

**Microfinance and Empowerment: Understandings and Experiences of Rural Women in North Western Pakistan, including Situations in Natural Disaster**

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The candidate confirms that the work submitted is her own and that appropriate credit has been given where reference has been made to the work of others. This copy has been supplied on the understanding that it is copyright material and that no quotation from the thesis may be published without proper acknowledgement.

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## Abstract

This research examines the relationship between microfinance, women's empowerment and natural disasters in Khyber Pakhtunkhwa (KP), a northwestern province of Pakistan. It does so through female clients from non-disaster and post-disaster affected areas. This study's central argument is that if, as advocates claim, microfinance enhances women's economic and social empowerment and their well-being, then this empowerment should be visible in the social context and within the context of natural disaster. If women are assumed to be empowered through microfinance, then they should be able to address their vulnerability more effectively. This study applies a qualitative methodology that uses interviews, FGDs and oral histories as data generation tools.

The study evinces a meagre increase in women's savings and financial decision-making. However, it finds no visible change in ownership of major tangible assets. The study concludes that the effects of microfinance on women's economic empowerment are not always positive when women transfer loans to others. It further shows an increase in women's intangible assets such as self-confidence and knowledge, but a limited increase in women's access and mobility to market related activities due to the prevailing patriarchal norms.

This study finds no radical change neither in the gendered division of labour nor men's abusive behaviour despite women's economic contribution. This study highlights that women's social capital enables them to gain recognition and acceptance from the community but also pressurise women for timely repayment. More importantly, the study's original contribution to the existing literature lies in its findings that show that, although natural disasters may destroy women's tangible assets, they did not completely undermine women's intangible assets and strengths. However, despite reducing women's post-disaster vulnerability, microfinance, in fact, exacerbated additional pressures of loan repayments and its policies hindered women from accessing new loans and savings while in possession of current loans.

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## List of Acronyms

AKRSP	Agha Khan Rural Support Programme
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEO	Chief Executive Officer
CO	Community Organization
CRC	Convention on the Right of Child
DP	Development Professionals
FGDs	Focus Group Discussions
GAD	Gender and Development
GII	Gender Inequality Index
GOP	Government of Pakistan
HDR	Human Development Report
IDP	International Development Professionals
IGAs	Income Generation Activities
IPRI	International Property Rights Index
KP	Khyber Pakhtunkhwa
MDGs	Millennium Development Goals
MFPs	Microfinance Programmes
MFP-O	Microfinance Programmes- Organizations
MP	Microfinance Professionals
NGOs	Non-Governmental Organisations
PMN	Pakistan Microfinance Network
PPAF	Pakistan Poverty Alleviation Fund
RSP	Rural Support Programme
SBP	State Bank of Pakistan
SEWA	Self-Employed Women's Association
SRSP	Sarhad Rural Support Programme
SDPI	Sustainable Development Policy Institute
VAW	Violence Against Women
NWFP	North West Frontier Province
USAID	United States Agency for International Development
VB	Village Bank
WCO	Women Community Organisation
WID	Women in Development
WAD	Women and Development

# 1. Introduction

## 1.1. Introduction

This chapter introduces the research and establishes an overall context for the study. This research aims to contribute to the understanding of women's empowerment through microfinance in developing countries. This study fills an existing knowledge gap on women's empowerment through microfinance in the social context and within the context of post-disaster<sup>1</sup> in Khyber Pakhtunkhwa a northwestern province of Pakistan by exploring professionals' viewpoints and experiences, and female clients' understanding, perception and voices of the kind of empowering changes that they attribute to their participation in microfinance programmes, in contrast to microfinance providers' (MFPs) claims to achieve empowerment, the sustainability of these changes, in particular during times of crisis and natural disaster. As such, the analysis of the study intends to examine the 'changes' at the individual, relational and collective levels from female clients' perspectives. To achieve this, qualitative methods using interviews with microfinance professionals and women clients, focus group discussions and oral history interviews are adopted. Section 1.2 discusses the rationale for the study. Section 1.3 gives a social, post-disaster and microfinance context of Pakistan in which this research is conducted as the background of the study. Section 1.4 discusses the significance of the study. Section 1.5 discusses the main research question along with sub-questions used in the conceptual framework. Section 1.6 explains research methodology briefly. Section 1.7 describes the limitations of the study and section 1.8 discusses the structure of the thesis.

## 1.2. Rationale for the Study: Microfinance and Women

Microfinance as an important international development strategy promoted to address issues related to poverty reduction, gender inequality and women's economic integration around the globe especially in developing countries (Fernando, 2006a, Mayoux, 2002a, Rankin, 2001, Barsoum, 2006). Microfinance itself, however, is not something new. Historically, microcredit programmes worked under larger developmental programmes and related to income generation. Microcredit has long been practised as informal credit and saving services formed around the social groups where members got together to help each other as a community.

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<sup>1</sup> 'Disaster' or 'disasters' as used in this study hereafter refer only to natural disasters.

Formal credit and savings institutions for the poor have also been around for decades, providing services to un-served people through commercial banks and presenting a way to obtain financial services through co-operatives and development finance institutions. By the mid 1990s, the term microcredit was replaced by the term 'microfinance' that was mainstreamed and widely practiced in the World Bank's institutions and reported as a tool for international development policies (Dalgic, 2007), which also included other financial services i.e. saving, insurance and money transfer (Ledgerwood, 1999). To acknowledge the importance of microcredit, the United Nations designated 2005 as the International Year of Microcredit, and in 2006 both Grameen Bank and its founder Muhammad Yunus were awarded the Nobel Peace Prize (Geleta, 2016).

Microfinance organisations mainly have two main objectives. First, economic objectives, to provide financial support to the people to invest in income generating activity; thereby increasing income and consumption (Khandker, 1998) and, second, social or development objectives, to cater the financial needs of un-served or underserved poor to reach specific Millennium Development Goals (MDGs) (Ledgerwood, 1999). Furthermore, microfinance programmes use two different approaches to address poverty eradication. Through the 'minimalist approach' or 'credit only' approach, organisations focus on financial sustainability by setting up of viable and sustainable credit delivery systems, in other words, their focus is on increasing outreach, scaling up and expansion of the programme (Ledgerwood, 1999). Here empowerment is conceptualised as economic empowerment that facilitates to expand choices and capacities of women for self-reliance. The 'integrated approach' or 'credit plus' is a holistic approach that includes both economic and development objectives of MFPs. Through this approach MFPs may deal with structural causes of poverty where loans are combined with social mobilisation, capacity building and financial literacy to enhance income generation, exploring entrepreneurial opportunities and facilitating empowerment (Sabharwal, 2000). In this way, this approach may tackle the wider development issues by not only income enhancement but also increasing the capacities and choices of women.

Microfinance programmes choose among two lending methodologies i.e. individual and group (peer) lending that fit the needs of their organisation and their clients. In the individual lending, loans are given to individual borrower on the basis of their past records, guarantees and viability of their businesses. Individual lending is usually urban based and mainly associated with commercial banks. On the other hand, in group lending, first used in Bangladesh, loans are disbursed through groups on the basis of group's guarantee of timely repayment of loans. Group members further have the responsibility to select members of their group on the basis of

inclusion and exclusion criteria developed by the credit organisation. Group lending is further divided into solidarity group model and community based organisation (CBO) model that depend on the future relation between the lending organisation and the borrower groups. In the solidarity group model based on Grameen model, women select 4-5 members for their group and select a leader within the group. Few credit groups form a centre to hold groups' meeting and all group members are responsible in case of default. However, solidarity groups do not expect the eventual graduation to become a lending organisation itself where borrowers are considered as clients. In CBO approach, the main emphasis is on the sustainability and ownership of the community through the development of the internal financial management capacity of the group and eventual independence from the lending organisation. The CBOs act as mini-banks and are entirely managed by the community members under the guidelines of the lending organisation. Village banking is an example of community based organisation model in which saving mobilisation before and during loan is an essential component. Women gain empowerment when they manage and invest their savings in village banks.

It has been three decades now that microfinance providers (MFPs) are targeting poor women specifically as their clients (Fernando, 2006c, Mayoux, 2001). In recent times, women represent approximately 80 percent of microfinance customers (Garikipati, 2013) but women were not originally the major focus of the financial institutions in the history of banking (D'espallier et al., 2013, Armendáriz and Morduch, 2010). Morduch (1999) among others argues that one of the primary reasons for the success of microfinance be the strategic targeting of women. Hulme and Mosley (1996a) note two main reasons for targeting women: 1) financial sustainability of the organisations as women appeared to be reliable borrowers than men and, 2) donors' pressure on partner organisations to support more women through their programmes. Hulme and Mosley (1996a:127) further discuss the assumptions behind targeting women through microcredit:

Behind the belief that 'loans for women' will lead to their economic and social advancement are a number of assumptions: that women will use loans for their own enterprises; that these enterprises will be successful; that women will control the profits derived from such enterprises; and that greater involvement in economic activities will strengthen the social and political position of women in society

In the similar vein, many researchers note that the effects of targeting women through microfinance are assumed to be a set of mutually-reinforcing 'virtuous spirals' of increasing economic position, increased bargaining power, improving well-being and wider social and political empowerment (Dowla, 2006, Mayoux, 1999a, Mayoux, 1999b, Ito, 2003, Mayoux, 2001).

According to Mayoux (2007, 2001, 1999b), donors and practitioners present three main arguments favour targeting women: a) achieving financial efficiency through high repayment rates, b) poverty reduction focusing on well-being, and c) ensuring gender equality through the transformation of gender relations. These three approaches to target women are termed as the 'financial self-sufficiency paradigm', the 'poverty alleviation paradigm' and the 'feminist empowerment paradigm' (Mayoux, 1998b, Mayoux, 1999b, Mayoux and Hartl, 2009). These paradigms assume that access to microfinance services can lead to women's empowerment, where a financial self-sustainability approach focuses on the provision of microfinance services and outreach while the other two approaches see additional non-financial support as necessary. These three paradigms focus on sustainability, participation and women's subordination, and but with different interpretations and understanding.

The financial self-sustainability paradigm emphasises large-scale, viable financial services to women's microenterprise activities with the underlying assumption that providing access to microfinance services can lead to individual economic empowerment, without the need for specific attention to other dimensions of gender subordination. This approach assumes that it enables female borrowers to make decisions regarding the use of credit and savings, facilitates in setting up their enterprises, and helps in increasing their incomes because of the assumption that income drives power thus resulting in timely repayment of the loans and women's increased contribution to the economic growth. In this paradigm, high repayment rates from lending to women and the number of women served are considered as indicators to measure the success in microfinance and women's empowerment without taking into account whether women control their loans or not (Garikipati, 2013, Goetz and Gupta, 1996). Donor agencies and MFPs have widely adopted this approach by focusing on women to achieve financial sustainability through high repayment rates to cover their cost of operations, the cost of funds and outreach. Other reasons for targeting women are women's apparent risk adverse characteristics, co-operative behaviour and on-time loan repayment (D'espallier et al., 2013, Garikipati, 2013, Cheston and Kuhn, 2002). Also, the link between high repayment and women's empowerment is poor. Studies from developing countries show that if women give up their credit and any resulting income either voluntarily or forcibly to anyone else, or in the case of failure of business and inability to repay loans, women bear social and moral pressures within the community. It can result in humiliation and brings shame to the women and their families in patriarchal societies particularly when women are considered as custodian of honour (Karim, 2011, Armendáriz and Morduch, 2010, Johnson, 2004, Hunt and Kasynathan, 2001, Mayoux, 1999b, Rahman, 1999a).

In the poverty alleviation paradigm, MFPs target women by considering women as poorer than men and assume that through household income contribution, women may become able to participate in household decision-making, reduce their vulnerability and spend more on their family's welfare. In this way, women may become able to bring changes in gender inequalities in their household and thus, achieve women's empowerment (Mayoux and Hartl, 2009). Research studies from developing studies provide evidence that women contribute economically more in the welfare and well-being of the household, especially children (Garikipati, 2008, Swain and Wallentin, 2009, Cheston and Kuhn, 2002, Rahman, 1999b, Pitt et al., 2003, Holvoet, 2004). Nonetheless, certain issues also arise relating to poverty alleviation paradigm. Mayoux (2007) argues that women may earn a small income from their loan funded enterprise that may not be spent on their family's well-being. Moreover, the exclusion of poorest women from becoming group members because of their inability to repay (Coleman, 2006, Hulme and Mosley, 1996b). Some researchers have questioned the extent to which women have actual control over the loan amount and income to contribute effectively (Goetz and Gupta, 1996, Garikipati, 2013, Safavian and Haq, 2013). It shows that the relationship between women's empowerment and microfinance in this paradigm is not a straightforward one.

The feminist empowerment paradigm targets women from gender equity and human rights perspective. This paradigm views women's empowerment through microfinance as enabling women to transform the gender power relations throughout society and challenge their subordination and oppression through economic empowerment and group mobilisation (Mayoux, 1999b:961). This approach underlies many of the gender policies of NGOs and donor agencies (Mayoux, 1998b, Mayoux and Hartl, 2009, Mayoux, 1999b). The main argument of this paradigm is that if there is an increase in income for the household's vulnerability reduction, whose vulnerability it reduces within the homogenised family structure remains unclear. Often, men receive benefits as family heads and primary decision makers, and women may not be able to challenge and transform their marginalised position only from participation in the microfinance programmes.

Nevertheless, microfinance providers, donors and practitioners from these three paradigms generally present microfinance services as a step towards women's economic empowerment through the provision of income generating opportunities by assuming that this increases women's ability to make decisions about the use of credit, income, savings and further investment in household tangible and Intangible assets (Mayoux, 2000, Mayoux and Hartl, 2009, Dowla, 2006). Women's economic empowerment is then presumed to result in improved



well-being and wider social and political empowerment as women become visible agents of economic growth and increase their voice in policy arena (Mayoux, 2007, Rahman, 1999b, Nader, 2008).

However, evidence from burgeoning literature on microfinance suggest that role of microfinance in poverty reduction and women's empowerment is not as much as it claims (Karim, 2011, Bateman, 2012, Roodman and Morduch, 2009, Drolet, 2010, Garikipati, 2013), rather it is much complex than presumed (Hulme and Mosley, 1996a). Many scholars actually raise the question on the gap between the rhetoric and real practices of microfinance to combat poverty and empower women (Garikipati, 2013, Isserles, 2003, Mayoux, 2002b, Yeboah et al., 2015). Some critics argue that microfinance actually follows the neo-liberal agenda to liberalise the financial sector with a strategy of women's empowerment (Sharma, 2008, Cornwall and Rivas, 2015). However, these interventions paid less attention to the actual empowerment of women and gender relations at household and community level though efforts were made to replace only those socio-cultural norms and rules that hindered microfinance to flourish (Yeboah et al., 2015, Weber, 2006, Karim, 2011, Bateman, 2010, Isserles, 2003, Fernando, 2006b).

Empowerment through microfinance is, therefore, a contradictory and conflicting concept (Kabeer, 2001, Aslanbeigui et al., 2010, Malhotra et al., 2002). Empirical studies from different parts of the world suggest differential relationships between microfinance and women's empowerment. Proponents of microfinance focusing on outcome indicators claim that microfinance services empower women economically by increasing women's ability to contribute to household incomes, increase control over their income and tangible assets, and increase women's agency through their increased role in decision-making, improved status, increased self-confidence and intangible assets (Mahmood et al., 2014, Alhassan and Akudugu, 2012, Shetty, 2010, Aslanbeigui et al., 2010, Nader, 2008, Newaz, 2007, Pitt et al., 2006, Holvoet, 2005b, Kabeer, 2001, Hunt and Kasynathan, 2001, Johnson, 2000, Montgomery et al., 1996, Hashemi et al., 1996, Schuler et al., 1997, Khan and Khan, 2016). Moreover, many microfinance programmes aim to create awareness of a wide range of social issues such as domestic violence, male alcohol use and the payment of dowries that would enable women to challenge the existing practices and fight for their rights, individually or collectively (Robinson, 1991, Kim et al., 2007b, Hofstetter, 2008).

However, a number of researchers have questioned this positive and optimistic view of the relationship of microfinance with women's empowerment and the extent to which microfinance

actually empowers women by focusing on the processes surrounding the positive outcomes (Rankin, 2002, Johnson, 2005, Mayoux, 1995, Ackerly, 1995, Goetz and Gupta, 1996, Montgomery et al., 1996, Rahman, 1999b, Mayoux, 2001, Karim, 2011, Bateman, 2010, Uddin, 2015, Asim, 2008, Zulfiqar, 2013). These opponents contend that women are only used as unpaid debt collectors liaising between MFPs and male family members. The small loan amounts given to women by MFPs may be insufficient to bring any real change in women's lives (Mayoux, 2001). The opponents further stress that female clients may face additional constraints due to the existing patriarchal social structures, cultural norms and social pressures in many developing countries (Geleta, 2016, Karim, 2011, Hofstetter, 2008). Alongside the lack of control over their own income and loans mentioned above, these also include differential access to market, incidence of violence, lack of ownership of assets and increased workload may result in a worsening of gender power relations at the households and within the community (Rankin, 2001, Guérin, 2006, Mayoux, 2001, Goetz and Gupta, 1996, Rahman, 1999b, Garikipati, 2008, Johnson, 2005, Karim, 2011, Bateman, 2010, Geleta, 2016). This indicates that microfinance services are, therefore, an important yet insufficient condition for women to enhance their empowerment. The evidence from the empirical studies shows no consensus among the researchers and no set of indicators of women's empowerment that can be applied universally across culture and regions. However, in recent times many definitions of empowerment revolve around change, choice, control and power (Kulkarni, 2011) so that women become able to bring changes in their lives and status by increasing their choices and gaining more control and powers through their participation in microfinance programme.

Besides women's empowerment, the proponents of microfinance also claim that microfinance may have the potential to embolden a resilience that may help women clients to deal with difficulties which are exacerbated by natural hazards. Microfinance may have limited options to reduce poverty single-handedly, but several research studies argue that microfinance services may reduce vulnerability in several ways before the crisis happens (Hashemi et al., 1996, Montgomery et al., 1996, Sebstad and Cohen, 2000, Zaman, 1999). Microfinance clients use different strategies to protect themselves from crises and respond to crises once it occurs (Sebstad and Cohen, 2000, Montgomery, 1996, Dunn et al., 1996). Ray-Bennett (2010) argues that microfinance programmes can reduce women's vulnerabilities by using a combination of financial and non-financial products designed to cater to the needs of the women clients in the disaster. Garikipati (2008) suggests that women's loans can easily be utilised to enhance household income and assets, diversify livelihood and reduce household vulnerability to risks and economic shocks. However, Garikipati (2008) also notes that women's lack of ownership

and control over household's productive assets mean that microcredit may not be able to empower the women concerned.

So this study hypothesises that if the claims of advocates of microfinance are correct, that microfinance has an empowering effect upon women's economic status and beyond, and if microfinance can fundamentally change women's lives by building women's tangible and intangible assets, then this empowerment should be clear at the moment of high vulnerability, and this should hold after an even in the absence of microfinance. Though many studies have explored the role of microfinance in post-disaster situations, not many have examined women's empowerment through microfinance in a post-disaster situation. This study fills this knowledge gap by focusing on respondents' testimonies on the extent to which they feel empowered and resilient, and how they dealt with difficulties faced in a post-disaster situation in Khyber Pakhtunkhwa, Pakistan.

### **1.3. Background of the Study**

#### **Gender Relations in Pakistan- Country Context**

Pakistani society is a patriarchal and male-dominant society where women are considered secondary citizens who have to live their lives according to the strictly religious, family norms and tribal customs (Malik and Courtney, 2010, Bettencourt, 2000, Ali, 2013) Despite the fact that Pakistan has a homogeneously Muslim population, the status of women is heterogeneous because of the relationship of gender with other forms of discrimination and exclusion in society, such as access to labour, access to and control over resources and access to rights and political participation (Roomi and Parrott, 2008, Mumtaz and Shaheed, 1987).

Pakistan was created in 1947 as an Islamic state but Pakistan's governments, whether military or elected have been largely unable to address women's issues and treat women according to the teachings of Islam and the 1973 constitution of Pakistan. Both emphasise women's protection and security, whereas, in reality, women live an oppressed life as secondary citizens due to the prevailing patriarchal norms and male dominant characteristic of Pakistani society (Ali, 2000, Akhtar and Métraux, 2013, Grünenfelder, 2013a, Awan, 2012).

Patriarchal values, embedded in local traditions and culture, determine the social value of gender in Pakistan (Critelli, 2010, Rehman and Roomi, 2012). Patriarchy is deeply rooted in social, economic, cultural, political and religious systems, which share the same basis across the country though the intensity varies between provinces. Patriarchal systems inhibit women's active participation in the public sphere and women's low economic development and limited

educational attainment entrenches patriarchy (Moghadam, 1992). Jejeebhoy and Sathar (2001: 687) argue 'that the cultures of South Asia are largely gendered stratified and characterised by patrilineal descent, patrilocal residence, inheritance, and succession practices that exclude women, as well as hierarchical relations in which the patriarch or his relatives have authority over family members. They conclude that socio-cultural and regional context influence women's autonomy (control over life, material, resources, knowledge, mobility and power relations) in South Asia. The institutionalisation of restrictive codes of behaviour, rigid gender division, family and kinship patterns, and a strong ideology that links family honour to female virtue are some of the ways through which men control women in Pakistan (Moghadam, 1992).

So, what is women's actual placement in Pakistan's society? Pakistan's society has different social class structure entrenched with stringent caste, tribal and feudal system that maintains a social hierarchy generation after generation with allows little mobility out of the position to which a person is born (Ahmed and Naseem, 2011). Tribal customs exist in Khyber Pakhtunkhwa and Baluchistan, caste and feudal system prevail in Punjab and Sindh. The feudal system comprises of rich landlords who are owners of large pieces of land and have powers to influence policies and governments. The feudal system widens the gap between rich and poor through the powers and wealth of landlords. In the feudal system, men have all powers and women from both upper and lower classes remain in submissive position hence these systems have no place for women's empowerment (Bustamante-Gavino et al., 2011). People can be further divided into four classes<sup>2</sup> on the basis of economic status: 1) upper class; 2) middle class; 3) lower class, and 4) the lowest class. The region, class, caste and social systems strongly influence on women's lives which differ from province to province with rural and urban divisions but there's commonality of women's role, position and status within Pakistan (Awan, 2012). Customary practices are not even in Pakistan but women's subordination is one uniformity spread across the country (Ali, 2000). Social system has a strong influence on choices and opportunities to women belonging to that system. Women in rural areas belonging to lower class have a strong social and cultural influence of patriarchy combine with poverty resulting in few prospects and choices for them. In comparison, women belonging to the upper

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<sup>2</sup> The upper class or the elites represent the top of the social hierarchy that include rich and influential people with power. The middle class represent people who are located in between upper class and working class. The lower class represents people who belong to working class employed in low positions. The lowest class represent those who are unemployed and have fewer resources for survival.

and middle classes may have fewer holds of patriarchal system and have greater access to education and employment opportunities (Sawada and Lokshin, 2001, Aly, 2007).

Do women have their own identity in Pakistan? Women's identities in Pakistan are known in relation to male members of the family. Women are known as wives, sisters, daughters and mothers, consider as the responsibility of their men and depend entirely on men for all their needs (Mumtaz and Shaheed, 1987). As such, women are accorded no status by their own but oldest women earn a high respect and dignity as mothers (*mour*) and sometimes the eldest daughter is father's favourite (Jamal, 2014, Mann, 2005).

Women in KP are considered as a bearer of family honour (*izzat*) (Khan and Hussain, 2008). Both men and women are expected to be honourable and obedient to their elders and cultural norms, but women bear an additional obligation i.e., family honour. The notion of family honour is linked with women's sexual behaviour, purity and chastity and any deviation from these strict norms are considered as a potential threat (Asian Development Bank, 2000). In Pakistani society, the concept of honour is intimately tied to men's right to possess and control women. Men are expected to possess the body of women '*zan*' in the same way that they possess gold and money '*zar*' and land '*zameen*' (Ali and Gavino, 2008). Haeri (2002:36) also states, 'men have honour. Women represent honour; they symbolise honour; they are an honour'. Men may perpetuate crimes and violence against women in the name of honour.

To enforce control over women, complex social arrangements are made to ensure the protection and dependence of women by denying their access to social, economic and political power. One such method of keeping women dependent on their male family members is to confine them to the household and keep them apart from the opposite sex by using the institution of '*pardah*' or the veil (Critelli, 2010, Mumtaz and Shaheed, 1987, Sultana et al., 2009, Papanek, 1971, Ahmed, 1997, Bano, 1997). Veiling represents an inside-outside dichotomy into private and public domains of life with women confined to the private domain (Ali, 2000, Critelli, 2010, Moghadam, 1992). This situation restricts women's mobility, access to information, education, employment, training opportunities, independence, social services and any form of power and leads to a low level of investment of resources in women by the family and the state (Mumtaz and Shaheed, 1987, Akhtar and Métraux, 2013).

Some Islamic scholars take a restrictive view of the veil in Islamic institution and relate it strongly to sex segregation, while others challenge this view and emphasize that Islam and the Quran insists on sexual modesty, but if segregation of the sexes existed there would be no point in asking the sexes to behave with modesty (Ali, 2000). Despite that, the veil is a cultural

and religious imposition, the state of Pakistan does not oblige women to be veiled unlike the compulsory Islamic veil in other Muslim countries such as Iran and Saudi Arabia (Haeri, 2002).

Gender inequality is a product of differential treatment between men and women where women face numerous disadvantages and discrimination. Gender inequality is widespread throughout Pakistani society and it is an offshoot of patriarchal norms that view men as superior to women in all aspects of life (The Government of Pakistan, 2003, United Nations Children Fund, 2013). Women and girls in Pakistan are also victims of gender inequality, insecurity and poverty (Hamid and Ahmed, 2011, Khawar, 2005) and face discrimination, lower socio-economic and political status, financial dependency and unequal power relations as compared to men at individual and societal levels, both in the public and private spheres (Tarar and Pulla, 2014, Isran and Isran, 2012b, Awan, 2012). The Gender Inequality Index (GII) developed by UNDP for the Human Development Report (HDR) is based on a ranking from 0-1 where values close to 1 show high levels of inequality in health, education, representation in the parliament and labour force participation. Pakistan is ranked as one of the lowest human development countries with a ranking of 123 out of 148 countries and with a value of 0.567 which is lower than many south Asian countries such as Bangladesh and Nepal (UNDP, 2013:158). The difference is visible between men and women in education, maternal mortality and labour force participation.

Educational attainment is an important indicator of gender inequality. As compared to men, women in Pakistan are less educated (Khan, 1993, Sultana et al., 2009) and the female literacy rate is the lowest in South Asia (Ali et al., 2010, Grünenfelder, 2013a). Female literacy is critical in addressing gender disparity in a society. Gender gaps are also widespread in urban settings but more visible in rural areas (Chitrakar, 2009, Latif, 2007, Asian Development Bank, 2000, SDPI, 2008a). According to the Economic Survey of Pakistan 2013-14, Pakistan's overall literacy rate is 60 percent where female literacy rate is 48% as compared to the 71% male literacy rate. However, female literacy is higher in urban areas (69%) than in rural areas (37%). According to the GII, the female population is 18.3% as compared to a 43.1% male population in secondary education (UNDP, 2013). A national survey indicates that 65% of ever-married female respondents between the ages of 15-49 have never been to school. In rural areas, the proportion of women with no education is 76% (NIPS, 2008). Primary school enrolment is also an indicator that represents a large investment in human assets in many societies. The low girls' enrolment percentage may be related to men's power of confining girls and women to the private sphere to perform their specified roles as mothers and wives.

There are many reasons for gender disparity and the low status of female education in Pakistan. Some issues are related to societal conservatism, strict cultural norms, the low economic status of the household and the misinterpretation of religious beliefs as mentioned above. The social system has a strong influence on the choices and opportunities available to women belonging to that system (Ahmad and Neman, 2013). Rural women belonging to a lower class have the strong social and cultural influence of patriarchy combined with poverty resulting in fewer prospects and choices for them. According to Akhtar and Métraux (2013) in rural areas of Pakistan, local leaders purposely oppose women's education to implement their discriminatory practices with the support of elected members and government officials. In comparison, women belonging to the upper and middle classes in urban areas may suffer less from the patriarchal system and have greater access to education and employment opportunities (Sawada and Lokshin, 2001, Aly, 2007). In some of the northern tribal areas of Pakistan especially in Khyber Pakhtunkhwa and Baluchistan, girls' education is strictly prohibited on religious grounds. However, this is a misleading interpretation of Islam, that allows both men and women to acquire an education (Chitrakar, 2009). Poverty and economic constraints are major obstacles for girls' school enrolment, attendance and dropout as compared to boys in Pakistan (Aly, 2007, Aslam and Kingdon, 2008, Khan, 1993, Arif, 1999). Children of poor families start earning to support their family for a reasonable standard of living (Strulik, 2004), which is a common practice in Pakistan where boys work outside the home and girls work in farms and homes as domestic servants either in or outside of the village (Latif, 2007). Girls mostly share domestic responsibilities compared to boys and could not further continue their education (Ahmad and Neman, 2013). In addition, girls in schools, colleges and university also face harassment from outsiders, colleagues and teachers that also impede women's access to higher education (Akhtar and Métraux, 2013).

Another important component of gender inequality is female health conditions. The GII and the Pakistan Economic Survey 2013-14 indicate that the maternal mortality ratio in Pakistan is 260 per 100,000 live births (UNDP, 2013, The Government of Pakistan, 2014). Besides maternal mortality, women in Pakistan suffer from mental disorders and depression more than men (Qadir et al., 2011, Karmaliani et al., 2009). Malnutrition, early marriages, high fertility rates and inadequate maternity care are important determinants of maternal ill health in Pakistan (Asian Development Bank, 2000, Khan et al., 2009, World Bank, 2005, Saigol, 2011).

Gender inequalities are also reflected in the results from women's low participation in the workforce and limited employment opportunities. In Pakistan, although there is a slight improvement, female participation in the labour force is still very low (22.1%) as compared to

male participation at 83.3% (UNDP, 2013). Even though women in Pakistan work for long hours in their household, their work remains unrecorded, unacknowledged and unrepresentative in the national statistics, thereby their contribution to the socio-economic development of Pakistan is undermined (Isran and Isran, 2012a, Grünenfelder, 2013b, Naqvi and Shahnaz, 2002, Khan, 2010). In rural areas, women face restrictions in working outside the home in general but poor women mainly work as farm labourers on a very low income because of economic constraints, lack of skills and a lack of economic opportunities (Khan, 2010).

The existing gender division of domestic labour in Pakistan disproportionately affects women. Like many other countries, working women in Pakistan, bear the double burden of responsibilities both inside and outside of the home due to which their quality of life suffers (Rehman and Roomi, 2012). Working women with their domestic and child caring responsibilities have to work in the field or perform other non-farm work to meet their financial needs. Khattak (2001) in her study of the manufacturing sector finds that women's domestic workload increases with their productive work but men do not help women in domestic chores and in this way, the burden shifts to other women in the household or to the daughters and daughter-in-laws. Similar findings are echoed in another research study on female entrepreneurs by Rehman and Roomi (2012). Sathar et al. (1988) argue that daughters are often taken out of the school to perform domestic responsibilities that help their working mothers, especially in nuclear families. Consequently, women's involvement in productive work has a negative impact on other family members, especially daughters.

Women's participation in decision-making is another area where gender inequality is prevalent. Women in Pakistan in general and rural women, in particular, are excluded from decision-making processes at household and community levels due to patriarchal dominance as discussed earlier (Ali and Gavino, 2008). Women are hardly given the power to make their own choices and decisions regarding their own lives which push them into a state of powerlessness (Sathar et al., 1988). Despite the considerable participation in agricultural activities, women may have limited participation in decision-making regarding agricultural production nor are they consulted on agricultural activities such as sowing and harvesting and even selling of livestock (Mumtaz and Shaheed, 1987). However, some recent studies showed an increase in women's roles in decision-making at the household level. Naqvi and Shahnaz (2002) find that some categories of women including elderly women, educated and urban women, female heads of the household and more affluent women from the elite class in Pakistan are more active in decision-making processes regarding work opportunities as compared to young women with lower educational and socioeconomic backgrounds. The findings from another study indicate



that the respondents show that women have some authority to spend money on household expenditures such as clothes and food (Hou, 2011).

Violence against women is a particularly prevalent issue in Pakistan (Fikree et al., 2005, Zakar et al., 2013). Pakistan is one of those countries where a large number of women face various types of violence both inside and outside the home (Perveen, 2011). According to an estimate, 70 – 90 percent women in Pakistan encounter domestic violence (Perveen, 2013, Human Rights Watch, 1999). In Pakistan, it is a common perception that a woman should be controlled through violence if she disobeys, shows carelessness in childcare and/ or refuses sex (Fikree et al., 2005, Zakar et al., 2013). Khan and Hussain (2008) find no difference in religious perceptions of Christian or Muslim women, and the study's respondents from both religions have been equally affected by domestic violence in Pakistan. In the year 2012, 7516 cases of VAW were reported from all over Pakistan mainly in the categories of rape, honour killing, murders and kidnapping while only 989 (13%) cases of domestic violence were reported (Perveen, 2013). Another study on violence against women finds that 85 percent of 4885 female respondents from six districts of Pakistan encountered different types of violence after marriage while 82 percent suffered domestic violence in last 12 months. Since marriage, 75 percent women were the victims of physical violence, 66 percent encountered sexual violence and 81 percent faced psychological violence (Qayyum, 2013). Several studies in Pakistan have found that the impact of any form of violence is detrimental and can have wide-reaching effects on women's broader health and well-being (Kashif et al., 2010). Khan and Hussain (2008) find that earning an income also cannot necessarily elevate women's social status by giving them more bargaining power or mitigating violence. The women have either limited or no control over their incomes and due to the lessened participation of working women in domestic chores, they face continuing harassment and torture. Male dominance, women's economic independence, early marriages, women having more daughter, interference of mother-in-law, treatment towards women as a commodity are some of the significant determinants of violence against women in patriarchal society (Ali and Gavino, 2008). Due to fear and pressure, many victims do not disclose the violence they endure and their silence that results in under-reporting of violence against women in Pakistan (Andersson et al., 2010).

Another gender inequality is related to women's lack of ownership of physical assets. Women in Pakistan have limited access to land and property ownership. Only 3 percent women in Pakistan own property in their names (Azad, 2011). In 2008, Pakistan has been ranked 86th in gender equality with a 2.4 score in the International Property Rights Index (IPRI) 2008 (Thallam et al., 2008). The IPRI measures gender equality through variables such as women's access to

land, bank loans and other property, inheritance practices and women's social rights. Pakistan's gender equality score has shown some improvement in 2013 (5.8) with a rank of 52 out of 84 (Lorenzo, 2013). A study conducted by the Sustainable Development Policy Institute (SDPI) show that women's ownership of land enhances their status, respect, economic power and honour, but in Pakistan, many women owners are not allowed to manage their properties because of so called labels of *purdah* and respectability (SDPI, 2008b).

Women are given inheritance rights both by Islam and the constitution of Pakistan but in practice many women do not have full control over their inheritance property. Women in many parts of rural Pakistan are either married within the family or not allowed to marry so that inheritance property could not be divided. To suppress women's voices (if vocal), unethical and un-Islamic practices such as women's marriage with the Quran, *Swara* and *Vani* (in which girls and women are given to the enemies of the family to settle crime charges against a male relative), *karo kari* (honor killing) and *watta satta* (exchange marriages ) take place to protect land and property (Awazcads, 2010, Ali, 2000, Saeed, 2004). These practices are against human rights but prevail and are still practised in Pakistan despite much effort on the national and international level.

In addition to the above, women have low access to and control over other tangible and intangible assets such as credit, financial services, training and extension services (Raza, 1995, Roomi and Parrott, 2005, Niethammer et al., 2007, Hamid and Ahmed, 2011, Alam, 2011). According to a study by the Pakistan Microfinance Network (PMN, 2009), 68% of women in Pakistan are financially excluded as compared to 48% of men. Besides access, women lack business management and technical skills and face difficulty in accessing the market. Roomi and Parrott (2005) find that 39% of their female respondents face difficulty in accessing the credit for starting up a new business as an initial challenge and for 27% of respondents, expanding existing businesses is another significant challenge owing to a lack collateral and a viable business plan. In addition to the existing social, economic and political inequalities, natural disasters also exacerbate women's vulnerabilities The next section explains some of these vulnerabilities.

### **Women's Vulnerabilities Exacerbated by Natural Disaster in Pakistan**

As this study aims to examine how women clients reduce their vulnerability after a natural disaster, it is essential to understand the nature of women's vulnerabilities as exacerbated by natural disasters in Pakistan. Natural hazards bring difficulties to both men and women but this section briefly describes the general difficulties faced by Pakistani women after natural

disasters i.e., the earthquake in 2005 and the flood in 2010. Natural disasters have differential impacts on women and men and the impacts are not homogenous. However, research studies in different parts of the world report that the impact of natural disasters is more severe and adverse on women than men, and women face different challenges and experience different levels of vulnerability as compared to men (Neumayer and Plümper, 2007, Enarson, 2000, Ikeda, 1995, Bradshaw, 2013).

In Pakistan, due to cultural norms women, young girls, children and elders mainly stay at home where they are considered to be secure and safe, despite the evidence provided above. The immediate impact of the flood and earthquake on women is to leave their houses and move to a safer place. Women's access to warning systems and the ability to make decisions related to evacuation is limited by male family members and without men's permission women show reluctance to leave their houses – as they are not supposed to leave without permission (UNIFEM, 2010). As women are unprepared for evacuation, when families leave their houses they usually evacuate without any vital identity documents: This lack of documentation creates further problems for women and girls to claim compensations and relief goods (Shirkat Gah, 2006). Access to relief goods is not equal between men and women as relief goods are normally distributed through the 'head of household' approach and many female heads of households suffer in this situation while other women face difficulties due to *purdah* and segregation (Shirkat Gah, 2006, Khwendo Kor, 2006). In Pakistan, where women already face gender discrimination, men are given priority in rescue efforts and in access to relief assistance which they do not always share equally with women (Irshad et al., 2012)

It is men who mostly take decisions related to evacuation, women are excluded from the decision-making process and live either in camps, schools or relatives' house where men decide to live in short-run. Several studies show that following the 2005 earthquake, women had to live in the camps arranged by the military and other international organisations. Women faced numerous issues while living in the camps. Studies report that women faced problems in accessing the washrooms which were located far away from residential camps without consideration for the safety and security of women and girls. As such, they encountered harassment on their way to and from the washrooms. This further restricted women's and girls' mobility within and outside the camps and increased women's dependency on men for their needs (Berger, 2008, Khwendo Kor, 2006, Shirkat Gah, 2006, Mahmood, 2006).

Women also face many health-related issues including physical and psychological. Loss of close relatives, disabilities, unavoidable stressful conditions and frustration leads to

psychological and emotional distress among women (Aslam and Tariq, 2010). Physical health issues are related to the spread of transmittable diseases within camps, injuries, access to female doctors, reproductive health issues, non-availability of drinking and washing water, lack of proper sanitation and lack of access to medicines are all reported as some of the issues women faced after natural disasters. Mothers who were expecting to give birth faced major complications in the absence of surgical assistance and availability of specialised female doctors (Mahmood, 2006).

Natural disasters also affect gender relations within the household. The deterioration of gender relations likewise increases women's vulnerability. Many research studies from other countries have reported a possibility of an increase in violence against women in the face of natural disasters (Enarson, 1999, Fisher, 2010, Enarson and Morrow, 1997, Wilson et al., 1998, Wisner et al., 2004, Bradshaw, 2013). According to some reports, women affected by the earthquake when based in the camps, reported issues of sexual harassment, rape, kidnapping, trafficking and domestic violence but most of these cases were not reported by the victims to save 'family honour' (Shirkat Gah, 2006, Irshad et al., 2012, Khwendo Kor, 2006). Women faced many difficulties due to the deaths of their male family members and this increased dependency on other male relatives that pushed them towards exploitation.

Women's vulnerability has also increased when having to perform their traditional roles and responsibilities: Child care responsibilities, taking care of animals whether living in open areas, camps or any other place where there is no support system for women in reference to their domestic work (Irshad et al., 2012). No men have been reported to perform domestic responsibilities in a post-disaster situation in Pakistan (Ali, 2014). Besides the social vulnerabilities, the economic difficulties women have faced includes loss of existing livelihoods, productive assets, livestock, financial facilities and means of income which takes long recovery time (UNIFEM, 2010, Khwendo Kor, 2006). It may be concluded here that natural hazard put an additional burden on women. In this section, I have briefly discussed women's vulnerabilities in the post-disaster context of Pakistan. The next section briefly discusses the state of microfinance in Pakistan.

### **The State of Microfinance in Pakistan**

The microfinance sector in Pakistan is developing and rapidly growing. The Government of Pakistan's (GoP) current poverty reduction strategy emphasises the provision of micro-credit as an essential component of its poverty reduction strategy. Pakistan has taken a lead in devising policies that ensure reducing poverty of poor women by providing access to financial resources.

With the help of the World Bank, the establishment of an apex funding organisation, the Pakistan Poverty Alleviation Fund (PPAF), was the first concrete step showing the Government of Pakistan's commitment towards poverty reduction through microfinance (Hussein and Khan, 2009). In regularising microfinance sector, the State Bank of Pakistan (SBP) has played an important and innovative role. So far, the SBP has developed three policy frameworks that to provide a guideline for microfinance sector: Microfinance Institution Ordinance 2001, Expanding Microfinance Outreach Strategy 2007 and the Strategic Framework for Sustainable Microfinance in Pakistan 2011. However, these strategic frameworks are gender neutral and provide access to both men and women irrespective of their gender. However, depending on their mission, many MFPs in Pakistan look at the household as their prospective clients without distinguishing between men and women, but many MFPs exclusively target women to increase outreach (Hussein and Hussain, 2003 , Safavian and Haq, 2013).

Different institutions provide microfinance services in Pakistan. Pakistan's microfinance providers (MFPs) can be classified into three categories:

- 1) Formal Financial Providers: specialised institutions that operate as microfinance banks (MFBs) licensed and regulated the SBP to exclusively serve microfinance or broad spectrum institutions with microfinance operation such as commercial banks, leasing and insurance companies.
- 2) Semi-formal Providers: microfinance operations either part of their integrated rural development programme such as rural support programmes (RSPs), specialised in microfinance provision such as MFIs, focus on microfinance as part of their broader programmes such as non-governmental organisations (NGOs), Post office and saving schemes.
- 3) Informal Providers: These sources include friends, relatives, rotating savings and credit associations (ROSCAs), landlords, money lenders, traders and commission agents. ROSCAs are widely practised at all levels in rural and urban Pakistan. (Hassan, 2008).

The current trends and statistics on outreach of the sector in Pakistan reveal that women have more access (56 percent) to microfinance services than men (44 percent) (Arshad, 2014) but still, Pakistan lags its regional peers (Safavian and Haq, 2013). However, this high percentage presents only a number of women targeted by MFPs and does not show the extent to which microfinance services and non-financial services enable women to challenge existing gender

relations. It also does not show the extent to which women gain benefits from microfinance services and the impact of microfinance services on women's lives and gender relations.

Interest in assessing the impact of microfinance is a relatively recent phenomenon and major impact studies conducted after 2000 at the sectoral (by major stakeholders, donors and banks), the practitioners and academic level (Hussein and Khan, 2009, Hussein and Hussain, 2003 ). Earlier impact studies in Pakistan, mostly focus on anecdotal evidence in the form of successful case studies portraying the positive impact of microfinance. However, these case studies are criticised for sampling biases, methodological and data related problems. These practitioner friendly assessments do no account for rigorous quantitative measures of impact (Montgomery, 2005). According to Haq and Khalid (2010), there is a continuous demand for strong, rigour and statistically significant empirical evidence to demonstrate the change. However, these statistically significant results may lack the actual processes through which women experience empowerment through microfinance. Qualitative research, on the other hand, can provide a more depth of the phenomenon under investigation.

Many donors and banks have conducted their own commissioned studies in Pakistan that comes up with mix results on women's empowerment. Pakistan Poverty Alleviation Fund (PPAF) has commissioned three studies by Gallup Pakistan on the assessment of the outcomes of its microfinance services in 2002, 2005 and 2009. The results of these studies confirm an overall improvement in the income at personal and household level, enterprise assets of PPAF borrowers, increase in women borrower's social status within and outside households. However, little or no increase is in women's mobility and other assets accumulation (Gallup, 2002, 2005, 2009). The Aga Khan Foundation Canada, AKFC (2002), in a regional study, examine the role of microfinance in building women's social capital by focusing on one RSP i.e Agha Khan Rural Support Programme (AKRSP) and one MFI The Kashf Foundation in Pakistan. The findings of the study reveal that women who utilised loan amount for their own enterprise have experienced an increase in self-confidence, increase in mobility and capacity building while the same outcomes are not evident where women have given their loan to their husband or any other family member. However, changes in gender relations through microfinance are found to be contradictory because of varied traditions across households and changes are more obvious in younger people who may easily adopt new value system because of awareness as compared to the older generation (AKFC, 2002).

Montgomery (2005) carried out a study commissioned by Asian Development Bank (ADB) to assess the impact of microfinance on clients of Khushali bank (MFB). The study finds that

respondents are more financially independent, participate more in decision-making related to children and enterprise, and income generating activities. However, when other researchers Setboonsarng and Parpiev (2008) use the same data with a different methodology, with the slight agreement, some different results are also obtained. There is an agreement of studies on increase in income (MDG1) but find that the effects of microfinance are limited on other MDGs such as education, health and women's empowerment as well as household durables, consumption and savings. In a European commission's sponsored study on six MFPs, Zaidi et al. (2007) find no significant positive impact on the different dimensions of women's empowerment. Furthermore, the study shows that besides some noticeable changes, in most cases, there is a decrease in women's empowerment after joining a programme. Rural Support Programme Network (RSPN) commissioned a study to assess women's access to and control over microcredit in four RSPs. In the study, Khan and Khan (2008) find that majority of respondents (89 percent) need permission from the family before taking a loan, 60 percent of women has taken money for men. Some women repay on men's behalf (42 percent) while others push men to repay the loan (61 percent). Seventy-two percent of respondents report a significant increase in their status and the majority of women clients find no difference in terms of men helping in domestic work. In a recent study commissioned by the World Bank, Safavian and Haq (2013) find that in the majority of cases, men are the final user of women's loan and only a small number of women use loan themselves. The study also finds that since the very little proportion of women are entrepreneurs, women face difficulties in accessing individual and larger loans due to lengthy documentation requirements. The results of all these studies are inconclusive and no standard conclusion can be drawn on women's empowerment through microfinance. In recent times, though a growing number of academic research studies in Pakistan have focused on assessing the impact of microfinance on women's related issues including women's empowerment but very limited number of studies have focused on women's testimonies, perceptions and understanding of empowerment in their social context (Kabeer, 2001, Aslanbeigui et al., 2010, Khan and Khan, 2016, Guérin et al., 2013, Uddin, 2015).

In the case of Pakistan, little research has been carried out to see the effects of microfinance on women's empowerment. The existing literature mainly relies on significant statistical data using their indicators for empowerment, and that has not mainly focused on women's voices, and experiences to represent how women lived empowerment and what they perceive is empowering in their local context. This study fills this knowledge gap by exploring women borrowers' understanding and voices on how they see empowerment about microfinance in the social context of Khyber Pakhtunkhwa (KP), Pakistan. It presents the evidence of several types

of changes that women clients view as relevant and important for their empowerment and the changes that have disempowered them, and the difference microfinance has made in their lives from both non-disaster and disaster-affected areas (before the disaster). Women's perspectives will thus add to the context-specific knowledge of empowerment through microfinance.

#### **1.4. Significance and Contribution of the Study**

As compared to other parts of Pakistan, the provision of microfinance services targeting rural women in the Khyber Pakhtunkhwa province is difficult due to gender restrictions within the Pakhtun culture (details are given in chapter 3), these include gendered traditions and conservatism and current security issues related to Talibanization in the region. Men tend to hinder women's participation in any developmental activity including microfinance. However, some development organisations with an integrated development approach are delivering microfinance services along with other interventions like health, education, enterprise development and advocacy and this makes these programmes more acceptable to men, and hence, helps to open opportunities.

Besides the prevailing gender inequalities, women in the Pakistan also faced vulnerabilities resulting from natural disasters. People across Pakistan were victims of the earthquake in 2005 and the flood in 2010, both of which incurred heavy damage to the people, properties, crops, enterprises and infrastructure of all four provinces of Pakistan, but particularly in Khyber Pakhtunkhwa. The disasters had devastating effects on people from all strata, but children, women and the elderly were among the most vulnerable. This has also affected the portfolios of microfinance clients, destroyed their existing assets and also impacted on their socio-economic activities. Female clients also lost their household assets, enterprises and incomes. This has further increased women's vulnerability to risks and disasters. This study, therefore, focuses on rural female clients in Khyber Pakhtunkhwa who, despite all the constraints, nonetheless participate in microfinance activities for their microenterprises. A major reason for selecting the research topic and area is that not much work has been done on the academic and pragmatic level to assess women's perspectives on the role of microfinance in bringing change to women's lives and post-disaster vulnerability reduction in Khyber Pakhtunkhwa.

Although women's empowerment through microfinance is a widely researched topic, still these studies could not agree on one definition of empowerment, and little research has been done to examine women's empowerment in post-disaster situations. Furthermore, the existing literature on MF focuses on different components of empowerment, but there is very limited empirical evidence from KP Pakistan, where women clients themselves view and understand their



empowerment within their context. Considering women's situation and the impact of microfinance, this study aims to examine women's empowerment through microfinance in non-disaster and disaster affected areas from the female clients' own experiences and perspectives in order to fill the knowledge gap and make an important contribution to the microfinance and gender literature and microfinance sector in Pakistan focusing on post-disaster situation.

## **1.5. Research Questions**

This research study builds on the existing body of literature on microfinance, gender and natural disaster in Pakistan by understanding the issues of women's empowerment in non-disaster and post-disaster situations. The main research question that is formulated from the aim of the research is as follows:

### **Main Research Question:**

Does microfinance facilitate rural women's empowerment in North Western Pakistan and, if so, are these changes sustainable in times of disaster?

### **Sub Questions:**

1. How do key informants and rural women view and understand the concept of women's empowerment in the social context through microfinance?
2. What factors hinder and promote women's empowerment in Khyber Pakhtunkhwa?
3. What are the changes in women's tangible and intangible assets as a result of their participation in microfinance programmes? Do these changes facilitate women's empowerment?
4. What vulnerabilities do women clients face in post-disaster situations?
5. In what ways and to what extent do women's gains from microfinance (if any) improve their ability to deal with the post-disaster vulnerabilities? What difference does microfinance make in a context of crisis?

## **1.6. Research Methodology**

The research methodology of the study provides an overall approach used in the research process from the theoretical underpinning to the analysis of the data. The ontological position of the study lies in constructivism as this study observes that realities are constructed socially and that the experiences of women are different from one another and different groups of women. This study used a grounded theory method to generate codes, patterns and

categories based on concepts and themes as integral parts of the data analysis process. The research is based on qualitative methods including interviews, focus group discussions and oral histories. The primary data was collected in the first phase during April 2011 to July 2011 and in the second phase from mid-June 2012 to mid-July 2012. The study was conducted in four districts (Peshawar, Mansehra, Haripur and Nowshera) of Khyber Pakhtunkhwa. Selection of the districts and villages was done on the basis of following factors: duration of credit programs, the density of microfinance women's groups and impact of natural disaster. Not many MFPs were working in the Khyber Pakhtunkhwa province so only two large MFPs, Sungi and Sarhad Rural Support Programme (SRSP) were selected for the study on the basis of their presence and microfinance operations in the respective districts.

In this study, purposive sampling is used with different sets of respondents. In-depth interviews were conducted with 21 microfinance and development professionals, 30 women from non-disaster areas and 14 women from disaster affected areas. Six focus group discussions (FGDs) were conducted with 37 women in four districts. Six respondents were selected for oral histories after in-depth interviews on the basis of their perceptions and unique experiences with microfinance.

### **1.7. Limitations of the Study**

It is important to discuss the study limitations so that focus of the study and future research directions are highlighted. There are five main limitations to this study. Firstly; the study focuses mainly on women clients' perceptions of their empowerment through microfinance from rural areas of Khyber Pakhtunkhwa. In this regard, other family members and women who were not involved in microfinance activities are not specifically included. Further research can involve those women who are not a member of microfinance programme as a control group to compare their perspective of empowerment in the absence of microfinance; this study focused on the respondents' experiences before and after microfinance. This study has analysed some viewpoints of children and husbands of the interviewees. Detailed inter-generational effects of empowerment can be examined by including other family members of women clients. Second, this study included women clients who have a membership for three years or more and excluded women who have membership less than three years. This selection was done purposively to examine the viewpoints and experiences of empowerment of those respondents who have long term association with MFPs. Thirdly, this study is limited to the social context of one province of Pakistan, Khyber Pakhtunkhwa and the data is collected from only four districts out of twenty-five. Further research can be conducted to other

districts of Khyber Pakhtunkhwa, other provinces of Pakistan and another geographical context to obtain empirical evidence on microfinance claims. Fourthly, this study has chosen only two large MFPs from Khyber Pakhtunkhwa, so this research does not aim to compare the impact of MFPs across the diversified microfinance providers (NGOs, MFPs, and Microfinance Banks) in Pakistan. Finally, as this research study focuses on women's perception and voices and is qualitative in nature, it has employed a small number of women clients from four districts both from non-disaster and post-disaster affected area. Further research can be conducted using mix methodologies (both qualitative as well as quantitative) so that more representation and clear views can be incorporated.

## **1.8. Structure of the Thesis**

The rest of this thesis is structured under seven chapters and is as follows:

### **Chapter 1: Introduction**

Chapter one introduces the research. It shows the rationale that why and how microfinance programmes target women focusing on the literature on microfinance and women's empowerment in relation to research problem and knowledge gap. The country context provides the background of the study.

### **Chapter 2: Literature review**

Chapter 2 reviews and builds on the literature to develop a conceptual understanding between microfinance, women's empowerment and post-disaster gendered vulnerability. It further explores the nexus between microfinance and women's empowerment. Understanding the role of microfinance in women's empowerment gives a clear picture of the different conceptualizations of empowerment used by the different approaches of microfinance. At the end, a conceptual framework for the study is developed.

### **Chapter 3: Research Approach**

Chapter 3 elaborates on the methodological process of the research, including the underpinning research philosophy, epistemological positioning and rationale for using an interpretive approach, research strategies and sampling techniques, ethical consideration, the process of data analysis and validity of the research.

### **Chapter 4: Women's Empowerment through Microfinance in Khyber Pakhtunkhwa (KP): Professionals' Perspectives**

Chapter 4 presents the data analysis from microfinance and development professionals and their understanding of MFPs' potential to bring changes to rural women's lives with their financial and non-financial services along with its impact on gender relations at the household and community level.

#### **Chapter 5: Microfinance and Women's Empowerment in Khyber Pakhtunkhwa, Pakistan**

Chapter 5 reports the demographic and credit related profiles of women interviewees. It discusses women's understanding of their empowerment in their social context. As such it examines the changes in women clients' tangible and intangible assets after joining the microfinance programme. It also investigates the changes in women's perception and gender (power) relations regarding the use of microfinance services, women's contribution to the family income, bargaining power and their participation in the decision-making processes.

#### **Chapter 6: Microfinance and Women's Empowerment: Insight from Disaster Affected Areas**

Chapter 6 It explores the vulnerabilities of women clients faced after a disaster and their strategies to cope with vulnerability exacerbated by hazard. It further examines the claims of women's empowerment through microfinance and their sustainability within the context of crisis and disaster.

#### **Chapter 7: Conclusions**

Chapter 7 presents conclusions of the study based on the empirical findings of the study and the critical engagement of the existing literature.

## 2. Literature Review

### 2.1. Introduction

This chapter aims to develop a conceptual understanding of women's empowerment and its link with microfinance by discussing key debates, claims and counter claims in the literature on microfinance and on women's empowerment. This chapter argues that there are divergent views when testing the claims of the effect of microfinance on women's empowerment in different parts of the world, especially in developing countries. On one side, advocates of microfinance take an encouraging and supportive stance on microfinance's potential to induce a process of economic, social and political empowerment at individual, household and community level (Hashemi et al., 1996, Pitt et al., 2006, Swain and Wallentin, 2009, Osmani, 2007, Kabeer, 2001, Haile et al., 2012, Kato and Kratzer, 2013, Amin et al., 1998, Holvoet, 2005b, Bali Swain and Wallentin, 2011, Weber and Ahmad, 2014, Fofana et al., 2015, Mahmood et al., 2014, Newaz, 2007, Haile et al., 2015). Whereas, on the other side, opponents are critical, less positive and note that microfinance programmes may reinforce patriarchy and create imbalances in the existing power relations within the households which may not result in women's empowerment (Karim, 2011, Karim, 2008, Bateman, 2010, Goetz and Gupta, 1996, Leach and Sitaram, 2002, Rankin, 2002, Asim, 2008, Ackerly, 1995, Montgomery et al., 1996, Amarnani and Amarnani, 2015, Guérin, 2006, Rankin, 2001, Uddin, 2015, Moodie, 2008). Nevertheless, the contradictory findings may be due to differential contexts, judgments and different methods used in the research studies (Aslanbeigui et al., 2010, Kabeer, 2001). However, the literature shows inconclusive results of evaluation studies that measure the impact of microfinance programmes on women's empowerment. This chapter, therefore, synthesises and evaluates microfinance claims in the literature especially from developing countries to develop a conceptual framework for this study. As such the chapter comprises five main sections. Section 2.2 examines a brief history, meaning and concepts of women's empowerment in gender and development literature to understand why and how the term female empowerment became a priority for feminist scholars and different development actors. This understanding will then provide a basis to explore the nexus between microfinance and women's empowerment in section 2.3 by critically examining the claims of enhancing women's empowerment through microfinance and the extent to which these claims are upheld by analysing the critiques on conceptual and empirical grounds. Section 2.4 examines the link between gender, natural disaster and microfinance. Section 2.5 discusses the knowledge gaps in the literature, and provides the basis for the relevance and need for testing the claims of

women's empowerment through microfinance within the specific social context and, in the case of this thesis, within the context of crisis and natural disaster in Khyber Pakhtunkhwa, Pakistan. The last section 2.6 presents a conceptual framework for this study.

## **2.2. Empowerment: Concepts and Understanding**

Empowerment is one of many buzzwords, used, abused, overused, co-opted and misused in the development lexicon (Batliwala, 2007b, Murphy-Graham, 2010, Cornwall, 2007, Mahmood et al., 2014). It has various meanings and conceptualizations in different contexts and cultures (Cornwall and Brock, 2005, Hur, 2006, Kilby, 2011, Eyben and Napier-Moore, 2009) and it is mainstreamed in development in such a way that it has lost its original meaning and value (Batliwala, 2007b). It has a widespread usage in the fields of politics, management psychology, education, social work and most importantly, the development sector (Oxaal and Baden, 1997, Hur, 2006, Rowlands, 1995, Rowlands, 1997). Empowerment theory is linked with the initial work of Brazilian educator and philosopher Paulo Freire's approach of 'conscientization', in which he emphasised 'education as the practice of freedom' for the oppressed where empowerment is seen as freedom from oppressive social structures (Freire, 1970, Freire, 1973, Mirafteb, 2004, Hur, 2006, Batliwala, 2007b, Kabeer, 1994).

To fully understand the term 'empowerment', it is essential to view empowerment in a wider development perspective, since 'empowering women' has become an important agenda of development programmes. Development is a process of change in societal processes and empowerment assumes to implement, invoke and realise this change by affecting existing power relations, by transforming power and giving power to the people through the process of participation (Masschelein and Quaghebeur, 2006). Many international development institutions such as the World Bank and UN organisations emphasise the promotion of gender equality as an instrument to improving economic and other development-related outcomes by ensuring women's equal participation and facilitating access to their development programmes to eliminate existing gender inequalities (United Nations, 2009, World Bank, 2011). The World Bank, being the dominant economic actor in the neo-liberal world, and other multinationals consider women and empowerment as essential tools to achieving market growth (Sharma, 2008). However, no institution has been able to develop a standard definition and method to measure and track changes in women's empowerment levels (Malhotra et al., 2002).

The inclusion of women as a central focus in development programmes is a relatively recent phenomenon and can be linked back to late 1960s and early 1970s (Murphy, 2006) and the

time from 1976 to 1985 which was considered as the golden era of women's projects where women appeared in visible roles (Moser, 1993:150). Inspired by the 1970 work of the Danish economist Ester Boserup on the role of women in economic development, the term 'Women in Development' (WID) was adopted and promoted by liberal feminists to make women visible in the development process (Cornwall and Anyidoho, 2010). Before the 1970s, the main emphasis of development was on men due to their productive roles and women were not an active part of development due to their reproductive roles. After Boserup's study, women's role became more prominent in development, firstly because of the productive roles they performed, and, secondly, their marginalised position in society. Many international organisations such as the United States Agency for International Development (USAID), who then emphasised women's economic contribution to, and productivity in, development (Moser, 1993, Murphy, 2006). Boserup's study became the basis for the United Nations to declare the UN Decade for Women, also known as the first decade, 1975-85 (Kanji, 2003:03).

During WID era, the Self-Employed Women's Association (SEWA), a trade union of women in India started providing access to credit and also emphasised the empowerment of women to use their resources effectively. It was an example of women's organisations promoting the concept of women's empowerment as 'agency and self-transformation' by bringing changes in economic, social and political structures for the first time (Bisnath, 2001:12). WID provided a forum to facilitate and highlight women's struggle for social justice, equality, oppression and their subordination at multiple levels. SEWA became a precursor to what later became the microfinance movement. Some of the feminists and proponents of gender equality showed their contentment that women were getting more attention from development institutes. However, there were others who were not satisfied with the way WID approach used the term women's empowerment (Cornwall and Anyidoho, 2010, Batliwala, 2007b).

The WID approach was not without criticism. The WID approach had isolated women as a separate and homogeneous group and analysis of women's subordination and exploitation remained unclear. In the mid 1980s, a slow shift from WID to Gender and Development (GAD) happened where women's empowerment appeared as an idea to challenge the existing patriarchal gender power relations, processes and structures of class, race, religion, ethnicity and caste that brought about women's marginalization and focused on the transformation of gender roles (Kabeer, 1994, Moser, 1989, Batliwala, 2007a).

