (Laila, 2006). Experience shows that the disputes at the family level are often handled through elder family members (Wkoko, 2003). Empirical finding shows that age contributes a lot in female empowerment.

The age variable shows that women feel strong within the household by 1.177 times more as compared to younger women (base category). Similarly the level of self confidence of a woman is 1.090 times greater as her age exceeds base category. Likewise dignity and decision making is also positive and significant. When the age of a woman increases their dignity and decision making ability increases 2.477 and 1.380 times respectively as compared to base category.

The study conducted by Noreen (2011), revealed that age was significantly associated with the authority of women at home and also plays a significant role in their decision making.

It was hypothesized that micro credit plays a vital role in women empowerment and that it brings self confidence among women, increases their dignity and self respect in the family as well as in the community. Their contribution in household decision making also increases. This is also proved by the empirical results of the study. The results show that strength, self respect and dignity, self confidence and decision making increases 2.728, 2.527, 5.033 and 8.363 times more respectively as compared to those who have just taken the credit.

Monthly income is an important element in household affairs. Low level of income shows a low living standard and status of a household. If there is an increase in family income it improves their living standard and solves many other problems associated with low income group. Microfinance generates income of the family. The increased income increases the probability of improvement in self confidence, self respect, dignity and decision making ability of the women along with their feeling of powerfulness.

The odd ratio by logistic regression model shows that monthly income has a significant impact on women's own perception of feeling empowered and strong. Increase in monthly income makes them feel 3.138 times stronger than those with income of less than ten thousand. Improvement in the level of income brings changes in self respect and dignity. The result show that as

monthly income rises above ten thousand (base category) 2.186 times increase in dignity is felt as compared to low earning woman. The decision making ability of women increases as micro finance enables them to contribute in family expenditure and income. It was found that if income increases by more than ten thousand, decision making will also increase 1.285 times more than those who earn less than ten thousand.

Family size is another household indicator which is imperative for women empowerment. Large number of family members depict that the family has the capacity to earn more and spend more (Khan, 2010).

The family with less than four members feels 1.672 times less strong than those who have more family members. Likewise the level of self confidence, dignity and self respect and decision making ability of a woman living in a family of less than four members is 2.087, 2.0350 and 2.278 times more as compared to those who live in a family of more than four members respectively.

The study discovered that married women have a greater probability to access microfinance than unmarried women because of their affiliation with husbands. It is also found that decision making ability of married women is less as compared to unmarried woman because most of the decisions are made by their husbands. However, unmarried women's perception about feeling strong is 0.964 times less as compared to married woman. Likewise self confidence and decision making of unmarried woman is 0.426 and 0.510 times less than married woman respectively, but dignity and self respect shows

positive result for unmarried woman as she feels 2.081 times more dignity and self respect compared to married woman.

As far as regional characteristics are concerned, this study was carried out in three districts to measure women empowerment and make inferences for the whole population of the study. In the above table Peshawar district is taken as reference category and the other two districts have been compared with it. The table shows that women belonging to Swabi district feel 0.693 time less strong as compared to women living in Peshawar when examined at different income levels. Similarly, they are 0.426 times less confident and 0.155 times feel less self respect and dignity as well as their decision making ability is 0.845 time less as compared to district Peshawar respectively.

Personal empowerment of women living in district Mardan is 0.510 times less for feeling strong and 0.633 times less for their self confidence as compared to base category. The results also show that they felt 0.915 times less dignity and self-respect and their decision making ability was also 0.786 times less as compared to women beneficiaries of micro-finance living in district Peshawar.

