



The Impact of Micro-finance on Women Empowerment and Self-employment: A case of Tameer Micro Finance Bank and Sindh Rural Support Organization and, Sindh

Israr Ahmed

Ph.D. Scholar at IBA, University of Sindh

Imamuddin Khoso

Professor at IBA, University of Sindh

Abstract

Microfinance is a disciplined and successful tool for Women empowerment and Self-employment. The microfinance Division in Pakistan has achieved significant progress and accomplished considerable cost creations. The key purpose of the research study is to examine the methods through which Microfinance increases women empowerment and the technique of self-employment in urban and rural areas of Sindh. The most central purpose of this study was to analyze the various effects of microfinance (MF) on women empowerment and Self-employment using financial liberalization theory. Scholar used Stratified random sampling technique, and 846 customers of 'Telenor Microfinance Bank' (TMB) and "Sindh Rural Support Organization" (SRSO) were selected for testing PLS through Smartpls 3. Furthermore, the evaluation of responses using PLS of measurement and structural model resulted in the demonstrations of an optimistic and significant impact on Dependent variables (DVs) by the independent variable (IV).

Keywords: Microfinance (MF), self-employment (SE), Women Empowerment (WE), SRSO, TBM.

Introduction of Microfinance

Microfinance services were started four decades back by Mr. Muhammad Yunus in Bangladesh with Grameen Bank in 1976 with the core purpose of poverty reduction in the country. Microfinance was known at that time as microcredit which means financial services providing the small loan. With time Microfinance services developed a wide range of services and acceptable financial services globally as a tool to reduce poverty (Zainuddin & Yasin, 2020). Microfinance services play a vital role in uplifting the lives of the poor in developing countries including Pakistan where microfinance service providers provide different services including

The material presented by the authors does not necessarily represent the viewpoint of the editor(s) and the management of the Khadim Ali Shah Bukhari Institute of Technology (KASBIT) as well as the authors' institute.

© KBJ is published by the Khadim Ali Shah Bukhari Institute of Technology (KASBIT) 84-B, S.M.C.H.S, off Sharah-e-Faisal, Karachi-74400, Pakistan.

KASBIT Business Journal, 13(2), 101-121, December 2020

small loans, small savings, insurance, and medical facilities. Today, the microloans amount is Rs 27,000 as compared to the amount of Rs.24,000 estimated in FY 2012-13 (Basharat, Arshad, & Ali, 2015). Microfinance in every country has played a significant role to empower women, women empowerment is very important for the development of each country in the world, women have equal rights as humans but in some parts of the world like in developing countries, they are not treated as the same. Women's empowerment is the key to economic development, and women must have equal rights. Factors in women empowerment have different dimensions such as political, social, psychological personal, and financial or economic characteristics; most important aspect is the financial empowerment of women that leads to the development of family and society. Moreover, the financial services are working to provide better financial services to women as microloan for the pure purpose of the startup of small business or self-employment in their home town in rural and urban areas of a country due to microfinance services. Accessibility of microloan is increasing and women are getting loans in rural areas as well and increasing their income (Arunkumar, Anand, Anand, Rengarajan, & Shyam, 2016).

Researcher narrated that studies have shown that women empowerment with help of microloans helps to uplift poor people's income and is related to other factors such as improving living standard by improving standard and quality of education, health, and more economic activities in their life (Krishnamurthy, Joseph, Pradhan, & Rao, 2017; Nawaz, 2015) and Another study was conducted in Pakistan during 2018 which suggested that microfinance sector was grown at 7.6% in start of FY 2018 with GLP (gross loan portfolio) of Rupee 224 bn. The majorities of people of our country are not only underprivileged in terms of different material resources for longer periods, but also health, education, housing and are unaware of self-employment or business activities.

The main action is taken by the microfinance sector is to increase the number of MFIs for providing loans to women clients because women are poorer than men and at the same time women empowerment is important because men have high status than women in rural and urban society in emerging countries. Moreover, researchers suggest that women empowerment imparts amongst female's internal motivation, autonomies, and personal ambitions so that women might choose their options in their entire life span. Because of this women's access to material, human and social resources is essential to become financially and socially empowered. (Sharma, 2020; Shaikh, Shah, & Ashraf, 2017)

1.1 Research Gap:

A researcher wants to work on microfinance with women empowerment because different studies are not agreed on that microfinance services is empowering women and fail to achieve that objective because men controlled and used the women borrowed loan from microfinance institutions (Malik, Mustafa, Anwar, & Iqbal, 2020), and another study also highlighted that MFIs had failed in contribution towards empowerment and did not enable self-employed women. (Arunkumar, Anand, Anand, Rengarajan, & Shyam, 2016; Krishnamurthy, Joseph, Pradhan, & Rao, 2017).

1.2 Research Problem.

Women empowerment is immense problem in rural and urban areas of Sindh. Women empowerment means the liberty of women to make the economic, financial and social decision in their family or society, in developing countries is a major problem because men have dominancy

KASBIT Business Journal, 13(2), 101-121, December 2020

on women especially in rural and urban areas of Sindh and self-employment activities are also very low in rural and urban areas in Sindh. (Erhardt, 2017; Tunio, Soomro, & Bögenhold, 2017)

1.3 Research objective.

Numerous research studies have been conducted on microfinance self-employment and women empowerment separately but here researcher intends to identify that Microfinance services providers especially 'Telenor Microfinance Bank" (TMB) and "Sindh Rural Support Organization" (SRSO) are working in rural and urban areas of Sindh so is there any significant impact or not on women empowerment and self-employment.

