



Microcredit, Personal Empowerment and Quality of Life of Women Borrowers – A Theoretical Framework

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ARTICLE DETAILS

History

Revised Format Nov, 2015
Available Online Dec, 2015

Keywords

Microcredit
Personal Empowerment
Quality of life

ABSTRACT

The issue of marginalisation of women in development, particularly in South Asia, has been highlighted in the development literature. Women in this region are found to be generally poor, lack of education, and have a low quality of life, due to various economic and cultural reasons. Thus, unlocking the potentials of these women appears to be a plausible move as this could improve not only their income, but also their quality of life. One such initiative to unlock the potential of these women is microcredit program, where small loan is given to these women to enable them to embark on economic activities, which consequently improve their household income and quality of life. Indeed, there have been many studies that examine the relationship between microcredit and quality of life, and found that there is a positive relationship between microcredit and quality of life of the borrowers (women). However, most of these studies implicitly assume that the impact of microcredit on quality of life is direct, and hence, did not consider the role of other factors in evaluating the impact of microcredit on quality of life. Here, we argue that, the impact of microcredit on quality of life is not direct, but rather indirect. We believe personal empowerment does play an important role in influencing the impact of microcredit on quality of life. The mere availability of microcredit, in our view, did not guarantee a positive impact on quality of life. Rather, the availability of credit to borrowers affects their personal confidence, which consequently affects their level of quality of life. This paper discusses the theoretical framework by which these variables – microcredit, personal empowerment and quality of life – are inter-related.

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1. Introduction

The present research will focus on the Impact of Microcredit and Personal Empowerment on Women Borrowers Quality of Life in Bahawalpur, Punjab, Pakistan. The present study will contribute to enhance the quality of life of women. Upgrading quality of life has for some time been an unequivocal or understood objective for individual's

groups' country and the world. Money has a crucial importance in the life of every human being. The main issue is that how much money one needs for the better quality of life beyond that for the basic needs, to achieve life's objectives and backings the things one think about most profoundly, for example, family, instruction, social insurance, philanthropy, experience and fun. It gets some of life's intangibles for occasion flexibility or freedom, the chance to make the most from aptitudes and skills, the capacity to pick possess course in life monetary security. With cash, much good should be possible and much superfluous enduring maintained a strategic distance from or wiped out.

Today the development of the whole world, has divided in two global scales, a rich North and poor South, every country is focusing for its economic development by using the indicating ladder of quality of life. Human experiences have been commonly expressed in terms of quality of life. Quality of life is intended to characterize either one exactly how sound social prerequisites are encountered or the degree to which persons of group's perceived fulfillment or disappointment in many lifespan. In this concern several programs have been developed to deal with this situation such as the United Nations Development Programme (UNDP) and International Financial Institutions (IFIs) particularly the World Bank and United Nations focused on the millennium development goal that have raised poverty alleviation to the policy forefront (World Bank, United Nations, 2013).

Economic development is the theme of everyday living. Developing countries are in a race of achieving good quality of life for their people. Money is a vital part of good quality of life. It seems that as the economic development increases it also increases quality of life. There is a positive relationship between income and quality of life in wealthier nations, and this affiliation is just up to a specific level, proposing that the marginal utility of income reduces with ascends in income, accepting stable costs. In any case, economic development remains essential to the poorer nations and for individuals living in poverty with their fundamental needs still unmet owing from their low individual income. Thus further he found that in low to middle income creating nations there is a solid connection between economic development and quality of life, while in the higher income nations this connection is not that strong (Kenny, 2005, 1999).

The main challenge of the under developed countries has to face the poor quality of life regarding women that's why the economic development of such countries are still question mark as compare to the developed countries. In this regard the necessity to put light on the matters of women in international development has been well publicized since the United Nation's Women's Year (1975) and the following Decade for Women (1976-85). It was demonstrated that females and children are the most vulnerable against the unequal distribution of assets of health and education and withdrawal from food, hospital care and education. (Azizi ,1999).

