

The Impact of Microfinance on Poverty Reduction (A case study of Okara, Southern Punjab, Pakistan)

ZEEZHAN FAREED

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

FARRUKH SHAHZAD

Department of Management Sciences,
Lahore Leads University
Lahore, Pakistan

MUHAMMAD ARSHAD

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

RAB NAWAZ LODHI

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

UMM-E-AMEN

Hailey College of Commerce
University of the Punjab
Lahore, Pakistan

Abstract:

This study examines the impact of microfinance on poverty reduction in Okara district, Pakistan. Four hypotheses were used in this study to check the impact of microfinance on poverty reduction. The population was consisted of all active borrowers of microfinance banks in Okara city mainly Khushali Bank Limited, Tameer Bank Limited, First Microfinance Bank and some other Microfinance Banks. A sample of 85 respondents was taken for this study. Five (5) point Likert scale questionnaire was developed. Data was evaluated through frequencies, descriptive statistics, correlation and multiple regressions analysis. The results showed that the entire research hypotheses were accepted and this study indicated that the poor people who were using the microfinance, their income level, savings and standard of living

were improved. This study also indicates that MFIs have played a vital role to reduce the poverty in the Okara district.

Key words: Microfinance, Income, Savings, Living standards, Poverty.

1. Introduction:

Microfinance is the small scale provision to the individuals and small scale businesses. The poor people who cannot access the traditional banking services take the facility of microfinance for improving their standard of livings. Microfinance is the source of the development of the country and reduces the unemployment in the country. A person is usually called a poor person if his/her Consumption level falls below USD 1 per day to meet the basic needs and this level is called the poverty line (The World Bank 2002).

The poor people are excluded from the formal financial system and the range of excluding varies from country to country and differs from developed to developing countries. Due to the absence of formal financial services the poor have developed some informal arrangements to fulfill their basic needs. Microfinance is created to fill out the gap between formal and informal financial system. Microfinance banks are not providing the small capital to the individuals but also reduce the poverty in the country (Anyanwu 2004)

Stuart Rutherford has written in his Essay “The Poor and their Money” poor people used the microfinance when they need large amount for “Life cycle Events” e.g. (Child birth, marriages, funeral), “Emergencies” e.g. (Sickness, Injury) & “Investment Opportunities” e.g. (Investment in new or existing business) (Management, Oxford Policy, 2006)

Some empirical studies have stated that the people who access the microfinance escaped from poverty and their standard of living were improved (Malik, Malki, & Imai 2012).

A big collection of literature have been studied in which many authors have contradiction to each other but finally proved that microfinance play a positive role for poverty alleviation in any country (e.g. Hossain 1988; Barnes 2001; Dunn 2002; Snodgrass and Sebstad 2002; Goldberg 2005; Khandker 2005; Rabbani et al. 2006; Haseen 2006; Mahjabeen 2008; Banerjee, Duflo et al. 2009; Imai et al. 2010).

The poor people of Pakistan with low income level, even can't access clean water to drink, lack of education, less opportunities of employment, lack of financial services, inadequate sanitation and insufficient health facilities (World Bank 2007).

Nenova et al. (2009) stated that out of 40% of the total population of Pakistan are not engaged in both formal and informal financial system and 19% of the people in Pakistan due to lack of knowledge are not familiar with the microfinance and hence they remain poor.

Poverty had been increased in Pakistan from the period 1988-2004. The 60% of total population of Pakistan that lives in rural area, approximately 35% are living below the poverty line. It means that 32 million of the people of Pakistan live in Poverty. The rural poor spend 80% of their budget for the fulfillment of their basic needs such as food, clothes and shelter. (Zaidi 2005)

According to (Alam, 2012) currently the Khushali Bank Ltd. is the biggest microfinance bank in Pakistan regarding number of active borrowers and gross loan portfolio. There are seven microfinance banks and nine microfinance institutions are running for providing the microfinance to the poor people and raised their standard of livings in Pakistan.