1.4 Research hypotheses

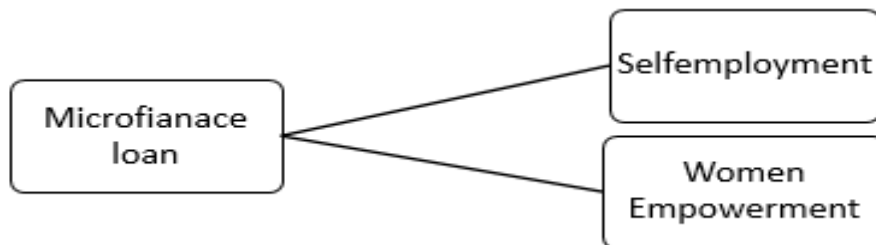
H10: There is no significant link between microfinance and women empowerment.

H1a: There is a significant link between microfinance and women empowerment.

H20: There is no significant link between microfinance and Self-employment.

H2a: There is a significant link between microfinance and Self-employment.

1.5 Research Model



Literature Review

Numerous research literature is supportive that in our country there is the encouraging and central effect of microfinance taking place on women empowerment and self-employment (Sangwan & Nayak, 2019; Krishnamurthy, Joseph, Pradhan, & Rao, 2017; Khandker, Baqui Khalily, & Samad, 2015; Awan & Ibrahim, 2015; Yogendrarajah, 2010) these research literature were showed in the south region of Asia such as Sri Lanka, Bangladesh, Pakistan and India nevertheless few of research scholars disagreed (Kahn, Rahman, & Wright, 2016), "Bhatt and Schreiner in 1999 and Sanders in 2002" (Braun & Woller, 2004) on the similar discussion that there is no vital impact so, researcher want to identify that researcher's country particularly urban and rural areas in Sindh there is a positive significant impact, no significant impact or negative significant effect of MFIs on self-employment and women empowerment. Furthermore, the detail of research works is prearranged below to know the idea of self-employment and women empowerment.

Several studies show that there is a significant effect of Microloan on self-employment and women empowerment. Study narrated that Self-employment means entrepreneurship (Blanchflower D. G.,



2000) including some of the factors such as revenues, expenses and income of the business, Starting investment, additional investment for expansions of a small firm to expend middle level, funds for agriculture and livestock activities (Awan & Ibrahim, 2015) and other study highlighted that some factors of women empowerment that gives female liberty such as financial, economic, social, political, educational and business activities in rural and urban areas (Marconatto, Cruz, Moura, & Teixeira, 2017; Datta & Singh, 2019)

2.1 Theory of financial liberalization

The concept of Financial liberalization was discussed in detail in 1970 by, Shaw 1971, McKinnon 1973 and before them by Goldsmith 1969. The theory of financial liberalization suggests that an increase in the rate of interest leads to an increase in saving so, investors have money to invest. But on the contrary, Shaw says that liberalization of finance means money is available to the financial markets and they help the economic development, whereas Financial repression harmed the economy (Awojobi, 2014). Financial development commonly means improving the efficiency of Financial Institutional services in terms of quality and quantity. Whereas economic experts were trying to build a proposed association between economic growth and financial development (Choong & Chan, 2011). Moreover, there is a debate on casual relation and some researchers have said that financial liberalization leads to the development of economic growth and some economist are saying that economic growth leads to financial development, Robinson during 1952 said “where enterprise leads, finance follows” in detail of this demand of financial services created by economic growth so the financial services supply by financial institutions after demand, whilst Lucas in 1988 said opposed economist concept and explain the role of financial indicators in the growth of the economy (ANDERSEN & TARP, 2003). Studies narrated that a simple complementarity occurs among physical capital & money. A model forecasts that a higher real interest rate strategy will rouse reserves/savings and investment and encourage the growth of the economy. Moreover, shows the supportive results that financial liberalization has a positive and significant impact on macroeconomic management (Ghosh & Karmakar , 2014). So the researcher intends to identify the impact of theory on this study and examine the relationship of microfinance with women empowerment and self-employment.

2.2 Definition of Self-employment

Very modest classification of self-employment advised by a scholar in his research “*The simplest kind of entrepreneurship is self-employment*” (Blanchflower D. G., 2000)

2.2.1 Microfinance relationship with Self-employment

Several studies highlighted that the impact of Microfinance on self-employment in different regions of developing countries especially in Pakistan microfinance was taken the initiative to support poor people by giving funds for the startup of small businesses (Iqbal, Iqbal, & Mushtaq, 2015). Microfinance services facilitate micro-entrepreneurs to manage their business by getting a loan from MFIs (Hulme & Mosley , 2008). MFIs also support the poor increase of livestock and agricultural production for business purposes in terms of trading. Moreover, microloans are provided to SEM and small businesses for managing their expenditure and expansion of business (Ghalib, 2007). Another study narrated that the relationship between Microfinance and self-employment (entrepreneurship) and shows that there is a significant relationship between both variables, MF contributes to the economy through the service innovation process via entrepreneurship. Moreover, Study highlighted that two types of self-employment 1st



opportunity-driven self-employment (Ahmed & Khoso, 2020), and 2nd necessity-driven self-employment and the finding of the results as there is an impact of MF has a significant impact on opportunity-driven self-employment but low impact on necessity-driven self-employment. (Lahimer, Dash, & Zaiter, 2013)