The GAD approach faced criticism from feminists from all over the world, especially from the third world due to their discontent as GAD was judged to be unsuccessful in incorporating the

term 'gender' and its perspectives effectively in development policies and programmes. The development programmes focusing on women just changed the words and instead of WID, used GAD, but in a real sense, it often failed to address the imbalanced power relations in society that have detrimental effects on women's status thus contributing to their disempowerment (Rathgeber, 1990). However, the empowerment approach grew as a reaction to top-down international development programmes which treated women as passive clients (Bacqué and Biewener, 2012).

Feminist scholars, networks of activists such as DAWN and international conferences (Cairo, 1994 and Beijing, 1995) began to widely use the term 'empowerment' in their development agendas (Sharma, 2008). In the early 1990s, empowerment had already obtained a central position in development focusing on social processes and gender equality, thus replacing the terms 'people's participation' and 'women's development'. In the year 2000, the 189 members of the UN agreed upon eight development goals, known as the Millennium Development Goals (MDGs) in which the promotion of gender equality and women's empowerment appeared as an effective way to reduce poverty, hunger, disease and to achieve sustainable development through national governments and civil society organizations (Heyzer, 2005). However, MDGs are recently replaced with seventeen Sustainable Development Goals (SDGs) that focus exclusively on gender equality and women's empowerment.

Microcredit programmes, especially in developing countries, have emerged as a convenient way to empower women by providing them access to financial resources (Hunt and Kasynathan, 2001, Karim, 2008, Osmani, 2007, Schuler and Rottach, 2010). According to Isserles (2003), due to the failure of earlier poverty alleviation schemes, the success of microcredit programmes was seen in relation to high repayment rates to ensure efficiency, self-reliance and economic independence through entrepreneurship. Isserles (2003:44) further argues that to make the idea of empowerment more attractive to donors', microcredit literature used language and jargon that represent the new technologies of empowerment such as 'confidence', self-esteem', 'responsibility' and also 'self-help' (Sharma, 2008).

According to Cornwall and Rivas (2015) empowerment appeared as an important component of neo-liberal policies and soon took a prominent position in the current discourse of international development to legitimise their policies. International organisations view women's economic participation as a sign of empowerment. Various international organisations such as the UN, the World Bank, donor community, international NGOs, and microfinance programmes strategized to reduce the poverty of poor women and have mainstreamed the



term 'women's empowerment' into their financial programmes and projects to support their neo-liberal policies through market-driven economic models (Sharma, 2008). The neo-liberal agenda of liberal feminists, aim to address women's practical and strategic gender interests with 'equity' and 'efficiency' as gender policy approaches (Moser, 1993), where empowerment is conceived as a means to achieve entrepreneurial self-reliance by assuming that women are aware of all the available alternatives to make informed decisions (Mayoux, 1998a).

Such policies and interventions are criticised to portray women's empowerment more as instrumental, favouring neo-liberal economic policies where women are represented as entrepreneurs, agents of governing, economic actors and efficient neo-liberal subjects rather than deserving of special subsidies (Elyachar, 2005, Uddin, 2015, Karim, 2011, Maclean, 2013). The high repayment rate is the indicator to measure women's economic empowerment. Women's existing social capital as collateral is used to integrate women into the global market economy so that women become responsible for their own survival (Rankin, 2001, Rankin, 2002). This is done without considering women's realities of life, transferring additional risks and responsibility to women, referring it to as their empowerment (Maclean, 2013). Arguably, in some cases microfinance programmes has appropriated women's honour and shame to ensure high repayment (Karim, 2011, Hulme and Maitrot, 2014, Maitrot, 2014, Uddin, 2015). Thus, the modern concepts of empowerment are promoted that favour neo-liberal policies at the grassroots level (Valencia-Fourcans and Hawkins, 2015). In this way, the neo-liberal policy objectives have replaced the original focus of women's empowerment that emphasised social justice and gender equality, and the transformation of economic, social and political structures (Nussbaum, 2000, Kuttub, 2010, Fernando, 1997, Cornwall and Anyidoho, 2010), and 'self-realization, self-actualization and mobilization' to bringing change and transformation through money and information (Cornwall et al., 2007:7). Nonetheless, women's empowerment, in neo-liberal projects, remains an effective instrument to achieve other development goals while feminists focus on women's ability to bring about change in their lives (Sharma, 2008).

The above discussion has demonstrated the need to go beyond the current unclear and contested use of the term (Cornwall and Anyidoho, 2010), to reject the instrumental and neoliberal usage of the term, and to return it to its more normative, feminist roots. Some key terms that arise in the literature, however, are useful in underpinning a more meaningful and focused understanding of the term, while being attentive to context. As such *choice, change, control and power* are some of the overlapping concepts that have frequently been included in definitions of empowerment (Kabeer, 2011, Rowlands, 1997, Cheston and Kuhn, 2002). Some other terms such as decision-making, autonomy, self-determination, agency, control over life

and resources and mobilisation are also used to define empowerment (Narayan, 2005, Holvoet, 2005b, Hur, 2006). Considering women's empowerment from a feminist perspective, scholars agree that empowerment should address issues related to women's oppressed status, gender inequality and inequity (Batiwala, 1994, Kabeer, 1994, Kabeer, 1999, Kabeer, 2001, Rowlands, 1995, Rowlands, 1997). Furthermore, the process of women's empowerment involves a shift from positions of powerlessness towards strategic economic, social and political participation, both at the individual and collective levels (Kabeer, 1994, Kabeer, 1999, Friedmann, 1992, Mosedale, 2005, Hur, 2006, Rowlands, 1995, Oxaal and Baden, 1997). Empowerment is not a static but an on-going and continual process (Kabeer, 1999, Hur, 2006, Rowlands, 1997). Thus, empowerment cannot be achieved in an absolute sense. Individuals feel disempowered or empowered in relation to others and in relation to themselves in the past (Mosedale, 2005). Empowerment may seem easy to adopt, but it is a complex term precisely because it is intangible, cultural and context specific, multi-dimensional and has a variety of interpretations (Oakley, 2001, Kabeer, 2011, Malhotra et al., 2002). Moreover, measuring empowerment as an on-going process is difficult and needs an examination of nature and extent of change in empowerment across at least two points in time (the past and current)(Malhotra and Schuler, 2005). Mosedale (2005) and (Kabeer, 2001) argue that despite different conceptualizations, the literature on women's empowerment agrees upon these four aspects of empowerment. First, for becoming empowered one has to be disempowered. Second, outsiders cannot bring empowerment in women, they can only facilitate and create conditions favourable to empowerment. Third, empowerment is related to women's decision-making on the matter that they feel essential for their lives. Fourth, empowerment is an on-going process, not an end product.

The term 'empowerment' lies in different concepts of 'power', a root concept that locates empowerment. Power appears as a function of the human agency, is contextual, lies in relations, and leads to different mechanisms for social change and transformation (Townsend et al., 1999, Brown, 2002, Rowlands, 1997). The examination of power does not show the same results, and there are differing opinions among scholars. There is a wide-ranging discussion on the concept and operations of power, which results in a variety of interpretations of empowerment. Different theorists interpret power in relation to different actors. Dahl (1957) views power is at the individual level where the powerful exercise power over the powerless. Bachrach and Baratz (1970), however, argue that there are two faces of power; an 'overt face' expressed in the domination and the way in which decisions are made and a 'covert face' which prevents decision-making and uses manipulation as an agenda exercised over the powerless

by the powerful. In addition to the two faces of power, Lukes (1974) introduces another dimension of power i.e. 'latent power' lies in the interests of the powerful as another form of domination, power over, zero-sum game approach. Power as an outcome of human relations lies in the domination of one actor over another in society and as a force wielded by the powerful over the powerless (Townsend et al., 1999).

Rowlands (1997) views power as operating in a broader and multi-layered manner, which not only dominates but also shares, motivates and resists. Her analysis of power deals with internalised oppressions that maintain gender inequality. Rowland's (1997) feminist model of power suggests four types. Firstly, 'power over' shows a negative and controlling power in a win-lose relationship, associated with internalized oppression, resistance, violence, fear, compliance and exploitation and involves domination/subordination (Sharma, 2008) and can exist in the form of social, economic, political and cultural control and dominance (Rowlands, 1997). Secondly, 'power to' is a generative conception, which creates new openings without the domination of any actor through exercising their interests and is related to decision-making authority. This form of power is creative and enables women to reconstruct and reinvent themselves. (Townsend et al., 1999). Thirdly, 'power with' is related to collective forces and strengths, where individuals collaborate with each other to solve problems and attain some common goal based through mutual support and collective decision-making. Lastly, 'power from within' is personal power and examines the psychological power in individuals and focuses on the sense of self as expressed in self-confidence, self-esteem, self-awareness, assertiveness and self-respect (Rowlands, 1997) and can be achieved through skills, education, and expertise (Kabeer, 1994). These categories of power show that power is a complex phenomenon and multi-dimensional in nature. Besides its controlling aspects, power also provides the basis upon which the powerless gain power and transform their existing disadvantaged position in the society. Rowland's empowerment account can be helpful in evaluating empowerment through microfinance since microfinance services may enable women to control all these four forms of power.

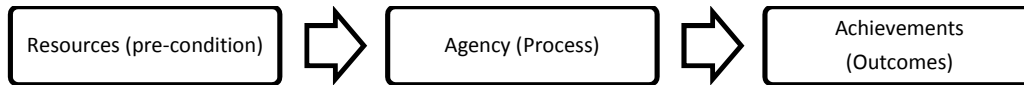
Batliwala (1994) emphasises two central aspects of power — control over resources (physical, financial, human, intellectual, social and the self) and control over ideology (beliefs, value, and attitudes). If power means to control, then empowerment is the process of gaining greater control. Batliwala (1994:132) conceptualises empowerment as 'a spiral, changing consciousness, identifying areas to target for a change, planning strategies, acting for change, and analysing activities and outcomes'. This notion depicts the change of mindset and the visibility of change. Batliwala further emphasises that women must challenge patriarchal

relations to initiate change in men's traditional control over women. Moreover, Battiwala observes that there is a widespread fear that women's empowerment is against men and through it, men may lose control over women. Swain (2007) also argues that a true empowerment takes place when women challenge their existing norms and culture for the improvement of their well-being.

In exploring the concept of change, Chen and Mahmud (1995) present four pathways through which an individual can experience change. These pathways of empowerment include a material pathway, cognitive pathway, perceptual pathway and relational pathways, and the outcome of which is women's enhanced fallback position and improved bargaining power. In material pathway, change takes place in women's access to and control over material resources (tangible assets), income earned, in satisfaction of basic needs and improvement in women's earning capacity. In cognitive pathway, change occurs in women's skills, knowledge and awareness. In perceptual pathway, changes are experiences in women's self-esteem, self-confidence, visions for the future, recognition, value, increase social prestige and respect by others. Relational pathway encompasses the changes in gender relations within the household and beyond, and the outcome is a decrease in gender inequality, mainly related to decision-making roles, bargaining power, participation in development programmes, dependency on others and mobility.

The concept of choice has a central place in the feminist interpretation of empowerment and involvement of a complex set of options (Moser, 1989, Kabeer, 1999), in comparison to the past but also related to others (Cornwall, 2007, Hur, 2006). Kabeer (1999: 437) defines empowerment as, 'the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them'. Kabeer (1999) suggests that to be empowered (able to make choices), one has to be disempowered (unable to make choices) in the first place by facing restrictions on one's ability to make choices. According to Kabeer (1999), strategic life choices are those choices and alternative options that are critical in one's life (such as choice of livelihood, marriage options, family planning options and freedom to work). On the other hand, Alsop et al. (2006:10) relate empowerment to the 'capacity to make effective choices [...] and then to transform those choices into desired actions and outcomes' that means they view empowerment as existence, use and achievement of choice. However, Malhotra and Schuler (2005) argue that strategic decisions may take longer time and that it may be difficult to link those decisions with policy and program interventions unless the time frame of the research is very long.

Many research studies on microfinance and empowerment have used Kabeer's definition of empowerment as it contains other elements than power. Kabeer's (1999:437) understanding of empowerment is linked with the ability to exercise choice in three interconnected dimensions, 'resources, agency and achievements' and to understand empowerment, understanding of these three dimensions is essential.



Source: Kabeer (1999)

Resources are preconditions for empowerment that include material resources in an economic sense (physical and financial resources such as land, productive assets, savings and income), in human resources (knowledge and skills) and in social resources (rights, responsibilities and expectations through relationships) that enhance the ability to exercise choice (Kabeer, 1999). Microfinance is considered as an external resource that has the potential to enable women to bring empowering changes in their lives through enhancing decision-making within the households, their mobility and autonomy.

Empowerment requires a set of assets and capabilities at individual and collective levels. The World Bank views empowerment from an institutional perspective, in relation to poverty reduction as, 'an expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives', where individuals' assets (material, human, social and psychological), collective assets (organization, voice and representation) and capacities influence one's sense of agency (Narayan, 2002:xviii, 2005:5). Development organisations working on poverty alleviation have adopted this institutional – and more instrumental - definition of empowerment in their programmes by facilitating poor people's access to resources and building their capacities presuming that this would allow them to better control their lives.

Agency is at the heart of the conceptualization of empowerment (Malhotra et al., 2002, Alsop et al., 2006, Ibrahim and Alkire, 2007). Sen (1985) refers to the agency as the freedom of individuals to pursue goals that they set for themselves. According to Kabeer (1999:438) agency means one's ability to establish goals in life and then achieve those goals. One's sense of agency describes one's 'power within' as noted by Kabeer (1994) and Rowlands (1997). Kabeer (1999) argues that besides decision-making capabilities, individuals may utilise a range of strategies to bring empowerment in their lives. The agency may include motivation, action and power to influence 'bargaining, negotiation, deception, manipulation, resistance, and

subversion' as well as more intangible, cognitive processes of reflection and analysis. The agency can be exercised both on individual and collective levels and can be positive and adverse. It can be negative if linked with 'power over' and positive if linked with 'power to'. The intrinsic value of agency focuses on exercising choices, which are conducive to well-being, and the instrumental value of having an impact on other aspects of development (Petesch et al., 2005, Narayan, 2005). The microfinance literature mainly depicts agency as women's decision-making power, women's access and control over resources, and bargaining power within the household so that women are able to make strategic life choices. Thus, resources and agency are the essential components of empowerment emphasised in the literature.

The third dimension, achievements, is the outcome of choice, and some conceptualizations of empowerment include achievements (Kabeer, 1999). However, as with resources, it can be argued that achievements not be empowerment *per se*, but rather outcomes of empowerment. The outcomes can be classified into economic and non-economic changes. The economic outcomes could be women's increased spending on household's well-being including children's education, health and nutrition. The non-economic outcomes are related to changes in gender relations within the socio-cultural context and are shaped by class, caste, religion, culture and socio-economic factors. It means that empowerment is a contextualised concept.

In line with Kabeer's conceptualization of empowerment, Magar (2003:512) also defines women's empowerment as, 'an outcome of a process whereby individual attitudes (self-esteem and self-efficacy) and capabilities (knowledge and skills and political awareness), combined together with collaborative actions (social and political participation), and reciprocally influenced by resources (information, material, and social/psychological) result in a transformation to desired achievements (individual, group, and societal)'. Where individual achievements are related to women's greater autonomy, higher status, control over resources, increased decision-making and enhanced income and employment. However, Drydyk (2013, 2008) argues that empowerment should be durable and sustainable. If changes in power relations do not enhance a person's decision-making and influence over strategic life choices together with the enhanced agency, well-being freedom to overcome barriers and capability to control assets, then these changes should not be considered as empowering as they fail to achieve the main aim of the empowerment.

Hur (2006) synthesises the process of empowerment into five progressive stages. First, the existence of social stratification and operation (sense of powerlessness); second,

conscientization (awareness creation); third, mobilisation (taking initiatives); fourth, maximising (sharing power) and lastly, creating a new order (overcoming oppression and achieving social justice). Hur's (2006) conceptualization focuses on two levels of empowerment i.e. individual and collective. Personal empowerment relates to one's self-confidence, self-esteem, sense of agency, self-determination, meaning, competence and impact (Hur, 2006). Collective empowerment, on the other hand, refers to collective actions to achieve common goals, collective belongings, involvement in the community, control over the organisation in the community and community building (Hur, 2006, Sanyal, 2009).

However, Rowlands (1997) includes another level; relational empowerment that deals with developing abilities to influence decision-making processes and within close relationships (Rowlands, 1997). Empowerment at the relational level determines the status and position of women in the household through their bargaining power in decision-making in comparison to men (Osmani, 2007, Agarwal, 1997, Kabeer, 1997). According to Sen (1990) in the co-operative-conflict model of household decision-making, members with increased economic contribution to family's income enjoy greater bargaining power. A woman's bargaining power is associated with the relative strength of her fall-back or breakdown position. An improvement in one's fall-back position would lead to improvement in bargaining power, indication improvement in women's empowerment (Kabeer, 1997, Agarwal, 1997, Osmani, 2007). However, this may not always be the case and this study questions this assumption.

In conclusion, the above discussion on the evolution and development of the concept of empowerment shows few common elements in the definitions developed by the different feminist theorist. The majority of the feminists consider empowerment as *change, choice, control and power* (Kabeer, 1999, Rowlands, 1997, Cheston and Kuhn, 2002, Kulkarni, 2011, Chen, 1997). Where Cheston and Kuhn (2002:12) further explain empowerment as 'a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives'. Whereas, Eyben and Napier-Moore (2009:291) argue that the meanings of empowerment have many layers and threads within the international development discourse and in current times, understanding of empowerment is 'choice, decision-making, realising opportunities and potential, and community action'.

From this perspective, I base my work on the theoretical assumption that empowerment is an ongoing process, lies in different facets of 'power', where achievements are only outcomes of the process of empowerment influenced by tangible (material) and intangible (capabilities) assets at individual, relational and collective levels to bring changes to unequal relationships

between people from positions of powerlessness towards strategic economic, social and political participation. The agency of women who feel empowered is the central component in most of the conceptualization of empowerment that enables people to act and achieve the desirable changes they perceive for themselves. However, due to the complex nature of empowerment and being difficult to measure there is no standard definition or concept of empowerment to follow. Moreover, empowerment does not occur in a vacuum and empowerment or disempowerment is relative to a woman's previous status and is relative to others. Nonetheless, contradictions in assessing the efficiency of microfinance as a tool for women's empowerment have arisen in recent years. From the previous discussion, it is evident that despite the critiques the term 'empowerment' has obtained a central position in the development agenda. Empowerment has different conceptions and meanings and understanding the concept of empowerment is essential to establishing its link with microfinance.

In this study, I critically examine how women clients and key informants (professionals) understand the concept of empowerment in their own social context and through microfinance in Pakistan, using the concepts of *change, choice, control and power* and to examine whether women are able to transform gender relations and challenge the structure of patriarchy through any economic and non-economic benefits gained through microfinance. In this regard, choosing qualitative research methods (Chapter 3) allows me to focus on women's subjective instances, perceptions, voices, experiences and understandings of feeling empowered which a quantitative research methodology may not address as successfully.

### **2.3. Microfinance and Women's Empowerment: Empirical Evidence from the Developing World**

Consistent with the literature on women's empowerment, women's empowerment through microfinance is also a much debated and contested concept. Research studies agree that empowerment through microfinance entails more than one definition or indicator and therefore, studies used different definitions, aspects, facets, indices and indicators to measure women's empowerment that leads to differing and contrasting results (Malhotra et al., 2002, Kabeer, 2001, Aslanbeigui et al., 2010). On one hand, some studies have positive evaluations to microfinance's potential to promote women's economic empowerment through increased income, household's well-being and social empowerment (Rahman, 1999b, Hashemi et al., 1996, Shetty, 2010, Pitt and Khandker, 1996, Goetz and Gupta, 1996, Lakwo, 2006, Pitt et al., 2006, Kabeer, 2001, Swain and Wallentin, 2009). On the other hand, some studies are more



cynical and point out that microfinance can, in fact, be disempowering in situations if loans are not controlled by women, have increased dependence on men for repayment, have no positive effects on decision-making and may have adverse effects on gender relations (Mayoux, 2007, Goetz and Gupta, 1996, Cons and Paprocki, 2010, Rahman, 1999a, Copestake et al., 2001, Johnson, 2005, Vonderlack-Navarro, 2010, Uddin, 2015, Garikipati, 2013, Garikipati, 2008, Zulfiqar, 2013, Karim, 2011, Roodman and Morduch, 2009, Ngo and Wahhaj, 2012). It is quite evident that literature shows no agreement on the actual effects of microfinance on women's empowerment. These differing results may be because of different socio-economic and geographical contexts, differing conceptualizations, different methodologies (quantitative and qualitative) and interpretations, and empowerment seen as process or outcome (Kabeer, 2001, Aslanbeigui et al., 2010, Kulkarni, 2011, Garikipati, 2013, Banerjee et al., 2015, Vaessen et al., 2014, Armendariz De Aghion and Morduch, 2005). Kabeer (2001) further distinguishes between 'process-based indicators' and 'outcome-based indicators'. Kabeer (2001) relates process-based measures as pathways through which empowerment occurs, such as decisions regarding obtaining loans, women's control and use of income and loan amount and repayment, while outcome based measures are seen as the end result of the empowerment or transformation of gender relations such as ownership of financial and physical assets, women's bargaining power, women's economic contribution, mobility, freedom from domination and changes in personal empowerment at different levels (Garikipati, 2013, Johnson, 2005). It has been argued that the research studies that examine the effects of microfinance on women's empowerment are divided between those who examine empowerment as process and those who view it as outcomes of those processes (Garikipati, 2013, Zulfiqar, 2013). Kabeer (2001) finds that research studies that measure outcomes for women conclude a positive impact in developing countries (Hashemi et al., 1996, Haile et al., 2012, Swain and Wallentin, 2009, Pitt et al., 2006) while those who measure the processes related to loan use conclude a negative impact due to women's negligible role in the loan related processes (see Garikipati, 2013, Ngo and Wahhaj, 2012, Karim, 2008, Goetz and Gupta, 1996, Zulfiqar, 2013, Uddin, 2015).

This section reviews the two strands of empirical literature that take positive and critical stances on the effects of microfinance on women's empowerment. However, it does so by examining major themes, claims and counterclaims arising in the recent quantitative and qualitative studies along with the frequently cited earlier studies conducted in the last three decades. In Pakistan, research studies rarely have assessed the multiple impacts of microcredit on poverty and other dimensions before the year 2000 (Fatima, 2009), and also there are limited empirical studies have explored women's empowerment through microfinance (Asim, 2008, Khan and

Khan, 2016, Mahmood et al., 2014, Mahmood, 2011). So this review mainly includes studies conducted in different developing countries, but the emphasis is given to South Asian countries such as Bangladesh and India that share certain commonalities in culture, tradition, religion, poverty and living conditions of women with Pakistan. The quantitative studies on the subject have used different econometric models based on large data sets while qualitative studies have relied mainly on women's testimonies, perception, and voices. The main aim here is to synthesise and evaluate findings, and contradictory claims through the empirical research studies undertaken in various parts of the world irrespective of the methodologies they have used. In this study, the existence and sustainability of these claims and counter-claims are then tested in the social and post-disaster context of Pakistan in general and Khyber Pakhtunkhwa in particular.

### **2.3.1. Microfinance and Women's Social Capital**

Mobilising social capital in the form of women's credit groups is considered as a first intervention that facilitates women's empowerment. Woolcock and Narayan (2000:226) view social capital as an idea in which one's family, friends and acquaintances form an important asset that can help in seeking mutual benefits in the time of need. In developing countries, formal credit market excludes poor people as they lack physical collateral and creditworthiness. These people, thus, rely on their family, relatives, friends and local moneylenders to meet their financial needs. The concept of social capital appeared in Bourdieu's work in 1970 for the first time. Bourdieu views social capital related to an actor's social position based on obligation, social connection and trust (Uddin, 2015). Coleman was the first one who included the concept of social capital into social sciences and defined that social capital is a kind of resource available to people that exist in their social structure that may not be always positive (Coleman, 1988). Putnam et al. (1993:167) define social capital as, 'features of social organisation, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions'. Putnam linked the social capital with community development. These networks work through the notion of bonding and bridging. According to Putnam (2000), bonding refers to the value assigned to social networks between homogeneous groups of people (focused on reciprocity and trust among themselves) and bridging refers to the networks between socially heterogeneous groups (reciprocity and trust expanded to outsiders. Woolcock and Narayan (2000) argue that poor people may have more bonding than bridging social capital. Colman also emphasises both horizontal social structure (relationships between borrowers) for information sharing, coordination, collective decision-making and vertical social structure (lender-borrower relationship) to strengthen the credit discipline of the borrower (Ito,

2003, Serageldin and Grootaert, 2001, Coleman, 1988). Today, majority of scholars view social capital as intangible asset that relies on 'networks, norms, trust and associational memberships' (Uddin, 2015: 36)

Microfinance programmes use social capital by providing credit in the form of solidarity groups, group lending, group guarantee and social collateral (Bastelaer, 2000, Sanyal, 2015, Dowla, 2006, Geleta, 2014b). Social collateral in the form of social networks, connections, borrowers' reputation and membership in a small group, provide a guarantee to fulfil the requirement of physical or financial collateral. That means in a credit group, members take credit mutually and are collectively responsible for the repayment if any members delay an instalment. In this way, social collateral becomes associated to social capital (Ito, 2003). Maclean (2010) elaborate that microfinance programmes strengthen bridging through providing new income generating activities to the community and bonding in the form of group guarantee and building community's entrepreneurial skills along with the credit.

The proponents of microfinance argue that microfinance programmes provide women with an opportunity to build their social capital through social networks (Dowla, 2006, Rankin, 2002, Hunt and Kasynathan, 2001, Holvoet, 2005a, Ito, 2003, Hashemi et al., 1996, Kireti and Sakwa, 2014, Moyle et al., 2006). Women's networking is considered as very essential in the form of collateral and collective action to mobilise community resources (Maclean, 2010, Hansen, 2015) and solving wider social issues through the informal social organisation (Pal and Dutta, 2015).

Social capital also provides a basis of power and group participation can justify women's empowerment (Geleta, 2014b). Proponents in favour of women's participation, argue that women's access to, membership and participation in the credit organisations facilitate empowerment through building solidarity and bringing change in social attitude of its members and with the non-members (Bali Swain and Wallentin, 2012, Hashemi et al., 1996, Pitt et al., 2006). The process of women's empowerment may start with the process of social mobilisation where women form a women's community organisation (WCO), and credit groups (comprising 5-6 women) within that organisation based on Grameen bank's solidarity model (Bangladesh) or self-help group (SHG) model (India) as a compulsory requirement for most of the NGOs in developing countries to achieve their desirable goals.

Women's participation in meetings, sessions and other group activities (e.g. social mobilisation) before taking credit also have potential to empower women (Osmani, 2007). As a member of women community organisation and credit group, women have to attend weekly, bi-monthly or

monthly meetings and their participation in regular meetings give them an opportunity to break their isolation through frequent interaction and discussion. This groups formation provide women with a platform to explore new opportunities, expand social network and social relations, and develop social capital for collective action that may have empowering effects on women. Such involvement provides women with an opportunity to initiate social transformation within the village (Chan and Abdul Ghani, 2011). Most of the research studies have examined women's empowerment after credit disbursement, but lending arrangement itself can also affect the processes and outcomes of women's experience with microfinance (Zulfiqar, 2013). Women's involvement in the credit group is found to be positively linked with their collective empowerment by creating and expanding social networks and social relationships, peer monitoring and collective decisions (Ganle et al., 2015, Hashemi et al., 1996, Kabeer, 2005, Sanyal, 2009, Kabeer, 2011, Isserles, 2003). Sanyal (2009) argues that through collective actions women can attain both tangible and intangible benefits which they lacked before. Furthermore, women may have to empower benefits in the form of networking and vertical linkages outside the community with other institutions and the market for further opportunities and (Servon, 1998).

However, the link between women's participation in group meetings and collective empowerment is not always positive. Attending group meetings can be costly and irregular when the clients reside far away from one another houses (Armendariz De Aghion and Morduch, 2005). Zulfiqar (2013) in Pakistan and Uddin (2015) in Bangladesh finds that lending arrangements and meetings may not necessarily empower women since the agenda of the meetings remain the collection of repayment, that does not enhance women's empowerment when it ignores the other social aspects of group formation such as collective actions, mutual interaction, learning and awareness.

In the group mechanism, women select other group members themselves. In this voluntary process of self-selection, the first important consideration is given to credit programmes' basic criteria of loan repayment on regular basis to reduce transactional cost and avoid default. Groups are formed by selecting only those women who have somewhat better economic position, have some assets and have other sources of income basis (such as husband's income) thus this economic guarantee ensure the timely repayment (Rankin, 2002, Geleta, 2014b, Coleman, 2006, Geleta, 2016, Karim, 2011).

This selection criterion mainly 'attract women who are already economically active or more empowered than others' (Husain et al., 2014:424). Coleman (2006) find that in Thailand; better

off women occupy village bank's top management positions (chairperson, president and treasures) to take more advantages from the village bank. The group selection process allows influential members to access more and larger loans in the future (Chan and Abdul Ghani, 2011). Poor women without assets and irregular incomes are not included in the group to reap benefit from the credit programmes. Thus, the poorest and the neediest women could not access to the credit as they are excluded because of some women's agency not act as 'power to' but 'power over' and imply domination over other women (Guérin et al., 2013). This further raises questions on claims of microfinance on poverty reduction where they exclude a majority of poor people for not being able to repay the loan.

In the horizontal association, besides solidarity, women borrowers also face peer pressures on delayed repayments that may cause conflict. Peer pressures may create a hostile environment which further destroys the social relationship of women in the horizontal social structure (Uddin, 2014, Rankin, 2002, Uddin, 2015). Group leaders and members play a role of policing by employing social sanctions to ensure timely repayment; thus creating a negative atmosphere in the group (Cons and Paprocki, 2010, Griffin and Husted, 2015). In cases, where women do not have control over their loans and incomes, repayment becomes a burden and further oppression for marginalised women (Karim, 2008), that may also provoke emotional distress among women (Ahmed et al., 2001, Moyle et al., 2006, De Hoop et al., 2014). These pressures can lead women to adopt coping strategies that can have long-term negative effects on their well-being. Women also work as low paid wage labourers (Garikipati, 2013). Borrowers may take other loans from multiple organisations to pay off existing or old loans that may increase their indebtedness (Weber, 2004, Haile et al., 2015, Haque and Yamao, 2008).

In the vertical association, credit organisations also exert pressures on borrowers where group mechanism is used as a discipline and a form of governmental strategy to achieve financial sustainability through on time repayment and reduced financial costs without considering the effects of this pressure on borrowers' lives. When repayments are delayed, loan officers visit defaulters' houses and use coercive strategies such as public humiliation, verbal abuse and seizure of their assets to recover money. These acts actually damage the social standing and honour of the borrower and her family by bringing shame (Karim, 2011, Hulme and Maitrot, 2014, Ganle et al., 2015, Wydick, 1999, Hofstetter, 2008, Garikipati, 2013). Due to these coercive actions of loan officers, many borrowers migrate to other areas as observed by Maitrot (2014) in Bangladesh. Due to repayment and other pressures, loan officers may overlook their role to facilitate community participation and empowerment at the grass root levels (Siwale and Ritchie, 2012). Moreover, in the case of one member's default, staff impose sanctions and

further credit lines are cut off to the whole group and the defaulter is portrayed as a bad person within the community (Duffy-Tumas, 2009). Rather than social capital and women's ability to repay, these threats and coercion work only to ensure timely repayments and maintain discipline (Karim, 2011, Maitrot, 2014). So the claim of microfinance that social capital in the form of women's group is a step towards empowerment is controversial since the use of social capital has not always generated positive results. Building on this literature, therefore, my aim in this study is to test the claims of microfinance on women's social capital building and its empowering effects in Khyber Pakhtunkhwa through analysing both horizontal and vertical social and power relations within the group, village bank and organisation.

### **2.3.2. Microfinance, Poverty Reduction and Economic Empowerment:**

#### **Positive Claims**

According to the theory of microfinance, one of the main constraints poor women face is access to financial resources in the absence of any tangible collateral (land, house, and any other property) in their name. The proponents of microfinance claim that microfinance can help women twofold. Firstly, it alleviate their poverty through providing access to microfinance service (microcredit, micro-saving and micro-insurance) so that women can establish or expand their enterprises to earn considerable income that can further be invested to improve family's well-being, asset accumulation, income diversification and vulnerability reduction (Khandker, 2005, Imai and Azam, 2012, Mahmood et al., 2014, Ghalib et al., 2014, Al-Mamun and Mazumder, 2015, Setboonsarng and Parpiev, 2008, Hermes and Lensink, 2007, Mayoux, 2007). Secondly, it enhances women's economic empowerment through control over the loan, income earned and savings, enhanced economic contribution within households that bring improvement in women's lives, and transformation in household gender relations (Hashemi et al., 1996, Kabeer, 2005, Mayoux, 2007).

Women's control over loan and spending is a widely used indicator to measure women's economic empowerment within the household (Vaessen et al., 2014). Advocates of microfinance claim that when a woman has control over her loan as an external resource, and she decides to invest the money for income generation, then this control over loan and income (financial assets) increases her contribution within the family, make her self-reliant and financially independent, enhance her enterprise related decision-making and spend more money on consumption and have positive impact on the well-being of the household (Pitt et al., 2006, Hashemi et al., 1996, Newaz, 2007, Kabeer, 1998, Holvoet, 2005b, Alam, 2012, Kabeer, 2005, Mahmud, 2003).

Some recent studies from the developing countries have shown that with the help of microfinance services, poor people especially women are able to reduce their poverty through increased income in Bangladesh (Chowdhury and Mukhopadhaya, 2012, Khandker and Samad, 2013, Haque and Yamao, 2008), in Pakistan (Ghalib et al., 2014, Khan and Khan, 2016, Mahmood et al., 2014), in Malaysia (Al-Mamun and Mazumder, 2015, Al-Mamun et al., 2014, Samer et al., 2015, Chan and Abdul Ghani, 2011), in India (Amarnani and Amarnani, 2015, Lyngdoh and Pati, 2013, Torri and Martinez, 2011), in Africa (Alhassan and Akudugu, 2012, Ganle et al., 2015, Ssendi and Anderson, 2009, Kato and Kratzer, 2013) and in Southeast Asia (Chhay, 2011). Some studies find that women having a membership for more than two years can increase their income as compared to new members (Amarnani and Amarnani, 2015, Samer et al., 2015). In a cross-sectional study conducted in rural areas of Côte d'Ivoire among 185 borrowers of two microfinance institutions and 209 non-borrowers, Fofana et al. (2015) find that borrowers earn higher income and asset ownership than non-borrowers but find no increase in the value of women's personal assets as women spend more money to improve household's standard of living. In a recent study in Pakistan, Ghalib et al. (2014) find that as compared to non-borrowers, borrowers in Pakistan have shown an increase in household income and savings, higher expenditure on health care and clothing, and enhanced investment to buy productive assets such as livestock and sewing machine. Mahmood (2011) show that 62 percent of the women borrowers in their study from Pakistan had control over their loan and used the loan for the said purpose. Haque and Yamao (2008) in their study in Bangladesh show some increase in the family income level of the richer borrower (42%) who invested loan in productive purposes as compared to poor borrowers whose income either remained the same as before (78%) or decreased (24%). In Tanzania, comparing 305 members with 149 non-members through quantitative survey and ten women in depth interviews, Kato and Kratzer (2013) reveal that female member of MFIs have more control over savings and income generated from the business.

Many researchers argue that women's control over loan and income further improve ownership and assets creation such as land, livestock and productive assets (Aslanbeigui et al., 2010, Osmani, 2007, Haile et al., 2012, Kabeer, 2001, Hashemi et al., 1996, Kim et al., 2007a, Nader, 2008, Alhassan and Akudugu, 2012, Pitt et al., 2006, Holvoet, 2006, Chan and Abdul Ghani, 2011). Women's ownership of physical assets is an important indicator to improve women's bargaining power and strengthen their fallback position (Osmani, 2007, Agarwal, 1994, Kabeer, 1999, Agarwal, 1997).

A large majority of literature show that with the ownership, control of physical and financial assets and increased bargaining power, women may be able to make decisions favourable for their living and allocate resource according to their choices, hence reducing gender discrimination and increase investment in human assets i.e. children's education, health and nutrition of their family and themselves (Mishra and Sam, 2016, Ashraf et al., 2010, Pandey, 2010, Menon et al., 2014, Doss, 2006, Doss, 2013, Alam, 2012, Haile et al., 2012, Nader, 2008, Chhay, 2011, Kireti and Sakwa, 2014, Jan and Hayat, 2011, Waheed, 2009).

Thus, women's control over loan and income enhanced economic contribution and assets ownership show positive effects on women's social empowerment and improve women's status within the household and beyond. The financial benefits from loan funded enterprises may enhance women's economic empowerment by increasing women's economic decision-making related to enterprise and within the household.

### **2.3.3. Microfinance, Poverty Reduction and Economic Empowerment:**

#### **Counter-Claims**

The opponents reject the claims of women's economic empowerment through control over the loan, income and asset ownership. Despite the positive claims, the role of microfinance in alleviating women's poverty as well as empowering women is still unclear (Mayoux, 2007). Those empirical studies that have examined the impact of microfinance on women's poverty reduction show dubious and mixed results both from anecdotal and rigorous evidence (Khandker and Samad, 2013). Roodman and Morduch (2009) also note that even after three decades, the impact studies are still unable to provide strong evidence that how microfinance has improved women's lives in a measurable way.

A substantial body of research studies counterclaim that women may not have full control over their loans and loans are transferred to men for their personal use or further invested in men's activities rather than women's activities to earn more profit (Uddin, 2015, Balasubramanian, 2012, Karim, 2011, Asim, 2008, Garikipati, 2008, Rankin, 2001, Guérin, 2006, Goetz and Gupta, 1996). Women are used by men to get access to the financial resources as 'transmitters of finance to men' (Geleta, 2013:7) and as 'post-boxes for credit and repayment' (Hunt and Kasynathan, 2001:45) and if women do not use loans, it may increase tension and conflict within the household on repayment issues (Goetz and Gupta, 1996, Rahman, 1999b). As a result of women's lack of control over their enterprise money and lack or limited increase in income, women become dependent on men's earning for loan repayment and their personal and household needs (Ganle et al., 2015). Dutt et al. (2015) argue that husbands may assert



control over women's business related matters and income and as a result women may lose control of their income (Karim, 2008). Men's behaviour of keeping women under control appears as a main constraint to the social change (Kabeer, 2001).

In these circumstances, loans may have limited or sometimes negative impact on income, and loans actually reinforce poverty among the borrowers in cases where women's income may not increase: if loans are used for non-enterprise related purposes (consumption); or women are unable to generate enough income to repay their loans or are unable to establish or expand a business (Bateman, 2012, Karim, 2011, Roodman and Morduch, 2009, Safavian and Haq, 2013, Mayoux, 2007, Roodman, 2012, Banerjee et al., 2015). De Mel et al. (2009) further argue that as compared to men, women are unable to increase their income on a sustainable basis. Furthermore, empirical studies find that microfinance has no significant effects on borrowers' well-being (Lakwo, 2006, Duvendack et al., 2011)

It raises serious concerns over the claims of microfinance that it increases women's involvement in income generation. One of the limitations of microfinance is that it does not create regular jobs and focus on expanding women's self-employment by assuming that all women are entrepreneurs. (Van Rooyen et al., 2012, Guérin et al., 2015). However, not all women are entrepreneurs. Microfinance programme expects women to be engaged in some income generating business. Due to this pressure, rural women usually tend to engage in businesses that are smaller in scale and generate low profits. Thus, microfinance only facilitates rural women's low scale, traditional home based businesses (livestock, stitching, embroidery, vegetable growing and small shops etc) that have marginal risks, low productivity thus low-income generation that does not challenge men's domination. (Mukherjee, 2015). Women in non-traditional enterprises confront problems related to control, and gender conflicts arise when women perform market-related activities specified for men (Goetz and Gupta, 1996). Nonetheless, there is a possibility that women may be able to do jobs if opportunities are available (Karnani, 2007). Moreover, social norms may also hinder women in becoming successful entrepreneurs (Mayoux, 2001, Johnson, 2005).

Many research studies from the developing world argue that due to lack of control over loan and income, women may not be able to have ownership of physical assets that are essential for women's enhanced status, position and respect. Thus, lack of ownership deteriorates women's conditions and increase gender inequalities as they need cash for their daily survival (Fernando, 2006c, Kabeer, 1998, Mayoux, 2001, Rankin, 2002, Mahmood et al., 2014, Garikipati, 2008, Guérin, 2006). It is also difficult for women from poorest or female-headed

household to find paid jobs, and thus self-employment becomes the best option for them (Guérin, 2006). Though microfinance claims that it provides women with an opportunity for self-employment and but several research studies show that microfinance is unable to help women to buy and own all the productive assets that are needed to run successful enterprises, thus, fails to facilitate women's equal access to and control over physical assets because of strong influence of prevailing social norms and cultural barriers that hinder women's control over property (Karim, 2011, Fernando, 2006a, Rankin, 2002).

In a recent qualitative study conducted in Malaysia, Haile et al. (2015) find that some successful women borrowers have assets registered under their name, but not all women have accumulation and ownership of assets as a result of microfinance, also not all successful women are found empowered as they have a little say in decision-making. In another two separate studies, exploring the impact of microfinance by comparing borrowers and non-borrowers in Pakistan, Setboonsarng and Parpiev (2008) and Noreen et al. (2011) find that despite some positive impacts, microfinance has no significant impact on clients' assets' ownership and accumulation. Some of the reasons that hinder women's economic empowerment may be the existing gender inequalities, lack of access to other productive resources, women's involvement in low-profit small enterprises, women's household responsibilities and lack of time for the enterprise, mobility and access to the market (Mayoux, 2007:42).

So in the literature, the claims of women's economic empowerment are contradictory even if the research studies are conducted in the same country, same organisation and same locality. In order to explore these contradictions, I will analyse whether economic gains through microfinance enable women to have greater control over loans, income and assets within the specific context of the household in Khyber Pakhtunkhwa.

#### **2.3.4. Microfinance and Women's Personal Empowerment**

This section examines the claims and counterclaims of microfinance on women's personal empowerment at the individual level. Microfinance asserts that women's participation in, and social aspects of microfinance programmes increase women's personal empowerment by strengthening their 'power within' (Kabeer, 1994, Rowlands, 1997) and other aspects of women's agency that are essential for women to become empower. It involves cognitive, perceptual and psychological changes and processes that further expand other dimensions of empowerment where empowered women through their internal change are expected to challenge their oppression and structures of subordination.

Many research studies from developing world suggest that women's participation in microfinance programmes increases their psychological empowerment in the form of self-confidence, self-esteem, self-efficacy, self-worth and self-reliance through enhanced economic contributions and spending their own income along with gaining knowledge and awareness from meetings and training on social issues and through acquired entrepreneurial skills and capabilities (Kato and Kratzer, 2013, Kabeer, 1998, Kabeer, 2001, Schuler et al., 1997, Osmani, 2007, Cons and Paprocki, 2010, Moyle et al., 2006, Newaz, 2007, Kashf Foundation, 2010, Zaidi, 2005, Ahmad et al., 2004, Basher, 2007, Chan and Abdul Ghani, 2011, Kabeer, 2005, Alhassan and Akudugu, 2012, Swain and Wallentin, 2009, Khan et al., 2011, Hansen, 2015, Shetty, 2010). Shetty (2010) argue that women who joined the programme, at least try to incorporate some of the new knowledge gained.

This greater self-confidence and self-esteem is related to women's agency to set goals for themselves and accomplish these aims by believing in their capabilities. In a qualitative research study on women in Malaysia, Haile et al. (2015) find that women's economic gains may enhance women's motivation and give them strength to make plans, take initiatives and show their capabilities to achieve those plans as another aspect of women's agency, while this motivation is found to be low in those women who transfer their loan to men and have no control over loan, enterprise or income. Research studies conclude that women's self-efficacy could be increased through microfinance when women confidently speak in meetings, with outsiders, and with people who have authority and women have the ability to agree or disagree with anyone on issues under discussion (Kato and Kratzer, 2013, Schuler et al., 2010).

Many research studies argue that those women, who feel shy before joining the microfinance programme, show high levels of self-confidence after participation and have greater voice and say in microfinance and household related matters (Cheston and Kuhn, 2002, Ganle et al., 2015). While women's increased financial confidence allows women to work better at the times of crisis (Kim et al., 2007a). It suggests that achieving women's personal empowerment is fundamental to attain wider social and political empowerment. So, if microfinance has the potential to increase women's personal empowerment through self-confidence and self-esteem this study tests whether this claim holds true in the context of Khyber Pakhtunkhwa and how women use their inner capabilities to bring empowerment.

### **2.3.5. Microfinance and Women's Enhanced Mobility**

Another claim of microfinance is that it has the potential to enhance women's mobility which is another aspect of women's agency. Several research studies have used mobility as an indicator of empowerment that measures the ease of travelling outside the household alone, and conclude that microfinance enables women to have greater freedom of mobility due to visits to the credit offices, attendance in regular meetings and training organized before and after getting loan, in cultures where women have mobility related constraints (Kato and Kratzer, 2013, Hashemi et al., 1996, Pitt et al., 2006, Salt, 2010, Li et al., 2011, Weber and Ahmad, 2014, Khan et al., 2011, Montgomery and Weiss, 2011, Alam, 2012).

Schuler et al. (2010) compare the data on women's mobility taken in early 1990s with data collected in 2007 from the same sample villages in Bangladesh and observe that all women respondents in their study have freedom of mobility to some extent, irrespective of empowered or not, and suggest that mobility as an indicator still has face validity, the only thing needed is to modify the specific items used to measure it to fit the changing social landscape (Schuler et al., 2010:845).

However, others doubt the validity of the claims about empowerment through increased mobility and show that women have restricted mobility to market and work-related activities in public spheres where the market is considered as a male-dominated sphere (Schuler et al., 2010, Mahmud, 2003, Leach and Sitaram, 2002). Mukherjee (2015) finds that women's access to the market is a strong factor that could enhance women's economic activity and as a result contributes to women's empowerment and low access results in low productivity. Schuler et al. (2010) also note that using mobility as an indicator of empowerment is somewhat problematic as poor women and female head of households have more mobility due to their poverty and vulnerability than other women in the community. Nevertheless, since women's mobility is restricted in rural areas of Khyber Pakhtunkhwa, this study explores whether involvement in microfinance programme has increased women's mobility and access to work outside their household or not.

### **2.3.6. Microfinance and Women's Social Empowerment**

The proponents of microfinance claim that through its empowering goal, microfinance has the potential to enable women to transform the gender relations and challenge the existing gender inequalities in a society thus achieving wider social empowerment (Hashemi et al., 1996, Kabeer, 2005, Mayoux, 2007). However, the opponents argue that research studies on

microfinance and women's empowerment have largely ignored the gender relations in which women's oppression and empowerment are entrenched (Uddin, 2015, Karim, 2011, Johnson, 2005). This section critically analyses the claims of microfinance-related to women's social empowerment and transformation of gender relations.

### **2.3.6.1. Microfinance and Enhanced Decision-Making**

Women's role in household's decision-making and beyond is widely used as an indicator to measure empowerment in the literature of microfinance and women's empowerment. In different cultures, due to patriarchal norms, men have the authority to make decisions in the household while women have limited or negligible roles. A large majority of researchers argue that microfinance enables women to have greater role and voice in the traditional male-dominated decision-making processes within the household that may be related to women's economic decisions, child-related decisions, and minor and major household decisions (Kato and Kratzer, 2013, Mahmood, 2011, Holvoet, 2005b, Coleman, 2006, Goetz and Gupta, 1996, Mayoux, 2002a, Rankin, 2001, Hashemi et al., 1996, Kabeer, 1998, Rahman, 1999b, Kabeer, 2001, Johnson, 2005, Alhassan and Akudugu, 2012, Alam, 2012, Li et al., 2011, Weber and Ahmad, 2014, Shaukat et al., 2007, Jan and Hayat, 2011, Newaz, 2007, Kashf Foundation, 2010, Montgomery and Weiss, 2011, Mahmud, 2003, Datta, 2015) and issues related to both practical and strategic needs (Fofana et al., 2015). Many studies suggest that women clients' bargaining power and fall-back position relative to that of men's increases as a result of their economic contribution to the household (Osmani, 2007, Alam, 2012, Swain and Wallentin, 2009, Kabeer, 2001, Haile et al., 2012).

Conversely, the opponents claim that women clients' participation in the strategic decision-making is invisible and negligible in patriarchal societies where men make all decisions irrespective of women's economic contributions (Leach and Sitaram, 2002, Akpalu et al., 2012, Gobbi et al., 2005, Drolet, 2011). Some scholars argue that during conflicts within the household, the bargaining power of women worsen due to lack of income contribution in comparison to men (Cons and Paprocki, 2010, Balasubramanian, 2012, Asim, 2008). Geleta (2016) finds that patriarchal cultural norms restrict Ethiopian women from controlling and using loans to run their enterprises, it is women's husbands who mostly decide to take loans, and in that decision, women have no or limited say. Amarnani and Amarnani (2015) show no significant change in the financial decision-making process in Gujarat, India. In the context of the urban slums of Pakistan, Asim (2008) concludes that microcredit has no effect on the bargaining power of women within the household for a broad range of decisions including child

related, health, economic and social mobility decisions. It shows that with loans women may be able to take minor decisions but their ability to take major and strategic decisions is restricted due to the existing patriarchal norms. This also shows that claims on decision-making as a result of microfinance remain unclear. This study, therefore, aims to analyse whether women clients' have perceived any change in their role in the decision-making processes after their involvement in microfinance programmes in Khyber Pakhtunkhwa.

### **2.3.6.2. Microfinance and Women's Enhance Status and Position**

The proponent of microfinance claim that women's enhanced contribution and increased role in decision-making leads to their improved social status and position (Khan and Khan, 2008, Ahmad et al., 2004), others respect them more (Aslanbeigui et al., 2010) and their efforts have high recognition (Pal and Dutta, 2015) that may enable women to negotiate change in gender relations within the household and the community. Women also gain a better position in the community as they could now happily exchange gifts on occasions than before (Amarnani and Amarnani, 2015). Khan and Khan (2016), in their study on Pakistan, reveal that 72 percent (220 of 305) of the respondents claimed that their status improved after getting a loan while this improvement was only 46 percent (28 of 60) for non-members who did not take credit. On the other hand, a large majority of scholars argue that credit does not bring any improvement in women's position, respect and recognition within the household as it fails to enable women to challenge their ascribed patriarchal roles and norms, and alter deeply rooted structures of gender subordination where women take credit for men to preserve their marriages (Drolet, 2011, Garikipati, 2008, Fernando, 2006b, Johnson, 2005, Ackerly, 1995, Goetz and Gupta, 1996). I am interested in exploring how respondents perceive their participation in microfinance, and whether it actually enhances their status and position within household and community in relation to men and other women in the social context of Khyber Pakhtunkhwa.

### **2.3.6.3. Microfinance and Gendered Roles**

Men in traditional patriarchal societies consider women's income earning as shame, but in current social and economic situation, an additional income becomes essential for household's improvement. However, involving women in income generation may not necessarily bring change in the existing division of labour and gendered roles. The critics argue that women are overburdened with household and enterprise related responsibilities and due to time constraints, they may not focus on their enterprises as desired, that results in low income and low contribution to family income (Valencia-Fourcans and Hawkins, 2015, Geleta, 2014a, Haile et al., 2012, Johnson, 2005, Leach and Sitaram, 2002, Johnson, 2000, Mayoux, 2002a,

Ackerly, 1995, Cheston and Kuhn, 2002, Goetz and Gupta, 1996). Thus, studies show that women's involvement in conventional female activities does not necessarily bring empowerment (Bali Swain and Wallentin, 2012, Mukherjee, 2015). Despite their income, women borrowers are not excluded by performing their traditional roles and in many cases, they may transfer their household responsibilities to other women within the household, however not to men. In this way, rather than eliminating women's poverty microfinance contributes to further feminization of responsibility and obligation (Bradshaw, 2008, Chant, 2007, Geleta, 2014a, Drolet, 2011). Nonetheless, many research studies negate this claim and note that despite the dual responsibilities, women borrowers feel happy as loans provide them with a chance to increase their income that may bring prosperity in their household (Newaz, 2007, Kabeer, 2001). In a patriarchal society like Pakistan women's roles are mostly related to household activities, so this study explores whether microfinance brings any change in the division of labour within the household in Khyber Pakhtunkhwa.

#### **2.3.6.4. Microfinance and Men's Violent Behaviour**

The advocates of microfinance claim that women's participation in the credit programme, income contribution and asset ownership may decrease in violence against women by men within the family (Hashemi et al., 1996, Chin, 2012, Haile et al., 2012, Kabeer, 2001, Kim et al., 2007a, Grabe et al., 2014). Dutt et al. (2015) find a reduction in violence among cooperative business women owners in Tanzania when men have less controlling behaviour on women's businesses. Kim et al. (2007a) conclude that women's long term association and socio-economic empowerment through microfinance in South African context can reduce intimate partner violence by more than half as compared to last year. Uddin (2015) notes that increased violence towards women in borrower's families in Bangladesh is not because of loan taking and repayment, rather it's the financial hardship, frustration and short tempered behaviour of men that contribute to gender-based violence. In a recent study in Bangladesh, Murshid et al. (2016) find some link between microfinance participation and domestic violence among those women who had better economic status but find no significant connection for the overall sample. In, Pakistan, (Asher and Haider, 2015)

However, many researchers argue that microcredit actually contribute to increased domestic violence in South Asian context due to men's control over income and loan and women's inability to repay the loan instalments (Goetz and Gupta, 1996, Hunt and Kasynathan, 2001, Mayoux, 2001, Leach and Sitaram, 2002, Karim, 2011, Rahman, 1999a). In his research study on Bangladesh, Rahman (1999a) shows that 70% of his respondents (84 of 120 borrowers)

claimed an increase in violence and also finds that men send their wives to join the credit group against women's willingness that resulted in verbal or physical abuse if women disobeyed. Furthermore, women's defiance of local gender roles by engaging in microfinance activities outside home increase men's violent behaviour in order to control women (Sengupta and Ganguly, 2014). My intention here is to test the claim that microfinance has the potential to reduce the violence against women in Khyber Pakhtunkhwa.

## **2.4. Microfinance, Natural Disaster and Women's Vulnerability**

### **Reduction**

Before examining the role of microfinance in women's empowerment and post-disaster vulnerability reduction, it is essential to analyse the link between gender and natural disaster first and then examining ways through which microfinance may build its clients' resilience to reduce their vulnerabilities exacerbated by the natural disaster.

#### **2.4.1. Gender and Natural Disaster**

Natural disaster results from the combination of hazards (natural event) and vulnerability (inequalities in access to resources, capabilities and opportunities) where insufficient measures and capacity to reduce the potential chances of risks, disadvantages certain groups of people making them more vulnerable to the impact of natural disasters (Bradshaw, 2013, Wisner et al., 2004). Natural disasters have differential impacts on women and men and between groups of women, impacts vary. However, research studies in different parts of the world report that the impact of natural disasters has more severe and adverse effects on women than men, and women face different challenges and experience different levels of vulnerability as compared to men (Neumayer and Plümper, 2007, Enarson, 2000, Ikeda, 1995, Bradshaw, 2013, Clifton and Gell, 2001, Nelson et al., 2002).

The disaster has devastating effects on all groups of society, but poor women, children and elderly persons, particularly those living in poverty, are more prone to the vulnerability associated with disasters (Weist et al., 1994, Delaney and Shrader, 2000). According to Cannon (2002:48), 'vulnerability to hazards involves a complex interaction between poverty and gender relations, in which women are likely to experience higher levels of vulnerability than men'. Vulnerability is formed by an intersection of social factors such as ethnicity, class, age, gender race, culture, nationality and other power relationships (Balgos et al., 2012, Enarson et al., 2007) and cannot be separated from women's day to day vulnerabilities (Wisner et al., 2004). Women's pre-existing subordinate position in a society, existing gender inequalities and



women's lack of ownership to assets enhances gendered vulnerability that is deeply embedded in patriarchal values and gendered social structures and caused by human actions and attitudes (Anderson, 1994, Enarson, 2000, Akerkar, 2007, Ali, 2014, Gokhale, 2008). Women and girls, more specifically in female-headed households, are among the most vulnerable group if excluded from accessing relief operations and are lacking in income generating skills and opportunities (Sebstad and Cohen, 2000, Akerkar, 2007, Bradshaw, 2013, Bradshaw, 2004, Buvinic et al., 1999, Delaney and Shrader, 2000, Anderson, 1994).

Ikeda (1995) argues that gender influences vulnerability at all phases of disaster management (preparedness, response, recovery and mitigation) and women face multiple difficulties. Several researchers have reported increased post-disaster gendered vulnerabilities in both developed and developing countries. Some of these vulnerabilities are related to health, food insecurity and physical weakness to survive injuries, pregnancy and lactation and psychological stress (Akerkar, 2007, Enarson et al., 2007, Wiest et al., 1994, Enarson and Fordham, 2001, Bradshaw, 2013, Bradshaw et al., 2002).

Women's vulnerabilities are also related to women's increased domestic and economic roles. Women's increased caregiving roles and traditional domestic responsibilities overburdened women during disaster recovery (Enarson, 2000, Enarson et al., 2007, Enarson and Morrow, 1997, Dhungel and Ojha, 2012, Nelson et al., 2002). Women's roles also increase in the non-traditional sphere such as in working and community roles (Fothergill, 1999, Toscani, 1998). Furthermore, women also face difficulty due to limited access to, and control over, household resources (Anderson, 1994, Wiest et al., 1994). Women's lack of ownership of individual assets and economic insecurity due to loss of enterprise and employment opportunities make them more vulnerable to a disaster (Enarson, 2000, Akerkar, 2007). Women face difficulties in accessing to livelihood resources that may entrench gender division of labour (Akerkar, 2007, Enarson, 2000). Some studies point to a violation of women's rights to economic and housing security after a disaster (Enarson and Fordham, 2001). On some occasions, women are vulnerable to exploitation by local traders and markets due to their weak bargaining powers (Akerkar, 2007).

Women also face vulnerabilities due to their limited freedom to express needs aftermath of disaster (Dhungel and Ojha, 2012). There are also reports of threats to women's safety and security, and increased domestic violence and conflicts in the post-disaster context (Bradshaw, 2001, Fisher, 2010, Felten-Biermann, 2006, Enarson, 1999, Rashid and Michaud, 2000, Wilson et al., 1998, Buttell and Carney, 2009, Akerkar, 2007, Bradshaw, 2013, Nelson et al., 2002).

Some studies cite women's vulnerability as due to their limited role in post-disaster decision-making (Wiest et al., 1994, Khondker, 1996, Enarson et al., 2007, Enarson and Fordham, 2001, Enarson and Morrow, 1997, Ariyabandu, 2009, Delaney and Shrader, 2000).

Male officials of relief programmes and humanitarian organisations can also exacerbate post-disaster gender inequities by overlooking women's needs (Fordham, 1998). Nowak and Caulfield (2008) argue that gender-blind and gender-neutral policies of humanitarian organizations can increase women's post-disaster vulnerabilities and in order to address such issues, Byrne and Baden (1995) and Bradshaw (2004) stress the need to apply a gendered approach to emergency work that looks at women's practical needs, highlights the differential roles and responsibilities of men and women in the community, their access to recourses, participation in decision-making processes and power relations within in the household, as well as in community and political structures by addressing women's strategic needs. Gender sensitive emergency programmes also seek to challenge the long-term structural barriers to women's vulnerability to disasters (Clifton and Gell, 2001, Nelson et al., 2002). Finally, humanitarian organisations need to generate sex-disaggregated data in order to mainstream gender into disaster response effectively (Eklund and Tellier, 2012, Benelli et al., 2012)

Disaster can also bring opportunities for women (Akçar and Gopalan, 2009) which Delaney and Shrader (2000:6) refer to as 'transformation of opportunities' or 'window of opportunity', whereby transforming power relations within the household through women's social and economic empowerment (Enarson, 1998, Cupples, 2007). For example, women show their strengths by acting as frontline responders for their family and community at the time of natural disaster. Women's involvement in non-traditional work also enhances their capacities (Akçar and Gopalan, 2009, Delaney and Shrader, 2000). Women participate in disaster response meetings and the formation of women's groups to mitigate disaster issues by incorporating their concerns in disaster management (Enarson and Morrow, 1997, Enarson, 2000). Women's involvement in the planning and implementation of disaster mitigation projects allows them to make collective decisions for their community and themselves (Bari, 1998). Furthermore, women's participation and intangible benefits increase their self-confidence and self-esteem through which they can control their lives and reduce vulnerability to disaster, hence strengthening their empowerment (Delaney and Shrader, 2000, Bari, 1998, Soares and Mullings, 2009).

This section has discussed both the vulnerabilities and opportunities brought about by natural disasters, in addition to discussing the existing gender disparities both in developed and

developing countries. Women's inclusion in emergency and relief programmes may enable them to participate in decision-making that in turn increases their self-confidence and self-esteem and so leads towards their own empowerment. This study also focuses on female clients' perceptions of the vulnerabilities they faced in post-disaster situations. The next section focuses on the role of microfinance in vulnerability reduction, and how a focus on disasters brings new insights into the effectiveness of microfinance in bringing about sustainable, long-term change.

#### **2.4.2. Role of Microfinance in Women's Vulnerability Reduction**

This section discusses the role of microfinance and clients' strategies and responses to reduce vulnerabilities to natural disasters. Microfinance programmes mainly focus on poverty alleviation strategies in income dimension: more specifically on income smoothing, increases to income, per capita income, per capita expenditure, and household net worth (Robinson, 2001, Khandker, 1998). Nevertheless, an increase in income only occurs if credit is used for income generating activities and generates enough returns in excess to the loan repayments. Due to the multi-dimensional nature of poverty, new poverty reduction strategies place more emphasis on other dimensions of poverty including assets accumulation, capabilities, post-disaster risks and vulnerability associated with erosion of assets (Moser, 2006). Considering the limitations of income and consumption measures of poverty, research studies have focused on assessing the impact of microfinance services in reducing clients' vulnerability to income fluctuations and exposures to the risks associated with disaster and economic shocks (Montgomery, 1996). Several researchers argue that microfinance has limited options to reduce poverty single-handedly but it may reduce vulnerability in several ways before a crisis actually happens i.e., diversifying income sources, building clients' asset base, strengthening clients' capacities to use assets in protecting against risks associated with disaster and coping with loss and reducing the vulnerability of women (Hashemi et al., 1996, Montgomery et al., 1996, Sebstad and Cohen, 2000, Zaman, 1999). At an institutional level, microfinance may offer a number of services to help clients in coping with the risks associated with the disaster. These services include the provision of temporary or emergency loans, re-scheduling or write-off of the loan payment, asset replacement and housing loans, along with loans for starting new economic activities, micro-insurance and saving products (Islam, 2008).