Four independent variables (AMFS, UMF, AMF and FT&C) positively affect the dependent variable (poverty reduction). These independent variables have positive relationship with dependent variable. When the poverty is reduced the living standards of the people will be improved,

income level would rise, unemployment will decrease and people will be able to save and invest more. The purpose of the study is to examine the relationship between microfinance and poverty reduction. In this purpose four independent variables are taken which have positive relationship with poverty reduction.

This study will provide the solution for MFIs which can improve their microfinance services for poverty reduction. This study will spread the body of facts in the perspective field. This study will develop a model that will show the impact of Microfinance on poverty reduction and when poverty reduced then what will be the consequences. This model will be created from different studies. The future researchers would be able to take proper guidelines if they are to conduct any study in respective area.

1.1 Research Objectives

The objectives of the study:

1. Is to determine the impact of MF on poverty Alleviation.
2. Is to check the nation building by some Microfinance banks through poverty reduction.
3. For efficient realization of scheme make some arrangements and recommendations.

2. Literature Review:

The study regarding poverty and its reduction is very old. Poverty is a universal observable fact, which affects nations, peoples and continents differently. It deals people in different time, level and phases. (Oyeyomi 2003). With the help of income and consumption line poverty can be measured and this is the common way to measure. If the person's consumption level reduces 1USD per day then that person would be consider as a poor person and that level should first meet the basic needs.

This minimum level is the line of poverty.

World Bank (2002), Nigerian Central Bank (1999) shows poverty “a place where any person is not fulfilling his or her basic needs such as food, clothing and shelter; and very inadequate access regarding social infrastructure and economic infrastructure such as health, water and sanitation; and as a result, has low chance of promoting his or her welfare according to his or her capabilities”.

Ahmad & Naveed, (2004) stated about microfinance in term of reducing poverty. They conducted the research to find the role of microfinance for poverty elevation in district Rahim Yar Khan and that microfinance provided by Khushali bank Ltd (KBL). Correlation analysis was used to find the relation of microfinance with income, asset formation, crop production, farm expenses and savings. There was a direct relation of microfinance with income, asset formation, crop production, saving and farm expenses. Moreover, the microfinance is efficiently helping the poor people and increasing their living standards by providing them loan for livestock, working capital and cotton in above mention district.

Waheed (2009) showed the role of microfinance in reducing poverty. Both primary and secondary data were collected and 68 households which used microfinance were interviewed. The multiple regressions were used. The outcome showed that micro-credit improves income and reduce poverty.

According to report of BBC, many men, women and children line up outside the Karachi restaurants for food which are paid by charity donors. These lines were shorter until early 2008. Many of them in lines were industrial worker who have lost their jobs. During the 2008, there were Rs. 1.8 million beneficiaries of microfinance from different microfinance institutions. They have been lent more than Rs. 21 billion for poor people.

In August 2000, Khushali Bank was established and it made many poverty reduction strategies as part of Islamic

republic of Pakistan. With the funding and technical assistance, Pakistan Microfinance Sector Development Program (MSDP) was developed and which provided US\$150 million loan to Pakistan. The micro-loans provided by Khushali Bank is being used which is US\$70 million.

According to Government of Pakistan in its poverty reduction strategy paper, a target has been set to reach 3 million borrowers of microfinance at the end of 2010 and 10 million borrowers of microfinance by 2015.

Qayyum and Munir (2008), microfinance history in Pakistan begin with the start of Orangi Pilot Project (OPP) in Kutchi Abadies of Karachi during 1980's.

Akram & Hussain (2011) Stated that microfinance is serving all poor by increasing income level. They have been taking three banks as sample Khushali Bank Ltd., First Microfinance Bank and Tameer Bank Ltd. They used descriptive statistics to analyze the data collected and sample size of 48 respondents was taken equally from three microfinance banks. They showed in their research that 85.40% of the respondent told that they have been used microfinance facilities and have improving their living standard.

In Pakistan, there are almost 22.59% of the total population is below the poverty line (United Nations development program (UNDP 2010).

