



## **Impact of Micro Finance on Socio Economic Empowerment of Women: A Case Study of District Nowshera, Pakistan**

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**Abstract:** Microfinance is most widely used in developing countries as a tool to remove poverty and empower women all over the world socially and economically. Microfinance empowers women by positively influencing their socio-economic status and their ability of decision making. Present study throws light on District Nowshera to know about the impact of microfinance on poor women and outcomes there off. The target population of the present study are those women who had availed microfinance facility from our selected microfinance providers in Nowshera i.e. Khushali bank, Akhuwat NGO and Helping hands for relief and development. A sample size of 120 female has been selected randomly. Primary data will be collected with the help of questionnaires and secondary data through journals, articles and reports related to the topic. Chi-square method will be used to compare the observed and expected results for verification of specific hypothesis. Results of the study show that microfinance plays vital role in women empowerment. It has positive impact on their status, living standards, expression of their feeling and liberty. It is found that microfinance helps in poverty reduction of their female clients and makes them able to maintain their families and fulfillment of the purpose for which they have acquired loan. Furthermore, this study also shows that microfinance helps to boost the confidence and skills of many females and they become able to take decisions regarding to use of their income. So it confirms that microfinance serves as a catalyst towards women empowerment in socio economic sector of the area.

**Keywords:** Micro finance; Women, Socio-economic, empowerment.

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### **1. Introduction**

Microfinance is based on the idea to alleviate poverty and facilitate poor people of the economy. It is the provision of financial services to poor people and is being recognized as a suitable solution to finish global poverty. Facility of micro-financing is provided by microfinance institutions and they develop new methods to facilitate low income people. The development industry, and in particular government agencies, are calling for greater evidence and a focus on “what works”. There is therefore an urgent need to collate and review the available evidence of the impacts of major development programs. Microfinance is the largest development programs across the globe, both in financial terms and also in relation to the number of the poor people targeted. In this paper, we present the findings of the systematic review to answer the question “what works” in microfinance. In doing so we have employed a rigorous and increasingly very important methodology which is promoted as a valuable and significant tool for bringing together the best quality, most relevant evidence [1].

Empowerment means to significantly maximize the economic, gender and social support, strength and mutual spirit of the person. It is to enable the person to lead his/her own life and enables him/her to use the hidden talents and skills in them. Empowerment also consist of all processes that are used for the purpose to

provide opportunity to marginalized people (people who lack self-sufficiency and depend on charities) and to encourage them and to develop their self-sufficiency and drift them out from future needs for charity.

Women empowerment is the independency of women in respect of taking control of their lives and participation of their role socially, economically and politically. It is also the development of confidence of women in those capacities that she has in herself. Economic empowerment means when woman are able to take their decision regarding the financial matters, access to the credit, become able to increase her income and savings, also to increase income generating activities and again to let her family out of the poverty etc. Social empowerment is a situation when she interacts with the outside environment, also move to other places independently and freely, become able in a way to express her views in front of the others, also become able to face and fight for her rights and for all everything what is injustice to her. Political empowerment is a situation for women where they have the right to vote independently, to solve the local problems, also to participate in elections and to participate in community meetings

Women are more ambitious to left out themselves and their families for a better life. Once women carry themselves for earning, they more likely spend their earning on betterment of their children's education and health. Women when become strengthened financially can also become able to take decisions about their lives therefore the topmost priority is given to female in case of microfinance services. MFI's serves more than 20 million poor people out of them 74% are women. The provision and establishment of microfinance institutions (MFIs) world-wide for provision of collateral free aids and loans to the poor through the mechanisms and instruments not known to the normal commercial banks has set now new milestones in the area of financial services. Almost With 900 million households in the less developed countries have been left without any approach to formal financial services, this might be one of the key to address the market failures in the financial landscape[2].

In Pakistan in 2001 microfinance ordinance was passed by government of Pakistan to allow formation of microfinance institutions. This ordinance was a key step by government to facilitate poor ones. In 1995 a network named as Pakistan Micro financing Network (PMN) was made but it was an informal network which share experience between all microfinance facility providers. In 2001 PMN became a separate formal network because of the good reputation created by it among all IMFs. PMN keep check on the activities of microfinance service providers, give training to them and check out their quality and sustainability etc.

Keeping the above discussion in mind, the researcher carried out the study with the following objectives:

1. To know either microfinance have reduced poverty level of women or not.
2. To study the impact of micro-credit facility on status of women in society.
3. To know about relationship between micro-credit and women empowerment, socially and economically.

