

Empowering Women Through Micro-Financing/ Micro-Credit Loans: A Survey Based Study In Balochistan

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Abstract

Women empowerment has been considered as a major challenge to meet the prime objective of economic development in most underdeveloped countries of the world. Various initiatives have been taken at both policy and program levels by both government and civil society organizations to improve the status of women. In the recent past, microcredit schemes have been the dominant tool to improve women; socioeconomic status. This study, therefore, aims to examine the impact of microcredit on women's empowerment. Data is collected through Primary source using questionnaire survey research approach. A sample of hundred and fifty female respondents was taken from Quetta city involved in home made goods. Cross tabulation analysis was used to show whether there is a difference in opinion responses and chi-square test analysis was applied to examine the association between microcredit and women's empowerment as measured by decision-making at the household level. The results of this study found that the microcredit program has a significant positive association with women's empowerment. The study further shows that microcredit improves women's access to household level assets. Thus, this paper concludes that empowered women through micro-credit scheme are successful in attaining employment, improvement in social status, owning of assets and contribute to the economy.

Keywords: Women's Empowerment, Microcredit, Households Welfare, Balochistan.

تلخیص

خواتین کو با اختیار بنانے کے لئے دنیا کے بیشتر پسماندہ ممالک میں اقتصادی ترقی کا بنیادی مقصد حاصل کرنے کے لئے مختلف اقدامات اٹھائے گئے ہیں۔ یہ اقدامات نہ صرف حکومت بلکہ سول سوئی کی تنظیموں کی جانب سے پالیسی اور پروگرامز کی سطح پر شروع کئے گئے ہیں۔ ماضی قریب میں عورتوں کی معاشی حیثیت بہتر بنانے کے لئے چھوٹے

قرضوں کی فراہمی کی پالیسی اختیار کی گئی تاکہ ان کی سماجی و اقتصادی حیثیت بہتر بنائی جاسکے۔ زیر نظر تحقیق خواتین کو باختیار بنانے میں چھوٹے قرضوں کے اثرات کی جانچ پڑتال کرتی ہے۔ اس تحقیق میں ۱۵۰ خواتین سے سوالنامے پُر کروائے گئے جو کوئٹہ میں رہائش پذیر ہیں تجزیے سے یہ بات ثابت ہوتی ہے کہ چھوٹے چھوٹے پروگرام خواتین کو باختیار بنانے میں بہت اہم ثابت ہوئے ہیں اور چھوٹے قرضوں کی اسکیم کے ذریعے خواتین کی سماجی و معاشی حیثیت بہتر بنائی جاسکتی ہے اسی تحقیق کو مزید خواتین کے ساتھ کیا جاسکتا ہے اور ان کی چھوٹے قرضوں تک رسائی کو بہتر بنایا جاسکتا ہے۔

کلیدی الفاظ: خواتین کو باختیار بنانا، چھوٹے پیمانے پر قرضے، گھریلو فلاح و بہبود، بلوچستان

Introduction

Empowerment refers to the enlargement of the assets of the capabilities of the community to control, influence and hold accountable institutions that affect their lives (World Bank resource Book, 2015). Empowerment can be taken as a source of forming a social environment in which an individual makes decisions and make alternative choices, either individual or collectively for successful and stable social transformation (Batwala, 1994). Women accounts for 48.63% of the entire population of Pakistan (World Bank, 2014). This is almost half of the current 20 crores general population of the country. Apart from a minimal percentage of those who have settled in urban parts of the country, the life of the majority of Pakistani women is unfortunately characterized by deprivation, vulnerability, lower social status and at least developed segment of the population as compared to her male counterparts.

One obvious reason behind all sufferings of the female gender is embedded in our cultural practices. The grouping expectation for being a powerful force of our immaterial aspect of culture restricts women's role, mobility, and socioeconomic interventions. Women are least expected to come forward and contribute to efforts designed to achieve national goals and objectives at the national level. She has leased access to all available opportunities and social services which are required for her grown up and personality development. Consequently, she does not avail level playing field to compete with her male counterpart. This cultural impediment gets further harsh when it is supported by religious and tribal bigwigs. Indeed, this is the outcome of above mentioned biased treatment that a wide gap is vividly evident between both the genders in all fields of life, which leads towards an ever increasing deteriorating social status of women across provinces of the country.