Microcredit reduces vulnerability in four different ways: 1) through asset creation, 2) through income and consumption smoothing, 3) enhancing women's control over resources and knowledge (the vulnerability faced in a patriarchal society) and 4) provision of emergency

services after a disaster to reduce clients' vulnerability (Zaman, 1999). Women may diversify their income through a) supporting off-farm income generating activities b) regular employment generation and c) income generating schemes for women (Pantoja, 2002). Hulme and Mosley (1996a) find an increase in income of poor borrowers who have more diversified sources of income in India. Another study in Bangladesh reveals that women's participation in microcredit has a positive effect on women's labour supply in the market by involving in different income earning activities (Pitt and Khandker, 1998).

Microfinance has the potential to build borrowers' asset building (Matin and Begum, 2002, Khandker, 2003, Roy, 2010, Sebstad and Cohen, 2000, Mcguire and Conroy, 2000, Copestake et al., 2005). Some researchers highlight a positive link between long-term membership of microfinance clients on the accumulation of livestock and savings that help to reduce clients' chronic poverty, and level of vulnerability to shocks (Swain and Varghese, 2009, Chowdhury and Mukhopadhaya, 2012). Microfinance may also help to achieve higher economic and social benefits through access to assets such as livestock and poultry in Bangladesh (Kabir et al., 2012). Clients may subscribe to a welfare insurance scheme to pay off debts in times of illness or death in Ghana (Adjei et al., 2009). Loans may be used directly or indirectly to build up financial and physical assets including enterprise related assets. If several loans are given to a household, members may focus on the creation or expansion of income earning assets to improve housing conditions. The income from the enterprise can be invested in human assets and in other activities for income diversification (Barnes, 1996). Saving products provide an opportunity to the poor people to save their additional amount in saving accounts, in this way resilience of poor households to different shocks increases (Rutherford, 2000).

Microfinance clients use different strategies to protect themselves from crises and respond to crises once they occur (Sebstad and Cohen, 2000). Ex-ante or precautionary strategies build resilience and reduce individual and household vulnerabilities by increasing income options as well as an asset base to prevent against risks (Dunn et al, 1996). Client's vulnerability to risks can be determined by the possession (or absence) of a combination of assets. Assets increase a client's economic security and reduce vulnerability to risks by allowing more control, flexibility and capacity to plan for the future. Micro-insurance is another precautionary strategy that provides a safety net and social protection and reduces the vulnerability of poor in the face of risks and economic shocks (Cohen & Sebstad, 2005).

Individuals and households use different coping strategies to respond to a crisis (Bradshaw, 2013, Doocy et al., 2005). Montgomery (1996) identifies three types of coping strategies poor households adopt in the face of natural disaster: Low-stress coping strategies, medium-stress coping strategies and high-stress coping strategies. Initially, people choose low-stress coping strategies that include the reduction in consumption and household expenditures, migration for high wage income and credit from informal sources (Schindler, 2009). Medium-stress coping strategies are those that include utilisation of available savings, bigger loans from extended family members or moneylenders and utilise labour to earn waged incomes. High-stress coping strategies include selling of both physical and productive assets such as land, jewellery, animal, equipment, household appliances etc. and are considered as negative.

Garikipati (2008) investigates the impact of micro-credit on household vulnerability and women's empowerment by comparing 117 women borrowers with 174 non-borrowers using a combination of loan use data and borrower's testimonies in two villages of India. The study finds that women's loan can easily be utilised to enhance household income and assets, diversify livelihood and reduce household's vulnerability to risks and economic shocks. However, the study concludes that women's lack of ownership of household productive assets show that microcredit may not be able to empower women. Ray-Bennett (2010b) explores the link between microfinance and vulnerability reduction in female-headed households affected by multiple disasters (flood, drought and cyclone) in India. The study's findings show that microfinance services help female clients in building livelihood assets lost during disasters. Ray-Bennett (2010) further explains that microfinance programmes can reduce women's vulnerabilities by using a combination of financial and non-financial products designed to cater to the needs of the female clients in the disaster. However, she also notes that inappropriate microfinance delivery mechanisms may increase micro-debts, widen class and caste differences and increase gender inequalities.

Disasters may impact on poor people's economic stability negatively. Poor people use existing stock of resources that leads to asset depletion (Zaman, 1999, Chen and Dunn, 1996). Lack of ownership of assets is a basic factor for women's vulnerability (Moser, 1998b). According to Moser (1998), women with more assets and capabilities are less vulnerable to crisis. Disasters may have devastating effects on women's economic activities and result in the loss of economic resources and the deterioration of economic status (Enarson, 2000).

Microfinance may contribute to women's post-disaster vulnerability through repayment pressures. Zaman (1999) argues that clients face difficulty when withdrawing their savings at

times of high vulnerability in Bangladesh. Zaman (1999) also argues that despite the flood, repayment is given a high preference and savings withdrawal is low because the clients want to obtain new loans on the basis of savings and they don't want to tolerate the abusive behaviour of loan officers. Gaillard et al. (2008) also find that 70 percent of the study's respondents reports a reduction in consumption in order to ascertain timely repayment of loans. The study further states that repayments are not suspended even on occasions when clients were unable to repay. The repayment could only be postponed until the flood water recedes. The respondents of the study also note that it may take several years for them to reach to pre-flood levels. Larson et al. (2013) explore the importance of self-help groups for social, economic and gender dimensions of post-tsunami rehabilitation work in Tamil Nadu, India. The study also reports that the self-help group members faced difficulty in repaying loans after the tsunami and finds no significant change in poverty reduction and existing patriarchal norms and behaviours.

This section has discussed the role of microfinance in vulnerability reduction on clients. Some studies take a positive stance and argue that microfinance has the potential to reduce client's vulnerability through asset building and diversifying their sources of income. One important role of microfinance is to help its clients to protect against, and cope up with, the risks associated with natural disasters. Through its credit and saving products microfinance may strengthen female client's asset base and micro-insurance may provide a safety net to individuals facing risks and economic shocks. Women may use and control their tangible and intangible assets to reduce their vulnerability and increase their empowerment. However, some empirical studies show that microfinance is not always helpful in reducing female clients' post-disaster vulnerability and in some cases microfinance exert pressures of repayment and access to microfinance services to already vulnerable, disaster affected clients.

## **2.5. Knowledge Gap**

This literature review has shown that both the concepts of term women's empowerment and empowerment of women through microfinance are contested, unclear and inconclusive. Research studies have used different methodologies and different indicators to evaluate the impact of microfinance on women's empowerment but have differing results even if the study is conducted within the same country, same region and same organisation. Multiple meanings and differing interpretations in different social contexts show the complex nature of empowerment. A very negligible number of studies have explored empowerment through microfinance in Khyber Pakhtunkhwa, where in a recent study, the researcher intentionally

excluded Khyber Pakhtunkhwa province because of terrorist conflicts and limited outreach of microfinance programme (Zulfiqar, 2013). So, this study will add knowledge to the existing literature on microfinance, development and empowerment by testing the claims of microfinance through women clients and key informant's experiences and views about women's (dis)empowerment through microfinance in the social context of Khyber Pakhtunkhwa, Pakistan, shedding light on the impact of microfinance in particularly unstable contexts.

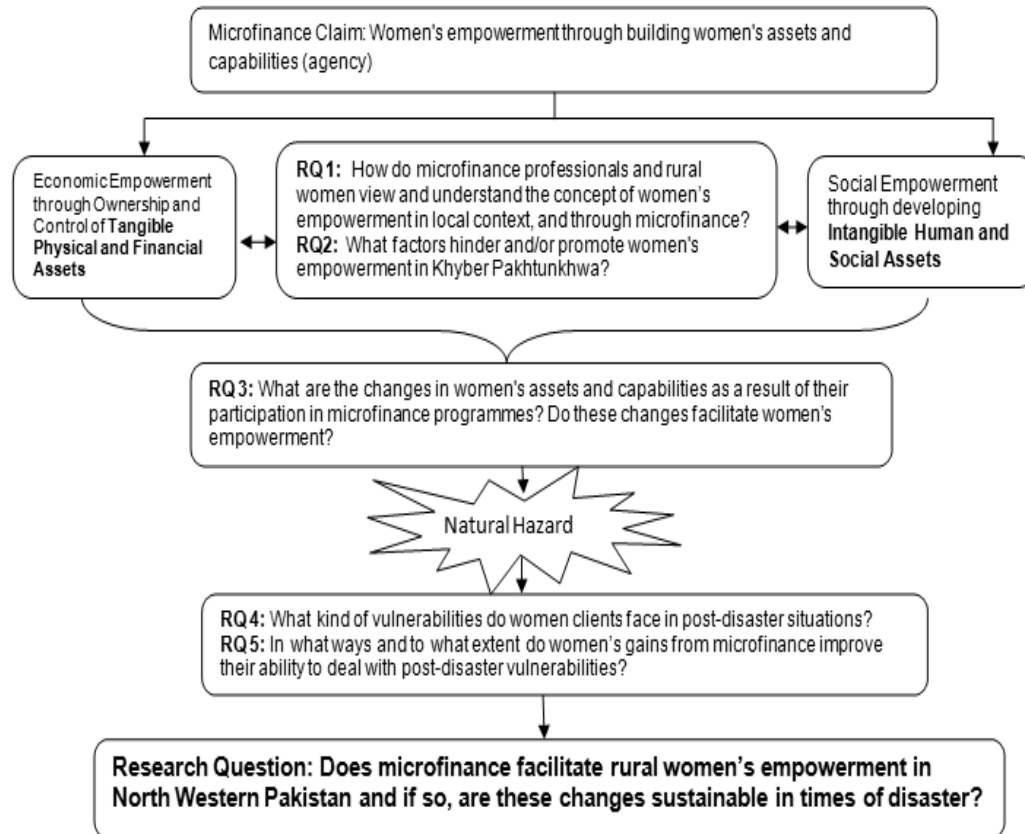
In addition, the literature has shown claims of microfinance about vulnerability reduction. However, there is limited empirical evidence that shows how women clients who are benefited and engaged in microfinance programmes reduce their vulnerability to natural hazards due to the process of empowerment through microfinance. I want to investigate whether this claim of microfinance held true in the post-disaster context of Khyber Pakhtunkhwa by analysing the role and the actual difference microfinance has brought in respondents' life and the extent to which these are sustainable in the unstable environments. The findings will contribute to the literature on microfinance, gender and natural disaster. To address this knowledge gap, I have developed a conceptual framework through which I will explore the relationship between, microfinance, empowerment and natural disaster. The next session discusses the conceptual framework.

## **2.6. Conceptual Framework for this study**

Building on the literature discussed I have developed a conceptual framework to analyse the link between microfinance's relationship with women's empowerment and the way it may enable women clients to reduce their vulnerability in social and post-disaster context. If microfinance assumes that it empowers women, then this study examines the sustainability of women's empowerment through women's own perspectives using this research framework.

The framework, using asset-based approaches, focuses on women's economic and social empowerment through microfinance that further contributes to their poverty and vulnerability reduction. Assets refer to the accrued wealth of a client and play an important role for poor individuals and households in 'protecting against risks, coping with economic loss and maintaining a minimum economic threshold' (Sebstad and Cohen, 2000: 11). In poverty reduction strategies, the term assets/capital includes both tangible and intangible assets, also known as livelihood resources that may further be classified these assets as tangible assets with further classification as follows physical assets (buildings, land, machinery, enterprise related assets, jewellery, livestock and other household items), financial assets (Cash, savings, loan, remittances and other financial instruments) and intangible assets as human

assets (knowledge & skills, ability to provide labour, good health, self-esteem, bargaining power, control over decision) and social assets/capital (networks, group membership, trust building and access to wider institutions) (Moser, 1998a, Barnes, 1996, Moser, 2006, Scoones, 1998, Chen and Dunn, 1996, Wright et al., 1999).



**Figure 2.1 Conceptual Framework for the Study**

Capacities are the abilities of people which they may use in response to unforeseen events and cope with risks and natural disaster. The other capacities people might have in a natural disaster are coping and adaptive capacities. Coping capacity is the manner in which people and organisations use existing resources reactively, to limit losses during a disaster event. Conversely, adaptive capacity 'points to the possibility for society to redirect its activities proactively, to shape development in a way that minimises the production of disaster risk' (UNDP, 2004:11). The notion of capacities has its roots in the capabilities approach<sup>3</sup> which

<sup>3</sup> see Sen, 1981 and Nussbaum, 2002 and many others



argues for the exercise of capacity rooted in notions of human dignity, rights and justice (Ahmed and Mustafa, 2007). Control over human assets gives people a mean for expanding their capabilities and using their capabilities to effect economic as well as wider social change. In this way, capability serves as the means not only to economic production but also social development (Sen, 1997). Capabilities are intrinsic in people and enable them to use their assets in different ways to increase their wellbeing (Narayan, 2002).

Thus capabilities refer to a person's skill and power which focus more on a specific attainable functionality in one's life (Gasper, 2007). Thus assets not only allow for 'survival, adaptation and poverty alleviation: they are also the basis of' an 'agent's power to act and to reproduce, challenge or change the rules that govern the control, use and transformation of resources' (Bebbington, 1999: 2022). Here questions arise as to whether control over assets/resources enhances the capability of women to use their assets without anyone else's approval? What is the actual relationship between respondents' assets and capabilities? How is it (dis)empowering? And how are women capabilities used to increase their resilience and reduce their post-disaster vulnerability? Moreover, what role microfinance plays in this regard?

MFP's poverty reduction strategies focus mainly on the dimension of income. More specifically they focus on income smoothing, increases to income, per capita income, per capita expenditure, and household net worth (Robinson, 2001, Khandker, 1998) but increase in income only occurs if the credit is used for income generating activities and generated enough returns in excess to the loan repayments (Mayoux, 2001). Due to the multi-dimensional nature of poverty, new poverty reduction strategies place more emphasis on other dimensions of poverty including assets, capabilities, risks and vulnerability (Moser, 2006).

Vulnerability, on the other hand, is related to 'defencelessness, insecurity, and exposure to risks, shocks and stress' (Chambers, 1989: 1). Moser (1998a) explains vulnerability in terms of the inability of individuals and households to cope with uncertainties, risks and external shocks. Focusing on intrinsic vulnerability or vulnerability as internal risk factor, Wisner et al. (2004:11) define vulnerability as, 'the characteristics of a person or group and their situation that influence their capacity to anticipate, cope with, resist and recover from the impact of a natural hazard (an extreme natural event or process)'. Microfinance programmes and other poverty alleviation approaches focus on the relationship between the assets of the poor, and the vulnerability associated with the natural disaster. In asset vulnerability framework, Moser (1998a) describes the relationship between vulnerability and asset ownership. If women own more assets and have the capacities to deal with risks and shocks, then it helps them in decreasing their

vulnerability, and if women lack assets and capacities, then they are exposed to a range of risk and shocks which increase their insecurity and vulnerability. Thus, individuals' resilience to external shock and disaster indicates their levels of vulnerability (Moser, 1998a). However, it might be possible that due to the ownership of assets women may reduce their financial vulnerabilities while at the same time their social vulnerabilities during the disaster may remain the same.

Microfinance programmes may build women's assets and capabilities by developing their tangible assets in the form of financial and physical assets and their intangible assets in the form of human and social assets. Women's empowerment may also express itself in greater control over household resources, particularly over income increased from assets acquired through loans. Women's empowerment through both human and social asset building is an important dimension of vulnerability reduction by MFPs (Sebstad and Cohen, 2000). Financial services may build assets in several ways. Loans can be used to accumulate an enterprise related asset which may lead to an increase in income and investing in further asset accumulation in the form of buying machinery or other household assets. Likewise, this can be achieved in human assets such as health and education. Voluntary and compulsory savings not only build financial assets but also enhance women's capacity to control savings for risk protection (Barnes, 1996). Therefore, if women have ownership and control over their tangible and intangible assets, it not only contributes to women's empowerment but also enables them to reduce their vulnerability.

It is also a possibility that while analysing the impact, human factors including gender relations are overlooked. Then it is necessary to examine the other factors influencing change in women's lives. Agarwal (1994) argues that a lack of ownership of physical assets can enhance the gender gap in women's social position and empowerment. As is also discussed earlier, Garikipati (2008) asserts that lack of ownership of any household productive assets means that microcredit may not be able to empower women. Ray-Bennett (2010a) argues that despite microfinance being helpful to female clients in building their livelihood assets that were lost in the disaster, the inappropriate microfinance delivery mechanisms may increase micro-debts and increase gender inequalities.

The question raised here is how does women's ownership of property translate into empowerment? Who controls and uses tangible assets in reality? It is also important to comprehend the actual intersection between assets and gender relations, women's position and changes, in women's lives? There may be contextual and structural factors such as social,

economic, cultural, and religious factors which contribute to or inhibit the process of empowerment. What are the factors that do not allow women to use their agency even when they want to?

The socio-economic situation of women is an important aspect to determining their vulnerability during a natural disaster. With fewer assets, less control over assets, and lacking in ways to exercise their legal rights to assets, women find themselves more vulnerable than men. According to Cannon (2002:48), 'vulnerability to hazards involves a complex interaction between poverty and gender relations, in which women are likely to experience higher levels of vulnerability than men'. In this perspective the questions asked in the framework may include: Do empowered women behave differently if affected by risks and disaster as they not only have ownership but also control over assets and their lives? What strategies empowered women in protecting and coping against the risk to reduce their vulnerabilities in social and post-disaster context? Does MF contribute in empowering women and thus helping them to reduce their gendered, social, financial and other vulnerabilities? To test the claims of microfinance in the social and post-disaster context of Khyber Pakhtunkhwa using this framework, this study will find the answer of these five research questions that will further contribute to the main research question.

### **Concluding Remarks**

This chapter has examined and explained the different definitions and conceptualizations of women's empowerment and its wide use in development policies and programmes. Due to varied conceptualizations, the impact of microfinance on women's empowerment is also inconclusive. Women's empowerment through microfinance remains contested and debatable. Different studies have used different methodologies, indicators and variables in different contexts to assess changes in female clients' lives as a result of their participation in the microfinance programme but no consensus has been developed so far. However, there is some consensus on the increase in women's personal empowerment 'power within' but again, there is less conclusive evidence on how women use their personal empowerment to challenge their oppressed and subordinate position and status. Women's engagement in less profitable, home-based enterprises that may not generate enough income also raises questions as to the claims of microfinance regarding women's economic empowerment in that is assumed to further result in women's increased social and political empowerment and enhanced family well-being. It is also evident that in the patriarchal context, women may resist and negotiate within their households to bring about improvement in their lives but in a way

that does not challenge men's authority and patriarchal norms. The advocates of microfinance also claim that microfinance not only alleviates poverty and vulnerability through its financial and non-financial services but also prepares its clients to reduce vulnerabilities exacerbated by natural disasters by building their tangible and intangible assets. Despite some positive impacts, the evidence to this claim is not clear as borrowers may feel repayment pressures even when their enterprises and income sources are destroyed by disasters; low withdrawal of their savings to access larger loans and the inability to borrow loans from MFPs in the presence of their existing loans that they could not pay due to economic losses. It is also found that only a limited number of researchers have examined the link between microfinance, women's empowerment and disaster vulnerability reduction. No such research has been conducted in Pakistan so far that has analysed how women's empowerment through microfinance works in post-disaster context. Original assertions in my study are achieved by way of two questions framed in the light of the literature review discussed above a) the extent to which microfinance (dis)empowers women by using women's (both from non-disaster and natural disaster affected area) own experiences and testimonies (chapters 4 and 5), and b) to assess the impact of natural disaster on women's tangible and intangible gains through microfinance (if any) and female clients' coping strategies to reduce their post-disaster vulnerabilities (chapter 6). The next chapter discusses methodological approaches used in this study.

### **3. Research Methodology**

#### **3.1. Introduction**

This chapter looks at the methodological procedures used to generate data and analyse the findings which are employed in this research. This section deals with the research methodology and covers the whole process of the research starting from the design up to the research validity and reliability. This chapter discusses the research methodology composed of nine sub-sections, which together demonstrate how the research was conceptualised and operationalized. The first sub-section covers the research sites, local context and selected microfinance programmes and gives the reasons for the case study selection. The second sub-section covers the epistemological position of the study and outlines the rationale for choosing an interpretive approach. The third sub-section describes the practical strategies used for conducting fieldwork discusses some of the challenges faced. The fourth subsection emphasises the role of gatekeepers and the role they played in my research. The fifth sub-section discusses data collection methods and the sampling strategy employed in this study based on a snowball approach. The sixth subsection discusses some of the specific data collection issues faced during the fieldwork and how I attempted to overcome these and the seventh sub-section presents the ethical considerations of relevance to the study. The eighth sub-section discusses the data analysis process and the ninth sub-section explains the validity and reliability of the study.

#### **3.2. Locating the Study: The KP Communities**

##### **3.2.1. Research Site**

The geographical location and the socio-economic situation of Pakistan provide some insight into the complex geopolitical context in which the study is located as discussed more the introduction. Pakistan is located in South Asia with Islamabad as its capital. Pakistan shares borders with four countries: China in the North East, India in the East, Iran in the South West, Afghanistan on the North Western side and the Arabian Sea in the south with a coastline of 1064 km. Pakistan has a high population growth rate. According to The Government of Pakistan (2014), Pakistan has a population of 188.02 million with a population growth rate of 1.95% where women form more than 50% of the population. Pakistan has four provinces: Baluchistan, the Khyber-Pakhtunkhwa (formerly North West Frontier Province-NWFP), Punjab and Sindh. In addition to the four provinces there also has

Federally Administered Tribal Areas (FATA), the Federally Administered Northern Areas (FANA), and the Islamabad Capital Territory. The population comprises several ethnic groups including Punjabi, Pakhtun, Sindhi, Baluchi, Saraiki and Muhajirs. Muslims are in the majority comprising 97% of Pakistan's population.

This study was conducted in four districts of Khyber-Pakhtunkhwa KP is the smallest of the four main provinces of Pakistan and borders Afghanistan to the north-west, the Northern Areas to the northeast, Azad Kashmir to the east, FATA to the west and south, and Pakistani Punjab and Islamabad Capital Territory to the south-east. Khyber-Pakhtunkhwa is home to a majority of Pakhtuns as well as other smaller ethnic groups. The main language is Pashto and the provincial capital is Peshawar. In KP there are 24 districts out of which the Peshawar, Nowshera, Mansehra, Haripur and districts were selected as sites in which to conduct the study. A brief introduction of the selected districts is given below and figures are taken from the last available census report 1998 published by Government of Pakistan in 1999 (Population Census Organisation, 1999).

#### **District Peshawar**

Peshawar is the provincial capital of KP. Three borders of district Peshawar are bounded by tribal agencies and it is situated 40 km away from Afghanistan. The total area is 1,275 sq. Km. Pashto is the predominant language followed by Hindko and the national language Urdu. According to census report 1998, the total population of Peshawar was just over 2 million persons, where men constitute 52.5%, women are 47.4% and rural population comprise 51.51% and the average household size was 8.6. The literacy ratio of the district Peshawar was 41.7% (male 55.9% and female 25.8%).

#### **District Nowshera**

It is situated on the Eastern side of Peshawar and borders four districts and two tribal regions. Its total area is 1748 Sq Km. According to the census report 1998, the total population of district Nowshera is 874373 persons (52.10 % males and 47.90 % females) and 74% of its population belongs to a rural area. The literacy rate is 42.5% (60.55 % for males and 22.68 % for females). The average household size is 7.7. Kabul River runs through Nowshera. It is one of the most affected districts from flood 2010 in KP. Pashto is the dominant language followed by Punjabi, Urdu and Hindko.

### **District Mansehra**

Mansehra is a large district with a total area of 4,579 sq km. The population according to the census report (1998) is 1,152,839 (49.60 % males and 50.40 % females) where rural population constitute 1 million (94.68 %) persons. The literacy rate is 36.3% (50.9% for male and 22.7% for female). The average household size is 6.7. Main languages spoken and understand are Hindko, Pashto, Gojree and national language Urdu is very common and understand most. The leading distinctive features of Mansehra are its mountain ranges, the plains, the valleys and the lakes. The earthquake 2005 affected district Mansehra very badly.

### **District Haripur**

Haripur is situated about 125 km East from Peshawar. It shares borders with four districts of KP and two districts of Punjab province. Its total area is 1725 Sq. Km. Population of Haripur is 0.7 million persons (49.92 % males and 50.08 % females), where rural population is 0.6 million (88.05 %). The average household size is 6.6. The literacy ratio is 53.7 % (70.5% for males and 37.4% for females).

The selection of the districts and villages was done on the basis of following factors: 1) the length of standing of the selected MFPs in the selected districts, 2) women's long-term association with the MFPs (at least three years and above as I intended to examine the long-term effects of microfinance on women's lives and empowerment), 3) whether the district had been affected by natural hazards (in the preceding 10 years). One village from each district was selected on the basis of the above-mentioned criteria with the help of selected microfinance organisations. Villages from Peshawar and Haripur were categorised as non-disaster areas while villages from Mansehra, Peshawar and Nowshera were categorised as disaster affected areas. The Mansehra district suffered from the earthquake in 2005; Peshawar and Nowshera were affected by flood in 2010. The selection was done purposely to understand the nature of the strategies that microfinance clients adapt in coping with the risks of disaster.

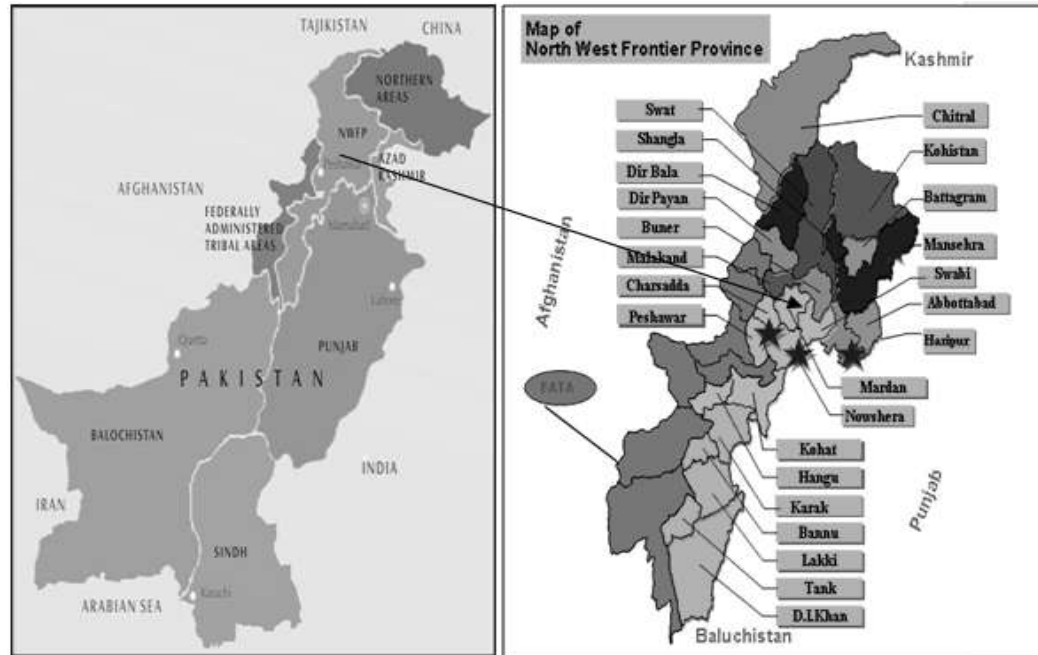


Figure 3.1 Map of Pakistan and KP

### 3.2.2. Status of Women in KP Communities

This section provides the local context where the study was carried out by discussing women's status in KP communities. This local context helps in understanding women's experience of empowerment and change. The condition and status of women in the Khyber Pakhtunkhwa (KP) province share similar gender inequalities as women in other parts of Pakistan; however, rural women in the KP face additional discrimination because of strict societal norms, male domination and strong traditions, disadvantaged position, rights violations and prevailing economic, social, religious and political inequalities that worsened with Talibanization and religious extremism (Alam, 2011, Shah and Baporikar, 2012, Naz et al., 2013, Fazal, 2015, Gul, 2009). Talibanization has affected all walks of life in KP but women and girls are amongst the most affected where girls were not allowed to study after grade 5<sup>th</sup>, working women faced serious threats and strict rule of the veil (*purdah*) was implemented (Gul, 2009). Like other parts of Pakistan, KP is also a highly patriarchal society where roles of men and women are clearly defined and gender segregation does not allow women to become visible outside of houses that are considered as men's domain (*mardana*) and women have to confine themselves to inside their house (*zanana*) most of the time (Sanauddin, 2015).



The social structure and customary practices in the KP's Pakhtun society are more rigid and discriminatory as compared to other parts of the country that may hinder women's empowerment and development efforts by the government and non-governmental organisations. In the KP, besides patriarchy and Islamic practices, strong unwritten tribal codes of beliefs known as 'Pakhtunwali' govern one's life and pattern of behaviour (Ginsburg, 2011, Kakar, 2005, Strickland, 2007, Jamal, 2014, Naz et al., 2011b, Ahmed, 2006). Pakhtunwali has three to six basic tenets which in turn develop into a guide of actions and normative behaviours of the code as given in Table 3.1.

**Table 3.1 Tenets of Pakhtunwali**

	<b>Tenets</b>	<b>Meaning</b>
1	<i>Badal</i>	Revenge (in case of insult and women related issues)
2	<i>Ghayrat/Nang</i>	Honour, dignity, self-respect, chivalry or bravery (women are considered as men's honour and any damage can result in extreme action in order for men not to be called as <i>beghairat</i> (dishonoured))
3	<i>Melmastia/Nanawati</i>	Hospitality/asylum (Pakhtun are known for their hospitality)
4	<i>Purdah</i>	Veil/ gender separation (seclusion) gender segregation through strict <i>purdah system</i> , restricted mobility, and basis for restricting women to access resources, education and employment
5	<i>Namus</i>	Pride or defence of honour (women's pride as Pakhtun pride). Any defiance action could bring <i>Tor</i> (shame, stigma, literal meaning Black). Any breach of <i>Tor</i> can result in killing or murder
6	<i>Jirga</i>	Council/decision-making body (informal court comprising of male elders of tribes), women's representation is restricted in <i>Jirga</i>

Source: adapted from (Strickland, 2007:47)

A slight divergence from these codes may result in extreme reproaches. Indiscreet communication between unrelated men or women without any legal relation, marriage or engagement could result in the death of both men and women. Relating these tenets of Pakhtunwali to Islamic laws, Strickland (2007) finds that both the codes have the same goals but there is a difference in practicality. Table 2.2 shows the link between social issues, Islamic laws and Pakhtunwali.

**Table 3. 2 Link between social issue, Islamic laws and Pakhtunwali**

<b>Social Issue</b>	<b>Islam laws</b>	<b>Pakhtunwali</b>
Proof of Adultery	Must be proven by four eyewitnesses	May be proven based on hearsay alone
Divorce	Relatively easy to obtain	Almost impossible to obtain
Right of Women to Inherit Property and Money	Sanctioned	Not Allowed
Retribution	Maybe total	Must be limited

Source: Adapted from (Strickland, 2007)

Table 3.2 clearly depicts that codes of Pakhtunwali are more rigid as compared to Islamic principles, where women are not given their basic rights of marriage, divorce and inheritance. These customs and practices create obstacles for the processes of women's development and empowerment and have resulted in women's low status in the society.

Women have restricted mobility whether they are married, single or widowed, especially in rural areas of KP, and their mobility in public spheres is linked with men's permission and accompaniment by male members of the family (Naz et al., 2014). A pushto proverb describes women's restrictions as 'women's place is either the house 'kor' or the grave 'gor' (Ahmed, 1997, Lindholm, 2008). However, this trend is changing rapidly especially in urban areas of KP (Jamal, 2014).

Family structure is an important aspect of determining women's status and empowerment in KP. The Pakhtun social setup comprises of a joint family system that is based on patriarchal and patrilineal foundations headed by a senior male member (Khan and Samina, 2009). In joint family, all family members share income, food and other necessities of life. The nuclear family system comprises a husband, a wife and their unmarried children only where husband is mainly responsible for family income, food and other necessities. In joint family power structure doesn't only exist in between men and women but also among the elderly and young women. However, women belonging to nuclear families have some freedom to manage their household's responsibilities according to their own wishes, while women belonging to the joint family system do not have such freedom (Saeed, 2012). There is a distinction between different groups of women, where elderly women are usually more mobile, participate more in decision-making processes and have more control over household resources as compared to young women within the family (Jamal, 2014). The relationship between these groups of women is expected to be peaceful and harmonious but in many instances, these relationships worsen, become hostile and generate enmity and frustration when power and authority of one group are used to assert control over the other group within the

household (Lindholm, 2008). So in KP, strong power relations exist between men and women, and also between women.

Women are strongly considered as custodian of family's honour (*namus, ghairat and Izzat*) in KP communities that is linked with men's masculinity and high esteem. Men are called '*ghairatmand*' (persons who defend their honour) and are respected and considered as ideal Pakhtuns when they protect their honour related to their families especially women (Rzehak, 2011). Women's unfavourable actions and violation of rules can bring shame and disgrace to the family that results in drastic measures against women even honour killing (Jamal, 2014, Wazir, 2010). In order to protect the family's honour, girls are married in their teenage years in order to ensure control over their sexuality (Rzehak, 2011, Billaud, 2009, Khan and Samina, 2009).

Due to their secondary position and subordinating status in KP, women are not usually consulted in decision-making processes related to their lives at household and village level. All decisions related to their early life, education, work and marriage and even after marriage, are controlled by men (Ali, 2000, Naz et al., 2011a, Naz et al., 2011b). Women cannot participate in *Jirga* (community level forum) and so can't use the (*Jirga*) or to approach courts for resolving any of their family disputes (Ali, 2000). Also, *Jirga*, as a male decision-making body, does not allow a woman to appear in the *Jirga* directly but her case can be represented by any male member of the family where cases related to domestic issues are asked to be resolved (Khan and Samina, 2009). Nevertheless, women as mothers are given a level of respect and authority, and they may influence decisions taken at household levels and this legitimacy given especially to those women who have produced sons as heirs of the family (Kakar, 2005, Jamal, 2014).

Women's literacy rates are low and in general, women are less educated than men in KP and this is one of the important factor contributing to their low socio-economic status (Jalal-Ud-Din and Khan, 2008, Khan et al., 2013, Ahmad and Neman, 2013). In KP, female literacy rate is 35% as compared to male literacy at 72% (The Government of Pakistan, 2014:151) where rural women with no education in KP constitute 77.4% (NIPS, 2008:31). Primary school enrolment is also an indicator that represents a large investment in human assets in many societies. There is a difference between male and female net primary enrolments in KP where female enrollment is 48% and male enrollment is 59% in 2013-14 (The Government of Pakistan, 2014). In some of the northern tribal areas of Pakistan especially in KP and Baluchistan, girls' education is strictly prohibited on religious grounds.

However, this interpretation of Islam is critiqued by other scholars of Islam, as the Quran? allows both men and women to acquire an education (Chitrakar, 2009)

Another aspect of gender discrimination and women's rights violation is excluding them from inheritance and right to property in KP (Muhammad, 2011). A big piece of land indicates power dominance and authority of men in the community and fragmenting land mean losing that power. But one contradiction arises here that men do give a share to their male descents but rarely give a share to their girls. It may be because some of the girls are married outside the family and giving a share to female heirs means transferring the hold of their land to another family, which is not acceptable in KP society. To avoid this situation and keeping a hold on their property men prefer their women to be married inside the family thus tend to prefer an uneducated member of the family over an educated person from outside of the family (Ali, 2000, Muhammad, 2011, Sthanadar et al., 2014).

The incidence of domestic violence prevails dominantly in KP communities. In their research Fikree et al. (2005:53) finds that *Pashtun* men are more abusive towards their wives in comparison to other ethnic groups. Shah et al. (2012) examine data on deaths of women and girls related to domestic violence reported in 2009-2011 in KP. Shah et al (2012) also note that that death cases from rural areas were in majority 182 (59.7%) as compared to death cases from urban areas 123 (40.3%), in so doing they infer that women in KP are vulnerable to femicide (being killed because of being female) due to domestic violence through firearm injuries, mainly aimed at the head and neck. The underreporting of cases of violence is also one reason why measures cannot be taken in time. In her study on underreporting in Pakistan, Andersson et al. (2010) note that reporting from NWFP (currently KP) is lower (26%) than in other provinces (37% in each) which may indicate less access to the Government's support system. The main reasons for under-reporting can also be women's fear of men and further violence, loss of protection and children in the case of separation or divorce, limited or no access to officials or police, laws considering domestic violence as a private matter and women's perception that disclosure of violence could bring a bad name and blame to them (Gracia, 2004, Andersson et al., 2010).

Women have limited networking and socialisation activities as compared to men in KP but women do support informal networks within the household, neighbourhood and community. Traditionally, rural women are engaged in activities such as collecting wood, fetching water, some farming work which provides them with an opportunity to socialise with one another. There were also some village level fairs in

which women and girls from different villages used to gather for play and social activities. However, in recent times, due to the influence of Taliban and mujahidin in some areas (mainly tribal areas bordering Afghanistan), women faced restrictions and ban on all outside activities and confinement in their houses (Jamal, 2014). This imposed a reversal of women's outside work.

In accordance to Islamic principles, men's responsibility for feeding the household precludes the need for most rural women from accessing the labour market in KP communities. Women also have very limited entrepreneurial opportunities due to the restrictions imposed on them and the constraints they face when they want to start any business outside their houses due to their low educational status (Jalal-Ud-Din and Khan, 2008, Fazal, 2015). Women's limited access and control over productive resources like finance, enterprise management skills also influence women's active participation in the labour force. Women in rural areas are restricted to working in the private sphere and are mainly engaged in the production of dairy-related products, rearing of animals, handicrafts and those enterprises which women can perform easily without affecting their household's activities. Women work long hours; they rise early and go to bed very late. Women's domestic duties and care of large families also restrict their entry to the paid employment. Despite numerous tasks, women perform at home and in the agriculture sector, they are seldom acknowledged and are just considered as helpers and are part of unpaid family labour (Mumtaz and Shaheed, 1987).

The existing gender division of domestic labour in KP disproportionately affects women. Analysing the gender division of labour in four peasant classes from two villages of NWFP (KP), Akram-Lodhi (1996) finds that gender division of labour affects women more than men. The findings of the study show that rich peasant men work less compared to rich peasant women and men from poor classes. Women from rich class are involved in unpaid domestic work for a longer amount of time than women from poor classes who do on-farm work outside the home. The strict norms of seclusion and *purdah* apply less to women from poor families while wealthier families enforce strict *purdah* practices in rural areas of northwestern Pakistan (Akram-Lodhi, 1996).

Customary practices in the KP society are more rigid and discriminatory as compared to other parts of the country that may hinder women's empowerment and development efforts by the government and non-governmental organisations. Due to the existing gender inequalities in KP, women's participation in development related programmes is also restricted. Due to the women's condition and men's

dominance, it is rather difficult for development organisations to work in KP especially with microfinance services that also face criticism due to interest rate and women's work related issues

### **3.2.3. Brief Profile of Selected Microfinance Programmes**

Two microfinance programmes were selected on the basis of their presence and microfinance operations in the respective districts. The Sarhad Rural Support Programme (SRSP) is the largest non-government organisation (NGO) in KP. SRSP aims to promote people-centred development by improving the livelihoods of poor and vulnerable communities, while maintaining a special focus on women, playing a leading role in supporting poverty reduction in KP over the past two decades. SRSP believes that provision of financial services addresses the issue of gender disparity more adequately. Which is indeed is not an easy task especially in the context of KP.

Sungi is considered as the pioneer to introduce microfinance services in microfinance in KP. Sungi introduced microcredit and microinsurance in the Mansehra and Abbottabad regions in 1994, with the purpose of providing a complete livelihood solution to pull the poverty stricken masses out of the poverty trap. Through small loans, savings, insurance, technical assistance and other financial services, Sungi believes in helping poor clients to reduce their vulnerability to external shocks, increase their incomes and build businesses. The purpose of selecting two different organisations working in different areas was to examine the extent to which these two organisations empower women and enable them to reduce vulnerability.

## **3.3. Ontological, Epistemological and Methodological Positions of this Research**

As discussed in chapter 1, this research study focuses on analysing the effect of microfinance services in empowering rural women and women's empowerment in post-disaster situations. The purpose of this study is to understand how female clients experience and view the changes in their lives by participating in microfinance programmes in non-disaster and disaster areas. The ontological position of the study lies in constructivism as this study views that realities are constructed socially and that the experiences of women are different from one another and from different groups of women. Constructivism sees the world as socially constructed and asserts that social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena

and categories are not only produced through social interaction but that they are in a constant state of revision (Bryman, 2001, Marsh and Stoker, 2010).

A research approach is a methodological link between philosophy and subsequent data collection methods and analysis (Denzin and Lincoln, 2005). Since this study deals with perception and beliefs of rural women clients, I used qualitative research methods as an appropriate approach to attach meanings to the interviewees' experiences and understanding of the events (Hakim, 2000, Berg, 2001, Creswell, 2009, Mason, 2002, Flick, 2009) and due to its flexibility and sensitivity to the social context in which the data is collected (Lee 1993; Mason 1996; Oakley 2000).

Qualitative research has been aligned with an interpretive epistemology that stresses social reality based on individual's intentions, viewpoints, motivations and practices (Devine, 2002, Marvasti, 2004, Flick, 2009). The epistemological position of this study, therefore, lies in interpretivism. Interpretivism emphasises that social phenomena cannot be understood by our own interpretations only and that it should be based on interpretation of social phenomena that directly affect outcomes (Marsh and Stoker, 2010, Kim, 2003). Interpretivism advocates that a researcher must understand the differences between humans in their role as social actors (Saunders et al., 2009) and the subjective meaning of social action (Bryman, 2001) and enter into the respondents' domain (Charmaz, 2006). This study adopts an interpretive approach to understanding the values, perceptions and beliefs of female clients about the role of microfinance in women's empowerment. As a researcher, my role was to interpret each respondent's views and experiences in this study.

In order to counter the risk of my own interpretation taking precedent in the analysis, this study used a grounded theory method which involved coding, patterns identification and categorization based on concepts, themes identification and theory development as integral parts of the data analysis process (Glaser and Strauss, 2006). The grounded theory approach was helpful in explaining the link and connection between different categories formed from the data, but also in prioritising the themes that emerged from the data, rather than my own suppositions in going into the research. This study has used different research methods such as interview, focus group and oral histories, further details of which are given in section 3.2.5. Table 3.1 explains the key research components of this research study.

**Table 3.3 Components of this Research**

<b>Key Concepts</b>	<b>My Research Study</b>
Ontological Position	Constructivism
Epistemological Position	Interpretivism
Methodology	Qualitative Methodology/Grounded Theory
Methods	Interviews, Focus Group Discussions (FGDs) and Oral Histories

Source: Author

### **3.4. Strategy for Conducting Fieldwork**

The primary data was collected in the first phase during the period of April 2011 to July 2011 and in the second phase from mid-June 2012 to mid-July 2012. Before starting data collection, various primary sources were already been identified. Preliminary meetings were arranged with the management of the two selected MFPs (SRSP and Sungi) in order to explain the research aims and objectives and to obtain formal permission and approvals from the organisations to ensure the cooperation of other regional and community staff. In the meeting, I discussed the tentative work plan for the field visits and obtained a more detailed understanding of the working mechanisms of these specific MFPs. During this meeting, further links and contracts were made with regional staff. The management of MFPs asked me to prepare and submit a draft fieldwork plan for the provision of logistical support. The draft fieldwork plan later submitted to the management and received approval. It was decided to collect data from Peshawar and Haripur initially and then from Mansehra and Nowshera.

#### **3.4.1. Role of the Gatekeepers**

In order to gain access to the research field, researchers often require the support and approval of 'gatekeepers' (Kitchin and Tate, 2000, Campbell et al., 2006, Wright, 2003, Creswell, 2009) and key informants themselves (Feldman et al., 2004). Gatekeepers are those individuals whose permission is required to conduct a study, because they have formal or informal powers to control access to the research site (Neuman, 2007, p.282) and key resources in the form of logistical (transportation), human (key informants and respondents), institutional (formal permission) or informational aspects such as reports, documents and data set (Campbell et al., 2006, p.98). In this research, the permission and facilitation of the different gatekeepers (management and staff of MFPs and the VBs) were required not only at the entry level access but also during the research at different times and for different reasons. However, the main role of the gatekeepers remained only to facilitate meetings and interaction between the researcher and the respondents.



The researcher selected the respondents for the study without the involvement of gatekeepers. Table 3.4 shows the gatekeepers' details.

**Table 3. 4 Details of Research Fieldwork and Gatekeepers**

Length of Fieldwork	Location	Gatekeepers	Type of support
Phase 1 (April 2011-July 2011) -Four Months	Peshawar	-SRSP-Senior Management (Programme Manager Microfinance) -SRSP- Mid-Management -VB Management -VB field staff -A friend (who lived nearby the study area)	-Research Permission -Logistic support for the initial visits (Transportation) -First meeting arrangement -List of current and old clients -Use of the VB office -Reports and documents -Friend's support in understanding local issues, and facilitation in the initial fieldwork
Phase 1 (April 2011-July 2011) -Four Months	Haripur	SRSP- Mid-Management -VB Management	-Logistic support for the initial visits (Transportation) -First meeting arrangement
Phase 1 (April 2011-July 2011) -Four Months  Phase 2 (Mid June 2012-July 2012) -One Month	Mansehra	-Sungi Head of Microfinance Programme -Sungi Mid-Management -Sungi field staff	-Research Permission -Logistic support for the initial visits (Transportation) -First meeting arrangement -Inviting the long-term clients before the earthquake (scattered ones)
Phase 2 (Mid June 2012-July 2012) -One Month	Nowshera	-SRSP- Mid-Management -VB Management	-Logistic support for the initial visits (Transportation) -First meeting arrangement

**Source: Generated from field data 2011-2012**

Gatekeepers can influence the research process directly and indirectly. As Campbell et al. (2006) have pointed out, this relationship may change over time depending on their own interests. Such shifts occurred during the process of this study, as my relationship with some of the gatekeepers changed from supportive to somewhat unsupportive, when other priorities took precedence, leaving me without support on home visits. Although this issue was partially resolved when I discussed my concerns with the VB staff, this only resulted in resumed support with immediate fieldwork tasks; it did not go any further. Later on, new gatekeepers entered into the research process when and where needed. However, the link with the old gatekeepers was also retained.

In some areas, the approval of gatekeepers created a 'stigma' that inhibited 'the cooperation of members' (Neuman, 2007:282). In the beginning of fieldwork, I experienced a situation where one of the senior management personnel of the VB in a village tried to restrict my access to the interviewees several times. She had

some concerns over my presence and wanted some financial support for the VB. Consequently, the behaviour of some staff members and few interviewees also changed towards me in later stages of the fieldwork. I resolved this issue by independently building rapport with the staff and respondents and gaining their trust (Darlington and Scott, 2002, Feldman et al., 2004). Feldman et al. (2004) also note that gatekeepers may impede the access to the research participants.

After starting the process of research, my role as a researcher also changed. Once I had access to the field and information about the participants, my relationship with respondents and gatekeepers grew and, as a result: Sometimes the researcher also becomes a gatekeeper. Campbell et al. (2006:99) describe this researcher-turned-gatekeeper as a 'key master'. My previous experience in the field of microfinance helped me to gain confidence and the trust of the respondents and gatekeepers. This new role of key master also reduced the dependency on the gatekeepers along with interference from the Village Bank.

### **3.5. Data Collection Techniques and Sampling Strategy**

In this study, I have used Interviews, FGDs, oral history as data collection methods and purposive sampling with different sets of respondents in order to explore the effects of microfinance on respondents' empowerment in non-disaster and post-disaster areas from different angles and perspectives. This section provides details of research methods, recruited samples and procedure of sampling.

#### **3.5.1. In-depth Interviews- Key informants and Women Clients**

In-depth interviews are the most commonly used data collection approach in qualitative research (Darlington and Scott, 2002, Devine, 2002, Kitchin and Tate, 2000, Yin, 2011, Rubin, 1995, Gillham, 2000, Schostak, 2005, Seidman, 2006, Foddy and Foddy, 1994, Hakim, 2000). By considering that female clients and experts are well aware of their own experiences, they have their own viewpoints to assess their lives and the lives of their target groups (in the case of professionals), and can also explain in a more accurate way what they have directly experienced the effects of microfinance on women clients, I used in-depth interviews as the main data collection method. Different people may have different perspectives which provide a wide range of opinions on the same phenomenon (Darlington and Scott, 2002). Another benefit of using the interview method was that I could probe more deeply asking more questions where I needed further clarity, or could also use 'prompts' (Kitchin and Tate, 2000:217, Rubin and Rubin, 2005), and that helped me to understand the matter in greater depth with new dimensions in the form of a

'guided conversation' (Devine, 2002:198). Interviews have their own strengths and limitations (Laws et al., 2003). I found that the major strengths of interviews include depth of information, respondents' own style of telling their stories, approaching those female clients who felt shy in expressing themselves in large meetings and respondents' own enjoyment and learning during the interview. Interviews allowed me to focus more on each interviewee's viewpoints and provide time so that the interviewees share their experiences. Beside strengths, I also found some limitations in the interviews: 1) they were time consuming, 2) a potential invasion of privacy (if subject material was not given proper consideration during interview), and 3) the impact on the interviewees could sometimes be upsetting when being asked sensitive questions related to violence and the death of loved ones (particularly in the post-disaster context discussed in chapter 6).

The interview guide, FDGs guiding questions and a small questionnaire (for MPs, DPs and IDPs) consisted of open-ended questions (Foddy and Foddy, 1994). The important aspect of using open-ended 'generative narrative questions' (Wright, 2003:117) in interviews and FDGs reveals what is in the participant's mind in opposition to what researcher assumes or suspects about their views. It opens up the discussion and explores perceptions and opinions. However, Krueger (1994) also suggests that closed questions can also be used by the end of FGD to limit the type of responses thereby bringing greater focus to the discussion.

### **Key Informants - Professionals**

The first set of respondents represents the key informants for the study. Table 3.3 represents a total of 20 key informants of the study who are further divided into four categories according to their experiences and area of expertise. Eight interviews were conducted face-to-face in key informants' offices and took approximately 1-2 hours, while professionals from other parts of Pakistan and those based internationally were contacted through emails. Two of them agreed to Skype or telephone interview while others preferred to respond to my interview guide in writing.

**Table 3.5 Key informants of this research**

<b>S#</b>	<b>Categories of Key Informants</b>	<b>No. of Interviews /question naires</b>	<b>Nature of Expertise</b>	<b>Purpose of selection</b>
1	Field Staff and Management of selected Microfinance Programme (MFP-O)	6	Responsible for formulating policies, managing microfinance related activities and mainly deal with rural women in their respective districts or at head office level.	To understand the institutional perspectives, strategy, guideline and position of the microfinance programme towards women's empowerment and vulnerability reduction.
2	Other Microfinance Professionals (MP)	4	Policy and organisational level representation in Pakistan.	To understand the overall view of the microfinance sector in general, and ability or inability of microfinance to empower women and reduce women's disaster vulnerabilities.
3	Development Professionals (DP) from Pakistan (some through Skype and phone calls)	7	Focus mainly on gender and development perspectives and have a broad opinion about approaches towards women's empowerment and disaster resilience.	To understand the wider approaches on microfinance, disaster and women's empowerment.
4	International Development Professionals (IDPs) Through open-ended questions)	4	Formulate poverty reduction and gendered policies and programmes, and implement programmes either directly or through other organisations in the developing countries.	To examine varied opinions and views that help in understanding the term 'women's empowerment' and its link with microfinance and disaster, from donors' and international organisations' perspectives.

Source: Author

### **Female Clients**

The second set of respondents constituted a total of 30 female MFP clients from two villages in a non-disaster area (Peshawar and Haripur) and 14 respondents from post-disaster affected areas (Peshawar, Mansehra and Nowshera). A purposive sampling procedure was applied for the selection of respondents. The non-random or purposive sample selection is usually based completely or partly on the informed judgement of the researcher (Nichols, 1991). Purposive sampling can be further classified into other types, such as snowballing, convenience sampling, maximum variation sampling and critical case sampling (Patton, 1990). I used two methods of selection. Firstly, using the criteria taken help from the VB staff for the identification of potential interviewees and secondly, applying snowballing techniques in which I asked respondents to identify other women who fulfil the criteria (Patton, 2002, Mason, 2002, Yin, 2011). The selection of respondents was decided by the duration of their membership in the non-disaster area plus their

exposure to risk in the disaster-affected areas, and I also aimed to identify respondents who could provide varied viewpoints on the topic under study. The underlying assumption of this selection was ascribed so as to better capture the impact of microfinance on women's empowerment over the past 3-5 years at a minimum. From disaster affected areas, the selection criteria allowed me to only interview 14 women in three villages. Face to face interviews were conducted with the respondents in their houses, the VB offices and community centres. The duration of interviews was 1-2 hours and I met some respondents again if I needed further information with their consent. Demographic information obtained from this set of respondents is given in chapter 5.

### **3.5.2. Focus Group Discussions (FGDs)**

Another research method used in this study was group interviews through focus group discussions. In line with the literature, FGDs in this study were conducted with small groups of women comprising 6-7 members on average (Hakim, 2000, Devine, 2002, Bloor et al., 2001). FGDs were the best way to provide insights into a group's assessments, judgements, behaviour, perceptions, opinions and meanings that a group gives to a specific topic (Darlington and Scott, 2002, Krueger, 1994). It corroborates and complements individual observations and interpretations of interviewees' experiences during the interviews.

The third set of respondents comprised of 37 participants from 6 FGDs. One FGD in each village was conducted in Haripur and Nowshera, and two FGDs in villages in Peshawar and Mansehra were conducted at women's meeting place. The FGDs also took 1- 2 hours depending on the responses of the participants. These FGDs focused on the role of microfinance in addressing women's vulnerabilities, women's empowerment and the changes that women have observed in their lives from the group's perspective at the wider social and political level. It also focused on the factors hampering and contributing to women's participation, and their position and empowerment through microfinance. These FGDs helped in analysing how respondents exercised their social assets and issues related to collective changes.

### **3.5.3. Oral Histories**

The fourth set of the respondents was of five female clients selected for oral life histories following in-depth interviews. The oral histories took 1-2 hours and were conducted in women's houses. In this study, I used oral histories to provide a richly detailed exploration of the clients on their perceptions and accounts of their experiences by means of simple storytelling. Oral histories provide insights into the

respondents' pasts which are usually not accessible to researchers (Giles-Vernick, 2006). It gives details of all possible factors, reasons, determinants, pathways and processes that might have contributed directly or indirectly to the known outcomes (Hakim, 2000). According to Creswell (2007) oral history is a gathering of personal reflections of events with their causes and effects from the experience of one individual or several individuals. Wolf (1996) argues that oral histories are empowering tools that in this case allowed the researcher to learn about women's lives and viewpoints.

Besides in-depth interviews and oral histories, I had informal conversational interviews with the daughters of five respondents in different villages to assess the trickle-down effects of the empowerment on the next generation. Another purpose was to examine the client's daughters' opinions and their support for their mothers' work, changes in women associated with microfinance and the impact of the mothers' work on their daughters' lives. These interviews were unplanned and there was 'no predetermination of the question, topics or wording' (Kitchin and Tate, 2000:214). I also informally interviewed the husband of one microfinance client in Peshawar after he agreed to respond to my questions related to gender relations.

### **3.6. Fieldwork Issues**

One of the positive aspects of the data collection phase was the support and cooperation of the people from the community and the microfinance organisation's management and staff. Both MFPs not only provided facilitation during the research but at some points also provided logistical support. Wolf (1996) argues that in many areas when compared to men, female researchers are pressurised into following local norms. As I followed the norms and culture of the community, I faced no discernible opposition or restrictions while working in the community. There was less of a language barrier as most of the communication was done in the local dialect. However, despite the support from MFPs staff and community women, I did face some problems during the data collection phase that are discussed in this section.

#### **3.6.1. Dealing with Power Relations during the Fieldwork**

Several researchers explore the power relations that exist during the data collection phase between researchers and their respondents (Brinkmann, 2007, Karnieli-Miller et al., 2009, Brinkmann and Kvale, 2005, Limerick et al., 1996, Anyan, 2013). A focus on power relations between women interviewer and women interviewees was initiated by feminist scholars in the early 1980s (Tang, 2002). For many scholars,

these power relations are usually asymmetrical, where researchers are assumed to have more power because of their specific and theoretical knowledge as they set the direction of the interview by posing questions and respondents usually have lesser power than the researcher (Brinkmann, 2007, Anyan, 2013, Nunkoosing, 2005), especially women respondents because of their existing subordinating positions (Oakley, 1981, Finch, 1984, Tang, 2002)

During the fieldwork, as a woman researcher, I interviewed individual women clients and groups of women and I also noticed power relations between myself and the interviewees. Since this study focused on women's perception of their empowerment through microfinance, I tried to maintain the balance the power relations between me and the participants so that they should not feel powerlessness during the research process. The researcher's power starts at the initial stage of the research process with the recruitment (Karnieli-Miller et al., 2009). My power lay in my choice of key informants and women clients to be selected for an interview along with the provision of information about the research process. At this stage, respondents asked questions about the research to seek information they needed. The power at the respondents' end lay in their willingness to be part of my research project, providing me with their time and sharing their knowledge and experience, or choosing not to. It was the choice of key informants and respondents to decide on the location where they wanted to be interviewed: either at their offices, homes (women clients only) or the VB office depending on their ease and comfort. For FGDs, women themselves decided the place and time appropriate for them and sometimes they asked for my choice to consider my convenience.

Besides the research agenda that I started with, the respondents also participated in terms of coming with their own personal agendas that affected the research process (Limerick et al., 1996, Jacobsson and Åkerström, 2013). In some areas, I observed that women clients participated in the interviews and FGDs hoping to gain some tangible benefits from the research especially in the flood affected areas of Peshawar and Nowshera. This was reflected in their responses to my questions and their queries regarding their gains. This was a difficult situation to deal with but the respondents exercised their powers by not participating actively when these expectations were not fulfilled. Due to these personal agendas, sometimes I faced the unfavourable attitudes of the group members when they realised that I was not able to offer any concrete benefit for their participation. At one village, after my introductory meeting, I had an arranged meeting with the committee members and the chairperson showed me a cold response after listening to my purpose and plans

by enquiring what tangible benefits I would be providing to their organisation. In response, I clarified my situation as a student researcher and that I would not be providing any material support but they could ask me for any other support if needed. However, through further discussion, this issue was resolved soon and the VB ensured their support.

Research shows that, in qualitative data collection, respondents may feel privileged that the researcher is spending time and listening to their stories (Brinkmann, 2007). In contrast to the issue of material gains, some of the participants of this study gave me very positive responses about the interview process. They showed their appreciation for getting this opportunity of recalling changes in their lives when I asked them how they felt about their participation in this study. Shaista from Peshawar stated, 'I never thought like this before [...] it has increased my knowledge'. Shehnaz from Peshawar observed, 'I learnt a lot from you. Your questions enabled me to think about the answers'. Another participant from Mansehra, Shahin stated, 'After telling you my story, I realised again how much struggle I have done in my life'. The data generated provided an opportunity to the participants to discuss their experience and assess changes in their lives at both the conscious and unconscious levels (Nunkoosing, 2005). However, this study also brought some emotional moments when the participants thought about the tangible and intangible losses brought by natural hazards. Tears in Hafiza's (Mansehra) eyes and her pain emotionally affected me while I was listening to her life story, which is sometimes an unavoidable aspect of the research process.

In face-to-face interviews, the roles of the interviewer and interviewee can also change during the interview, where the interviewee may ask questions to the interviewer (Oakley, 1981, Limerick et al., 1996). Sometimes, the respondents of this study turned as an interviewer and asked questions, which I had to answer like an interviewee. Most often they were interested to know about changes in my life and asked questions about my marital life, my family, my education, job and children's education. In some occasions, the participants also requested advice related to their businesses or related to their family matters and asked my guidance in selecting their children's education path or career. In this situation, the flow of information sharing was two-way rather than one-way.

The interplay of power during the fieldwork is an ongoing process (Limerick et al., 1996). If I had the powers as a seeker of knowledge, the participants in this study played an active role in the generation of knowledge. They did not just participate as passive or powerless participants. However, the researcher's powers are also



visible during the data analysis (Allmark et al., 2009). My powers as a researcher also appeared during the data analysis process where I had control of selecting quotes and their representation to support my arguments (the inclusion and exclusion criteria of quotes is discussed in detail in section 3.2.8.7). So while exploring women's empowerment through microfinance, I also took care that, wherever possible, participants should feel empowered during the research process.

During the interviews and FGDs, one of the observations was that initially, women were not open enough to answering some of the questions related to their loan use, income earned enterprises and gender relations at home etc. This might have been because of the influence of MFP. The respondents might have thought I was working for the MFP despite the fact that I explained many times my position as an independent researcher and ensured them that their information would not be shared without their consent. This situation mainly appeared when women had already handed over the loan amount to their male family members or the money was used for other reasons. I attempted to mitigate this by building trust and ensuring that I observed their confidentiality.

In non-disaster areas, the VB had expectations in the form of linkages and networking with the donors and other stakeholders to bring about more projects for the organisation. I also guided and gave advice to the staff of village bank on different matters whenever they needed.