Although microcredit does not address the demand of most needy poor, it can only improve the lives of poor, having 7 to 10 members. There are 86 clients of Kashaf Foundation which are living on US\$0.66 per day after taking first loan which is equal to US\$20 per month. After taking three loan, the earnings increased by US\$12 per month, which is in total US\$32.

Numan, Khan, & Khattak (2010), used the descriptive statistics for showing the availability and impact of microfinance in the region of Khyber Pakhtunkhwa, they asked

9 questions in their study first four questions checked the availability of microfinance services and last five questions checked the impact of microfinance to the people of Khyber Pakhtunkhwa. Their study shows that the availability of microfinance to the poor people is not sufficient.

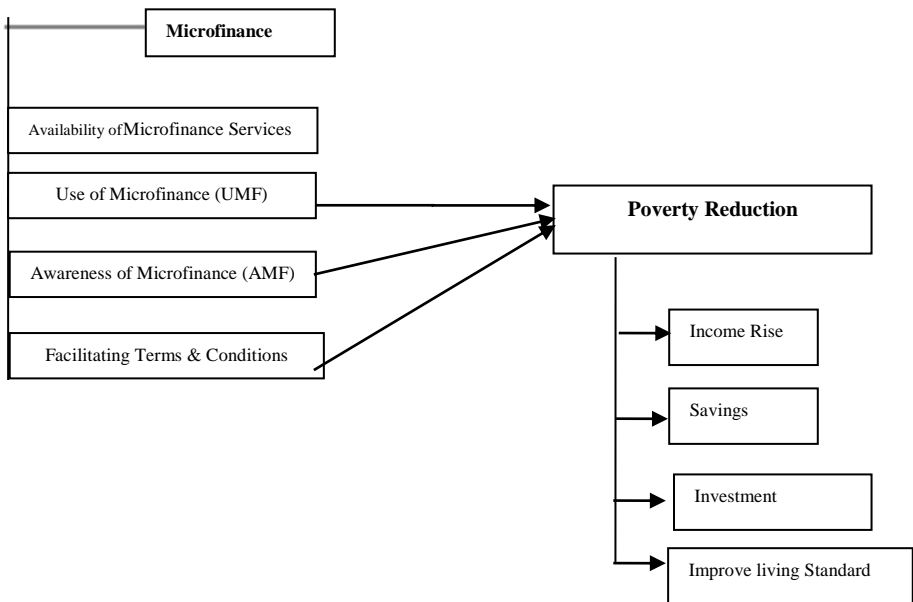
2.1 Research Gap

Some studies regarding role of microfinance on poverty reduction show mix results. Some studies show the improvements in living standards (Afrane 2002) and some studies interpret the opposite, that activities like micro credit and microfinance did nothing to reduce the poverty (Bateman, 2007).

The aim of the study is to check the impact of microfinance on poverty reduction in Okara District. One research has been conducted in the region of Okara District by (Akram & Hussain 2011) which shows the positive impact of microfinance on income level with limited no. of variables while this study shows the impact of microfinance on poverty reduction. For this purpose 4 variables are taken from different studies. No one has taken these 4 independent variables collectively to check the impact of microfinance on poverty reduction. This study also tell the consequences of microfinance when the poverty is reduced.

3. Theoretical Framework

3.1 Graphical Model



3.2 Identification of Independent and Dependent Variables

In this study Microfinance is independent variable and four sub independent variables “Availability of Microfinance services”, “Use of Microfinance”, “Awareness of Microfinance” and “Facilitating terms and conditions of Microfinance”, are taken and measure their impact on the poverty reduction which is dependent variable.

3.3 Development of Hypothesis

Nouman, Khan, & Khattak (2010) checked the availability of Microfinance services to the poor people of the Khyber Pakhtunkhwa and results show that people disagreed with the services of Microfinance.

H₀: There is no relationship between AMFS and Poverty Reduction.

H₁: There is a positive relationship between AMFS and Poverty Reduction.

Ebimobowei, Sophia, & Wisdom (2012) stated that there is a relationship between use of microfinance and poverty reduction in Nigeria if government provide the better infrastructure, like schools, roads and hospitals so that poor people can avail the maximum output by microfinance for poverty reduction.

