

The Effects of Micro Credits on Women Empowerment in Rural Areas of District Faisalabad-Pakistan

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Abstract

Women can significantly manipulate the economy of a country. In Pakistan where Women population is 49.1%, without her participation nation cannot make progress socially economically and politically. Women should be empowered through education, equal job opportunities, access to resources and micro credit facilities. Women get loans but all the money are utilized by their male family members and she get only tension and depression that how she will manage repayment of this loan. Women's empowerment through microfinance has multiple aspects on society like financial sustainability not only at household level but also on national level, hunger and poverty alleviation. Present study was carried out in district Faisalabad. At first stage, one tehsil Faisalabad was selective purposively. At the second stage, two union councils (UC# 85 and UC#258) were selected purposively. At the last stage four villages two from each union council (khujly and Waserna from UC# 82 and Taanda and Lama Pand from UC#258) were selected. From Tehsil Faisalabad 120 women who were getting credit from PRSP selected as respondents through purposive sampling thereby making a sample size of 120 respondents. Interview schedule was prepared to collect the data from respondents. Data were analyzed by using the software Statistical Package for Social Sciences (SPSS). Results of the study reveals that 30.8 % of the respondents had up to 31-40 year of age while about a half 6.7 % of them had above 41 of age. A major proportion 40.8 % of the respondent were illiterate and about 47.5 % of them had Rs. 5000 to 10000 monthly income while 47.5 % of respondents above Rs. 20000 form all sources. About 5.0 % of them were demand Rs. 40000 and the loan sanctioned above Rs 150000.

Keywords: Women Empowerment, Micro-Credit, Poverty, PRSP, Financial sustainability

Introduction

Empowerment of women means to let women survive and let them live a life with dignity, humanity, respect, self-esteem and self-reliance. Women's empowerment became a critical pre requisite of the socio-economic development of any community. Fostering the female participation in the nation building became a major concern of many governments all over the world (Tiwari and Thakkur, 2007). Women can significantly manipulate the economy of a country. Women are the builder and molder of nation's destiny. In Pakistan where

women population is 49.1%, without her participation nation cannot make progress socially economically and politically. Women empowerment is a practice of giving justice as well as equal opportunities to female in public and government sector (Roi, 2005).

Rural women play a significant role in agriculture; her involvement is high in food security, home management and family matters. They participate in agricultural activities from sowing to post harvest management (Sadaf, 2005). Rural women work four hours more than their males 'counterpart for completing their daily activities (Human Development Report, 2002). Rural women are multi task performer. They perform variety of activities like backyard poultry keeping, vegetable and food preservation like making of pickle, making of jams, jelly and juices from fruits, stitching, knitting, printing and painting on clothes, embroidery. World is changing in to global village and gender correspondence and empowerment of women is only way to attain sustainability (United Nations, 2004; Tarar *et al.*, 2014).

There is obviously a positive association between micro-credits and women's empowerment (DFID, 2006). Women's empowerment through microfinance has multiple aspects on society like financial sustainability not only at household level but also on national level, hunger and poverty alleviation (Mayoux, 2006; Tarar *et al.*, 2014). Microfinance is the provision of broad range of financial service such as deposits, loans, payments, money transfers and insurance to the low-income households and their micro enterprises to break out of their impoverishment (Lazer, 2008).

Women were more conscientious about the repayment of loans (92%) as compared to men (80%) in different projects funded by (IFAD, 2001) in Pakistan. The reason given by women and men was that "women are more honest than men". "Today, we are extremely worried about our exposure to the microfinance sector." He said that banks are giving "unconditional support" to microfinance institutions, but the "banks, as lenders to microfinance institutions, have to call the shots and have to rate MFIs on a new paradigm" (Rome and Beckett, 2010).

1.1 Need of the Project:

Pakistan is an agricultural developing country where majority of population lives in rural areas and facing major issues of hunger, poverty, Un-employment and lack of resources. Gender composition of rural community females are more in number as compared to men. Rural women are deprived of education due to socio-cultural norms and values. Women own less than 2% land worldwide but they have no right of decision-making. Pakistan like other developing countries is facing the problem of gender discrimination in almost all areas of life. It is a well-known reality that women are important part of our society without her involvement, development and prosperity is impossible. Empowerment of women is only possible if we try to minimize the problems and constraints faced by rural women by providing them access to resources and credit facility in their respective fields (Hina and Hamid, 2010). Present study was planned to assess the effects of micro credit on socio-economic aspect of respondent's life. Moreover, it was helpful to organizations that they ensure that money is utilized on income generating activities not on other activities. This study was also lay concrete on a pathway for planning such projects in future in other areas of country.

1.2 Objective of the Study

To access the effect of micro credit on women empowerment in rural areas of Faisalabad

2. Material and Methods

Systematic and organized methodology means a complete set of procedures, which is followed during research, and foundation of the research based upon methodology (Dixon and Marry, 1957). Scientific methods provide a way for obtaining, analyzing and interpreting the knowledge. Research methodologies are different in different discipline and it varies according to the research nature. In different scientific discipline, different research approaches are used.

2.1 Locale of the Study

The present study was carried out in district in the rural areas of district Faisalabad.