**Table-4.3.2 Socio-Political Empowerment (Logistic Regression for the Determination of Socio-Political Empowerment)**

Regression	Freedom of mobility (1= Yes)		Right to vote (1= Yes)		Social-political participation(1= Yes)		Decision making (1= Yes)	
	Odd Ratios	Std.rr	Odd Ratios	Std.Err	Odd Ratios	Std.Err	Odd Ratios	Std.Err
No of Children (<3=1)	0.89534**	0.0072	0.678024**	0.3267	0.682561**	0.3349	1.00494*	0.4244
Age (>30=1)	2.769643*	0.4778	0.773993***	0.1917	1.687639*	0.1696	2.785324*	0.1661
Micro credit (1 year=1)	1.171882*	0.9027	2.851503*	0.2516	3.499066*	0.9833	1.658488*	0.3867
Monthly Income (>10k=1)	2.849038*	1.06155	1.411585*	0.7145	1.627234*	0.6929	1.061458*	0.4249
Number of family members (<4=1)	0.140961***	0.3098563	1.612385*	0.7821	1.055727*	0.5446	0.04839 2	0.8061
Marital Status (Unmarried=1)	0.853458**	0.0082	2.386542*	0.9654	0.243217**	0.1239	0.8929069**	0.3709
Regional Characteristics (Peshawar is base Category)								
Swabi	0.115362*	0.0192	0.71630*	0.1152	0.95326*	0.0062	0.693640*	0.0825
Mardan	0.738281*	0.0253	0.675721*	0.0421	0.463612*	0.0032	0.957231*	0.0727
Number of observations	235							
LR chi <sup>2</sup> (9)	120.73							
Pseudo R <sup>2</sup>	0.304							
Log likelihood	-124.0051							

\*Significant at 1%, \*\*Significant at 5%, \*\*\*Significant at 10%

**Explanation:**

Table 4.3.2 is constructed to show the impact of microfinance on Socio-political empowerment of women in district Peshawar, Swabi and Mardan. To measure Socio-political empowerment this study used the same explanatory variables as used to measure personal empowerment. These variables are number of children, age, family income, number of family members and marital status. Here freedom of mobility, right to vote, socio-political participation and decision making about social and political issues are used as categories to measure socio-political empowerment of women.

The odd ratios show that freedom of mobility of respondents in case of less than three children (base category) is 0.895 times less as compared to those who have a greater number of children. As far as right to vote, social and political participation in community and centre meetings, decision making ability regarding political and social issues of the respondents are concerned the findings suggest that women having less than three children are 0.678, 0.682 and 0.424 times less empowered as compared to women with more than three children. This is because the power to exercise the right to vote is greater in women having more children. The result shows that they can actively participate in community and center meetings as well as their decision making ability is stronger as compared to women with less than three children.

Age is also another important determinant of women empowerment. With the increase in age women become more experienced and more respectful being a mother, mother-in-law, wife and a grandmother (Noreen, 2011). The above

table also supports the argument. It is found that freedom of mobility increases 2.769 times with the increase in age of women. The variable right to vote is 0.773 times less for a younger women. This may be because of the fact that in KPK people are more conservative and in many areas they do not allow women to cast their vote as traditional norms and customs prevail in these areas. Similarly, for women above thirty the decision making ability and participation in social and political activities is 1.687 and 2.785 times greater as compared to base category respectively. The elder women can take more decisions about social and political issues and can participate actively in social and political activities.

The most important factor which effects women empowerment positively is micro credit and the whole estimation revolves around this factor. Micro credit increases freedom of mobility among women. As table shows 1.171 times increase in the freedom of mobility of the women who have taken credit as compared to those who have just taken the credit. Their right to vote and socio-political activities also increase than the women who have just entered into micro finance. The finding shows that there is increase the in right to vote 2.851 times, participation in social and political activities by 3.499 times and increase in decision making according to political activities is 1.658 times respectively as compared to those who have just taken the credit.

Monthly income greater than ten thousand is our base category. Household income is one of the important determinants to measure women empowerment. Income is the major element of the household socio-economic position in the social stratification system (Amir, 2009). As far as the income

is concerned for those earning more than ten thousand the freedom of mobility increases by 2.849 times as compared to those who have less than ten thousand. Likewise the right to vote, participation in social and political activities and decision making regarding social and political issues improves 1.411, 1.627 and 1.061 times respectively as compared to those whose income is less than ten thousand. Micro credit improves the income and income has a positive impact on women empowerment.

Greater than four is our base category in case of number of family members. Findings of the present study revealed that women's freedom of mobility is 0.140 times less as compared to greater number of family members. It means that in a family whose members are greater than four, women are restricted to the house.