Microfinance institutions were recognized to deliver expanded, affordable, and reliable financial facilities to active underprivileged individuals that would empower them to accept and progress long-standing, workable business activities to produce self-employment opportunities, raise their efficiency, and thus increase family income and living standard by their investment in different fields such as small business and few cases were there after getting loan they increase their income and then invested in share market also. Moreover, the study result highlighted that there is a significantly positive relation between microfinance and entrepreneurship. The accessibility loanable credits for small business make available significant backing in development of Self-employment opportunities in their country (Rasool, Shaikh, Ahmed, & Khuwaja, 2018; Khan & Ahmed, 2015), furthermore, the research discusses the outcome of the study that there is significant relationship in the long run as well of microfinance and self-employment, Therefore researcher recommended that MFIs increase their assets and reduce non-performing loans (Ayopo, Isola, Niyan, & Bosede, 2018) .

2.3 Definition of women Empowerment

Firstly, research explains the term Empowerment and women empowerment, Empowerment explained in 1972 by different studies as MFIs, NGOs, and Government gives clients, person, citizens a chance to rise his/her self-esteem and liberty in life (Hameed & Imtiaz, 2018). Women Empowerment by researcher Malhotra (2002) explain *“women’s empowerment has to occur in many ways like sociocultural, economic, legal-political and psychological”*

Numerous scholars define women empowerment from the diverse viewpoint in “1991 by Basu” said *“autonomy of women”* another researcher “Quisumbing (1999) & Pilerwitz (2000)” said *“power given to women or power of women”* and so on. (Hameed & Imtiaz, 2018)

2.3.1 Microfinance relationship with Women Empowerment

A study was conducted in Punjab, Pakistan narrated that women empowerment was identified process of preparing females to be financially self-governing, having optimistic esteem, self-reliant so women will defend any challengeable situation and contribute to several activities of development. Moreover, it is a procedure where females get extra control on different possessions but it is very low in under developing and developing countries, especially in our country. But the optimistic approach was taken by microfinance institutions to provide services to the nation for purpose of poverty reduction and Women empowerment from the past four decades. Moreover, the core aim of MFIs was to support females for small businesses via skill development or training programs and societal wealth development. MFIs were also giving other services than these as microcredit (Arif , Hameed, Hussin, Azeem, & Basheer, 2017). Another researcher highlighted that MFIs are giving funds and training of skill development to females for their small enterprises and promote women entrepreneurship in our country. These types of training and educational enhancement increase the achievement rate of women entrepreneurial activities due to



KASBIT Business Journal, 13(2), 101-121, December 2020

women empowerment in rural and urban areas of Punjab. (Ul-Hameed, Mohammad, & Shahar, 2018)

Research's study narrated that the requirements recital from Ladies as skilled and valued fiscal performers, not targets who are despicable to get a small/micro credits or require an expert's frugality to use their inadequate asset's possessions. Furthermore, the research suggests those scheming advancements that permit women to acquire improved and adapt Small dispositive and microloans to exploit on larger loans and vital possessions. The difficulty of the low rate of ladies empowerment is nepotism in gender because it is the most central trouble in under emerging and emergent economies of the globe where men supremacy lies in every monetary and community resolution decision making. (Shaheen, Hussain, & Mujtaba, 2018; Herani, 2009)

Another study was conducted in Kerala, India during 2016 to analyze the impact of MF on WE in relationships of change in micro saving, social, political, economic status, and income as well. Moreover, the finding of the study narrated that there is a significant impact of MF on WE, the majority of women clients were involving in different methods of income generation like livestock, agricultural production, small businesses, and beauty-saloon due to the support provided by MFIs as microloans. Moreover, the result showed that MFIs helped female borrowers acquiring a significant effect on change in the level of saving, and income after availing loans from MFIs, by Increasing their income and saving women take an active part to support their families and similarly empowers women to take up a vital role in their communities as well (Dash, Prasad, & Koshy, 2016).

The methodology of the study

Research design: according to the nature of the study it is casual to check the impact of MF on SE and WE in rural and urban areas of Sindh, Pakistan. The quantitative method has been used to measure and explain the result of the research.

The population of the study: this study focuses on self-employment and women empowerment of the two microfinance institutions so the target population of this study is clients especially owners of the shop, small businesses, beauty-saloons, livestock, agriculture, of TBM and SRSO in Sindh only.

Sampling: In this study, the researcher used the Stratified random sampling technique also used by other several scholars (Shaheen, Hussain, & Mujtaba, 2018; Tariq, Aleemi, & Iqbal, 2015; NAJMI, BASHIR, & ZIA, 2015; Chughtai, Zaheer, & Taj, 2015; Ahmed & Khoso, 2020) and selected 500 clients from each organization who are borrowers from rural and urban areas of nine districts that are Ghotki, Shikarpur, Nawabshah, Sukkur, Shahdadkot, Dadu, Naushahro Feroze, Larkana and Sanghar (Husain, Qureshi, & Hussain, 2019; Pakistan Bureau of Statistics, 2018) out of twenty-nine because in these districts both MFIs are serving equal representation of all nine districts and out of 1000 clients only 846 responses were selected in this study while the remaining were dropped due to improper response.

Collection of Data and Analysis tool: This research study uses the collection of primary data by using the most important and vital tool i.e. the questionnaire as another researcher also uses (Shaheen, Hussain, & Mujtaba, 2018; Verma, Pal, & Kumar, 2020; Khan, et al., 2020). The

researcher uses MS worksheet 2010 and Smartpls 3 for data processing and testing of the measurement model and the structural model.

