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Microfinance and women empowerment: A case study of District Bahawalpur (Pakistan)

Rana Ejaz Ali Khan^{1*} and Sara Noreen²

¹Department of Management Sciences, COMSATS Institute of Information Technology, Sahiwal, Pakistan.

²Department of Economics, The Islamia University of Bahawalpur, Pakistan.

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Empowerment of women is one of the important issues in developing countries. Women are an integral part of the society, their participation in decision making through their participation in economic activities is very low. Microfinance plays a significant role in improving women decision making through participation in economic activities. The study is an attempt to explore the socioeconomic determinants of women empowerment, focusing on the women who have availed the micro-credit. Women empowerment is measured by constructing simple index based on five indicators related to child health, education, selection of spouse of children, purchase of basic goods and decision of household savings. The results based on the primary data of District Bahawalpur show that women empowerment is considerably influenced by age, education of husband, father inherited assets, marital status, number of sons alive and amount of microfinance. The study decomposes data into two subsets showing where the loan is utilized by women themselves and where the loan is utilized by other members of the household, like husband, father or head of household. It is concluded that females using loan by themselves have better effects of microfinance on empowerment as compared to the loans utilized by other members of the household. Finally, it is concluded that microfinance as a major explanatory variable of the study has shown positive effect on empowerment of women but not as much as it was expected. It is suggested that along with provision of education and family protection the enlarged volume of microfinance and its utilization by the woman must be ensured. Microfinance institutions should strengthen and expand their support to women for their empowerment.

Key words: Women empowerment, microfinance, Pakistan, female employment, women autonomy.

INTRODUCTION

Poverty has the perspective of lacking the necessary capabilities and entitlements to satisfy the individual's basic needs and requirements. From this point of view, the fight against poverty must consist in establishing entitlements that allow the poor access to the material, social and spiritual means to develop their capabilities. Thus, it becomes necessary to focus on empowerment of the poor as the crucial requirement for a sustainable solution to poverty. Working women contribute to national income of the country and maintain a sustainable livelihood for the families, throughout the world. They

face harsh socio-cultural attitudes, legal barriers, scarce educational facilities and personal difficulties. Traditionally, women have been marginalized. They are rarely financially independent and vulnerable members of the society. About 70% of world's poor are women. They have no access to credit and other financial services. Therefore, microfinance institutions often target women. Theoretically, microfinance is a critical tool to empower women belonging to poor households. Improving the women empowerment improves the infant and child survival, increases child schooling and results in increased expenditure on child education and health (Joshi, 2004; Lancaster et al., 2003; Durrant and Sathar, 2000).

However, whether increased female empowerment

*Corresponding author. E-mail: ranaejazalikhan@yahoo.com

translated into less discrimination against girls, is mixed (Lancaster et al., 2003). Prashad (2004) linked mother's empowerment with child's nutrition and immunization and suggested that women should be empowered if they and their children are to be benefitted across the whole spectrum of their health and survival needs. The consumption expenditures of household increase more by availability of microfinance to females as compared to males (Pitt and Khandker, 1998). Credit provided to women improves measures of health and nutrition of both boys and girls, while credit provided to men has no significant effect (Pitt et al., 2003a). The microfinance has the potential to make a significant contribution to gender equality and promote sustainable livelihood and better working condition for women (ILO, 2007). It has been well documented that an increase in women resources or better approach for credit facilities results in increased well-being of the families especially children (Mayoux, 1997; Kabeer, 2001; Pitt et al., 2003b). However, Goetz and Sengupta (1996) pointed out that those women who have little or no control over their loans lift out of the process altogether, and have no impact of lending to women. In such cases, men appropriate loan funds and subsequently become unable or unwilling to repay loans. Women may suffer adversely because they are forced to sell assets or go hungry in order to raise the money to repay. It makes a link between microfinance, employment of women and ultimately, household welfare. To check the link between microfinance and women empowerment is focus of the current study.

WOMEN EMPOWERMENT

Empowerment (irrespective of gender) is defined as the ability of the people, in particular the least privileged to: a) have an access to productive resources that enable them to increase their earnings and obtain the goods and services they need and b) participate in the development process and the decision that affect them. These two aspects are related and one without the other is not empowerment. According to Sen and Batliwala (2000), women empowerment leads to a growing intrinsic capability, greater self-confidence and an inner transformation of one's consciousness that enable one to overcome external barriers. This view mainly emphasizes on two important aspects. Firstly, it is a power to achieve desired goals but not a power over others. Secondly, idea of empowerment is more applicable to those who are powerless, whether they are male or female, or group of individuals, class or caste. Though concept of empowerment is not specific to women, yet it is unique, in that and it cuts across all types of class and caste and also within families and households (Malhotra et al., 2002). Empowerment of women generally means to let women survive and let them live a life with dignity, humanity, respect, self-esteem and self-reliance.

