

Role of Microfinance Institutions in Women Empowerment: A Case Study of Akhuwat, Pakistan

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Abstract

Gender discrimination is a persistent problem faced by women all over the world, which has led to the need to empower women for uplifting their status as recognized by Millennium Development Goals (2010). The present study focuses on the role of microfinance in empowering women and also acknowledges its significance in alleviating poverty. The researcher used qualitative approach and case study method for in depth analysis of the phenomenon in context of Akhuwat, an interest free microfinance organization. It was recognized that microfinance brings about changes in women's lives: household condition, family wellbeing and social status. It is improved by availing the services of microfinance institution and interest free loans further add to their well-being. Present study focused on four background variables to examine their influence on decision making ability of women in aspects of their domestic and social life. Age, education, marital status and family type are important contributing factors that influence women's empowerment. It was also observed that women are more inclined to be altruistic and spend most of their income on their families. The present study can be further extended by incorporating more factors and increasing sample size in order to get more significant results.

Key words: Microfinance, Women Empowerment, Poverty, Interest Free Loan

Introduction

“We recognize that gender equality, the empowerment of women, women's full enjoyment of all human rights and the eradication of poverty are essential to economic and social development, including the achievement of all the

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Millennium Development Goals” (Draft resolution of General Assembly. Millennium Summit, 2010, p. 3).

Keeping in view the status of women in developing countries like Pakistan, the present study has been conducted to examine the influence of microfinance on empowering women in context of an interest free MFP, i.e. Akhuwat. An important milestone for alleviating poverty is through Millennium Development Goals as the first goal attempts to eradicate extreme poverty and hunger which is linked with third goal of gender equality and women empowerment. In male dominated society, women face discrimination in their family, social, economic and political life and in addition to it the traditional duties of managing households create hindrances in their social and economic empowerment. Hence various efforts have been made by many Government and Non-Government organizations to promote women empowerment especially in rural areas and one such effort is the microfinance intervention (Meenu et al., 2011). The studies conducted by various researchers in this field have confirmed that targeting women is an effective way to combat poverty because women are likely to spend their incomes in food, health care and education of their children. All of these are investments in future and contribute towards long term economic advancements for families, communities and ultimately for countries (Women’s Empowerment: Global Perspectives AJWS, 2006).

In developing countries like Pakistan, women’s empowerment is of great importance where 22.3% of the people are living under poverty line and nearly 40 per cent of women are poor and of whom almost 30 per cent can be considered both economically and socially poor. According to the United Nations Human Development Report 2011, Pakistan ranked 115th among 187 countries on the HDI in gender equality (National Report - June 2012, Pakistan). So these stats provide basis for promoting greater emphasis on gender equality.

The study aims at first, confirming a positive link between microfinance and the socio-economic wellbeing of women in context of a microfinance provider i.e. Akhuwat and second, to examine the demographic variables that influence women decision making ability. A qualitative software Nvivo is used for the analysis purpose to show the impact of MF on the life of its beneficiaries. The current study tends to answer following research question;

Research Question

How do microfinance institutes empower women?

Sub Questions

- i. How microloans empower women socially and economically?
- ii. How empowered women contribute to household wellbeing?
- iii. How demographic variables contribute to decision making ability of women?

- iv. Does access to microfinance raise political awareness of its beneficiaries?

Objectives

- To assess the role of microfinance in empowering women economically, socially, politically and empowerment related to health and education of the beneficiaries.
- To examine the demographic variables that influence women decision making ability.

Literature Review

The present review is an attempt to encircle the sociocultural determinants and other essential aspects of women's empowerment indicated in previous studies, conducted in various parts of the world.

Microfinance

Definition

The term microfinance specifies "the offer of financial services to customers with low income levels" Nader (2008). According to this simple definition, microfinance targets low income category people who have no access to the formal lending system.

Importance of Microfinance

Various researches in MF sector have proved that it's a very important tool to boost economic growth, to counteract the effects of economic instability and to empower women. MF programs target women because of the following reasons; cost efficiency rationale, it has been confirmed through studies that women's repayment rates are much higher than men. Secondly, equity in terms of employment opportunities among men and women is very important issue especially in developing countries and thirdly as women are more concerned about the wellbeing of their family so investing in women creates a "multiplier effect" that improves the effectiveness of credit funds.

Women Empowerment

Definition of Empowerment

The dictionary meaning of the word empower is "to give somebody the power or authority to do some thing or to give somebody more control over their life or the situation they are in."

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Kabeer (1999) defined women's empowerment as "a process by which those who have been denied the ability to make strategic life choices acquire such ability" (Swain, 2007).