H₀: There is no relationship between UMF and Poverty Reduction.

H₂: There is a positive relationship between UMF and Poverty Reduction.

Nabi & Aima, (2012) checked the awareness of microfinance in the region of Azad Jammu and Kashmir they find the low relationship between awareness of microfinance and poor people of Azad Jammu and Kashmir.

H₀: There is no relationship between AMF and Poverty Reduction.

H₃: There is a positive relationship between AMF and Poverty Reduction.

Latifee, (2000) checked the impact of microfinance on poverty reduction through Grameen bank of Bangladesh. He stated that Grameen bank adopted it on terms and conditions for poverty reduction in Bangladesh. These terms and Conditions of Grameen microfinance bank includes low rate of interest, directing the lowest poor, decentralization, highly motivated staff and transparency in bank transactions.

H₀: There is no relationship between FT&C and Poverty Reduction.

H₄: There is a positive relationship between FT&C and Poverty Reduction.

4. Methodology

4.1 Data Collection Methods

Charles, James, & Hamed, (2011) conducted the study named as “Impact of Microfinance on Poverty Alleviation in Nigeria: An Empirical Investigation”. He used the survey research

method by using the questionnaire as instrument to check the impact of microfinance on poverty alleviation in Nigeria. This current study is the modification in his study and implemented in Pakistan. Data was collected through questionnaire to check the impact of microfinance on poverty reduction in Okara District.

Questionnaire is adopted from different studies which measure the impact of microfinance on poverty reduction. It has two sections, one contains demographic variables like Gender, age qualification and 2nd section contains the 23 items on 5 point likert Scale (strongly Disagree=1, Disagree=2, Neutral=3, Agree=4 and strongly agree=5) which measured the impact on microfinance on poverty reduction. This questionnaire is strongly recommended because all the items measure the accurate results. Questionnaires were filled from 100 respondents out of which only 85 were returned.

Dimensions	Items	Operational Definition	Reference
Availability of Microfinance Services (AMFS)	<ul style="list-style-type: none"> • AMFS reasonable • MFS provided by Govt. and non Govt. is enough. • MFS easily reachable. • MFIs assigning fund for MFS. 	<ul style="list-style-type: none"> • AMFS is satisfactory. • MFS provided by Govt. & non Govt. is sufficient. • MFS easily accessible. • MFIs allocating fund for MFS. 	(Nouman, Khan, & Khattak, 2010)
Use of Microfinance (UMF)	<ul style="list-style-type: none"> • MF helps for fulfillment of Basic needs. • MF helps to start new Business. 	<ul style="list-style-type: none"> • MF helps Fulfillment of Food. • MF helps Fulfillment of Shelter. • MF helps Fulfillment of Cloths. • MF helps to commence new business 	(Ahmed, 2008) (Faiza, 2012)

<p>Awareness of Microfinance (AMF)</p>	<ul style="list-style-type: none"> • MF is about lending small Amount. • MF is about financing micro business. • MF is about Saving • MF is about providing Insurance • MF is about fund transfer. • Overall awareness of MF is reasonable. 	<ul style="list-style-type: none"> • MF means lend small amount. • MF supporting small business. • MF enable Saving • MF providing insurance. • MF means fund transfer. • Overall awareness of MF is sound. 	<p>(Nabi & Aima, 2012)</p>
<p>Facilitating Terms and condition (FT&C)</p>	<ul style="list-style-type: none"> • Interest rate is low on MF. • Installments facility of MF. • Terms and Conditions of MF are easy to fulfill. • Minor collateral terms and condition for MF 	<ul style="list-style-type: none"> • Interest rate is comparatively little. • Installments on MF facilitate you more. • Terms and conditions are easy to fulfill. • Minor security against MF 	<p>(Latifee, 2000)</p>
<p>Poverty Reduction</p>	<ul style="list-style-type: none"> • Make Improvement in Standard of living by using MF. • MF contributes to raise your Income level. • MF leads towards your Savings. • MF enables you to make investment. • MF Decreases the rate of unemployment. 	<ul style="list-style-type: none"> • MF increases your living standard. • MF increases your income level. • MF increases your savings • MF increases your investment opportunities. • MF declines rate of unemployment in the country. 	<p>(Saleem, Zaman, & Khattak, 2010)</p> <p>(Akram & Hussain, 2011)</p>