## **2. Literature review**

Many researchers have worked on the empowerment of women through microfinance some of the important studies are discussed below.

Microfinance is seen one of the most important key development tool, and despite the current crisis within the Global industry, it continues throughout to grow in sub-Saharan Africa. This paper systematically reviewed the evidence and support of the impacts of micro-credit and micro-savings on the socio economic status of poor people in sub-Saharan Africa. This study finds impacts on income and savings, expenditure and the accumulation of assets, on the other side as well the non-financial outcomes including health, medicine, nutrition, food security, education, and women's empowerment, job creation and social cohesion. The available evidence showed that microfinance does harm, as well as good, to the livelihoods of the poor[3].

The microfinance program began with the work of Dr Muhammad Yunus in Bangladesh, spreading rapidly all over the world to other developing countries. Most early microfinance institutions (MFIs), relied on the funding grants from government and international donors, MFI claims that they were good enough in reducing poverty, unemployment and deprivation in developing countries. In the 1980s, the expanding microfinance movement operated in a transformed political and ideological environment. Market principles were also in the favor, with growing emphasis over financial sustainability and the need to wean microfinance leading programs off long-term donor assistance. It was observed that the poor should pay the full cost of any assistance received,

rather than impose any additional tax burden on the others. This led to a strong push for MFIs to cover their costs through greater commercialization, private ownership and profit-driven rewards with market-based interest rates. It was thought that the market forces and profits would significantly ensure financial self-sustainability, generating cost-free increase in the supply of microfinance support to the poor [4].

Microfinance programs are recognized as contributing both directly and indirectly to the Millennium Development Goals (MDGs). Using primary data from a survey of clients of Khushali Bank, in 2005, the study revisited data and found that despite the Bank's strict poverty-targeting programs used in the client selection and despite the survey design to remove the selectivity bias, the selectivity bias indeed still existed in sampled households. Using the Propensity Score-Matching Methods (PSM) to address the selectivity bias, the study found that the lending program did contribute significantly in the income generation activities such as agricultural production and, in particular, animal raising. However, the impacts of the programs on other MDGs—education, female empowerment were of limited significance[5].

Microfinance programs have received a lot of attention recently all over the world, both from policy makers as well as in the academic circles. Two of the important topics that have been hotly debated and received the attention of the policy makers, are explaining joint liability groups lending and its implications for minimizing information asymmetries, and the trade-off between financial sustainability and the outreach of microfinance programmers. This Feature contained three novel empirical contributions that provide new insights with respect to why and how joint liability group lending works[6]. It is also contained in the first large-scale systematic analysis of the trade-off between the financial performance and the outreach of microfinance institutions[7].

### 3. Theoretical Framework

The study is concerned with how micro loan empower women and decrease their poverty. The study focuses on microfinance activities in district Nowshera. It involves decision making by women, effects of micro loans on status of women and on their poverty and maintenance of family by women availing micro credit facility etc. There are many financial players in Nowshera trying to empower women through microloan support. For this purpose twenty items were included in the research tool to investigate the following hypotheses.

H<sub>A</sub>= Decision of how to use income is made by respondent themselves

H<sub>B</sub>= Microfinance have reduced poverty level of respondents.

H<sub>C</sub>= Status of respondent is increased in their family and society after taking loan.

H<sub>D</sub>= Respondents can maintain their family through use of micro-credit.

### 4. Methodology

Researches are made for different purposes and these researches are carried out through different procedures, some of the procedures are based on field work, some on applied, experimental and some are based on explorative grounds. These procedures are used for achievement of purpose for which research is done. Here the study is explorative and descriptive in nature because lots of studies are being done on women empowerment and we want to investigate the current characteristics of population.

#### 4.1. Universe of the study

The universe of the study was those women who received a micro credit from Akhuwat NGO of Nowshera, Helping hands for relief and development NSR and Khushali bank of NSR, these were 500 in number. Sample was selected out of the client of these MFIs mentioned above.

#### 4.2. Sample size of the study

The sample size for present research was 120 respondents. Out of these 120, 50 respondents were selected from Helping Hands for Relief and Development, 40 were selected from Akhuwat NGO and 30 from Khushali bank.

A total 120 respondents were formally questioned for collection of data. The sample was selected on the basis of stratified random sampling, because every element in our population has equal chance to be selected. Random sampling was also selected because of limited time and cost[8].