Why Target Women?

According to World Bank 2011, "Putting resources into poor women's hands while promoting gender equality in the household and in society results in large development payoffs. Expanding women's opportunities in public works, agriculture, finance, and other sectors accelerate economic growth, helping to mitigate the effects of current and future financial crises".

Dimensions of Women Empowerment

Malhotra et al. (2002) developed a comprehensive list of important dimensions of empowerment, by using different frameworks developed by various authors. Economic, socio-cultural, familial/interpersonal, legal, political, and psychological are significant dimensions that are composed of various factors (sub-domains).

Measuring Empowerment

There is no single standard tool developed by the World Bank or any other development agency to measure empowerment although it is considered to be a primary development goal (Malhotra, 2002). Two complementary indices: the Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM) were introduced by UNDP's Human Development Report of 1995. But these indices have limitations as Bardhan (1999) argued that the presence of large proportion of elected women members in the national parliament is not a sign of real power moreover GEM does not consider participation of women in local political institutions and their visibility in other bodies of civil society i.e. at micro level (Swain, 2007). Furthermore, Khan and Maan (2008) stated that "there is no universal yard stick for measuring women empowerment because empowerment is a context specific construct that may vary from one socio-cultural scenario to other". Therefore it is essential to identify the dimensions of empowerment and measure them. So by keeping in view the significance of targeting women, different dimensions of women empowerment have been adopted to measure it in milieu of an interest free MFP i.e. Akhuwat.

Role of Microfinance in Women Empowerment

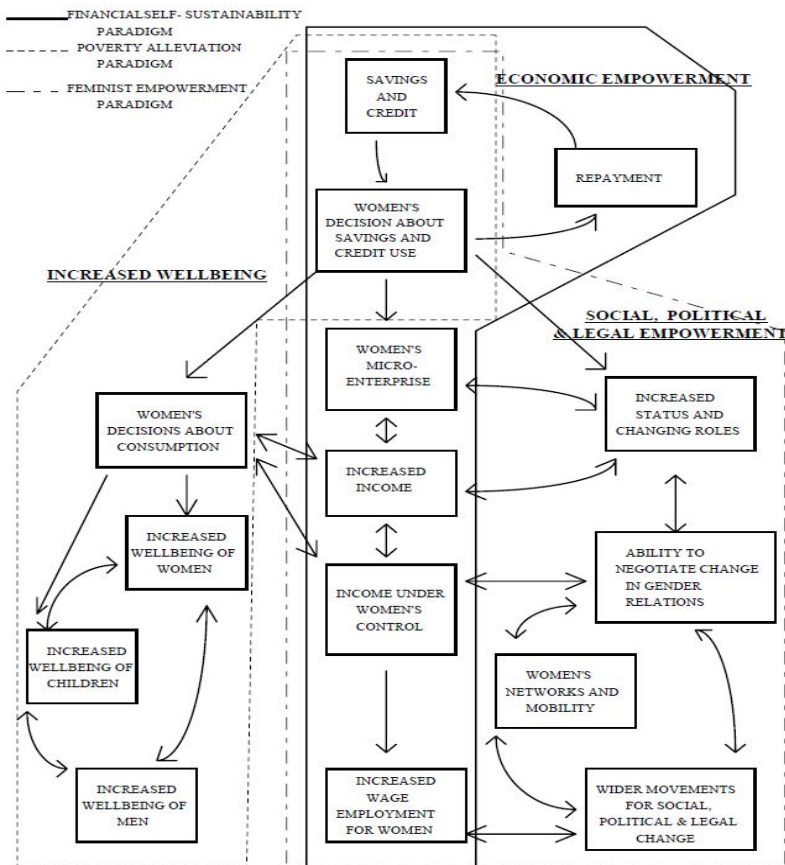
"Providing access to microfinance for women is considered to be a precondition of poverty alleviation and women's empowerment" (Mayoux 1997).

By focusing on women's empowerment from microfinance perspective, the policy development circles have started putting more emphasis on gender relations than ever before and they consider women as a 'weapon against poverty' (DFID

2006, p.1). So it's very important to empower women by providing them access to microfinance as gender inequalities hinder economic growth and development (World Bank, CIDA, UNDP, and UNIFEM).

Three paradigms (feminist empowerment paradigm, poverty alleviation and financial sustainability paradigm) are very important to understand the concept of empowerment and its dimensions. By combining and comparing these three distinct paradigms 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment can be evaluated. These dimensions and paradigms helped in understanding the interdependence and linkage of three forms of empowerment and helped in exploring the factors that underlie these dimensions.