The present study shows that households with less family members have a positive impact on their right to vote and their participation in social and political activities. These are 1.612 and 1.055 times more as compared to large sized family respectively. As far as decision making regarding social and political activities is concerned the study finds that there is decrease of 0.848 times for women living in a family of less than four members.

Unmarried women are our base category. The result shows that unmarried women are 0.853 times less mobile as compared to married women. This difference is because of their social environment which does not allow an unmarried woman to move freely but their right to vote is 2.386 times greater as compared to married woman. Regarding other variables of political

empowerment there is 0.243 times decrease in participation in social and political activities and decision making of unmarried women decreases 0.892 times respectively as compared to married women. This is because of the fact that culture and tradition do not allow unmarried women to participate in social and political activities and make decisions regarding these issues.

In the above table Peshawar district is taken as reference category and the other two districts have been compared with it. The table shows that women belonging to Swabi district have 0.115 times less freedom of mobility as compared to women living in Peshawar. Similarly, they have 0.716 times less right to vote and 0.953 times less participation in social and political activities and 0.693 times less decision making ability as compared to district Peshawar respectively.

As far as district Mardan is concerned the result shows that freedom of mobility, their right to vote is 0.738 and 0.675 times less respectively as compared to district Peshawar. The women living in district Mardan have 0.463 times less participation in social and political activities and their decision making ability is also 0.957 times less as compared to women beneficiaries of microfinance living in district Peshawar.

**Table 4.3.3: Economic Empowerment: Logistic Regression for the Determination of Economic Empowerment**

Regression	Contribution in House hold expenditure (1=Yes)		Work for Earned Income (1=Yes)		Decision Making (1=Yes)		control over resources	
	Odd Ratios	Std.rr	Odd Ratios	Std.Err	Odd Ratios	Std.Err	Odd Ratios	Std.Err
No of Children (<3=1)	0.929341**	0.2860	0.424381**	0.2860	0.998986**	0.3656	0.962725**	0.6127
Age (>30=1)	2.615827*	0.1651	0.530349**	0.2050	2.619208*	0.1121	2.886289*	0.2505
Micro credit (1 year=1)	3.710038*	0.5049	1.28051*	0.5049	1.249857*	0.2557	1.512106**	0.4816
Monthly Income (>10k=1)	1.559846*	0.3955	0.559846**	0.3955	1.030201*	0.4503	1.153611*	0.6423
Numbers of family members (<4=1)	0.429670**	0.2312	0.536670**	0.4831	1.041201*	0.4080	0.4697084**	0.2716
Marital Status (Unmarried=1)	0.542431**	0.5403	0.668432**	0.5596	0.827569**	0.6241	0.686341**	0.0723
Regional Characteristics (Peshawar is base Category)								
Swabi	2.284523*	0.0432	1.564630*	0.1731	0.629126*	0.01634	1.731641*	0.0495
Mardan	0.492531*	0.0517	1.728142*	0.0662	0.524841*	0.0146	0.582362*	0.0512
Number of observations	235							
LR chi <sup>2</sup> (9)	142.66							
Pseudo R <sup>2</sup>	0.354							
Log likelihood	-121.0067							

\*Significant at 1%, \*\*Significant at 5%, \*\*\*Significant at 10%

**Explanation:**

Table 4.3.3 is constructed to measure economical empowerment among women living in KPK province of Pakistan. The variables to be measured for economic empowerment are contribution in household expenditure, work to earn income, decision making regarding financial issues and control over resources. Here the matter of concern is to know the effect of different explanatory variables like number of children, age, family income, number of family members and marital status on women empowerment. The main focus of the study is to find-out impact of microfinance on woman empowerment. Economic empowerment brings about personal, socio-political and familial empowerment in women. Economically independent women are confident and have improved distinctly decision making ability in the households.