After years of repeated efforts by both academicians and practitioners it was somewhat learned that for bringing about any positive change in the life of women, their economic status must be addressed altogether. It is argued that since women, due to various socio-cultural hurdles, is unable to contribute into economic affairs of her family; therefore, she is faced with a lower social status that guides all other spheres of her life. The 30-70 percent division of population as producers and consumers of resources is one of the major characteristics of the citizenry in Pakistan. The largest portion i.e. 70% has lost or no contribution into income generation of the family. This 70% includes women and dependent underage children. They are believed to be just consuming the resources being produced by 30% producers. And for being consumers of resources, women are, by and large, fully dependent on her male counterparts for each and everything, which restricts her efforts to change the current none- friendly environment.

To help women become change agents of her own fate, she has been focused on programs and projects of micro financing / micro credit loans by both Non-Governmental Organizations NGOs and public sector organizations during the past three decades. The micro-financing schemes apart from lending a minimal amount of cash have been mobilizing women to get empowered and contribute to the wellbeing of her family and society. In developing societies where women resisted against oppressive economic and social environments, micro financing has proven to be a very significant stimulating force to empower them on a sustainable basis. Without women's participation in the socioeconomic process economic growth and sustainable democracy cannot be attained. Therefore, this research paper is small preliminary efforts in this regard. Primary data analyzed to highlight the socioeconomic impact of micro-credit loans towards efforts pertaining to women empowerment.

Literature Review

Microcredit schemes have been widely acknowledged as an instrumental force for poverty alleviation and improving women's socioeconomic empowerment. It benefits the vulnerable communities generate household income and enable them to make decisions which affect their social environment (Samer *et al.*, 2015).

Similarly, Study conducted by (Ghaliba, Malki, and Imai 2014), highlights that Pakistani microcredit schemes have a significant effect on women's empowerment and also poverty alleviation which was exhibited in household income generation and expenditure mainly in clothing and health related issues. Microcredit scheme, in general, is the expansion of a few loans to a relatively vulnerable group of the society for their self –employment and income – generation (Rehman, 1999). Various existing literate from Africa found that women are empowered mainly due to access

to credit and some have observed as limited control over the use of microcredit loans and are not empowered in particular settings (Ganel,*et al.*,2015).

However, studies conducted in South Asia recommended that Grameen Bank's micro-credit loan program in Bangladesh is positively associated with the level of women's empowerment (Hashemi et al., 1996; Sinha, 1998). The application of Microcredit scheme splinted the political scale, since, it pools the values of both social capital and the Market economy as characterized by hard work, self-support, free markets, access to market inputs and also expanding the economic conditions of the poor. The empirical evidence depicted that by giving small loans to women involved in financial management practices, the beneficiary, the clients may develop their enterprise performance and also leads to household welfare (Elizabeth *et al.*, 2001).

Other existing literature established that that loans generated by women are commonly controlled by their partner which results in women's dependence on their husbands for loan installments and may also contribute to domestic dissension and violence (Goetz and Gupta, 1996; Leach and Sitaram, 2002 and A. Rahman, 1999). However, the study conducted by Ghalib, Malik, and Katsushi (2012) established that there were statistically significant differences between microfinance groups regarding changes in household expenditure on purchasing of daily needs such as washing machine, clothing and etc. While centering on the more civil society networks such as NGOs, banks and MFIs, have successfully empowered to access to basic needs of life and also improves borrower's quality of life and poverty reduction (Al-mamun et al. 2014).