To check the reliability, questionnaires were filled from twenty respondents. The Cronbatch Alpha was used to measure the reliability of questionnaire. The value of Cronbach's Alpha is .779 which shows that all the items are reliable having same dimensions and correlated to each other.

The population is consisted of all the borrowers of microfinance from different Microfinance Institutions mainly Khushali Bank Ltd., First Microfinance Bank, Tameer Bank Ltd. and Kashaf Bank which are operating in the Okara district. The 85 borrowers of microfinance were taken as a sample size due to time constraint as in prior study (Akram & Hussain, 2011)it was taken only 48 respondents. The sample information is taken from the District Okara. Convenience sampling technique was used because the managers of all microfinance banks did not show the information of their microfinance borrowers due to privacy concern. The sample frame contained all the active borrowers of microfinance and who have to pay back the loan.

Before getting questionnaires filled from the respondents, pilot test was conducted to check whether the questions are easily understandable by the borrowers of microfinance or not and to ensure that the questionnaire was reliable and not having grammatical and spelling mistakes.

4.2 Data Analysis Methods

SPSS (Statistical Package for Social Sciences) version 16.0 was used analyze the data. Both descriptive and inferential statistics were used in this study. Frequencies of demographic variables were calculated. Mean and standard deviation of all the variables were calculated. Multiple regression analysis was used to prove the hypothesis of the study because model was consisted of four independent variables and one dependent variable.

$$Y=B_0+B_1X_1+B_2X_2+ B_3X_3+ B_4X_4+e$$

$$PR=B_0+B_1 AMFS_1+B_2 UMF_2+B_3 AMF_3+B_4 FT\&C_4+e$$

This equation contains one dependent variable (Poverty Reduction) and four independent variables “Availability of Microfinance services”, “Use of Microfinance”, “Awareness of Microfinance” and “Facilitating terms and conditions of Microfinance”.

5. Findings/Empirical Results

5.1 Frequency table of Demographic

Demographic Items		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	37	43.5	43.5	43.5
	Female	48	56.5	56.5	100.0
	Total	85	100.0	100.0	
Age	Under 20 Years	33	38.8	38.8	38.8
	20-24 Years	26	30.6	30.6	69.4
	25-28 Years	13	15.3	15.3	84.7
	More than 28 Years	13	15.3	15.3	100.0
	Total	85	100.0	100.0	
Qualification	Matriculation	23	27.1	27.1	27.1
	Intermediate	31	36.5	36.5	63.5
	Graduation	12	14.1	14.1	77.6
	Master	19	22.4	22.4	100.0
	Total	85	100.0	100.0	
Microfinance Bank	First Micro Finance	25	29.4	29.4	29.4
	Khushali Bank Limited	25	29.4	29.4	58.8
	Tameer Bank	25	29.4	29.4	88.2
	Ltd.Master	10	11.8	11.8	100.0
	Others	85	100.0	100.0	
	Total				

The frequency table shows that there were total 85 respondents out of which 37 were the male respondents (44%) and 48 were the female respondents (56%).

The frequencies of Age are shown above. Table shows that there were total 85 respondents out of which 33

respondents (39%) were under 20 years, 26 respondents (31%) were between 20-24 years, 13 respondents (15%) were between 25-28 years and 13 respondents (15%) were more than 28 years of age.

The frequency of qualification is shown above. Table shows that there were total 85 respondents out of which 23 respondents (27%) were having the qualification of matriculation, 31 respondents (36%) were having the qualification of intermediate, 12 respondents (14%) were the graduates and 19 respondents (22%) were the masters.