2.2 Sampling Technique

Multistage sampling technique was implemented for data collection. At the beginning one Tehsil (Tehsil Faisalabad) was opted arbitrarily, two union council (UC NO# 82 and UC NO #258) were selected purposively, in the last stage four villages(two from each union council) i.e. khujly and Waserna form UC 82 and Taanda and Lama Pand from UC 258) were selected purposively. Then 120 rural women (30 from each village) were selected purposively.

2.3 Data Collection Tool

A structured interview schedule was used in this research for data collection. It is very difficult task to develop an appropriate data collection tool. In the process of development of interview schedule, questions are constructed according to the objectives often research in order to achieve reliable data and results. Data collection tools are based upon open ended and close-ended questions. Open ended and close-ended questions are constructed according to the aims and objectives of the research.

2.4 Data Analysis

Collected data were analyzed through SPSS (Statistical Package for Social Science).

3. Results and Discussion

Analysis of data and interpretation of results are the most important steps in scientific research. Without these steps generalization and prediction cannot be achieved, which is the target of scientific research. Generalization and conclusion are drawn based on characteristics and attitudes of the respondents. Both Univariate and Bi-variate statistical analysis were performed.

3.1 Uni-variate Analysis

Table 1: Distribution of Respondents According to Purpose of Loan

Purpose of loan	Frequency	Percentage
Farming	29	24.2
For household article	9	7.5
For the livestock	42	33.3
Any other	40	35.0
Total	120	100.0

Purpose of Loan: Table 1 reveals that the 35.0% respondents were any other followed by 33.3% respondents for the livestock, 24.2% respondents were farming and 7.5% respondents for household articles for the purpose of loan (Pitt, 2001). Stated that credit provided women importantly improve measures of health and nutrition for both boys and girls, while credit provided men has no significant effect. Women utilize money for many useful purposes.

Table 2: Distribution of Respondent According to Social Status in Community has been improved after getting credit

Social status in community	Frequency	Percentage
Yes	67	55.8
No	53	44.2
Total	120	100.0

Social Status after Getting Credit: Table 2 indicates that the 55.8% respondents were yes and 44.2% respondents were no social status in community has been improved after getting credit (Huma, 1997). Stated that microfinance play a vital role in financial sustainability and poverty reduction, likewise economic empowerment increase well-being of poor women and help to attain gender equality and empowerment and increase social status in society.

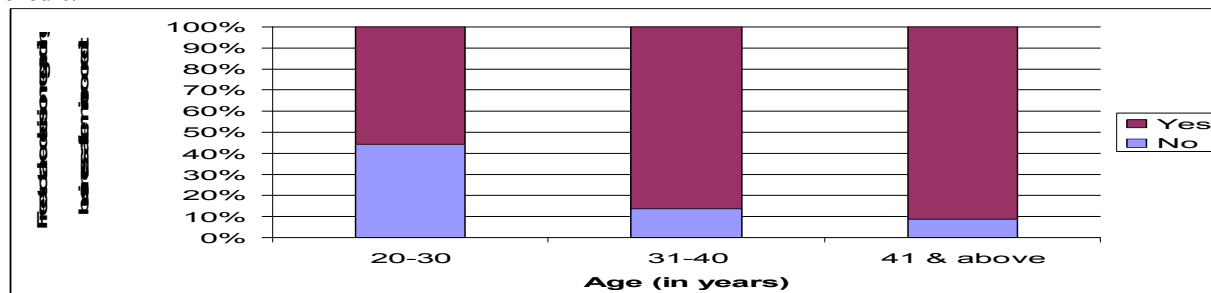
Table 3: Distribution of Respondents According to Economic Status after Microcredit

Economic status after microcredit	Frequency	Percentage
Well to do	18	15
Better of	77	65.5
Poor	21	17.5
Very poor	3	2.5
Total	120	100.0

Economic Status after Micro Credit: Table 3 shows that 15% respondents were well to do of followed by 64.5% respondents were better of, 17.5% respondents were poor and 2.5% respondents were very poor economic status after microcredit (Kabeer, 2001). Supported above results and urged that that microfinance programs for women have positive impact on economic growth by improving women income generating activities. The data was collected from three NGO's in Bangladesh and one state from India. Most of women receiving credit have no control over their loans due to low access to markets. The author finds that the impact of Micro credit on female male education, marriage practice, mobility, violence against women and self-respect.

3.2 Bi-variate Analysis

Hypothesis: Age of the respondents will be influencing on their decision making power after taking micro-credit:



Chi-square = 16.17 d.f. = 2 P value = .000**

Gamma = .603

Graph of the hypothesis 1 represents the association between ages of the respondent's and free to take decision regarding business after micro-credit. Chi-square value shows a highly significant association between age of the respondents and Free to take decision regarding business after micro-credit. Gamma value shows a positive relationship between the variables. It means high age respondents had more decision making power as compared to low age. Above table also shows that majority (91.1%) high age (41 and above) had decision-making power regarding business while 44.4 % low age (20-30) had not decision-making power. So the hypothesis "Age of the respondents will be influencing on their decision making power after taking micro-credit" is accepted.

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