3.1 Outcomes of Study with Measurement Model

Researcher initiates the result's analysis with the reliability of responses and data is shown in Table no.1, range of constructive reliability recommended by (Hair, Risher, Sarstedt, & Ringle, 2019) is around 0.70 till 0.90 and all independent and dependent variables such as Microfinance, Self-employment, and Women Empowerment have 0.849, 0.875 and 0.860 respectively according to citation are acceptable values. Furthermore, the standard value Average Variance Extracted is higher than 0.50 and in this study MF, SE, WE AVE's values are 0.624, 0.565, and 0.550 respectively according to citation are acceptable values. So the accuracy and consistency of data are decent for additional processing and testing.

Table no.1 Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Extracted (AVE)	Variance
MF	0.849	0.852	0.892	0.624	
SE	0.875	0.890	0.901	0.565	
WE	0.860	0.873	0.894	0.550	

Another important and recommended validity test for research is Discriminant validity. It has three criteria, 1st "Fornell & lacker" 2nd "cross-loading" and 3rd "hetero trait mono trait". The values of 1st criterion are all non-diagonal values is less than all diagonal values and in table no. 2 all values meet the criteria in the citation (Fornell & Larcker, 1981)

Table no. 2 Discriminant Validity Fornell-Larcker Criterion

	MF	SE	WE
MF	0.790		
SE	0.710	0.752	
WE	0.533	0.598	0.742

Alternative criteria of discriminant validity are cross-loading, which explicated that the component loadings of indicators of assigned constructs have values larger than loadings of alternative constructs (Fornell & Larcker, 1981; Hair, Hult, Ringle, & Sarstedt, 2014) & in the

given cross-loading table no. 3 meets the conditions given in citations. So, the 2nd criterion of discriminant validity has also been met.

Table no.3 Cross Loadings			
	MF	SE	WE
M1	0.812	0.587	0.459
M2	0.825	0.608	0.400
M3	0.760	0.460	0.399
M4	0.738	0.623	0.425
M5	0.812	0.500	0.417
SE1	0.524	0.817	0.469
SE2	0.676	0.815	0.518
SE3	0.428	0.737	0.361
SE4	0.642	0.703	0.486
SE5	0.575	0.807	0.469
SE6	0.391	0.698	0.411
SE7	0.338	0.671	0.379
W1	0.443	0.590	0.814
W2	0.414	0.496	0.849
W3	0.418	0.373	0.737
W4	0.410	0.305	0.690
W5	0.252	0.441	0.555
W6	0.428	0.441	0.801
W7	0.361	0.477	0.706

and 3rd criteria of discriminant validity is HTMT. The acceptable value of HTMT is less than 0.85 (Sidek, Sami, & Hamid, 2017; Hair, Risher, Sarstedt, & Ringle, 2019) and here in this study all values in table no. 4 are not higher than 0.775 and are less than 0.85 so they meet the criteria given in citation. Hence there are no issues and they meet all three criteria of discriminant validity in the data of the study.

Table no.4 Heterotrait-Monotrait Ratio (HTMT)			
	MF	SE	WE
MF			
SE	0.775		
WE	0.625	0.706	

In table no. 5 the information related to R square and R square adjusted is illustrated, the range of R square is 0 to 1 and above 0.25 is moderate (Hair, Risher, Sarstedt, & Ringle, 2019). In table no. 5 the R square of self-employment is 0.504 and the value of women empowerment is 0.284, the result in table no.5 shows that indicators of microfinance are explaining a 50.4 percent variance with indicators of self-employment. Whereas, for another variable indicators of microfinance are explaining a 28.4 percent variance with indicators of women empowerment.

Table no. 5 R Square

	R Square	R Square Adjusted
SE	0.504	0.504
WE	0.284	0.283

Table no. 6 Construct Cross validated Redundancy Total

	SSO	SSE	Q² (=1-SSE/SSO)
MF	4230.000	4230.000	
SE	5922.000	4381.701	0.260
WE	5922.000	5016.450	0.153

The above Table no.6 shows “Blindfolding Construct Cross Validated Redundancy” is used as predictor relevance of model on the bases of Q square criteria if the value if Q square greater than 0 so model has good predictive relevance (Hair, Risher, Sarstedt, & Ringle, 2019). The above table no. 6 mentions both variables have values higher than 0, the value of Self-employment is 0.260 and the value of women empowerment is 0.153. Hence self-employment and women empowerment has significant predictive relevance of the PLS model.

Scholar result analysis was based on a structural model with “bootstrapping path coefficients and Blindfolding Construct Cross Validated Redundancy” to prove the research hypothesis. In given Figure no. 1 shows factor loading of all indicators and the standard value of the indicator is above 0.65 by (Hair, Hult, Ringle, & Sarstedt, 2014), moreover, if any indicator has a value less than 0.6 and not impacting on overall validity and reliability of the data of study then there is a need to remove that indicator from the model (Hair, Risher, Sarstedt, & Ringle, 2019). In this study one indicator; W5 has loading 0.559 but not affecting the overall research results so scholars did not eliminate it.