Pakistan ranks third on list of most dangerous countries for the women for their survival in the whole world, while Afghanistan has first and Congo has second ranked respectively (The Express Tribune Pakistan, 2011). Especially in Pakistan women are struggling daily for their basic rights, self-recognition & respect, even nearly 1,000 women are killed in 2011 at the name of "Honor" if they raised their voice (Pakistan Human Rights Commission, 2012). It is additionally reasoned that in Pakistan, females wage work involvement is a status lessening as opposed to a status upgrading action, as female work has never been considered as an esteemed action (Shah, 1986). In a patriarchal society like Pakistan, there are social imperatives on monetary movement and versatility of females (Foster 2005; Rehman 1992).

Hence there is a great need to reduce the fluctuation of chances and access to the assets among men and women that is common everywhere throughout the world, but are more common in deprived developing countries (Rehman, 2007). Microcredit includes women in micro businesses and other income generating activities. Their involvement is argued to facilitate by earning income that leads to better quality of life (Yasmeen, 2014). Not only the microcredit but also the personal empowerment has impact on the quality of life of the women. This personal empowerment gives women quality in their life and chances to develop ability, and self-rule (MkNelly, 2001).

Keeping in mind the above discussion it is clear that in under developed and developing countries income plays an important role for good quality of life. If you are happy from your life than you are living a good life. In case of

women condition in under developing nations like Pakistan, it is necessary to personally empower women because women are a most miserable part of developing society. Personal empowerment will boost women to excel her in a field of her own choice and become financially strong and leads a good life.

2. Problem statement

The concept of quality of life was conceived as a distinct option for the more problematic idea of material welfare in the wealthy society and was viewed the new, multidimensional and a great deal more mind stunning goal of societal development. Thus, quality of life is inclined by an individual's physical and mental health, the degree of independency, the social relationship with the environment and other factors (Ruževičius & Akranavičiūtė, 2007).

Traditionally, females are financially dependent on males. Often women are more vulnerable members of society and therefore have been marginalized. Most of the underdeveloped and developing countries have male dominant societies that impose various boundaries on females. They neither travel outdoors nor are allowed to have social contact with male individuals of the community. When females have their own income, psychologically, they feel powerful because of Independence and this leads them towards good quality of life (Yasmeen & Karim, 2014, Blumberg, 1984).

Pakistan has got majority of its residents living in rural areas. Southern Punjab is especially known by its conservative culture where women are not given their due human rights, low quality of life and are only known as the carriers of male honor (Rehman, 2007). The rights of a woman are subjugated to male rights (Maria, 2003). People of Pakistan are ardent followers of patriarchal system. The foremost social training of parents is to serve and obey men in every matter, whether it's about domestic responsibilities or serious issues of life like selection of spouse and even number of off-springs to be born are the decisions taken by heads of the family (Shareef et al., 2012).

The condition of women is different in context to different areas of the world. Among developed countries the status of women is changed as compared to underdeveloped countries. In numerous under developed countries such as Pakistan, India, Bangladesh and Sri Lanka largely women don't have the way to contribute and they require cheap advance to gain a respectable employment. To meet these necessities various approaches have been made at distinctive means e.g. individual projects were set up and credit surety plans were presented but they contributed nothing to the persevering monetary improvement of women and increasing their quality of life (Mehmood, 2002).

Quality of life is a significant throughout the world. Articles on the quality of life and its related factors such as microcredit and personal empowerment Becchetti, (2010) ; Veenhoven, (2009) ; Bandyopadhyay, (2008) ; Mayoux, (2005); Cheston & Kuhn, (2002) ; Kabeer, (1998); Goetz & Gupta, (1996) ; Easterlin, (1973) have applied researches on one another factors and the researches are indifferent cultures and societies but not on the impact of microcredit and personal empowerment on quality of life. Although there are many literatures and researches with context to Pakistan (Yasmeen, 2014 ; Nabahat, 2014; Rizvi, 2013; Noreen, 2011; Haq & Khalid 2011; sharief et al, 2012 ; Chaudry, 2009 ; Mumtaz, 2007). All these researches had linked with one of the factors but not covering all the elements of the present research. Quality of life of women is used in very few researches.

The present-day research is an attempt to fill the theoretical gap by pointing the focus of research on possible outcome of impact of microcredit and personal empowerment on women borrowers' quality of life. So this study will enhance and intervene the possible differences on impact of the mentioned factors due to natural and cultural differences.