### 4.3. Data collection

The sources of the data for this research are both primary and secondary.

#### 4.3.1. Primary data

Primary data was collected through well structured questionnaire. Questions were asked directly from the those women who are availing microcredit facility

#### 4.3.2. Secondary data

Secondary data was taken from our selected Microfinance providers as well as from different articles, journals, websites and research studies.

### 4.4. Tools for data collection

Tools used for data collection was well structured questionnaire so to get information with minimum time and cost, it contains a series of those questions which are needed to be answered so to achieve the objectives of study. There were twenty items included in the questionnaire to explore the socio economic empowerment of those women who got microcredit facility.

## 5. Analysis of Data

Analysis of data was done by using Statistical package for social sciences using version 16. The main objective of the study was to find out the impact of microfinance on women empowerment therefore a set of hypothesis were selected to assess the level of empowerment by female who are taking facility of microfinance. For testing these hypotheses Chi-square test was used. Two types of chi-square models are used one is goodness to fit by using excel and second one is test of independence using SPSS software. The analysis of the data first starts with the respondents demographics to know about the social and economic characteristics of the respondents which will help a lot in drawing any conclusion about the acceptance or rejection of the data. The following charts show an overall view of the respondents' demographics.

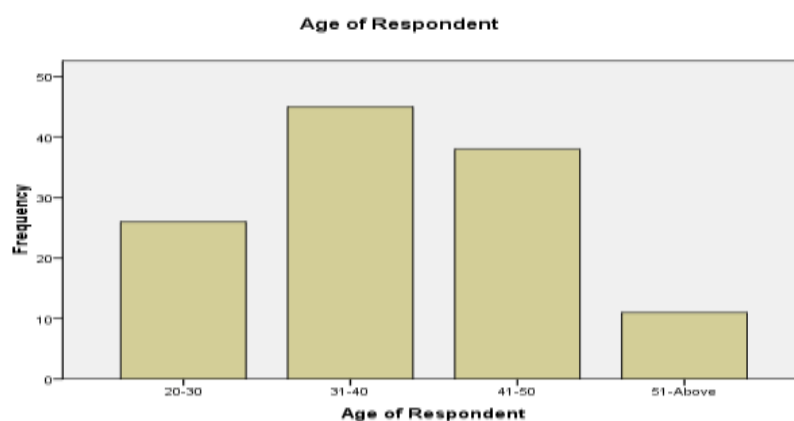
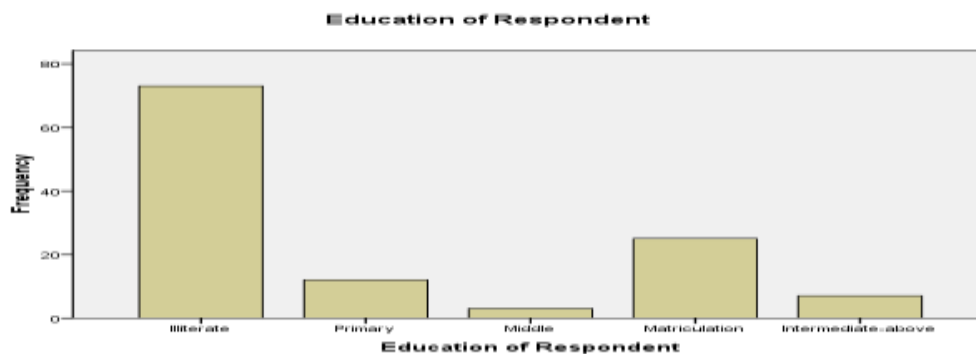


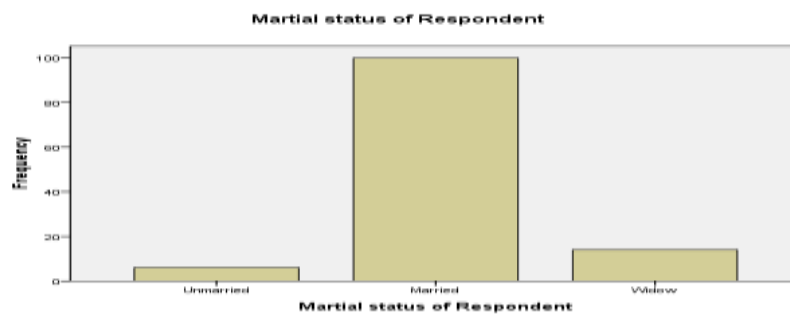
Figure 1. Age

The above table reveals that maximum number of women who availed the micro credit facility was in the age bracket of 31 to 40.