### **3.6.2. Safety and Security Issues in the Field**

Many scholars have addressed safety issues faced by researchers during the fieldwork (Sharp and Kremer, 2006, Jabeen, 2013, Khalid, 2014, Bloor et al., 2010, Shaw, 2005, Denscombe, 2009, Paterson et al., 1999, Kenyon and Hawker, 1999, Dickson-Swift et al., 2008). I also faced some security and physical safety issues during the data collection phase. The security of the area was a significant concern. The situation of cities in which I lived was not safe because of the continuous terror threats and bomb blasts. Before starting the fieldwork, I completed a risk assessment form by University of Leeds that enabled me to think about all the possible risks that I and my participants could face during the research and how to ensure the research would avoid any harm to all involved in the research (Goldstein, 2014). I worked on some prevention strategies as a safety protocol before actually entering the field to address safety issues (Paterson et al., 1999).

Being a female researcher in a conservative area of northern Pakistan, the first issue arose was my own mobility and travelling to and from and within the research area because of prevailing cultural restrictions. The culture of KP poses substantial restrictions on women's mobility both in rural and urban areas. However, in the larger cities of KP women usually have some freedom of mobility. Many women travel alone during the daytime, but in the evening women's movement is significantly restricted or negligible if alone. In rural areas, women have limited mobility outside the village and are not able to go outside unaccompanied in the majority of the cases (without a male member or an elderly woman, or not in a group). So before entering the research area, I had to address my own mobility issues first. My father did not allow me to go to the villages alone because of the worsening situation, especially for women. Considering my safety, existing patriarchal norms and values of the community, my father accompanied me to the research sites through the entire data collection phase, waiting outside or closer by while I conducted my interviews and FGDs. Several female researchers also find that in patriarchal societies, women gain entry into the field by accompanying their fathers or husbands so that male members of the community feel comfortable with their presence (Berik, 1996, Abu-Lughod, 1993). This shows that my mobility as a woman was restricted due to cultural factors and security reasons and I could not travel alone.

The second issue was my mobility and physical safety more generally within the field. Outsiders, especially females tend to face suspicion, resistance and reservations from the community people for their presence in the village if they come alone for any reason and without prior contacts within the village. To avoid such an unproductive situation and to ensure my safety within the selected villages, I contacted the managerial and regional staff of the selected microfinance programmes, who helped me in organising my first visit to each research location. The regional staff of both organisations introduced me to the village bank staff and women's groups and explained the purpose of my research and my stay within the community. I discussed all the safety measures that I could possibly encounter during the field visit so that I could keep myself alert to possible unforeseen risks. Goldstein (2014) suggests that in dangerous environments known for high criminal, political and social violence, researchers should be aware of all possible threats that can endanger their safety as well as that of their research participants. I developed a plan and submitted it to the organisations so that they should be well aware of my whereabouts and my activities. I also discussed the plan with the VB so they could arrange accordingly. The benefits for the interviewee notwithstanding,

as discussed above, the downside of conducting research in an interviewee's house is that it can bring a sense of unease and discomfort for the researcher and may increase female researchers' vulnerability and fear (Kenyon and Hawker, 1999). To avoid such a situation, in the initial days of fieldwork, I went first to the VB office and then to interviewees' home along with one staff member but after spending some time in the field I could go either alone in nearby streets or with some other women as the staff had to complete their office duties as well. Even if I had to go alone, I usually informed the VB about my presence in the field through a mobile phone. While I was undertaking such interviews, many male members of the community asked my father about the nature of my work and for how many days we would be coming to their village and, once they were satisfied with the responses, they welcomed us warmly. On balance, the presence of my father increased my legitimacy.

Timing observed during the data collection period was another issue which affected my mobility. Scheyvens and Leslie (2000) argue that gaining access to female respondents can be difficult because of their busy schedules and it being inappropriate for a researcher to visit respondents' homes in the evening. In the initial meetings with the VB staff and women organisations, I got the information that women are mostly available in the morning time when children and male members of the family go out to school and work until the afternoon, so I had a limited time from 8 am to 1 pm (in certain cases till 3pm). I was also restricted by the availability of the VB staff, who allowed me to accompany them on their visits, but this put time restrictions on my return. I, therefore, visited different member women organisations (WOs) and took their contact numbers for further appointments. This helped me in meeting women myself without disturbing the staff's schedule. The field staff usually joined me after completing their daily tasks. My travelling time from home to research villages usually took more than two hours due to traffic and security check posts. I had to plan my visits as early as possible so that I could arrive on time to meet my research participants and they could leave on time without any disturbance in their routine activities. Despite the delay in meeting participants on some occasions, I managed to meet others at the specified time. If I was unable to come due to any security or personal reason, I informed the participants or the staff well before time so that women should not wait for me.

The security of KP was on high alert at the time of data collection. There were terror threats affecting everyone, and of course, this was frightening. Many people close family and friends asked me not to carry out my research and plan to some other

time or another place. However, in my opinion, no place in Pakistan was secure at that time and as a resident of KP, I was committed to covering KP villages and unpacking the impact of MF on processes of empowerment in these areas. I started research work in the selected village of Peshawar and encountered no direct security issues on my way to and from a village in the initial days. In the month of May and June 2011, two bomb blasts in Peshawar shook us. One was at the Khyber market that I visited few days before to drop off a friend who helped in my fieldwork. The other one was on security agency's headquarters and it brought massive destruction and diversion of traffic that created problems in reaching to the villages and home on time.



**Figure 3.2 Researcher's Route Showing Bomb Blasts in Peshawar and Nowshera**

Considering the security issues, I decided to shift to another nearby small city, Nowshera and commuted daily to the village in Peshawar (see Figure 3.2). I had not been living there long when, one morning, I was on the way to the village accompanied by one of my friends (who accompanied me to the field from Nowshera on my request in the absence of my father) and we saw some people running and screaming, and vehicles carrying people affected by a bomb blast in the central area of Nowshera just 10-15 minutes before. I saw people with blood on their dresses, lying down in a police vehicle. I didn't know whether they were just injured or dead but this increased my fear and affected me emotionally. Nonetheless, as a researcher, I felt I had to make sure that I collected maximum data as I was not aware of any further security risks. I used another strategy and conducted microfinance professionals and respondents' interviews from district

Mansehra and Haripur, which were a bit safer than Peshawar at that time. These events highlighted how no safety measures can be taken to deal with unknown terror events like bomb blasts. A researcher can ensure his/her safety and security in the field to some extent but while travelling to and from the field, no one can guarantee anyone's security. I also observed that, despite the blasts, the routine life of local people was not affected very much as they got back to their normal routines except, of course, for those who lost their loved ones. For many women in the field, blasts were bad but now part of their life. While facing these uncertain security situations, as a resident of the area, I had the option to continue the research, but after discussing the situation with my family and supervisors, I shortened the first data collection phase and came back to Leeds after four months. I had already contacted development professionals to whom I had sent open-ended questions and their responses were included in the data analysis in the later stages. In the second phase, I went to Pakistan for one month in July 2012 to collect the remaining data for the research. Moreover, I also gathered data from the Nowshera district which was not able to collect in the first phase. So in this section, I have shown that security was a real concern during this research.

### **3.7. Ethical Considerations**

This section discusses the ethical considerations of this study. Research ethics guide a researcher in considering their moral responsibilities and accountability towards the research participants throughout the research process (Mauthner et al., 2002). Furthermore, research ethics helped in dealing with different issues such as gaining informed consent, retaining the anonymity of the participants, gaining permission to use electronic devices in data protection.

#### **3.7.1. Informed Consents**

In this research, participant's informed consent was gained verbally and written (where possible) after introducing myself and explaining the research purpose, objectives and methodology in a clear and simple way (Miller and Bell, 2002, Mason, 2002). My intentions were to obtain their consent for participation in the study voluntarily without any pressure, and according to their ease and desired time. Key informant's consent was taken in written form from the NGOs staff and professionals before each interview whether face-to-face or telephonic or via Skype.

### **3.7.2. Anonymity of the participants and Data**

I assured my research participants of the anonymity, confidentiality and non-disclosure of any data and names if they would not allow. Their names were changed in the thesis. Likewise, the names of the villages are not included to prevent the identification of gatekeepers and preserving their anonymity (Grinyer, 2002, Marvasti, 2004, Creswell, 2009). For the anonymity of the key informants and professionals, only the initials of their names are used along with their work experience. Names and designations are given for those professionals who have asked for the disclosure of their identity.

### **3.7.3. Permission to Use Voice Recorder**

I used a voice recorder to record the interviews for which I had taken prior permission from all respondents in order to avoid making them self-conscious (Marvasti, 2004, Israel and Hay, 2006). However, I could not obtain permission to take pictures but in some places, respondents did allow me to take pictures only if their identities were not exposed. Communication in the research area usually took place as women-to-women and men-to-men. Women were not allowed to talk to men who were strangers or even not from their family and being a woman I had no problem in communicating with rural women of the area.

### **3.7.4. Interview Ethics and Data Protection**

Beside this, I also aimed to ask the questions in clear language and explained many times if they were unable to understand anything or I could not explain something well. In turn, I also requested from them that they explain something when I was unable to understand them very well. The data taken in the form of interviews and FGDs was transferred to the word document and was kept safe on an external hard drive with password protection and on a password protected computer. This section discussed the fieldwork related issues I faced and resolved, the next section describes the process of research analysis in detail.

## **3.8. Approaches to Data Analysis**

This section explains the steps taken for the data analysis and findings representation. The data was analysed in different steps: The first step was interview transcription second was open coding, the third step was putting the relevant codes in categories and the fourth step was themed identification from categories, codes and the respondent's quotations. This section also discusses the criteria used for the selection of quotations in this study.



Figure 3.3 Steps Taken in Data Analysis

### 3.8.1. Step 1: Transcription of Interviews

Transcription of interviews is an important, integral and crucial step to get familiarity with the data in qualitative data analysis (Kitchin and Tate, 2000, Dey, 1993, Miles and Huberman, 1994, Strauss, 1987, Lapadat and Lindsay, 1999, Tilley, 2003, Maclean et al., 2004, Auerbach and Silverstein, 2003, Flick, 2009, Charmaz, 2006, Silverman, 2010). I transcribed interviews myself in order to get to know and understand my data well. As interviews were conducted in different local languages, I translated interviews from Pashto, Hindko and Urdu into English. This was a challenging task as the participants used many words which were difficult to translate into English. I made efforts to translate carefully into English so that the sense, meaning and values of words were not lost. Translation and transcription were simultaneous processes. To address the issue of consistency in translation, I enlisted the help of another researcher, who is equally fluent in these four languages. She listened to the interviews, read my transcriptions and helped me in correcting the sentences in English. Transcribing was a time consuming and tedious process but it gave a full understanding of the data (Kitchin and Tate, 2000, Braun and Clarke, 2006, Charmaz, 2006). I then converted my handwritten text into word files and saved them to the computer using the Express Scribe software. Halai (2007) argues that transcribing is more than just converting dialogue into text but it is rather a transformation process to understand the data obtained and therefore is a part of the coding and analysis process described below.

### 3.8.2. Step 2: Assigning Codes

After the transcription, the next step was to organise the data. My intention was to find the significant aspects of the data and find the connection between them to develop my argument. Gläser and Laudel (2013) argue that an important step in data analysis is to identify, locate and structure raw data, where raw data is the information related to the research question. Since the interviews contained a large amount of information there was a need to reduce the data according to the conceptual framework and questions asked in the interviews. The data reduction part began with the coding of text during the transcription exercise. Coding is a

process of text organisation, moving from raw material to the creation of concepts related to research questions and identifying overarching patterns rather than applying already developed concepts (Auerbach and Silverstein, 2003, Dey, 1993, Strauss, 1987). It is the elementary and widely used technique in grounded theory methodology (Glaser and Strauss, 2006). The coding approach involves an initial coding as 'open coding' to produce concepts from the data sets (Glaser and Strauss, 2006, Saldaña, 2009, Strauss, 1987, Kitchin and Tate, 2000). The coding process starts when codes are assigned to data sets that also help in data retrieval (Miles and Huberman, 1994). According to Saldaña (2009:3), 'A code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of language-based or visual data'. Where Miles and Huberman (1994:56) argue that

Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes usually are attached to 'chunks' of varying size—words, phrases, sentences, or whole paragraphs, connected or unconnected to a specific setting. They can take the form of a straightforward category label or a more complex one (e.g., a metaphor).

In this research, I started identifying the initial codes that emerged from the data by highlighting the relevant text during and immediately after the transcription of the interviews and memos. It was done by cautious reading and re-reading the text along with listening to the audio tapes many times to ensure that no important part was missed out. In the initial stages of coding, I used single word descriptive codes that represented the primary topic of the quote. Sometimes a quote was represented by one word and sometimes quotes contained two or three ideas (Saldaña, 2009), so the quotes were coded according to the concepts it contained. Later on, some codes were taken directly from the participants' quotes to show participants' own words or terms and represented in quotation marks also known as 'In-Vivo codes' (Saldaña, 2009, Strauss, 1987). Here are some examples of initial codes from quotations on participants' perceptions, opinion, understanding of an empowered woman and the term 'women's empowerment'.



**Table 3.6 An Example of Initial Codes from Participants' Quotes**

Quotations from Participants	Initial Codes
<i>I think a woman's empowerment is her ability (1) to deal with difficulties.</i>	1. Capacities
<i>When a woman is capable (1) to take decisions (2) related to her life and others then she can be an empowered woman, and the important thing is that other people accept her decisions (3)</i>	1. Capability 2. Decision-making 3. Acceptance of decisions made
<i>An empowered woman doesn't step back (1) when she thinks of doing something whatever circumstances are she does that.</i>	1. "An empowered woman doesn't step back"
<i>Women cannot be fully empowered (1) in our society [Pakhtun society] even if they are very dominating and commanding.</i>	1. "Women cannot be fully empowered"

Source: Generated from field data 2011-2012

### 3.8.3. Step 3: Formation of Categories

During the initial coding of the data, I found that many codes and phrases were repetitively used in different participants' interviews and FGD data set. These repetitive words are known as 'repeating ideas', and explain the research concerns (Auerbach and Silverstein, 2003:37). In this second level of coding, I searched for recurring patterns and grouped the codes into broader categories on the basis of their commonalities, contradictions, frequencies, relationships, uniqueness, correspondence and causation (Saldaña, 2009, Hatch, 2002). The process of breaking down the data and putting them into similar categories or classes is also known as data classification (Kitchin and Tate, 2000, Dey, 1993). Unlike the initial emergent codes, these pattern codes or categories are more than identification of the data and carry a lot of meaningful information and explanation to what we actually want to examine (Miles and Huberman, 1994, Kitchin and Tate, 2000). In order to examine the data more closely, the categories were further divided into sub-categories. I categorised the data several times during the data analysis and also with the suggestions of my supervisors. I created and recreated categories and subcategories and found that some data bits belong to many categories, so the creation of categories was not in isolation but showed links with other categories and was related to the main elements of the research. Table 2 represents an example of categories formed from codes emerged from Hashima's interview transcripts (Peshawar-Non-disaster).

**Table 3.7 An Example of Sub-Categories and Categories Formation from Codes**

Codes from the Interview Transcript	Sub-Categories	Categories
Record Keeping skills-RKS Opportunity Seeking Skills-OSS Marketing Skills-MS Customers dealing Skills-CDS	1. Skills	Knowledge and Skills -KS
Learning from Experience-LE Learning from Meetings-LM Learning Literacy and Numeracy-LLN Learning about Processes-LP Awareness about Rights-AR Learning about Business-LB	2. Learning	
Parents and Brothers' Support-PBS Other Family Members' Support-OFS	1. Support from Extended Family	Family Support-FS
Children's Support-CS Husband Support-HS	2. Support from Own Family	

Source: Generated from field data 2011-2012

Once I completed development of categories and subcategories, I started assigning the pattern codes to the transcripts and sorting data into relevant categories. At this stage, my data lost its original context and shape (i.e. interview transcripts) and gained an organised form on the basis of subcategories, categories or patterns. It was the time when I looked for the relationships and association between different categories to examine how they fit together with each other and build a concrete structure. Table 3.8 represents the relationship between open codes for two different categories.

**Table 3.8 Relationship between Codes and Categories**

Open Codes	Open Codes	Categories on Respondents' understanding of women's empowerment
<b>Open Code 1 – Acceptance of women's decisions</b> Quote from the respondent: <i>'When a woman is capable of taking decisions related to her life and others then she can be an empowered woman, and an important thing is that other people accept her decisions'</i>	<b>Open Code 2 – Men's support</b> Quote from the respondent: <i>'I think women's empowerment is related to men's support. Without a man's support, a woman is a failure.'</i>	<b>Changes in Gender Relations</b>
<b>Open Code 1 – Meeting basic needs</b> Quote from the respondent: <i>'I don't know what women's empowerment is and what it is not. You (researcher as an outsider) come to our village wearing expensive shoes (Rs. 2500), you can talk about these things I don't have even one pair of sandals on my feet. How can I talk about empowerment? My main issue is to buy a pair of shoes.'</i>	<b>Open Code 2: Education for Children</b> Quote from the respondent: <i>'Empowerment means providing good education to children like the way rich and upper-class people provide education to their children.'</i>	<b>Fulfilment of Basic Needs</b>

### 3.8.4. Step 4: Identification and Development of Themes

The integrated patterns within and between categories further identify emergent themes (Hatch, 2002, Miles and Huberman, 1994). According to Auerbach and

Silverstein (2003:38), 'A theme is an implicit topic that organises a group of repeating ideas'. Braun and Clarke (2006: 82) argue that 'a theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set'. Rubin and Rubin (2005) argue that themes are developed when different codes are combined based on their similarity or differences and explain the meaning of something and tells why something happened. In this study, I gathered all the data bits of the same code to organise the information essential in answering the research questions. In order to assess the viewpoints of various respondents on the same code, all the passages under one code were sorted and then compared. During this sorting exercise, it was found that some codes overlapped, or were irrelevant or not workable, so further alterations were made in the categories. Reading and re-reading of the codes and categories along with the transcripts enabled me to develop themes that formed the headings of the analysis chapters. The research questions and concepts from interviews were used as the essential mechanism in developing themes for this study. Table 3.9 and table 3.10 depict the development of two themes related to research question 2.

Table 3.9 An example of Themes developed from Codes and Categories

Some examples of Initial Codes	Example of Categories	Emerging Themes	Research Question
Customs and Norms, Purda issues, mobility issues, Restrictions or support from family members, Opposition / Acceptance of community, Opposition from religious people, Religious Misinterpretation, women's inclusion /exclusion in decision-making processes	Socio-cultural Factors	1. Factors Hindering Women's Empowerment in KP  2. Factors Promoting Women's Empowerment in KP	What factors affect women's empowerment in KP?
Women's education and skills, women's interest, motivation and determination, women's confidence and participation, personal traits	Personal Factors		
Lack /availability of economic opportunity, Limited Interaction with Market, growth of business	Economic Factors		
Women participation/lack of participation in political processes, Influence of political persons on women's programmes	Political Factors		

**Source: Generated from field data 2011-2012**

Table 3.10 Development of Themes from Codes and Quotes of Women Clients

Research Question	Sources	Themes
<b>Research Question 2:</b> <b>What factors affect women's empowerment in KP?</b>	<b>Source 1: codes</b> <b>-Mobility Issues</b> <b>-Societal Norms</b> <b>-Women's exclusion from decision-making</b> All these codes indicate inhibiting factors to women's empowerment in KP. <b>Source 2: Quotes from Interviews and FGD</b> <b>Quote 1 related to mobility issue:</b> <i>I cannot go anywhere as I am not permitted by my family.</i> <b>Quote 2 related to decision-making:</b> <i>I cannot take decisions for my life especially for my marriage. Only elders in our family take major decisions and all women follow whether they like the decision or not.</i> <b>Quote 3 (FGD) related to mobility and access to market:</b> <i>Women here are not allowed to do business in the market. I cannot go to the market for promoting my business as people talk bad about those women who want to go to local market.</i>	<b>Factors Hindering Women's Empowerment in KP</b>

Source: Generated from field data 2011-2012

### 3.8.5. Step 5: Representation of Findings and Development of the Narrative

After this initial stage of analysis, the next step was the presentation of findings with an aim to provide the detail descriptions of the views and experiences of professionals and women clients from non-disaster and disaster affected areas. The special emphasis was given to the contextual features involved in these three perspectives. The findings were written down along with coding and categorising exercise. I developed a matrix for the respondents' responses according to the research questions, themes and concepts and linking respondents' experiences that shaped their views. The findings were then interpreted and integrated. The accuracy and integration findings were checked and rechecked and comparisons were made between different respondents of the same group and the three different groups. To provide sufficient evidence to support the appropriate interpretation, all the interpretations were double checked according to the supervisors' suggestions and comments. The finding of each analysis chapter was then compared with the existing literature presented in chapter 2.

### 3.8.6. Criteria for Including and Excluding Quotes

In qualitative research, including quotes or spoken words from the participants in the final report as primary data has become a standard practice (Corden and Sainsbury, 2006). In many qualitative studies, direct quotations serve as evidence and link between data and show meaning, emotions, viewpoints, terms and language people use to discuss a subject. Quotes further support a researcher's interpretation; arguments and conclusion derived, thus provide validity, credibility and reliability of the research (Corden and Sainsbury, 2006, Corden, 2007, Ritchie

et al., 2013). Despite the frequent use of quotes in qualitative research, Ritchie et al. (2013) also argue the limitation of quotes that it only provides partial testimony and evidence, and quotes should be used with interpretative commentary.

In this study, I also used quotes as primary data and evidence to my argument and these quotes helped in arriving to the conclusions, I made in the study. The important criterion was to give respondents a voice and thus enable them to speak for themselves and share their views about practices, factors and processes that affect them. Choices of quotes to be included were made based on the extracted data and the way it was displayed. I choose quotes that represented some central issue and contained some important and interesting information related to the topic under discussion. The long quotes were further broken down into small chunks to discuss under different related topics to keep the reader's focus. All quotes representing a category were sorted and displayed under their emergent theme. In this way, it was easy to select and access a quote. The grounded theory approach emphasises selecting clear and concise quotes instead of confused statements. Choosing between different quotes on the same topic in this study was made on the basis of clarity. I focused on those who expressed precisely and concisely with some additional information to add rather than focusing on jumbled and confused statements by the participants. I also presented quotations from different respondents on the same topic but having slightly different meanings. The aim of presenting quotes on similar views for different respondents in a series was to show a balanced representation of the majority and then after discussing those quotes, some contradictory quotes were also presented to show the opposition, minority or contrasting view on a topic. I also took an inclusive approach and tried to include almost every respondent's point of view but I also took care to avoid using quotations from one person who spoke on many topics and to be able to include viewpoints of others as well thus avoiding under and over-representation of the respondents.

### **3.9. Validity and Reliability of Data**

The most important aspect of a research is the way its quality is addressed through a thorough research process. Validity and reliability are the two important standards that determine the quality of the qualitative research. Reliability and validity are conceived as trustworthiness, rigour, and quality (Golafshani, 2003, Mason, 2002), objectivity and credibility (Peräkylä, 2011, Denzin and Lincoln, 2005, Dey, 1993) and believability of a piece of qualitative research. If a piece of research is valid, it clearly explains the world being described, while reliable research shows

reconcilable and consistent observations by two researchers working on the similar topic over time. This study has used validity and reliability to cover the quality issues.

### **3.9.1. Validity**

Validity ascertains whether a researcher has taken true measures to investigate the phenomenon in the research, collected right data from the right source and showed the truthfulness of the results (Golafshani, 2003). Validity refers to the objectivity of a research, concerning the interpretation of data and demands checking the authenticity of the conclusions that the researcher draws from the data (Creswell, 2009) or the 'justifiability of interpretations' in checking the subjectivity, interpretation, and context (Auerbach and Silverstein, 2003:78). This depends on the choice of sample recruited in the study, the data generation method applied and the researcher's own bias (Mason, 2002).

To ensure the validity of this study, the following steps were taken:

- a. The validity of the research is ensured through triangulation of data collection methods. Triangulation is a common techniques in qualitative research that provides a complete, coherent and rich picture of the phenomenon under investigation (Guba and Lincoln, 1981, Bloomberg and Volpe, 2008, Berg, 2001, Creswell, 2009) especially in constructivism where researcher are more concerned to obtain valid and reliable diverse realities (Golafshani, 2003).
- b. This study used multiple methods (interviews, focus groups and oral histories) and sound sampling strategy to show that the evidence is collected from different means and a wide range of sample on the same topic (Shenton, 2004).
- c. My prolonged stay in the field and interaction with the respondents provided an in-depth understanding of the phenomenon under discussion and details about the research site and participants. As I spent more time in the field, the respondents showed full confidence and trust in me and they shared their experience, feelings, and emotions freely (Morse et al., 2002, Guba, 1981, Creswell, 2009).
- d. To get the accuracy of the data, recording through a recorder and note taking after each method was done immediately (Shenton, 2004).

- e. During the data collection and analysis, I cross-checked information and interpretations from the respondents (women clients and key informants) on certain issues without showing my sources when further clarification was needed. In this way, the responses had either matched or contradicted with the information that allowed me further investigation. This was done through face to face interaction, telephonic communication and e-mails.
- f. My intention was to focus on both positive and negative aspects of women's empowerment through microfinance. These contradictions added to the credibility and validity of the data presenting the realistic picture (Creswell, 2009, Shenton, 2004, Guba, 1981, Guba and Lincoln, 1981).
- g. Once I completed the preliminary analysis of the data after the fieldwork, I provided feedback and themes arising from the research to the management of both the organisations. I also showed my preliminary findings arising from the interviews and FGDs in the general body meeting of the VB in Peshawar. At the end of data collection process, I organised a half-day workshop in Peshawar, where I shared the major categories arising from the data with the participants and shared my preliminary interpretations of the data collected. Women clients also commented on points where I needed further clarification. The workshop helped in the validation of the findings through member checking (Creswell, 2009, Guba, 1981, Shenton, 2004) and reduce researcher bias in presenting the conclusions. Some follow-up interviews with women were also conducted from disaster areas i.e. Mansehra and Peshawar during my second phase of data collection in order to share my findings with them.

### **3.9.2. Reliability**

Reliability determines the extent to which a researcher's approach is consistent and dependable on data, the way the researcher has tracked the processes and procedure used to arrive to the conclusions made and the extent to which the same study can be repeated by other researchers and confirming the same results over time (Bloomberg and Volpe, 2008, Mason, 2002, Creswell, 2009, Yin, 2003). However, Merriam (1995) argues that the notion of reliability in social sciences becomes problematic when a research is conducted on human behaviour which is not static over time but at the same time researcher can put effort so that another researcher can replicate the study in future (Shenton, 2004)

Several reliability strategies were employed in this study.

- a. The research approach is explained in detail that shows research design, the operational detail of data gathering and steps involved in data analysis (Shenton, 2004). Any independent researcher can follow the research path to achieve the same results
- b. For triangulation or the use of overlapping methods, multiple methods such as FGDs and Interviews were employed that could also lead to reliability, dependability and consistency (Guba, 1981, Merriam, 1995, Shenton, 2004).
- c. I checked transcripts to reassure that they reflect the same views expressed by the respondents and no obvious mistake was made (Creswell, 2009).
- d. Constant checking of the codes assigned was done to avoid any deviation in the process of coding. Memos were written about the codes generated and their definitions (Gibbs, 2007, Creswell, 2009).
- e. Quotes of the respondents were coded and the relevant quotes showed a link with respondents' viewpoints and voice reflecting their experiences, thus minimising the researcher's bias.

Through these steps, I have tried to ensure the validity and reliability of the study.

### **3.10. Concluding Remarks**

This chapter has discussed the research methodology and methodological decisions undertaken with the collection methods employed in this study. The ontological position of this study is constructivist in that the research intends on understanding the realities and experiences of women. Since this research is focused on female clients' viewpoints and perspectives, the research applies a qualitative method taking an interpretative standpoint to generate broad patterns and themes. When conducting fieldwork, this study reported the roles of gatekeepers to address the issues of access, entry and facilitation. The in-depth interviews, FGDs and oral histories are used to explore the effects of respondents' empowerment and changes in their lives and were only made possible through qualitative methods. This study also discusses the problems faced during fieldwork and the research ethics which were followed for in order to address the researcher's moral responsibilities towards the respondents. Data analysis consisted of five main steps that included components such as translation, transcription, open coding, categories formation, thematic analysis, representation of findings and selection of quotes. The chapter has explained various strategies



employed to ensure the validity and reliability of the study. The next three chapters: 4, 5 and 6 are analysis chapters of this study

## **4. Women's Empowerment through Microfinance in Khyber Pakhtunkhwa (KP): Professionals' Perspectives**

### **4.1. Introduction**

This chapter seeks the answer of two sub-questions of the study: 1) how do microfinance professionals view and understand the concept of women's empowerment through microfinance within the social context? and, 2) What factors promote and hinder women's empowerment in Khyber Pakhtunkhwa?.

This chapter explores the perspectives of key informants to gain a greater understanding of how the concept of women's empowerment through microfinance is understood and applied by this group in policies and practice, Five themes arise from this analysis and I show that there is no agreed upon definition of empowerment in the context of KP. This chapter analyses the factors that promote and hinder women's empowerment in KP and the challenges and opportunities the two selected microfinance programme face in the context of KP. Socio-cultural factors appear to contribute more to the women's disempowerment in KP. This is in line with the literature that shows how rural women in the KP face strict societal norms, male domination and gender inequalities that worsened with Talibanization and religious extremism (Alam, 2011, Shah and Baporikar, 2012, Naz et al., 2013, Fazal, 2015, Gul, 2009). This chapter builds on the claims of microfinance regarding women's vulnerability reduction (Hashemi et al., 1996, Montgomery et al., 1996, Sebstad and Cohen, 2000, Zaman, 1999), exploring this within the context of natural disaster in KP. The professionals I interviewed perceived that although microfinance can work effectively in stable conditions, but both the microfinance model and its borrowers adversely affected by natural hazards face repayment difficulties. I, therefore, argue that although there is some positive evidence about the empowering effects of women gaining access to microfinance but bringing women's empowerment through microfinance services is difficult in the socio-cultural context of KP.

### **4.2. A Brief Profile of the Professionals**

Before discussing the perspectives of professionals, it is essential to know who these professionals are in terms of their working areas and professional expertise, how their work is related to gender and microfinance, in which capacity they are in contact with rural people, especially women, and whether their interaction with the community is direct or indirect. This information helps in understanding

professionals' viewpoints and opinions according to their experience and expertise in exploring the link between microfinance and women's empowerment. The 'female clients' in this chapter are referring to microfinance clients of different microfinance organisations in Pakistan in general and clients of the selected MFPs of this study with whom some of these professionals have worked in some capacity. The professionals in this study shared their perspectives on the basis of their experience with women over several years.

This section gives a brief profile of the professionals who participated in this study. The professionals fall into four categories. Category 1 (MFP) comprises staff and management of the selected microfinance programmes who have also worked with the respondents of my study (Sungi and SRSP). Category 2 (MP) comprises microfinance professionals from other microfinance organisations in KP and other parts of Pakistan who have interacted with both male and female clients (not necessarily directly with my respondents but nonetheless these experts have a general overview). Category 3 (DP) groups professionals from the development sector who mainly work with gender and development perspectives and have an understanding of practices and policies towards women's empowerment. Category 4 (IDP) are the international development professionals who design poverty reduction and gender policies and programmes and implement those programmes either directly or through other organisations in developing countries. Some of the international professionals have worked in Pakistan while some have experience working in other developing countries specifically in gender and microfinance areas. These categories enable us to build a more complete and sophisticated understanding of the diverse views of microfinance, and gender and development professionals, and also where their opinions converge and diverge. Table 4.1 shows brief profiles of these professionals.

**Table 4.1 Profile of Professionals in the Study**

S#	Name & Code	Gender	Working Experience and Expertise	Current Organization	Qualitative Method Used
Category 1: Staff and Management of Sungi and SRSP (MFP)					
1	Mr W (MFP1)	Male	More than 16 years of experience in overall management of microfinance component of SRSP	Sarhad Rural Support Programme (SRSP)	Interview
2	Mrs N (MFP2)	Female		SRSP	Interview
3	Mrs M (MFP3)	Female	Worked for Women's welfare and development	SRSP	Questionnaire
4	Mr A (MFP4)	Male	Two years in Microfinance activities	Sungi	Interview
5	Mr O (MFP5)	Male		Sungi	Interview
6	Mrs S (MFP6)	Female		Sungi	Interview

Category 2: Other Microfinance Professionals (MP)					
7	Ms A (MP1)	Female	More than 18 years in microfinance, microenterprise and national and international projects/consultancies on gender and development	Freelance Consultant	Questionnaire/ telephonic Interview
8	Mr J (MP2)	Male			Questionnaire
9	Mr T (MP3)	Male	More than 25 years of 'hands on' and consulting/training experience in microfinance, microenterprise, rural development and gender	ADB/ Government of Pakistan supported Poverty Alleviation Project FARZ	Interview
10	Mr Shah (MP4)	Male			Questionnaire/ telephonic Interview
Category 3: Development Professionals (DP)					
11	Mrs S (DP1)	Female	13 years in gender-related projects	ILO	Questionnaire
12	Ms H (DP2)	Female		Agha Khan Foundation (AKF)	Questionnaire
13	Mrs T (DP3)	Female	More than 20 years of experience in training, research, programme designing and implementation in different areas related to development.		Interview
14	Mr H (DP4)	Male	More than 35 years of experience in development programmes in Pakistan and Afghanistan. Areas of expertise: project management, financial management, Institutional development		Questionnaire
15	Mr K (DP5)	Male		UNDP	Questionnaire
16	Ms S (DP6)	Female	Work experience in Sustainable Livelihood Development Programme	KK	Interview
17	Mrs B (DP7)	Female	More than seven years of experience in Women's Enterprise development, disaster, research in development		Interview
Category 4: International Development Professionals (IDP)					
18	Ms A (IDP1)	Female	More than 25 years of experience in finance and microfinance-related areas		Questionnaire
19	Mr W (IDP2)	Male	More than 16 years of experience in finance related areas		Questionnaire
20	Mr H (IDP3)	Male			Questionnaire
21	Mr S (IDP4)	Male	12 years of experience with women related issues and microfinance		Questionnaire

Table 4.1 reveals that the majority of the professionals in this study have worked in gender and development, and microfinance-related projects at either local, national and international levels and in some cases a mixture of all three. The study ensures confidentiality and anonymity by using only the first letter of professional's name and have disclosed full names of those respondents who agreed to show their identities. Regarding their gender, eleven out of twenty-one (52%) professionals were male, and ten out of twenty-one (48%) were female.

### 4.3. Professionals' Views on 'Women's Empowerment through Microfinance' in KP, Pakistan

This section discusses the key findings of the experts on the concept of women's empowerment through microfinance. The responses on women's empowerment from professionals' were coded and grouped into categories, and five themes emerged from qualitative data analysis as revealed in Figure 4.1

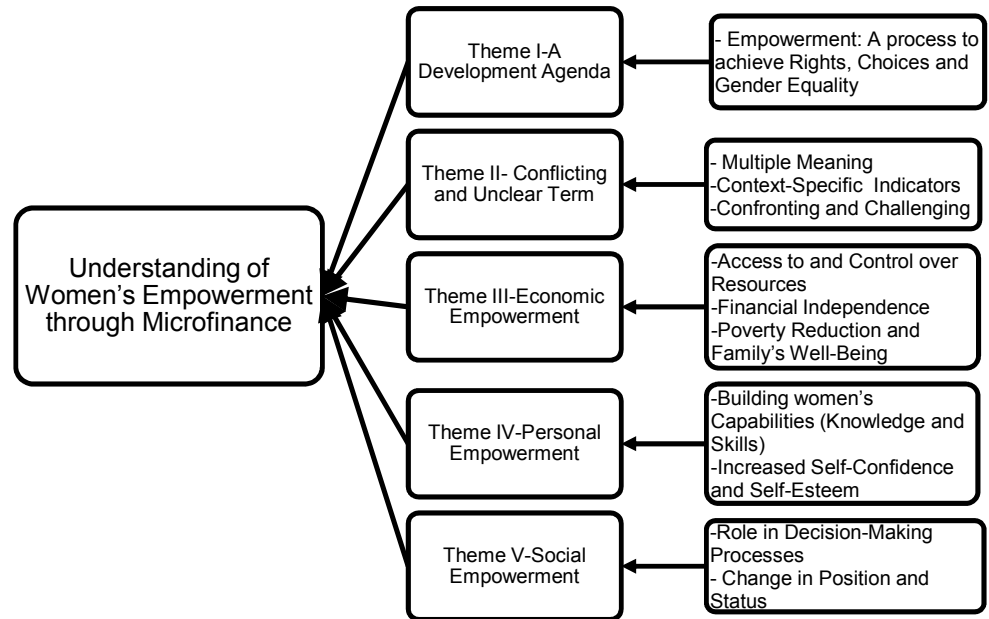


Figure 4.1: Themes on Women's Empowerment through Microfinance from the Data Analysis

#### 4.3.1. Theme I — Empowerment as Development Agenda

A few professionals viewed empowerment as part of the broader development agenda in relation to women's rights, choice and gender equality.

Ms A (MP, KP) noted:

In my opinion, the term empowerment is both a process and a result in which people can make informed life's choices [...] enabling women through various development strategies or approaches and through the creation of a conducive external environment whereby they can choose how they wish to live their lives.

In other words, development agencies as outsiders play a major role in creating an environment that enables women to make choices for their lives.

In addition to gender inequality, Ms H (DP, AFK) perceived women's empowerment to connect to poverty reduction and human rights agenda, 'A participatory process to achieve gender equality and equity. In broader perspectives, the empowerment of women is an essential prerequisite to combat the world's poverty and to uphold

human rights'. Mr S (IDP) sees the strength in the term lying in its flexibility, 'I like the generality of the term, and it's potential to have people think through multiple strategies to engage women in a more profound way – as individuals, in the family, in the community and society in general'.

Mr K (DP, UNDP) linked women's empowerment with the existing gender inequalities; accordingly, empowerment becomes evident when women try to deal with their gender differences. He stated, 'women's empowerment is the process by which women are given their due share (due religiously, culturally and morally) hitherto fore denied by wrong cultural, religious and social practices'.

Kabeer (1999) argues that women are empowered when they exercise those choices and options to achieve their desirable goals that were denied to them before. These quotes demonstrate that these professionals see empowerment in the context of KP are linked with the gain of women's human rights and shares that were previously not given to them and becomes evident when women try to deal with their gender inequalities. Despite women having rights given by Islam and constitution, the strong cultural, and social practices and the way people understand religious rules, norms and practices do not allow women to exercise their rights and choices. Women's empowerment is often constrained by men's resistance to such empowerment especially in KP context.

#### **4.3.2. Theme II —Empowerment as an Unclear and Conflicting Term**

Empowerment appeared as an unclear concept that has many context-specific meanings. This theme comprises of three categories in which the professionals viewed empowerment as a contested concept: 1) multiple meanings, 2) confronting and challenging men and 3) need for context-specific indicators.

##### **4.3.2.1. Multiple Meanings**

Some of the professionals (5 of 21) indicated the complexity and lack of clarity of the term empowerment in many languages that makes it difficult to understand and implement at the grassroots level. Mr W (MFP-O, SRSP) stated, 'Empowerment is hard to define. The word empowerment has no meaning in many languages, and people are unable to translate. We also faced difficulty when we were defining the term empowerment for our organisation and for the communities.

Ms S and Mr U<sup>4</sup> (KK's team) reported a confusion between various meanings of empowerment:

In our organisation, we worked a lot to explore the sense of empowerment, but it is as complex as the term development, which also has many meanings. If we unpack the term empowerment, there may be many explanations, and all understandings may be correct so we can't say which one is empowerment and which one is not, and which one is more empowering and which one is not.

These professionals highlighted that since the terminology of empowerment was difficult for them to understand, it was harder to explain it to the community especially when there was no exact translation and terminology existed in the local languages Pashto and Hindko.

Furthermore, Measurement and evaluations of women's empowerment are highly debatable because of the different indicators and variables used to assess the term (Malhotra et al., 2002). Mr Shah (CEO, Farz) emphasised that indicators should be context-specific and widely accepted by the society:

I would suggest the term "women's esteem" instead of using empowerment because the term empowerment has lost its seriousness because of the selection of weak, un-customized tools and incapable initiators. Empowerment is a powerful tool but it is negatively used in Pakistan because it creates a direct and announced conflict with men and challenges their empowerment, which makes the influence difficult as a result. While in Pakistan people can understand the value of women esteem as a mother, sister, daughter and a respected wife.

It suggests that if MFPs have to work on women's empowerment they have to develop context-specific indicator so that men accept it and do not feel confronted.

In a similar vein, Mrs B (DP) pointed out the unclear and challenging nature of the term women's empowerment promoted by development organisations:

I believe that empowerment, in an ideal situation, is related to women's control over their lives, which in reality, I do not see anywhere and no one clearly understands what it is all about. Men have control over women's lives and, if they want, they allow some freedom to women. Our men do not treat women as a human being then how can we even think of empowerment which is a controversial term that challenges men's supremacy and the status quo. [...] Community people consider the term empowerment ignores the realities as it is planned over the table. It is NGOs who misguide women through awareness regarding their empowerment and rights against the existing societal norms.

It shows that in the Pakistani society, male members may suppress women to challenge men's power from a parallel position. The term 'self-esteem' seems to be more acceptable in Pakistani society and may give a greater empowering result. The community and society feel threatens if organisations create

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<sup>4</sup> Mr U works for an NGO, Khwendo Kor (KK), he joined the discussion and shared their NGO's experience about discovering the meaning of empowerment ( June, 2011)

awareness about women's rights that may directly challenge men's autonomy and power over women. Despite this, the term empowerment may often implement in narrow ways as explained in the next section.

### **4.3.3. Theme III— Empowerment as Women's Economic Empowerment**

In this theme, I highlight the ways in which the key informants framed empowerment in terms of women's increasing economic participation. Three categories were found under this theme: 1) Access to and control over Financial Resources, 2) Financial Independence and 3) Poverty Reduction and Family Well-Being.

#### **4.3.3.1. Access to and control over financial resources**

Women's access to financial resources can be considered as women's empowerment. In this study, several professionals argued that microfinance provides women with access to financial services that is a necessary and effective strategy towards improving women's economic position and where a lack of access is considered as women's disempowerment. Mr A (MFP-O, Sungi) stated, 'Sungi empowers women through increased access to financial services'. Ms A (MP, KP) also suggested that women's access to financial services can bring about changes in women's lives, 'different microfinance programmes have made a difference to the lives of selected groups of women by providing women with access to their financial services'. Mr W (IDP) argued that 'by allowing women access to economic opportunities invariably helps to shift power in a household - from seeing themselves as dependents to financial contributors to the household'.

In the context of Pakistan and especially in KP, the majority of rural women do not have access to formal financial services and household financial resources. They mainly depend on male members for financial support. In the case of poverty, men are also not able to support women. In this situation, microfinance programmes facilitate women's access to microcredit and assume that women's earnings and economic contribution may enable them to reduce their dependency on men.

As discussed in Chapter 2, to ensure easy access, microfinance programmes provide collateral free loans to women who lack ownership of material assets. Ms H (DP) noted;

In providing financial facilities to the poor women who face problems in obtaining credit from a formal bank, microfinance programmes provide access to financial services for the poor women and men who do not have



assets to use as collateral which is a compulsory requirement by formal banks.

It means that microfinance programmes make financial services easily accessible to poor people, especially women.

Criticizing the 'targeting women only criteria' of some of the microfinance programmes, Mr A (DP) argues that microfinance programmes should carefully operate in a culturally sensitive area like KP, 'changes in their [women's] lives need more than just giving them access to money - the household, neighbourhood needs to be on board before women are given credit'. Contextually women do not live in a vacuum and their actions affect their surroundings. If MFPs work with women and provide them with access to the financial services, but ignore other stakeholders and community members, then there will be opposition to women's work and therefore, MFP intervention by male members in that area. Mr A, therefore, argues that Microfinance programmes need to be aware of their approaches towards women's participation in their programmes.

At the same time, some respondents reject the idea that greater access to resources can be translated into women's empowerment; for them, it depends on women's abilities to use and control the resources in their interest. Ms N (MFP-O, SRSP) explained this as:

Though providing access is an important indicator of women's empowerment by different organisations in KP but what happens if women have no permission to use these resources the way they want to? I have seen many women's husbands or fathers take their loan and income and women cannot do anything. In fact, it mainly depends on who has the control over resources.

Access to resources does not always guarantee women's increased control over the household and their resources. However, these views support the literature that claims that it is women's control over loan and spending that is decisive in increasing economic empowerment within the household, not the loan per se (Vaessen et al., 2014).

Mr W (MFP-O, SRSP) argued that control over resources can bring improvement in their income and businesses:

Those women, who have control over their loan and invest the loan in their enterprise, generate income that women use for their family's well-being and expansion of their enterprises.

The above situations may become possible when women have full or partial control over their money. In assessing these views a question arises as to what

happens in situations where women have limited or no control over their loan and income amounts?

Ms A (MP, KP) showed concern over this idea of 'control'

Microfinance does help women clients but there are certain caveats. Control and ownership of resources are not within the purview of microfinance. A man, even if very supportive, may have full control over his wife's money whether in the form of the loan amount or income considering it to be the family's income and spending it on the family's welfare. To enhance women's control over their financial resources there is a need to apply different approaches and strategies enabling women to take partial or full control over their income.

It shows certain limitations of microfinance when it comes to the prevailing patriarchal norms that restrict women's control and ownership of tangible resources in KP. Microfinance can provide financial and non-financial services but it cannot ensure women's control over loans and income in an area where control lies with men. It is often men who are the head of the household and have financial responsibilities, therefore; men may control all the income of the household even from different sources and from different members of the family.

#### **4.3.3.2. Financial Independence and Contribution**

Many researchers argue that women's control over loan and income increases their economic contribution, making them self-reliant and reducing dependency on men and thus enhancing women's empowerment (Hashemi et al., 1996, Kabeer, 1998, Newaz, 2007, Kabeer, 2005). The key informants also discussed the importance of financial independence and linked it with women's empowerment. Mrs M (MFP-O, SRSP) observed that 'financial independence empowers women most efficiently and immediately'. Similarly, Ms S (DP, KP) perceives, 'women's increased participation and involvement in economic activities give women the insight and strength to manage their own income, sometimes with the support of men and sometimes on their own'. It is assumed that microfinance enables women to share the financial responsibilities of men in the family, in this way, the situation would become comfortable for the family as men would be relieved to some extent from engaging more in income earning and women's earning would provide them with a relief. Mr W (IDP) noted, microfinance has the ability [...] to shift the economic burden from what is often the husband but also helping enhance the opportunities available to her. Mrs T (DP) linked women's financial independence with wider social empowerment:

It is a common thing that when a woman is economically independent and can financially contribute, then she becomes empowered automatically. It is very rare that an economically? an empowered woman is socially

disempowered. Though it takes time, eventually a financially independent woman become socially empowered even in KP. The social security of women is also increased due to their decreased dependence on men.

This quote shows that although women can also take the initiative to lift their families out of poverty and in many poor households men do not discourage women from work, Mrs T claimed that in the context of KP this statement could be true only for women who have been actively involved in their income generating activities, not for all women in the area.

Making women economically strong and fostering a sense of contribution to the family's income or share in spending may increase women's economic empowerment as described by Mr A (MFP-O, Sungi),

Economic empowerment is fundamental to women's overall empowerment and I have found that our microfinance programme has enabled women to supplement household income and contribute to supporting their male counterparts. Women's economic contribution to the family income is seen as an empowering outcome.

Women's empowerment can be achieved through an increase in women's income and their economic contribution. The next section further discusses this argument.

#### **4.3.3.3. Poverty Reduction and Family's Well-Being**

Many Professionals argued that microfinance programmes focus on the broader objective of poverty alleviation which is achieved by increasing household's income through women's involvement in the income generation process and through the family's welfare. According to Mr W (MFP-O, SRSP), 'when loans are given to women and are invested in businesses that generate income, it brings benefits to all the household members through women's additional spending on her family's welfare'. This view is in line with the assumption of microfinance programmes that an increase in income through microfinance leads to improved well-being. If women invest their loan in the businesses of their family members or the income earned is quite low, then women are still the main actors in the whole process and women's realisation that they are worth something for the family and family's appreciation for their minor or major input certainly count. Mr W discussed his organisation's approach towards women's empowerment suggesting that:

Even if women take money for some other family member, then the sense of pride and sense of achievement that they are the source of bringing money home, matters. In this way, women's sense of self-worth increases and their families also recognise their economic worth.

When women bring money home, he argues, there is some value attached to it. Kabeer (2001) argues that even if women take loans for their household members,

their sense of worth increases as they now see themselves as socially recognised in comparison to men.

The professionals reproduced the perception that women's main domain is the household and women show more concern towards the family's welfare. Microfinance may empower women when they spend more money on improving the living standard of their family with the additional income or savings as observed by Ms A (MP, KP), 'money in a woman's hand means improved quality of life for the family because as compared to men, women spend on children and even support the spouse and the elderly, whereas men largely spend on themselves and their pleasure. The professionals believed that women's additional incomes from their loan funded enterprises benefit the whole household, especially children. The professionals observed that women spend more of their personal income on their children's education without any distinction between girl and boys. Mr J (MP, KP) explained, 'in KP, female clients are now able to afford their children's educational expenses on their own and even send their children to private schools. Women are also accessing medical treatment for themselves and other family members'. It shows that the overall well-being of the household is the woman's central priority.

#### **4.3.4. Theme IV — Empowerment as Women's Personal Empowerment**

One view common among all professionals was that women's empowerment as women's personal empowerment. The next sections unpack this view, however, to uncover the underlying/differing Two categories were found under this theme: Building women's capabilities (knowledge and skills) and increased self-confidence and self-esteem.

##### **4.3.4.1. Building Women's Capabilities (Knowledge and Skills)**

Echoing the literature that stresses the importance of skills and knowledge (Kato and Kratzer, 2013, Kabeer, 1998, Kabeer, 2001, Schuler et al., 1997, Osmani, 2007, Cons and Paprocki, 2010), the professionals I interviewed stressed the importance of developing women's capacities to manage their enterprises in KP. As Ms A (MP, KP) articulated:

In my experience two things are genuinely empowering, 1) knowledge and 2) being able to earn, i.e., having an income and being able to create wealth. When rural women are provided additional support such as skill enhancement training, marketing and networking support and enterprise management training then microfinance services can contribute towards the economic, and to some degree social, empowerment of women.

Mr S (IDP) suggested that in addition to building clients' entrepreneurial capabilities, it is important to 'facilitate women's access to the market, and help in value addition to operating their enterprises in a profitable way. Microfinance provides financial and non-financial support to rural women in KP. Women's acquired knowledge and skills help women not only to find different ways to increase their income but also to use their new life enhancing and entrepreneurial skills and knowledge. In this way, women can transform their traditional roles into more productive ones'.

Mr T (MP, KP) argued that the disempowerment of women in KP is not only linked to limited access, but also to the women's low human capabilities:

Microfinance cannot achieve its poverty reduction and empowerment goal by just providing women's access to financial services without building their [women's] entrepreneurial capacities. If women have access to credit and have no ability to use the loan properly, it does not serve the purpose...money is the last element to come into play. First, you have to make them capable of earning and spending. If they can't, then money can't change anything.

This view signifies that access and ownership of resources may have its importance, but it may not necessarily translate into women's empowerment until women are able to control and use resources for their desired goals, and men's control over women's resources may further reinforce women's subordinated positions if they own a resource but lack control over it.

Empowerment is also linked with access to information that is a basis to make decisions. Ms A (IDP) stated that 'women are empowered when they have access to resources and information that allow them to make decisions and changes to their lives in a way that they feel is beneficial to them'. In general, a vast majority of women do not have access to information and this is one of the reasons that they are unable to actively participate in decision-making in KP.

Gaining financial knowledge and awareness is an important aspect of attaining empowerment. Mr S (IDP) argued that it is "increased income and confidence of female clients - that lead to an increase in women's individual and household assets base'. Other professionals observed that microfinance programmes in Pakistan and especially in KP should focus on two important aspects; 1) women's financial literacy and 2) knowledge of money management. According to Mr T (MP, KP),

Financial literacy is one of the major elements to women's socio-economic empowerment. Women should be aware of what they have taken and what they are giving back. Financial literacy is very rare in rural women in KP. Through their capacity building components, microfinance programmes build rural women's knowledge of money management as related to their enterprises.

Since the majority of rural women in KP are illiterate and have no formal schooling, so microfinance programmes attempt to support and facilitate women in financial management through business and marketing training to build women's capacities in business related matters so that women can increase their income.

For some professionals, microfinance services may have a wider social impact as a result of women's economic gains, as noted by Mr W (IDP):

I think empowerment, like change, must come from inside. Microfinance can be a tool for transformation, it starts from within and individually - but once a transformation occurs, there is the recognition for many women that can't be taken away again - that they find that they have the ability to do things they didn't previously realise like provide for themselves and their families.

The literature also agrees that transformation process takes place from 'within' when start realising their marginal status (Rowlands, 1997, Hur, 2006, Mosedale, 2005). Through training and awareness sessions on rights, women may learn new things, explore and realise their inner strengths and hence able to become economically active.

#### **4.3.4.2. Increased Self-Confidence and Self-Esteem**

The professionals observed a change in women's self-confidence and self-esteem as important indicators in achieving women's empowerment in KP. According to Ms S (DP, KK), 'women attend regular meetings, they learn about different topics, they express their opinions and find courage through talking to other women'. In the same vein, Mr S (IDP) asserted that 'women can acquire increased capabilities which allow them to confidently resolve their own problems'. This shows that microfinance through the development of non-financial skills supports women's confidence building and enable them to interact with other women outside the family.

Women's self-confidence also increases when their male counterparts appreciate and recognise their economic efforts and financial contribution to the family's welfare. Ms S (DP, ILO) noted, 'microfinance may, in fact, help women to gain respect and to achieve more in their socially defined roles, which in turn may lead to increased self-esteem and self-confidence'.

Mrs M (MFP-O, SRSP) also supports this statement and explains:

The combination of financial and non-financial services can bring a remarkable change in a female borrower's life. Her opinions in family matters are sought, hence increasing her respect and the financial condition of the family, particularly in relation to children, improves. Her contact with the outside world increases which gives her more confidence and increased self-esteem.

From these quotes, it is evident that the key informants perceived a positive relationship between microfinance and women's self-confidence and self-esteem in the context of KP. Many pro-microfinance researchers argue that women's participation in the microfinance programme, learning in the group, interacting with the group and outsiders, economic contribution, and increased knowledge and skills altogether support women's confidence building and their financial independence make them self-reliant and increase their self-esteem (Cheston and Kuhn, 2002). The professionals discuss the idea that once these capabilities and skills are built, then women are able to apply them to any circumstances and cannot be taken away easily.

#### **4.3.5. Theme V-Empowerment as Social Empowerment**

Despite the primary focus on the individual, these key informants also viewed women's empowerment as broader social empowerment within the household and the society. Two categories contribute to this theme: 1) Participation in decision-making and 2) change in gender relations.

##### **4.3.5.1. Participation in Decision-Making**

The majority of the professionals in this study, regardless of their gender, envision women's empowerment as only being achieved if women play a significant role in the household decision-making processes. The professionals believed that if women have the ability to influence family's decisions or to take their decisions by themselves, then their status within society can be improved.

Some key informants linked decision-making to women's strong financial position within the family and decisions related to the well-being of the family. According to Mr H (DP), 'women's empowerment means that women can take and implement their decisions about their own financial and social well-being'. Mr J (MP, KP) further explained that 'it's the ability to take or contribute to the decisions relating to children and in family affairs'. Ms A (MP, KP) shared her experience, 'I have also seen that women who contribute to the household income do have more influence in household decisions and with time in the community as well'. According to Mr W (MFP-O, SRSP), in SRSP, empowerment means women's decision-making, 'to us, empowerment is what we see, and we want to see whether a woman can decide for herself, so empowerment is giving decision powers to women'. While Mrs N (Field Staff, SRSP) from the same organisation asserted on the importance of women's say in the important matter, 'by my personal experience, I must say that women's empowerment is related to women's voice, their say and expressing their concerns for the matters affecting their lives'. It shows that besides women's decision-making

for her family, microfinance experts link women's empowerment with strategic decision-making that could affect women's lives.

Women may have limited decision-making powers as compared to men and they may be able to make some decisions not all. Mrs T (DP) explains this argument as:

A woman who is financially independent has social standing and may be involved in family's decisions to some extent, e.g. she may not be able to select a course for her daughter's education, but she may get involved in a major decision whether to send her daughter to school or not.

In KP decision-making is a male dominant area, where women have some liberty to take household decisions and they may have to negotiate to be involved in strategic decision-making processes for themselves and their families. Some professionals considered women's participation in the decision-making processes to be important regardless of their economic participation. According to Ms S (DP, KK), 'a woman's involvement in the decision-making is considered as her empowerment whether she contributes economically or not'. However, this view of women's empowerment restricts to the household decision-making only.

Women's empowerment is also related to their collective decision-making. Mr W (MFP-O, SRSP) viewed women's empowerment beyond the household level, where women have decision-making powers at the community level:

The broader view of empowerment is seen where women are involved in collective decision-making processes in which they identify their needs, raise their voices and take mutual decisions to address those needs [...] In our village banks, women have freedom to select and elect members and committees, nominate members for different programmes, take decisions for other... this is the empowerment we wanted to see... local women managing their own institutions'

Another viewpoint was related to women's decision-making in the credit group. Mrs S (MFP-O, Sungi) noted that 'women take mutual decisions within the group related to microfinance matters, in this way their decision-making increases'. It means that women's decision-making power is a critical dimension and outcome of women's empowerment in KP where women not only decide for themselves but also for the welfare of their family both in economic and social terms.

#### **4.3.5.2. Change in Gender Relations**

A recurrent theme in the narratives of the professionals was the extent to which women can play a role as an agent of change to bring desirable changes to in their lives and the lives of their family members. The professionals also viewed empowerment to be rooted in the change in the gender relations more specifically women's enhanced position and status.



Microfinance may improve the position and status of women within the family and community. Ms S (DP, KK) noted, 'In the poor economic situation of our country, if a woman gets economically strong and contributes to family's income and if her work is recognised then her status within the family improves'. In a similar vein, Mr W (MFP-O, SRSP) reported, 'Women's economic contribution and financial support within the family give them a better position which was not considered before their economic contribution. While according to Mrs S (DP, ILO), empowerment is visible when women have control over their lives:

Women's empowerment ... is the right to have the power to control their lives, both within and outside their houses, and their ability to influence the direction of social change [...] women raise their status in household's economic activities through their visible capital contribution and as a result bargaining power within the household increases and this indirectly leads to their empowerment

This view echoes Sen (ref) by linking women's bargaining powers and fallback position with their economic contribution. Ms A (MP, KP) also supports the above argument in the context of KP:

Money or the ability to purchase (clothes, food, medicines, school books) makes a tremendous difference, and how other family members view her within the rural household. This I have seen personally even when it adds to her household work burden. Earning and contributing to purchasing assets and improving the family's living standards does raise the women's status not just in the family but within the rural society. In fact, largely due to the MF interventions, women's roles in being able to earn a better income in a culturally acceptable way have changed the attitude of the men folk in the communities towards women's microfinance programmes in KP.

This view suggests that women's work for the betterment of their family increases their self-esteem and, therefore, women are less concerned with the increased work burden when it comes to the matter of money and value. There may be a tradeoff between improved life and enhanced responsibilities. It also suggests that when microfinance works to improve women's lives in a way that it does not challenge the patriarchal norms, then men are more ready to accept this change and allow women to work and do not consider women's participation to have any detrimental effects on them.

Comparing the changes in the gender relations of women clients to non-clients of different organisations in KP, Mr J. (MP, KP) shares his experience of working in many communities, 'Female clients with earning capacities are in a better position than non-earning members of the household even within the same community. Compared to non-clients, microfinance clients seem more confident and aware of their needs and opportunities around them.'

In the context of KP where women are not considered major decision-makers and microfinance programmes have a limited outreach to women, professionals' perceived that female clients' earning capacity and confidence may provide them with an opportunity to influence decision-making processes at the household level and with the passage of time at the wider community level. However, this raises questions regarding the extent to which microfinance enables women to influence decision-making processes at both the household and community level in KP during the participation process. This is explored in chapter five.

However, changing gender relations is a difficult and complex task and requires a long-term approach. It is also possible that due to participation in microfinance services, women's existing situation deteriorates when the desirable and expected outcomes are not obtained and women become trapped into financial debt. The professionals argued that in a situation where a woman is incapable of running a profitable business and her income earned is low or negligible, then her situation may worsen and create more miseries and tensions in the household. Mr T (MP, KP) relates women's non-payment capacity and response of microfinance organisations to the worsened condition of women, stating:

Consider, if a woman has taken money for her husband's consumption purposes, how will she be actively involved in running an enterprise? In case her husband is unable to repay the loan, what will she do? She will either utilise her savings or sell her jewellery or take loan again to repay and in the absence of these things she will bear the pressure from other members which is considered a very bad thing in rural societies of KP. Microfinance organisations either target productive women or the ones who have the capacity to repay, their main purpose is to meet their financial targets, their concerns to what happens to a woman and her family are minimal.

This is an important aspect that sometimes microfinance increases tensions in the female client's life. If men use women's loan and do not repay the loan, then the internal and external pressures are faced by the women. In such cases, women use either their existing savings or repay the loan by selling their assets and also face the harsh behaviour of group members and staff of the village banks who ensure timely repayments of the loan as reported by many researchers (Karim, 2011, Hulme and Maitrot, 2014, Uddin, 2015). Microfinance programmes target women who are able to repay the loan on time either from other sources of income or from their own income derived from the enterprise.

Mr Shah (CEO, Farz,) further adds to the above-discussed point and poses a question regarding the microfinance programmes' objectives of 'women's empowerment through microfinance' in that:

[I]f this claim of women's empowerment is true and the impact of microfinance on gender relations are so obvious and positive, then why have the female clients of some microfinance organisations protested against them in Pakistan? Is this the empowerment that MFIs talk about and claim for?

In this quote, Mr Shah raises an important question regarding microfinance programmes' claims of women's empowerment. He points towards an incident where the female clients of two different microfinance programmes protested against the policies and exploitation of MFIs in the Punjab province of Pakistan. By referring to the protests he is questioning the vitality of the claims made by microfinance programmes.

Mr Shah also provides possible justification for the posed question:

The reason for these protests could be that microfinance organisation's main focus is to achieve financial sustainability. Microfinance organisations are at least concerned with poverty alleviation and changing the gender relations of their clients. The pressure of timely repayment collection also brings tension to the MFI's staff and female clients.