Empowerment of women is incomplete and biased if it measures only inequality and fails to include important non-economic dimensions of decision-making power both at the household level and over women's own bodies and sexuality. Kabeer (1998) stressed that women's empowerment is the process to acquire the ability to make the strategic life choices restricted through poverty particularly and societal or religious norms generally. Their ability to exercise choice incorporates three interrelated dimensions, that is, resources, agency and achievements. According to UNIFEM (2000), to generate choices, gaining the ability and exercise bargaining power, developing a sense of self worth, to secure desired changes, belief in one's ability and the right to control one's life are important elements of women empowerment. Women empowerment is also defined as a change in the context of a woman's life, which enables her increased capability for leading a fulfilling human life. It gets reflected in external qualities (viz self-awareness and self-confidence) (MHDC, 2000). Kutty (2003) defined that empowerment of women means developing them as more aware individuals, who are politically active, economically productive and independent and are able to make intelligent decisions in matters that affect them and their nations. Women's empowerment also refers to the ability of women to transform economic and social development when empowered to fully participate in the decisions that affect their lives through leadership training, coaching, consulting and the provision of enabling tools for women to lead within their communities, regions and countries.

Role of microfinance in women empowerment

Microfinance is a type of banking service which provides access to financial and non-financial services to low income or unemployed people. Microfinance is a powerful tool to self-empower the poor people especially women globally and particularly in developing countries. From early 1970's, women movements in a number of countries are increasing to alleviate poverty through microfinance programs. The problem of women's less access to credit has been given a particular concentration at First International Women Conference in Mexico in 1975.

The evolution of microfinance started from Bangladesh since late 1970s as a successful project. But in Pakistan, the movement of microfinance started from Agha Khan Rural Support Program (AKRSP) and Orangi Pilot Project (OPP). With the passage of time, microfinance becomes non-governmental organization (NGO) activity and five microfinance banks working under State Bank of Pakistan (SBP) ordinance emerged.

Microfinance services lead to women empowerment by influencing their decision making power at household level and their overall socioeconomic status (Rehman

and Khan, 2007). Hashemi et al. (1996) narrated that microfinance has positive effect on empowerment even controlling for women's independent contributions to household income (Pitt et al., 2003b; Cheston and Kuhn, 2002).

The precise objective of the current study is to investigate the role of microfinance in empowerment of women at household level in District Bahawalpur. Bahawalpur district is one of the least developed regions in Southern Punjab, Pakistan. It is a highly deprived district in Pakistan as well. Basic infrastructure is insufficient in rural areas where 78% of female population resides. Women community in this district is more deprived. Microfinance institutions have been working in this district in urban as well as rural areas for more than two decades. Microfinance is a new concept in Bahawalpur in the perspectives of improvement of women empowerment. We will see to what extent the microfinance has contributed to empowerment of women (who availed microfinance) at household level, and to see its role in comparison to other socioeconomic determinants.

LITERATURE REVIEW

There is a variety of literature on impact evaluation of microfinance on different aspects of community and members. Similarly, a number of studies have been undertaken on women empowerment, focusing on methodological issues, empirical analysis and measures and tools of empowerment. We are concerned with the studies both about microfinance and empowerment of women. Hunt and Kasynathan (2002) described 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 of India. The study found that most of the women receiving credit have no control over their loans due to low access to markets. It was further found that micro-credit has an impact on female education, marriage practice, mobility, violence against women and self-respect. Moreover, microfinance which was designed for the poorest, actually not reached to the poorest people. So donors and NGO's must concentrate on the access of credit to the poorest people. Malhotra et al. (2002) worked on conceptualization and operationalization of term empowerment rather than to review its indicators. They highlighted economic, social, familial/interpersonal, legal, political and psychological dimensions of empowerment. Empowering themselves is not only the responsibility of individual women. Government and other institutions should promote policies that increase empowerment and ensure gender equity through political and legal reforms.