**Figure 2.** Education

Certainly the micro credit facility is availed by those women who were not having enough education to cut their livings therefore having financial problems. In this regard they choose to get the micro credit facility.



**Figure 3.** Marital Status



**Figure 4.** Range of amount

The above charts show that majority of the women were those who were above thirty years of age and were mostly illiterate. This characteristics carry the notion that they were the best targeted for micro credit facility as their social condition reflects it. The most important thing about these women is their marital status in the joint family system that were found most in numbers as reflected from the charts. The credit given to them was small in amount due to the nature of micro credit program.

### 5.1. Reliability test

Reliability of the field data generated through structured questionnaire is a crucial aspect of the research that leads to the successful and reliable results of the estimated data. Reliability of the data in this study was subjected to the well known cronbach alpha test with the help of computer software. The table below shows the

reliability statistics of the data which has been found very well; 86 percent for the overall items of the study and is a sign of subjecting the data further statistical analysis.

**Table 1.** Cronbach Alpha test of Reliability

		Reliability Statistics	
Cronbach's Alpha		Cronbach's Alpha Based on Standardized Items	No of Items
.861		.870	20

Source: Researcher own analysis of the data through computer software.

### 5.2 Chi-square goodness to fit

Goodness to fit chi square evaluates one variable at a time. If the deviation between observed and expected frequencies is greater, then chi-square value will be greater and more likely will exceed from tabulated value thus we will reject the null hypothesis. If the chi-square calculated value becomes less than tabulated value then we will reject alternate hypothesis. Greater the difference between expected and observed value, greater will be the calculated value and hence greater chance of rejecting null hypothesis and accepting alternate hypothesis

**Table 2.** Chi Square goodness of fit of model

S. NO	VARIABLES	OBSERVED VALUE	EXPECTED VALUE	X <sup>2</sup> VALUE	SIGNIFICANCE LEVEL	CONDITION
1	DECISION REGARDING USE OF INCOME	55.20	1.85	7.815	0.05 (95%)	Null Rejected
2	REDUCTION IN POVERTY LEVEL	49.71	1.61	7.815	0.05 (95%)	Null Rejected
3	FULLFILLMENT OF PURPOSE	18.909	1.833	7.815	0.05(95%)	Null Rejected
4	INCREASE IN STATUS OF RESPONDENT	42.74	2.52	7.815	0.05 (95%)	Null Rejected
5	EXPRESSION OF FEELINGS	14.30	1.85	7.815	0.05 (95%)	Null Rejected
6	MAINTAINANCE OF FAMILY BY RESPONDENT	26.37	1.96	7.815	0.05 (95%)	Null Rejected
7	LIBERTY TO PURCHASE	28.79	2.04	7.815	0.05 (95%)	Null Rejected
8	INCREASE IN STATUS OF FAMILY	36	1.2	5.991	0.05 (95%)	Null Rejected

**Source:** Researcher own analysis of the data through computer software.

In above table the key work of our analysis has been discussed. For different variables covering the social and economic aspects, all of them were found significantly valid for the study leading to the rejection of the null hypothesis. Hence micro credit puts positive impact on the social economic condition of the women who got micro credit facility. As the goal was to study the impact of micro-finance on empowerment of women, for this reason above mentioned variables were analyzed. Findings in the above table 2 show that micro-finance have reduced poverty level of female and also have increased their own status and status of their families which showed positive impact on their empowerment. Women after taking loan became able to take decisions of use of income and after having the facility they have the liberty to purchase daily food items which empowers them socially and economically. Majority of them were satisfied that they are able to maintain their family, express

their feelings and also have fulfilled their purpose for which they have acquired the loan. All of the above mentioned variables show positive impact of microfinance on empowerment of women.

## 5.2. Chi-square test of independence

It tells us the association between two or more variables; this involves comparing the P-value to the significance level, and rejecting the null hypothesis when the P-value is less than the alpha value. Null hypothesis shows there is no difference between proportionate of each category; means that percentage of observed value of each category is equal to percentage of expected value. Alternate hypothesis shows that there exist difference between proportionate of each category of variable means and the observed and expected values differ. The following tables on the coming pages contain the complete summary of the findings of the study. Each table describes separately different features of the study; the social and economic aspects of the study in relation to the filed data.