The priority of microfinance organisations is to achieve financial sustainability through timely loan repayments as such, a change in gender relations of the family and overall household's well-being may be less of a priority. In this way, microfinance services can also affect gender relations at the household and community level in a negative manner. Research Studies argue that when female clients and their family members utilise loan amounts for other purposes or the income earned is not sufficient or the client is unable to repay on time, then group members exert pressure on women clients for repayment and if the repayment is delayed, then this tension spread among all the family members (Uddin, 2015, Maitrot, 2014).

This section illustrates the mixed views of the microfinance and development professionals on the effects of microfinance on gender relations in the household and the wider community. Some of the views are positive and find a change in the existing gender relations where female clients participate in decision-making processes and the attitudes and behaviour of male members are changing because of women's earning capacity and economic contribution. However, some professionals take a critical perspective on the extent to which microfinance may affect a household's gender relations. They argue that in cases where timely repayment becomes a problem, microfinance organisations pursue their agenda of financial sustainability and ignore their so-called agenda of poverty alleviation and women's empowerment by exerting pressures on female clients and their families.

At the same time, the majority of the professionals unanimously agree that microfinance attempts to address gender issues at the community level through its services in such a way that the benefits of microfinance services reach all members of the family through the women.

Different professionals view women's empowerment differently, from challenging their subordination to taking control over their lives, through making life choices and decisions, and bringing economic stability, the way they feel to be beneficial for themselves. At the same time, some of the professionals considered that women gain more power with greater access to and control over resources. Contradictory views critically challenge favourable verdicts by highlighting the other neglected areas and consequences women face when they gain more access and control. Besides the individual or personal agency aspects of empowerment, institutional mechanisms and approaches help in achieving women's empowerment. Having shown the variation in understandings of empowerment and how it might be encouraged, the next section moves on to the findings on the perception of the professionals on the factors that affect women's empowerment in KP, Pakistan.

#### **4.4. Factors Affecting Women's Empowerment in Khyber Pakhtunkhwa**

This section discusses the responses of the professionals on factors influencing women's empowerment and identifies factors that could support or hinder women's empowerment in the context of Pakistan in general and KP in specific.

My research uncovered both promoting factors and hindering factors, which can be divided into four main categories: 1) socio-cultural factors, 2) personal factors, 3) economic factors and 4) political factors.

##### **4.4.1. Promoting Factors**

Promoting factors facilitate women's empowerment. Figure 4.2 shows a map of the analysis of influencing factors on women's empowerment in KP.

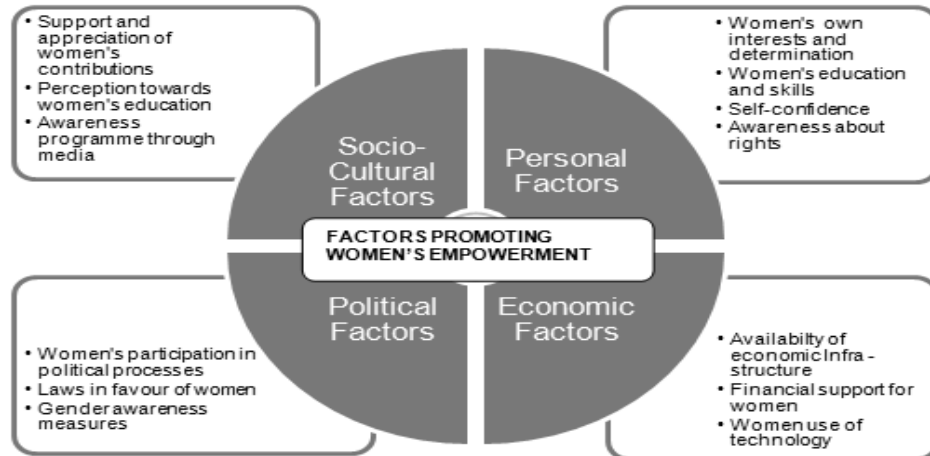


Figure 4.2: Promoting Factors to Women's Empowerment

### **Socio-Cultural Factors**

The professionals considered men's cooperation and support as the strongest factor facilitating empowerment in the context of KP where women face many restrictions and discrimination because of men's domination (chapter 3). Mrs T (DP) stated, 'men's support and recognition of women's contributions are factors that enhance empowerment'. Supporting women's education and creating awareness about their rights appear as another influencing factor since, in KP, women have low literacy rates. Mr J (MP, KP) stated, 'few factors that create an environment for the empowerment of women are education and awareness'. Also, Mr H (DP) pointed out different approaches that could be promoters: 'traditionally, women's empowerment in Pakistan is achieved through general awareness, skills development and financial support'. In the same vein, Ms N (MFP-O, SRSP) emphasised knowledge through different ways such as:

The most promising factors are women's awareness about their legal rights whether through media or different training sessions, through representation in political processes and their active participation and voice in making laws related to women's issues. Media, in the form of TV or radio, present programmes on women's issues, which is accessible to even rural women in remote areas.

Ms A (MP, KP) asserted some other factors such as:

For social empowerment, other factors such as education, health, sanitation, physical infrastructure, political voice and implementation of *sharia* laws (which allow them the right to own property) are required to make a real difference in women's lives

The professionals discussed the role of development organisation as a factor that promotes women's empowerment. They believed that NGOs and microfinance organisation facilitate women's access to resources and build their capabilities to

exploit those resources in a beneficial way. Ms H (DP, AFK) highlighted this as 'social mobilisation is an important process as poor women often lack basic capabilities and self-confidence to harness their potential to combat the real discriminations against them.' For professionals, creating linkages and networks was another way contributing to empowerment.

Mrs S (DP, ILO) pointed out that men's own interests are also an important factor in increasing women's access to external resources:

in many places where I have experienced that the people of the community themselves will allow and compel women to participate in the development programme when it comes to their interests to gain economic benefits, over there the element of restricted mobility, and purdah (veil) is completely ignored

This shows that in KP when men want their gains they ignore their so-called honour and ease in restrictions imposed on women for gaining those benefits, not for the women's desired benefits.

### **Personal Factors**

Women's self-confidence and education appeared as the frequently discussed promoting factor. Education and confidence enable a woman to respond to the inequalities and discrimination. Mrs S (DP, ILO) argued that 'increased self-confidence may lead to empowerment indirectly by contributing decisively to women's ability and willingness to challenge the social injustices and discriminatory systems that they face'. Mrs T (DP) added some other personal factors, 'Women's personal traits such as their capacities, own interests and determination are the enabling factors'. Women's willingness to get empowered is also quoted as a major factor as without women's interest to change their lives; no other factor can affect them.

### **Economic Factors**

Many professionals asserted that economic factors play a pivotal role in promoting empowerment. Ms S (DP, KK) quote represents the majority of the respondents:

We believe that through the provision of economic infrastructures such as different financial products, enterprise development and skill training, and awareness programmes we can enhance women's access to resources and thus contribute to women's economic empowerment.

Mrs B (DP) added that women's use of technology as another promoting factor to their economic empowerment:

Women are using technology such as mobile and different websites (Facebook) to promote their businesses; this is an encouraging trend among

urban women entrepreneurs. Though most of the rural women rely on traditional businesses and cannot take advantage of technology.

This quote shows that despite women's access to technology is increasing in KP, rural women cannot take advantage of this opportunity because they don't have access to and control over technological resources and the use of technology requires some level of education that women may lack.

### **Political Factors**

Political factors appeared as important because they could promote or hinder the empowerment at the societal level. Three main categories are formed: 1) women's participation in political processes, 2) laws regarding women's issues and, 3) seriousness towards gender awareness measures. The following statements from different professionals echo this theme:

When our women are involved in political processes they are better able to represent their needs and issues in the political sphere; it makes a favourable environment for women's empowerment. Mrs N (MFP-O, SRSP)

In Pakistan, to promote women's empowerment and discourage discrimination and inequality, different laws are made to support, help and protect women. Mr Shah (CEO, Farz)

Most of the political leaders and government officials claim and ensure that they are committed to supporting gender awareness measures in Pakistan to promote gender equality and empowerment. Mr O (DP, Sungi)

It signifies that the efforts towards women's empowerment links with the commitments of political leaders, and enforcement of laws on women's issues may contribute to women's empowerment in KP. The next section discusses the hindering factors.

#### **4.4.2. Hindering Factors**

Figure 4.3 represents the professionals' viewpoints on the hindering factors to women's empowerment.

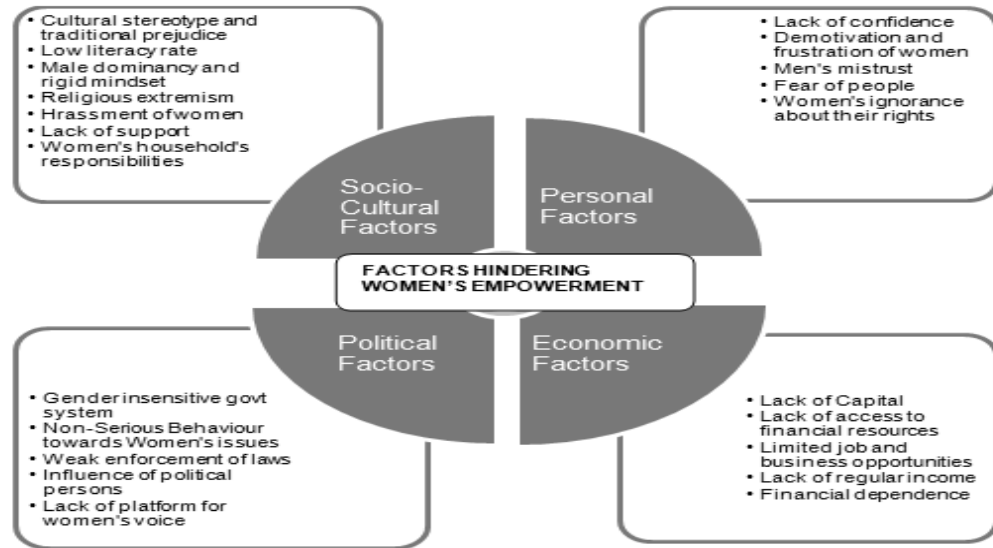


Figure 4. 3 Factors Hindering Women's Empowerment

### Socio-Cultural Factors

Socio-cultural practices in KP appeared to be the most often cited hindrance to women's empowerment. The professionals discussed how people's perceptions and behaviour greatly affect women and their activities. In return, people's attitudes influence women's family and may lead to women's changing or discontinue their development related activities. The main categories were: men's control and lack of support, rigid cultural practices, wrong interpretation of religion, harassment and manipulation of women and women's domestic responsibilities.

Mr H (DP) pointed out men's control and dominance in decision-making, 'regardless of many interventions aimed at empowering rural women in Pakistan, the male dominance in the household decision-making is still very significant and undermines the whole concept of women's empowerment. Similarly, Mrs S (DP, ILO) stated that 'the socio-cultural element is so powerful that the so-called empowered women cannot take a decision without the consent of men of the family'. For Mr J (MP, KP), socio-cultural barriers restrict activities related to women's development and empowerment:

it is strong and rigid traditions of the area (KP) that restrict women in participating in the decision-making of household affairs. [...] though genuine efforts have been made by development organisations but desired results in empowering women to be affected due to socio-cultural barriers in some parts of the country, where literacy level is low and economic opportunities are limited.

Ms A (MP, KP) further added that its actually men's control over information and their fear of losing control over women:



In rural areas, we have the men who want to control the information that comes to women: the access to information, access to education and even access to a health facility. That is why even women coming from cities or urban women (development worker) do not have access to these rural women.

This quote shows the challenges face by development organisations in KP that even if the development worker is women, they have difficulty in accessing rural women and it becomes difficult to involve rural women in development work.

For many professionals, religious extremism and misinterpretation of religion were the main hindering factor in promoting women's empowerment especially in the countryside of KP. For example, Ms A (MP, KP) explained that culture of KP influences religious interpretation,

cultural myths and traditional regional prejudices prevail in religious interpretation by a patriarchal or male-dominated society such as Pakistan. [...] religion comes with a cultural basket, my religion allows me the choice of a spouse but the society does not.

Similarly, Mr K (DP, UNDP) further stated that 'wrong interpretation of religion and mixing of local cultures disempowered women in Pakhtun society.

While Mrs T emphasised that culture has a strong role than any other factor on women's disempowerment, 'cultural norms influence more on women than religious and financial factors. Men restrict women's mobility in the name of Islam but also admit the cultural pressures they have to confine their women behind the four walls'. This attitude of men is further explained by Mrs B (DP):

Men have set certain limitations for women in our society (KP), and when women try to cross those constraints, they confront and challenge men's dominance. In KP society, men may tolerate anything else, but will never tolerate women's supremacy and violation of limitations as it is directly related to their power. Two situations seriously hinder women's empowerment in KP. First, when women, while remaining on right path, achieve their desired goals through their struggle and hard work, demand their equal rights from men, and second, when women follow a wrong path, breaking trust, thus challenging men's superiority and honour that is not accepted by men.

Demand for equal rights and breaking trust appear as important factors that further impede other women's access to opportunities on the basis of 'bad examples'. It shows a rigid mindset of men's in KP society, and also that men monitor and control women's activities even if they have allowed women to get involved in any development activity.

Another linked issue discussed was related to women's poverty and women's lack of control over their property in KP. Ms A (MP, KP) explained how women and poverty are linked in rural areas of KP and what role their social network plays:

The poor in rural areas and especially women are poor in several ways. If they are not income poor, they may be socially poor and politically poor. The system is strong. The rural poor are better than urban poor because of social network they have, the families and community supporting each other. However, that works against women from a gender context, the stereotyped attitude and behaviour reinforced within that social network.

It shows that for women in KP there are multiple facets of poverty even if they are economically secure, social, cultural and political factors make their situation in a way that they can not use their income or money to improve their position and status in the society.

Women's lack of ownership, as well as control over property, was considered a strong factor for females' disempowerment in KP. Mr A (MFP-O, Sungi) explained that 'if women have their property, it will empower them economically and strengthen their status'. While Mrs N (MFP-O, SRSP) felt that 'I think it is beyond women's ownership, many women have property in their names or have inherited property in KP, but they cannot control, use or sell even in emergency situations'. Mrs T (DP) added another point that 'sometimes women are not aware of their property rights or they have to surrender their rights to male members to avoid conflict in the family'. Mrs B (DP) explained another reason for women not demanding their inherited property,

Women may have knowledge about their inherited rights, but in KP society, there is another phenomenon, women do not demand their inherited property from their brothers because they want to keep their links with their parents and brothers. I have seen it practically that if a woman has demanded her property rights, her brothers have broken relationship with her, and it is a general practice in the KP

It demonstrates that in a socio-culture environment of KP, it is men who have control over women's property. It is the process of socialisation that makes women anxious of losing their ties with their natal family if they demand property share.

Many professional's discussed that the external environment is also hostile towards women's empowerment. Mrs S (MFP-O, Sungi) stated:

You know if women want to do something outside the home, they face opposition and harassment both from the family and outsiders. This attitude is discouraging and brings stress and anxiety in women, and many women do not bear this pressure and leave whatever they intend to do.

Since in KP society, women are considered as custodian of men's honour, women avoid all situations that could destroy harmony and honour of the family.

### **Personal Factors**

The keyinformants viewed the low literacy rates to be a significant hampering factor. Women's low education does not enable them to build their capacities necessary for bringing significant changes in their lives. The professional's also

discussed many other personal factors: women's lack of self-confidence restricts women in taking initiatives and using their capabilities to improve their lives. Mrs S (MFP-O, Sungi) reported, 'women lack confidence and self-motivation in rural areas. Women have a fear of people that people will use bad words for them if they come out of their houses. They think they cannot do anything'.

Also, Ms A (DP) noted that 'It is mainly women's ignorance about their religion, what it says about women's rights and their role in families and societies'. It shows that women's lack of education, awareness about their rights and access to information are the root causes for their disempowerment in KP. Furthermore, Mrs N (MFP-O, SRSP) added:

Women's realisation that their work is less valuable than men's work is also a hindering factor in women's empowerment. In fact, women in KP do much more work than men both inside and outside the household. However, our societal understanding is that what men do is 'work' and women work is only a help and a support. So, because of men's perceptions, women also internalise and believe that they are only helpers to the family whether paid or unpaid.

It indicates that women in KP may perceive that their work and contributions are not equal to men.

Mrs B (DP) raised the male-biased work environment in KP as constituting another major issue:

In KP, we have a mindset that to the greater extent women should not work outside. You know that our terminologies do not even use terms that indicate women's work. We cannot think women to be working in some professions as we assume them to be for men only. It also restricts women's advancement in certain professions even if they are capable for and want to excel.

This quote suggests that in rural areas of KP women accept their subordination and dependency on men (Jamal, 2014). Besides low education of women; lack of confidence, fear of people, and ignorance about their rights, roles and contributions are hurdles in promoting women's empowerment.

### **Economic Factors**

Economic factors are the main cause of women's inequality and disempowerment. Economic factors were the frequently cited hindering factors in general and specifically affecting microfinance. The discussions revolved around factors such as women's lack of capital, their access and control over resources, limited job and business opportunities, lack of regular income and women's financial dependence. According to Mr O (MFP-O, Sungi), 'if a woman has no access to and control over money, it adds to her disempowerment greatly'. Besides access, another issue is the availability of employment opportunities in the rural areas. Mrs S (MFP-O,

Sungi) stated that ‘usually, there are less economic opportunities and jobs in our communities through which women can earn income on a regular basis’. It may be because of women’s limited capabilities, skills, and education, that they may not be able to do all kind of available jobs. Also, women may not be allowed to participate in any poverty alleviation programme as reported by Mrs N (MFP-O, SRSP), ‘in many rural areas, not all women have access to income generating programmes so that they can gain some benefits’. Women’s financial dependence appeared as another hindering factor. Mrs B (DP) argued that ‘when women do not have their money, and they are dependent on men for all financial needs, they have to obey whatever men ask them to do. In such cases, women do not have their say in any decision, they are just followers’. Also, Mr T (MP, KP) pointed out two main hampering factors in the context of KP and women’s empowerment:

First, rural women have financial literacy problems which are necessary for women’s empowerment, and second, terrorism, Talibanisation and extremism are also significant threats to women in KP. Economic problems, unemployment and frustration, are major issues that lead to extremism and impact negatively on women.

It shows that economic constraints are the cause of women’s disempowerment by lacking involvement in critical decision-making processes. Besides the economic factor, religious extremism also controls women’s activities in many parts of KP and these additional severe restrictions affect all women in that area.

### **Political Factors**

Lack of the political interest and enforcement of women related laws were frequently cited hampering factors in Pakistan in general and KP in specific. According to Ms A (MP, KP), ‘Gender insensitive govt system adds to women’s disempowerment. The government should create such an environment for women which should not pressurise them’. Mrs B (DP) further explain this point as ‘we see weak enforcement of laws. There are laws, and our constitution provides rights to women, but there is the limited implementation of these laws because of the non-serious attitude of political people towards women’s issues’. Mr A (MFP-O, Sungi) discussed another viewpoint, ‘women lack actual representation in the political sphere to raise a voice for their issues is one of the obstacles’. Mr W (MFP-O, SRSP) highlighted the political role of donors in emergency situations, ‘donor organisations work according to their own political agendas that may or may not match with the needs of community women, it further brings frustration among women. These quotes indicate that attitude of political people and law enforcing agencies towards women’s issues is not friendly, even if they claim for. Women may not benefit from the existing laws because of poor enforcement.

In the context of Khyber Pakhtunkhwa, despite some promoting factors, hindering factors have a more strong influence on women's empowerment. Two things reinforce women's disempowerment in KP. First, women's ignorance due to illiteracy and lack of awareness about their own rights, choices and options available and second, their inability to use the available alternatives. Men reinforce women's disempowerment through control, dominance and authority cultural norms and misinterpretation of religion. In KP society, women are socialised in such a way that they admit and accept their servile position and even with the education, women are not been able to challenge men's supremacy as the consequences of this challenge are never favourable for women. Despite those constraints, microfinance organisations work with women in KP and claim for women's empowerment. This claim needs to be critically evaluated by asking women clients' perception and viewpoints of their empowerment through microfinance.

#### **4.5.Challenges and Opportunities in Accessing Women: Experience of Sungi and SRSP in KP Communities**

So far the analysis of the data shows that working with women in KP have serious limitations for development organisations as men control women's lives, and women cannot participate in any activity without men's consent but with this, there are also some opportunities and benefits. In this context, I argue that besides some benefits, microfinance providers also face some issues in providing women access to microfinance services in the rural communities of KP. My aim, in this regard, was to investigate the opportunities and challenges Sungi and SRSP faced during programme intervention. The analysis of this section is based on the discussion with the staff and management of selected microfinance organisations. It is found that the organisations faced three main issues in KP 1) Outreach Issues 2) Repayment Issues and 3) Linkages and Networking.

##### **4.5.1. Outreach Issues**

In KP, the outreach of microfinance services is low as compared to other parts of Pakistan. Both SRSP and Sungi have an integrated approach towards community development in which microfinance is only one component. Ms N (MFP-O, SRSP) discussed the attitude and acceptability of microfinance programme in KP communities:

People are aware and educated in the suburb of Haripur, but still, they are very rigid. When we started accessing women in the area, educated men did not allow us to work. We tried to convince them but they didn't agree. It is easy to convince an uneducated man than an educated man

This shows that men's education and awareness also doesn't give surety of women's involvement and ease of access in KP and microfinance organisations cannot work in an area where community members are against the programme.

Men accept organisation's policies if they want to get the benefit of the programme. Mr W (MFP-O, SRSP) discussed the influence of community in an area where men did not allow their women to be involved in any activity due to religious extremism. He stated:

when we took women's Community Investment Fund (CIF) project to Allai, Batagram area, which was influenced by few religious clerics (*molvi*). People were interested but they said no woman would be involved in the programme. We said this is our policy that we work with women. It's now your decision to take it or leave it. If you don't want this we will work in another area. Now, we have disbursed approximately Rs. 5 million in 7-8 villages in a short span of time. We are giving bank cheques for which women have to come all the way down to the main town. Now women are managing and taking decisions for their own organisation. This is the empowerment what we have dreamt of.

If men have an interest in some programme activity they allow women to participate in development programmes. Whether willingly or unwillingly, in this way women's mobility and awareness about men's related activities through increases even in conservative areas of KP that may lead to empowering outcomes set by the organisation but how it brings a real change in women's lives remain questionable.

Mrs S (MFP-O, Sungi) argued that no outsider can enter into any community without the consent of influential people of that area:

Whenever we select a new village, we meet the influential people (*khan, malik or naik*) in that area to make the environment favourable for our working. They ask about the benefits in exchange to the permission for our programme. Since community people keep concerns over NGOs working, we ensure them that we will not do anything that brings harm to the community. After mutual agreement, they allow us to work with the people initially identified and guaranteed by them.

An organisation may have to offer some tangible benefits to the community men so that they may allow an organisation to enter into an area. Another point is that initially, the organisation may have to work with those who are related to that Khan, Malik or Naik in that area rather than selecting people on their own.

These various access issues show that men are the gatekeepers that have the powers to allow an organisation to enter into a community if they follow terms and conditions that community influentials set. In such conditions, men's own interest is an important factor and instead of women, they weigh up their own benefits and women's empowerment remains invisible if the organisation has to follow the rules set by the community men.

### 4.5.2. Repayment Issues

Timely repayment is another big issue for microfinance programmes to maintain their sustainability (Karim, 2011, Hulme and Maitrot, 2014, Maitrot, 2014, Uddin, 2015). Mr W (MFP-O, SRSP) gave a positive picture by stating, 'we had never achieved repayment more than 70 percent but now its 100 percent with the new methodology as village banks, women show more responsibility than men'. Since rural women manage village banks, the loan officers know loanees personally that help them to achieve timely recovery. However, repayments can become problematic on certain occasions. Mrs S (MFP-O, Sungi) argued that repayment issue is more in women who transfer their money to men, especially someone outside their household:

Many borrowers gave loans to their husbands or sons but usually, they gave instalments on time and when men were unable to repay, then the repayment became a problem for us. The real issue appeared when women passed their loans to someone else. In a village, two women's groups (10 women) gave all money to one man. It was Rs. 100,000. He gave initial instalments and then stopped. This situation was critical for all of us. Our organisation had to stop disbursement until recovery of all money. I also had the pressure of recovery and women also faced pressures by other women as well as their family members.

Field staff has the burden to achieve disbursement targets and they are usually aware that women transfer their loan money to other men within and outside the family that further bring problems related to repayment.

An organisation may have to close their credit intervention when the community decides not repay the loan. Mrs B (DP) reported her past experience:

I have seen that our organisation encountered repayment problems when men of a community asked their women not to repay instalments and that women should not be afraid of the staff, men would handle the situation. After that, the organisation had to close the credit programme in that community

Microfinance programmes are also vulnerable to the external pressures of the community and in a situation of non-repayment programmes also face a huge loss. Microfinance programmes are also liable to repay the credit lines to the donor agencies and non-repayment from clients affect the functioning of credit programmes as well.

### 4.5.3. Linkages and Networking

Besides these challenges, both the organisation had some opportunities. According to the key informants, women did not have their computerised national identity cards (CNIC) before and one of the compulsory conditions for the membership was

that women should have their CNIC. Mrs S (Field Staff, SRSP) reported her experience, 'we asked interested women if you want to join you have to make your CNIC. Then women had to make CNIC and register with a national database and voters' list. Mrs B (DP) shared her working experience in the past '...in this way we made women alive who were not anywhere in the government's documents'. Mrs S (Field Staff, Sungi) expressed that 'we facilitated women's linkages with the government (NADRA) and invited their mobile teams to our villages so that more women can make their CNICs. We also facilitated women with the required documentation'. This shows that due to lack of men's interest, lack of women's access to information, strict purdah system and women's restricted mobility, women were not able to make their CNIC which is the basic requirement for all the correspondence. In this way, women were excluded from obtaining many benefits from the government and could not use their right of voting. Due to this compulsory requirement, MFPs facilitated women to become visible in the national statistics.

MFPs also build women's linkages with other communities and other organisations. It is found that MFPs arrange exposure visits and training in which women from different communities participate and meet other women. In this way, women get a chance to learn from other women and develop personal linkages. 'Mrs S (Field Staff, Sungi) echoed,' women learn many things when they visit other areas and see other women's progress, share their success and difficulties and learn about other opportunities. Women give a very positive feedback after such visits'. Mr W (MFP-O, SRSP) stated, 'we have linked our communities with the donor agencies and other organisations to expand their exposure as well as facilitate networking so that they can build their own networks especially after the flood and earthquake'. These opportunities show the use of social capital that besides horizontal bonding among the same community members, women are also linked with communities and organisations outside of their community and develop vertical bridging to further achieve their goals.

Besides poverty reduction and women's empowerment, at least in theory, microfinance has the potential to reduce clients' vulnerabilities exacerbated by the natural hazard. The next section discusses the views of professional's on the effects of microfinance on post-disaster vulnerability reduction.



## 4.6. Microfinance and Vulnerability Reduction to Shocks and Natural Hazard

Findings from different research studies discussed in chapter two show that microfinance may increase clients' income which this, in turn, enhances their ability to reduce household vulnerability to economic shocks and stresses by building a strong and diversified asset base (Sebstad and Cohen, 2000, Montgomery, 1996, Wright et al., 1999, Zaman, 1999, Chen and Dunn, 1996, Dunn et al., 1996). According to Ray-Bennett (2010a), microfinance services can be helpful to women clients in re-building their livelihood assets that have been lost in the disaster. Mr S (IDP) offered a positive viewpoint about the effects of microfinance on women in disaster. He explains:

when microfinance is used wisely, it provides broader and more resilient livelihoods, it can encourage more disaster resistant communities through livelihood assets and can increase women's individual and collective efficacy - allowing them to envision challenges, prepare women to face them and respond more effectively upon arrival

Microfinance programmes attempt to make women more resourceful by building their asset base so that at the time of natural disaster women can respond to the disaster appropriately. However, questions remain as to what happens when women lose their material or enterprise assets and what their possibilities are at the time of disaster?

Ms T (DP) noted that:

At times when women have lost their household assets, they can utilise their human assets and capabilities. Economically active and financially independent women are aware of risks associated with their businesses so they are somehow prepared for economic shock and disaster. Women can use different options and coping strategies to revive their businesses. Women's entrepreneurial knowledge, their confidence and enhanced capacities can be helpful in guiding them through disasters, shocks and other difficulties as life presents them.

Along with physical and human assets, microfinance may develop women's financial assets base in the form of savings, cash and insurance as noted by Mr Shah (CEO, Farz):

Savings and increased wealth are probably the best ways to recover from personal disasters. The insurance products now offered are also effectively a form of collective savings for planning for such outcomes when personal belongings are washed away or destroyed in the natural disaster.

This shows that microfinance attempts to make female clients reliant to disaster and external shocks in different ways; by building their asset base in the form of enterprise related assets; by developing women's human assets including skills and

confidence; building a financial base in the form of cash, savings and insurance which women can utilize at times of disaster.

In contrast, some of the professionals argue that microfinance may benefit women only in normal and stable situations. As microfinance organisations are more concerned with financial sustainability, they might not continue their services in a post-disaster situation. Mr A (MFP-O, Sungi) believed that 'microfinance programmes have to stop their financial services after natural hazard until situation become clear because people's needs and demands change in post-disaster'. Mr W (MFP-O, SRSP) reported that 'at times of flood, we participated in relief activities and provide food, shelter, and medical facilities to the natural disaster affected clients'. Mrs S (DP, KK) noted that 'in the short run, KK has also provided grants to their clients to meet their financial needs'. The professional were of the view that when the situation stabilises, microfinance starts its operations as they have done after the earthquake in 2005 and after the flood in 2010. Ms A. (Microfinance Consultant, KPK) asserted that microfinance may not be a suitable option after natural hazard:

MF services have the potential to reduce women's vulnerabilities under relatively stable conditions...microfinance operations are not an appropriate approach during the relief phase, however, in combination with other approaches such as skill development, microfinance may be used during post-disaster recovery and rehabilitation period... any positive impact of this intervention will take at least 7 to 10 years to be seen in the area by the target group.

Microfinance programmes also face limitations serious constraints under disaster, war or conflict-affected areas because of risks associated with disbursement and repayment. However, microfinance programmes may attempt to help female clients through relief activities such as the provision of shelter, food and cash in the initial phase of disaster when people are displaced and dependent on humanitarian aid. Once people affected by disaster or war become stable and come out of the trauma back to their normal lives, then microfinance interventions can be started in order to help women start their income earning activities again using loans, savings or grants. People may take a longer time to come out of the trauma and start their economic activities again. In such cases, microfinance short-term impacts can be seen in the form of women's involvement in economic activity and to some extent, there can be vulnerability reduction also, but assessing the impact on women's empowerment takes longer time period.

Female clients can also lose their enterprises and household assets which make them more vulnerable. As noted by Ms S (DP, ILO):

In my opinion it [disaster] has an adverse affect on women. Due to the disaster their ongoing businesses and assets are damaged which makes them more vulnerable and in many cases, the government or MF institutes do not waive off loans or the interest over the loan because of their astringent policies.

In a disaster situation, women are more vulnerable than men. Not only do they lose their economic assets and have limited or no economic activity, but also they experience other pressures such increased household responsibilities, loan repayment, and the search for waged income in cases where women lose their male earning members. This further increases female clients' vulnerability and in the absence of any external support specifically for women's economic activity women may lose their confidence in themselves which may worsen their condition. These views also support other professionals' views which are mentioned earlier in the chapter regarding microfinance organisation's approach towards achieving goals of financial sustainability, not poverty reduction. The policies of microfinance programme are non-supportive towards clients facing difficulties of repayment in a post-disaster situation.

#### **4.7. Discussion and Conclusion**

In this chapter, I have explored the professionals' viewpoints on women's empowerment through microfinance. There seems no consensus among the professionals to agree upon one definition. Five major themes were formed from the analysis of the data. Here, empowerment is seen in broader development perspective in relation to women's rights, choice and gender equality. This is in line with the literature that stresses upon taking gender equality measures to ensure women's equal access and economic participation in the development programme to eliminate gender inequalities (United Nations, 2009 , World Bank, 2011). The literature on women's empowerment criticises that due to the various meanings, dimensions and conceptualization in different context and cultures, empowerment is used, abused and misused by the development programmes and has lost it original meaning (Cornwall and Rivas, 2015, Cornwall and Anyidoho, 2010, Batliwala, 2007b). In this study as well, empowerment appeared as an unclear concept that has many context-specific meanings and it can bring conflicts when women challenge men's dominance and to avoid direct conflict between men's and women's empowerment, women's self-esteem is seen as a better accepted and non-conflicting term used to empower women.

In this chapter, in the context of Pakistan, where women have limited economic opportunities, women's empowerment is seen as economic empowerment to

increase women's access to and control over financial resources, enhance financial independence and work for family's well-being and poverty alleviation. Many researchers take a positive stance and argue that microcredit is a convenient and effective way to empower women by providing access and control to financial resources, decrease dependency on men, alleviate poverty and improve well-being (Khandker, 2005, Imai and Azam, 2012, Mahmood et al., 2014, Ghalib et al., 2014, Al-Mamun and Mazumder, 2015, Setboonsarng and Parpiev, 2008, Hermes and Lensink, 2007, Mayoux, 2007). However, several researchers argue that access to financial resources cannot lead to women's empowerment automatically (Mayoux, 1999b, Cheston and Kuhn, 2002). Some professionals viewed 'control over economic resources' as a relatively stronger indicator of women's empowerment and women's financial independence as argued by (Goetz and Gupta, 1996, Kabeer, 2001). The economic empowerment is further criticised when women obtain loans for men, and in such cases, there is no women's economic contribution (Uddin, 2015, Balasubramanian, 2012, Karim, 2011, Asim, 2008, Garikipati, 2008, Rankin, 2001, Guérin, 2006, Goetz and Gupta, 1996).

Another claim of microfinance is that it builds women's human and intangible assets through increased knowledge and skills, and self-confidence and self-esteem (Kabeer, 2001, Schuler et al., 1997, Osmani, 2007, Newaz, 2007, Kashf Foundation, 2010, Zaidi, 2005, Kabeer, 2005, Alhassan and Akudugu, 2012, Swain and Wallentin, 2009, Khan et al., 2011, Hansen, 2015, Shetty, 2010). In this study, the professionals also perceived that when microfinance build women's intangible assets and capabilities and increase women's sense of self, it contribute to women's personal empowerment.

This study finds that the professionals perceived women's economic and personal empowerment to contribute to wider social empowerment by increasing women's role in decision-making, improving women's position within the family and society and bringing a change in gender relations. A large majority of researchers also argue that microfinance enables women to have greater role and voice in the traditional male-dominated decision-making processes within the household (Holvoet, 2005b, Montgomery and Weiss, 2011, Newaz, 2007, Hashemi et al., 1996). However, it is rather unclear how microfinance helps women to gain control over their loan and income and how they make financial decisions on their own in patriarchal societies when men are the decision-makers contributions (Leach and Sitaram, 2002, Akpalu et al., 2012, Gobbi et al., 2005, Drolet, 2011). This indicates a limitation in microfinance programmes and does not show the extent to which microfinance respond to the issues of women's economic empowerment through

financial decision-making at the household level and men's control over women's loans and incomes. In Pakistan, Asim (2008) finds no improvement in decision-making as a result of women's participation in microcredit programme.

The proponents of microfinance also claim that microfinance has the potential to enable women to transform the gender relations and challenge the existing gender inequalities in a society thus achieving wider social empowerment (Hashemi et al., 1996, Kabeer, 2005, Mayoux, 2007). Some professionals in this study consider that bringing change in the context of KP is difficult to achieve as microfinance may not enable women to challenge men. This is in line with the studies that argue that microfinance ignores gender relations in which women's oppression and empowerment are entrenched (Uddin, 2015, Karim, 2011, Johnson, 2005).

This chapter further explored the factors affecting women's empowerment in KP. From the professional's views, two major themes arose that showed factors promoting and hindering women's empowerment. The professional identified many promoting factors and consider that microfinance plays a facilitative role in women's empowerment. However, hindering factors especially socio-cultural factors were appeared as strong and contributing to women's disempowerment in KP because of prevailing norms and gender inequalities, men's controlling and authoritative attitude and women's low and subordinate position and any effort toward women's empowerment is considered as threatening and challenging to the male members of the society who fear the loosening of their powers. In this context of KP, the microfinance organisation also have some issues and opportunities. The main issues were increasing outreach for women, entry problems and repayment issues and importantly the realisation that how men use women to gain benefits for themselves. However, MFPs also have the opportunity to build linkages of women with other governmental and non-governmental organisations. However, the outcomes of these activities need to be explored from clients' perspectives.

Within the context of natural disaster, the professionals perceived that microfinance programmes work effectively in normal or stable conditions. This is in line with the findings of Kurosaki and Khan (2012) who argue that in natural disaster situations, microfinance faces serious constraints because of adverse effects on the majority of the borrowers, resulting in difficulty in repayment. Ray-Bennett (2010) argue that microfinance programmes can reduce women's post-disaster vulnerabilities by using a combination of financial and non-financial products. However, the extent to which microfinance reduces women's vulnerabilities in a social context and in the context of disaster is also ambiguous and the way in which it makes female clients

more resilient and resourceful is also unclear and therefore, needs analysis of the women's strategies to deal with the post-disaster vulnerabilities.

The perspectives of the professional's raise few concerns towards the extent to which women are actually able to convert their increased income contribution (if any) into an intra-household empowerment outcome are worth exploring along with whether this increased income alone is sufficient to facilitate women's empowerment within the household in KP. It is also unclear whether in the absence of women's own income or limited income how they can contribute to the family's income and well-being. Furthermore, how women are empowered if they are unable to share the financial responsibilities along with male members of the society remains unanswered. What are the consequences on the household's gender relations in the case of low or insufficient incomes from women derived from their enterprises?

This chapter has examined the link between microfinance and women's empowerment from professionals' perspectives which informs their version of what they believe they are contributing to. This leads to a further discussion on the actual contribution and benefits of microfinance services in empowering rural women clients and as a result bringing changes in women clients' lives from women's own perspectives. The next chapter explores the questions asked above, where women themselves assess their situations and share their experiences of empowerment through microfinance. The evidence in the next chapter may support or contrast the professional's views.

## **5. Microfinance and Women's Empowerment in Khyber Pakhtunkhwa, Pakistan**

### **5.1. Introduction**

This chapter shows the experiences of women clients themselves to examine: 1) whether access to microfinance has brought any change in women's lives in terms of their tangible and intangible assets, and gender relations; and 2) whether women perceive these changes (if any) as empowering in the context of KP. In particular, this chapter present analysis of field research conducted from interviews with 44 rural women clients (30 from two non-disaster villages of the districts of Peshawar and Haripur and 14 from three post-disaster villages (pre-disaster situation) of Peshawar, Mansehra and Nowshera) and six FGDs conducted in selected districts. This chapter is comprised of four main sections. First, it starts by outlining the demographic and credit related profiles of the female interviewees. Second, it discusses women's perceptions of the concept of women's empowerment. Third, it analyses changes in respondents' tangible and intangible assets, intra-household decision-making specifically it examines women's decision-making regarding microfinance related activities mainly the joining, applying for and using of loans and gender relations after joining the microfinance programme. Lastly, It examines the (dis)empowering changes at personal, household and community levels.

### **5.2. Respondents' Profiles (Non-Disaster (ND) and Post-Disaster (PD) Areas)**

In this section, I aim to present an analysis of respondents' demographic and microfinance-related profiles from five villages of KP including both <sup>5</sup>disaster and non-disaster area. The data is obtained from FGDs and Interviews of 30 women from the non-disaster area and 14 women from the post-disaster area.

#### **5.2.1. The Socio-Demographic Profile of the Respondents**

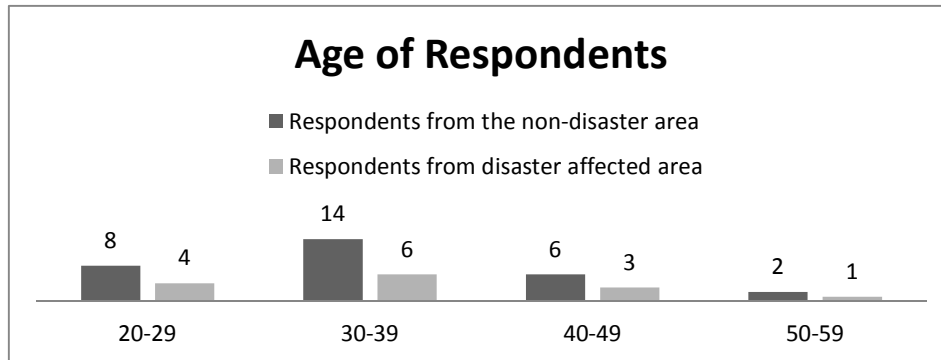
The main aim of the socio-demographic profile is to develop a better understanding of the women's background and their potentials to bring empowering changes (if any) from their participation in microfinance programmes. The socio-demographic profile covers the following features of the respondents: age, marital status, the level of education and family size.

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<sup>5</sup> In this study 'disaster' refers only to natural disasters not manmade disasters.

### 5.2.1.1. Age of the Respondents

In the context of Pakistan, research studies have shown that women at their older ages have more mobility, access to resources and more participation in the decision-making processes as compared to younger women (Noreen, 2011), while others find a significant and positive relationship between age and women's empowerment (Chaudhry and Rahman, 2009). Figure 5.1 reveals the age of respondents in this study.



**Figure 5.1 Age of Respondents: Generated from Field Interviews, 2011-2012**

Out of thirty interviewees living in the non-disaster area, fourteen respondents were between the ages of 30-39, eight were aged between 20-29, six respondents were between the ages of 40-49, and two were aged between 50-59. While from the post-disaster area, four women were aged between 20-29, six were aged between 30-39 and three were aged between 40-49 and one respondent was above 50 at the time of interview.

In interviews and FGDs, respondents discussed how age is related to women's participation. A respondent in FGD3 (Peshawar, PD) explained, 'women who are older or whose children are grown up can easily join the organisations'. Syeda Bibi (38, married, Peshawar, PD) stated that 'I don't have so many restrictions and it's easy for me to go whenever I want'. Another respondent from FGD2 (Haripur, ND) stated that 'It become difficult with small children to participate regular meetings'. This shows that women above 30 may have more chances to participate in programme related activities and younger married women may face difficulty to join because of their domestic responsibilities.

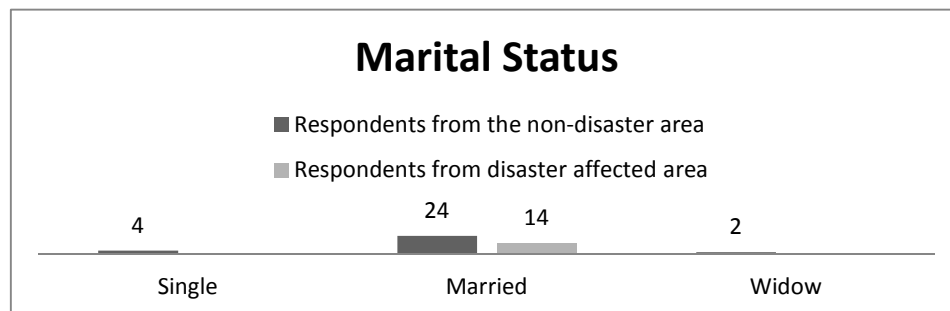
While discussing the MFPs' selection criteria, it was found that women from 18 to 60 were eligible to apply for the loan. The MFPs prefer women who own national identity cards (NIC) and according to the law, the eligibility criterion for CNIC is the age 18 years and above. Other studies also find that the requirement of CNICs



represents an unintended benefit for women (Mahmood et al., 2014). Women, above 60 are considered at the age of retirement by the MFPs for credit related activities. In this way, older and younger women are restricted from getting access to finances. However, these women can be involved in other activities of the MFPs such as training and awareness programmes.

### 5.2.1.2. Marital Status of the Respondents

The socio-demographic details of the respondents on marital status given in figure 5.2 reveals that from the non-disaster area, four were single, twenty-four of thirty respondents were married and two were widows at the time of interview. While from the post-disaster area all 14 respondents were married.



**Figure 5.2 Marital Status: Generated from Field Interviews, 2011-2012**

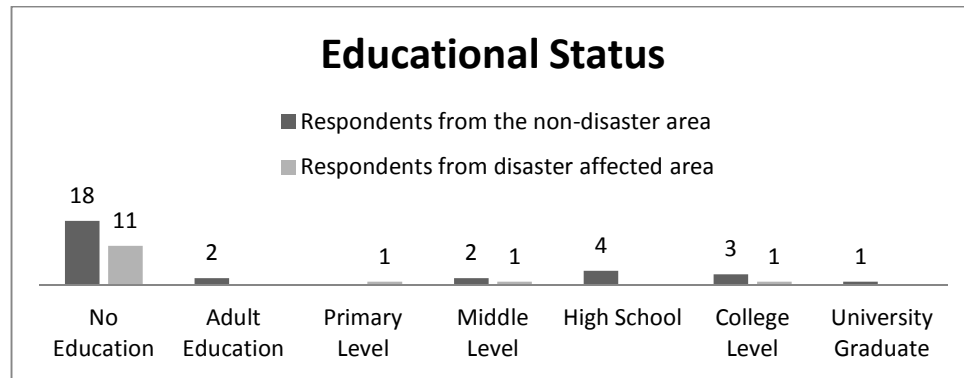
When I asked from married women their reasons of participation, the majority of them stated that they wanted to work for the welfare of their family while the widows stated that they wanted to have a source of income for the family after the death of the breadwinner. However, Seema (46, widow, Peshawar, ND) reported, 'If a widow does not have any other source of income and earning skills, she may not be able to access any loan'

In addition to MFPs selection criteria mentioned above, young unmarried girls above 18 also face certain restrictions in accessing loans. In FGD1 (Peshawar, ND) on discussing the selection process, one respondent reported, 'we prefer to select women who are married, permanently living in the village, economically active or have the capacity to repay the loan back'. Related to the permission from male members, Basmina (50, married, Peshawar, PD) noted, 'we don't like our girls and daughter-in-laws to be involved in such activities. No one gives them permission'. Since in rural areas of KP girls get married at an early age, this also restricts their joining the credit programme. One respondent from FGD4 (Nowshera, PD) stated, 'we prefer not to select young unmarried girls to avoid repayment issues after their marriage'. Another respondent from FGD2 (Haripur, ND) reported that 'usually mothers participate in our programmes; women's work is considered as a bad thing

even educated girls are not permitted to work in our village'. Samina (30, married, Haripur, ND) stated, 'I joined late, as my kids were young and I couldn't join before'. However, the data from FGDs and interviewees also revealed that young women could be part of the programme if they take loans for their family members who take responsibility for repayment. When I asked some young girls above 18 the reason of their non-participation, representing others, one young girl stated that 'due to educational or employment activities we don't join', another girl stated, 'I am already a member of community organisation after getting my NIC, but I am not interested in taking a loan as I am already working and studying'. This shows that younger women who may have better access to paid employment and education do not avail credit facility. This study finds that MFPs focus is more on married women, young girls and widows are either excluded by the members or they exclude themselves from getting loans because of selection criteria and may have serious implication on women's empowerment claims of microfinance. This study is in line with Safavian and Haq (2013), who also note that in Pakistan, microcredit is not given to young women by considering them high risk for repayment mainly because of their marriages in future.

#### **5.2.1.3. Educational Status of Respondents**

Education is an important human asset and a promoting factor to women's empowerment, though not necessarily a pre-requisite for the loan process. Figure 5.3 shows the educational status of the respondents. It shows that from non-disaster area, eighteen respondents had no school education, two respondents attended an adult learning centre (*Nai Roshni* school), two respondents had completed the 8<sup>th</sup> grade (middle level), four respondents had completed their high school education, three interviewees had attended college and only one respondent had graduated from a university at the time of interview. While from the post-disaster area, eleven out of fourteen had no education at all, one had primary level education, one had completed 8<sup>th</sup> grade and only one went to college for an education. This shows that majority of respondents had no education which is considered as a fundamental requirement for employment in the formal sector.



**Figure 5.3 Educational Status: Generated from field data, 2011-2012**

I specifically asked those who were graduated from college and university that how they got this education. They told me that due to their family's support, they were able to attend colleges and university in the nearby city.

In FGDs and Interviews, nearly all the respondents considered education, information and knowledge as important characteristics that have a great influence on women's access to income generation opportunities. Hashima (40, married, Peshawar, ND) took admission in an adult learning centre (*Nai Roshni school*) to improve her skills, stated, 'I couldn't go to school but I wanted to educate myself. When I found an opportunity, I enrolled myself in the centre and learnt basic writing, reading and numeracy'. Abeera (34, married, Peshawar, ND) noted that 'If I was educated, I could get a good job'. Fareeha (45, Single, Peshawar, ND) reported that 'my education has enabled me to lead many development activities'.

Almost all respondents highlighted the importance of education for themselves and for new generation especially girls. Shahin (40, married, Mansehra, PD) supported her girls' education. She noted, 'my girls are educated because of my interest and efforts'. Syeda Bibi (38, married, Peshawar, PD) noted, 'though I am an uneducated woman but that doesn't mean that my daughters would also remain uneducated, so I decided to send my two younger daughters to school'. Zahida (39, married, Haripur, ND) suggested, 'against the norms set by the society, parents' determination towards their children's education brings a tremendous change'.

In KP women have low literacy rate which is a major constraint in bringing improvement in women's lives, access to work opportunities and women's empowerment (Saeed, 2012, Naz and Chaudhry, 2011). The data analysis also shows that majority of the respondents had a low educational level that impedes their access to financial resources that could bring economic stability in their lives.

#### 5.2.1.4. Size of Family

A woman's family size is an important characteristic that propels a woman to engage in income generating activity to cater family's needs. Figure 5.4 reveals that twenty out of thirty respondents had a family size comprising 6-10 persons, four respondents had 11-15 family members, three belonged to small sized families comprising up to 1-5 persons and three interviewees belonged to large families comprising 16-20 persons from non-disaster affected area. While from post-disaster area, one out of fourteen respondents had small sized family comprising of 1-5 persons, five respondents had 6-10 member in the family, three respondents had

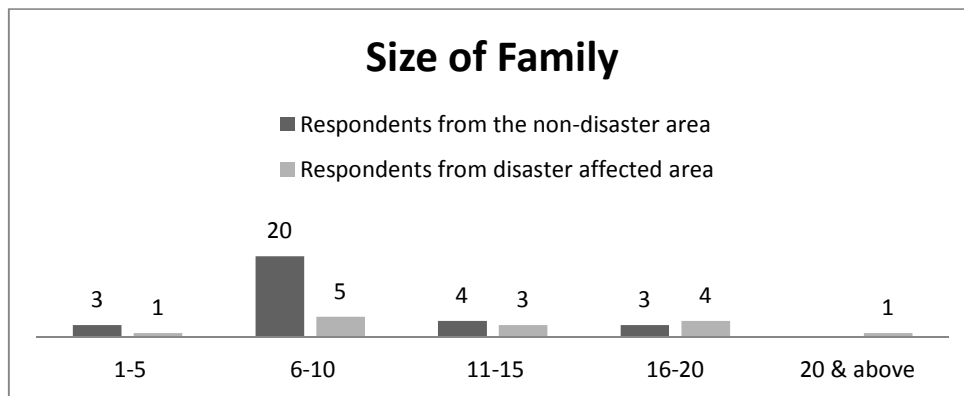


Figure 5.4 Family Size: Generated from field data, 2011-2012

11-15 family members, four had 16-20 family members and one respondent had very large family comprising more than 20 members.

In KP society women belong to either joint or extended or joint family system. In which women from joint or extended families have large family size while women belonging to nuclear families have small family size (Saeed, 2012). Participants in the FGDs have discussed that large family size is one of the biggest reasons for women's participation in programmes. The data from interviews and FGDs revealed that due to low income, fluctuating nature of income or no income and high expenditures of the households, respondents felt that they need to financially support male members of the family. The next section discusses the microfinance related profile of the respondents.

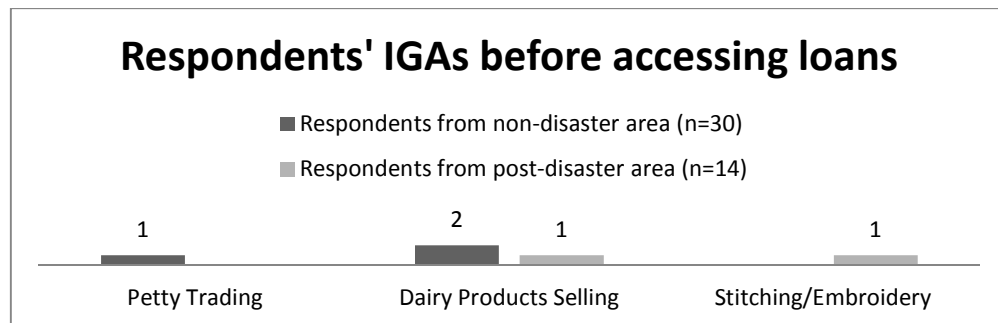
#### 5.2.2. Microfinance Related Profile

In my first introductory meeting with the existing and prospective women clients of the MFP in a village, women gave me a very positive and rosy picture that women in their village were economically active, operated their enterprises successfully and those awaiting for their loans had skilled to establish new businesses. However,

during interviews and FGDs, I noticed certain contradictions. Since my aim was to analyse women's perception about their empowerment through microfinance so it became essential to know about the background of respondents' credit and enterprise related activities. In this way, I could assess changes in their lives as a result of their economic emancipation and test the claims of microfinance regarding women's economic empowerment. In this regards, I explored women's income generating activities before accessing loans, their access to loan facilities prior to microfinance, their main reasons for taking loans and control over loans when they joined the MFPs.

### 5.2.2.1. Respondents' Income generating activities (IGAs) before accessing loans

During interviews and FGDs, I asked respondents to tell me about the sources from which they were able to generate any income prior to joining microfinance services. To my surprise, only a very minimal number of my respondents (3 out of 30) in the non-disaster area and (2 out of 14) in the post-disaster area were engaged in income generation prior to their access to microfinance.



**Figure 5.5 Respondents' IGAs before loans: Generated from field data, 2011-2012**

I asked respondents the reasons why many women were unable to earn an income on their own. There were multiple reasons including illiteracy and lack of skills, mobility restrictions, purdah (veil) and lack of women's income opportunities in their area. The respondents of this study also had different reasons for their income generation. Hashima (40, married, Peshawar, ND) stated, 'it's because of our poverty; my husband had an irregular income and once we had nothing to feed our family and at that time I sold one of my unstitched suit (*kapray*) in another neighbourhood (*mohalla*) and got some money for food. From that time I was engaged in this activity'. Shahin (40, married, Mansehra, PD) reported, 'I had a sewing machine and I knew how to stitch so I started stitching dresses within the village to increase our income'. Husan Ara (55, married, Nowshera, PD) reported,

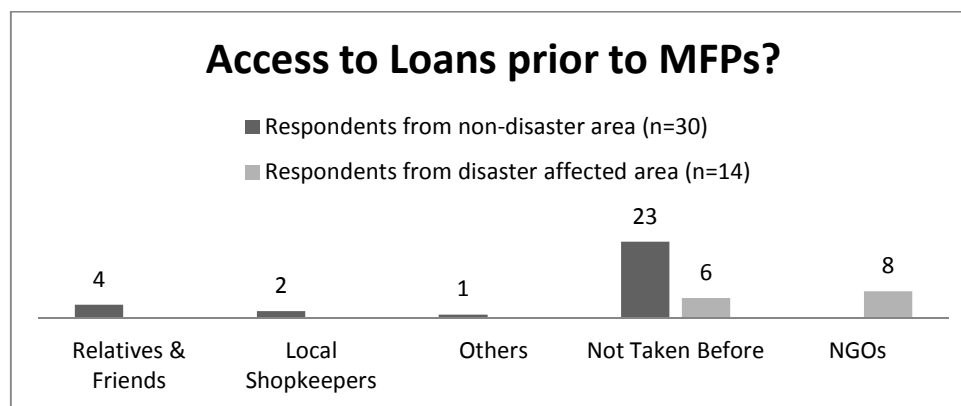
‘our cow had plenty of milk so I kept some for my family and sold rest of it in the village. In this way, I earned some income’.

This evidence shows that only a few women were engaged in low-level home based income generating activities while others were not earning any income before their access to microfinance services. However, this doesn't mean that the respondents were not involved in any activity at all. According to the respondents, many of them were involved in family work such as rearing of livestock, storage of feed, fodder cutting, hatching of egg, milking and stitching for which they earned nothing. In addition, respondents from post-disaster area discussed their participation in non-traditional activities which I will discuss in chapter 6. This shows that women in rural areas of Pakistan largely remain unpaid family workers, unrecognised and have a lack of access to economic opportunities to earn income (Sadaquat and Sheikh, 2011, Khan, 2010).

#### 5.2.2.2. Access to financial resources prior to microfinance

One of the claims of MFPs is that they facilitate women's economic empowerment by providing them access to financial resources in developing countries (Hunt and Kasynathan, 2001, Karim, 2008, Osmani, 2007, Schuler and Rottach, 2010).

Figure 5.5 reveals that most of the interviewees (23 out of 30) from non-disaster area had no access to any other source of credit prior to joining MFPs while the remaining seven women had taken loans from informal sources such as friends and relatives, and local shopkeepers but did not take from any formal source of credit. While from the post-disaster area, six out of fourteen women had no access to any other source of credit and more than half, eight out of fourteen, had taken loans from NGOs prior to joining these MFPs.



**Figure 5.6 Women's access to loans: Generated from field data, 2011-2012**

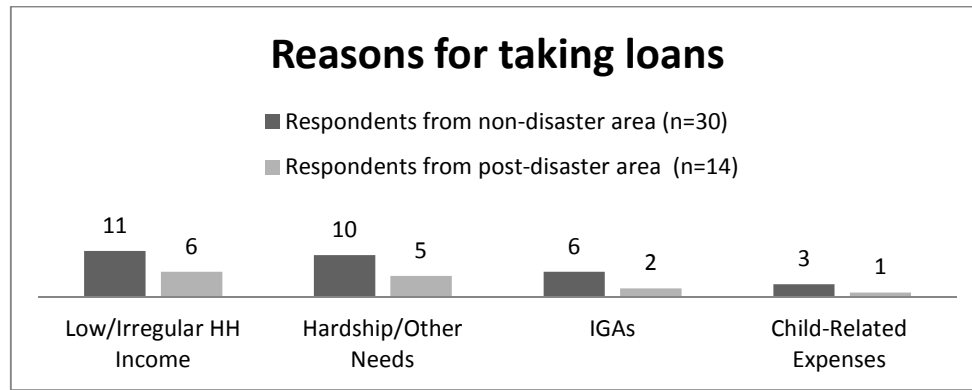
The respondents had positive perceptions about their access to MFPs' financial services. In FGD 2 (Haripur, ND), a respondent stated, 'who gives a loan (*qarza*) to

a woman who remains at home (*ghar bethi aurat*), no one knows her, she is not educated (*taleem yafta*) and she does not do anything (*kuch kaam nahi karti*). I thank Allah and SRSP who provided us money for different things'. In FGD 6 (Mansehra, PD), a respondent noted, 'if someone helps when we are in need then it is indeed a huge help (*imdad*)'. Another respondent from FGD1 (Peshawar, ND) stated, 'One of the largest benefits (*faida*) is that repayment of the loan is in instalments (*kishtuna*). If we take loans from anyone else we have to return in one instalment but we have more benefits in this credit scheme'. Hashima (40, married, Peshawar, ND) who used to take a loan from her brother for her business stated, 'I was not aware of this scheme, now I take a loan from the VB as my brother is sometimes unable to give me money'.

Jejeebhoy and Sathar (2001) argues that women in Pakistan have no or limited access to and control over economic resources. Rural women in KP lack access to formal banking services and provision of loans by MFPs is considered as a huge help when their access to informal sources of credit (friends, relatives, money lenders, and local shopkeepers) is also minimal. This study also finds that MFPs provide loan facilities to rural women who were denied access to a loan before but at the same time this access is not for all women, it poses some restrictions on certain groups of women. As mentioned above, the selection criteria of MFPs may exclude unmarried women, girls below 18, women from the poorest families, women with no other sources of income, women above 60 years of age and women entrepreneurs other than WCO members. So we can conclude that this financial access is not for all rural women, it is for only those who qualify the criteria set by the MFPs.

### **5.2.2.3. Reasons for taking Loans**

The respondents took loans for different purposes. Figure 5.8 shows that from the non-disaster area, out of thirty, eleven respondents had taken their first loan owing to having a low or irregular household income, ten had taken due to hardships and fulfilling other household needs. Six respondents had taken for IGAs and three respondents had utilised loan for child-related purposes.



**Figure 5.7 Reasons for taking loans: Generated from field data, 2011-2012**

A majority of respondents from interviews and FGDs had seen access to loans as a great opportunity. In their view, they needed money for their households, their own needs, however, not specifically for their income generation while MFPs' loans were linked with income generation.

The majority of the respondents took loans for varied nature of hardships they faced; I wanted to know what those difficulties were. Some women took a loan to pay off the credit taken by their husbands. Nasim Bibi (35, married, Peshawar, ND) reported, 'My husband had a debt and we were very worried, so I took a loan to give him money'. Samina (30, married, Haripur, ND) stated, 'my husband had to give some money to a vendor so I took a loan and he gave it to the vendor. Loans were also invested in husband's business. Shakira (38, married, Peshawar, ND) noted, 'he needed money for buying some material for his business we took this loan for his business establishment.

The loans were used for household's and women's other needs. Basmina (50, married, Peshawar, PD) stated, 'why should I lie to you, I took money to pay off a utility bill'. Syeda Bibi (38, married, Peshawar, PD) reported, 'I needed money on urgent basis for my son's wedding and this VB is so good, they gave me money'. Hashima (40, married, Peshawar, ND) stated, 'I invested some money in my business and rest I used for buying my children's uniform, books, fees and other material'. Faryal (42, married, Haripur, ND) took it for the expansion of her school business. Some respondents bought livestock as a physical asset and it is found that not all could immediately generate income from them. It is found then when a woman buys goats they may be able to generate seasonal income.