Fig. 1 VIRTUOUS SPIRALS: PARADIGMS COMPARED



Source: Women's Empowerment through Sustainable Micro-finance: Rethinking 'Best Practice' Lindai Mayoux Sept 2005. Page no.5

A study was conducted by **Nader (2008)** by **testing a hypothesis**: “microcredit is positively linked to women's socio-economic wellbeing in Cairo”. She argued that microcredit has become imperative to alleviate poverty and to improve families’ wellbeing and the results also confirmed that microcredit is strongly linked with children's education, income and assets. So it also provides support to the topic that microfinance plays an important role in women empowerment, especially their inclination towards family wellbeing and children education.

According to the Global Gender Gap Report (2012) there is a slow progress on closing gender gaps although most highly developed countries showed good advancement in terms of women’s economic empowerment, but not all of them record progress in terms of women’s political empowerment. Although political empowerment in this report refers to women’s representation in parliament, in minister-level positions, in executive office but current study is restricted to power to vote and choice of candidate as MFIs target people at grass root level.

The above literature supports the general assumption that microfinance has impact on women socioeconomic wellbeing but there are other factors too that affect women empowerment and these are discussed with the help of literature as follows;

A study was conducted in Bangladesh to identify the factors that influence women's empowerment as a microcredit borrower, as it diverted researchers’ attention and they give importance to it since its inception in mid-1970s, and Mohammad Yunus, the founder of Grameen Bank was awarded Nobel Peace Prize in 2006 on the microcredit programme of Bangladesh. Rahman, et.al_(2009) identified that “age, education levels of women and levels of income are significant factors that influence women empowerment”. This study also confirms that although MF has impact on women’s lives but there are other factors as well that are associated to women that affect their decision making ability and some of these will be examined in present study.

The results of another study conducted by Noreen (2011) showed that “women empowerment is considerably influenced by age, education of husband, father inherited assets, marital status, number of sons alive and microfinance”. Moreover it was also found that when loans were used by females, it resulted in better outcomes as compared to where loans were used by male family members. It was proposed that education facilities and family protection should be provided to get better outcomes, so these suggestions can used for future considerations.

But in contrast to it, the findings of a study conducted by Jayaweera (2010), in context of education and empowerment in Asia, revealed that because of economic and social constraints that prevail in society education has not been able to confront social class differentiation that increases gender inequality in the family, labor market and society. The relationship between education and empowerment has nuances that are revealed in the contradictions in macro data and in the more insightful studies of gender inequality in qualitative studies.

Akhuwat is a philanthropic organization and until now the only source of raising funds is through local philanthropy. Beginning with an amount of ten thousand rupees, Akhuwat has to date given loans more than four hundred and forty million rupees and is growing further. Akhuwat as the name implies ‘mua-khaat’ or brotherhood and the idea behind it is that poverty can only be eradicated if society shares its resources with the poor and needy. There were two main reasons for establishing it, as Dr. Saqib felt that interest charged by MFIs, is against Islam and formal banking sector provide loans to affluent individuals at low rates. This motivated him to start a microfinance programme to provide loans in the form of Qarz-e-Hasna. For Akhuwat, “microcredit is a means to an end and not an end in itself; the end is a vibrant, economically strong society, based on sharing resources”. Akhuwat is gender sensitive in terms of employees, donors, volunteers, and beneficiaries and in their lending program as they have never refused a loan application on the basis of gender and the first loan was given out to a woman of Rs. 10,000. The impact assessment study conducted by Khan, Haider and Asad (2011) shows the role of Akhuwat in changing gender relations, as it has been recognized that behavior of people towards the involvement of their women in decision making improved and almost 38 to 58% of people started involving their women in decision making. Similarly after taking loan from Akhuwat, it was made possible for 46.1% girls to attend school. Success ratio of Akhuwat can be gauged by its repayment rate which is 99.83% upto 30 September 2012 and is being replicated around the world and taught in foreign universities so it would be worthy to get insight of this MFP.

Theoretical Framework

The current study is based on the model of Islamic microfinance and focuses on the principle of Qard e Hassan. Interest free microfinance (Islamic Microfinance) is a new and emerging approach, as interest is illegal in Islam and according to Islamic teachings; “money is not an asset for earning profit”. The main objective of this approach is not only repository of wealth but also mutual effort for business development and sharing profit and loss, and important advantage of this model is social benefit rather than profit gain and maximization.

Qard-e-Hassan: Akhuwat philosophy is based on Qard e Hassan. According to teachings of Islam rich people should be motivated to help poor in order to benefit poor people with social services and raise their standards of life. Qard Hassan is based on the principle that “lenders give loan to borrowers without any profit or interest and debtor is supposed to return back as soon or pre decided date but lender will not press to return back as soon”. Qard Hassan’s works on same grounds as conventional MFIs but there are some differences like no interest is charged on loan and there is no strict fine on default or deferment of amount (Mustafa & Ismailov, 2008).