The number of children less than three is our base category. The above result shows that women who have less than three children contribute 0.929 times less in household expenditure as compared to those who have more than three children. This is because with the increase in the number of children there is a marked increase in the household expenditures. The husbands alone cannot cover all these expenditures and women have to share the burden. As far as the other variables are concerned i.e. work for earned income, control over resources and decision making regarding financial issues the women with less than three children have less control over resources i.e. 0.962 times, they have less decision making ability i.e. 0.998. They also have 0.424 times less

willingness to work for earned income as compared to women who have more than three children.

Another important indicator to measure economic empowerment is age. The above table depicts that woman with a greater age contributes in household expenditure 2.615 times more as compared to base category. As the age increases the willingness of a woman to earn income decreases by 0.530 times as compared to base category. The other variables like decision making ability regarding financial issues and control over resources have positive impact i.e. 2.619 and 2.886 times more as compared to reference category.

Microcredit is the main element in the present study. The results of the study show that women with greater years in the field of microfinance are economically more empowered as compared to those who have taken loan for the first time (base category). The findings of the results declare that women's contribution in household expenditure increases 3.710 times more for women with greater years in the field of microfinance. Similarly their willingness to work for earned income, decision making ability regarding financial issues and control over resources also increases by 1, 280, 1.249, and 1.512 times respectively as compared to the base category. This means the greater the period of micro credit the greater is their economic empowerment.

Monthly income also depicts economic empowerment and financial stability of women. The women are economically more empowered if their income is greater than ten thousand; the contribution of these women in household expenditure is also 1.559 times greater. It is also discovered that when income

increases the willingness to work to earn income decreases by 0.559 times than those whose income is less than ten thousand. Similarly the analysis shows that the decision making ability regarding financial issues and control over resources for income of more than 10000 increases 1.030 and 1.153 times respectively.

The size of the family has an important bearing on women's economic empowerment; large size of family members' means increase in family expenditures and burden on the bread winner. The contribution of women in house hold expenditure is .0.429 times less as compared to women living in family where family size is more than four. Similarly, their willingness to work for earned income and control over resources is 0.536 and 0.469 times less as compared to woman living in large family respectively. But their decision making ability regarding financial issues increases by 1.030 times as compared to woman living in large family.

As far as marital status is concerned, unmarried women is taken as reference category. The result shows that economic empowerment of married women is more as compared to unmarried women. It is found that the contribution of women in household expenditure, their willingness to work for earned income, decision making ability regarding financial issues and control over recourses are 0.542, 0.668, 0.827 and 0.686 times less as compared to married woman. The married women have to support their family and contribute in household income and expenditures, so they are more willing to work, and have more control over resources to fulfill their family requirements.

As far as regional characteristics are concerned, the above table depicts that in Swabi district the contribution of women in household expenditure is 2.284 times more as compared to Peshawar district which is taken as base category. The table shows that women belonging to Swabi district work for earned income 1.564 times more as compared to women living in Peshawar. Similarly, there is 0.629 times less decision making ability among women living in Swabi but they have 1.731 times more control over resources when compared to women living in district Peshawar respectively.

As far as district Mardan is concerned the result shows that respondents contribution in household expenditures and their role in decision making is 0.492 and 0.524 times less respectively as compared to base category. While work to earn income is 1.728 times more as compared to women living in base category, but their control over resources is 0.582 times less as compared to district Peshawar (base category).