Materials and Methods

The positivist research approach was used to conduct research by initially identifying a research problem, constructing appropriate research questions and hypothesis and by applying the survey research approach. A sample of one hundred and fifty women beneficiaries of MCPs was selected using simple random sample technique from all Banks and Microcredit Institutions including Khushali Banks and Taraqee Foundation, Balochistan Rural Support Program, Save the Poor, and other line organizations. This study is mainly based on primary sources using well-administered questionnaire comprised of survey data and statically analyzed using cross-tabulation and chi-square analysis. Prior to applying questionnaire for a survey of the project targeted families, multiple sessions of focus group discussion were conducted.

Results and Discussions

Cross tabulation and Chi-Square Analysis of Opinion Data

Opinion 1: Does Microcredit program really focus vulnerable women?

Table: 1
Shows responses about the role of microcredit as regard to the empowerment of vulnerable women

Response	Frequency	Percentage	X ²	p –value
Agree	138	92.00	105.84	0.000*
Disagree	12	8.00		
Total	150	100		

Note: * Denotes significance at 5% level of significance

The results in table 1 reveal that 138(92%) of the respondents were of the opinion that the microcredit program solely emphasizes on vulnerable women, whereas only 12 (8%) of the respondents disagreed with this opinion. Therefore, it is established from the results that benefits of the microcredit program are more empowered. The Chi-square results are significant and show significant differences as p-value is less than 5% level of significance.

Opinion: 2 Does Microcredit Provide Solution to Poverty?

Table: 2
The opinion of respondents regarding poverty reduction

Response	Frequency	Percentage	X ²	P Value
Agree	126	84.00%	69.36	0.000*
Disagree	24	16.00%		
Total	150	100		

Note: * Denotes significance at 5% level of significance.

Table 2 represents the summary about the significance of MCPs if it really leads to the solution of poverty reduction. As the majority of the respondents (85.33%) agreed with this statement while 24 (16%) were of the view that microcredit program is not the solution to reduce their poverty level. The Chi-square results are significant and show significant differences at the 5% level of significance.

Opinion 3: Do women have the power to utilize loan as per their desire?

Table: 3
Opinion of respondents regarding the utilization of loan as per their desire

Response	Frequency	Percentage	X ²	P Value
Agree	119	79.33%	51.63	0.00001*
Disagree	31	20.66%		
Total	150	100		

Note: * Denotes significance at 5% level of significance

Table 3 presents the summary regarding the opinion “Investment of loans as per their desire”. According to the above results 119 (79%) of the respondents recorded their opinion and advocated that they invested the loan as per their desired plan, conversely, 31 (21%) of the respondents on the view that the loan was not invested as per their desire. The Chi-square results are significant and show significant differences at the 5% level of significance.

Opinion 4: Do you have Achieved benefits From the Investment Loan?

Table: 4

Opinion of respondents regarding benefits achieved from the investment loan

Response	Frequency	Percentage	X²	p – value
Agree	114	76.00	40.56	0.0001*
Disagree	36	24.00		
Total	150	100		

Note: * Denotes significance at 5% level of significance

Table 4 defines the judgment of the respondents about their loan investment if microcredit really benefits them after they invested the loan. The results depict that 114(76%) of the respondents were agreed with the opinion while 36 (24%) of the respondents were not agreed with this opinion and recorded that they had not received agreeable benefits from the loan the invested. The Chi-square results are significant and show significant differences at the 5% level of significance. (i.e., $p < 0.05$).

Opinion 5: Does Microcredit improve the Socioeconomic status of focused women?

Table: 5

Opinion of respondents regarding improved socioeconomic condition by getting microcredit Loan

Response	Frequency	Percentage	X²	p –value
Agree	112	74.7	36.50	0.000*
Disagree	38	25.3		
Total	150	100		

Note: * Denotes significance at 5% level of significance

The table 5 reports the opinion of respondents about above said opinion The results revealed that 112(75%) respondents were of the opinion that the microcredit program really improves their socioeconomic conditions , however, 38 (25 %) were of the opinion that their socioeconomic conditions were not enhanced according to their expectations. The Chi-square results are significant and show significant differences at the 5% level of significance. (i.e., $p < 0.05$).