Williams’ Theoretical Model of Women’s Empowerment

A theoretical model of women’s empowerment was developed by Williams (2005) in rural Bangladesh. For this purpose he used the work of Hashemi and Schuler (1993) and Kabeer (1999), which gave important insights for the development of model. Kabeer (1999) identified three main elements of empowerment, which are agency, resources and achievements. The economic, human and social resources are supposed to be preconditions for empowerment and “exercise of power, or agency, in the presence of resources is the process of empowerment”. Ultimately, outcomes are gained in the form of achievements, by combining resources and agency. The casual sequence of England’s (2000) model involves economic resources and norms by others and these preconditions interactively affect the use of power and also directly affect the achievements (Afzal 2009).

Conceptual Framework

The findings from existing literature and theoretical framework provide the foundations for the conceptual framework of this study. The conceptual is supported by models of microfinance i.e. Grameen and Banco sol model in a way that the Akhuwat foundation also promotes group lending as well as individual lending and it derives its roots basically from the Islamic model of Qard e Hassan. The framework depicts the relationship between the background variables (age, education, marital status and family type), microfinance and women empowerment as women empowerment is imperative to promote gender equality and alleviate poverty which is also one of the important Millennium Development Goal.

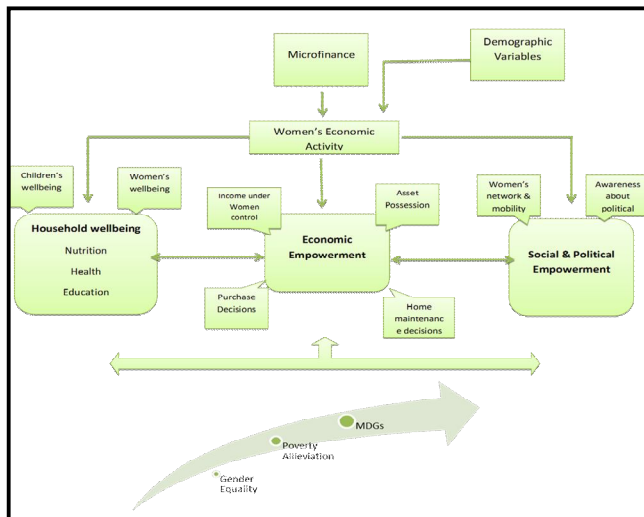


Figure 2 Conceptual Framework

Adapted from Gender and rural microfinance: Reaching and empowering women IFAD, by Mayoux and Hartl (2009)

Methodology

Research Design

This study aims to focus on qualitative research as microfinance and women empowerment are wide-ranging disciplines with a range of interpretations so a qualitative analysis would ensure a thorough understanding of the subject matter. In qualitative research a case study approach is selected because it allows an in-depth explanation of the social phenomena at hand i.e.; microfinance and women empowerment in context of Akhuwat. Although there are issues of generalizability in using case study approach but according to Yin (1994) generalization of results from case studies are based on theory rather than on populations.

In present study the researcher intends to analyze the impact of MF on women empowerment and other factors that influence empowerment and Akhuwat has been taken as a case to validate the findings how much these are truly implemented there. Even though Akhuwat has been taken as the case the unit of analysis in the present study is individual.

Data Collection

The study adopts interviews as a measure for collection of information. The interviews conducted were unstructured comprising of open and close ended questions. This is the primary source of data collection and besides this in order to streamline the present study, a number of books; journals; thesis and articles were reviewed. Relevant secondary data was also collected from published reports; issued by various local, national and international organizations.

The present study aimed at studying the role of microfinance in uplifting women socioeconomic status in context of Akhuwat. As the unit of analysis is an individual, the data was collected from the female beneficiaries of Akhuwat. Akhuwat Foundation has head office located in Town Ship Lahore and several branches not only in Lahore but also in entire Pakistan. The data was intended to be collected from the following branches of Lahore:

Town ship Branch

Green Town Branch

Shah Jamal Branch

Mian Meer Branch

In present study convenience sampling technique was used, because it is an appropriate technique for drawing sample from large population with limited time and cost. Convenience sampling is a “non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher”. Akhuwat is expanding its operation in different cities and at the time of data collection various training sessions and field visits were being given to people who come from outside the Lahore, this was also a reason to do

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convenience sampling as the loan officers were also engaged in that task. The entire process of data collection took less than one month as most of the interviews were been conducted at Green Town Branch and its nearby area, as the other branches were encumbered and the researcher got less respondents from the rest of branches. In order to deal with this problem the researcher made use of the unfathomable internship experience for covering the broader area and to get desired output for the study.