Cheston and Kuhn (2002) stated that microfinance programs have the potential to transform power relation and to enhance women empowerment. Although women

access to financial resources has been substantially increased, loans given to women differ in sizes. It has been shown that just to provide the access to financial resources is not enough to empower women and improve their well-being. Microfinance does not address all the barriers to women empowerment but if they are properly designed, then they can do important contribution in women empowerment. The study discussed the empowerment indicators and measurement techniques and revealed that relationship between microfinance program, empowerment, family planning and cultural norms exists. Microfinance plays a major role in gender and development strategies because of its direct relationships with both poverty alleviation and women. As women are the poorest of the poor, greater financial security allows the women to become more empowered in household and community affairs. Access to resources alone does not empower women but also, access to material (credit, property, and money), human and social resources (education, business) also matters. Microfinance affect women's ability or decision making and self-confidence which is closely linked with knowledge, women's status and gender relations in the household. Microfinance programs strengthen women's economic autonomy and give them means to pursue nontraditional activities. Through these programs, women escape from abusive relationship. Microfinance programs also impact the political empowerment and women rights.

The effects of the men and women participation in microfinance programs in rural Bangladesh, on women autonomy and gender relations within the household are analyzed by Pitt et al. (2003b). The study concluded that women participation in micro-credit programs helps to increase women empowerment. It supports women to take a greater role in household decision-making, having greater access to financial and economic resources, having greater social networks, having greater bargaining power compared with their husbands and having greater freedom of mobility. Female credit also tended to increase spousal communication in general about family planning and parenting concerns. On the other hand, male credit had a negative effect on several areas of women's empowerment, including physical mobility, access to savings and economic resources and power to manage some household transactions.

The mechanics of microfinance in Bangladesh has been focused by Rehman and Khan (2007). From client's perspective, they attempted to explore that how microfinance helps poor people to improve their living standard. They concluded that provision of microfinance in the form of collateral free loans, is an effective mechanisms for poverty reduction, to improve health, education, legal rights, sanitation and other living standards. Microfinance programs target women, the most vulnerable part of society who lives within household with no assets. By providing them opportunity for self-employment, these programs can improve the women

security, autonomy, self-confidence and status within the household which in turn improves their empowerment.

Asim (2008) evaluated the impact of micro-credit programs on women empowerment in urban slums of Lahore (Pakistan). The study has chosen specialized institutions focusing on women; they were Kashaf foundation and community support concern (CSC). The author constructed preference-based indicators including child-related and health-related decisions, economic decisions, social mobility decisions, resource allocation decisions, and autonomy-based indicators including household purchase decisions. To explore the link between women empowerment and micro-credit participants, the author used three different estimates; simple parametric framework of conditional mean independence, randomization of treatment and bivariate probit model. The results show that micro-credit intervention has no impact on child-related, health-related, and economic and social mobility decisions. On average, women in treatment group were no more independent or autonomous than the control group in small household purchases. Participation in micro-credit program was found to be insignificant in explaining all the outcome indicators of empowerment.

Chaudary and Nosheen (2009) narrated that women empowerment is one of the important issues of development policies in under-developed countries. Since empowerment is a multidimensional concept, it is determined by many socioeconomic factors and cultural norms. The authors attempted to explore the determinants of women empowerment using regression analysis. The data was collected from Southern Punjab, especially from rural and tribal areas. The status of women was found much vulnerable in rural and tribal areas and they have very limited access to all basic facilities. For women empowerment, four indices were developed in making a cumulative index. The results show that age, marital status and having Islamic views show statistically positive impact on women empowerment.

CONCEPTUAL FRAMEWORK AND METHODOLOGY

The estimation of determinants of microfinance was based on primary data. The reference period for the study was 2002 to 2009 and the population was all the urban and rural females who have availed the microfinance. There were five microfinance institutions working in Bahawalpur, out of which we chose NRSP (National Rural Support Program) and Khushhali Bank randomly for analysis as sample. During 2002 to 2007, a total of 6000 female clients of Bahawalpur were registered with the selected microfinance institutions. Basic information of clients was collected from local branches of selected microfinance institutions. The total number of female clients of Khushhali Bank in given years was 2000, out of which we selected 200 clients randomly. The total number of female clients of NRSP was approximately 4000, so, selected sample size on random basis was 400.