Possession and Access over Household Assets

Table: 6
Analyses the Women’s Empowerment in term of access to Basic Household Welfare Goods.

Possessions	Indicators		Frequency of respondents (n = 150)		
	Yes	No	χ^2	d.f	P-Value
Access to Intangible Goods	Telephone		27 (18)		123 (82)
		61.64	1	0.000 *	
	Mobile Phone		121 (80.6)		21 (19.4)
		56.64	1	0.000 *	
	Internet		58 (38.7)		92 (61.3)
		7.70	1	0.073 *	
Possession of Transporting Goods	Auto- Rickshaw		32 (21.3)		118 (78.7)
		49.30	1	0.000 *	
	Push Cart		10 (6.7)	140 (93.3)	112.66
			1	0.000 *	
	Motorcycle		94 (62.6)		56 (37.4)
		9.62	1	0.040	
	Bicycle		120 (180.0)		30 (20.0)
		54.00	1	0.000 *	
	Motor Car		28 (18.7)		122 (81.3)
		58.90	1	0.000 *	
Access to Utilitarian Goods	Radio		34 (22.7)		116 (77.3)
		44.82	1	0.000 *	
	Television		141 (94.0)		9 (6.0)
		116.16	1	0.000 *	
	Washing Machine		131 (87.3)		19 (12.7)
		83.62	1	0.000 *	
	Sewing Machine		122 (81.3)		28 (18.7)
		58.90	1	0.000 *	
	Computer		78 (52.0)		72 (48.0)
		0.24	1	0.327	
	Fridge/Refrigerator		112 (74.6)		38 (25.3)
		36.50	1	0.000 *	

Source: Field Survey, 2014.

Note: 1. Figures in parenthesis are expressed as percentages.

2. * Denotes significance at 5% level of significance.

Access to Intangible Goods

The result presented in table 6 indicates the women’s empowerment in term of access to telecommunication logistics. A woman is said to be empowered if she has the freedom to use a mobile phone and access to information technology like the internet and other medium of information. Therefore, the findings of this study showed that only 27 (18%) of the respondents do agree that microcredit loan accessed within the past three years made them empowered to access to telephone

facility. Similarly, 121 (81%) respondents on the view that had acquired a mobile phone, this followed by 58 (39%) who have access to own internet facility. This suggests that borrowers' respondents were more likely to own a telephone, mobile, and intent after access to the MCP.

The values of the chi - square statistic shows that chi-square values fall in rejection rejoin at the 5% level of significance. However, in case of access to internet facility the result was not significant. Therefore, the null hypothesis which states that there is no significant relationship between access to microcredit and access intangible goods is partially rejected .This suggests that there exists a significant positive association relationship access to MCP and access to telecommunication facility.

Possession of Transporting Goods

Empowerment of women can also be judged through access and possession of transportation. The above evidence indicates that women borrower had been able to own better transportation. Since in the majority of cases, microcredit program has assisted the respondents of owning a motor vehicle.

Chi-square values are significant shows that the majority of the respondents had access transportation services. While owning a motorcycle by the participant were not significant at the 5% level of significance. This concluded that data provide sufficient evidence that there is a significant positive association between access to access to micro credit and access to logistics.

Access to Consumable (Utilitarian) Goods

Access to the consumer goods such as a computer, washing machine, refrigerator and other household resources has been considered as important indicators of women's empowerment. The possession of consumable goods leads to improve the standard of living. Therefore, data were collected concerning the possession of consumable products. The results illustrated in Table 1.5 revealed that only 34 (23%) of the respondents own radio. Similarly, 131 (87%) and 112 (77%) of the respondents having possession of washing machine and refrigerator respectively this followed by only 122 (81%) and 78(52%) of the women borrower possess sewing machine and computer respectively. Almost all the results of Chi-square analysis tests were significant at the 5% level of significance however; in case of access to computer facility the result was not significant while suggesting that women were not well aware about computer literacy.