Data Analysis

The present study is a single case study and descriptive one. The researcher intended to study the role of microfinance in empowering women and to examine the factors other than MF that influence women decision making power. So the researcher collected information from the female borrowers of Akhuwat through interviews. Women empowerment is studied with the help of its dimensions as no standardized tool has been developed so far. The interview schedule was composed of different sections as per dimensions, the first part was pertaining to demographic characteristics of the female clients, as name, age, education, marital status, family type, work experience and job status then there were general questions about need and purpose of MF. The remaining section covered the four dimensions in detail, firstly questions related to economic empowerment that is composed of income, asset related issues and the buying behaviour of females was gauged. The second part was about health and education concerns of females and their children. Next social and political aspects were being explored following by the general questions about Akhuwat policies and changes in their life style. Women opinion about education, job and life was taken following by their awareness about facilities available in their area.

In present study as the main focus was on exploring the role of MF in empowering women with special reference to Akhuwat, the researcher also focused on exploring the influence of other factors on various dimensions of empowerment. For this purpose the researcher first made node and sub nodes in Nvivo, of all the important dimensions and aspect pertinent to MF and women empowerment by keeping in mind important themes and responses of respondents. Then during the course of data collection it was recognized that four factors are important to consider for analysing data, these are age, education, marital status of female borrowers and the type of family in which they used to live. So first of all charts were made by choosing one of these attributes and their likely impact on one or more dimensions of women empowerment, similarly two attributes were selected against one or more dimensions of empowerment. Then researcher made tree maps that are used to compare nodes by the number of references they contain and their important feature is the use of colours and size of boxes for exhibiting the trend of responses of respondents. Queries were run to get the important pattern in reference to a certain word in the form of text search query and to

visualize words in context by word tree and to compare respondent’s comments based on demographic attributes, matrix coding query was used.

Results

The Akhuwat Foundation is interest free microfinance institution, has 153 branches throughout Pakistan but the focus of present study encompasses four branches situated in Lahore, namely Township, Shah Jamal, Mian Meer and Green Town. The researcher made an effort to conduct interviews from the women near these branches and most of the interviews were being conducted in Green Town area.

The following are descriptive results obtained from 13 respondents who were interviewed. Only female clients of Akhuwat were interviewed because the study focuses on impact of microfinance on women empowerment. The themes identified in the study were Microfinance, Loan Drivers, Women empowerment, Economic empowerment, Social empowerment, Political empowerment, Health and Education concerns of children and women themselves are being studied in the context of Akhuwat Foundation. Below more information about the respondents is given in the form of graphs, tree maps, queries and tables.

The demographic profile of respondents in present sample is such that most women in sample were married and they used to live in nuclear families. The same trend can be seen while comparing both variables, as most of the married women lived in nuclear families as compared to joint family system. Moreover most of the respondents were under matric and belong to age range of 36-40 and 41-45 and tendency to get education in nuclear families was more significant than in joint families. Although there were less respondents living in joint family system but by comparing both variables it is visible that women living in nuclear families were fortunate to get education as joint system seemed to restrict their education while others got the opportunity to get education upto bachelors level.

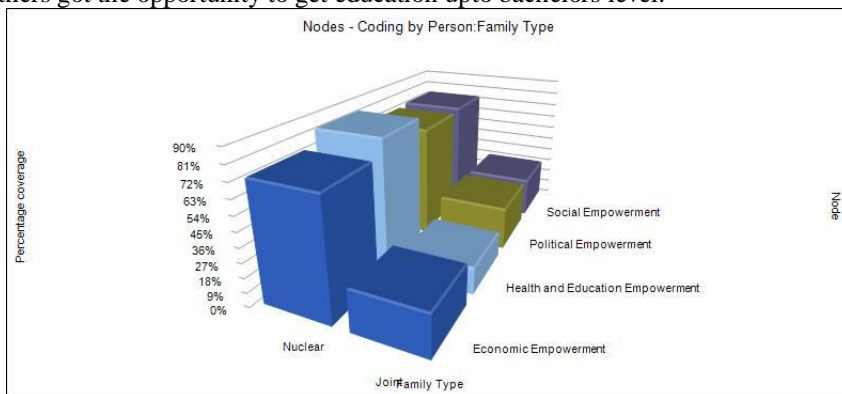


Figure 3: Four Dimensions of Women Empowerment according to Family Type

The above figure 3 clearly shows that women who lived in nuclear families were more authoritative on all dimensions of empowerment, comparing to women

who lived in joint families. Moreover among all dimensions of empowerment, they were more influential to take decisions about their children health and education, following by the social empowerment. On the other hand, the women who lived in joint families were less empowered to take decisions about their children health and education as compared to other dimensions.