The data has been collected by door to door visit and the women were interviewed through structured questionnaire. Medium of instructions was Urdu. The interviews were administered personally

as most of the respondents were illiterate. The multiple linear regression analysis technique has been used to explore the determinants of women empowerment. A series of models for the determinants of empowerment were constructed as shown in Equations 1, 2 and 3. Model 1 is aggregated model that comprised of females who used their loan by themselves as well as of those whose loans were used by their husbands/head of households/fathers. The other two models were based on the disaggregated data on the use of loan by women themselves and use by their husbands/head of household/father:

$$WE = f(\text{AGE, EDUH, MARS, NSON, FASST, LOAN}) \quad (i)$$

$$WE_w = f(\text{AGE, EDUH, MARS, NSON, FASST, LOAN}) \quad (ii)$$

$$WE_m = f(\text{AGE, EDUH, MARS, NSON, FASST, LOAN}) \quad (iii)$$

Where WE = woman empowerment (index of women empowerment); WE_w = woman empowerment (index of women empowerment) when the loan is utilized by woman; WE_m = woman empowerment (Index of women empowerment) when the loan is utilized by other members of the household like husband/head of household/father; AGE = age of woman in completed years; EDUH = education of husband/head of household/father in completed years; MARS = marital status of woman (1 for currently married, 0 otherwise); NSON = number of sons (living sons of woman); FASST = father's assets (value of assets in rupees); LOAN = loan availed (amount of loan provided to woman in rupees)

The statistical model is specified as:

$$WE = f(\beta_0 + \beta_1 \text{AGE} + \beta_2 \text{EDUH} + \beta_3 \text{MARS} + \beta_4 \text{NSON} + \beta_5 \text{FASST} + \beta_6 \text{LOAN} + \mu) \quad (iv)$$

$$WE_w = f(\xi_0 + \xi_1 \text{AGE} + \xi_2 \text{EDUH} + \xi_3 \text{MARS} + \xi_4 \text{NSON} + \xi_5 \text{FASST} + \xi_6 \text{LOAN} + \mu) \quad (v)$$

$$WE_m = f(\lambda_0 + \lambda_1 \text{AGE} + \lambda_2 \text{EDUH} + \lambda_3 \text{MARS} + \lambda_4 \text{NSON} + \lambda_5 \text{FASST} + \lambda_6 \text{LOAN} + \mu) \quad (vi)$$

For the index construction for empowerment of women, the value for each decision was assigned as 2, 1 and 0 for decision by women alone, by both the woman and husband/head of household/father and by husband/head of household/father alone, respectively (Pitt, et. al. 2003b). There were five decisions and the range of index was 0 to 10.

The World Bank and other major development agencies have identified empowerment as a primary development goal; none of them have developed a rigorous method for measuring and tracing changes in the level of empowerment (Malhotra et al., 2002). In the literature, numerous individuals, household and community level indicators have been used for women empowerment and autonomy like whether the woman works for cash income, her age at first marriage, the difference in woman's and her husband's age and the difference in the woman's and her husband's years of education (Smith and Bryon, 2005), *purdah* (veil), fear of disagreeing with husband, domestic violence, access to financial resources, community mobility index and percentage of women in the community working outside the home (Durrant and Sathar, 2000), women mobility in the community, protest against unequal gender role, exposure to media, employment status, earning share in household income and self-reported headship. But direct response to the decision-making at the household level seems better, expressing the exact and actual situation of woman empowerment. For the purpose, index may be constructed. Researchers have used different indices for the measurement of female empowerment. UNDP (1995) introduced gender empowerment measure (GEM). It indicates whether women are able to actively participate in economic and political life. Theoretically the index can take

values between zero and infinity, with a value of unity reflecting an absolute inequality in the respective attainment of the male and female. A value higher than unity would imply that females have better attainment than males. Hashemi et al. (1996) created an index of empowerment through a linear weighted combination of individual empowerment indicators. The authors acknowledged the arbitrariness of the index approach. They established a cut-off point at the 30th percentile (that is again arbitrarily chosen) such that women who score above this cut-off are assumed empowered otherwise non-empowered. This system reduces the measurement of empowerment previously existing along a continuum to a single binary outcome.

Mizan (1993) constructed an index called household decision making scale, composed of decision of food purchase, education and marriage of children, expenses on medication for self and husband, investment of woman's earning in business purchase and sale of land, hiring the outside labor, purchase of agriculture inputs, providing financial support to husband's family and purchase of clothes for self and other household members. The coding was done as decision made by husband = 1, decision made jointly by husband and wife =2, and decision made by wife =3. Pitt et al. (2003b) have used a comprehensive scale for the measurement of empowerment, comprising groups of economic decision, purchasing capacity, control over loans, control over income and savings, mobility, political awareness and activism, networking and friendship, family planning, attitudes and spousal arguments.