3. Gap of the study

There have been a few studies from Pakistani perspective that try to establish a link between quality of life and its related factors. Researches like (Yasmeen, 2014; Nabahat, 2014; Rizvi, 2013; Noreen, 2011; Haq & Khalid 2011) all these researches are covering one and another aspect related to quality of life. This has been a new study in Pakistani perspective that will try to establish a strong role of microcredit and personal empowerment with quality of life in women. There is an increasing need to know the effect of microcredit and personal empowerment with quality of life and allaying factors. So far the researches have been conducted in different perspective. Women are the most neglected part of the society so there is a need to focus on the new eras problems that broadens the importance of quality of life among women.

4. Theoretical Framework of the present Research

Quality of life is defined differently by different people. Quality of life implies a decent life and we trust that a decent life is the same as carrying on with an existence with a high quality. In the present research Quality of Life Theory III, Maslow Revisited of Hierarchy of needs will be used. According to this theory, the needs traditionally relate to the quality of life such that, when your needs are fulfilled, your quality of life is high. The needs are an expression of our nature: that is, something all human beings have in common.

In fact, Maslow focus on the basic needs of a person when basic needs are fulfilled than the other step is good quality of life either in the form of income or empowerment. According to Maslow's concept if a person have money and personally empowered than quality of life is automatically improved. So, microcredit and personal empowerment leads to good quality of life.

5. Research Question

Further developing the aspect of the study with respect to its dependent an independent variable following research questions will be derived.

- 1 What is the impact of microcredit and personal empowerment on quality of life in women?

6. Hypothesis of the study

- 1 There will be an impact of microcredit on quality of life in women.
- 2 There will be an impact of personal empowerment on quality of life in women.

7. Literature Review

The quality of life refers to daily living is enhanced by wholesome food and clean air and water, enjoyment of unfettered open spaces and bodies of water, conservation of wildlife and natural resources, security from crime, and protection from radiation and toxic substances. It may also be used as a measure of the energy and power a person is endowed with that enable him or her to enjoy life and prevail over life's challenges irrespective of the handicaps he or she may have Business Dictionary (2015).

The investigation of Sharma (2014) has portrayed the circumstance of poverty and expectations for living standards of the poor in India and Bhutan and other developing nations by utilizing the secondary information alongside Human Development Index (HDI), Self Help Group Bank Linkage Model (SBLP) and Agriculture Lending Program of BDBL are the key pointers/wellsprings of drawing comprehensive inferences of the study. He verified that a large portion of the world's poor are discovered participating in self-employment. The maximum share of their hard earned money from different micro business set up such as goatery, piggery, poultry, weaving baskets etc. goes for their basic survival and finally there is no amount left at their disposal to expand their business and improve their quality of life. Consequently still there is need of capacity advancement of the unfathomable poor, particularly

emphasis to rural part, is especially key as it assumes significant part in the improvement of quality of life among these classes.

The dynamic role of microcredit on quality of life has not being denied especially in the developing countries regarding women. Several researches have focused and proved strong relation between microcredit and quality of life such as Parveen (2007) highlighted that accessibility to microcredit has a big and positive impact on quality of life. Similarly Rehman & Khan (2007) explores the impact of microcredit on the living standard of poor people to improve their quality of life. They determined that availability of microcredit in the form of loan have an effective mechanism for reduction of poverty and enhanced quality of life.

Studies conducted in rural Malaysia and Egypt on the impact of microcredit program and client's quality of life. The study revealed that the microcredit has positively increased respondent's monthly household income (Mamun, Adaikalam & Wahab, 2012). Similar finding were observed in research study of PPAF conducted by Gallup, Pakistan that participation in the microfinance program has significantly enhanced the household income of treatment group as compared to control group (Haq & Khalid, 2010).

Ali, Ali & Subahan (2015), have examined the effects of microcredit on business development and income level of the poor clients of Malakand Division of Pakistan by means of calculated the quality of life index by applying the multiple regression and found that the respondent's, education level, increase in income, and business processes improvement and have a statistically moderate significant positive relationship with the quality of life while their age, marital status, increase in expenditures on food and clothing, the number of times received microcredit has a negative relation due to aged ,married and having large number of family members as compare to fulfill their high expenditures.