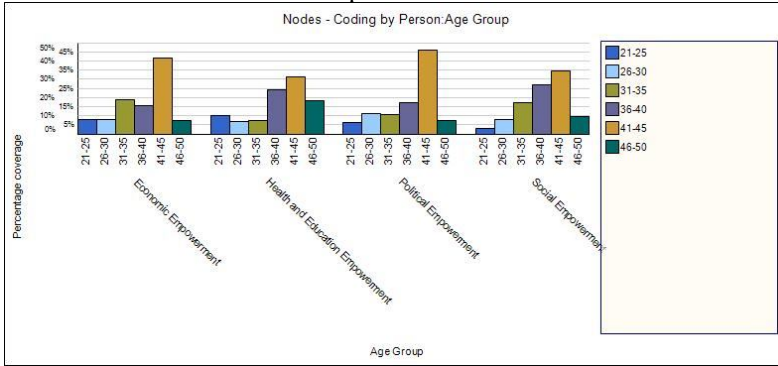


Figure4: Four Dimensions of Women Empowerment according to Age group

The figure 4represents women empowerment among all dimensions in relation to age group. It is visible that the women who belonged to the age bracket of 41-45 years were more empowered among all four dimensions as compared to other age ranges.

Table 1 Economic Empowerment compared against level of Education

	Economic Empowerment	Asset Possession	Home Maintenance Decisions	Income under Women control	Purchase Decisions
Person: Education = Under Matric	24	6	6	6	6
Person: Education = Bachelors	4	1	1	1	1
Person: Education = Intermediate	4	1	1	1	1
Person: Education = Un Educated	16	4	4	4	4
Person: Education = Matric	4	1	1	1	1

The Matrix coding query in above table 1 shows trend of responses about economic empowerment against education level. Overall economic empowerment seems to be highest in women who were under matric, following by un-educated women and so on.

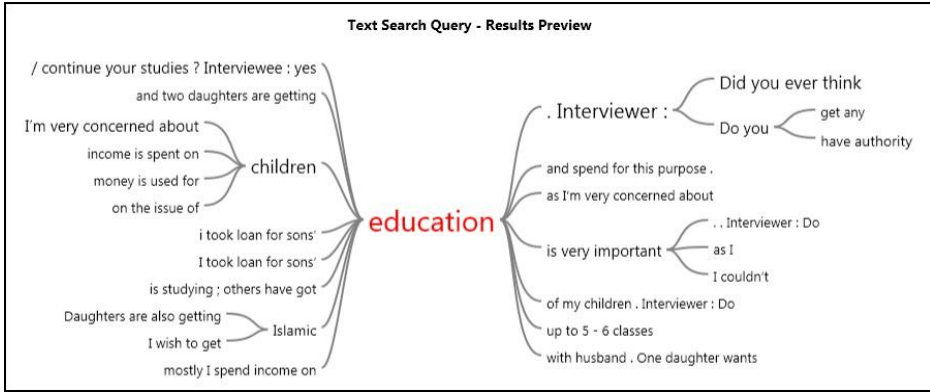


Figure 5: Text search query: Decisions related to education aspects

In figure 5 an important word education has been displayed with its link to different terms and how this word has appeared in relation to women authority to decide on their children education. The query shows that those women were concerned about their children education and one woman in sample also took loan for her sons' education. When they were asked that do they have authority to take decision about education of their children, one of the respondents replied;

“Yes I am very much concerned about my children education, too me education is very important and I intend to educate them maximum, as I couldn't get the opportunity to study. So I have admitted them in English medium school to make them able to get higher education in future”.

Nodes compared by number of coding references

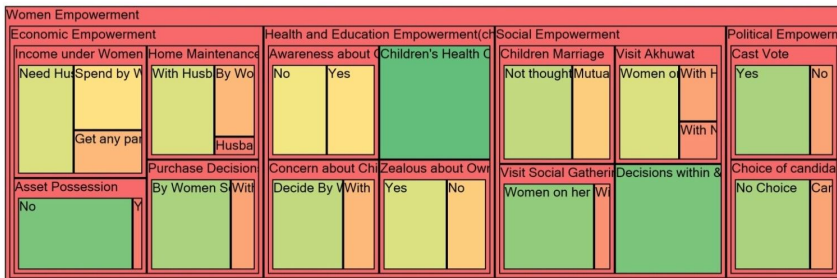


Figure 6: Tree Map: Four dimensions of Women Empowerment

In this Tree Map, the four dimensions of Women Empowerment namely Economic Empowerment, Social Empowerment, Health and Education Empowerment, and Political Empowerment, have been demonstrated and the size of each box representing the trend of responses of respondents, their major areas of authority and exhibiting their priorities in life.