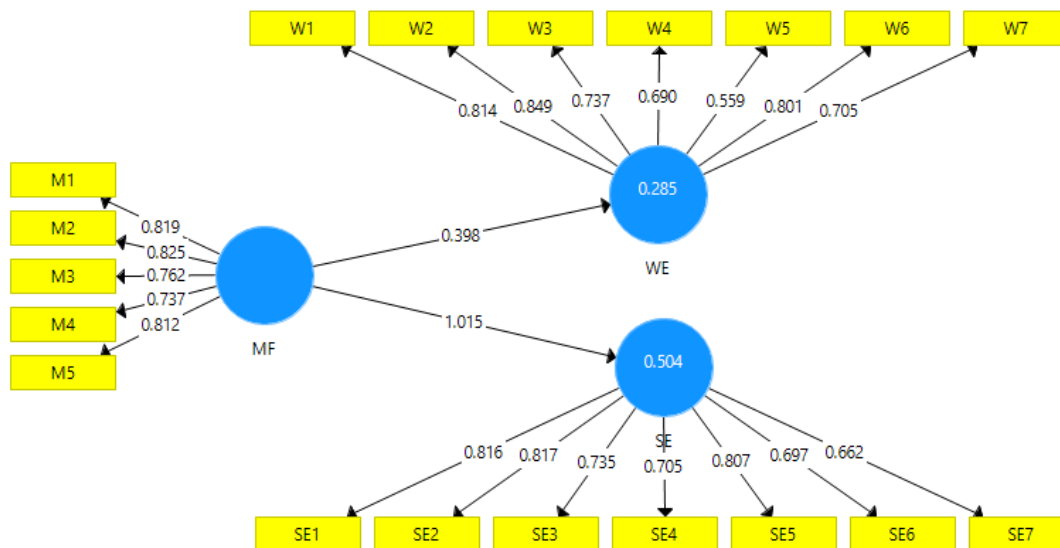


Table no. 7 Path Coefficients

Mean, STDEV, T-Values, P-Values					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
MF -> SE	0.710	0.711	0.034	20.670	0.000
MF -> WE	0.533	0.536	0.052	10.240	0.000

As mentioned above in table no. 7 “bootstrapping path coefficients” have shown values of P values, T statistics, standard deviation, the sample mean, and the original sample from the right side to left. The significant standard acceptable values of T statistics are larger than 2 and P-value must be less than 0.05 (Hair, Risher, Sarstedt, & Ringle, 2019). In this above table no.7 values show that Microfinance has a significant relationship with self-employment because P-value is 0.000 not higher than 0.05 and T value 20.670 is greater than 2 and Microfinance has a significant relationship with Women empowerment because P-value is 0.000 not higher than 0.05 and T value 10.240 is greater than 2. Hence both alternative hypotheses are accepted and the Null hypothesis is rejected so there is a significant relationship between MF with SE and WE. Other citations support these results revealed in this study (Khanam, Mohiuddin, Hoque, & Webe, 2018; Awan & Ibrahim, 2015; Malik, Mustafa, Anwar, & Iqbal, 2020).

Conclusion

Getting a microfinance loan had played a vital role in completing several of the Women Private enterprise aims, which have great importance in Sindh. MFIs strategy has to take gender equivalence to encourage Female small enterprises and make conditions for financial empowerment of female clients. The contemporary study examined the role of microfinance towards internal and financial empowerment of women in rural and urban areas of Sindh after consumption of microloan loans.

Researcher Conclude that this research study highlighted the significant relationship of independent variable microfinance with dependent variables women empowerment and self-employment, it means there is an impact of microfinance on women empowerment in rural and urban areas of nine districts of Sindh, clients of TMB and SRSO increase their income, saving, health facilities, and schooling of children after availing the microloan, moreover, females clients have increased their capability to take an active part in decision making, and in financial and social as well in their family matters. Women are also empowered through managing their small businesses, handicraft activities, beauty salons, etc.

Another variable of the study is self-employment which has also been impacted by microfinance, the clients of MFIs have said that a higher interest rate does not impact their income but it increases their saving for future investment. Hence the theory of financial liberalization builds the relationship that a higher interest rate leads to investment and MFIs used financial liberalization



KASBIT Business Journal, 13(2), 101-121, December 2020

theory to expand their services in rural and urban areas of Sindh and result of this study shows similarity with citation (Jalil & Ma, 2008), Moreover clients said that financial service supply to them as loanable funds has significant impact to increase their business income, expansion of business, support to payment of business expenses, enhance their productions capacity and start a new micro-business. Moreover, micro-enterprise will be changed into SME possibly in the future after getting microloans, supportive training, and awareness session

Works Cited

Awan, A. G., & Ibrahim, M. A. (2015). Role of Micro-Financing in Creation of Self-Employment in Pakistan: A Case Study of District Bahawalpur. *Journal of economics and sustainable development*.

ANDERSEN, T. B., & TARP, F. (2003). FINANCIAL LIBERALIZATION, FINANCIAL DEVELOPMENT AND ECONOMIC GROWTH IN LDCs. *Journal of International Development, 15*, 189–209. doi:DOI: 10.1002/jid.971

Arif , M., Hameed, W. U., Hussin, T., Azeem, M., & Basheer, M. F. (2017). Combination of microcredit and micro-training with mediating role of formal education: A micro-Enterprise Success Formula. *Journal of Business and Social Review in Emerging Economies, 3(2)*, 285-291.