This evidence clearly indicate that the respondents used the loan amount to meet the needs of their family members, some invested in their husband's business for income smoothing, and some invested in income generation activities. When I posit another question that the loan was meant for some business so did you inform the



MFP about your purpose of use or did you hide the realities? The respondents in FGD and interviews informed me that the staff of the organisation is aware of our situation as explained by one respondent in FGD 1 (Peshawar, ND), 'they (the staff) know we are poor people (*aajiz khalaq*). It's our problems (*majboori*) that we are taking loans, who takes a loan in prosperity (*khushali*). Another respondent from FGD 3 (Mansehra, PD) stated, 'in a group, we know that a member is taking for her other needs but in application forms, we mention that she is taking for her enterprise. Secondly, our concern is more on loan repayment for which we take surety from her'. A respondent from FGD2 (Peshawar, PD) stated, 'the staff also tell us to start at least a business so that we can be able to get another loan otherwise they won't be able to give us loans'. Then I raised another question, so if you did not invest in your IGAs then from where you arranged repayment in the absence of any personal income since these are loans, not grants (*baksheesh*, nonreturnable money)? Almost all of them said it was their responsibility to arrange repayment and give it back to the organisation. My findings, here, suggest that the staff of the organisations disbursed loans that clients further used for different activities other than women's personal income generation. Again I wanted to find that why an organisation had to disburse loans when women were not investing in IGAs. In this regard, a staff member of the VB discussed this as 'we have some disbursement targets each month and if we do not achieve those targets then our organisation has to face serious issues. Since women don't earn actively in our area and are few in numbers so finding a large number of such women for the loan purpose is difficult but they sometimes use the money to increase household's income so we facilitate them in doing so. We also encourage women to learn and start some income generation activity next time'. These serious issues could be related the VB's and organisation's sustainability and operational cost. It is found that respondents also do not make a distinction between their money and husband's money and consider loans for their households. In addition, in the absence of women's skills, organisations facilitate women's capacity building through non-financial services.

Some research studies in Pakistan show that women clients have control over their loans that they use it for the said purpose (Mahmood, 2011) while Khan and Khan (2008) find that 14% of the loans were used for other than designated purposes in their study conducted in Pakistan. However, in the context of KP, I argue that three key points are important to understanding the relationship of women participation and MFPs facilitation: 1) majority of women take loans for purposes other than income generation, 2) organizations are also aware that women clients do not use loans for the stated purpose and may transfer to men and 3) organisations still

provide women access to loan in order to achieve their disbursement targets but also ensure timely repayments, however, the purpose is not to specifically target female entrepreneurs in the area other than WCOs. Linking access to loans as an indicator for assessing women's economic empowerment, I argue that in the absence of any income generation (for majority of women), it is unclear that how women clients are able to contribute to the household income on regular basis, take financial decisions and spend income on their family members which are strong indicators for women's empowerment as per the advocate claim. In the next section, I discuss who actually controls the loan; women or men?

#### 5.2.2.4. Control over Loans

Proponent of microfinance claim that when women control their loan and income, they may be able to contribute more to the household's income, have more decision-making and spend more on the family's well-being (Pitt et al., 2006, Hashemi et al., 1996, Newaz, 2007, Kabeer, 1998, Holvoet, 2005b, Alam, 2012, Kabeer, 2005, Mahmud, 2003). In this section, I aim to explore who benefits and is the end user of the loans taken by the respondents. Figure 5.8 reveals that from the non-disaster area, a large majority of respondents (20 out of 30, 67%) passed their loans to their husbands to use for their business or for the household needs. Six used it for themselves either for income earning or their personal use and four respondents gave money to their other family members including brothers, fathers, mother-in-law. While in the post-disaster area, a large majority (9 out of 14, 64%) took loans for their husbands, four used themselves and one took a loan for her father.

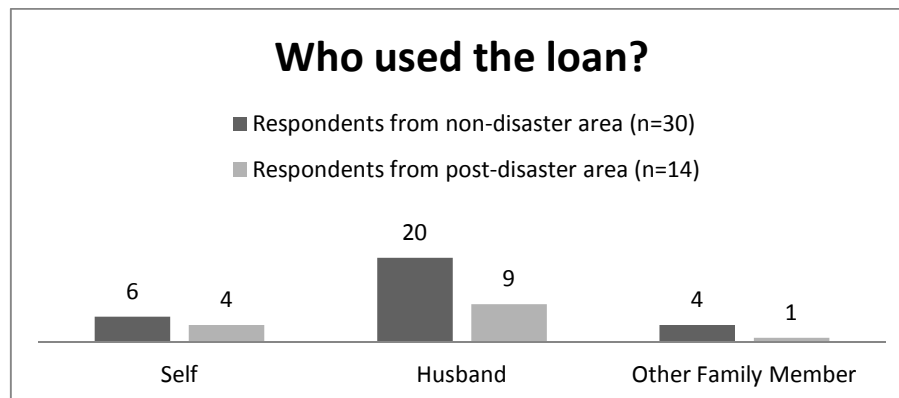


Figure 5.8 Control over loan: Generated from field data, 2011-2012

In the previous section, I discussed that the respondents used loans for other purposes related to their household's income, familial needs and IGAs. In this section, it was confirmed that the majority of respondents transfer their loan to their husbands. But I still wanted to know that why respondents did not use the money

for their own purposes and handed over a loan to their husbands and other family members. It is found that women took money to support their family. In this regard, a respondent in FGD2 (Peshawar, PD) revealed, 'I took money for the welfare of my family and since he is the head of the family, he brings money home, so my money and his money are the same. Why shouldn't I give it to him'. This was the response of the majority of respondents and they considered it essential for the family. Another viewpoint was that since men do not have access to the credit facility, women can help them in money arrangement. A respondent in FGD 2 (Haripur, ND) observed that 'if he could have accessed to the loan, he would have taken himself, obviously he asked me to take money'. It is found that loans were invested in men's business. Samina (30, married, Haripur, ND) explained, 'from this loan, he expanded his business and now our income is increased. I support him in business as well'. Zahida (39, married, Haripur, ND) noted, 'I gave it to my husband. He asked me to take money. I couldn't say no to him. He is an aggressive person and I obey whatever he says'. More importantly, many respondents indicated that they were unable to pay the compulsory saving, membership fees and advance upfront charges and their husbands gave this amount on their behalf. Sareena (37, married, Peshawar, PD) said, 'since he asked me to make a WCO, he gave me money that was required'.

In KP, women are dependent on men's income and support. The family structure and norms are set in such a way that women have to follow men's instructions. Since women in KP have a subordinate position, so in many cases whether willingly or unwillingly women had to come out of their home to join organisations. Men play a dominating role in KP and women are dependent on men, so the control lies to men. This is one of the reasons that women take loans on their names but the ultimate users are men in the majority of cases. Research studies in developing countries also negate the claims of microfinance that it enhances women's control over loan rather loans are invested in men's activities (Uddin, 2015, Balasubramanian, 2012, Karim, 2011, Asim, 2008, Garikipati, 2008, Rankin, 2001, Guérin, 2006, Goetz and Gupta, 1996). Women also have limited income earning opportunities in KP and the majority of respondents believed that if they invest in men's business their family income would enhance. I argue that if MFPs in KP work for poverty reduction and women's empowerment, then their term and conditions should be flexible towards women. So the question raises here is that if a woman is unable to give membership fees, savings and upfront charges, she may not be able to participate and benefit from the programme unless she borrows it from a husband or from somewhere else. Like this study, other studies in Pakistan also

find that majority of women transfer money to their husbands. Zaidi et al. (2007) show that only 28 percent of borrowers use their loans themselves while 72 percent pass it to their husbands. Khan and Khan (2008) find that 42 percent of respondents took a loan for their family men and others have not taken specifically for any business. In a recent study, Safavian and Haq (2013) find that 50 percent of their respondents transfer money to men. It is hereby concluded that though men have ultimate control over financial resources in KP and if men want, the social norms, *purdah* and other restrictions are not imposed on women and many women can be involved in IGAs. Hence this study's findings do not support the claim that women's control over loan enhances their economic empowerment.

In this section, I have explored the demographic and microfinance profile. My aim was to analyse the respondents' background, their access and control over resources. I have shown that women have age restrictions for membership. They have a low level of education. The majority of respondents are married and certain groups of women have limited or no access to MFPs' loans. The majority of women are comprised of a family size of 6-10 persons. Women are not actively involved in income generation before accessing loan. MFPs have provided some access to women but not all women are entrepreneurs. Though MFPs have provided women access to loan, only a small number of respondents are involved in IGAs and a large majority don't have control to their loan and they pass it to their husbands or other family members.

In the next section, I have explored the respondent's understanding of their empowerment in the context of Khyber Pakhtunkhwa.

### **5.3. Women's Understanding of Concept of Empowerment**

In this section, my aim is to explore women's understanding of their own (dis)empowerment and local terminologies they use. Many similarities were found in the responses of women from non-disaster (ND) and post-disaster (PD) areas of KP, so for this section, the responses represent the social context of KP. When I met the field staff, I found that for some, the English term 'empowerment' was not new and they used it when needed but among women, very few were familiar with this term. The field staff informed me that no local word was synonymous to the term empowerment but they used Urdu words such as '*ba ikhtiyar* (authority)', '*khud mukhtar* (autonomous)', '*pur azm*' (determined) and '*qabil*' (capable). I also wanted to know that what were the words used for empowerment in Pashto (local language). I found that respondents used some words (though not in literal meaning) denoted for empowered women such as '*zorawar*' (courageous), '*takra*'

(strong but here, active), '*taqatwar*' (powerful), and *waak* (decision-making capabilities).

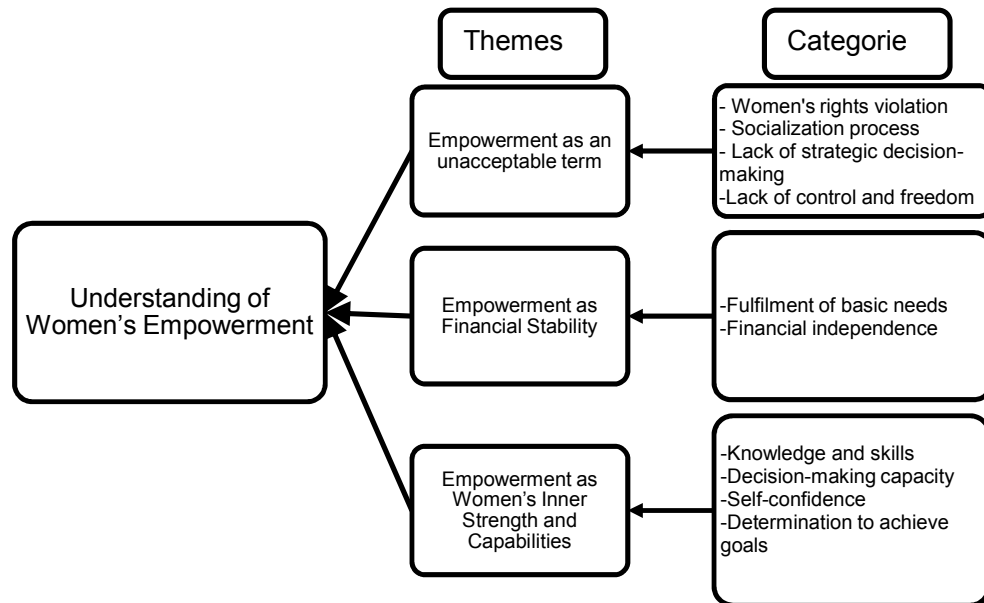
In FGDs and interviews, I asked questions such as 'what is women's *ikhtiyar* in the context of KP?', 'whom do you think can be an empowered (*ba ikhtiyar*) women', 'How do you differentiate between an empowered and disempowered women', and 'Do you think you are (dis)empowered? It is important to highlight that the respondents did not have the homogeneous background and mainly belonged to low-income and relatively high-income households. Hence, the class difference between women was visible through their responses and understanding of empowerment. Three main themes represent the data analysis as given in figure 5.9.

### **5.3.1. Theme I- Empowerment as an Unacceptable Term**

Empowerment appeared as an unacceptable term for the respondents from FGDs and interviews in the context of KP. This was visible when many women, in return asked me a question, 'which empowerment are you talking about? The responses of women were categorised as: women's rights violation, socialisation process in KP, lack of women's decision-making and lack of control and freedom.

The respondents from relatively high-income class referred women's empowerment as a violation of their rights. In FGD1 (Peshawar, ND), one respondent rejected the idea of women's empowerment in the context of KP:

Women don't have their own identity as humans, they are acknowledged in relation to their male members of the family, not as individuals. The consequences of any demand to the recognition of women's identity are so terrible that even educated women do not think of claiming it'.



**Figure 5.9 Themes on respondents understanding of empowerment: Generated from field data, 2011-2012**

Another respondent in FGD 2 (Haripur, ND) echoed the same, 'women especially single ones (not married) have no place in the society. Their example is like old used furniture, kept in a corner and of no use to anyone'. In KP women from better-off families do not have to face financial constraints but their issues are more towards their recognition and acceptance as human beings. Since women faced human rights violation, so they rejected the notion of empowerment in the context of KP.

The socialisation process in KP differentiates between men and women in such a way that women have to internalise and accept their subordinated position. Yamina (25, married, Haripur, ND) stated, 'women are raised up in such a way that they have to accept what is told to them by the male members of the family. If a woman wants to deviate, she loses the kinship support and become a stigma for family's honour'. A respondent from FGD3 (Peshawar, PD) pointed out that:

how can we say women's empowerment exists when a woman cannot do these three things; 1) control over her inherited property, 2) mobility without permission, 3) women don't have a say in major decisions such as attainment of education, work and marriage.

Similarly, Rashida (33, married, Mansehra, PD) noted,

Controlling life! No woman could control her life completely. I can now control only a few things in my life like small purchases but if I wanted to go out without a veil and arrange a party with my friends outside, would my family and my society allow me? No, they would not. So! I don't think I have any control over my life.

Zahida (39, married, Haripur, ND) shared her confusion about empowerment, 'I don't know what empowerment is, as my husband and his mother have all the powers and I only follow their instructions. I can't do anything on my own'.

This shows that a woman has minimal control over her life and resources, and the freedom to decide. Women may face certain restrictions if they want to go beyond the set boundaries for women in KP society. Purdah and social norms in KP refrain women from all activities that the society consider bad for women.

Another viewpoint was related to women's decision-making, Baseerat (28, married, Peshawar, PD) stated that:

Women cannot be fully empowered in our society [KP communities] even if they are very dominating and commanding. Take an example of my mother. She was a very strong woman. She had control over all family members but she could not take decisions about my marriage and couldn't convince my father if he rejected any proposal.

This shows the limitation of women's strategic decision-making and control in male dominating society such as KP.

Respondents from low-income families viewed empowerment in term of financial means. Husan Ara (55, married, Nowshera, PD) stated, 'I am a poor woman, I am not aware of empowerment'. These are the talks of a full stomach<sup>6</sup>. Another respondent in FGD1 (Peshawar, ND) pointed out, 'you are wearing expensive shoes, you can ask such thing, I need only a pair of shoes, else I don't know'. In other words, the major concern of poor women is of their survival and to feed their family rather than focusing on their power relations.

This section has shown that many respondents in this study have rejected the term empowerment in the context of KP on the basis of their existing situations and experiences.

### **5.3.2. Theme II- Empowerment as Financial Stability**

The respondents viewed women's empowerment as financial stability. Three categories were found within this theme: fulfilment of basic needs and financial independence. Those respondents who were involved in income generation

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<sup>6</sup> (*mung gareebanan ta de khabaro soch nishta, da kho da dake khete khabarai dee-Pashto*)

considered that for achieving empowerment, one need to achieve financial stability to obtain basic necessities of life. Some of the statements represented this theme are given below:

Women are considered as empowered when they provide basic necessities to their families. Shahin (40, married, Mansehra, PD) stated, 'I see that empowerment is to have a good life for my family. I want electricity, gas, water, good food and good education for my children. Nasim Bibi (35, married, Peshawar, ND) reported that 'when my children went to school for the first time, they had no uniform and books for a longer time period, my aim is to provide them with all what they need in life'. Naeema (35, married, Peshawar, ND) stated, 'I don't need any empowerment or powers; I need money for my life'<sup>7</sup>. In FGD 5 (Mansehra, PD), a respond shared her views after the disaster and stated that 'empowerment means providing good education to children like the way rich and upper-class people provide education to their children'. In Pakistan, there is no uniformity in the education system and rich people have access to educational facilities that poor people usually do not have. This statement shows that women from lower classes in KP also want to give good education to their children which they might not afford because of their poverty. Many respondents linked empowerment with a luxurious life. In the FGD 2 (Haripur, ND), a respondent stated, 'I want a TV cable in my house and I want to buy new clothes for myself. I am happy with that'. Another respondent in FGD1 (Peshawar, ND) shared her viewpoint about her empowerment as:

I want a generator for my house so that my children and husband could sleep well. When my husband couldn't sleep because of electricity shortage, he pours his frustration on me. That's why I want village bank to give me money. My peaceful life is my power.

In Pakistan, electricity shortage affects people's economic and social life and many women aim to buy alternative sources to provide a comfortable environment at home.

Faryal (42, married, Haripur, ND) related empowerment with ownership of assets, 'I think empowerment is related with women's ownership of assets and business. I am running a school that has several teachers and 85 students. I think no one in my village is the owner of any school so I feel I am empowered'. Some respondents linked empowerment with financial independence. Hashima (40, married, Peshawar, ND) who operates two small businesses noted, 'when I have money in my hand, I can buy whatever I want. No one can ask me why I am spending money. This was not the case before. I am not dependent on anyone. I am standing on my

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<sup>7</sup> (*ma ta khpal ikhtiyar na da pakar, paisa pakar da-Pashto*)



own feet'. Shandana (30, married, Peshawar, ND) reported that she would be empowered when, 'If I don't have to beg for someone's financial help, I have my own money and I don't have to work for influential people's house then I would feel empowered'. Khushnuma (50, married, Nowshera, PD) noted that empowerment is related to providing support to the family, 'I have supported my family from the very beginning when no woman was working in this village. I have always taken care of all my family members and shared the responsibilities of my husband. All know that I am not dependent on anyone'.

Due to the prevailing poverty in the rural communities of KP, members from the low-income households struggle for their poverty reduction and in this regard, all family members irrespective of their gender, struggle to provide a prosperous life to their family members. Many women viewed this financial stability sustainability as their empowerment.

### **5.3.3. Theme III-Empowerment as Women's Inner Strength and Capabilities**

Within this theme, the respondents viewed women's empowerment as women's inner strengths and capabilities through which women face hardships and resolve their problems. The theme contains the following categories: knowledge and skills, decision-making capacity, increased self-confidence, determination to achieve goals.

Many respondents identified empowerment as women's knowledge and education that enable them to understand and resolve an issue in a better way and explore new opportunities around them. Shama (39, married, Peshawar, ND) was in view, 'I think an educated woman is an empowered woman as she may understand problems and resolve them better than a non-educated woman who usually has little knowledge'. Similar views echoed in FGDs. From FGD 6 (Mansehra, PD), a respondent added, 'I think women's education and awareness to come out of her problems makes her empower'. The respondents believed that when a woman comes out of her house and participates in a programme, she gets access to information and learns whether intentionally or unintentionally and when she remains at home she can't utilise her brain properly unless she starts learning.

The respondents perceived that women's increased self-confidence is another aspect of their empowerment. Some related empowerment to women's determination to achieve something whereas, for others, it meant freedom to do whatever one wanted to do, freedom of choice and freedom of spending life. Some

of the women regarded it as attributing to women the power to do something. Additionally, it implied enabling women for some work '*qabil hona*' mean 'enabling' and building women's capacities so that they can bring about desirable changes in their lives. Women's determination appears as frequently discussed term in relation to women's empowerment. In FGD1 (Peshawar, ND), a participant discussed that when a woman thinks of achieving something, she stood firm, face all the difficulties, convince and negotiate with men till the time she achieves her goal. A similar point of view was discussed by a respondent in FGD 3 (Peshawar, PD) by stating that 'an empowered woman never loses courage, she bravely faces all mishaps in her life, and she is not afraid of challenges and failures, and uses her skills to overcome her problems'. The majority of women in FGD agreed on this understanding of empowerment. Women's decision-making is another widely discussed aspect of women's empowerment in KP. Most of the interviewees and FGD participants discussed that women's increased role in decision-making processes contribute to women's empowerment at the household level and beyond. Hafiza (42, married, Mansehra, PD) pointed out, '

An empowered woman is the one who can do anything, who can decide and achieve whatever she wants. I consider myself as an empowered woman as I can take any decision on my own. I took my marriage decision as well, and no one had opposed my decision.

In FGD 2 (Haripur, ND), a respondent representing others' views stated:

It was not easy for men to include women's say in decision-making. We [women clients] have struggled and proved ourselves and now they [men] involve us in decision-making processes. Now they [men] execute many of our decisions whether minor or major.

The respondents also discussed their empowerment through collective decision-making. Khushnuma (50, married, Nowshera, PD) stated that 'we take collective decisions for our village. We never had this opportunity so I think this our empowerment'. This shows that microfinance may enable women to increase their collective decision making by involving them in the programme decisions.

In this section, I have shown that empowerment is a confusing and an unclear term for many of the respondents who believe that in KP, where women's subordination is so obvious women's empowerment is unachievable. For some, if women have a prosperous life with all the necessities of life it is their empowerment. However, some respondents linked empowerment with women's inner strength and negotiating abilities to bring change in their lives. However, no respondents discussed the term in relation to challenging and confronting men.

In the next section, I want to assess changes in women's tangible assets.

## **5.4. Women's Experiences of Change in Tangible Assets through Microfinance**

This section examines changes in women's tangible assets after taking loans from the microfinance programmes. Tangible assets are of two types: financial assets and physical assets. Financial assets include savings, income and enterprise related assets whereas physical assets are comprised of livestock, land, houses, jewellery, household and enterprise related appliances (Sebstad and Cohen, 2000).

### **5.4.1. Changes in Financial Assets (Savings and Income)**

In this section, my aim is to analyse the effects of microfinance on women's income and savings as their financial assets. The interviews reveal that participation in the MFPs has encouraged interviewees to save money. It was found that when a woman joins the MFP, she has to open a savings account with the VB. Khushnuma (50, married, Nowshera, PD) described the saving process by stating that 'it was a compulsory condition for every woman who wants to obtain membership in the village bank or credit group to save Rs. 500 and that further serves as a guarantee when a woman applies for a loan'. A few respondents informed that they paid the savings and membership fees on their own while for many, their husbands paid the amount. Kifayat Bibi (24, single, Haripur, ND) noted that 'I have to use my savings to pay membership fees'. While Rehana (25, married, Peshawar, PD) reported that 'I got a membership because my husband wanted a loan and I didn't have any money so he paid saving and membership fees'. This statement represents all those who were not economic active at the time of joining. It was also found that saving amount increases with the increase in women's income under her control and in many instances remained unchanged if women had taken loans for male members. The respondents from all FGDs showed that whether women want or not they must have to save within the credit group or with the VB. This shows that microfinance programmes' mechanisms propel women to build their personal financial asset base in the form of collective savings that are kept in a separate savings account which is not readily accessible to men.

Almost all of the respondents from interview and FGDs noted an increase in their compulsory savings that members can withdraw when need. In FGD 1 (Peshawar, ND) a respondent stated, 'we save every month. If we don't have a large amount

we contribute as small as Rs. 50<sup>8</sup>. Syeda Bibi (38, married, Peshawar, PD) stated, 'My savings have increased up to Rs. 8000 but I cannot withdraw since I want to get new loans on the basis of my savings. The more my savings are, the larger loan I may be able to access'. All FGD1 members agreed to this statement and it was a finding from other FGDs and interviews. It is also found that the respondents have learnt the benefits and different ways of savings that have enabled them to increase their savings both in the VB or in the credit group and also in the form of the committee (*Kameti*) as a lump sum amount which they could use at a time of need as a means of mitigating risks and economic shocks. Hashima (40, married, Peshawar, ND) who invested money in more than one small income generating activities stated, 'besides my savings with the VB and main business of petty trading, I sell eggs and save the entire amount to deal with any emergency situation'. Faryal (42, Married, Haripur, ND) noted, 'I save money in different places: I contribute money to two different committees (*Kameti*), I have a saving account with the VB and I save an amount at home. I can use my savings when I need them'. The *kameti* system widely prevails among the households and within the marketplaces both in urban and rural communities of KP. Men and women save money in groups and obtained a pooled amount on their turn. In this way, they are able to access a larger amount. Nearly all respondents irrespective of belonging from high-income family or low-income family informed that they save through *kameti* system. This finding is in line with Nenova et al. (2009), who report that within the informal sector in Pakistan, 35 percent of individuals save at home, 21 percent buy livestock as saving, and 14 percent use committees to place their savings.

However, in FGDs it was found that many people are reluctant to keep their savings in bank accounts of the VB based on their past bad experience. In FGD1 (Peshawar, ND), a respondent observed that 'we used to save in the groups before the VB and all savings was deposited in the bank by a staff member of the organisation. We were happy that our money is safe but at the end, we found that the lady had taken all our money and left the organisation. Due to this, we avoid keeping larger amounts in bank'. This shows an inappropriate action of an employee resulted in a mistrust on MFP.

Like savings, income earned from the loan-funded enterprise, employment or wages also contribute to building women's or the household's financial asset base. The respondents explained that when the loan is invested in some IGA by women or men or jointly, it generates further income whether more or less. The

FGDs' respondents considered an increase in household's income as their biggest financial asset. The responses from FGDs and interviewees revealed that women's own income from their IGAs brought changes to their personal lives and those of family members (these changes will be explained in the next section).

Saleema (33, married, Peshawar, ND) observed:

My income is my biggest wealth. Before my loan funded enterprise, I had nothing in my hand so I could not do anything. I was completely dependent on money from my husband. Now I can earn, save, spend on my family and invest in my business which was not possible before.

In this case, the client shares her feeling of having increased income in her own control by comparing her existing and previous financial conditions. It was found that before microfinance, many respondents perceived their dependent position as being due to their reliance on their husbands. It is found that after microfinance credit, the abilities of some women (not all) to manage the money under women's control, increased. Rahat (55, married, Haripur, ND) had a buffalo and earned money from selling milk. Rahat stated, 'my income increased when I started selling the milk. I saved some money when I sold the calf buffalo. It was an additional profit for me. I managed my money on my own'. In the FGDs and in interviews a few respondents showed that they kept some income under their control. However, their income was not big enough. This is in line with the findings of Goetz and Gupta (1996) that women's empowerment is linked with women's control over loans; a woman's full control shows her empowerment whereas a lack of control shows disempowerment. As is similarly argued by Kabeer (1999) women's empowerment may become visible when women have the freedom to choose between available alternatives.

It is found that the increase in income can only be true if the loan amount is invested for income generation activities that generate enough income to meet the needs of the woman. In FGD 2 (Haripur, ND), a respondent observed that 'not all women earn the same amount of income; it depends on the size and nature of the income activity and the women's interest in the enterprise'. This statement represented data obtained from FGDs and interviews. However, the data analysis showed that women were mainly engaged in low-scale, home-based, traditional enterprises such as goats, livestock, poultry, stitching machine, petty trading and small shops that could hardly generate a substantial income in order to cover all the households' expenses and credit instalments. It was found that when women invest money in the seasonal businesses or in the case of low income, they repay instalments either from savings, household expenses and/or their husbands repay the amount. Shaista (45, married Peshawar, ND) noted that 'when I am unable to

earn enough income from stitching clothes, I take money from my husband and repay the instalment'. In her research, Mayoux (2001) also argues that women observe small increases in income if they invest in home-based traditional enterprises. It shows that MFPs target women who have other sources of income so that the loan repayment is not stopped.

My findings suggest that due to MFPs' conditions for compulsory savings, there is an increase of women's compulsory and voluntary saving whether in the bank or within the household. It is also concluded that clients who are engaged in economic activities earn some income but in the majority of cases, the increase in income is small as it comes from women's low-scale, home based businesses that generate low incomes. I also argue that in the absence of women's regular incomes, clients either use their personal savings or take money from husbands to repay the loan.

The next section discusses changes in women's physical assets.

#### **5.4.2. Changes in Physical Assets**

The purpose of this section is to examine the changes respondents perceived in their material assets after taking a loan. The literature on microfinance and women's empowerment indicates that women's control over loan and income further improve ownership and assets creation such as land, livestock and productive assets (Aslanbeigui et al., 2010, Haile et al., 2012, Kim et al., 2007a, Osmani, 2007). I aim to explore whether MFPs can bring any change in the respondent's ownership and their control over any physical assets after their participation in the microfinance programme in KP.

Women's enterprise assets may enhance household and women's personal security. The data from FGDs and majority of interviews suggest that clients were able to build some enterprise related assets from the loan, or income generated from enterprises. Shehla (25, single, Peshawar, ND) noted, 'I bought two sewing machines, one for myself and one for my brother who works in a tailoring shop to enhance our family income'. Shahin (40, married, Mansehra, PD) reported, 'I bought tap machines through which I earned a lot'. Similarly, Khushnuma (50, married, Nowshera, PD) noted, 'I bought sewing machines for the expansion of my vocational centre that helped girls to learn skills in my village'. Bakhtawar (45, married, Peshawar, ND) stated, 'I established a grocery store bought stuff from the loan amount'. The analysis of data showed that microfinance has helped women to increase some enterprise assets. These enterprise assets are the assets other than household's or men's assets. The respondents have noted that

ownership and accumulation of enterprise assets were essential for women to maintain a source of income in order to better their future.

However, the majority of respondents from FGD and interviews preferred to buy livestock mainly goats or sheep and cows, to earn an income. Dilshada (49, married, Peshawar, ND) noted that 'I bought money to buy goats. I am keeping them to sell them on double price when they grow up'. Naeema (35, married, Peshawar, ND) stated, 'I wanted to buy a cow. It was of Rs. 60,000. I took a loan of 10,000 and arranged rest of money from one kameti and selling my old cow. Cows are expensive these days and we can earn income by selling milk'. It is a common practice in villages of KP that women buy baby lambs and goats at a cheaper price and raise these animals in their homes to sell later at a higher price. Keeping goats and sheep needs little investment since no additional expenses are incurred on their feed. However, it is found that in many cases, women earn one time or seasonal income, not a regular monthly income. When asked about the selling of the livestock, Seema (46, widow, Peshawar, ND) replied that 'I usually sell goats and sheep within the village and normally need no help from male members'. Investment in livestock may sometimes give high returns. Mah Jabeen (49, married, Haripur, ND) noted that 'when a woman buys a pregnant cow or buffalo, she not only gets milk to sell but also a calf which she can sell to earn good money'. Keeping livestock is a traditional activity in KP and women in the villages keep animals whether they participate in microfinance or not and real change in the ownership of women's tangible assets except livestock is not very clear.

Besides these material gains, in FGDs and interviews, it was also found that many respondents who passed on their loans to men or used it for consumption were unable to build any physical asset for themselves. Importantly, this study finds that no respondent from the FGDs and interviews reported building of any land, house or jewellery from the income earned or as a result of their participation in microfinance.

Some research studies in Pakistan find that microfinance may increase women's investment in productive assets such as livestock and sewing machine (Ghalib et al., 2014, Khan and Khan, 2008, Jan and Hayat, 2011). This study also finds that women who invested their loan for an economic activity were able to build some of the material assets in the form of enterprise assets and livestock. However, it was evident that microcredit could provide financial help to low-scale businesses such as stitching, grocery shops and goats but the loan amount seemed very small to buy larger animals such as cows and buffalos. So the claims of microfinance that

it brings changes in women's ownership of physical assets (land, house, jewellery and larger animals) that are critical to women's empowerment may not be true in the context of KP.

## **5.5. Women's Experiences Of Changes in Intangible Assets Through Microfinance**

### **5.5.1. Women's Experiences Of Changes In Personal Empowerment**

This section focuses on female clients' perceptions of themselves and the changes they perceived in their capacities after engaging in microfinance related activities. The changes interviewees have noted in this study show variations. Some clients have experienced more positive and empowering changes in their lives while others experienced limited or no change at all. This section discusses changes in women's intangible assets such as women's self-confidence and self-esteem, earning capacity and worthiness, sense of pride and determination, knowledge and skills and mobility at a personal level.

#### **5.5.1.1. Changes In Women's Self-Confidence and Self-Esteem**

As discussed in chapter 3, many scholars argue that women's personal empowerment, 'power within' or perceptual changes can be attained by bringing about changes in women's self-confidence and self-esteem along with developing a 'sense of being' in a wider context (Rowlands, 1997, Chen and Mahmud, 1995, Hur, 2006). In evaluating the empowering impact on female clients, a number of research studies in different parts of the world have shown an improvement in women clients' self-confidence and self-esteem after receiving the loan and then participating in other microfinance related activities (Hashemi et al., 1996, Cheston and Kuhn, 2002, Newaz, 2007, Swain and Wallentin, 2009, Cons and Paprocki, 2010, Khan and Khan, 2008). Women's self-confidence may further keep women motivated and enable them to achieve future plans for the betterment of their life and family (Schuler and Hashemi, 1994, Garikipati, 2008). The respondents during the interviews and FGDs in non-disaster and disaster areas frequently used term 'increase in self-confidence' as an indicator of women's empowerment when I asked about changes they observed in their personality after their participation in microfinance programmes.

Women clients noted different areas where their confidence was visible. Saleema (33, Married, Peshawar, ND) represented the point of view of the majority of the



respondents who felt shy and hesitant at the time of joining microfinance programme. This was because of their upbringing:

I was a very unconfident and fearful person because of my way of living before and after marriage. I got married at an early age from a nearby city to this village. Because of my mother-in-laws' strictness, I felt like a coward. However, it was my husband who encouraged me for the first time to participate in a meeting of a microfinance programme to which I did not want to attend because of my fear of people. The biggest change is that I became confident in doing many things in my life.

In KP, women in the rural areas may lack confidence because of the restrictive environment in which they are raised before and after marriage. After marriage, many women face domination of a senior woman especially (mother-in-law) whose strictness does not allow some women to gain any confidence of doing things alone. However, despite restriction, women can gain confidence if their husbands support them.

Women also gained confidence when interacted with outsiders. One respondent from the FGD 5 (Mansehra, PD) stated, 'when women extension workers came to our village, we got scared of them and remained silent. Now, after joining the credit group we not only talk properly but also understand our own situation and do not allow anyone to impose anything on us'. All members in the FGD agreed upon her statement. Husan Ara (55, married, Nowshera, PD) stated, 'I couldn't talk to any outsider before but now I can go to the bank, I can talk to project workers working in our village, bank officials and other organisation representatives no matter men or women'. Tehniyat (25, married, Haripur, ND) observed, 'I felt shy (*sharam aati thee*) to discuss my issues with anyone. Now I can speak with everyone confidently'. Baseerat (28, married, Peshawar, PD) noted, 'though as an educated woman, I met many outsiders, but I lacked confidence while speaking and giving presentations to the representatives of NGOs. Now I give presentations very confidently' Nasim Bibi (35, married, Peshawar, ND) stated, 'I was already confident but after participation in MF programme, I feel more confident and can do anything I want'. In FGD 1 (Peshawar, ND), one respondent observed the same, 'I have overcome the fear of talking to outsiders'. While Khushnuma (50, married, Nowshera, PD) highlighted, 'in the meeting, the representatives observed something striking in me, that was my confidence and they asked me to work with them'.

This evidence shows that due to women's confinement in their houses and limited mobility in KP society, they developed a fear of not to speak something wrong before others. Lack of access to information also put women to feel shy in front of outsiders. Participation in the microfinance programme, where women have to meet not only other community women but also representatives from the MFPs,

seems to remove their misconceptions, fear and shyness. However, at the same time, it is also evident that the MFPs establish their programme through already confident and active community women. Women's confidence is also found to be linked with more awareness about their own needs, rights and situation so that no outsider could provide harm to them as they are the ones who could decide what is appropriate for their life. Research studies also argue that after participation, there is a visible change in confidence for those women who felt shy before and have increased voice in household matters (Cheston and Kuhn, 2002, Ganle et al., 2015).

It is found that women's active involvement in their enterprises could also increase their confidence. This study finds that those clients who operated their income activities themselves were more confident in dealing with financial transactions as compared to others. Faryal (42, married, Haripur, ND) noted, 'I feel confident when I deal with financial matters on my own and with others'. Hashima (40, married, Peshawar, ND) stated, 'I have started keeping financial records on my own now, [...] when I started another activity, I felt more confident that I was able to run many small income generation activities at one time'. Khushnuma (50, married, Nowshera, PD) stated, 'I interact with many people as a chairperson of the VB and I also run a vocational centre. I was already confident but this business interaction had enhanced my confidence a lot'. In FGDs, many respondents reported an increase in confidence because of their involvement in IGAs. For some women going to a commercial bank for the VB's transaction increased their confidence. Rahat (55, married, Haripur, ND) discussed her first experience with the commercial bank's officials, 'the manager told me unless I am unable to sign, he won't be able to open an account. I was illiterate and never had experienced to sign but I didn't give up I learn to sign and practised and reached the bank early morning next day to show him my strength. Believe me, he was very impressed'. Several respondents found that they were able to go to bank very confidently after their first visit. Some studies argue that when women participate actively in work related activities their financial confidence increases (Kim et al., 2007a). The findings of this study also suggest that women's financial confidence seems to be enhanced when women spend their earned income on the welfare of their family in the absence of or having little financial support from the male members of the household. Women's decisions to re-invest in other IGAs, their entrepreneurial capabilities and financial knowledge were found to be the main reasons that enhanced respondents' confidence.

Gaining confidence at different levels of microfinance programmes depends on women's long-term association and their involvement in their enterprises. However, women's self-confidence and financial confidence were not equally spread among all the clients. During interviews and FDGs, I have observed a clear difference between the behaviour of more confident and less confident respondents. The confident women were very active, vocal and analytical. They were able to identify factors that affected their lives while less-confident women mostly remained quiet and needed probing to express their views during the discussion. Moreover, in some cases, the restricted environment at home may not allow women to improve their confidence despite all the efforts done by the organisations.

#### **5.5.1.2. Changes in Women's Knowledge and Skills**

In cognitive pathway, women's knowledge and skills bring changes in their capacities and capabilities (Chen and Mahmud, 1995). Microfinance Programmes claim to enhance women's knowledge and skills informally and formally particularly in men's related activities such as market-related information and experiential knowledge (Ackerly, 1995), learning entrepreneurial and managerial skills (Kabeer, 2001). The majority of the respondents from FDGs and interviews experienced an increase in their knowledge about the issues affecting their lives during meetings, training and awareness sessions.

It is found that women's learning increases in group's participation. Respondents from FDGs and interviews discussed that their knowledge and awareness increased with their participation irrespective of whether someone avails a credit or not. Sahiba (38, married, Peshawar, ND) was stopped by her husband to participate in the programme, she noted, 'what if he just allow me to attend the meetings. I feel good looking at others and listening to what they are doing. We get to know about new things there'. Husan Ara (55, married, Nowshera, PD) discussed her feelings after attending the group meetings:

When I was staying at home, I was not aware of anything and when I joined the group, I came across so many issues and experiences of others. It enabled me to distinguish between right and wrong; I felt I become powerful (zorawar) by having information of what's going on around me

To gain access to the information, one has to come out of the house and break their isolation. In KP, rural women are mostly confined to their homes where they only interact with their children, husband and sometimes in-laws. In such condition, they do not have the opportunity to listen to other women's experiences and interact with them with a feeling that they are not the only ones who are facing such problems. The knowledge about different issues and thinking together for the possible solution

also enable women to differentiate things that could be beneficial or unbeneficial for their life. In rural areas, men can restrict women to access sources of information as well that may reinforce women's disempowerment. The word *zorawar* (powerful) is a commonly used word in Urdu and Pashto that means 'the one who has power i.e powerful'. This word here reflects that gaining access to information through participation makes women powerful.

Khushnuma (50, married, Nowshera, PD), a former group leader and currently working as chairperson of the VB, shared her experience of encouraging and involving others to participate in the meetings actively:

To make sure that everyone gets involved, I had to guide the group members about the matter under discussion, made them understand that how important it was for us to learn and speak. At least our decisions are respected here and our voice is heard. From personal issues, we moved to develop common goals setting.

For her, the meeting was not merely a gathering but it was also an ongoing training of the group members. The different backgrounds and different level of understanding of the group members would put the group leaders to work hard to make the members understand first, what was expected from them. It was also reported by the respondents from FGD that not only group leaders but other group members also guided those who needed support in learning skills. A gradual shift in the need assessment had reflected; started with solving personal issues at practical level moving to the collective issues at the strategic level.

Training was another area of learning for the respondents. From the data analysis, it was found that both the organisations provided training services to their clients. Many respondents learnt different technical skills (embroidery, stitching, tomato ketchup, jams and pickle making), enterprise development training, social mobilisation training, and livestock and poultry training. Bakhtawar (45, married, Peshawar, ND) who applied her acquired enterprise related knowledge to operate her joint business with her husband, recalled, 'though I had taken a loan for my husband's business but we did not have any idea how to operate. Meanwhile, I attended business training and applied learning to our business and experienced an improvement'.

This demonstrates that like women, men can also have limited knowledge of business if they are new to the business. In this particular case, the wife's business knowledge not only benefits their joint business but also challenges the existing gender dynamics of KP societies that usually portray women as having no business knowledge and men having the sole responsibility of running a business. It is also found through interviews and FGDs that the acquisition of knowledge is not

confined to the enterprise related training only; women clients have also learnt different technical skills through skills training such as stitching, fabric painting and decoration-making etc., in order to generate income. It is also found that not many of them actually used the learning from training to earn some money. Baseerat participated in Jam and Pickle making training but she did not make it as her business, she described, 'eating Jam is not so common and pickles are already available in the market so I was unable to generate any income as I could not develop any linkages with the market'. Similarly, some others attended nursery raising training but the training actually did not benefit them as none of the respondents generates any income from them. However, some of the training was related to livestock and poultry where women learnt about rearing these animals and also the preventive measures required for them to protect their animals from disease and enhance their production. It is found that those who kept livestock and attended training felt happy with the knowledge and applied their knowledge to for livestock rearing. Seven respondents mentioned that they started embroidery and tailoring business after finishing their extensive tailoring training (up to two months) but only three of them could earn a regular income. This study shows that the focus of MFPs is to support women clients to improve their livelihoods to generate income but not many respondents could generate income on a sustainable basis. However, here a question of the marketing of products and services arises: in a village if many women are trained for one skill, how will they market their products or find customers?

It is found that there is an increase in women's awareness of legal issues, political matters and other development related matters when they attended different awareness sessions with the MFPs. Some of the female clients also participated in political activities and represented their village in different forums. Saleema represents those women who participate actively in political processes as she has worked as a counsellor at union council level. While these are some positive outcomes of the training, it is still necessary to explore whether MFPs have any follow up on these training programmes and women's actual execution of the learning for income generation or the training component benefitted all the female clients or just a small group of women clients.

The respondents discussed that a very limited number of training programmes were conducted by the MFPs. According to the respondents from different FGDs, the training session was not enough to train every client but during the loan receiving process, all women learnt many new things as the MFPs staff provide necessary information about enterprise development. It is found that not all of them had taken

advantage of this capacity building component of the NGOs. Hashima (40, married, Peshawar, ND) observed, 'I haven't attended any training though I am involved in IGAs but I have asked the VB to include my name as well as I want to know more about the business training'. A respondent in FGD 6 (Mansehra, PD) mentioned that 'I attended training but now I don't remember what I learnt. I only remember that the trainer was really good and they taught us well'. Similarly, many respondents from FGDs found that many women don't remember training contents, what they remember is that it was a good training or bad. They quickly forget their learning. The respondents noted several reasons for women's low participation in the training programmes. One of the reasons was related to women's mobility problems as some of the training were organised outside the village. Other reasons were mainly related to women's domestic and enterprise related responsibilities, gaining men's permission to attend, women's own interest to attend training and the MFP staff's selection of the trainees.

Interviewees also showed their interest in training programmes because of the financial benefits associated with them. Though the main purpose of these training was to build clients' capacities in different disciplines, the MFPs also ensured that women do participate in their training programme. Considering women's mobility issues, the MFPs paid travelling expenses to women trainees if they were invited to the MFPs' office outside the villages for training. As Shama (39, married, Peshawar, ND) observed, 'initially we didn't know that at the end of training we would get some money. We were happy that they gave us a nice lunch but looking at the money, now we wait for any training'. For some, the training was another source of income rather than learning as noted by a respondent in FGD2 (Peshawar, PD), 'many of us attended training because we received Rs. 200 and a box of delicious lunch'. This showed that due to poverty the main interest of some of the respondents remained in the remuneration they received at the end. I have also observed during interviews and FGDs, that besides learning, this financial remuneration became another interesting attraction to attend the training for the respondents.

There were also non-monetary benefits of attending training. Some respondents informed me that the NGOs also provided sewing machines, raw materials, poultry, goats and plants to the trainees at the end of training programmes related to tailoring, poultry and animal rearing and plant nursery development. Nasim Bibi (35, married, Peshawar, ND) reported, 'I attended a month-long skills training to learn stitching and to get a sewing machine at the end of the training which had been given to the previous trainees but due to change in NGOs' policies, the NGO did not provide machines to this batch'. Nasim Bibi stated 'it was very disappointing

for a trainee when she did not get the sewing machine she had waited for. I lost my hope of using my stitching skills in the absence of a sewing machine at that time'. Fareeha (45, Single, Peshawar, ND) noted, 'I attended plant nursery management training and got nursery plants at the end of training to grow and sell but the experience did not go well as I could not take care of the plants due to my other engagements'. Seema (46, widow, Peshawar, ND) reported that she attended poultry training and got chickens in order to sell eggs but the chicken died soon due to illness. Hashima (40, married, Peshawar, ND) however started her second IGA by selling eggs from the received chickens. These accounts show that clients also benefitted from the non-monetary components of training, where some women could perform well while others could not continue because of losing their interest or their other responsibilities. However, some of them started their second IGA with the material provided by MFPs.

Though these MFPs worked through an integrated development approach with regular financial services the provision of non-financial services such as training programmes were not offered on regular basis. The staff of MFPs reported that this was because of the limited availability of grants for such activities at the end of the programmes and also their limited capacity to offer a wide range of training courses to their clients. The MFPs usually linked their training component to their human resource development programme which offered training according to their own schedule and plans and may not be according to the needs of the clients. The respondents reported that most of the training given to the female clients, were not of their interest and they just participated as asked by the MFP.

The respondents also found that sometimes the contents of the training were interesting but the duration of the training was either too short to fully understand the concepts or too long so that women lost interest during the programme. Usually, these training programmes were designed in an interactive way to make clients understand the concepts at work but due to the women's lack of education, many women noted that they forgot the information quickly. Some of the interviewees commented that one-time training programmes were not enough to foster learning and there should be refresher courses and follow-ups to improve women's learning so that they could apply the acquired knowledge.

Many research studies find that business training can increase the financial literacy of participant and may have a positive impact on new or established microenterprises (Raven and Le, 2015, Sayinzoga et al., 2016). This study shows that the impact of MFPs' non-financial services might have a positive impact on

some of the clients' entrepreneurial capacities however because of the limitations of content and regularity, this was not inclusive and played a limited role in building the clients' human assets. Those clients who were not actively involved in any business activity appeared to be uninterested in obtaining entrepreneurial skills and considered the training irrelevant to them. It seems that though some of the clients participated in enhancing their learning and knowledge, the main purpose of attending the training for the majority of the respondents remained the financial and material gains. Another important finding was that the skill training was not linked with the loan disbursement process. The respondents who were interested in learning business skills were unable to attend and waited for their turn. In the absence of technical skill and knowledge, and proper follow-up sessions, it seemed that women were unable to generate enough income for their family. Like this study, Cho et al. (2016) also show that MFPs focus more on improving clients' livelihood rather than business growth thus unable to address the needs of subsistence entrepreneurs.

#### **5.5.1.3. Changes in Women's Mobility and Access to Market**

Several research studies have taken women's mobility and access to the market as indicators to assess women's empowerment through microfinance (Hashemi et al., 1996, Ackerly, 1995, Khan and Noreen, 2011, Montgomery and Weiss, 2011). This research study also finds that women's participation in MFPs increases the respondents' mobility within and outside villages when they visit the VB, commercial banks and training. The respondents noted that they were able to move around their neighbourhood within the village freely by accompanying someone without requiring permission from the male members. It is found that many respondents could go to market (*bazaar*) for shopping if accompanied by a male member of the family. Some women could take their children to the doctor alone in the absence of men. So it seemed that there were fewer restrictions on women's mobility in general within their village but women discussed some restrictions linked with enterprise or work-related mobility. Shehnaz (36, married, Peshawar, ND) said, 'It was difficult to find work related opportunities. For that, I needed to go out frequently which my husband did not allow. He asked me to do work that can be done from home'. Similar views echoed in Sahiba's case, 'my husband didn't want me to attend monthly meetings either but as I had taken a loan for him, it was a compulsion, I had to attend'. Shandana (30, married, Peshawar, ND) noted that 'when there are issues of survival for my family, I have to come out and explore earning opportunities'. Shandana was involved in two income generating activities; she sold dairy products and she worked as a domestic servant in a nearby city for which she



had to go on a public transport daily. She noted, 'I managed my mobility but I faced many problems such as staring and harassment when I had to travel along with other men'. One respondent in FGD 2 (Haripur, ND) discussed that 'if we have to go to the nearby city, we go in a pickup (local transport) and we have to sit with outsiders and one cannot bear the way they looked at women. We try our maximum not to go out'. Similar views were discussed in other FGDs and interviews. In KP, women's mobility is restricted due to the *Purdah* system where household is women's domain and if women go out alone frequently for work they are exposed to harsh behaviour of men who do not pay respect to work women and for this reason many men do not allow their women to go out for work. This may also be one of the reasons that women in KP are self-employed and engaged in home-based traditional enterprises. The findings here echo that of Kabeer's (1997), who also notes that men in Bangladeshi society speak badly of, and do not value, working women despite their higher incomes.

It is found that the respondents also faced severe restrictions when they needed access to the market for their products and skills. Hashima's income activity required her interaction with the market in a nearby city, from where she purchased household goods and clothes for her business. She noted, 'despite the fact that my husband knows that I am earning, he doesn't like me to go to the market. Since I have to work for my kids, I go when he goes out for his work and try to come back before him'. Hashima perceived that her contacts with the market were essential for the betterment of the household and that was the reason that she worked in the absence of her husband. Bushra (28, married, Peshawar, ND) highlighted that 'my husband is mainly responsible for all market-related activities of our joint business and I don't go to market for enterprise related matters'. Many respondents in FGDs believed that for their family honour they should choose a work that requires minimal mobility. Since the market is considered as a place where most transactions are performed by men, women's entrance into the mainstream market is not encouraged in KP's rural areas. It is found that respondents in this study could not avail market-related opportunities because of above-mentioned reasons.

This section has assessed respondents' personal empowerment as a result of their participation in microfinance activities. The next section focuses on the changes women perceive in their household's well-being.

### **5.5.2. Women's Experiences Of Changes in Household's Well-Being**

According to Mayoux (1998), the poverty alleviation paradigm of microfinance institutions assumes that participation enables women to spend more on the well-being of the family through income earned from the loan funded enterprise. Despite research from elsewhere that shows that MFPs have facilitated women to contribute financially to household expenses (Khandker, 1998, Mosley, 2001, Mckernan, 2002, Pitt et al., 2006, Swain and Wallentin, 2009), other studies have found that an increase in the income earned is not enough for female clients to support their family (Mayoux, 2001) and if income is not in the women's control, then they may not be able to spend on their family (Goetz and Gupta, 1996, Uddin, 2015, Karim, 2011, Balasubramanian, 2012).

According to the respondents, women's economic contribution is being invested in three main areas of family well-being: children's education, health and children's marriage. As is the case with the savings, the major contribution of women was money spent on their children's education and decision-making related to children's schooling. The respondents major spending from their money either from income or savings was found to be on their children's school fees and other related expenditures (the children of rest of some women were old enough or had finished school or were working). However, with an increase in income, some clients had started sending their children to the private school and they bear all the expenditures as their husbands refused to pay these additional expenses. Shakira's (38, married, Peshawar, ND) children started going to college in the nearby city and she considered that investment in human capital is more important than anything else:

Initially when our children were small, we were happy with whatever little earnings we had, my husband was a daily wager and his earning was enough for our survival, but when our children grew up and expenses on their education increased, we realized that we had to earn an additional income to support their educational expenses.

Hashima (40, married, Peshawar) gives another example as she started her business for the welfare of kids due to the fluctuating nature of her husband's income. She stated:

For me the most important thing was my children's education for which I could not pay for, my husband asked me to stop sending them to the school which was not acceptable for me at all so I decided that in this vulnerable situation where we could not even feed them, I had to work for my children's survival. Now I am happy that all my children are doing well in the school and making progress. My contribution had changed my kids' future.

It shows that participation in the microfinance programme may enable women to make decisions in their children's education and then to ensure its implementation.

The second area where clients said that they spent their money was on family's health and nutrition. The respondents stated that they were unable to provide healthy food to their children because of their poor conditions. With the increase in income either from the husband's business or from their own, the respondents noted that they were now able to purchase fruits and meat which they could not buy before. Rahat (55, married, Haripur) is engaged in the livestock business and belonged to a large family. She noted,

From the loan money and some of my savings, I bought a buffalo which produced 5-6 litres of milk daily. I kept some milk for my children and grandchildren, made dairy products and the rest I sold to my neighbours to earn money. If we had to buy milk from the market, the quality was not so good and it was expensive as well. Now I save the amount spent for the purchase of these things by providing pure milk and dairy products to my family. I make larger profits by selling my buffalo and its calf when the milk gets dry and buy another milking buffalo for my family.

Women's contribution to the household expenditure also enables them to access medical facilities. Some interviewees stated that they avoided consulting doctors on their health issues before getting involved in the IGA as they could not buy medicines due to their poverty. However, clients were very particular about their children's health. Shama (39, married, Peshawar, ND) reported:

My son was suffering from cancer. When I applied for the first loan, I was unaware of my son's illness. My husband sold our land and house to bear the treatment expenses. I wanted to spend time with my son but I had to earn an income to support my husband and to provide better medical services for my son.

The respondents who earned their own income also reported that they now take better care of themselves and their families are also taking care of them as if an earning woman becomes ill, then it would affect the flow of money that they were bringing to the family.

The respondents also find that they used their skills for their family's welfare by avoiding unnecessary expenditures. Women who knew stitching and tailoring saved money by stitching clothes for their children as stated by Nasim Bibi (35, married, Peshawar):

My husband contributed a very negligible amount of money and I could hardly feed my seven children. My income from stitching was not sufficient either because of my health issues or problems with my machine. The children were growing and they needed clothes. Though I had always encouraged them to use their clothes to the maximum extent but at times we had to buy them new clothes. I used to stitch their clothes at home and thus utilised the money for their food and other stuff. My skills were my asset that enabled me to help my children.

Several accounts like this explain that the clients tried in every way to support their family even when their earning was minimal.

Another area where women's economic contribution was potent was for children's marriage and the making of a dowry. A respondent from FGD 4 (Nowshera, PD) expressed:

I saved money and utilised the amount to create my daughter's dowry as it was not possible for me to spend money on buying things altogether. It was always my decision how to use my money and I preferred to save my money for my children's marriage expenses.

Women's financial support towards their family from their loan money and income changed their perceptions about their worthiness.

Many studies have used women's ability to purchase large items as an indicator to measure women's empowerment (Hashemi et al., 1996). The respondents of this study stated that they were mainly involved in buying clothes, food, cooking stuff and other minor purchases. This shows that they are only involved in small purchases necessary for the household's functioning. Almost all the respondents noted that men are responsible for buying large household purchases such as property, major resource allocations, vehicles and machinery which involve thorough market information and access which rural women usually lack in the context of KP.

Women's participation in microfinance programmes has appeared to be beneficial for other family members both in economic and non-economic terms. The study has shown that some women had applied for loans for the first time for other family members, particularly sons and in doing so generated employment for them. Kifayat Bibi (24, single, Haripur) commented, 'my mother was an active member but due to her illness, I join the VB to take a loan for my brother'. Rehmana (39, married, Peshawar, PD) who took money for her husband and sons noted:

My access to a loan enabled me to help my sons financially so that they could earn a regular income. They were daily wagers having irregular incomes. I helped them in identifying a suitable business and then by providing the capital to start the business from my third and fourth loan.

Another interesting finding is that women's participation enabled them to give direction to their family members and facilitate them through a loan to earn income from the different business. This shows that the respondents' knowledge and access helped their family members.

Besides monetary benefits, interviewees noted non-economic benefits for the family members. It was found that some interviewees also benefitted other family members especially their daughters and daughters-in-laws. It is found that many

respondents shared their learning with their family members and encouraged their married daughters and daughter-in-laws to participate in the programme as they had seen many benefits of the participation. Rahat (55, married, Haripur, ND) emphasised, 'I asked my daughter-in-laws to join the VB as there are many benefits'. Hajra Bibi (33, married, Peshawar, PD) observed, 'when I was worried about my children's life, my mother-in-law asked me to join the programme'. During an informal conversation, Hajra's mother-in-law also told me that she persuaded Hajra to join the VB. It shows that many respondents used their existing kinship by including their other female family members in the formation of the community organisations and the village banks.

Not only this, some of the respondents encouraged other female family members such as their daughters-in-law to participate in households' decision-making. This support and encouragement seemed to enhance the confidence and self-esteem of other family members. To explore the effects of mothers' participation in microfinance on their children, I had discussions with some of the daughters of the interviewees after conducting the interviews with the respondents to understand their perception and viewpoint of their mothers' participation and its effects on their lives. Saima (daughter of Shakira, a college student) stated,

Whenever my mother attends any meeting or training, she tells me everything. I learn a lot from her experiences. I feel so proud that she struggled hard to provide us better education

Tahira (daughter of Shama, unemployed) noted, 'since my mother is worried about my brother's health, I provide her with full support'. When I asked her why she doesn't take loan along with her mother she pointed out four things:

There are many reasons for this. First, only one person per household can apply for the loan. Second, I have to take care of the household matters and my brother in the absence of my mother. Third, involving in an organisation mean that I have to go and attend the meeting and training like my mother which I am not allowed to as young girls do not frequently move in our village. My mother is involved that's enough for us. Fourth, the organisation usually does not give credit to girls as if girls get married then who will repay the loan.

As mentioned above, this statement also shows that MFP policy is not friendly towards girls because of repayment concerns. Usually, one person from a household can apply for the loan while other members are excluded, this may provoke women to take money for others and other purposes than the stated ones. Women's workload sharing is also discussed here that if a woman is involved in other activities, someone has to do household chores in her absence which is not the responsibility of MFPs. And most importantly, it also shows that young girls have more restriction than mothers in KP. Shazia (daughter of Nasim Bibi, student)

states, 'I could get an education only because of my mothers' realisation and efforts'. The sharing of knowledge and awareness about women's rights was also one of the benefits received by the family members of the interviewees. These accounts suggest that the next generation, especially girls, acknowledge and recognise respondents' efforts.

Besides these positive accounts, some respondents also discussed that their children were asking them to leave the organisation. Khushnuma (50, married, Nowshera, PD) noted, 'my daughter said that I should stop working now because of my health. She wanted me to be at home, she didn't like when I remain outside for longer time period'. I was also interested to know the impact of mother's work on their sons. Though I couldn't talk to anyone directly, the respondents discussed how their sons responded to their participation in the programme. Rahat (55, married, Haripur, ND) stated, 'my sons were not happy that I go so far to attend meetings. I told them they should not interfere in my affairs. As a result, they put restrictions on their wives' participation'. Many respondents in FGDs also discussed their son's dislikeness towards the programme activities. Saleema (33, Married, Peshawar, ND) discussed it further:

My son was not happy with my increased mobility since his friends spoke negatively about women who went outside for work. He and his friends spied on me whenever I went out. Still, to date, he is not happy with me and he doesn't speak to me at all

This statement discusses that in the KP society women's work is considered as a social stigma which other respondents also discussed in FGDs and interviews. In the KP communities, women's work and related mobility are not respected and the socialisation process influences negatively on children. In their study, on community's perceptions regarding women's employment and income in KP, Naz et al. (2013) argue that code of Pashtunwali and cultural values have a strong hold on people's perceptions regarding women's work. Naz et al. (2013) show that out of 225, 84% of their respondents perceive that due to *Pardah* observance women's domain should be their homes, 81% consider that women's income is a sign of defamation and 80% of the respondents consider women's work as a social stigma.

However, we cannot overlook perception and viewpoint of women and men about the change in gender relations. In the next sections, I will explore the perceptions of gender relations.

### **5.5.3. Women's Experiences Of Changes in Households' Gender Relations**

The advocates claim that women participation enables women to challenge and transform gender relations at the household level thus achieving social empowerment (Khan and Khan, 2016, Aslanbeigui et al., 2010). However, the opponents reject this claim and argue that microfinance largely ignores gender relations that are the basis of women's empowerment (Uddin, 2015, Karim, 2011, Johnson, 2005). In this section, I show how women perceive their (in)ability to bring changes in gender relations.

#### **5.5.3.1. Women's Experience of their Decision-Making**

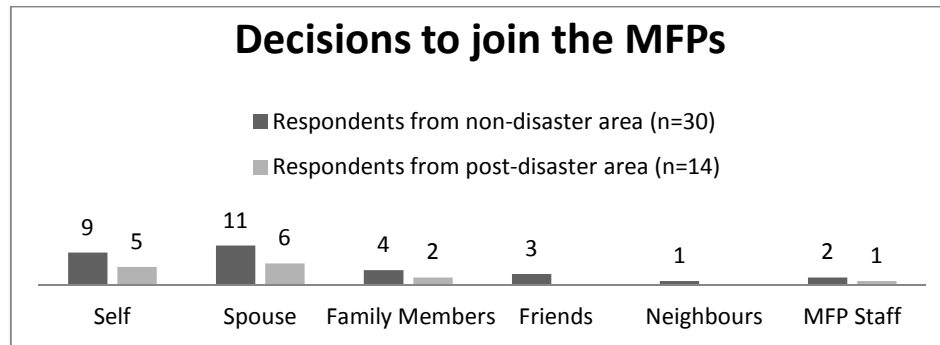
Women's role in decision-making processes is widely argued in relation to their empowerment. The proponents argue that microfinance enables women to have greater role and voice in the traditional male-dominated decision-making processes (Mahmood, 2011, Holvoet, 2005b, Montgomery and Weiss, 2011). In this section, I want to show how women clients' have perceived any change in their role in the decision-making processes after their involvement in microfinance programmes in Khyber Pakhtunkhwa.