The frequencies of microfinance banks were given above. Table shows that there were total 85 respondents out of which 25 respondents (29%) were the borrowers of First Microfinance Bank, 25 respondents (29%) were the borrowers Khushali Bank Ltd., 25 respondents (29%) were the borrowers of Tameer Banks Ltd. and 10 respondents (12%) were the borrowers of other than these banks.

Descriptive statistics

	Mean	Std. Deviation	N
Poverty Reduction	4.1600	.59825	85
Availability of Microfinance Services	4.0294	.73539	85
Use of Microfinance	4.0579	.84107	85
Awareness of Microfinance	4.1605	.58804	85
Facilitating Terms & Condition	4.0912	.72871	85

Descriptive statistics is given in table above. Table shows the Mean value and Std. Deviation of the dependent variable and independent variables. Poverty reduction is the dependent variable and 4.16 mean of poverty reduction shows that most of the respondents are agreed that by using microfinance their poverty has reduced while their standard of living, level of income, savings and investment has increased.

Availability of microfinance Services (AMFS) having the

mean of 4.02 which means that respondents are agreed that the availability of microfinance services are easily accessible to them. Use of Microfinance (UMF) having the mean 4.05 which shows that respondents are also agreed to that microfinance has helped them to fulfill their basic needs (food, shelter, and clothes) and for starting new business. Awareness of microfinance (AMF) with mean 4.16 which shows that respondents are agreed to that they have complete awareness about the microfinance. Facilitating terms & condition with mean 4.09 which shows that many respondents are agree to that the terms and conditions of microfinance are easy to fulfill.

Testing of Hypothesis

Correlations						
		Poverty Reduction	Availability of Microfinance Services	Use of Microfinance	Awareness of Microfinance	Facilitating terms and conditions
Poverty Reduction	Pearson Correlation	1	.683**	.798**	.671**	.794**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	85	85	85	85	85
Availability of Microfinance Services	Pearson Correlation	.683**	1	.676**	.599**	.685**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	85	85	85	85	85
Use of Microfinance	Pearson Correlation	.798**	.676**	1	.617**	.859**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	85	85	85	85	85
Awareness of Microfinance	Pearson Correlation	.671**	.599**	.617**	1	.643**
	Sig. (2-tailed)	.000	.000	.000		.000

	N	85	85	85	85	85
Facilitating terms and conditions	Pearson Correlation	.794**	.685**	.859**	.643**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	85	85	85	85	85

****.** Correlation is significant at the 0.01 level (2-tailed).

Table VI shows the Pearson Correlations and significant values between dependent and independent variables. It shows that availability of microfinance services having the high positive relationship (+.683) with the poverty reduction and also having the significant value .000 which means that $p < .01$ so our null hypothesis is rejected and first research hypothesis is accepted “There is positive relationship between Availability of Microfinance Services (AMFS) and Poverty reduction” at .01 level of significant.

It shows that use of microfinance having the high positive relationship (+.798) with the poverty reduction and also having the significant value .000 which means that $p < .01$ so our null hypothesis is rejected and 2nd research hypothesis is accepted “There is positive relationship between Use of Microfinance (UMF) and Poverty reduction” at .01 level of significant.

It also shows that awareness of microfinance having the high positive relationship (+.671) with the poverty reduction and also having the significant value .000 which means that $p < .01$ so our null hypothesis is rejected and 3rd research hypothesis is accepted “There is positive relationship between Awareness of Microfinance (AMF) and Poverty reduction” at .01 level of significant.

Table also shows that Facilitating terms and condition having the high positive correlation (+.794) with the poverty reduction and also having the significant value .000 which mean that $p < .01$ so our null hypothesis is rejected and 4th research hypothesis is accepted “There is positive relationship

between Facilitating terms and condition (FT&C) and Poverty reduction at .01 level of significant.

The Model summary of our data shows that adjusted $R^2=.722$ which means that 72.2 % of the variance in the dependent variable (Poverty reduction can be predicted from the independent variables (AMFS, UMF, AMF, & FT&C) and the multiple correlation coefficient $R=.850$ which mean that all the independent variables having the high positive relation with the dependent variable.