The separate illustration of each dimension has been given above. Now there will be discussing the major share of each aspect on which they appear to be more empowered. As a whole it is evident that women were more empowered in respect

to children health and education and in social aspects of their lives. While in economic terms they generally have authority to take decisions on purchasing different household items and politically they are not much aware of their rights.

Nodes compared by number of coding references



Figure 7: Tree Map: Microfinance with its four aspects

The figure 7 demonstrates the four important areas of Microfinance being explored in this study with reference to Women Empowerment. Starting from the right side of the diagram, it is visible that the main loan driver for most of the women was the business activity and some of the women also took loan for the use of other family members. The major reason for satisfaction with the loan policy and taking loan from Akhuwat was the interest free loan and some also added that their staff is very cooperative that boosts their satisfaction level. Most of the women took loan to improve their household condition as visible from the second box, and family wellbeing was also a major concern. It is also clear from the above figure, first box, that impacts of microfinance in their lives were, improved household condition, children better education, better standard of living, savings for the future and improved social status as well.

Discussion

In order to achieve the Millennium Development Goals various strategies are in place around the world and microfinance is one such intervention. Microfinance important contribution towards MDGs is that it helps to combat poverty and reduce gender differences. As this chapter is intended to provide an in depth explanation of the study objectives that how MF impacts the socioeconomic lives of women and importance of demographic characteristics of women on their decision making power in the light of above stated results and literature.

Family type: People living in nuclear families are assumed to be more authoritative to take decisions in all spheres of life as compared to those living in joint families. As in figure 3 it is visible that women who lived in nuclear families were more authoritative on all dimensions of empowerment comparing to women who lived in joint families. Moreover among all dimensions of empowerment, they were most influential to take decisions about their children health and education, following by the social empowerment. On the other hand, the women who lived in joint families were least empowered to take decisions about their

children health and education as compared to other dimensions. So the current study proves that family type is a very important factor to consider in women empowerment. The study conducted by Khan and Maan (2008) confirmed that type of family and family head greatly influence women empowerment. They observed that in Pakistani socio cultural context, it is difficult for women who live in joint family system to spend life according to their will and authority of women also depends on family head if a family head is husband, then women can be in better position to take part in household decisions but when family head is father in-law or others then her position is more submissive and incapable (Roy and Niranjana, 2004).

Age group: Studies conducted by Ahmad and Sultan (2004); Elizabeth and Thomas (2001) and Jejeebhoy (2000) also proved through their studies that age has profound impact on women's empowerment. In present study, figure 4, shows that women who belonged to the age bracket of 41-45 years were more empowered among all four dimensions as compared to other age ranges.

Education level of respondents: Since education is a very important determinant of socioeconomic development of a country but it is also a fact that in context of Asia, education has not been able to confront social class differentiation because economic and social constraints that prevail in society reinforce gender inequality in the family, labor market and society (Jayaweera, 2010). The table 1 of matrix coding query shows the trend of responses of respondents' economic empowerment against education level. Overall economic empowerment seems to be highest in women who were under matric, following by un-educated women and so on. Besides age group, sample characteristics were also a reason for this trend as most of the women being interviewed were un-educated so naturally this feature dominated in results. But most of the women were passionate to continue/start their education if they were given opportunity and they were very much enthusiastic about their children education, so education factor can be carefully examined in future research while selecting the sample. In reviewed literature Rahman, et al. (2009) identified that age, education levels of women and levels of income are major factors that affect women empowerment. Similarly Noreen (2011) explored that "age, education of husband, father inherited assets, marital status, number of sons alive and microfinance" considerably influence women empowerment. But in present study age and marital status have shown to be more influential characteristics than education and other factors.