#### **Women's Decision - Making Related to Microfinance Activities**

In this section, I explore women's decision-making related to microfinance activities before examining changes in women's tangible and intangible assets. In this way, I build a clearer picture of whether it was the women's own choice to join the microfinance programme or whether they joined on behalf of others.

#### **Decisions to Join the MFPs**

Joining was not a simple decision for many interviewees, once they found out about the microfinance programmes. A respondent from FGD 2 (Haripur, ND) revealed that 'it took a long time for women to convince their husbands and other family members of how the joining benefits their households'. Another respondent from FGD 1 (Peshawar, ND) stated, 'the most difficult part was to convince men so that allow us to join the organisation'. However, those who took loans for their husbands did not face any issue in this regard. Some married women took the decision on their own, some took the decision jointly or with the permission of their husbands, while the widows took joining decision on their own in the absence of their husbands. Close family members, friends, neighbours and the NGO staff also helped interviewees in resolving their concerns and motivated them to take the initiative to join the MF programmes as depicted in Figure 5.10.

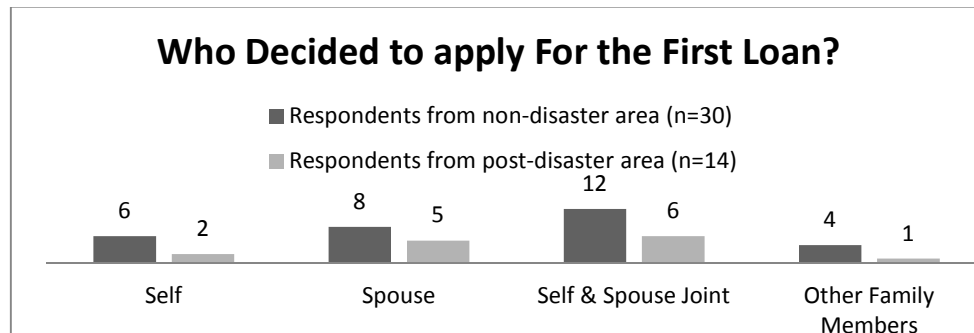


**Figure 5.10 Decision to join the MFPs: Generated from field data 2011-2012**

Figure 5.10 reveals that from the non-disaster area, eleven respondents joined the programme when their husband's asked them to join the MFPs. Four women joined when their other family members asked them to join. It is also evident that only nine women decided to join the credit programme by themselves and the other interviewees joined the programme with the involvement of others (spouse, NGO staff, friends, neighbours and other family members). While from post-disaster area six joined because of their husbands' interests, five joined on their own, two joined because of other family members and one joined because of MFP staff. Similar information was obtained from the FGDs' discussion. So it raises some questions as to whether women felt reluctant to join, why they hesitated to initiate in something new, and what the factors that hinder many respondents (21 and 9) to take a decision on their own actually were. If interviewees decided to join the MFP, then did their decisions to apply for microcredit made of their own volition or did other people have any influence?

#### Decisions, Purpose and Use of the First Loan

Research on microfinance and women's empowerment shows that it is not merely the access to credit that empowers women, but it may also be women's decisions, their control over loan amounts and use of loan that show clients' empowerment (Kabeer, 2001, Goetz and Gupta, 1996). Decisions about applying for the first loan show variations in interviewees' responses as shown in Figure 5.11.



**Figure 5.11 Decision to Apply for the first loan: Generated from field data 2011-2012**



Figure 5.11 shows that from the non-disaster area six women decided to take their first loan on their own, eight women took loans on behalf of their husband, twelve women jointly decided with their husbands to apply for loans and four women took the loan for other family members. While from the post-disaster area, two women decided to take a loan on their own, for five, the decision was taken by their husbands, six decided jointly and one took for her other family member.

Women also take money through a mutual agreement with their husbands. Most of the respondents reported that they had taken loans jointly with their husbands to increase the household's income. The loan was usually invested in either the women's or their husbands' businesses where both husband and wife were equally responsible for the repayments. Joint decision-making regarding loan purpose and use is found to be common in rural areas of KP where women have limited access to a formal business environment and they rely mostly on men to make business decisions on women's behalf and also in the KP women consider them as part of the household, not a separate entity. However, a respondent from FGD1 (Peshawar, ND) rejected the idea of mutual decision-making by stating, 'earlier community men mortgaged their cows, buffalos or land for obtaining loan now men mortgage women to take loan'. This statement reflects that men actually use women to access the loan and in the mutual decision-making they may only tell women to take the credit.

A small number of interviewees (6 from ND & 2 from PD) have decided autonomously to take a loan. Hashima (40, married, Peshawar, ND) noted:

I took the first loan of Rs 10,000 for the expansion of my existing business which was a somewhat large amount as compared to the small loans I have taken from other people. I didn't inform my husband when I took the first loan from MFPs as I thought he might take it from me for other purposes.

It shows that in KP women may have access to small loans from informal sources. In FGDs, it is also found that women clients have a tendency to hide their money from their husbands. One respondent from FGD 5 (Mansehra, PD) stated, 'If I had informed him the money I have borrowed, he would have taken from me and misused it'. Women clients having a business that generates enough income may enable them to return their loans easily. In cases where women had their own enterprise, the chances to take decision individually were more to invest more money for the expansion on the basis of their ability to repay.

Faryal (42, married, Haripur) states:

My cousins owned a primary school but wanted to sell it after their marriage. I decided to buy the school from them despite the fact that I was not very

educated and I didn't have enough money to buy it. I informed my family and asked for their financial support and also applied for the loan.

This account shows that if opportunities are available, then some women manage to operate a business. It seems that Faryal did not consider her low education and monetary constraints to be barriers. Instead, she strategized to make use of the opportunity. It is very rare indeed for a woman to own a school at the village level in KP and this account demonstrates that rural women like Faryal can also start non-traditional businesses.

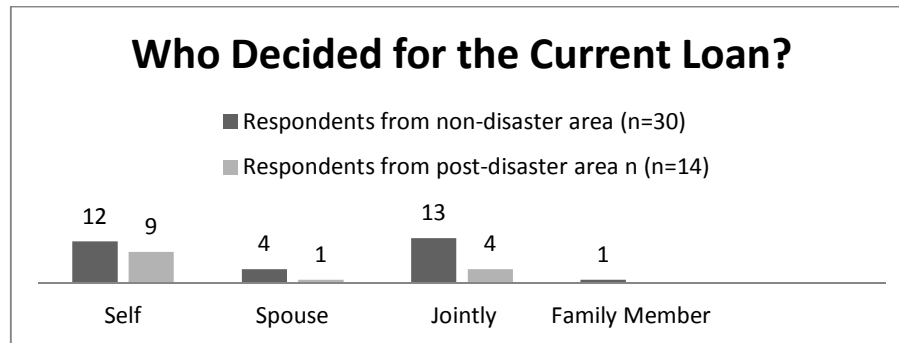
MFP's staff and other clients also facilitate women who want to take a loan. Mehr Bano (35, widow, Haripur, ND) states, 'I decided to take a loan to buy a cow after the unexpected death of my husband when MFP's staff suggested applying for a loan to help my household'. The difficulties that arise after the death of the main bread earner often compels women to access a loan to start a business.

However, the case of Shakira (38, married, Peshawar) adds another dimension. She notes, 'I had the choice to decide alone or jointly with my husband whether to take a loan or not. My husband had never stopped me from anything. He is so encouraging'. In this excerpt, Shakira shows her husband's support and her freedom to exercise the available choices. She was given the power to choose whatever she thought appropriate for her. This also points to the fact that there may be some men who are supportive of their wives' economic endeavours.

A contextual supposition could be that women who make their own decision to apply for a loan might be more empowered than those who do not decide in the same way or decide jointly with their husband. However, the decision for a loan and the use of it by other family members does not always show negative connotations for the female clients as discussed in a number of studies (Goetz and Gupta, 1996, Montgomery et al., 1996).

### **Decisions about the Use of Current Loan**

Since all the respondents have at least three years of association with the MFPs, I wanted to know whether they were able to make decisions on their own or whether they were still relying on others to make loan-related decisions. The current scenario shows a visible difference in interviewees' decision-making patterns related to the loan purpose and loan use as shown in Figure 5.12.



**Figure 5.12 Decisions taken for the current loan: Generated from field data 2011-2012**

When I asked who made the decision to take the current loan, from the non-disaster area, an increase is evident on women's own decision-making. Twelve respondents stated that they decided about their loans themselves as compared to six respondents who had taken the loan themselves for the first time as depicted in Figure 5.11. A reduction in the pattern of decisions taken by the husband is shown as four women took a loan for their spouse as compared to eight shown in figure 5.11 and 5.12. There is a very negligible difference in joint decision-making. Figure 5.12 shows that thirteen respondents jointly decided with their husbands as compared to twelve respondents in figure 5.10. Only one respondent took a loan for other family members, as compared to four respondents who applied for loans for other members as shown in Figure 5.11 that shows a decline in the pattern of decisions taken by others. From the post-disaster area, a huge difference is visible in women's own decision-making where nine women decided on their own as compared to two who decided for their first loan. One took a current loan for her husband while four reported that they took a loan for their husbands for the first time. There is a slight decrease in a pattern of joint decision making, where four respondents decided for their current loans as compared to six for the first time. It is also found that no one decided to take a current loan for other family members.

The respondents in interviews and FGDs discussed that the improvement in decision-making became possible due to their increased knowledge about enterprises and the increased confidence to take own decisions during the time they spent in the VB and credit group. Safavian and Haq (2013) also note that women who decided to take first or second loans for their male family members started taking decisions on their own for the third or fourth loan.

### **Changes in Decision-Making Other Than Microfinance**

The dominant claim of proponents is that women's participation in microfinance programme increased women's involvement in household's decision-making processes including decisions on use of loan and investment, decisions related to

control over income and assets and decisions related to women's own life and their children (Ali and Hatta, 2012, Holvoet, 2005b, Holvoet, 2006, Kabeer, 1998, Geleta, 2013, Ashraf et al., 2010, Rahman et al., 2009, Pitt et al., 2006, Kabeer, 2001). The counterclaims show the complexities in the process of decision-making by arguing that in many cases, husband or other male members of the clients' family decide to take and use women's loan either to invest in women's business, men's business or simply use over other needs (Rahman, 1999b, Johnson, 2005, Montgomery et al., 1996). The literature claims that women's inability to participate in intra-household decision-making in the absence of any economic contribution further weakens their bargaining powers through a lower breakdown position (Kabeer, 1997, Osmani, 2007). In KP women's low participation in the economic sphere is found to be restricted because of the unequal distribution of gender roles embedded with socio-cultural norms where women's roles are regarded as secondary and their confinement to their homes hinders their ability to contribute economically. This section focuses on women's decision-making in their routine life other than microfinance related matters as such it analyses any changes in women clients' decision-making related to their households and beyond and the impact of microfinance on women's bargaining power.

As mentioned above that there is a change in the decision-making patterns when women became engaged in loan funded enterprises and their economic contribution may provide them with an opportunity to make their presence felt in the households' major decision-making processes. Regarding major decisions, a large majority of the respondents stated that they were not very active in taking major decisions alone or jointly because of their limited exposure and knowledge about the outside world and because women are not simply considered to part of decision-making processes. Rehana (25, married, Peshawar, PD) noted, 'decision-making is in the hands of family elders. They do consult older women and if women give good suggestions they follow sometimes and sometimes don't'. Yamina (25, married, Haripur, ND) observed, 'he (husband) is our head of the family, he decided and we follow'. Baseerat (28, married, Peshawar, PD) reported, 'how can I decide on my own when he says I am *majazi khuda* (temporarily act as God- feed and protect). Kifayat Bibi (24, single, Haripur, ND) expressed, 'men are dominant as they go out and know all'. The main reasons for women's low involvement found to be that decisions usually taken by the head of households and women's low knowledge and awareness hindered them obtaining a key position in decision-making even if women want to participate in decision-making they were not allowed to decide.

However, interviewees have also agreed that the situation is changing slowly in favour of women and that women are becoming more active in decision-making processes than before. As noted by a respondent in FGD 2 (Haripur, ND) and supported by other, 'men never involved us in decision-making before, we have worked hard to prove ourselves and waited long for this time, now they consult us in all decisions and in some occasions they implement our decisions'. However, a respondent from FGD 1 (Peshawar, ND) totally rejected that women are actually involved in major decision-making by stating, 'in KP women cannot take decisions such as marriage, education and inheritance then how can we claim for making major decisions? Consultation and implementation of the decisions are two separate things'. Some women stated that they were actively involved in their children related decisions especially education. Shahin (40, married, Mansehra, PD) stated, 'I decided on my own that my daughters will go school'. Similar statement echoes in other accounts and FGDs' discussions. However, it was not evident that whether microfinance services have enabled women to make major decisions or women's involvement in other programmes such as social mobilisation and awareness programmes have enhanced their decision-making.

The respondents found that a woman's determination makes her decision-making stronger by working hard for the achievement of her targets and thus challenging the existing gender relations. However, winning men's acceptance and having them involve women in major decisions is not simple. Men may give some space to women in decision-making but final decisions still remain with the men because of the prevailing gender inequalities. Here, women's decision-making is visible as related to children and some microfinance related decisions but still the final decision lies in the hands of men regarding major decisions.

### **5.5.3.2. Changes In Gender Division Of Labour**

As is the case elsewhere, in the rural areas of KP men are considered the main breadwinners having more access and control over economic resources and a more important position in the public sphere than women (Akram-Lodhi, 1996). The analysis of activities performed by female clients in the study area showed that respondents had more responsibilities towards their home and children. The respondents in FGDs and interviews reported that whatever the situation is women have to perform their domestic chores. Women's involvement in income generating activities affected additional responsibilities which they had to perform alongside their household responsibilities. Women's participation in the meetings also required their time which they had to manage in relation to their domestic roles. A

large majority of respondents observed an increase in their workload that hindered their microfinance activities but instead, they adopted different strategies to manage the workload. As noted by a respondent in FGD 6 (Mansehra, PD), 'Yes, my work has been increased but as compared to related economic benefits, I try to manage them'. This quote represents a majority of the respondents in the context of KP.

As changes in the gender division of labour are very subjective in nature, the respondents observed different situations. Some of the interviewees faced difficulties despite their economic contribution as their families wanted them to give preference to their domestic duties. Sahiba (38, married, Peshawar) notes,

When my husband wanted some gains from the VB he asked me to join the organisation. Now he doesn't care that I bring money from the VB for him. He only wants me to stay at home and perform my household chores. He does not like my participation in meeting since he thinks that I will not follow his instructions once I learn new things, especially about my rights.

This shows that benefits from microfinance may not always alter women's situation. Here, it seems that men use women for their benefits and whenever needed may stop women. This was visible particularly in those interviewees who belonged to a nuclear family with small children and where no one else could share their domestic responsibilities. According to Shama (39, married, Peshawar, ND),

I was the president of community organisation that community men encouraged us to make since there were many benefits associated. I was very active and we obtained credit and also worked on a project to construct our roads and conduits. When our project finished our men asked us to stop going to the VB and thus we had to dissolve or CO. I also left because I have to take care of my ill father in law and my children at home and I could not continue further

Despite women's income contribution, their position in the households remains relatively unchanged and they face difficulty in managing both of their roles. Abeera (34, married, Haripur, ND) stated:

I am living alone with small children and I have to be very attentive towards their needs and I can focus only on one thing; either my children or my enterprise. That's the reason I opted for buying goats as I don't have to go out for work leaving my children behind'.

This quote shows that women belonging to nuclear family face difficulties in managing domestic tasks, therefore unable to establish other than home-based enterprises. In the absence of any caregiving support from the family, women may not perform dual duties effectively and for that, they have to strategize and prioritise the more important one.

In extended or joint families, it was observed that other family members supported the women and shared their domestic responsibilities so that they could

concentrate on their enterprises. This was reported by an elderly woman Dilshada (49, married, Peshawar, ND), who stated, 'I did not have to worry about my household when I had to go outside for meetings. My daughters and daughters-in-law took care of the domestic issues in my absence'. Husan Ara (55, married, Nowshera, PD) reported, 'I am so busy with the VB's work so I don't find time to do anything, my unmarried daughter cares for the household related tasks'. In the FGDs and interviews, it was observed by many female clients that when women became older, their domestic responsibilities were usually taken on by other family members, but younger women with small children had to seek support from their in-laws to look after their children in their absence. In this scenario, many clients could not operate their enterprise properly as their productive responsibilities increased the workload of other female members of the family. This is also one of the reasons that women preferred to become involved in those enterprises in which they could easily operate within their household and did not have to go outside frequently.

Examining the male members' support towards domestic work and care of children it was found that although the attitude of men towards 'women's' work is changing slowly (but with a few exceptions), men's contribution to domestic work is largely unchanged. Female clients observed minor changes in men's role in domestic activities and a large majority of the respondents informed me that their husbands never shared in their domestic responsibilities.

Only four women clients reported a positive change in men's support in domestic tasks. Hashima (40, married, Peshawar) stated, Due to the nature of my clothing business, I have to go out very frequently. Initially, my husband did not support me but now in my absence, he brought bread and took care of the children's lunch when they came back from the school. Samina (30, married, Haripur) noted, 'It mainly depends on men's upbringing; my husband fully supports me in my domestic chores at times when I need but it is not a routine work for him'.

However, some of the men supported interviewees in their enterprise related activities where women were unable to perform them alone. The respondents from FGDs and interviews observed that although male members did not help them in actively domestic chores they did help them in enterprise related matters. A respondent from FGD 1 (Peshawar, ND) noted, 'I gave him money and he bought our buffalo'. None of the respondents who were rearing livestock had mentioned that they bought the animal themselves. In KP, men are usually responsible for buying and selling animal from the rural market (*mandi*) and women are not allowed to go to such men's area. A similar pattern is found from the data analysis where

men were involved in women's market-related matters such as buying raw materials and machinery; establishing poultry farms and grocery shops; financial and market-related transactions and providing business knowledge. Conversely, female clients' also increased involvement in joint-held or their husbands' businesses in the form of decision-making, record keeping and carrying out other business activities even if the female clients had not used the loans by themselves.

### **5.5.3.3. Changes in Men's Behaviour**

Changes in men's behaviour and the households' power dynamics indicate how women clients use their capacities to reduce gender inequality within the household and community. In this section, I intend to focus on changes in the attitude and behaviour of men with respect to women's participation and income generation.

It is found that women need men's permission to participate in any development programme or any activity outside the household. During FGDs and interview, a large majority of clients discussed that they needed permission for joining the programme and then participation in the programme activities. It is found from the data analysis that initially, men did not give permission easily to attend the meetings as noted by many respondents during FGDs and interview. A respondent from FGD2 (Haripur, ND) observed that 'we had to convince men for their permission, but now it is relatively easy and women only have to inform them of the purpose of the visit'. Rahat (55, married, Haripur) states, 'I don't ask for his permission. I just tell him where I am going'. The respondents in FGDs (almost in all) discussed that older women have the flexibility to obtain permission or to inform since their mobility is not as restricted as that of young women. In FGD 5 (Mansehra, PD) a respondent noted, 'for young women, men's permission is essential if they want to participate in economic activities. Another respondent in FGD 4 (Nowshera, PD) noted that 'with the passage of time now men are becoming aware of the benefits women can bring to the family, their behaviour is changing towards women's participation'.

Women's participation in any development programme in KP largely depends on men's permission in male-headed households as this participation is related to many factors that could affect women's lives and bring about both favourable and unfavourable changes in the gender relations of the households. From a religious perspective, women have to seek men's permission whether it's from husband, father, brother or son (Hofstetter, 2008). This permission can be conditional where women have to follow the conditions set by their husbands (Sigalla and Carney, 2012). In their study on women's entrepreneurs in Pakistan, Safavian and Haq



(2013) find that 68 percent of women clients required permission from husbands or family.

Men's trust of the relationship between women clients and the microfinance programmes also seems to be an important factor in promoting women's active participation. A respondent in FGD 2 (Haripur, ND) discussed that 'when men realise that women's participation has no harmful effects, they create fewer problems for women and let them participate'. However, many respondents agreed on one respondent in FGD 6 (Mansehra, PD) stated that 'women have to win men's trust first'. In FGD 1 (Peshawar, ND) a respondent noted that 'when there are issues of dissatisfaction and mistrust, men tend not to allow their wives to participate in any programme activity and in some cases restrict entry of the programme personnel'. During FGDs and interviews, almost all the respondents discussed that trust of their male members is the most encouraging factor that may enable them to freely attend meetings and meet outsiders.

Men's support appeared as the most important promoting factor for women's empowerment. Shahin (40, married, Mansehra, PD) emphasised, 'women empowerment is related to men's support. Without a man's support, a woman is a failure'. Another respondent from FGD 2 (Haripur, ND) stated the same, 'women can't do anything without men's support'. This shows that in the context of KP where women have a dependent and subordinate position, men's support and encouragement may enable women to bring desirable changes in their lives.

However, in some cases, the scenario appeared to be totally different. It was not the matter of trust and support but the existing gender disparities that created more problems for some of the women who wanted to help their families. Rather than support, some respondents faced very discouraging behaviour that hindered their active participation. This behaviour becomes visible when men withdraw their economic contribution and rather than supporting their families, they overburden women. Nasim Bibi (35, married, Peshawar, ND) discussed this situation as she had suffered mentally from her husband's withdrawal of money:

His earning was not enough and to support our family I started earning a little bit through stitching. Seeing my small income, he reduced the amount for the expenditures. When we had to marry our daughter, he completely refused to do anything. I was in stress and took help from my brothers. And you know, when it comes to his brother's marriage, he bore all the expenses. I become a patient of hypertension and diabetes as a result of tensions and stress.

Men's withdrawal of their economic contribution had appeared less frequently in the study areas as the majority of women who took loans for their husband did not

mention this situation. Those who contributed to household's income also said that their income is supplementary not the actual one so men did not withdraw. Some of the respondents reported that male members had increased their economic contribution out of the earned income from their enterprise and in fact hand over all the money to the women.

More than half of the women emphasised that they keep their husbands' money as treasurer but are not able to use it for their own needs. Shakira (38, married, Peshawar) commented on women's control over men's income:

My husband gives all the earned income to me and I save it. He has never taken my earned money either. Though I have the permission to use the money I manage carefully as he often have to re-invest in his business for which I also provide him support

Similarly, Faryal (42, married, Haripur) stated, 'I have full control over not only my own money but also my husband's and sons' income. They take money from me whenever they need'. Many other also noted that they keep men's money in their control. In the rural areas of KP, where men's access to formal banks is also limited, men keep their money with women but women may not be able to use that money so the control still lies with men.

Some of the clients also perceived that their economic contribution and control over household resources have increased their value in the family. Their husbands now acknowledge their efforts for the poverty reduction of the household and have started paying more respect to them. I interviewed Shakira's husband Umer in order to gather his views about Shakira's involvement in the microfinance programme. Umer (40, married, Peshawar, ND) currently works as a fruit seller and has another business in wood selling. He noted,

The times are changing and we also need to change accordingly. Shakira is now active and helps other people. I also involve her and my children in decision-making wherever necessary. She has full control over her money and I am responsible for household expenses. I also provide her market-related support since our village environment doesn't support a local women's presence in the market. Unlike many people in our village, I also help in domestic chores when she is out or she is ill. I don't like so many restrictions as I am aware how to keep a family happy. My kids are at school and going to college and there is peace in our house. We are a happy family!

Umer sounds like a very progressive man; he supports his wife to bring about improvement and peace in his life. His account confirms what Shakira has already stated during her interview. He puts no restriction either on his wife or his daughters and has provided an environment where they could grow their capacities. According to Umer, 'some neighbours criticised me for supporting my wife but I ignored them

as I thought that they were ignorant and didn't want to change'. There may be very few people in rural areas who think as progressively as Umer and a large majority place restrictions on women as a means of ensuring their control of them.

The empirical studies observed mixed results on the impacts of microfinance on violence against women. One group of researcher claim that microfinance has the ability to reduce the incidence of gender violence through women's enhanced economic capacity over time (Kabeer, 1998, Schuler et al., 1998, Chin, 2012) while other group rejects those claims and argue that women's economic activities may result into greater incidences of domestic violence and tension due to repayment difficulty and increased workloads (Goetz and Gupta, 1996, Rahman, 1999a, Ahmed et al., 2001).

When I enquired about the situation where women refused to transfer their loans and incomes to their husbands, a respondent in FGD 1 (Peshawar, ND) stated, 'sometimes men took money forcefully and women had no other choice but to hand it over to them in order to avoid conflict and violence'. Violence against women appeared to be of different intensity for different respondent. Only a few women discussed their conflict situation with their husbands openly while others did not discuss and reported low or negligible incidences of violence. During the FGD2 (Haripur, ND) a participant stated, 'Violence may have reduced since women do not want to disclose their personal matters in public'. Another respondent observed, 'there was no difference in the violent behaviour of men (it remained the same)

Many interviewees and FGD participants stated that financial crisis was one of the main reasons for violence and conflict. A respondent from FGD 6 (Mansehra, PD) described that 'when women complain about their financial problems and men don't have any solution then they may control women through exerting force in the form of beating and hitting'. Hashima (40, married, Peshawar, ND) reported, 'when I refused to share my income for consumption purposes, the attitude of my husband and my mother-in-law changed against me, though they knew that my income is spent on children's education, payment of utility bills and enterprise expansion'.

Nasim Bibi (35, married, Peshawar, ND) noted:

My husband used to beat me when I demanded money for my children's requirements. I couldn't argue with him at all as whenever I discussed our issues, he raised his voice and starting abusing me so that I would not argue with him. His behaviour didn't change even after I took my loan and began to generate some income. It was because of him I could not continue my work.

A respondent in FGD 4 (Nowshera, PD) said, 'conflict and arguments are part of our lives and we live in that environment but physical beating does exist but is not

common'. Shahin (40, married, Mansehra, PD) is an economically active woman and the only one in the village who got a job as an NGO worker. She worked hard to support her husband for the well-being of the family. Shahin reported no change in her husband's behaviour towards her overtime:

My husband used to beat me sometimes over little household matters but after realising his mistake, he asks my apologies. My children are grown up now and they don't like it. He doesn't stop even after my job and efforts for the family well-being.

Shahin further stated that her in-laws were the ones who provoked her husband to keep her under control but at the same time, her father-in-law, a nice and caring person, was against the beating of women and he used to advise and warned his son not to beat her.

Saleema (33, married, Peshawar, ND) viewed that her husband despite being supportive at times when needed outside the home is completely changed inside the home:

My husband's behaviour is unpredictable. Sometimes he is very aggressive and sometimes very supportive. He is the one who sends me to the VB but still his behaviour is not changed in these years. It's embarrassing when he hits in front of children.

It is found that the respondent did not want to share the violence they might have experienced. A respondent in FGD 5 (Mansehra, PD) further noted that 'now men are aware that if they treat their wives badly, then their wives will definitely discuss the issue in the meeting with other women and staff, and it would bring shame upon them and they will lose their honour'. Hashemi et al. (1996:648) also report that it may be the 'family's fear of public exposure (others might see the bruises or wounds, or she might say something in public)', this might be one reason behind efforts to hide the violence. The finding of this study shows that women's financial contribution or participation does not give them protection against men's violence in these cases. Resistance to any dominant behaviour may raise violence in certain cases. The treatment towards wife remains violent at homes but in front of outsiders, men show a supportive attitude. One possible reason is that there could be the interference of in-laws in the family matters and men have to show their domination in the family, they treat badly with their wives in front of the family. To keep women in control and exercise their authority, men show their supremacy. This act of manliness indicates that men treat women as their property.

Delay in repayment or non-repayment also brings tension and stress for women clients in KP. In the absence of regular income, timely repayment is difficult for women (Haque and Yamao, 2008). Financial stress seems to be one of the factors

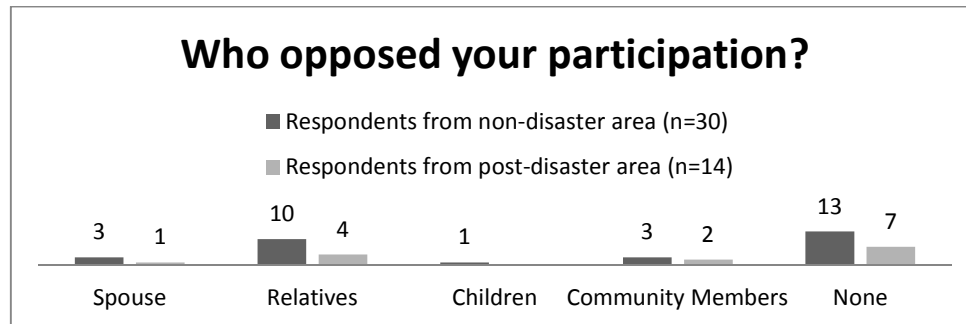
that increase frustration and incidence of violence at the household. It is found that financial problems regarding timely repayments were the main reasons for intra-household conflicts as noted by many respondents. Rehana (25, married, Peshawar, ND) discussed that the repayment was one of the major reasons of their tensed conjugal relationship, 'my dependency on him for repayments resulted in unfavourable arguments between us. I have to face his aggression till the time I repay all the instalments'. A respondent in FGD (Manshera, PD) observed, 'when a woman takes a loan for other family member and is unable to repay, their family life also disturbs as she has to face pressures'. It shows that stressful economic circumstances make people more aggressive and weaker family members such as women and children become the victims to bear the abusive attitudes.

So it raises questions whether the violence is reduced after women's participation rather it shows that women are further threatened not to share their stories. Since domestic violence is very common in KP communities (as discussed in chapter 3) and many scholars agree that men are abusive towards their wives in Pakhtun communities (Fikree et al., 2005, Shah et al., 2012) but there are aspects of underreporting due to fear and bringing bad name to the family through disclosure of violence (Gracia, 2004, Andersson et al., 2010). This study also finds that women's participation in microfinance programme or income generating activities may not bring a drastic change in their relation with men and due to entrenched norms, violence against women is considered as part of daily life in KP (Saeed, 2012).

#### **5.5.4. Women's Experiences Of Community Related Changes**

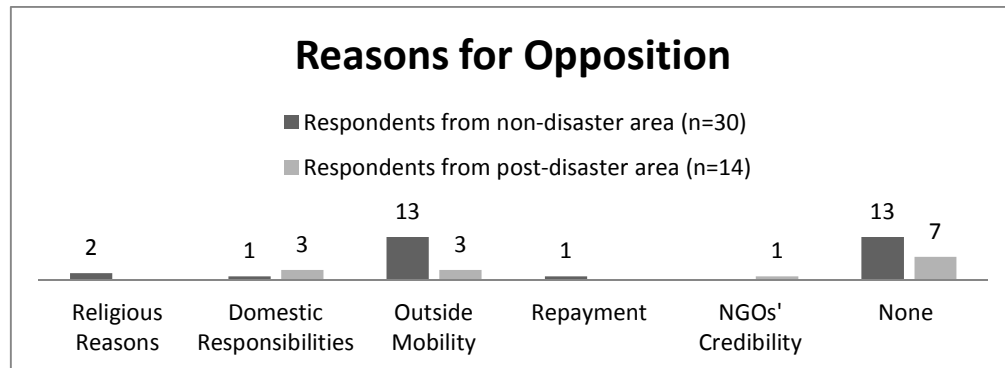
##### **5.5.4.1. Acceptance and Oppositions From The Community**

The respondents from FGD and interviewees faced resistance when they intended to join the MFPs (as discussed earlier in section 5.7.1.1). Figure 5.13 shows that from the non-disaster area out of thirty, seventeen respondents encountered opposition from the family and community before and after joining. Among those seventeen, ten women faced problems from their relatives; three women faced opposition from other community members, husbands of three interviewees created issues for them and only one woman encountered opposition from her son. While from the post-disaster area, seven respondents faced opposition from husbands, relatives and community members.



**Figure 5.13 Opposition Faced: Generated from the field data 2011-2012**

It is found that there were various reasons for this opposition. The majority of the respondents (16) noted that the major reason for the opposition was women's participation in meetings with outsiders and enhanced mobility.



**Figure 5.14 Reasons for Opposition: Generated from field data, 2011-2012**

The other reasons were related to women's household and child responsibilities, religious issues and repayment problems. Zubaida (33, married, Haripur, ND) stated:

When the staff of the MFP visited my house, my cousins took my husband outside the home and enquired about them. When my husband told them about the purpose of staff's visit and our intention of joining, they threatened my husband that he would face the consequences since his wife would be going outside the home along with strangers and other men. He would be a *'beghairat'*, a dishonoured man who was allowing his wife to work.

This shows men's fear of losing control over women if other women also join the MFPs. In this, she is discussing men's fears and their perception that women would become free and independent when they start earning.

Shakira (38, married, Peshawar, ND) recalled how religious people opposed:

In the initial days, people from our community used mosques to sermonise towards opposition to the microfinance services and that there were sermons against SRSP, warning people not to join the organisation as interest-based interventions were anti-Islamic. SRSP organised a meeting

with the community members and informed that their programmes were designed on Islamic principles thus women could join the programmes.

Rahat (55, married, Haripur, ND) stated how she faced opposition from her family members:

My son disliked that I would participate in the programme. He asked me not to join and then he asked my husband who said that he allowed me to do what I wanted. My son then misbehaved with the staff members of the MFP. Now I am a member of the VB and he [her son] doesn't allow any other family female to become a member.

These accounts show that it was not easy for women to join the MFPs and they faced resistance from the community. However, it is found that with the passage of time after observing women, community accepted women's work and participation

Gaining recognition in such circumstances was also not an easy task. It is found that proving themselves was a very difficult task and attaining recognition from the family and community was also very hard until they had to do something tangible to change male members' mindset towards their efforts. According to one respondent in FGD 5 (Mansehra, PD), 'this recognition is mostly related to our economic achievements, and knowledge and skills'. However, a respondent in FGD 1 (Peshawar, ND) discussed that 'a woman might feel proud of herself but we haven't seen any recognition as male members of the community always accused us of earning income for their own leisure and not for the welfare of the family'. However, the acceptance of women's economic contribution and acknowledgement from the community was changing more in favour of women and many respondents hoped that the men of their community would recognise their efforts sooner or later thus, women would receive their due recognition one day.

It is found that the change in perceptions of women's in the community was also related to their new role as mentors and role models for other women. Many clients stated that their new roles are slowly and gradually becoming more accepted by the community and male members of the community are sending their wives for advice from the women on the financial and enterprise related matters. The female clients frequently provided help and guidelines to new members and other interested women. Hashima (40, married, Peshawar, ND) stated that 'many husbands send their wives to seek enterprise related information from me'. Shakira (38, married, Peshawar, ND) noted, 'when other women looked at my household improvement they come to seek help from me that I should tell them how I made these improvements'. Faryal (42, married, Haripur, ND) also stated, 'many parents appreciate that I am running a school on my own and they motivate their educated daughters to learn from me'. The recognition and respect as role models given to

women by the community indicate acceptance and appreciation of their work. This appreciation is linked with those women who have performed extraordinary work for their households without damaging or challenging the patriarchal norms of the society but instead bringing change to the community in a subtle way.

This study shows that due to participation in microfinance, women clients role are changing, which seems not acceptable at the beginning but community accepts their new roles when women show improvements in their lives.

#### **5.5.4.2. Involvement in Community Decision-Making Processes**

Empowerment in the wider context is seen when women not only participate in the decision-making process in their households but also in the community decisions that affect their lives. It is found that active women clients not only improved their decision-making at the household level but by using their collective decision-making they also participated in the community programmes, designed to improve the situation of the community in their village. When asked about their collective decision-making, the management of the VB<sup>9</sup> shared that microfinance programme had made a difference to their lives. Faiqa (45, Single, Peshawar) is a graduate from the university who devoted herself to effecting favourable changes in the community in relation to women. She noted:

Making decisions for others (when you had never taken for yourself) was difficult for all of us. We had to work hard as one unit and strengthen our decision-making skills because our success mainly depended on the decisions we had made. Now the scenario has changed and we take all decisions related to the management of the VB, credit disbursement, recovery and other activities. With our strong decision-making abilities, we have proved that women are also worth something if given opportunities.

Nearly the same thoughts stemmed out from the VB in Haripur where along with the routine decision-making, women decided to help other people affected by the flood in 2010. A respondent from FGD 2 (Haripur, ND) reported 'we developed a team to gather the community's contribution in the form of money and goods. After collecting the goods, we loaded the emergency goods on trucks and visited the affected communities personally and distributed the good amongst the poor people'. The VB management referred it as a result of their joint decision-making and efforts to implement the decisions taken. Another respondent in FGD1 (Peshawar, ND) noted, 'we also worked for flood-affected women by not only linking them with the organisation but also in the distribution of goods'.

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<sup>9</sup> The management of each village bank is comprised of five women clients representing a general body of different member community organizations and 3-4 staff members from the same community.



The joint decision-making for the community may help women on one hand but it may also be threatening to the community's male members who may not like to share the power of decision-making with women. When I discussed this scenario with both the VBs in Peshawar and Haripur, a respondent from Peshawar observed:

Initially, we faced strong opposition during project and programme implementation but with the passage of time, by looking at our work, commitment and dedication, the men of the community started to accept our decisions. The development organisations also played an important role in promoting our skills as they implemented the community development programme with the help of village banks. This joint decision-making outside the household benefited many other women of the area.

However, the finding of the study suggest that not all the women clients could participate in collective decision-making, only a few active female clients (mainly members of committees) made collective decisions on behalf of others while others silently observed and accepted the decisions made. Here a question related to power structure among women member arises which will be discussed in the next section.

#### **5.5.4.3. Women's Collective Actions 'Power with'**

The other form of women's intangible assets was found to be women's social assets in both the study areas which were linked with their collective association and actions. These social assets comprised of close networking based on solidarity, mutual support and collaboration and also focused on collective benefits—linked with 'power with', a collective power as noted by Rowlands (1997). The formation of village bank and credit groups could be seen as an important step towards women's self-organization that could lead to women's collective empowerment. Women's participation in microfinance programmes provided them with a separate platform where they had the opportunity to discuss issues affecting their lives, to share their problems with each other and to determine possible solutions collectively. Zahida's (39, married, Haripur, ND) quote represents the views of a large majority of respondents. She notes, 'Another advantage is our interaction with women from different areas and different backgrounds. I made new friends there. I discuss my problems and seek the solutions from them. Other women also seek help from me. So the VB provided us with space where we all can share our ideas. Even if someone is not participating, they are learning'. Another respondent Sahiba (38, married, Peshawar, ND) whose husband didn't like her participation noted, 'I feel sad as I can't go to the VB. At least I could meet others and learn from them'. It shows that in KP where women have no platform for mutual interaction, the

respondents perceived that this interaction helped female clients to reduce their isolation, feelings of shyness and fear when meeting other women and outsiders.

The female clients' collective actions in the study areas not only helped them to achieve monetary benefits, but also some non-monetary gains. The monetary benefits were related to women's group formation for access to loans and an increase in the saving base jointly with other members.

During interviews and FGDs, the most common statement was that 'our recovery is 100 percent'. Almost all interviewees stated that they repay the loan on time and the instalments are neither delayed nor stopped.

When I asked about what happens when someone from the group is unable to repay, the respondents from the FGDs and interviewees provided the same explanation. Khushnuma (50, married, Nowshera, PD) stated that 'all the group members mutually help other members who were unable to repay their instalments on time due to personal reasons'. The main reason may be that the entire group had given each other's guarantee and if one did not pay others would pay on her behalf. The respondents claimed that they never had any default from the time they had joined the credit group because of their close association to other group members and mutual help (both the monetary and non-monetary) being extended to those members in a time of need. However, they also noted that this mutual work is for short-term needs, not for long-term needs and crises.

It is found that the non-monetary benefits were related to women's togetherness to address and solve their practical and strategic gender needs jointly. One of the gender needs was related to mobility as indicated by the female clients; they were now allowed to participate in any event or meeting together with other women as a group which was not possible before. In the case of Pakistan, this is actually a strategic need because it is tackling some of the basis of prejudice. A respondent in FGD 4 (Nowshera, PD) stated that 'as a group, some of us had also visited the *bazaar* (market) for the purchase of raw materials for their businesses and to sell our products'. Their mobility was restricted to the village only but the mobility had then expanded to the local bank to which rural women never thought of going. Their joint actions had changed some of the men's perceptions regarding women's image.

The respondents' interactions with outsiders (both men and women) were found to be increased when women clients addressed their strategic gender needs and emphasised the raising of their voices and public appearance so that they could work actively for their own development. One noticeable aspect in both the

organisations was that although local staff members of the VB and the CO were women, all the coordinators who supervised those female staff were men. These coordinators had a close interaction with the staff, credit committee and some of the female clients. Women did not report any problems and noted that the community members also trusted the coordinators. The respondents' informed me that their social assets and confidence enabled them to interact with engineers working in one of the VB's projects, that they monitored the developmental activities of the infrastructure project in Peshawar, facilitated male trainers and male staff members and representatives from other organizations and donors both in Haripur and Peshawar comfortably without any hesitation. But only a few active female clients had interaction with the male staff and not all the respondents had interactions with male members.

The management of the VB and credit group was also mentioned as an example of women's social assets where the women were involved in collective decision-making regarding loan disbursement, new client screening, ensuring the smooth performance of the VB and credit group, implementing and monitoring existing projects and working for the new projects. These were the new responsibilities at the shoulder of women. However, it is found that women who were somewhat educated and active were part of the management since they headed their community organisation. During these processes women, clients also found opportunities to utilise their individual capacities and self-confidence and to transform them into collective action to achieve mutual goals.

Despite this positive evidence, the respondents also faced repayment pressures. In FGDs, many other reasons related to the repayment were highlighted but not very openly. It is found that the VB and the lending organisation have strict mechanisms to ensure timely repayment of loans. The participants of FGDs discussed that when a woman intends to apply for a loan, her other sources of income are evaluated (husband's, son's or any other), the guarantee is taken from her family members to avoid all the possible delays in loan instalments. A member of credit committee in the VB Peshawar discussed:

Women are also informed about the consequences they might face in case of loan delinquency (non-repayment) that could include meeting with family male members, or visits of the credit officer to the clients' houses to collect repayment. They are also informed that they might not be able to apply for further loans and other services. These conditions compel a woman to repay on time.

A respondent in FGD 6 (Mansehra, PD) further added:

Sometimes when we are unable to repay, field staff (*baji*: elder sister) visits again and if we are still unable to pay, she comes with other group

members. In case if someone is unable to manage, a loan officer from the organisation visit with *baji* and members and sits with us till the time women manage to pay.

A field staff in Mansehra discussed how she deals with situations in which borrowers do not pay the instalments:

Even if women are unable to repay, I threaten them and tell them that they have signed the contract and they are bound to pay, otherwise, I will call the police to arrest you. Though it's only a threat we never approached Police. Usually, women manage to repay before this by taking money from a neighbour or someone else.

This shows a form of governmental strategy and discipline set by the organisation that exert pressures on women to repay the instalments on time so that organisation achieve financial sustainability. So the claim of the literature that high repayment is a sign of women's empowerment is not really visible in the context of KP. I would rather argue that these pressures may bring women's disempowerment when they face pressures from the VB or group members, the MFPs and their own family. These power relations are not visible and respondents in FGDs denied that such powers exist but in individual interviews, the respondents shared their and other women experiences in the case of late or non-repayments. These pressures further bring shame to the family and damage the social standing especially in the context of KP where women are considered as symbol of family's honour, also argued by many others in different context (Karim, 2011, Hulme and Maitrot, 2014, Ganle et al., 2015, Wydick, 1999, Hofstetter, 2008, Garikipati, 2013). Moreover, the threat of sanctions imposed on some clients may impede the chances for other group members to obtain loans which are also noted by (Duffy-Tumasz, 2009).

Despite these somewhat positive outcomes, participation in the meetings was not equally beneficial for all the women. Almost all respondents stated that participation in the monthly meeting was mandatory for all the members of the CO and the main purpose of these meetings was mostly related to financial transactions such as disbursement, recovery and loan application processes, and was usually conducted by the local staff. For active members attending meetings was a great experience as noted by Abeera (38, married, Haripur):

What I am today is because of these meetings. I learned many good things in these meetings. First and foremost was saving and loan process and the way we had to handle our businesses, guidelines on how to address issues affecting our lives, convincing male members of our family and how to make good use of existing money and our own skills. I am so happy that I am a part of the village bank and as a member, I always convince other non-members to join the VB for their and their family's welfare.

For some members attending meetings was an opportunity to meet all the members and have a chit-chat. For new members, it was an opportunity to learn more about

the credit process but for some women, it was a useless exercise which offered the minimal chance of learning anything new when they were already aware of the process and they had no financial issues to discuss. Many women had problems with these regular meetings as they had to look after small children and elderly people, they had some domestic and enterprise responsibilities, sometimes they had guests at home, had taken a loan for someone else and had no interest to attend or sometimes they felt bored with these routine meetings. Nonetheless, they were still bound to attend but participation level in such circumstances remained low as commented on by respondents during FGDs. Hashemi et al. (1996) argue that regular meetings are meant to show regular attendance and discipline in the repayment and any deviation would incur issues for the clients. The findings of this study mirror those of Hashemi et al., (1996) that clients are coerced into attending meetings that do not necessarily benefit them. Attending meetings can be problematic for those who have domestic and enterprise responsibilities but at the same time, new members find it beneficial to make links with others and to learn more about the process.

## **5.6. Discussion and Conclusion**

This chapter has explored the experiences and perceptions of female clients from non-disaster affected and post-disaster areas of the districts of Peshawar, Haripur, Nowshera and Mansehra of Khyber Pakhtunkhwa province of KP. This study finds that MFPs' focus is more on married women in comparison to young girls and widows who either voluntarily excludes themselves or excluded by the members who follows the selection criteria set by the MFPs that include women from 18 to 60 years of age. Safavian and Haq (2013), also note that in Pakistan, younger women are excluded from accessing microcredit by considering them, high-risk borrowers. The majority of the respondents had no formal education that may enable them to bring desirable changes in their lives. The low literacy rate is found to be the most hampering factor to women's empowerment (Saeed, 2012, Naz and Chaudhry, 2011). It was found that a large majority of respondents belonged to families comprised of 6-10 members and large family size is one of the biggest reasons for women's participation in microfinance programmes. Regarding women's microfinance profile, only a few respondents were engaged in home-based, low scale income generating activities prior to microfinance that generated a small income while others were involved in unpaid activities. Some studies also show that women in rural areas of Pakistan largely remain unpaid family workers (Sadaquat and Sheikh, 2011, Khan, 2010).

The advocates of microfinance claim that MFPs provide women access to financial resources that contribute to their economic empowerment (Hunt and Kasynathan, 2001, Karim, 2008, Osmani, 2007, Schuler and Rottach, 2010). The key informants also believed that microfinance programmes facilitate women's access to credit facilities (Section 4.3.3). This study shows that MFPs provided credit to the majority of women who had no access to any other source of credit prior to joining MFPs. However, it is found that the access to microcredit is not for all women; it poses some restrictions on certain groups of women and excludes unmarried young women, girls below 18, women from the poorest families, women with no other sources of income, women above 60 years of age and women entrepreneurs other than WCO members. So against the claims of microfinance that it facilitates women's access, this study concludes that this financial access is not for all rural women in KP and it is for only those who qualify the criteria set by the MFPs.

The study also finds that in the context of KP, majority of women have taken loans for the purposes other than income generation, the staff of the organizations are also aware that women clients do not use loans for the stated purpose and may transfer to men but they still provide women access to loan in order to achieve their disbursement targets. The purpose is also not to specifically target female entrepreneurs in the area other than WCOs. I argue that in the absence of any income generation (found for the majority of women), women's economic contribution and empowering outcomes remain unclear in the context of KP.

One of the claims of microfinance is that it facilitates women's control over financial resources including loans and income earned (Pitt et al., 2006, Hashemi et al., 1996, Newaz, 2007, Kabeer, 1998, Holvoet, 2005, Alam, 2012, Kabeer, 2005, Mahmud, 2003). The key informants also viewed women's control over loan and income as a strong indicator. In this chapter, the findings show that despite the access only a small number of respondents are involved in IGAs and a large majority doesn't have control to their loan and they pass it to their husbands (29 out of 44) or other family members (5 out of 44). This finding supports the literature that argues that women lack control and their loan amount is actually invested in men's activities (Uddin, 2015, Balasubramanian, 2012, Karim, 2011, Asim, 2008, Garikipati, 2008, Rankin, 2001, Guérin, 2006, Goetz and Gupta, 1996). In the context of KP, it is found that women's limited economic opportunities are also one of the reasons that women invest in men's businesses. In the context of KP, despite men have full control over economic resources, they may ignore social norms, purdah and other restrictions on women if they want to get the benefit of something.

Hence this study's findings do not support the claim that women's control over loan enhances their economic empowerment in the social context of KP.

Women's viewpoints on their empowerment are grouped in three major themes formed from the data analysis. The first theme comprised of views of the majority of women for whom empowerment appeared as an unacceptable, unclear and unfamiliar term in KP society, where women's subordination acceptance to their secondary position is so obvious that women's empowerment is hard to achieve (Naz et al., 2013, Alam, 2011). The key informants also view that the term empowerment is an unclear term that has multiple context-specific meanings and it may bring conflict when women challenge their subordinate position. The literature also emphasises that women's empowerment has many meanings and is used differently in different culture and context, therefore it has lost its original meaning (Cornwall and Rivas, 2015, Cornwall and Anyidoho, 2010, Batliwala, 2007b, Hur, 2006). It is also found that within the context of KP, women from relatively better off families relate their empowerment as to attainment of their human rights and individual identity especially right to education, marriage and strategic decision-making. Their understanding supports the feminist empowerment paradigm that focuses women from gender equity, human rights and transformation in gender relation perspective (Drolet, 2010, Mayoux and Hartl, 2009). While women from poor background consider empowerment as a concept for rich people since they didn't need powers per se. However, in the context of KP, no respondents discussed the term in relation to challenging and confronting men. The key informant also considered that in the context of KP, with the provision of few loans, microfinance may not enable women to challenge men's supremacy.

In the second theme, women from poor families emphasise on the survival of their family and view financial stability as their empowerment when they are able to provide a prosperous and happy life to their family members with all the basic necessities. The key informant also considers that women's control over income and economic contribution improves the household condition and well-being. This viewpoint represents the literature that links women's empowerment through microfinance to the poverty alleviation paradigm that emphasis on family well-being (Mayoux, 1999b, Mayoux and Hartl, 2009, Drolet, 2011, Garikipati, 2008).

Within the third theme, the respondents viewed empowerment as women's inner strength and capabilities that bring change in their lives in the form of increased knowledge and skills, self-confidence and decision-making capabilities. In the literature these strengths and capabilities are referred to as women's personal

empowerment (Rowlands, 1997, Hur, 2006) and women's agency (Kabeer, 1999), which microfinance can enhance through building of women's intangible social assets and human assets (Kabeer, 2001, Schuler et al., 1997, Osmani, 2007, Newaz, 2007, Kashf Foundation, 2010, Zaidi, 2005, Kabeer, 2005, Alhassan and Akudugu, 2012, Swain and Wallentin, 2009, Khan et al., 2011, Hansen, 2015, Shetty, 2010, Sanyal, 2009).

The study finds an increase in women's financial assets in the form of compulsory and voluntary saving. However, in many cases the initial saving amount is provided by men, thus this financial asset cannot exclusively be regarded as women's asset. However, those respondents who are engaged in economic activities earn some income but in the majority of cases, the increase in income is small as it comes from women's low-scale, home based businesses that generate low incomes. I also argue that in the absence of women's regular incomes or low incomes in KP, clients either use their personal savings or take money from husbands to repay the loan. Some research studies in Pakistan find that microfinance may increase women's investment in productive assets such as livestock and sewing machine (Ghalib et al., 2014, Khan and Khan, 2008, Jan and Hayat, 2011). This study also finds that respondents were able to build some small enterprise assets and livestock but due to small loan size women may not buy a large animal from the loan amount. So the claims of microfinance that it brings changes in women's ownership of physical assets (land, house, jewellery and larger animals) that are critical to women's empowerment may not be true in the context of KP. A key informant also notes, 'women investment in livestock neither reduce poverty nor bring any empowerment'. So, the concluding thought is that women's ownership and control over small physical assets may not change household's power relations and that women's position in the patriarchal and conservative society of KP thus impedes their economic empowerment as claimed by the proponents of microfinance.

In support to microfinance claims, this study also shows that microfinance has increased women's self-confidence and financial confidence; however, it is not gained by the respondents equally. Moreover, in some cases, the restricted environment at home may not allow women to improve their confidence despite all the efforts done by the organisations. One of the positive claims of microfinance is that it enhances women's knowledge and skills in men's activities related to market (Ackerly, 1995), learning entrepreneurial and managerial skills (Kabeer, 2001). In Pakistan, women lack access to information due to their confinement in their houses and limited mobility (Saigol, 2011). This study finds that though the respondents from FGDs and interviews experienced an increase in their knowledge



about income generation and the issues affecting their lives during meetings, training and awareness sessions but for the majority of respondents the attraction seems more for financial and material gains associated with training. Another important finding is that the skill training is not linked with the loan disbursement process of the MFPs. The respondents who show their interest in learning business skills are unable to attend training on time and wait for their selection. In the absence of technical skill and knowledge, and proper follow-up sessions, it seems that women are unable to generate enough income from their enterprises.

Another claim of microfinance is that it increases women's mobility and enhances access to the market (Kato and Kratzer, 2013, Hashemi et al., 1996, Pitt et al., 2006, Salt, 2010, Li et al., 2011, Weber and Ahmad, 2014, Khan et al., 2011, Montgomery and Weiss, 2011, Alam, 2012). The key informants also stress that whether willingly or unwillingly, women's mobility increases with their participation even in conservative areas of KP that may lead to empowering outcomes set by the organisation but how it brings a real change in women's lives remain questionable (section 4.4 and section 4.5.1). This study also finds that women's participation in MFPs increases the respondents' mobility within and outside villages when they visit the VB, commercial banks and training. However, the findings have also shown women's limited mobility and access to the market in KP due to societal restrictions that have also hindered women's empowerment and access to market-related opportunities thus, confining women to merely traditional activities. The study shows that respondents are able to spend money on family's well-being especially on children education, family's health and nutrition. However, the study also finds that besides improvement in the standard of living, children of many respondents dislike their mothers' participation. This is because in KP's society women's work and frequent outside mobility for work is considered as a social stigma (Naz et al., 2013).

This chapter has drawn upon two types of decisions: 1) decisions related to microfinance, 2) household decisions. The research finds that participation in microfinance programmes has shown an increase in women's financial decision-making which respondents linked with their increased financial knowledge as well as increased knowledge of enterprise (Kim et al., 2007a). This is achieved through meetings and training sessions. The study finds that very few respondents reported their active participation in making major decisions alone or jointly before joining the microfinance programme because of their limited exposure to, and knowledge of, the outside world. With some variation, many respondents noted an increase in

women's decision-making related to the household. Since the literature on gender and microfinance (Kato and Kratzer, 2013, Mahmood, 2011, Holvoet, 2005b, Coleman, 2006, Goetz and Gupta, 1996, Mayoux, 2002, Rankin, 2001, Hashemi et al., 1996, Kabeer, 1998, Rahman, 1999b, Kabeer, 2001, Johnson, 2005, Alhassan and Akudugu, 2012, Alam, 2012, Weber and Ahmad, 2014, Shaukat et al., 2007, Jan and Hayat, 2011, Newaz, 2007, Kashf Foundation, 2010, Montgomery and Weiss, 2011, Mahmud, 2003, Datta, 2015) and professionals (section 4.3.5.1) broadly speaking considers women's decision-making to be an important component of women's empowerment, this study concludes that microfinance has the potential to facilitate women's decision-making and thus women's empowerment in KP.

The study finds no visible change in the division of labour when it comes to women's domestic responsibilities. The chapter demonstrates that participation in microfinance increases the workload of many respondents but that they manage the workload on their own or with the support of other female family members as in the absence of any financial support, access to loans has huge importance for them. This finding is in line with some of the key informants' opinion that women are less concerned with the increased work burden when it comes to the matter of money and value. The literature also support these findings that women borrowers feel happy with loans to increase their income that may bring prosperity in their household (Newaz, 2007, Kabeer, 2001)

The study finds that men's trust of the relationship between female clients and the microfinance programmes is an important factor in promoting women's active participation. Furthermore, the study finds that conflicts arise in accounts where women refuse to transfer the loan to male members or where male members discontinue their economic contribution in view of the women being given the loans and this situation leads to violence against women in a few cases. The findings also suggest that despite the claims of social capital formation, women also face multiple repayment pressures within the group, in the VB and within the family in cases where they are unable to repay the instalments because of the rules set by the organisation to ensure their financial sustainability.

From the finding of this chapter, it can be concluded that women's participation in microfinance may not always improve gender relations in the household where there was the incidence of violence against those women who participated actively in the microfinance programme. Along with this, when women clients also face tensions due to delays in timely repayment from group members, the VB and the

MFPs client that further deteriorate their relations within the family and neighbourhood since it harms women's family honour. Some professionals in this study also consider that bringing change in the context of KP is difficult to achieve as microfinance may not enable women to challenge men. The literature also supports this finding by showing that women's economic participation may increase violence against them due to mobility, control, repayment difficulty and increased workloads (Goetz and Gupta, 1996, Rahman, 1999a, Ahmed et al., 2001, Uddin, 2015, Karim, 2011, Johnson, 2005). The study has also revealed that many respondents faced opposition and resistance from the community before joining but after participation, only a few are able to change the negative perceptions held by male members of the community and gained a new form of recognition wherein women are role models for other women with their improved learning, economic contribution, improved family well-being and success in life.

## **6. Microfinance and Women's Empowerment: Experiences in Situations of Natural Disaster**

### **6.1. Introduction**

One of the positive claims made by microfinance programmes is that access to microfinance services empowers women by putting capital in their hands, allowing them to earn income from their enterprises and contribute financially to their family. Given the claims of advocates of microfinance that microfinance has an empowering effect upon women's economic status, and builds women's tangible and intangible assets, this empowerment should be clear at the moment of high vulnerability during and after the natural disasters.

The last decade witnessed two of the most devastating natural disasters in the history of Pakistan. On October 8, 2005, an earthquake of a magnitude of 7.6 hit the northern areas, badly affecting eight districts of the provinces of KP and Azad Jammu & Kashmir (AJK) including the Mansehra district (Cosgrave and Herson, 2008). The earthquake covered a total area of some 30,000 square kilometres. It was the most serious earthquake in Pakistan in nearly a century (Zaidi et al., 2010). Approximately 73,000 people died in the earthquake and about 70,000 suffered serious injuries. An estimated 3.5 million persons became homeless (Oxfam 2006). Then, in July 2010 the flood crisis began, following a heavy monsoon in all provinces of Pakistan, covering 20% of Pakistan's total area, an area bigger than England (Murtaza et al., 2011). The flood destroyed thousands of villages and towns and water washed away millions of homes. Approximately 21 million people were affected, 2000 people died, nearly 3000 people were injured and many people were left missing (Arai, 2012). The aftermath of the flood was severe and challenging with huge damage to infrastructures such as buildings, dams, roads, power stations, and the natural environment, including farmland (Ali, 2014).

In Pakistan, as in many disasters, the impacts of the natural disaster are gender-specific, leaving women more vulnerable. Both the earthquake and the flood brought multi-dimensional difficulties to women in addition to the existing vulnerabilities from patriarchal structures, in different phases of disaster management cycle. Post-disaster gender specific issues in Pakistan are related to women's social, economic, cultural and political contexts (Ali, 2014, Shah, 2012, Shirkat Gah, 2006). Literature and reports on the impact of natural disasters on women in Pakistan note that the shock and scale of destruction deepened the pre-

existing vulnerabilities related to the norms of purdah in the form of gender segregation and female seclusion. Seclusion made accessing safety and security in temporary accommodation for themselves and their children more difficult (Shirkat Gah, 2006, Khwendo Kor, 2006, Ali, 2014). Likewise, trying to access relief goods, compensation, and any specific gender needs is complicated by purdah. Due to cultural barriers, women cannot participate actively in decision-making in different disaster phases related to gender-specific issues. Women's lack of participation excluded them from mainstream relief and reconstruction activities (Irshad et al., 2012). Women's psychological and physical health conditions were affected (Aslam and Tariq, 2010). Female survivors also faced inadequate hygiene conditions and latrine facilities. Besides these difficulties, women also faced violence in many forms, from verbal to physical and sexual abuse (Khwendo Kor, 2006, Shirkat Gah, 2006, Hamilton and Halvorson, 2007, UNIFEM, 2010). One of the major economic vulnerabilities for women was the loss of their livelihoods in the form of their businesses, productive and physical assets and in the absence of any other source of income; the situation became worse for many families (Ali, 2014, UNIFEM, 2010). Considering the gender specific practical and strategic needs many international, governmental, national and local organizations focus specially on women while designing the policies, formulating the strategies and implementation, of post-disaster empowering practices in disaster management cycle (Shirkat Gah, 2006, Berger, 2008, Ali, 2014, Shah, 2012, UNIFEM, 2010, Khwendo Kor, 2006, Aurat Foundation, 2011). Understanding women clients' post-disaster vulnerabilities in KP provides a basis for this study to examine how female clients dealt with the difficulties brought by the natural disasters with and without microfinance services.

At an institutional level, microfinance may offer a number of services to help clients in coping with the risks associated with the disaster. These services include the provision of temporary or emergency loans, re-scheduling or write-offs of loan repayments, asset replacement and housing loans, and loans for starting new economic activities, micro-insurance and saving products (Islam, 2008). As discussed in chapter 3, it is important to assess the impact of microfinance services in reducing clients' vulnerability to income fluctuations and exposure to the risks associated with disaster and economic shocks (Montgomery, 1996). Zaman (1999) argues that microfinance has fewer options to reduce poverty single-handedly, but it may reduce vulnerability in several ways i.e. by diversifying income sources, building clients' asset base, strengthening clients' capacities to use assets in protecting against risks associated with disaster and coping with loss and reducing

the vulnerability of women (Montgomery et al., 1996, Sebstad and Cohen, 2000, Hashemi et al., 1996).