Shariff (2009) devised a specific measure for women empowerment for India. The study identified six dimensions for the measure like literacy, work participation rate, decision-making power (women's capacity of making purchases for daily household needs and participation in decision-making for own health-care), ownership of resources (immovable assets and bank account), reproduction and care (capacity to choose a modern contraceptive method and to ensure her own children completed with both essential doses of immunization) and political participation (exercising franchise in parliamentary election and participation in panchayat (basic unit) council).

In the current study, women empowerment is measured by constructing simple index. It is comprised of five indicators as, decision on child health, education, daily purchases, selection of spouse of children and household savings. All these decisions (not big ones like sale and purchase of assets) are basic indicators of decision making at household level, so index has been constructed by assigning equal weight to each response.

Smith and Byron (2005) narrated that empowerment is the ability to make and implement choices and it is likely to be affected by increased control over material, social and human resources such as earnings, assets, education and social capital. This happens through internal and external household dynamics, including custom and norms regarding marriage, kinship, ties and factors such as the age and education difference between spouses and shocks such as migration, death, divorce or separation. It covers a variety of the factors. In our analysis we have chosen a few variables as we are concerned with empowerment of women who are micro-finance loanees. Age of woman is included in the model as completed years. It is theorized that age of respondent positively influence the women empowerment. Older women have more independence and empowerment than younger women as they have more experience of life, a better understanding of how to get what they want.

Education of the husband/head of household/father is measured in completed years of education in the model. The education of husband/head of household/father is hypothesized to increase the women empowerment. Mostly women are dependent economically and socially on male members of the families, so the education of husband/head of household/father is considered important. If they are highly educated they are aware of the rights of females and give them self-confidence in taking decisions at the household

level.

Different cultures have different distribution of power with men making decisions in some areas and women making decision on other issues. In patriarchal societies, the essential underlying gender-based division is that men have the larger share in decision-making and women have the larger share of work. Decision on education and marriage of children and market-related transactions in major assets tends to be within the male domain (Kabeer, 2001). This pattern is very much in the male interest, and rooted in patriarchal traditional belief. Women's limited access to resources is based on established discriminatory practices, which ensure male privilege. The marital status of the women is related with this set up - the marital status that is ultimately connected with the interaction with parents (in the case of single), parents in laws (in the case of married), probably with weaker bond with parents (in the case of divorced or separated), and in the same intensity, with in laws and parents (in the case of widow). So, the marital status is considered to be one of the factors of women autonomy and empowerment. Moreover, the movement of widow or divorcee is generally seen more than ever married or never married women. Barkat (2008) opined that status of woman as mother is high at the individual level but there is an unclear understanding of empowerment of women as a process of awareness and capacity building leading to greater participation in decision-making and control over her own life. In our analysis, we have included the marital status of women as an explanatory variable to see its effect on empowerment of women.

In the model, we have included the number of sons (living) as explanatory variable for empowerment of women. The number of sons is speculated as the positive factor of women empowerment. It is common perception that sons contribute to family income and carry the family name. They provide all the necessary care and support to their parents when the parents are old. On the other hand, daughters are economic burden. So, having larger number of sons by women represents more say in family decision-making and enjoying empowerment and autonomy.

The women generally do not try to inherit assets from their parents particularly when their brothers are alive. The traditional belief behind this phenomenon is that land should not go outside the patriarchal family. The father's assets may affect the women's empowerment in either direction, that is, it may increase empowerment (if the law of inheritance is applied and women take the share) or empowerment may remain unchanged (if the law of inheritance is not applied). We have included in our analysis the assets of the father as a proxy variable to see its effect on women empowerments.

The microfinance that is the major explanatory variable in our model is captured by the amount of the loan provided to the woman. It is a critical explanatory factor through which the employment of women increases. The term microfinance has been used interchangeably with micro-credit or loan amount. As all the respondents of this study are those who have benefited from microfinance institutions. To see the role of microfinance in decision making of women, we will investigate how variation in microfinance amount affects the women empowerment. It is hypothesized that larger amount of the microfinance increases the empowerment of women.