In the table given below respondent's social empowerment has been discussed in relation to their age. If we look to the table, in each category of the age bracket, women have been empowered socially. If we check back in the previous pages at figure number one, it shows that majority of the credit facility holder are in the age bracket above thirty years and below fifty years of age. Here in this table it is clear from the analysis that women in the same age bracket have been observed empowered. 62 percent of women in the age bracket 31-40 have reduced their poverty and have been socially empowered by taking decision of using their income. The following table confirms the results.

**Table 3:** Chi Square test of independence

		Effect on Poverty Reduction				TOTAL
		To some extent	To greater extent	To low extent	Not at all	
AGE OF RESPONDENT						
20-30	count	26	0	0	0	26
	%	36.60%	0%	0%	0%	21.70%
31-40	count	62.00%	0.00%	0.00%	0.00%	36.70%
	%	1	25	12	0	38
41-50	count	1.40%	100.00%	52.20%	0.00%	31.70%
	%	0	0	11	1	12
51 above	count	0.00%	0.00%	47.80%	100.00%	10.00%
	%	71	25	23	1	120
TOTAL		100%	100%	100%	100%	100%

Source: Researcher own analysis of the data through computer software.

**Table 4:** Chi Square test of independence

		DECISION TO USE INCOME				TOTAL
		Self	Spouse	Self and Spouse jointly	Someone else	
AGE OF RESPONDENT						
21-30	count	26	0	0	0	26
	%	46.40%	0.00%	0.00%	0.00%	21.70%
31-40	count	30	14	0	0	44
	%	53.60%	46.70%	0.00%	0.00%	36.70%
41-50	count	0	16	22	0	38



%	0.00%	53.30%	75.90%	0.00%	31.70%
51 above count	0	0	7	5	12
%	0.00%	0.00%	24.10%	100%	10.00%
TOTAL	56	30	29	5	120
	100%	100%	100%	100%	100%

Source: Researcher own analysis of the data through computer software.

The above table clearly depicts that those women who have received the micro credit, have the ability now to use their income by taking their own decision. Their social empowerment is confirmed in this way.

Keeping in view the social features of the study, the response of the participants of the study was quite satisfactory about their social benefits due to the micro credit scheme of different organization mentioned above. The social indicators get improved in the category of better status in the society, children schooling, use of income according to their own decision and the most important is the poverty reduction on the part of the women. Similarly on the part of women, the expression of feelings about herself, improvement of her status in the society and the status of her family have been observed got positive impact due to the micro credit facilities.

**Table 5:** Chi Square test of independence

IMPACT OF MICRO-CREDIT ON CHILDREN SCHOOLING						
Age of Respondents		Strongly agree	Agree	Neutral	Disagree	TOTAL
21-30	count	0	26	0	0	26
	%	0.00%	36.10%	0.00%	0.00%	21.70%
31-40	count	0	44	0	0	44
	%	0.00%	61.10%	0.00%	0.00%	36.70%
41-50	count	28	2	5	3	38
	%	100%	2.80%	100%	20.00%	31.70%
51+	count	0	0	0	12	12
	%	0.00%	0.00%	0.00%	80.00%	10%
Total	count	28	72	5	15	120
	%	100%	100%	100%	100%	100%

Source: Researcher own analysis of the data through computer software.

The results shown in the table above highlights the economic welfare of those families who were benefited with micro credit facility. They are better off now to send their children to school regardless of the fair of school fee.

Not only the social indicators highlight the improved status of women but also the economic indicators also confirm the positive impact of micro credit facilities on the part of a woman. Women in the age between 31 and 40 have been observed that their poverty has been decreased and they are feeling better off even in schooling condition of their children as depicted in table 5. The reason behind this impact is the feelings of freedom of using the income in the best interest of the household by utilizing the micro credit in income generating activities.



**Table 6.** Chi square test of independence

<b>MAINTANACE OF FAMILY THROUGH MICROCREDIT</b>						
<b>Age of Respondents</b>		<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>TOTAL</b>
<b>21-30</b>	<b>count</b>	5	17	3	1	26
	<b>%</b>	20.80%	21.20%	25.00%	25.00%	21.70%
<b>31-40</b>	<b>count</b>	9	28	6	1	44
	<b>%</b>	37.50%	35.00%	50.00%	25.00%	36.70%
<b>41-50</b>	<b>count</b>	8	27	2	1	38
	<b>%</b>	33.80%	33.80%	16.70%	25.00%	31.70%
<b>51+</b>	<b>count</b>	2	8	1	1	12
	<b>%</b>	8.30%	10.00%	8.30%	25.00%	10.00%
<b>Total</b>	<b>count</b>	24	80	12	4	120
	<b>%</b>	100%	100%	100%	100%	100%

Source: Researcher own analysis of the data through computer software.