Arunkumar, S., Anand, A., Anand, V. V., Rengarajan, V., & Shyam, M. (2016, July). Empowering Rural Women through Micro Finance: An Empirical Study. *Indian Journal of Science and Technology, Vol 9(27)*. doi:DOI: 10.17485/ijst/2016/v9i27/97597

Awojobi, O. N. (2014, September 30). MICROFINANCE AS A STRATEGY FOR POVERTY REDUCTION IN NIGERIA: EMPIRICAL INVESTIGATION. *International Journal of Current Research, Vol. 6, (Issue, 09)*, 8944--8951. Retrieved from https://www.researchgate.net/profile/Oladayo_Awojobi/publication/271852687_MICRO_FINANCE_AS_A_STRATEGY_FOR_POVERTY_REDUCTION_IN_NIGERIA_EMPIRICAL_INVESTIGATION/links/54d52b790cf2970e4e645a39.pdf

Ayopo, B. A., Isola, L., Niyan, T. J., & Bosede, A. V. (2018). Microfinance and Entrepreneurship in Nigeria: A Macro Analysis. doi:DOI:10.4018/978-1-5225-5213-0.CH004



KASBIT Business Journal, 13(2), 101-121, December 2020

- Ahmed, I., & Khoso, I. (2020, August 18). The Impact of Micro-finance on Self-employment and Poverty Reduction: A case of Sindh Rural Support Organization and Tameer Micro Finance Bank, Sindh. *Amazonia Investiga*, 9(32), 18-27.
- Basharat, A., Arshad, A., & Ali, K. (2015). *Pakistan Microfinance Review*. Pakistan Microfinance Network.
- Blanchflower, D. G. (2000). Self-employment in OECD countries. *Labour Economics*, 7, 471-505. doi:[https://doi.org/10.1016/S0927-5371\(00\)00011](https://doi.org/10.1016/S0927-5371(00)00011)
- Blanchflower, D. G. (2000). Self-employment in OECD countries. *Labour Economics*, 7, 471-505. doi:[https://doi.org/10.1016/S0927-5371\(00\)00011-7](https://doi.org/10.1016/S0927-5371(00)00011-7)
- Brau, J. C., & Woller, G. M. (2004). Microfinance: A Comprehensive Review of the Existing Literature. *The Journal of Entrepreneurial Finance*, 9(1). Retrieved from <http://digitalcommons.pepperdine.edu/jef/vol9/iss1/2>
- Choong, C.-K., & Chan, S.-G. (2011, March 18). Financial development and economic growth: A review. *African Journal of Business Management*, Vol.5(6), pp. 2017-2027,. doi:<https://doi.org/10.5897/AJBM10.772>
- Chughtai, M. W., Zaheer, M. F., & Taj, S. (2015, March). Effectiveness Of Micro Financing For Poverty Alleviation: A Case Study Of Tameer Microfinance Bank. *Research Journal Economics & Business Studies*, 4(5), 91-99.
- Dash, M., Prasad, V., & Koshy, C. (2016). Women Empowerment through Microfinance Services. *Journal of Applied Management and Investments*, 5, 20-25.
- Datta, S. K., & Singh, K. (2019, July 15). Variation and Determinants of Financial Inclusion and association with Human Development: A Cross Country Analysis. *IIMB Management Review*. doi:<https://doi.org/10.1016/j.iimb.2019.07.013>



KASBIT Business Journal, 13(2), 101-121, December 2020

- Erhardt, E. (2017, April 27). Microfinance beyond self- employment evidence for firms in Bulgaria. *Labour Economics*, 47, 75-95.
doi:doi:http://dx.doi.org/10.1016/j.labeco.2017.04.009
- Fornell , C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39-50.
- Ghalib, A. K. (2007). Measuring the Impact of Microfinance Intervention A Conceptual. *The Singapore Economic Review Conference*.
- Ghosh, A., & Karmakar , A. (2014). *Financial Development in India: An Empirical Test of the McKinnon–Shaw Model*. *Analytical Issues in Trade, Development and Finance. India Studies in Business and Economics*. New Delhi: Springer,. doi:https://doi.org/10.1007/978-81-322-1650-6_24
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24.
doi:https://doi.org/10.1108/EBR-11-2018-0203
- Hameed, A., & Imtiaz, A. (2018). Microfinance Contribution towards Women Empowerment: An Empirical Evidence from Punjab. *European Journal of Business and Management*, Vol.10(No.5), 55-63.
- Hulme , D., & Mosley , P. (2008). Finance against Poverty: Effective Institutions for Lending to Small Farmers and Micro-enterprises in Developing Countries.
- Husain, I., Qureshi, A. A., & Hussain, N. (2019). The Economy of Modern Sindh Opportunities Lost and Lessons for the Future. 131-168.
- Hair, J. F., Hult, G. M., Ringle, C. M., & Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (Vol. Second Edition). Los Angeles: SAGE Publications, Inc.