RESULTS AND DISCUSSION

The influence of explanatory variables on women empowerment is assessed by multivariate regression technique. One common problem encountered in cross-sectional studies is heteroscedasticity, whose existence renders the ordinary least square (OLS) estimates inefficient. Heteroscedasticity tests is carried out to

Table 1. Regression results for empowerment of woman.

Variable	Model 1	Model 2	Model 3
Constant	2.135 (4.94)*	2.47 (5.27)*	1.88 (3.43)**
AGE: Age of woman	0.032 (3.44)**	0.024 (2.30)	0.031 (2.80)**
EDUH: Education of husband/head of household/father	0.042 (2.21)	0.043 (2.72)**	-0.044 (-1.72)
MARS: Marital status	-1.23 (-11.4)*	-0.97 (-9.45)*	-1.67 (-7.81)*
NSON: Number of sons	0.13 (2.39)	0.15 (2.67)**	0.097 (1.36)
FASST: Father's assets	0.000001 (2.77)**	0.0000006 (1.69)	0.0000022 (2.96)**
LOAN: Loan availed	0.00012 (6.17)*	0.0002 (9.71)*	0.000017 (0.69)
R ²	0.696	0.787	0.653
F	41.55	40.67	18.10
Standard error	2.13	1.81	1.63
N	600	394	206

Terms in parenthesis are t-statistics. * Significance at 5% level and ** significant at 10%.

examine whether heteroscedasticity is a problem in the current analysis and the estimation procedure is then adopted. Three models are estimated. The results are shown in Table 1.

The results of the first model are according to our priori expectations. In the model, women empowerment is positively related to age, number of sons, father's assets, amount of loan availed and negatively related to currently marital status of women. The magnitude of parameters indicate that the greatest response in women empowerment comes from a change in marital status, as its value is the highest while the response of father assets bring about the lowest change in women empowerment.

Our results explained that age of the woman positively affects the empowerment of woman at household level. It is based on the fact that age of woman influences the autonomy of the woman, as documented by a number of studies in South Asia (Caldwell et al., 1982; Chaudary and Nosheen, 2009). In the social setup of Pakistan married females are considered much better than unmarried and widows, divorcees or separated. The currently married females have higher status in the society. But our results explained that the power to take basic decisions at household level is higher for widows, divorcees and separated as compared to married women.

Husband's education is an important element to understand the needs of wife and involve wife in decision making and to give her freedom of choices along with social movement. Furthermore, education is a powerful tool for acquiring new values and consequently for modifying relationships with household members and environment. Similarly the education of head of household/father in the case females are single, divorcees, widows or separated enhance the autonomy of the woman and her participation in decision making at household level. It is surprising that in our model the education has statistically insignificant results. The possible explanation may be that the women availing microfinance belongs to the household where husband/

head of household/father are illiterate or have lower educational status. Some studies in South Asia have given more surprising results in South Asia; Sathar and Kazi (2000) concluded that the education of the husband has negative impact on female empowerment.

The results of model 1 explained that the number of living sons of the woman increases her empowerment in the household. It is supported by a number of earlier studies. A woman's giving birth to a son is positively and significantly related to women empowerment (Parveen and Leohauser, 2004). Woman reporting only one male child or no male child is significantly less likely to be involved in decision-making at the household level or to have influence over the use of her earnings as compared to the woman having more male children (Salway and Furuta, 2006).

Father's assets have an important place in the decision-making or empowerment of women in the household. In developing Asian countries generally and South Asian particularly, the cultural norms are like that if the father of married females is a rich person or have assets, the married females get financial support from the fathers. In the cultural setup, instead of giving the share from assets, property or business, the women are given the dowry at the time of marriage. The rich father gives more dowries to their daughters which enhance the status of married women in the in-laws. Furthermore, the fathers support daughters even after their marriage financially. This financial support makes the women more autonomous. Whole of this mechanics explains the empowerment of women is directly linked with fathers' assets. Our results have shown that increase in the value of assets by the father enhance empowerment of women. The results may be explained even for the singles, widows and divorcees. For a single woman, if father has higher value of assets, it is more likely that the decisions particularly relevant with finance are shared by woman.

Our results have explained that amount of the loan has positive impact on empowerment of women. The beta

coefficient show that it improves women decision making but not at a larger extent as compared to other explanatory variables. Kabeer (1998) found that access to more credit had enabled women to negotiate for an increased role in household decision making, presumably increasing empowerment.