**Table 4.3.4: Familial Empowerment (Logistic Regression for the Determination of Familial Empowerment)**

Regression	Burden of Work (1=Yes)		Spending according to her own will (1=Yes)		Household violence (1=Yes)		Decision-making (1=Yes)	
	Odd Ratios	Std.rr	Odd Ratios	Std.Err	Odd Ratios	Std.Err	Odd Ratios	Std.Err
No of Children (<3=1)	0.948391**	0.3602	3.556117*	0.3670	0.31507**	0.1664	6.275587*	0.4240
Age (>30=1)	0.643266**	0.1208	3.701261*	0.1869	0.301296*	0.1284	2.821609*	0.3175
Micro credit (1 year=1)	0.562165**	0.1295	4.415031*	0.1869	0.337062**	0.1803	3.35483*	0.2455
Monthly Income (>10k=1)	1.718728*	0.67181	1.405131*	0.4160	0.975694*	0.8132	2.173695*	0.2051
Number of family members (<4=1)	1.152448*	0.4795	0.177252*	0.0105	1.249607*	0.0149	0.299658**	0.1343
Marital Status (Unmarried=1)	0.440531*	0.1588	2.573845**	0.0133	0.617066**	0.2794	0.750523**	0.6788
Regional Characteristics (Peshawar is base Category)								
Swabi	0.885542*	0.0453	1.438211*	0.0852	0.743251*	0.0231	1.543112*	0.0732
Mardan	1.472802*	0.0342	0.546371*	0.0743	1.321166*	0.0321	1.324519*	0.0432
Number of observations	235							
LR chi <sup>2</sup> (9)	154.32							
Pseudo R <sup>2</sup>	0.284							
Log likelihood	-156.034							

\*Significant at 1%, \*\*Significant at 5%, \*\*\*Significant at 10%

**Explanation:**

The variables to be measured for familial empowerment are, decrease in household burden of work, spending according to their own will, decrease in household violence and decision making regarding family issues. Here the matter of concern is to know the effect of different explanatory variables like number of children, household head, family type, age, family income, number of family members and marital status on women empowerment. A woman is empowered when she considers herself important and strong within the family. The familial empowerment is a very strong element to empower women. The results show that if in a family the number of children is less than three the burden of work is 0.948 times less as compared to the women with greater number of children. Their spending in the household according to their own will is 3.556 times greater as compared to women with more children. This is because women having more children have to spend more on their children. Household violence decreases 0.121 times less. Their role in household decision making is 6.275 times greater than the women having more than three children.

As far as age is concerned the burden of work is 0.643 times less with the increase in age. Household violence and spending according to their own way are 0.3012 and 3.701 times more and decision making ability is 0.821 times less for a younger women.

Microcredit is the variable of main concern for the study; microcredit improves the well-being of women, the burden of work is 0.562 times less for

women taking microcredit for the first time as compared to women with greater years in the field of microfinance. There is significant increase in spending according to their own will, 4.405 times and a decrease in household violence, 0.337 times as compared to women who have just taken the credit. Their decision making ability regarding household issues increases 3.354 times more as compared to the base category.

With regards to monthly income and decision making ability regarding family issues there is considerable increase if income is more than 10, 000(base category). Women spending according to their own desire is 1.4050 time more as compared to the base category. Household domestic violence decreases 0.975 times for women with more income in contrast to those with income of less than ten thousand.

Family size is another important variable to influence women empowerment. Odd ratio of legit regression model shows increase in spending of women according to their own will, if she is unmarried i.e. 2.573 times more as compared to married women. The reason is that microfinance has made them economically independent therefore they can spend money as desired. For other variables such as decrease in household burden of work, decrease in household violence and decision making regarding family issues, there is 0.440, 0.617 and 0.7505 times decrease as compared to married women.

The analysis for regional variables show that there is 0.885 times less burden of work and 0.743 times less house-hold violence in district Swabi as compared to base category. But there is 1.438 times more spending according

to their own will, and 1.543 times increase in decision making ability within the house-hold as compared to district Peshawar.

As far as district Mardan is concerned the result shows that respondents living in district Mardan had to face 1.472 times more in burden of work as compared to district Peshawar. While house-hold violence is 1.321 times more in district Mardan as compared to the base category. The decision making ability is also 1.324 times greater in district Mardan than base category but there is 0.546 times less freedom in spending according to women's own will as compared to the base category.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

This chapter presents the summary of empirical findings, conclusion and recommendation of the study. The main determination of the study was to explore how microfinance provided by microfinance institutions influenced women's empowerment. These institutions provide credit to women as a method of escalation to empower them economically, socially, personally and politically. As other services provided by microfinance institutions are in their infancy, therefore, the main focus of the study was on micro-credit.

The study is based on the quantitative survey of 235 respondents of two microfinance institutions viz., NRSP and SRSP. The study finds that most of microfinance supported women were aged 30-40 and most of them were married. Majority of the women beneficiaries belonged to nuclear family i.e. 90.2%. The percentage of women living with their husbands was 91.5. Most of the women have four and five children with same percentage of 22.6 and 22.6 respectively. About 91.0 % women were living in the household being headed by their husbands.