KASBIT Business Journal, 13(2), 101-121, December 2020

- Herani, G. M. (2009). Establishment of Micro-Finance Bank, Utilizing NADRA's Computerized Facilities: Suggestions for BISP, Asian Bank, World Bank and Donors Agencies to Disburse Funds. *KASBIT Business Journal, 2(1)*, 89-94.
- Iqbal, Z., Iqbal, S., & Mushtaq, M. A. (2015, May). Impact of Microfinance on Poverty Alleviation: The Study of District Bahawal Nagar, Punjab, Pakistan. *Management and Administrative Sciences Review, Volume 4*(Issue 3), 487-503. Retrieved from https://d1wqtxts1xzle7.cloudfront.net/38078920/3.pdf?1435912555=&response-content-disposition=inline%3B+filename%3DImpact_of_Microfinance_on_Poverty_Allevi.pdf&Expires=1601375802&Signature=d015TNUgWWCbZu~8BPnprIpi~Ajjyg0vzfw6vL9K~9jhljaP1hyzUxqgPRi19NIKUR
- Jalil, A., & Ma, Y. (2008). FINANCIAL DEVELOPMENT AND ECONOMIC GROWTH: TIME SERIES EVIDENCE FROM PAKISTAN AND CHINA. *Journal of Economic Cooperation, 29(2)*, 29-68. Retrieved from <https://www.sesrtcic.org/files/article/272.pdf>
- Kahn, A., Rahman, T., & Wright, R. (2016, July). The Impact of Micro-Credit on Employment: Evidence from Bangladesh and Pakistan. *IZA Discussion Paper*.
- Khan, A. A., Khan, S. U., Fahad, S., Ali, M. A., Khan, A., & Luo, J. (2020, August 03). Microfinance and poverty reduction: New evidence from Pakistan. *International Journal of Finance & Economics*, 1-11. doi:<https://doi.org/10.1002/ijfe.2038>
- Khan, K., & Ahmed, I. (2015, May). Impact of Stock Prices on Macroeconomic Variables: Evidence from Pakistan. *KASBIT Business Journal (KBJ), 8*, 42-59.
- Khanam, D., Mohiuddin, M., Hoque, A., & Webe, O. (2018). Financing micro-entrepreneurs for poverty alleviation: a performance analysis of microfinance services offered by BRAC, ASA, and Proshika from Bangladesh. *Journal of Global Entrepreneurship Research*. doi:<https://doi.org/10.1186/s40497-018-0114-6>
- Krishnamurthy, S., Joseph, S., Pradhan, V., & Rao, P. (2017, October). Empowering Women of Rural India for Renewable Energy Adoption – An Exploratory Factor Analysis. *Indian*



KASBIT Business Journal, 13(2), 101-121, December 2020

Journal of Science and Technology, Vol 10(38), 1-10. doi:DOI: 10.17485/ijst/2017/v10i38/95576

Khandker, S. R., Baqui Khalily, M. A., & Samad, H. A. (2015). Mitigating seasonal hunger with microfinance in Bangladesh: how does a flexible programme compare with the regular ones? *Journal of Development Effectiveness, 7(1), 23-42.* doi:https://doi.org/10.1080/19439342.2014.988166

Lahimer, N., Dash, S., & Zaiter, M. (2013). Does Microfinance Promote Entrepreneurship and Innovation? A Macro Analysis. *African Journal of Science, Technology, Innovation and Developmen.* doi:DOI:10.1080/20421338.2013.782147

Malik, S., Mustafa, G., Anwar, A., & Iqbal, A. (2020, 07 31). Assessing the Impact of Microfinance Services at Individual Level: A Comparative Study of Women Empowerment in Pakistan. *INDIAN JOURNAL OF SCIENCE AND TECHNOLOGY, 13(27), 2700–2710.*

Marconatto, D. A., Cruz, L. B., Moura, G. L., & Teixeira, E. G. (2017). Why the microfinance institutions exist: lending groups as a mechanism to enhance informational symmetry and enforcement activities. *O&S - Salvador, v. 24,(n. 83), 633-654.*

NAJMI, H. S., BASHIR, F., & ZIA, M. Z. (2015, Jan – June ,). SOCIOECONOMIC IMPACT OF MICROFINANCE ON BORROWERS:A CASE STUDY OF NRSP BANK MINCHANABAD. *Pakistan Journal of Humanities and Social Sciences, Volume 3,(No. 1,), pp. Pages 41 – 61.*

Nawaz, H. (2015, May). Customer Behavioral Approach for using Micro-Credit: Analysis of Rural Community of Pakistan. *KASBIT Business Journal (KBJ), 8(1), 60-76.*

Pakistan Bureau of Statistics . (2018, January 03). *Block Wise Provisional Summary Results of 6th Population & Housing Census-2017.* Retrieved July 05, 2020, from Pakistan Bureau of Statistics (PBS): <http://www.pbs.gov.pk/content/block-wise-provisional-summary-results-6th-population-housing-census-2017-january-03-2018>



KASBIT Business Journal, 13(2), 101-121, December 2020

Rasool, Y., Shaikh, D. S., Ahmed, A., & Khuwaja, F. A. (2018, Dec). Determinants of Entrepreneurial Intentions: A Systematic Review. *KASBIT Business Journal (KBJ), 11*, 1-33.

Sangwan, S., & Nayak, N. C. (2019, MAy 07). Do outreach approaches differ between Self-Help Group-Bank Linkage and Microfinance Institution-based microfinance? Evidences from Indian states. *Journal of Social and Economic Development*. doi:<https://doi.org/10.1007/s40847-019-00078-w>

Shaheen, I., Hussain, I., & Mujtaba, G. (2018). Role of Microfinance in Economic Empowerment of Women in Lahore, Pakistan: A Study of Akhuwat Supported Women Clients. *International Journal of Economics and Financial Issues, 8(2)*, 337-343.

Shaikh, S., Shah, A. B., & Ashraf, F. (2017, DEC). Credit Obtaining Challenges Faced by Micro and Small and Medium Enterprises SMEs. *KASBIT Business Journal (KBJ, 10)*, 57-80.