Four dimensions of women empowerment: It is important to note that in which dimensions women have more authority and which areas of their life need more attention and improvement. In figure 6 of results section, the four dimensions of women empowerment; economic, social, health and education empowerment and political empowerment, have been demonstrated that shows their major areas of authority and exhibiting their priorities in life. As a whole it is evident that women were more empowered with respect to their children education and in social aspects of their lives. While in economic terms they generally had authority to take decisions on purchasing different household items and politically they were not

much aware of their rights. They usually vote to the people (nazim of their area) who come to them for taking vote, or they had no opinion in this respect and they vote to people of their family choice. It shows that women lack political awareness and according to the Global Gender Gap Report (2012) there is a slow progress on closing gender gaps although most highly developed countries showed good advancement in terms of women's economic empowerment, but not all of them record progress in terms of women's political empowerment. A related study conducted by **Nader (2008) shows that** microcredit has become imperative to combat poverty and to improve families' wellbeing and the results also confirmed that microcredit is strongly linked with children's education, income and assets. So it also provides support to the topic that microfinance plays an important role in women empowerment, especially their inclination towards family wellbeing and children education.

Microfinance: The figure 7 demonstrates the four important areas of Microfinance being explored in the study with reference to Women Empowerment. It is visible that the main loan driver for most of the women was the business activity and some of the women also took loan for the use of other family members, for their husbands and sons to use in business. Empowerment related to education of children shows that women mostly use the money earned from business to spend on their children education even some women took loan for the education of their children. The satisfaction with the loan policy and major reason of taking loan from Akhuwat was the interest free loans and some of them also added that cooperativeness of Akhuwat staff boosted their satisfaction level. The tree map also shows that there is a visible change in life of beneficiaries as evident through a strong connection, before and after taking loan, as for most of the respondents the utmost need to take loan from Akhuwat was to "improve household condition" and in the end when they were being asked about the changes in their life after taking loan, most of the respondents responded that after starting business their household condition has improved. Moreover their concern about family well-being resulted in children better education and better standard of living as the desired outcomes. This shows that how microfinance serves the purpose of meeting the needs of people and contributes to uplift the standard of living.

Conclusion

The study draws attention to increasing importance of gender equality as central to family wellbeing and socioeconomic development of a country and microfinance initiatives have proved to be an important tool in such developments. Analysis of qualitative information led to important conclusions to comprehend the phenomenon of women empowerment in greater detail. In economic terms, women were more authoritative to take purchase decisions related to household items as compared to home maintenance decisions and asset possession where the authority generally rests with men. Furthermore, it was also revealed that their

status was quiet better in terms of taking decisions and visiting Akhuwat meetings and social gatherings independently. Similarly majority of women had the authority to decide about their children education but contrary to it results revealed that women were not empowered in political terms. On the basis of above mentioned findings it can be concluded that although increase in women's income played a very important role in enhancing women's economic independence but the societal discrimination still prevail that limit the ability of women to fully exercise their potential for betterment of their family.

The study also highlights that age, education; marital status and family type are influential factors that were analyzed in relation to their impact on economic, social and political and health and education empowerment of women. In present study it was found that age effects positively and more significantly among the beneficiaries of Akhuwat.

The reviewed literature suggests that it is very important to take into account the context in which the microfinance initiatives and women empowerment are to be examined. The study provides the rationale for targeting women by MFIs as microfinance has proved to be an effective means for empowering women and in order to achieve the third MDG i.e. to promote gender equality and empower women, it's imperative to provide financial resources in the hands of women, to level the playing field and promote gender equality.

Recommendations

The present study is not an end in itself rather it highlights some aspects of women's empowerment that need further studies in this area.

- The present study targeted Lahore region only, so it can be further extended to other cities of Pakistan to examine the variations in pattern of empowerment due to different socio cultural trends in different regions.
- Present study focused on four demographic variables due to time constraint, it can be further extended by incorporating more factors that influence women's empowerment.
- In Pakistan, due to cultural problems, traditions, small number of business opportunities and barriers to access to finance, more than 15% of women living in urban areas are unemployed so there is great potential for microfinance business both in rural and urban areas (Mustafa & Ismailov 2008).
- A comparative study can also be done by taking into account the role of other microfinance providers in empowering women to highlight the significance of Akhuwat being the only interest free MFP.

LIMITATIONS

It is important while conducting research that the researcher is aware of all possible limitations of the study.

- A small sample size is one of the limitations in present study. In case of Akhuwat, a large number of female clients are being served but due to time constraint and requirement of the degree program the sample was confined to fifteen interviews from which two were excluded as being less informative.
- Secondly case studies are assumed to provide less generalized conclusion because case study is not like a sample taken from a known population similarly the respondents who are interviewed in qualitative research are not meant to be representative of a population (Bryman, 2008).
- There is no universal standard for measuring women empowerment especially at household level and it is difficult to develop consensus among various authors. Although it has been measured by using various dimensions and related factors it may have some shortcomings.
- Empowerment is context specific phenomenon so it's very important to consider it as if there is any variation in nature and importance of empowerment across context; it poses serious challenge in terms of consistency and comparing while measuring it.

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