Personal empowerment and quality of life has strong relation as indicated in the study of Zaman (2009) on assessing poverty and vulnerability of different villages in Bangladesh. It has been determined by the research that involvement in any microcredit program enhanced people crisis coping strategies, increase in income generating activities, assets and women's decision making role develop, they have full control over resources and their freedom of movement and the result of all these things is the improvement in women quality of life.

While the Moyle, Dollard & Biswas (2006) has argued that the women's sense of personal empowerment (e.g. collective efficacy, self-efficacy, proactive attitude, self-esteem) has the immediate effect on her economic strength, a sense of purpose, an enhanced level of psychological well-being and influence on quality of life of the rural women. Despite the fact that the personal empowerment enables women to develop the necessary skills and confidence to access resources to achieve their aspirations (Mayoux 2000).

Similarly Lord & Hutchison (1993, 1991), explained the procedure of the personal empowerment a change towards a uniquely ongoing process of an individual who become increasingly empowered by moving through the stages of awareness, connecting and learning, mobilization (taking action), and contribution which leads to quality of life.

Pakistan is a country where the women are every time overlooked by the society. Without women involvement society cannot grow. Women have hindrances in all sphere of life. Empowering women has double advantages, first to the females and second to the general public. At the point when empowering women, it really empowering family. Females having rights are more sure, have better expectation for everyday comforts and they can settle on their own choices. For the improvement of the economy women and men both ought to cooperate and females ought to use their abilities. Females ought to utilize their shrouded capacities. Personal empowerment of females decreases poverty from the general public since they can spend more on their families and don't rely on upon others and have enhanced quality of life. (Sohail, 2014).

8. Methodology

8.1 Design of the study

Quantitative research design will be discovered most suitable for this study. The principle target of this study will be to inspect the impact microcredit and personal empowerment on quality of life in women borrowers. A correlational methodology will be more suitable for this study as the analyst needs to recognize the essential elements that are connected with the dependent variable. It will take a depiction of a populace and takes into consideration conclusions to be drawn around a marvel in a given time that is illustrative of the whole populace. Also a closed ended survey questionnaire will be utilized to accumulate data.

8.2 Participants

The participants of the study will be consisted of 400 women from the population of women borrowers of the Bahawalpur, Southern Punjab, Pakistan.

8.3 Data Collection

The study intends to examine the impact of microcredit and personal empowerment on Women's borrower's quality of life. The population of the study includes females of age's from 18 to 60 years of division Bahawalpur, Southern Punjab, Pakistan. The total number of women borrowers in southern Punjab division Bahawalpur will depends on the records that are kept by the microfinance banks i-e. Khushali Bank, Tameer Microfinance Bank and National Rural Support Programme bank (NRSP).

8.4 Data Analysis

The analysis of the data collected from the survey questionnaire, will be done by using the Multinomial Logit Model. Data analysis and hypothesis testing will be done by using different statistical technique. For the calculation of the mean scores and standard deviation descriptive statistics will be used for each dimension of the study.

9. Significance of the Study

The present research is expected to contribute significantly that deal with women borrower's quality of life which may depend on microcredit and personal empowerment in developing countries such as Pakistan. It will be helpful and contributed to a literature review. The researchers so far studied the relationship between the variables. The present research will cover the important factors that did not discuss before; the research conducted in this field, no one studies the impact of the present study variables. It is the new thing in a literature so there is a great help in a literature review. By and large, this study can be considered as a pioneering attempt to expand the literature by exploring the impact of microcredit and personal empowerment on women borrower's quality of life.

This study has many social and practical implications for economic research in the respective domain (women borrowers' quality of life). Theoretically, the study highlights the major factors having an impact on the Pakistani community in developing good society. These factors are identified as microcredit and personal empowerment on women's borrowers quality of life which never were give due consideration at policy level in Pakistan.

The most important about this study is microcredit and personal empowerment improves the quality of life of women. When we are free of economic constraints, we may live in a more elevated manner. Being at peace is the most important objective in our lives today, which is supported by confidence and esteem. We tend to make better choices in our lives when we are free of societal and economic pressures, which may lead to good quality of life.

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Volume 1: Issue 2 December 2015
Publisher: Center for Sustainability Research and Consultancy (CSRC)

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