Table 6 given above is a kind of support to the explanation given in table 5. In both the tables women empowerment has been justified with empirical analysis of the filed data.

**Table 7.** Chi Square test of independence

<b>IMPACT OF MICRO CREDIT ON FAMILY SOCIAL STATUS</b>				
<b>Age of Respondents</b>		<b>Positive impact</b>	<b>No impact</b>	<b>TOTAL</b>
<b>21-30</b>	<b>count</b>	24	2	26
	<b>%</b>	22.20%	16.70%	21.70%
<b>31-40</b>	<b>count</b>	40	4	44
	<b>%</b>	37.00%	33.30%	36.70%
<b>41-50</b>	<b>count</b>	34	4	38
	<b>%</b>	31.50%	33.30%	31.70%
<b>51+</b>	<b>count</b>	10	2	12
	<b>%</b>	9.30%	16.70%	10.00%
<b>Total</b>	<b>count</b>	108	12	120
	<b>%</b>	100%	100%	100%

**Table 8.** Chi Square test of independence

<b>EXPRESSION OF FEELINGS</b>					
<b>Age of Respondents</b>		<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Total</b>
<b>21-30</b>	<b>count</b>	3	20	3	26
	<b>%</b>	13%	22%	50%	21.70%
		10	33	1	44

<b>31-40</b>	<b>count</b>				
	<b>%</b>	43.50%	36.30%	16.70%	36.70%
<b>41-50</b>	<b>count</b>	9	28	1	38
	<b>%</b>	39.10%	30.80%	16.70%	31.70%
<b>51+</b>	<b>count</b>	1	10	1	12
	<b>%</b>	4.30%	11.00%	16.70%	10.00%
<b>Total</b>	<b>count</b>	23	91	6	120
	<b>%</b>	100%	100%	100%	100%

Source: Researcher own analysis of the data through computer software.

Both the table 7 and table 8 strongly justify the improved social condition of women after taking the micro credit facility. According to table 7, the social status of the families has been improved with the micro credit facility and the poor days have been converted to better days on the part of the family. In the same way while remaining in poverty, it was difficult for these women to express the condition of their families in front of any other person in the neighborhood but after taking the credit facility from any of the MFI, their condition changed and now they can express their selves in front of the members of the society. Both the tables strongly reflect the importance of the micro credit schemes on the part of those poor women who cannot apply for a big credit program.

**Table 9.** Chi Square test of independence

EDUCATION LEVEL	<i>EFFECT ON POVERTY REDUCTION</i>				<i>DECISION TO USE INCOME</i>					
	To some extent	To greater extent	To low extent	Not at all	TOTAL	Self	Spouse	Self and Spouse jointly	Someone else	TOTAL
<b>Illiterate</b>	71 100%	2 8.00%	0 0.00%	1 100%	73 60.80%	0 0%	17 56.70%	0 0%	0 0%	73 60.80%
<b>Primary</b>	0 0%	12 48.00%	0 0.00%	0 0%	12 10.00%	0 0%	12 40.00%	0 0%	0 0%	12 10.00%
<b>Middle</b>	0 0%	3 12.00%	0 0.00%	0 0%	3 2.50%	0 0%	1 3.30%	2 6.90%	0 0%	3 2.50%
<b>Matriculation</b>	0 0%	8 32.00%	17 73.90%	0 0%	25 20.80%	56 100%	0 0%	25 86.20%	0 0%	25 20.80%
<b>Intermediate-above</b>	0 0%	0 0.00%	6 26.10%	0 0%	7 5.80%	0 0%	0 0%	2 6.90%	5 100%	7 5.80%
<b>TOTAL</b>	71 100%	25 100%	23 100%	1 100%	120 100%	56 100%	30 100%	29 100%	5 100%	120 100%

Source: Researcher own analysis of the data through computer software.