ANOVA table shows the overall scenario of our model. It shows the overall significant value of our model .000 which indicates that combination of these independent variables is significantly predicting the dependent variable (poverty reduction).

ANOVA shows the $F=52.014$ which indicate that it is statistically significant and all independent variables combined together to predict dependent variable (poverty reduction)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.945	.261		3.616	.001
	Availability of Microfinance Services	.120	.070	.148	1.715	.090
	Use of Microfinance	.247	.085	.348	2.918	.005
	Awareness of Microfinance	.199	.082	.196	2.426	.018
	Facilitating terms and conditions	.220	.101	.268	2.184	.032

a. Dependent Variable: Poverty Reduction

Coefficient table shows that Availability of microfinance services having the value $.09 < .1$ which means that it is statistically significant at .1 level of significant. Use of microfinance having the value $.005 < .01$ so it is statistically

significant at .01 level of significant. Awareness of microfinance having the value $.018 < .05$ which means this variable is significant at .05 level of significant and Facilitating terms and condition are also significant at .05 level of significant having the value $.032 < .05$.

Null Hypothesis	P-Value	Results
There is no relationship between AMFS and Poverty Reduction.	.090	Rejected
There is no relationship between UMF and Poverty Reduction.	.005	Rejected
There is no relationship between AMF and Poverty Reduction.	.018	Rejected
There is no relationship between FT&C and Poverty Reduction.	.032	Rejected

6. Conclusion

This study is conducted to check the impact of microfinance on poverty reduction in Okara district. This study also indicates that how MFIs are taking part to reduce the poverty. In this purpose Quantitative approach was used and questionnaire was used as instrument. Active borrowers of the microfinance banks in Okara were asked to fill the questionnaires. The sample size was 85 and convenient sampling was used. To analyze the data both descriptive statistics and inferential statistics were used in this study. Correlation and multiple regressions analysis were tested on data and interpret the results.

All the hypothesis was tested with the help of correlation and multiple regression and all research hypothesis were accepted, “There is positive relationship between Availability of microfinance services (AMFS) and Poverty reduction”, “ there is positive relationship between Use of microfinance services (UMF) and Poverty reduction”, “There is positive relationship between Awareness of microfinance (AMF) and Poverty reduction”, and “There is positive relationship

between Facilitating terms & conditions (FT&C) and Poverty reduction”. This study indicates that microfinance having the great impact on poverty reduction in Okara district.

7. Limitation of the study

Due to time constraint only sample of 85 respondents was used in this study if the sample size increased then the results would be more significant. This study also needs to increase the population size because this study is conducted on one city of Punjab, Pakistan. So for the more significant results, the population size should be increased.

BIBLIOGRAPHY:

- Afrane, S. 2002. “Impact Assessment of Microfinance Interventions in Ghana and South Africa: A Synthesis of Major Impacts and Lessons.” *Journal of Microfinance / ESR Review*, 4 (1): 37-58.
- Ahmed, M. 2008. *The Role of Microcredit in Poverty Alleviation*. Allama Iqbal Open University, Islamabad. Islamabad: Allama Iqbal Open University Library.
- Ahmad, S., Navee, S.M., & Ghafoor, A. 2004. “Role of Microfinance in Alleviating Rural poverty: a case study of Khushhali Bank Program in Rahim Yar Khan Pakistan.” *International Journal of Agriculture and Biology* 7: 426-428.
- Akram, M., & Hussain, R. I. 2011. “The Role of Microfinance in uplifting Income Level.” *Interdisciplinary Journal of Contemporary Research in Bus.* 2(11): 83-94.
- Alam, K. 2012, March 14. Retrieved from *The Express Tribune*: <http://tribune.com.pk/story/349586/do-lenders-know-what-microfinance-really-is>.
- Anyanwu, C.M. 2004. “Microfinance Institutions in Nigeria:

- Policy, Practice and Potential.” Nigeria: Central Bank of Nigeria Research Paper, 1-31.
- Bank, W. 2002. *Globalization, Growth and Poverty: Building an Inclusive World Economy*. New York: Oxford University Press.
- Barnes, C. 2001. *Microfinance Program Clients and Impact: an Assessment of Zambuko Trust, Zimbabwe*. Washington, DC: United States Agency for International Development (USAID) Assessing the Impacts of Microenterprise Services (AIMS).
- Bateman, M. 2007. *What’s wrong with Microfinance?* London: Practical Action.
- Charles, A. J., James, K., & Hamed, A. B. 2011. “Impact of Microfinance on Poverty Alleviation in Nigeria: An Empirical Investigation.” *European Journal of Humanities and Social Sciences* 2(1): 97-111.
- Dunn, E. 2002. *Research Strategy for the Aims Core Impact Assessments*. Washington, DC: Office of Microenterprise Development Global Bureau, United States Agency for International Development (USAID) and Management Systems International (MSI).
- Ebimobowei, A., Sophia, J. M., & Wisdom, S. 2012. “An Analysis of Microfinance and Poverty Reduction in Bayelsa State of Nigeria.” *Kuwait Chapter of Arabian Journal of Business and Management Review* 7: 38-57.
- Faiza, G. 2012. *Success Stories*. Retrieved from Pakistan Microfinance network: http://www.microfinanceconnect.info/success_stories.php
- Hossain, M. 1988. “Credit for the Alleviation of Rural Poverty: The Grameen Bank in Bangladesh.” Washington, D.C.: IFPRI, Research Report No. 65
- Irobi, N. C. 2008. *Microfinance and Poverty Alleviation*. A Case of Obazu Progressive Women Association Mbieri, Imo state – Nigeria. 1-50.
- Latifee, I. H. 2000. “Microfinance and Poverty Reduction

- :Experiences of Grameen Operation in Asia.” In *The Potential and Limitations of Economic Initiatives in Grassroots Development –Current Issues and Asian Experiences*, 1-11.
- Malik, A. K., Malki, I., & Imai, S. K. 2012. *Microfinance and its role in house hold poverty reduction: finding from Pakistan*. Manchester: Brooks World Poverty Institute.
- Management, Oxford Policy. 2006. *Poverty and Social Impact Assessment: Pakistan Microfinance Policy*.
- Nabi, M., & Aima, A. 2012. “Availability and Awareness of Microfinance in Jammu & Kashmir State.” *International Journal of Research in Commerce, Economics & Management* 2(2): 40-48.
- Nenova, T., Niang, C. T., and Ahmed, A. 2009. *Bringing Finance to Pakistan’s Poor: A Study on Access to Finance for the Underserved and Small Enterprises*. Washington, DC: World Bank Publications.
- Nouman, M., Khan, F., & Khattak, A. H. 2010. “Availability of Microfinance & Its Impact on Economic Growth: A Case Study of Rural Areas of Khyber Pakhtunkhwa.” *Journal of Managerial Sciences* 4(2): 190-200.
- Oyeyomi, O.E. 2003. *An Assessment of Poverty Reduction Strategies in Nigeria (1983-2002)*. A dissertation submitted in partial fulfillment of the requirement for the award of the doctor of philosophy of the St Clement University.
- Saleem, M. A., Zaman, K. U., & Khattak, B. K. 2010. “Impact of Micro finance in Raising the Living Standard of People of D.I.Khan.” *Journal of Managerial Sciences* 4(1): 75-86.
- World Bank. 2002. “Globalization, Growth and Poverty: Building an Inclusive world Economy.” World Bank Policy Research Report, New York: Oxford University Press.
- Zaidi, S., Jamal, H., Javeed, S., Zaka, S. 2007. *Social Impact Assessment of Microfinance Programmes*. Islamabad:

Zeeshan Fareed, Farrukh Shahzad, Muhammad Arshad, Rab Nawaz Lodhi, Umm-E-Amen- *The Impact of Microfinance on Poverty Reduction (A case study of Okara, Southern Punjab, Pakistan)*

study commissioned by and submitted to the European Union-Pakistan Financial Services Sector Reform Programme.