Almost 66% women have their own income; they can spend their income according to their own will and can take care of nutritional requirements of their family i.e. 85% and 94.9% respectively.

The study discovered that women beneficiaries of microfinance have been capable to provide for their household as compared with the time that they had not joined microfinance institutions therefore as a positive impact of microfinance they are able to improve their status and living standard.

The analysis reveals that self-confidence of women has been improved considerably. This approves our hypotheses that access to microfinance generates self-confidence among females of Khyber Pukhtunkhwa.

The findings establish that greater number of children makes women more empowered. It increases their control over resources. Another revelation of the study is that women with more children enjoy greater freedom of mobility.

Majority of female participants were illiterate, yet micro finance had made them able to earn livelihood for themselves and for their family and live a life of dignity and respect. The variables education of respondents and their husbands, family type, and household head were detached during stepwise regression due to their inadequate contribution in elucidation of the dependent variable.

The study delivers that empowerment of women increased with the increase in age. With the passage of time woman's decision making ability increases,

along with their control over resources. In fact they get a more respectable position in the family.

At the same time the analysis of the study also demonstrates that women's involvement in microfinance lessen their economic reliance on husband or other family members and give them secure future which eventually enhances their empowerment.

## **5.2 Conclusions**

The qualitative and quantitative analyses give significant results to understand the incident of women empowerment. At individual level, the study established that empowerment improved with the increase in the age of women. Previous studies (khan, 2008 and Noreen, 2012) also specify that women slowly but surely get improved status in the household and in the community as their ability to deal with their personal matters increases efficiently with their growing age.

Furthermore, the study also discovered that women's empowerment was also swayed by their marital status. Married women were found more empowered. The result is also supported by (khan, 2010). They were more determined and more self-confident. The associations with the name of husband gave them the power to tackle with family as well as community issues. Living with husbands give them strength and potential to feel strong within the family and community. Unmarried women are able to spend more according to their own desire; their decision making was also greater. It was found that socio-political empowerment of married women was greater. These results also indicate that

support of husband protected women's place within the household that escort them towards empowerment. Self- confidence and self respect of married women was also greater.

At household level, the study discovers that women living in nuclear families were more empowered than the women living in joint families. As a separate family unit women get more opportunities to participate in household decisions and other family issues. Married women living with their husbands in the household being headed by their husbands were found more empowered.

The study revealed that women having more children are more empowered. The number of children enhances their strength within the household. In a Pukhtoon society more children are known to be a source of inspiration and strength for the family. The result of the study proves this fact. The women with greater number of children feel stronger and confident. Their control over resources had also found to be increased.

Another impact of Microfinance that was established to be significant is familial empowerment of women. Improvements in family relations have been established by the analysis. Better understanding between husband and wife have been developed as a result of microfinance, along with this reduction in household violence has also been noticed by microfinance beneficiaries.

The analysis of data reveals that microfinance had provided opportunity to female clients to increase their income and support their family financially. Microfinance makes them financially independent. The result is also sustained

by Mustafa et.al (2000).They can spend their resources as desired and contribute in household expenditures. It is also concluded that women spend a large amount of their income on requirements and needs of their family.

The findings of the study also specify that microfinance schemes have a positive impact on personal empowerment of women as well. Majority of women have reported increase in their level of self confidence after availing microfinance which proves our hypotheses that microfinance generates self confidence among females of Khyber Pakhtunkhwa. The level of self-confidence is increased in all the three districts of the study area.

Furthermore the empirical findings of the research portrays that the living standard of women has also improved as a result of microfinance. There is increase in their income; increase in their household expenditure and increase in expenditure on health and education of their children. Thus it favors our hypotheses that microfinance has a positive impact on living standard of females of Khyber Pakhtunkhwa. These findings are also supported by Gilbert (2006).According to him micro-credit enables women to increase their earnings which improves their living standard.