The comparison of the determinants, based on the beta values explained that most important factor for empowerment of woman is her marital status. After it, there comes the age of the woman following the number of children. Lastly is the amount of the loan availed by the woman and at the last there comes the assets of the father. It makes clear that microfinance is contributing towards the enhancement of empowerment of woman but not as much as it is generally considered.

As most of the women borrow money but cannot personally decide about the use of it for business. It is rather difficult for them to take decision. In this study, 65.66% of females used their loan by themselves and made economic decisions by themselves. On the other hand, 34.33% of the female loanies were those whose loans were used by their husbands/head of household/father. We have bifurcated total data regarding the use of loans and applied the regression on both kinds of use of loans that is used by woman and used by husband/head of household/father. The results of second model related with sample of female loanies who utilized the loan by themselves show that the empowerment of women is positively related with number of children and amount of the loan availed by the woman and negatively relate with currently marital status of the women. Contrary to the model 1, in this model, the education of the husband/head of household/father positively affects the empowerment of women and is negatively related with currently marital status of women.

The results of third model that is related with the sample of the female loanies, whose loans are utilized by the father/head of household/husband are: the empowerment of woman is positively related with age of the woman and father assets and negatively related with currently marital status.

To disentangle the determinants of empowerment of female loanies, we make a comparison of the results of models 2 and 3, concerning when the amount of loan is utilized by women and the amount of loan utilized by husband/father/head of household respectively. Although the utilization of loan by other members of the household is an indicator of the lower-empowerment of women (Pitt et al., 2003b), here, our purpose is to see how much the other determinants are varying for these two types of the situations. The age of the woman as an explanatory variable for empowerment of woman is significant for model 3, where the loan was utilized by other than the women concerned but insignificant when the loan is utilized by woman. Similarly, the education of the father/head of household/husband is significant for model 2 but insignificant for model 3. It may be explained as, in

model 3, the loan is utilized by other members which show lower empowerment of woman. It is so much lower that education of the father/husband/head of household has no effect on woman empowerment. On the other hand, when loan is utilized by woman, the empowerment increases, reflecting that, the factor of education of head of household/husband/head of household becomes effective when the loan is utilized by woman. We may conclude not only that the provision of loan by the agencies is required to enhance the empowerment of woman, but its utilization by the concerned woman is also necessary. The factor of marital status of the woman affects the empowerment of woman in both cases when the loan is utilized by the woman and by other members of the household that is father/husband/head of household.

The number of sons affects the empowerment of woman in model 2 only. For model 3, it is insignificant. The difference is self-explanatory, for model 3, the loan is utilized by other members of the household that reflects the higher hegemony over women's decisions, so that the factor of having male children becomes dormant. On the other hand, father's assets have positive impact on empowerment of women when the loan is utilized by other members and it has insignificant impact when the loan is utilized by the woman. This result may explain an important phenomenon. Theoretically the single females and divorces/widows are dependent on their parents. In this situation the parents not only support the financial burden of these women but also support in their business management (established through microfinance to women). So, the assets of the father for empowerment of woman become important in this situation.

Lastly, the most important variable relevant to the microfinance as well as women empowerment is the amount of loan. Crucial results emerged explaining that amount of the loan positively affects the empowerment of woman when the loan is utilized by woman but it has insignificant effect when loan is utilized by other members of the household. It partially supports the Goetz and Sengupta (1996) argument that if funds are controlled over by men, the women may face negative impact of the loaning. There is emergence of a vital argument that microfinance can enhance the empowerment of women when the loan is utilized by them, otherwise it has no impact.

CONCLUSION AND POLICY RECOMMENDATIONS

The current study was a case study of empowerment of microfinance female loanies of District Bahawalpur based on primary data. The objective was to see the determinants of empowerment of these women particularly focusing on the role of microfinance. Based on the results, it can be concluded that the empowerment of women who are availing the loan from microfinance institutions,

may be enhanced by increasing the amount of loan subject to the loan is utilized by the woman. In the perspective of woman empowerment, it is proposed that the microfinance institutions not only should increase the amount of the loan but it should also be checked that whether the amount is utilized by the woman, or other members of the family. In this regard management and vocational training of the women may be supportive. It is generally considered that the volume of loan provided to women contribute a lot towards the empowerment. Our results show that amount of the loan enhance the empowerment of women but the other variable like the marital status, age of the woman and number of children are more significant factors.

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