The analysis of the chi square test of independence is not only investigated according to the age brackets of the respondents but also the different educational level of the respondents. As depicted from the above table, the micro credit facility is received by those women were not highly qualified so to generate their income and to run the household. Majority of them are either illiterate or hardly completed their matriculation due the factor of poverty. The above table confirms the usefulness of the micro credit programs in reducing the poverty of such women and also empowering them in making decision regarding the use of financial resources.

**Table 10.** Chi Square test of independence

EDUCATION LEVEL	IMPACT OF MICRO-CREDIT ON CHILDREN SCHOOLING					MAINTANACE OF FAMILY THROUGH MICROCREDIT				
	Strongly agree	Agree	Neutral	Disagree	TOTAL	Strongly agree	Agree	Neutral	Disagree	TOTAL
<b>Illiterate</b>	1 3.60%	0 0.00%	0 0.00%	0 0.00%	73 60.80%	14 58.30%	48 60%	9 75.00%	2 50.00%	73 60.80%
<b>Primary</b>	12 42.90%	0 0%	0 0.00%	0 0.00%	12 10.00%	3 12.50%	8 10%	1 8.30%	0 0.00%	12 10%
<b>Middle</b>	3 10.70%	0 0.00%	0 0.00%	0 0.00%	3 2.50%	0 0.00%	3 3.80%	0 0.00%	0 0.00%	3 2.50%
<b>Matriculation</b>	12 42.90%	0 0.00%	5 100%	8 53.30%	25 20.80%	6 25.00%	16 20.00%	1 8.30%	2 50.00%	25 20.80%
<b>Intermediate-above</b>	0 0.00%	72 100%	0 0.00%	7 46.70%	7 5.80%	1 4.20%	5 6.20%	1 8.30%	0 0%	7 5.80%
<b>TOTAL</b>	28 100%	72 100%	5 100%	15 100%	120 100%	24 100%	80 100%	12 100%	4 100%	120 100%

Source: Researcher own analysis of the data through computer software.

As we have seen in the whole process of analysis the women have been empowered economically and socially with the use of micro credit. The above table shows that majority of the women who have availed the micro credit facility, have confirmed positive impact on their social life as depicted in the above table. They have seen improvement in the maintenance of their families and a positive impact on schooling their children. Both these indicators lead to the conclusion that in some way their poverty has been reduced and they are better off now after receiving the credit facility.

**Table 11.** Chi Square test of independence

EDUCATION LEVEL	EXPRESSION OF FEELINGS				IMPACT OF MICRO-CREDIT ON SOCIAL STATUS OF FAMILY		
	Strongly agree	Agree	Neutral	Total	Positive impact	No impact	TOTAL
<b>Illiterate</b>	13 56.50%	17 18.70%	4 66.70%	73 60.80%	3 2.80%	6 50.00%	73 60.80%
<b>Primary</b>	2 8.70%	9 9.90%	1 16.70%	12 10.00%	11 10.20%	1 8.30%	12 10.00%
<b>Middle</b>	0 0.00%	3 3.30%	0 0.00%	3 2.50%	67 62.00%	0 0.00%	3 2.50%

<b>Matriculation</b>	8 34.80%	56 61.50%	0 0.00%	25 20.80%	21 19.40%	4 33.30%	25 20.80%
<b>Intermediate-above</b>	0 0.00%	6 6.60%	1 16.70%	7 5.80%	6 5.60%	1 8.30%	7 5.80%

Source: Researcher own analysis of the data through computer software.

The above table is again a confirmation of the fact that micro credit facility puts positive impact on the social and economic condition of the poor people especially in the case of women. As shown in the table that majority of the illiterate and matriculate women have shown their response in the form of confirming the fruitful results of the micro credit schemes. A major proportion of the respondents can be seen in the right side of the table where most of the illiterate women have observed no impact on the family status after receiving the micro credit loan. This can be justified by the proper allocation of financial resources with wisdom as seen in the case of matriculated women.