The findings of the study also revealed that there is a considerable enhancement in overall social and economic empowerment of women after joining the microfinance institutions. Their freedom of mobility is also found to be improved as a consequence of microfinance program. Microfinance clients' participate in social gatherings and group meetings. Their visits to native family members had also increased. Freedom of mobility for married

women increases more as compared to unmarried women. Freedom of mobility of microfinance borrowers is also greater where family size is greater.

At regional level the study concludes that women are personally more empowered in district Peshawar. Their socio-political empowerment is also greater in district Peshawar. Economic empowerment of women is greater in district Swabi. Similarly decision making ability of women is greater in district Mardan. It is also concluded that there is improvement in women's status economically, familial, politically and socially in all three districts, after joining microfinance institutions.

The analyses of findings reveal that microfinance has a positive impact on women empowerment. Credit given by these institutions makes women economically independent and financially strong which leads towards their personal, familial and socio-political empowerment. They are empowered as they gain self-confidence, increase in their living standard, and improvement in their decision making ability and economic independence as a result of microfinance program. The microfinance beneficiaries become more decisive than before.

To conclude, the analyses of the data obtained in this study indicate that microfinance has a positive impact on the status of women economically as well as socially. Their living standard has been improved. Their level of self-confidence has also increased. The relation between family members, husband and wife, other members of society have improved and become obvious.

Microfinance programs help the poor women to stand on their own by improving their status and standard in their household, thus helping them to play their role in the progress of society and development of the country in a positive way. The idea of Nobel Prize winner, Dr Muhammad Yunus, has taken the form of an insurgence and brings hope to the poor women to empower themselves and change their status from a subordinate position to the status of equality.

### **5.3 Recommendation**

Women empowerment is a wider area of study. The present study highlights some of its aspects and recommends further studies in this area. The inspiration following the effort employed in this research resulted from the idea that microfinance as designed by Muhammad Yunus is an excellent approach for alleviating poverty and improving women empowerment. The main purpose of this study was to further investigate the empirical association between microfinance and women empowerment. On the basis of the findings the following recommendations have been made;

Microfinance is an appropriate tool for empowering women. Therefore policymakers should find the methods to invest in human capital while making credit available to the poor women.

It is observed that the regular recipients are not only satisfied by the mode of loan payment but are also utilizing them in healthy productive activities and earning handsome income. It is therefore suggested that more institutions

dealing with microfinance should be established and their dealing should cover larger areas to provide ease to more needy people.

Awareness concerning microfinance program is necessary to improve its activities about women empowerment.

It is also recommended that women's standpoint should be conveyed to the management, and micro-finance authorities for appropriate implementation of the plan.

The women participants are enthusiastic to borrow from microfinance institutions. The reason is that they do not have to pay collateral and the interest that they pay is lesser in amount as compared to interest paid to other banks. Therefore it is suggested that microfinance programs should be encouraged to alleviate poverty and to empower women.

A thorough appraisal of the requirements of the participants should be prepared and the credit should be paid out accordingly.

To put in to empower women and support the poor section of the society, the provision of microfinance services should be simple and less time consuming

As the study is conducted in rural areas it is also suggested that the government should keep the needs of the illiterate business women in view, while designing training programs for them.

Microfinance outreach can be enhanced to improve women's economic empowerment and to encourage women's venture.

Women empowerment cannot be judged on any worldwide quantifying rod, Therefore it is suggested, to develop a universal standard for enhancing women empowerment to motivate researchers to take up work in this field.

The study identified eight individual and household level factors that have a considerable influence on empowering women, yet identification of some other factors that influence women's empowerment should also be explored.