Sharma, E. (2020, March 4). Women and politics: a case study of political empowerment of Indian women. *International Journal of Sociology and Social Policy, Vol. 40(No. 7/8)*, 607-626. doi:DOI 10.1108/IJSSP-12-2019-0261

Sidek, M. H., Sami, W., & Hamid, M. R. (2017). Discriminant Validity Assessment: Use of Fornell & Larcker Criterion Versus HTMT Criterion. *Journal of Physics: Conference Series, 890*, 1-5. doi:<https://doi.org/10.1088/1742-6596/890/1/012163>.

Tunio, M. N., Soomro, A. A., & Bögenhold, D. (2017, April 23). The Study of Self-employment at SMEs Level with Reference to Poverty in Developing Countries. *Business and Management Research, 6(2)*, 33-39. doi:doi.org/10.5430/bmr.v6n2p33

Tariq, M., Aleemi, A. R., & Iqbal, D. A. (2015, Fall). INVESTIGATING THE ROLE OF MICRO FINANCE ON ECONOMIC AND SOCIAL DEVELOPMENT OF PEOPLE: A CASE STUDY AREAS OF SIND, PAKISTAN. *IBT Journal of Business Studies (Formerly Journal of Management & Social Sciences), Vol. 11,(No. 2.)*, 182-199.



KASBIT Business Journal, 13(2), 101-121, December 2020

Ul-Hameed, W., Mohammad, H. B., & Shahar, H. B. (2018, June 25). Microfinance institute's non-financial services and women-empowerment: The role of vulnerability. *Management Science Letters*, 8, 1103–1116. Retrieved from www.m.growingscience.com/msl/Vol8/msl_2018_75.pdf

Verma, K., Pal, S. K., & Kumar, V. (2020, April 13). THE IMPACT OF MICROFINANCE ON RURAL SECTOR AND ITS CONTRIBUTION TOWARDS INDIAN ECONOMY. *International Journal of Advanced Science and Technology*, 29(3), 1522-1545.

Yogendrarajah, R. (2010). THE IMPACT OF MICRO CREDIT ON SELF EMPLOYMENT OF WOMEN – A SURVEY ON JAFFNA DISTRICT, SRI LANKA. 1-15. Retrieved from <http://ssrn.com/abstract=2505428>

Zainuddin, M., & Yasin, I. (2020). Resurgence of an Ancient Idea? A Study on the History of Microfinance. *FIIB Business Review*, 1-7.

**Appendix
Questionnaire**



Demographic Information

1. Gender

- Male
- Female

3. Qualification

- Primary
- Secondary
- Matriculation
- Intermediate
- Bachelors
- Masters
- Diploma certificate
- Other, _____

2. Age Group

- Below 20 years
- 21 to 30 years
- 31 to 40 years
- 41 to 50 years
- 51 and Above

5. Marital status.

- Single
- Married
- Widowed
- Divorced

4. Association time with Microfinance

- Less than 1 year
- 1-3 years
- 4-6 years
- 7-10 years
- Above 10 years

6. Occupation.

- Job
- Business
- Other, _____

Respondent's Email or Contact: _____

Bank/institute _____

Branch _____

District/City _____



This work is licensed under a Creative Commons Attribution 4.0 International License.

KASBIT Business Journal, 13(2), 101-121, December 2020

**The Impact of Micro-finance on Women
Empowerment and Self-employment:
A case of Tameer Micro Finance Bank and
Sindh Rural Support Organization and, Sindh**

119

Israr Ahmed & Imamuddin Khoso

Questionnaire

Instruction: Tick anyone option of the following:		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
VARIABLE 01 – Microfinance and poverty reduction						
1	Micro finance helped a lot to increase the life style and reduce poverty					
2	Status of accommodation has increased by availing the facility of micro finance					
3	Your standard of life has shifted from lower level to the middle level					
4	Micro financing helped to improve the education at primary and higher level for your family members					
5	Micro financing facilitated to get better facilities in case illness					
6	Expectations of family members have been met through micro financing					
7	Your future expectations have been reached at optimum level by inception of micro financing					
8	The quality standard of house hold items has improved after micro financing					
9	Your role in decision making and your position in the family has increased after availing micro financing					
10	Consumption level has increased by getting micro finance					
VARIABLE – Micro-credit						
1	I believe that micro loans is an effective tool for getting prosperity					
2	I m satisfied with MFI and MFB charged interest rate on micro loans					
3	Agro production is increased by availing micro loans					
4	Savings has increased after getting micro financing					

5	Purchasing power increased after getting facilities of micro financing					
VARIABLE 02 - Self-employment						
1	It helped me to start a new business					
2	It helped me to get self employed					
3	Expansion of business facility is observed after micro financing					
4	It helped me to meet my business expenses					
5	Income has increased after inception of micro financing					
6	It helped me to increased the output of business					
7	Microenterprises affect the use of your time					
VARIABLE- Gender equity						
1	Both genders are equally preferred by microfinance services					
2	Your role in income contribution in the household is improved after availing micro financing					
VARIABLE 03- Women Empowerment						
1	women's participation in microfinance programs increase women empowerment					
2	Do good repayment rates depend, in part, on women's empowered condition					
3	Do MFIs reinforce women's traditional roles instead of promoting gender equality					
4	Your role in decision making and your position in the family has increased after availing micro financing					
5	Balancing family and work responsibilities after getting micro financing					
6	can empower women both as individuals and as a group to address your problem					
7	Can economically empowered women can take steps to address the cultural and legal barriers that limit their social and political empowerment					
8	Does it matter women are at the controls of microfinance institutions					
9	Does Microfinance has the potential to have a powerful impact on women's empowerment.					
10	It helped me to meet my expenses and increase income					