**Table 12.** Chi Square test of independence

	IMPACT ON SOCIAL STATUS OF FAMILY OF FEMALE			EXPRESSION OF FEELINGS				IMPROVEMENT IN STATUS OF FEMALE IN SOCIETY				
	Positive impact	No impact	Total	Strongly agree	Agree	Neutral	Total	High	Moderate	Low	No change	Total
<b>MARTIAL STATUS</b>												
<b>UNMARRIED</b>	5 4.6%	1 8.3%	6 5.0%	1 4.3%	5 5.5%	0 .0%	6 5.0%	1 5.9%	1 2.2%	2 5.6%	2 9.1%	6 5.0%
<b>MARRIED</b>	92 85.2%	8 66.7%	100 83.3%	21 91.3%	74 81.3%	5 83.3%	100 83.3%	14 82.4%	38 84.4%	30 83.3%	18 81.8%	100 83.3%
<b>WIDOW</b>	11 10.2%	3 25.0%	14 11.7%	1 4.3%	12 13.2%	1 16.7%	14 11.7%	2 11.8%	6 13.3%	4 11.1%	2 9.1%	14 11.7%
<b>TOTAL</b>	108 100%	12 100%	120 100%	23 100%	91 100%	6 100%	120 100%	17 100%	45 100%	36 100%	22 100%	120 100%

Source: Researcher own analysis of the data through computer software.

While investigating the problem and recording the impact of the micro credit facility, data was not only collected from the respondents belonging to different age brackets and educational level, but also from women of different marital status. The purpose of such choice was made in order to have an in-depth study of the case. The table shows big numbers correspond to the married women where they confirm the positive impacts of micro credit programs on the family status of the respondents and even in the better feeling on the part of a single female who received this facility, also their expression got much better with the use of such programs.

## 6. Concluding Remarks

The research was done to present a clear picture of impact of microfinance on women socio economic empowerment in Nowshera. It can be clearly concluded from results that micro-credit have positive impact on women's empowerment. The objective which sought to determine who make decision to use income, results showed that 46.7% of female out of 120 used loan by themselves, 25% had replied that decisions of using income is made by their spouse, 24.2% had replied that their loans are used by joint decision of both female and their husband and 4.2% replied that loan is used by some other heads. Chi-square results reveal that majority of loans are used by female themselves thus empower them economically. The first objective which sought to determine reduction of poverty level of women through use of microfinance facility, result showed that 59.2% of female had replied that their poverty is reduced up to some extent, 20.8% had reduced up to greater extent, 19.2% had reduced poverty up to low extent and 0.8% means only 1 female had not reduced their poverty at all. Chi-square results shows reduction of poverty level of respondents. Thus women were able to reduce their poverty up to certain mark but it needs improvement. In case of second objective, impact of micro-credit on status of women in society, results revealed that 14.2% of female had high improvement in their status, 37.5% had moderate improvement, and 30% had low improvement while 18.3% had no improvement. Chi-square results were in favor of alternate hypothesis and showed that micro-finance was able to improve status of female

in society thus empowering them socially. On the other hand the third objective, results revealed that female were able to maintain their families through use of micro-credit because 87% of female were agree that they had maintained their families through micro-loans and result of chi-square also showed that females were able to maintain their families. Results showed that women were able to express their feelings in society, most of the females had replied that they have liberty to purchase and were able to take decisions thus empowers them socially. Women's role in decision making in children's education had improved through use of loans. Most of the females had replied that now they can join local meetings and can move independently which showed their political empowerment as well. In case of above discussion it is cleared that women got empowered socially and economically, women got empowered when they become able to take control of their lives socially and economically thus here we become able to conclude our last objective that micro-credit have positive impact on women empowerment.

### 6.1. Implications

MFI's should arrange programs so to aware women about micro-finance facility and its benefits as very few respondents were aware about microfinance program through MFI's. Mobility of some female is difficult so loan should be accessed to their homes. MFIs should have to maintain check and balance so to become aware either the loan is used in profitable way or not. Ideas should be shared with clients so to make them understand how to use loan more profitably. Complaints of women should be answered on time because most of women had mentioned their wish to do so. Maximum loan given is 30,000, it is recommended to increase the loan amount so that clients can get more benefit. Furthermore, more researches should be done so to study broader groups of MFI's clients.

### 6.2. Limitations and future directions

The results of the study are based on the data collected from the field and do not carry any personal view or opinion. The number of respondents was limited up to 120 in this study. The data collection was restricted only with in Nowshera district which may not be sufficient to represent the actual scenario of the whole country but in fact will attract many economists and scholars to focus on the area. Descriptive statistics are employed with the notion that data was simple and nominal in nature. While questioning the respondents the problem of explaining question in Pashto or in Urdu was faced as most of the females were illiterate it was also difficult for them to understand technical words. At Nowshera there is an attraction for researchers to work on the socio-economic status of women as this area, especially in exploring women problems have been comprised and need to be explored for the long run economic welfare of women at Nowshera.

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