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## QUESTIONNAIRE

This interview schedule is to enable me collect necessary information to complete my research on the topic: “Impact of Micro Finance on Women Empowerment: A Case Study of Selected Districts of Khyber Pakhtunkhwa”

Name of MFI: \_\_\_\_\_ Respondent ID: \_\_\_\_\_

S.No	Demographics	
1.	Age	
2.	Marital Status	1-Married  2 single
3.	Type Of Family	1= nuclear  2joint
4.	Household Head	1= self    2 husband     3 father in law       4 other
5.	Education of household head	1= primary  2 middle       3matric  4anyother
6.	Your education	
7.	Household Income	
8.	No of family members	
9.	No Of Children	
10.	Do the children go to school	1=Yes    2= No

### CREDIT HISTORY

- Length of taking loan from MFI.
  1. Just taken the loan (first time)                      2. Two years (second time)
  3. Three years (third time)    4. any other
- What are you going to use the loan for \_\_\_\_\_

### **Family relations**

Q1: How did your in-laws react to the idea of initiating business?

1. Didn't approve                      2. Approved, but not happy
3. Accepted w/o opposition    4. Didn't seek consent

Q2: How did your spouse react to the idea of initiating business?

1. Didn't approve                      2. Approved, but not happy
3. Accepted w/o resistance    4. Didn't seek consent

- Q3: What is the attitude of your in-laws towards your business now?
1. Didn't care
  2. Are more accepting?
  3. Lost their esteem
  4. Didn't ask them
- Q4: What is the attitude of your husband towards your business now?
1. Didn't care anymore
  2. Is more accepting?
  3. Lost his respect
  4. Fights more often
- Q5: How did the decision to join MFI affect your family life?
1. Less family quarrels
  2. No change
  3. More family quarrels
  4. other (specify)
- Q6: Do your husband beat you
1. Some times
  2. most of the time
  3. never
- Q7: Did you take the decision of joining the MFI?
1. Independently
  2. together with husband
  3. Jointly with other family members
  4. Husband's decision
- Q8: Did anyone in your family rebel your decision of joining the MFI?
1. Yes
  2. No
- Q9: How did your husband react to the idea of taking loan from MFI?
1. He asked me to borrow
  2. Didn't approve I
  3. Accepted without resistance
  5. Didn't seek permission
- Q10: How did your in-laws react to the idea of taking loan from MFI?
1. Didn't approve it
  2. Approved but not happy
  3. Accepted without resistance
  4. Didn't seek permission
- Q11: After taking the loan, do you feel you have become strong women in the family?
- 1= Yes                      2= No
- Q12: If yes, then identify reasons that make you strong within the family
1. Husband gives more respect
  2. Husband's family gives more respect
  3. become central to decision making within the family
  4. Interactions with natal family have increased

Q13: After joining MFI (Personal Aspect)

- a. you have become more self confident  
1=Yes 2=No
- b. You have gained more respect in the family  
1=Yes 2=No
- c. you have gained economic independence  
1=Yes 2=No
- d. gained more respect in the neighborhood/community  
1= Yes 2=No
- e. Improvement in understanding between husband and wife  
1= Yes 2=No
- f. reduced house hold burden of work  
1= Yes 2=No
- g. gained freedom of mobility  
1= Yes 2=No
- h. living standard has improved  
1= Yes 2=No

S.No **FINANCIAL DECISIONS**

YES NO

- 1 Decisions on the purchase, or repair of house?
- 2 Do you take decision to work for earned income?
- 3 Do you purchase gold and jewelry for your family?
- 4 Do you take decisions on saving, borrowing and investment?
- 5 Do your husband discuss with you issues of borrowing money?

S.No **INCOME**

YES NO

- 1 Have your own income?
- 2 You spend it for the family yourself
- 3 Get husband's income in your hands
- 4 Husband discuss with you when he spends income for the family

S.No	EDUCATION	YES	NO
1	Take decisions on the problems of your children's education		
3	Decide on number of children		
4	you can decide on the spacing between children		
5	you can decide on the treatment of your family member		
6	you can decide on the contraceptive to be used		
7	Can take care of the nutritional requirements of your family		

S.No	SOCIO- POLITICAL ASPECT	YES	NO
1	Can you visit your friends and relatives without permission		
2	Do you have any association with political parties		
3	Do you participate in voting and other democratic procedures		
4	Your husband imposes his political ideas on you.		
5	Do you participate in the group meetings and social events in your locality		
6	Does your husband stop you from participating in such programs		

Name of enumerator \_\_\_\_\_ Signatures-----