Conclusions

This paper investigated the impact of microcredit on women's empowerment in term of analyzing their perceptions about the role of microcredit program. On the findings of the results, the study established that borrowers were of the opinion that the microcredit program really improves their socioeconomic conditions and overall empowerment level. The study also found that that the beneficiaries of microcredit are more empowered and capable while accessing to the various household assets such as access to – telephone ,mobile phone, and the internet. The study further established that a relatively large proportion of borrowers use refrigerators, washing machine , computer, and transportation after involvement in microcredit program. Therefore, the study further designate that the quality of life indicators also improved. Thus, the study concludes that women's participation in microcredit programs leads to improvement in quality of life .

Policy Implication

Mass destitution is named one of the critical financial issues that have included an awesome number of Pakistanis. It prevails among the scattered occupants of the nation, be that as it may, with fluctuating pace, force, and size. In any case, the instance of Balochistan is somewhat stunning, where the neediness rate is much higher than different areas. Balochistan is the slightest created and mostly in the reverse territory, which gets nearly less consideration of the central government for its financial improvement, in this way mass neediness, wins here with a quickening pace. Among different reasons, a standout amongst the most essential is the absence of financial open doors for its occupants is to gain a respectable job, which is right now restricted to farming and domesticated animals as it were.

The government has started certain neediness decrease strategies to reduce destitution through certain projects and tasks, for example, Pakistan Poverty Fund PPF and Khushali Bank. Comparable endeavors have been made both by worldwide and national NGOs for neediness lessening. Be that as it may, their effect is entirely low while over the masses in Baluchistan.

In accordance with this, one such exertion of small-scale financing was done with a portion of the NGOs in Baluchistan to help minimized section of the populace in Quetta and a couple of different regions very nearly two or three decades prior. In association with that, an undertaking of small-scale financing was dispatched in the edges of the Quetta District to help powerless individuals look for extra means and methods for money era to add to their family pay, while centering social preparation among womenfolk. Not long after and notwithstanding amid the end of the task, it was uncovered that high rate of profit for credits by centering ladies' gathering was a model. This then again ended up being a fruitful example of

overcoming adversity; in any case, an effect study to get a profound understanding of the circumstance has dependably been the critical need ever.

The empowering level of responsiveness among womenfolk, without a doubt, is a marker of enhanced economic well-being. It is very attentive from the way that ladies have sufficient access to the necessities of life, for example, wellbeing, training, haven, and method for vocation. The information show female has access to wellbeing offices amid crisis and childrearing.

Similarly, mindfulness level with respect to youngster instruction has likewise been expanded. Lion's share of the general population settled upon that tyke training ought not to be bargained at any cost, which was upheld by the promising rate of youngsters going to standard school. This is that as it may, a basic pointer to control destitution and youngster work as a prompt effect of the undertaking.

This is critical for ladies to have a say in choices relating to her life and family. The effect of basic leadership force was entirely apparent among the focused on ladies, who were feeling freer in their decisions as to routine family undertakings. This was to be sure, a positive sign and should be dealt with as an effect of the task. There has been a positive change among the ladies who not just take an interest in basic leadership process; rather they impact the vast majority of the choices being made at the family unit level. This would unquestionably have urging results to minimize hardship and feeble economic wellbeing of womenfolk.

The enhancing expectation for everyday comforts was likewise another imperative element, which was likely changed after the execution of the venture. Having admittance to family things, for example, TV, Computer and Bike and so forth demonstrate that expectations for everyday comforts have moved forward. Individuals are currently in a superior position in benefiting social administrations, including nourishment stuff and wellbeing condition. The harsh wellbeing conditions have enhanced because of changes in access to fundamental social administrations and accessible outlets.

There has been a positive change in their expectation for everyday comforts and has been enhanced than the past conditions. Individuals with enhanced expectations for everyday comforts are much fulfilled and in a superior position to purchase and use family units products, home apparatuses, and offices, for example, clothes washer, engine bicycle, cooler, TV and PC offices. With enhanced living conditions the level of certainty additionally enhanced that further aided and encouraged these groups to take an interest in matters of social life and contribute among themselves for socialization and common learning.

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