In chapter 5, I have shown that many claims on women's empowerment through microfinance are not quite evident in the social context of KP. However, there are some positive signs regarding women's personal empowerment, the building of some intangible assets in the form of human and social capital, the building of some small enterprise related assets and savings, women's increased role in decision-making related to their household and work, and enhanced mobility to participate in MFPs related activities. I aim to test these claims within the context of natural disaster in KP by exploring the vulnerabilities of only women clients in relation to microfinance in post-disaster areas and the extent to which they dealt with during and after a natural disaster, both with and without microfinance services. As such this chapter particularly analyse that whether empowerment through microfinance stand up to disaster as MFPs claims for? What difference MF actually make in a context of crisis? The chapter is comprised of six sections. The first section is the introduction. Section 6.2 discusses the respondents' social vulnerabilities. Section 6.3 analyses the respondent's economic vulnerability. Section 6.4 examines microfinance claims and the respondents coping strategies and the new role of microfinance in the post-disaster scenario is discussed in section 6.5.

## **6.2. Women's Social Vulnerability**

The natural hazards exacerbate the vulnerabilities to both men and women but in this section, I discuss some of the social vulnerabilities of the disaster that constrain their economic participation of the respondents in this study.

### **6.2.1. Women's Increased Workload**

Natural disasters to bring more responsibilities for women in addition to their household responsibilities. Many respondents lost their sources of income but even in the absence of any economic activity, they performed many other duties. Shahin (Mansehra) discussed, '[T]he earthquake brought no relief for me, rather it increased my daily work. I had to take care of my remaining possessions, livestock, children and elders' needs, who were psychologically affected by the earthquake especially in the absence of my husband who later migrated for a better job'. In this excerpt, Shahin discusses the increase in her caregiving roles after the earthquake where she has had to provide support to her family both emotionally and physically.

A respondent in FDG 4 (Nowshera) pointed out, 'Men had more access to the economic opportunities but we had domestic responsibilities and mobility

restrictions that did not allow us to focus on income generation even after 9-10 months of the flood and the result is we are unable to do anything'. This shows that the difference between men's work and women's work clearly sharpened after the disaster. It shows that due to the expanded responsibilities, respondents could not focus on their economic losses immediately. This finding is in line with Enarson and Phillips' (2008) findings, who note that economic insecurity and patriarchal norms during the disaster put more pressure on women and increase their vulnerability at times of disaster, due to their gendered roles and process. Women's financial conditions further deteriorate when women become involved in extended caring responsibilities.

In addition to the household's work women also participated in non-traditional work such as construction. During the reconstruction phase, like many respondents in FGD5 and FGD 6, Rashida (Mansehra) also participated in rebuilding her house.

Rashida reported:

Besides my daily routine work, I had to mix cement, carry the mixture, bring water from far flung areas, help my husband in the construction work and supervise the labour. Everyone was busy doing their own work and no one was free to provide labour to other people so all the women of our village had to do this additional work. I have to tell you it was the toughest work I have ever done

This shows that women actively participated in the reconstruction phase and due to scarce labour many women seemed to work in the reconstruction of their own houses. The excerpt shows that Rashida had to do much work which would normally be done by men such as preparing the mixture and supervising labour. The respondents in FGD noted that while doing these additional tasks they still had to perform their traditional day-to-day activities. Many respondents in the FGDs considered their role in construction as new, challenging and interesting after receiving training in reconstruction from some organisations.

The literature on gender, disaster and reconstruction also shows that in the post-disaster reconstruction phase, in addition to their household responsibilities, some women get involved in traditionally masculine tasks such as building houses and shelters, digging wells, hauling cement, and constructing latrines (Delaney and Shrader, 2000), sandbagging and providing assistance to neighbours (Fothergill, 1999), clearing sites, making decisions about design, fittings and fixtures, making tools for bricks and block making and maintaining the house. These tasks may be physically challenging to many women and therefore, increase their mental worries (Shirkat Gah, 2006). The increased workload has refrained many women to start any IGAs and contribute to increased social vulnerability.

### **6.2.2. Women's clients' post-disaster decision-making**

Another claim of microfinance is that it enhances women's decision-making. In chapter 5, I have shown that there is a slight improvement in women's financial and children related decision-making. However, in the post-disaster areas, from interviews and FDGs, I have found two dominant decision-making patterns: 1) Men's domination in decision-making at times of evacuation, during living in camps and regarding women's responsibilities even if the respondents were actively involved previously. 2) Enhanced women's decision-making as temporary head of the household due to men's migration for work and women's enhanced role as sole decision-maker in men's absence. Aabiha (Mansehra) stated, 'my husband decided that we will go to camps and I couldn't oppose'. A respondent from FDG3 (Peshawar) reported, 'we couldn't evacuate on time as we waited for men's decisions. Women can't take such big decisions alone'. Another respondent in FGD 5 (Mansehra) noted, 'I wanted to do something for my children but my husband told me that things are different now and I have to look after my other tasks at home'. This excerpt shows the existing vulnerability of women in the form of women's dependency on men at the time of crisis. Some respondent discussed that they were fully involved in the decision-making processes. Shahin (Mansehra) stated, 'my husband got a job in a nearby city so all the responsibilities lied on me. I took all the decisions on my own. Initially, he observed me, but later he became contented of my decisions'. Another account Mehr Angaiz (Nowshera) reported, 'He is a driver and remains away for many days. He has asked me that in his absence I am responsible but now I take many decisions on my own'. Syeda Bibi also reported that she took a major decision due to repayment pressure (discussed below in detail). It shows that in the former situation, in some cases the respondents experienced that after the disaster they lost their control over decision-making while a large majority were not already part of the decision-making. In the latter situation, the circumstances and situation enabled women to take a lead role in decision-making. So in testing the claim, I argue that not all respondents could take major decisions and it is the situation that facilitates their enhanced decision-making not microfinance per se.

### **6.3. Women's Economic Vulnerability**

The respondents faced numerous economic constraints related to the aftermath of flood and earthquake and in some cases resulting in the total destruction of their businesses and loss of enterprise assets. This section discusses the economic vulnerability of disasters on women clients' lives.



In the previous chapter 5, I have shown that microfinance programme provides access to women irrespective of whether they are involved in IGAs or not. I have also shown that majority of the respondents (10 of 14) handed over their loans to their husband or other family members to invest in their businesses or for the consumption purposes and they do not have control over their loan and income. Only a few (4) have used the loan for their enterprises. So in the social context of KP, the claims regarding access may hold true but the control over a loan to generate women's own income remains questionable.

### **6.3.1. Loss of Loan Funded Enterprises and Decrease in Income**

As discussed in Chapter 5, the respondents in the study areas are involved in small-scale, traditional home-based enterprises that are usually insecure and more prone to the risks associated with the disasters. The destruction of their enterprises further deteriorated women's economic conditions that also resulted in the loss or decline of their income also noted by some scholars (Enarson, 2000, Bradshaw and Linneker, 2009). It is found that the destruction of their enterprises further deteriorated their economic conditions that resulted in the loss of their and household's income. Their economic losses brought new financial vulnerabilities as noted by many respondents. Hajra Bibi (33, married, Peshawar) was involved in petty trading and shared her bitter experience:

The flood washed away all of my things and I lost all that I had. It was a stressful time because I invested my savings in my business to flourish and my loan repayments were also not completed. At that time, I knew that I would not be able to generate any further income from my enterprise as I didn't have enough money.

This shows that flood brought additional stress for women clients in the form of loss of income and repayment of loan instalments. In all the FGDs, it is found that clients lost their stitching machines, small grocery stores, livestock and poultry and reported loss of whatever income they earned. Khushnuma (Nowshera) stated that 'the flood ruined my vocational centre that served many girls in the community', Shahin (Mansehra) lost her machines but could save her cow. Many women clients reported that they had invested their loan in their husband's business so that they can earn more income but the result was against their expectations and they were left with no money to either reinvest or to repay the loan. Baseerat (28, married, Peshawar) invested her loan in her husband's honey producing business, she stated, our honey bees keeping boxes were placed in an open area. My husband and some other people tried to protect the boxes from water but they could only protect few boxes. We had a great loss, my husband's business destroyed all in a sudden so as my invested money'. Syeda Bibi (Peshawar) provided money to her

husband and sons to take a piece of land on a lease for sowing maize crop. Syeda stated, 'I along with my daughter and my daughter-in-law took Rs. 10,000 each and provided Rs. 30,000 to my husband and sons to invest in land on a lease in order to sow maize to earn money but the flood water destroyed all we not only lost loan money but also future expected income'.

It shows that the respondents who invested in men's business to increase household's income couldn't generate the desirable income due to the natural hazards and faced additional stresses. It is also evident that women related to each other took larger loans and collectively handover for men's business and all of them bore the pressure of repayment in the absence of any income.

### **6.3.2. Timely Repayment of Loan**

One of the major vulnerability of women's clients was the timely repayment of the instalment in a post-disaster situation. In the interviews and FGDs, the respondents discussed their experience and concern towards repayment policies of the microfinance programmes. The discussion generated three situations in which microfinance work in natural disaster situations. The respondents from Mansehra, during FGDs and interview, revealed that due to mass destruction at clients' and MFPs end, the MFP stopped its activities and exempted all the loans. Mr A (Sungji) said, 'our organisation also faced a huge loss since our loanees were also scattered so at that time we focused on our other programme activities not specifically microfinance related activities'. This shows that MFPs write off loans in areas where the intensity of destruction is high. In Nowshera, Khushnuma (50, married) stated that 'the MFP had already stopped their financial programme in our area because of men's default. So at the time of the flood, though some of us were working but none of us had to repay'. It shows that in Mansehra, the MFP seized their services and in Nowshera, they were not present at the time of the flood.

However, In Peshawar, the scenario was totally different as the severity of floods was relatively less and they had some existing loans and their repayments were not yet completed. In this area, women shared their experience with the VB and MFP in a post-disaster situation. A respondent in FGD2 (Peshawar) noted, 'we lost everything, but they (the VB) demand for their money'. Basmina (50, married, Peshawar) said, 'you know my instalment was due and they demanded money. I asked them to look at our condition but they refused, I know they are also helpless (*majboor*) as they have to give money back to the organisation. Upon our request, they gave us one month grace period so that we could manage the repayment'. This shows the microfinance re-scheduled the borrowers' loan instalments Another

respondent in FGD2 noted, 'they only extend some time period for the repayment but they did not exempt us'. As discussed above, Syeda bibi invested three loans in a business and repayment instalment was also big so she reported, 'we were in real trouble as we had no source of income and the VB wanted their money back. One on the side we had nothing to eat, our house and household stuff were destroyed and on the other side we faced these problems and I was very angry with the VB'. These accounts show that rather showing empathy, the VB and MFPs exacerbate another pressure through recovery in the post-disaster situation without considering the loanees economic and emotional situation. Another issue discussed here is that the VB has also taken money from MFP, they also had this pressure of returning the money. In this regard, a field staff told me that 'they (MFP) say that if we (VB) don't return the loan instalment, they will stop further disbursement and the money they provide to us for operational expense'. This raises serious questions on the claims of microfinance for poverty and vulnerability reduction where the focus of the programme seems to be the financial sustainability through recoveries by all means. This kind of attitude deteriorates the relationship of the client with the MFP.

The issue of repayment can bring stress and conflict into the family as noted by Syeda (Peshawar), 'my husband was worried about the loan instalments. It brought tensions between us. He argued with me at the time of stress when we didn't know how to pay.' Financial stress can clearly be one of the factors that increase frustration and the incidence of arguments between husband and wife. This further raise questions about the efficiency of microfinance in the post-disaster context. On the one hand, microfinance programmes claim a reduction in violence when they provide access to microfinance services and on the other hand, their policies on repayment post-disaster may increase stress among their clients. It suggests that microfinance may work well in the normal scenario, but that any disturbance to this scenario has to be analysed carefully before continuing, as it may not work well.

In chapter 5, we have seen that the literature on microfinance shows that loan repayment exerts pressures on women. I also argue that besides the vulnerabilities exacerbated by the natural disaster; women clients also bear additional pressures in the form of on-time repayment exerted by MFPs.

This section has discussed the social and economic vulnerabilities faced by the FGD respondents and interviewees in the aftermath of flood and earthquake. The next section discusses the strategies women clients used to build resilience and the way they protect and cope with the disaster difficulties.

## 6.4. Microfinance Claims and Respondents' Strategies

The strategy usually refers to the future deliberate planning considering the long term goals. In sociological literature, the term 'strategy' means 'the presence of conscious and rational decisions involving a long-term perspective' (Crow, 1989: 19) and is linked with choice, power and interaction. The coping or survival strategy refers to the risk minimization of the effects of unpredictable environment in which individuals and their livelihood operate. Women clients' coping strategy reflects their capacity to use their existing assets and their capabilities to respond and resists to the vulnerabilities of natural calamity either before a disaster occurs, during or its aftermath. While women clients consider in this study, perceive themselves to be poor in absolute terms, they are in fact financially better off than other women groups having no access or denied access to microfinance services. Their involvement in the microfinance programme allows them to deliberately employ both short term and long term survival strategies. So, here a question arises that how women clients resist and adapt to the processes that generate vulnerability and use their abilities to create self-protection and security in a disaster scenario. In this section, women respondents' coping strategies after the disaster are discussed in order to examine women clients' disaster resilience.

### 6.4.1. Accessing New Loans

It was found that access to new loans was a strategy of many respondents to reduce existing vulnerabilities. However, some respondents reported another issue related to accessing new loans in the post-disaster situation. It was found that when women clients approached the VB for the new loans they experienced another problem. A respondent in FGD2 (Peshawar) noted, 'I went to them and requested that I was in need and grant me another loan so that I could repay the existing loan and we would seek some wage work and return the money. I was sad as they rejected my request'. In the similar veins, Syeda Bibi reported, 'the VB said I can't get a further loan until I return the one I have taken'. Hajra Bibi said, 'I am facing a big issue as I am unable to generate any income and if I find some money I can restart my IGA again but no one is helping me at this time'. A field staff discussed this situation as:

We understand their problems but here the matter is related to money. How can we give them money when they have already not given the current loan back? We also have to ensure our money is secure. We are providing a loan to new people and the number of disbursed loan is increased after the flood.

This shows another exclusion criterion of MFP, in which they do not extend new loans to the women clients who already have a current loan even if they have faced

post-disaster vulnerabilities. In the context of KP, I have argued that MFPs provide limited access due to their set criteria and they extend loans to women who have secure sources of income so that on-time repayment is ensured. In the context of post-disaster, I sustain my argument that the claims of microfinance that they provide access to women, have certain limitations and it's not for all rural women both in non-disaster and disaster affected areas.

Regarding access, another issue was discussed in FGD 4 (Nowshera), FGD 5 and FGD 6 (Mansehra). It is found that after the natural disaster, microfinance programme stopped working in Mansehra and was not present in Nowshera. In the FGD 5, a respondent stated, 'we have waited for a long time and after three years of the earthquake the organisation started giving a loan to women'. Another respondent in FGD 4 noted that 'whether new members or old members we all equally waited for more than eleven months so that credit scheme start in our area'. Shahin (Mansehra) who later got a job in MFP reported, 'it was a hard time on the MFP as well. They were working in many other development areas but for microfinance, it was not feasible to provide loans to women who were still in the process of settling down'. Mr A (Sungi) further discussed this as, 'after the earthquake, we mainly worked in relief, reconstruction and rehabilitation with communities and we provided grant money, not loans. We started loan services after a long time'. Again, these accounts show that microfinance may not be able to cater the needs of the community in unstable conditions and their claim of access remains unclear at times of uncertainties.

#### **6.4.2. Accessing Compulsory Savings**

One of the claims of microfinance is that it builds women's financial assets in the form of savings. In chapter 5, it is found that besides loans, women also had their compulsory savings in the VB account. The respondents considered those savings as financial assets of the household. It was discussed throughout interviews and FGD that this saving is for unforeseen events and crisis. So I asked the respondents whether they were able to access their savings after the disaster. It is found that many women paid their initial instalments from the savings. Rehana (25, married, Peshawar) noted that 'I asked the VB to take my instalment from my savings but I was worried for the other instalments'. However, Syeda Bibi (Peshawar) reported that 'though we have saved up to Rs. 8000 and we could use the savings for repayments but I was worrying more about the next loan as this saving provide the basis for a larger loan we could get'. This evidence shows that claims of microfinance regarding building a financial asset to help women in crisis

are not very clear in KP as women needed further loans for which these savings used as a guarantee for larger loans as noted by the respondents.

### 6.4.3. Utilising Social Assets

Microfinance claims that it builds women's social capital through its non-financial services as first part of their loan process. After denial of a loan, the respondents adopted different strategies to reduce their post-disaster vulnerability. It is found that the respondents approached different organisation for different reasons.

The respondents in Peshawar reported that a group of flood-affected women clients represented the VB at a donors' meeting in the capital city Islamabad where representatives from different donors and international organisations were gathered. Recalling her memories Syeda bibi (Peshawar) stated:

It was for the very first time that I went anywhere alone, though with other women but not with my husband and son. Regardless of my language barrier, I was asked to give an interview before the camera and share my issues. At the beginning, I thought about what my family would say if they realise it was me but I overcame the fear quickly and without any further hesitation, I explained what had happened to me and what my needs were

Syeda indicates that the natural disaster brought an opportunity to enhance her mobility as a group to the next city as well to speak to a larger audience and media. In rural and urban areas of KP, it is nearly impossible for women to speak in front of a camera but for some, the flood provided an opportunity to speak up. Despite she felt hesitant; this was also a big achievement to have the freedom to express her needs. However, as a result of this participation, the group got no financial support and not all disaster affectees benefited from such opportunities.

In Nowshera, women gathered to seek regular employment opportunities. One the respondent observed, 'wherever people heard that some people were gathering, they reached there to ask them for help. It made our people *sawalgar* (begger) and we didn't like that'. Husan Ara (Nowshera) observed that 'we contacted and requested different organisations to start employment generating schemes in our village so that women can have a regular source of income'. A respondent in FGD 5 (Mansehra) noted, 'we have tiny businesses that are of fluctuating nature and sometimes we face losses that are even beyond their expectations just as now so we need to earn regular income on our own'. Khushnuma (Nowshera) stated that 'I have always been voluntarily involved in making other women learn some skills like embroidery or some decoration making in my village so that they can use their skills at the time of economic crisis'. She further observed that 'even after the flood, I linked skill women of my area to the market after floods; they received orders from

the market and sold the newly made embroidery products'. It was found that the earning was not very high as the market was also facing problems but it could somehow serve the purpose. The idea of working together in a group also worked for a few who were unable to access to the market because of their responsibilities and restrictions and got permission after the flood. However, besides starting new micro-enterprises a majority of respondents focused on bringing their life to the normal that was disrupted by the floods.

Many respondents attended relief activities started in their village. Shahin (Mansehra) discussed her experience

In the first meeting, they seek our help in identifying the poorest. I agreed to provide them with my voluntary services not only in supporting relief activities but also in identifying and organising the most vulnerable people from my community. I knew how to mobilise and bring together other women. I conducted meetings with women to identify and prioritise their needs so that if other organisations would come to help, we would be prepared to show our needs

This shows the existence of mutual support mechanism: The community needed relief goods and relief organisations also needed the community's support in identifying the most vulnerable people for the implementation of their activities. It seems that Shahin utilised her skills in community mobilisation in the post-disaster scenario, which she has learnt when she has participated in microfinance activities. The identification and prioritisation of needs enable women to make their voices heard in the relief activities as Shahin notes, 'we encouraged many community women to speak out and to say what they needed from relief organisations, many women felt shy with low confidence but we encouraged them to speak'. In this quote, Shahin uses word 'we' to express the collective voice of the women who encouraged other women to speak out about their needs so that relief organisations would consider those needs. Rowlands (1995) argues that with an increase and realisation of a person's personal empowerment with the development of a sense of self, confidence and capacity and working to reduce oppression, one starts supporting the empowerment of others in the community to achieve common goals which they cannot achieve alone.

In the literature on social capital and disaster, several studies evince the benefits of social capital in disaster preparedness (Reininger et al., 2013, Nakagawa and Shaw, 2004, Dynes, 2002), reducing vulnerabilities of people (Moser and McIlwaine, 1997), the quick recovery of poor households (Brouwer and Nhassengo, 2006, Nakagawa and Shaw, 2004) and rebuilding lives (Hawkins and Maurer, 2010). While in the literature on empowerment and disaster, Bari (1998) and Ganapati (2012) argue that after natural disaster, social mobilization through group

formation is an effective way for to address both women's and the community's empowerment, collective decision-making to ensure that everyone has equal say in decisions and civic consciousness are also prevalent. Additionally, relief organisations also need local information and specific socio-economic data, in tandem with interlinked village groups in the form of social capital help in understanding the social elements of a community after a disaster (Nakagawa and Shaw, 2004).

The findings of this study suggest that whether successful or not women clients were able to use their social assets through collective action in the post-disaster scenario as claimed by microfinance.

#### **6.4.4. Utilising Human Assets**

Another claim of MFPs is to build women's human assets. I argue that women's capacities and capabilities are not always developed from microfinance but it can strengthen women's internal strengths. In chapter 5 (section 5.5), I have discussed that many respondents were very confident and active at the time of their joining to the MFP. In this section, I show that only a few women could take advantage of human assets build by the MFPs, women's strengths and education are other strong intangible assets women used.

It is found from the data analysis that labour was one of the main human assets poor women possessed and mobilised to their full extent when faced the economic crisis usually in absence of valuable physical assets. In all the three study areas, mobilising the family labour was one the most important strategy women clients and their households used to raise the family income. It is found that at times of crisis all the members of household unite to respond to the disaster effects as one unit. FGD data and interviews from earthquake area revealed that migration of male members and young boys to seek high wage work in other areas was one of the most common strategies but this was not possible for women clients due to their households' responsibilities. A respondent from FDG 6 (Mansehra) observed that 'our village is far away from the main city so it is not a usual practice for a woman to get a wage work even as a domestic worker'. Another respondent from FDG 5 noted, 'due to distance from the city, not many women were involved in any enterprise that could link them to the main market. It costs more to sell anything to the marketplace'. It is also found that women's income earning opportunities were minimal in their villages and nearby areas, so whatever women were doing to earn income was on small scale and within their village. I asked them what they did in the aftermath of the disaster. Some of the respondents stated that they got an



opportunity to work with the aid agencies that needed women's help in accessing other village women. Shahin (Mansehra) recalled how she was contacted by the NGO she worked as a volunteer activist before the earthquake:

I was a member of credit group and usually mobilised other women for borrowing. After the earthquake, the same NGO along with other aid agencies organised a meeting and selected me as their representative in the area, keeping my previous work and active participation under consideration. My task was to mobilise women and train them to re-organize themselves in a group who further worked together to identify their needs and link them with the support organisations

This shows that the women's intangible assets developed from microfinance have helped them to reduce their post-disaster vulnerability by availing income related opportunities. However, it was a rare case in which only some of the women clients got an opportunity to mobilise their human assets but a large majority of women who had no access to such an opportunity focused only on animal rearing and some gardening activities to save money on not buying vegetables from the market. Many women clients used their courtyards to grow vegetables which they could further sell within the village but that could not produce much income. However, in the majority of the cases, male members' income was the major solution for many respondents in the recovery phase of the disaster. However, it is found that it took a bit longer time for most of the women clients to restart new businesses again on their own in the absence of microfinance services (almost three years in Mansehra, eleven months in Nowshera and few months in Peshawar) but after settling down and coming back to the normal situation many respondents again participated in microfinance programmes to earn income through their traditional work for the support of their family.

In flood area, the scenario was somehow different where women clients had access to more income opportunities than that of women clients from earthquake areas. In Peshawar, the respondents of the FGD observed that everyone in the household had to work in order to minimise the harsh effects of the natural disaster. Some respondents started seeking work opportunities. Baseerat (Peshawar) is an educated woman and has invested in her husband's honey producing business, used her education as her human asset by stating:

Before the flood, we were having a happy life as a flow of income from our business was quite good. Due to flood, our business faced great loss and we had to pay the money back to many people. My husband was also seeking his family's help to mitigate the loss and re-investment in our business. I asked my husband that I also want to contribute and seek a job as I am an educated woman. He agreed to my proposal and I applied for few jobs but fortunately, I got a job in an NGO's project aimed at women's welfare in my own village. Now, I have a regular income. I couldn't even think of doing the job before flood though I was involved in my husband's business actively.

Another respondent, Rehana (Peshawar) also stated that she has got work opportunity in the NGO funded project within her village,

My shop destroyed completely by the flood and my husband had also lost his wage job in the agricultural farms. I started seeking work and visited village bank many times for any opportunity. I was an active member and keeping my capabilities, the management of the VB offered me a temporary job. When the VB received funding from another project they also put my name as an office bearer. Now I am earning a little amount of money as I believe something is better than nothing.

It shows that despite disaster had a bad impact on people's lives, it brought many opportunities for women to enhance their own income and contribute to their family.

However, many women clients started using their labour in non-traditional seasonal work to earn income along with their family. Syeda Bibi (Peshawar) stated:

I heard someone leasing their fruit orchard. On my way back to the VB, I visited and talked to the person. He said I had to decide quickly at that time if I was interested as he had other interested parties too. I decided to take the fruit orchard on lease to earn some money for my family. My husband asked me that I didn't consult him and decided on my own. He was also not at ease as the offer was below market rate but I told him that we had no further opportunities and choices to earn money. I only took this decision so that we could repay our loan instalments back as we didn't have any other source of income left. I did what I felt appropriate.

Similar stories were shared by many others during the FGD in Peshawar where the respondents observed that flood was also a test for them to analyse how they mitigate the risks of natural hazards. Many of them said that despite grief on their losses, they started working again to mitigate the loss, whatever was available to them.

One thing is quite evident here is that despite the economic losses that the respondents had, they had utilised their intangible assets (human and social) to cope up with the risks and reduced their vulnerabilities through different means. The respondents' decisions of earning through non-traditional work in some areas and male members' acceptance is also an indication that the change in women clients' capacities after the participation in microfinance programme was visible even in the face of disaster difficulties. The next section discusses the role of microfinance as discussed and observed by the respondents.

## **6.5. New Role of Microfinance in Post-disaster situations**

Beside some limited role related to facilitating the existing clients in repayment, it is also found that MFPs had facilitated women clients to access money grants, relief goods and developed linkages with other organisations to support their borrowers. After the disaster, both the MFPs worked as relief and emergency organisations to

support the flood and earthquake affectees in their respective working areas. A respondent from FGD 3 (Peshawar) reported, 'the organisation (SRSP) distributed goods through VB staff and other members to the disaster-affected women'. It is also found that in this way the VB staff helped the organisations in identifying the most affected ones and provided facilitation. MFPs also linked their members to different donor agencies so that they can discuss their issues with them. Sareena (37, married, Peshawar) discussed that 'the representative visited my house and looked at the destruction. I told them that I needed money for the construction of outer wall'. A respondent from FGD3 (Peshawar) reported that 'many people visited our house. Every time we tell them our stories, they note and then don't come back'. Other participants of the FGD 3 also agreed to it. Mr W (SRSP) discussed this matter as 'donors have their own short term and long term agendas. They request us to arrange a visit to the field that we do and it's up to them whether help the affected people or not. But I admit people want some tangible help which at times we are unable to provide'. This highlights some of the new efforts of microfinance programmes which may not be admired if the clients are unable to get the desirable tangible results.

## **6.6. Discussion and Conclusion**

In this chapter, I have analysed the difference microfinance actually make in the context of the crisis through testing some of the claims of women's empowerment examined in chapter 5. For this, I have examined some of the social and economic vulnerabilities of the respondents in relation to microfinance activities.

This study finds that an increase in women's household and caregiving roles restrict their participation in any economic activities in the absence of microfinance that they may have performed previously. So if microfinance claims that it enables women to reduce post-disaster vulnerabilities, then this claim does not hold true in the post-disaster context of KP, since they could not stand up to the external vulnerabilities that rather pushed some of them back to the position when they have joined the organisation or may be worst. However, disasters introduce new unpaid and non-traditional tasks such as construction work that seem difficult to perform but increased women's confidence sees them doing men's related work. The literature on disaster also supports that women's vulnerabilities are also related to women's increased domestic responsibilities the overburdened women during disaster recovery (Enarson, 2000, Enarson et al., 2007, Enarson and Morrow, 1997, Dhungel and Ojha, 2012).

Some studies relate women's vulnerability as due to their limited role in post-disaster decision-making (Wiest et al., 1994, Khondker, 1996, Enarson et al., 2007, Enarson and Fordham, 2001, Enarson and Morrow, 1997, Ariyabandu, 2009). This study also finds that disaster has not altered the majority of women clients existing decision-making roles where men take all major decisions. However, women's overall management of the household in the absence of men also enhanced decision-making roles. I argue that rather than gains from microfinance, some circumstances and situations enable women to take major decisions.

Women's low scale, home-based businesses are more prone to the risks associated with disaster while the respondents who invest in men's businesses also face the loss of enterprises and any income associated with it and face additional pressure and stress exerted by MFPs. The literature also argues that women's lack economic security due to loss of enterprise and employment opportunities that make them more vulnerable to a disaster (Enarson, 2000, Akerkar, 2007).

Microfinance programmes show lesser flexibility towards the existing clients and they adopt different strategies to arrange repayment. In this regard, MFPs decline their access to new loans if they already possess a loan. At the same time, new loans are extended to other affected women. However, the loan can be written off in places where the severity of natural disaster is high. In the natural disaster, microfinance may not be able to cater the needs of the community and their claim of access remains unclear at times of uncertainties. The literature on microfinance suggests that for temporary changes, MFP can reschedule the loan repayments but they should not use loan write-off policies as it can harm MFP's own programme (Kumar and Newport, 2005, Islam, 2008).

One of the claims of microfinance is that it builds women's financial assets in the form of compulsory saving. However, women clients may not draw on their savings because if they want to access a larger loan which can only be available against the size of the saving in the VB's bank account.

The findings of this study suggest that whether successful or not, in the absence financial and physical assets, women can use their intangible assets to deal vulnerabilities through different means. They can utilise their social assets in the form of collective action, group decision-making, increased mobility, working collectively for the common goal and increased participation and voice in the development programmes other than microfinance. The literature on gender and disaster argue that women's participation in disaster response meetings and the

formation of women's groups enable them to mitigate disaster risks by incorporating their concerns in disaster management (Enarson and Morrow, 1997, Enarson, 2000)

Natural disaster can destroy women's material assets but women's skills, knowledge, capacity and confidence enable them to deal with the disaster vulnerability by mobilizing their labour and diversifying their income as coping strategies through they can reduce vulnerability to disaster, hence strengthening empowerment (Delaney and Shrader, 2000, Bari, 1998, Soares and Mullings, 2009)

Women's involvement in new, regular and non-traditional work in some areas and male members' acceptance is also an indication that the change in women clients' capacities after the participation in microfinance programme was visible in a post-disaster situation. The literature also argue that women's involvement in non-traditional work enhances their capacities (Akçar and Gopalan, 20009, Delaney and Shrader, 2000)

Despite that the policies of microfinance programmes constrain women clients in post-disaster areas with repayment issues, MFPs can also facilitate women's access to relief goods, money grants and builds their linkages with other organisations.

## 7. Conclusion

### 7.1. Introduction

This study has examined women's empowerment through microfinance in the social context and within the context of post-disaster in Khyber Pakhtunkhwa, a northwestern province of Pakistan. The research relied upon the professional's viewpoints and women clients' experiences and perceptions of their empowerment and post-disaster vulnerability reduction through gains from microfinance that MFPs claim for. It aimed to indicate the kinds of changes in women's lives that they attributed to their involvement and participation in microfinance programmes and the way in which they assessed these changes.

The following research questions guided the study (Chapter 1).

- 1) How do microfinance professionals and rural women view and understand the concept of women's empowerment in the local context and about microfinance?
- 2) What factors hinder and promote women's empowerment in Khyber Pakhtunkhwa?
- 3) What are the changes in women's tangible and intangible assets as a result of their participation in microfinance programmes? Do these changes facilitate women's empowerment?
- 4) What vulnerabilities do women clients face in post-disaster situations?
- 5) In what ways and to what extent do women's gains from microfinance (if any) improve their ability to deal with the post-disaster vulnerabilities? What difference does microfinance make in a context of crisis?

In the first chapter, I have given the rationale and background of the study. In the literature review, I have critically examined the claims and counterclaims of microfinance on women's empowerment as argued by the researchers. In the methodology chapter, I have explained the process of research and inclusion and exclusion of research methods and data analysis. In the analysis chapters, I have critically examined the extent to which the claims made by microfinance held true in the social context of KP and within the context of disaster in the viewpoints of women clients and the key informants.

The study applied a conceptual framework (developed in chapter 2) to examine women's empowerment through women's tangible and intangible asset accumulation, and women's own assessment of using their capabilities and assets

to deal with post-disaster vulnerabilities. This framework provided a clear picture of the problem by examining women's perspectives, as they perceived such 'changes' in their own socio-cultural context. In this concluding chapter, I summarise my findings on microfinance claims of women's empowerment in KP according to the research questions and discuss their implications for policy considerations and future research.

## **7.2. Summary Of Key Findings**

### **7.2.1. How do microfinance professionals and rural women view and understand the concept of women's empowerment in the local context and about microfinance?**

To seek the answer to this question, I asked key informants and the respondents what empowerment mean to them. I was difficult for many respondents to know exactly what empowerment is. I asked related questions such as: who do you think is an empowered woman? Who can be a disempowered woman? Do you think that you are an empowerment woman and how? So through these questions, I was able to analyse their understanding of term empowerment from their perspective. From the analysis of the professionals', I have shown that the key informants perceive the term women's empowerment through microfinance differently and there is no agreed upon definition. I have shown that five major themes emerged from the data analysis (section 4.3). The respondents' views are grouped into three themes (5.3). Table 7.1 shows the viewpoints of the respondents, key informant and related literature.

In Theme I, The respondents perceive empowered as an unacceptable, unclear and unfamiliar term in KP society due to their subordinated position. It is important to highlight that women from different classes also perceive their empowerment differently. For women from relatively better off family, empowerment exists when women have to attain their basic human rights and individual identity especially right to education, marriage and strategic decision-making. While women from poor background consider empowerment as a concept for rich people since they didn't need powers per se. The key informants also consider empowerment as an unclear concept with multiple context-specific meanings and a conflicting term if women challenge men's supremacy. The literature also supports this understanding by arguing that empowerment is contested, multiple meaning, used and abused by development organisation (Cornwall and Rivas, 2015, Cornwall and Anyidoho, 2010, Batliwala, 2007b, Hur, 2006).

Table 7. 1 Understanding of Empowerment

	The Respondents (Social Context)	Key Informants	Literature on women's empowerment and microfinance
Theme 1	Empowerment is an unacceptable term in the context of KP (Section 5.3.1)	Empowerment as conflicting and unclear term (Section 4.3.2)	Empowerment is contested, multiple meaning, used and abused (Section 2.2) (Cornwall and Rivas, 2015, Cornwall and Anyidoho, 2010, Batliwala, 2007, Hur, 2006)
Theme 2	Empowerment as Financial Stability: Fulfilment of basic needs and financial independence. (Section 5.3.2)	Empowerment as Women's Economic Empowerment: Access to and control over Financial Resources, Financial Independence and Poverty Reduction and Family Well-Being. (Section 4.3.3)	Poverty Alleviation and Economic Empowerment: access to MF services, control over the loan, income earned and savings, economic contribution, family well-being (Section 2.3.2) (Mayoux, 1999, Mayoux and Hartl, 2009, Drolet, 2011, Garikipati, 2008)
Theme 3	women's inner strength and capabilities: Knowledge & Skills, self-confidence and decision-making capabilities (Section 5.3.3)	Women's personal empowerment through building intangible assets and sense of self.  Women's social empowerment: Decision-making roles (Section 4.3.5)	Women's personal empowerment: increased self-confidence, decision-making capabilities, knowledge and skills (Section 2.3.4) -Social Empowerment (Section 2.3.6) (Kabeer, 2001, Schuler et al., 1997, Osmani, 2007, Newaz, 2007, Kashf Foundation, 2010, Zaidi, 2005, Kabeer, 2005, Alhassan and Akudugu, 2012, Swain and Wallentin, 2009)
Theme 4	Not discussed	Empowerment as Development Agenda (section 4.3.1)	Empowerment as Development Agenda (Section 2.2)

Source: Author

In theme II, women from poor families see empowerment in relation to the survival of their family. They consider financial stability as their empowerment when they are able to provide a prosperous and happy life to their family members with all the basic necessities. For the key informants, it is related to women's economic empowerment and poverty alleviation through control, economic contribution and well-being. The literature also links women's empowerment through microfinance to the poverty alleviation paradigm that focuses on family well-being (Mayoux, 1999, Mayoux and Hartl, 2009, Drolet, 2011, Garikipati, 2008).

In theme III, the respondents viewed empowerment as women's inner strength and capabilities that bring change in their lives in the form of increased knowledge and skills, self-confidence and decision-making capabilities. The professionals also



agree and consider this as women's personal empowerment through building and strengthening of intangible assets and wider social empowerment when women have increased role in decision-making. The literature also show that microfinance can enhance women's capabilities through building of women's social assets and human assets (Kabeer, 2001, Schuler et al., 1997, Osmani, 2007, Newaz, 2007, Kashf Foundation, 2010, Zaidi, 2005, Kabeer, 2005, Alhassan and Akudugu, 2012, Swain and Wallentin, 2009). Nonetheless, it is rather unclear how microfinance helps women to gain control over their loan and income and how they make financial decisions on their own in patriarchal societies when men are the decision-makers contributions (Leach and Sitaram, 2002, Akpalu et al., 2012, Gobbi et al., 2005). Also from the respondents' testimonies, it was not evident that they could challenge men's supremacy and alter centuries-old traditions with their access to microfinance services. Some professionals in this study consider that bringing change in the context of KP is difficult to achieve as microfinance may not enable women to challenge men. Many scholars argue that microfinance ignores gender relations in which women's oppression and empowerment are entrenched (Uddin, 2015, Karim, 2011, Johnson, 2005). Table 7.1 also shows another theme: Theme IV in which the literature and the key informants agree that empowerment is a development agenda though it does not appear in the respondents' account.

### **7.2.2. What factors hinder and promote women's empowerment in Khyber Pakhtunkhwa?**

This study has explored the factors affecting women's empowerment in KP. From the professional's views, two major themes arose that showed factors promoting and hindering women's empowerment. The professional identified many promoting factors such as men's cooperation and support, women's education and interests, and economic infrastructure. The respondents also noted men's support and women's education as major promoting factors and lack of which is a hindering factor to their empowerment. While socio-cultural aspects appeared to be the most hindering factors including male dominance and control, men's authority, rigid mindset, patriarchal norms, a religious misinterpretation that make it difficult for women to achieve empowerment. That further contributes to gender inequality and women's subordinate position in KP. In KP strong tribal codes of beliefs known as 'Pakhtunwali' govern one's life and pattern of behavior and any slight deviation from these codes may result in extreme reproaches (Ginsburg, 2011, Kakar, 2005, Strickland, 2007, Jamal, 2014, Naz et al., 2011b, Ahmed, 2006). Both the key informants and the respondents agreed upon these factors have a great affect on

women's lives any effort toward women's empowerment is considered as threatening and challenging to the male members of the society who fear the loosening of their powers. This results in women's low self-confidence, acceptance of their secondary position because of their ignorance about their own rights. The gender insensitive political system further constrains women's empowerment in KP. Women's lack of economic resources and regular income further enhance women's dependency on men. Microfinance and other development organisations' interventions are one of the promoting factors that provide women's access to financial resources which is denied before. However, hindering factors are dominant in the context of KP than promoting factors. The literature on women's situation in KP also support that rural women face discrimination because of strict societal norms, male domination and strong traditions, disadvantaged position, rights violations and prevailing economic, social, religious and political inequalities that worsened with Talibanization and religious extremism (Alam, 2011, Shah and Baporikar, 2012, Naz et al., 2013, Fazal, 2015). Where Talibanization has affected all walks of life in KP but the strong negative impact is on school going girls and working women in some of the rural areas (Gul, 2009). This context makes difficult to achieve the agenda of empowerment. However, since many microfinance organisations aim to empower women in KP through the provision of their services, I wanted to analyse the change they have experienced in their lives. This will be answered in the next section.

### **7.2.3. What are the changes in women's tangible and intangible assets as a result of their participation in microfinance programmes? Do these changes facilitate women's empowerment?**

Before answering this question, I would summarise the respondents' demographic and microfinance-related profile. This study shows that the credit is extended to women from 20-55 years of age, mostly married, the majority with no education having large families comprising 6-10 persons. Regarding microfinance profile, a large majority did not have access to financial services before and only a few women were involved in income generation. A large majority of women transfer their loans to men or other family members for income or consumption purposes. Despite this knowledge, MFPs disburse loans to women to meet their disbursement targets and the purpose is also not to specifically target female entrepreneurs in the area other than WCOs.

The respondents of the study reported a variation of changes which had occurred in themselves and their capacities after engaging in microfinance related activities. Some clients experienced more positive and empowering changes in their personal empowerment while others experienced limited changes (chapter 5, section 5.4).

One of the claims of microfinance is that it provides access to women that contribute to women's economic empowerment (Hunt and Kasynathan, 2001, Karim, 2008, Osmani, 2007, Schuler and Rottach, 2010). The key informants also agree to this (Section 4.3.3). The data analysis shows that MFPs do provide access to rural women in KP. However, MFPs policies exclude women below 18, unmarried women, widows, women above 60, non-WCO members and women having no other sources of income in KP. So this study concludes that provision of financial access is not equal for all rural women in KP and it benefits those who qualify the criteria set by the MFPs. It also raises concerns for the development agenda of MFPs to promote gender equality.

Another claim of microfinance is that it facilitates women's control over financial resources including loans, savings and income earned (Pitt et al., 2006, Hashemi et al., 1996, Newaz, 2007, Kabeer, 1998, Holvoet, 2005, Alam, 2012, Kabeer, 2005, Mahmud, 2003). The key informants also view that women's control over loan and income as a strong indicator to measure women's empowerment. The findings of the study suggest that a large majority of women (34 out of 44) have taken loans for the purposes other than income generation and transferred the loan to men or another family member. This finding supports the literature that argues that women lack control and their loan amount is actually invested in men's activities (Uddin, 2015, Balasubramanian, 2012, Karim, 2011, Asim, 2008, Garikipati, 2008, Rankin, 2001, Guérin, 2006). A respondent of the study stated, 'men use women as collateral to access loan'. I conclude that in the absence of any income generation, women's economic contribution and empowering outcomes remain unclear in the context of KP.

Microfinance claims that it facilitate women to enhance their income and savings (Hashemi et al., 1996, Newaz, 2007, Kabeer, 1998, Holvoet, 2005b, Alam, 2012, Kabeer, 2005, Mahmud, 2003). The key informant also supports that MFPs help women to build their financial assets. The respondents in this study also found an increase in compulsory savings with the organisation and saving at home. However, this financial asset cannot exclusively be regarded as women's asset since men provide saving money in the majority of the cases.

Another claim is regarded building physical assets where women's empowerment is related to ownership and control over physical assets (land, house, household possessions) (Ashraf et al., 2010, Pandey, 2010, Menon et al., 2014, Doss, 2006, Doss, 2013, Alam, 2012, Haile et al., 2012, Nader, 2008, Chhay, 2011, Kireti and Sakwa, 2014, Jan and Hayat, 2011) and productive assets such as livestock and sewing machine (Khan and Khan, 2008, Jan and Hayat, 2011). This study finds that in KP, women use the loan to buy some of the productive assets and are unable to buy larger animals with the small loan amount. It concludes that small loan size hinder women to build a larger physical asset that is critical for their empowerment. As such, it contributes to the literature that argues that lack of women's physical assets may not improve their condition (Mayoux, 2001, Rankin, 2002, Mahmood et al., 2014, Garikipati, 2008, Guérin, 2006).

One the claims of microfinance is that it builds women's intangible assets (human assets) and psychological empowerment in the form of self-confidence, self-esteem, through enhanced economic contributions and gaining knowledge and awareness from meetings and training on social issues and through acquired entrepreneurial skills and capabilities (Moyle et al., 2006, Newaz, 2007, Kashf Foundation, 2010, Zaidi, 2005, Ahmad et al., 2004, Basher, 2007, Chan and Abdul Ghani, 2011, Kabeer, 2005, Alhassan and Akudugu, 2012, Swain and Wallentin, 2009, Khan et al., 2011, Hansen, 2015, Shetty, 2010). The key informants also perceive this change. This study also finds that women develop self-confidence and knowledge base through participation in meetings and training. Considering the issue of women's mobility and to encourage women's participation, the monetary benefits for the participants of the training courses were the receipt of travelling and daily allowances from the MFPs. The non-monetary benefits included the provision of sewing machines, raw materials, poultry, goats, plants and vegetables to the trainees at the end of training related to the tailoring, poultry and animal rearing, plant nursery development and vegetable growing. Besides the benefits, the respondents also reported some constraints regarding training courses: 1) limited and non-regular training courses, 2) duration of the training either too short to cover all the content or too long making it easy to lose interest, 3) only a limited number of women could participate in the training, not every client, 4) women forgot what they had learned from the training quickly as follow-up and refresher courses were not conducted, 5) many women could not participate if the training venue was outside their village due to their domestic responsibilities or they were not selected for the training, 6) women had no interest in the training sessions if they were not involved in

business activities, 7) many respondents took an interest in the training mainly for the financial and material benefits rather than learning.

The advocates claim that participation in microfinance programmes enhances women's mobility. The key informants also view that women's increased mobility with their participation even in the conservative areas of KP that may lead to empowering outcomes set by the organisation. This study also finds that women's participation in MFPs increases their mobility within and outside villages when they visit the VB, commercial banks and training. However, microfinance is unable to increase women's market-related mobility that hinders any activity related to market thus only supporting their traditional businesses.

Microfinance claims that it facilitates women to improve their family well-being with earned income. The key informants also perceive that women spend more on their childer related expenditure. The study also shows that respondents are able to spend money on family's well-being especially on children education, family's health and nutrition. However, it also finds that children of many respondents did not like their mothers' work and participation because of social stigma (Naz et al., 2013).

Another claim of microfinance is that it increases women's decision-making which is an essential component of empowerment (Rahman, 1999b, Kabeer, 2001, Johnson, 2005, Alhassan and Akudugu, 2012, Alam, 2012, Weber and Ahmad, 2014, Shaukat et al., 2007, Jan and Hayat, 2011, Newaz, 2007, Kashf Foundation, 2010). The key informants also support this claim. This study also notes that women's financial and collective decision-making increases but only a few are able to participate in major decision-making. It concludes that microfinance has the potential to facilitate women's decision-making in KP.

One of the claims is that microfinance facilitates women's social assets formation based on their collective association (power with) and are considered an essential component of empowerment (Dowla, 2006, Ito, 2003, Sanyal, 2009, Mayoux, 2001, Rankin, 2002). In this study, the formation of women's credit groups and the village bank was seen as an important step in building their social assets which may, in turn, lead to collective empowerment for women. The respondents reported their enhanced networking with other women from the village and outside village with whom they could share their problems and learn many new things. The study found monetary and non-monetary benefits of women's collective action. In order to gain monetary benefits, women formed groups and guaranteed each other in taking loans. However, women also face pressure from the organisation and group members if unable to repay the loan.

Regarding changes in men's behaviour in relation to permission to participate in microfinance activities, a large majority of respondents reported positive changes in the attitude of male members of their family. They noted that obtaining men's permission became relatively easier compared to before because of their increased trust in women and their increased awareness of the programme activities. The respondents also noted that permission was essential for young women as compared to older women. This study finds no visible change in women's domestic workload. Rather it is transferred to other family members but men do not share women's household responsibilities. It is concluded that women manage and allocate time since they consider their participation important for their households. The literature also supports this finding (Newaz, 2007, Kabeer, 2001). Men's trust is one of the promoting factors to women's empowerment in KP. An increase in conflict and stress arises in cases where men refused to acknowledge women's effort and discontinue repayment that brings extra pressure on women. Financially active women are also not able to alter men's abusive behaviour in KP thus unable to change existing gender relations. Community opposes women's participation in the beginning but it the negative perception changes with the time. Some woman clients gained a new form of recognition as role models for other due to their participation in the microfinance programme. The question remains whether these changes are empowering or not? My findings show that the process of change is slow but it is becoming visible with women's increased participation. However, I find that women's personal empowerment is more visible than economic and social empowerment.

#### **7.2.4. What vulnerabilities do women clients face in post-disaster situations?**

This study finds women's increased dependency on men in the immediate aftermath of the disasters due to loss of their income, increased child care and domestic responsibilities in accessing grants and relief goods. This study finds that immediately following the disasters reinforced women's traditional roles. This study shows women's increased workloads due to the reconstruction of their houses. These responsibilities restricted the respondents' economic participation and added to women's vulnerabilities. The respondents also noted that recovery from the disasters took a long time and in some cases, it took at least two years or more for their lives to return to their 'normal' pre-disaster situation. So if microfinance claims that it enables women to reduce post-disaster vulnerabilities then this claim is not visible in the post-disaster context of KP, since the respondents were unable to deal

with the vulnerability. This study also finds that disaster reinforced women's existing decision-making roles where men take all major decisions. However, some respondents managed their households in the absence of their husbands and acted as sole decision-makers. I argue that rather than gains from microfinance, other factors enhance women's decision-making roles. This study finds that women's economic vulnerabilities were related the loss of their tiny businesses and income from their husband's businesses and were not able to repay the instalments. MFPs put additional pressure on women in the form of repayment in the absence of any income from enterprises.

**7.2.5. In what ways and to what extent do women's gains from microfinance (if any) improve their ability to deal with the post-disaster vulnerabilities? What difference does microfinance make in a context of crisis?**

Women use their intangible assets in a post-disaster situation. Some studies argue that women form groups to mitigate disaster issues (Enarson and Morrow, 1997, Enarson, 2000, Bari, 1998). This study also finds that some respondents use their knowledge, skills, confidence and social assets for social mobilisation, group formation, collective need identification and prioritisation, helping relief organisations in identifying poor community women, linking and networking with donors and other organisations to seek support. Natural disasters can destroy the material assets of women but their intangible assets enable them to deal with the disaster vulnerability by mobilising their labour and diversifying their income as coping strategies.

The literature on gender and disaster argues that disaster can also bring about opportunities for women (Akçar and Gopalan, 2009, Delaney and Shrader, 2000, Cupples, 2007, Enarson, 1998). Likewise, this study found that despite the loss in income, the disasters also brought about some economic opportunities for the respondents. Three respondents got a job on the basis of their education or community work experience. It can be concluded that the disasters cannot take away women's built capabilities; however, it is their internal strengths not microfinance that enables them to use their intangible assets after the disaster. It is also reported that the disaster may increase domestic tensions and violence. The stress of the repayment of loan instalments in the absence of any regular source of income also brought about tensions.

It is also found that microfinance programmes could not operate their regular operations in the disaster-affected areas (especially the earthquake) and they worked as relief organisations for the rehabilitation of the affected communities. The respondents from the earthquake area noted that they did not have to repay their loans since microfinance activities were completely finished and most of the women were engaged in rehabilitation and reconstruction activities. The regular microfinance operations restarted in the earthquake areas 3-4 years after the earthquake and since that time a large number of women had become involved in microfinance activities.

However, in Peshawar, where the microfinance programme resumed its operations shortly after the flood, the respondents noted many issues related to post flood microfinance operations. It is found that the microfinance programmes provided a two month grace period for the clients to repay their existing loans. Many clients found it difficult to repay the loan due to the loss of their income and enterprise assets. The clients affected by the disaster could also not apply for the new loan until they had finished repaying their existing loans. Besides the vulnerabilities incurred by disaster, microfinance also exacted repayment pressures on female clients. The respondents criticised the MFPs over their policies and showed their discontent over the behaviour of the management of the village bank as loans were given to new clients who had been affected by the disaster but not to the existing ones. This was possibly a reason that many women used their labour in low wage earning jobs to at least continue their repayments. Nevertheless, it was also found that the respondents received grants and emergency loans but used them for the construction of their damaged houses and not for the loan repayments. This shows that microfinance may have limitations post-disaster situations. I conclude that rather than facilitating the existing clients in repayment, MFPs also contribute to their increased vulnerabilities in the post-disaster areas. However, microfinance schemes are vulnerable to the risks of natural disasters because their clients are affected by the disasters and face difficulties in making full repayments (Kurosaki and Khan, 2012).

### **7.3. Women's Empowerment through Microfinance in the KP Context**

So coming to the research question of this study: Does microfinance facilitate rural women's empowerment in North Western Pakistan and, if so, are these changes sustainable in times of disaster? I argue that microfinance services may provide limited access to some rural women in KP but in the absence of women's control



over the loan and any subsequent income, the claims of women's economic empowerment may not be held true since a large majority of the respondents took loans for male members. Except for some small amount of saving and ownership of productive assets, the respondents did not show any change in their ownership of physical assets that are critical to their empowerment. However, microfinance has contributed to enhancing women's self-confidence and knowledge from meetings and training. Again, women joined training because of monetary gains and they could not benefit from the training as expected. MFPs may have enhanced some women's mobility but it could not facilitate their access to market due to the prevailing patriarchal norms and *purdah* that hinder women's access to the market which is considered as the domain of men in KP and critical for women's income generation. This restricts women to confine only to the small scale, traditional activities that produce low income. So I conclude that microfinance is unable to facilitate women's economic empowerment in KP.

It is argued that women's economic empowerment enables them to have wider social empowerment. An evident difference is found in respondents' decisions regarding their children's education especially for daughters, as a result of their increased contribution as well as their awareness of education for girls'. Women's increased decision-making trends showed that microfinance did facilitate women's social empowerment in KP. Considering the effects of microfinance on gender relations, this study evidences no radical change in the gender division of labour despite women's increased contribution. However, the confidence gained through the participation in the programme activities could not help women to challenge men's supremacy and control and those who did so faced men's harsh behaviour and violence.

So here two points are very important to discuss: 1) Women's empowerment is not a primary goal of MFPs in KP, for them attaining financial sustainability through on time recovery and outreach is the most important things. 2) The socio-cultural context of KP is very difficult and rigid one. Men have full control and authority over women. So in the absence of any financial resources for men, men use women to take a loan from MFPs. And because of this reason, they allow MFPs to work in their area. Any activity that may confront men, can result in the closure and exit of the organisation in the area. So MFPs only promote those activities that are harmless to men in the area. In such situation, microfinance programmes' position is also a fragile one, how can they promote women's empowerment then. MFPs select already vocal and active women of the area, belonging to some influential families, and operate their programme through them that only revolves around

money. The word village bank also denotes to a financial entity which is least bothered about the impacts and where the only concerns are recovery and loan disbursement. However, I also argue that in the absence of any meeting place for women in such conservative areas, these MFPs provided women with a platform where they could interact and meet others but again if men allowed them to do so.

This study further drew upon the effects of natural disasters on women's empowerment related to microfinance and highlighted the economic and social difficulties respondents faced when confronted with disaster. This study demonstrates that women use their intangible assets to reduce their post-disaster vulnerability through different coping strategies. This further showed that natural disaster may destroy women's tangible assets but that they cannot wash away women's intangible assets and strengths. The study also found that despite reducing women's post-disaster vulnerability through its emergency, relief and financial services, microfinance exacted the additional pressures of loan repayments while hindering access to emergency loans in the presence of their current loans in KP.

This study has shown the mixed impact of microfinance programmes on female clients in KP with some evident gains in women's tangible and intangible assets. Nonetheless, these gains are still unable to change the oppressed position of women. Nor do they address women's inequality. Change cannot be observed over a period of 3-5 years and it needs a longer period of time to evaluate the more tangible changes in female clients' lives. This study concludes that despite the fact that microfinance has the potential to empower rural women when it comes to challenging the existing patriarchal norms in favour of women, microfinance shows its limitations and other measures run concomitant to microfinance are needed to empower women in a way that they have control over their lives.

I want to conclude this section with a statement of an educated respondent who had totally rejected the notion of empowerment through microfinance, 'Can an indebted be expected a powerful and effectual person? It's a liability, not a power' (*maqrooz bhi kabhi taqatwar hua hai? Ye tou aik bojh hai, taqat nahi*)

#### **7.4. Suggestions for Future Research**

This study has raised many issues for further examination and methodological consideration.

*Research on microfinance, women's empowerment and disaster:* This study has only covered certain aspects of women's empowerment in reducing post-disaster vulnerabilities. There is a need to conduct a large-scale study that can cover microfinance's empowering effects in both pre and post-disaster conditions, and how post-disaster vulnerabilities impact on the gains of microfinance. There is also the need to focus on female clients' individual and household precautionary and coping strategies in both pre and post disaster situation with or without microfinance. Moreover, there is also a need to research female clients empowering practices after the disaster.

*Research on microfinance, domestic violence and disaster:* This study has slightly touched on the sensitive issue of domestic violence and there is a need to further explore the impact of microfinance on domestic violence both in non-disaster and disaster affected areas of Pakistan. This study found that due to prevailing stigma not many respondents spoke openly about the topic of domestic violence and there is a need to design a study that could specifically focus on the female clients experience of tensions, conflicts, harassments, opposition, resistance and domestic violence both in pre and post microfinance interventions and also in post-disaster situations, along with women's strategies to deal with gender-based violence.

*Research on women's empowerment:* It is important to research in detail the extent to which women's personal empowerment is used to bring about a wider impact on the household's and community. In this regard, the inclusion of views of men, children, and members of the extended family, the VB, credit group and community is essential. To assess the real impact of microfinance on women's empowerment, it is important to focus on the long-term association (15-20 years) with microfinance organisations including the ex-members who have left the programmes. The literature on microfinance and women's empowerment also reports women's disempowerment through microfinance so there is also the need to assess the disempowering effects of microfinance on female clients and also to build on the disaster material and other research that looks at the long-term effects of so-called empowerment outcomes.

*Methodological considerations:* This study has used a 'before and after' approach to assessing the difference in women's lives. This can also be done by comparing female clients with non-clients in the same village or long-term female clients with the new clients in terms of changes and empowerment. In this study, four districts of KP were selected but a similar approach can be applied by selecting at least two

districts from each province to get a wider conception of the impact of microfinance on women's empowerment across Pakistan.

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## Appendices

### Interview Guide for Women Clients (Sample questions only, not necessarily followed the same order)

#### Socio- Demographic Information

- Name of the Village:
- District:
- Name of the Interviewee:
- Marital Status:
- Age of the respondent:
- Educational Status:
- Family Size:
- Family Type:
- No. Children: \_\_\_\_\_ Male: \_\_\_\_\_ female: \_\_\_\_\_
- Head of the Household:
- Main bread winner of the household
- No. of economically active members
- How many children attending school? How many not attended? Ages? Reasons?

#### Microfinance Related Information

- Had you ever taken any loan before joining the MF programme?
- If Yes? From which different sources have you received credit?
- How did you know about the loan?
- Who informed you about MF services?
- How did you access to credit?
- Who was the primary decision maker and who else was involved in motivating joining the MF programme?
- Are your family members aware that you receive loans?
- What problems did you face before and after joining?
- When did you join the programme?
- Any benefit of joining?
- Whose decision was to initially take the loan?
- A number of loans received from SRSP/Sungi:
- Number Monetary Value of the Past loans:
- MFPs interventions before/ during the first Loan:
- Loan taken through: Group: \_\_\_\_\_ Individual: \_\_\_\_\_
- The interest rate charged:
- Monetary Value of the current loan (Rs):
- Whose purpose and the decision was to take the current loan?
- For whom you have taken a loan?
- The length of the repayment period of current loan:
- When was current loan taken?
- Stated Purpose of the loan:
- Who controlled and used the past loans?
- Who controlled and used the current loans?
- What was the loan used for?
- What are your saving mechanisms?
- Have you ever saved money before loan?
- Where do you save?
- Monthly Saving of the client (Rs.)
- Who is responsible for the repayment?

- How do you manage your repayment?
- What problem do you face regarding repayments?
- How do you deal with any problem you face regarding repayments within the household?
- How do you deal with any problem you face regarding repayments within the household?
- What do you know about the other activities of microfinance service?
- What is your opinion about monthly meetings?
- What are the advantages and disadvantages of monthly meetings?
- What is your opinion about training organised by the MFP?
- Have you ever attended any training? Which one? Where? Why you attended?
- Was it relevant to your business?
- What are the advantages and disadvantages of attending training?

### **Enterprise Related Information**

- What are the different activities you do to earn a living?
- What is the main occupation /source of income of the household:
- What is your main occupation?
- Why do you choose this activity?
- What was the purpose of this activity?
- What are the other reasons for starting your enterprise?
- For how long have you been operating this activity?
- Why you chose this activity over others
- Before starting this business, what did you do?
- Have you ever taken any support or assistance in operating your business?
- Are there any problems you faced in carrying out your activity?
- How much you earn in a month?
- What is your household's total income?
- How much do you spend in a month?
- How do you use income earned from your activity?
- What benefits have you derived from your enterprise?
- What benefits your family derived from your enterprise?
- What type of support have you received from MFPs?
- What is your opinion about microfinance service?
- What is your opinion about the credit given by MFPs? (Advantages and disadvantages)
- What changes have you observed in your living standard of your family as a result of your enterprise?

### **Changes in women's Tangible Assets- Before and After Microfinance**

#### **Income**

- Changes in income
- Do you earn more than your husband?

#### **Saving**

- Difference in savings

#### **Assets**

- What type of assets do you own in your name?
- What are the assets that are specifically purchased from loan or income?
- Difference in assets you own: before and after
- Who has control over household assets
- What do you feel; can you sell any asset on your own? Without permission?
- Who takes selling and buying decisions about your households?

## **Changes in Women's Intangibles Assets: Personal Level- Before and After**

### **Microfinance**

#### **Empowerment**

- How would you describe a woman that you consider is empowered?
- What aspects of an empowered woman do you personally value most?
- How can the MFPs contribute towards making its members more empowered?
- How should you assess if you are better off (more empowered) than before you received loans?

#### **Awareness and skills**

- What is the impact of your involvement in your knowledge about different issues you face?
- Which skills did you learn? How do you assess any change in skills?

#### **Self-Worth and self-esteem**

- What major contributions do you make?
- Do you find any change in your income-related contribution to the household?

#### **Assertiveness:**

- How do you see your interaction with outsiders (from organisations, projects)
- With whom do you interact freely with outsiders or there are any issues related to interactions with outsiders?

#### **Self-Confidence:**

- Can you manage things on your own?
- What are the changes in your confidence in microfinance and household related matters?

#### **Future Visions:**

- What have you thought of your future? Are there any hopes? Any fear?
- Do you find any change in your visioning for the future after microfinance?

#### **Coping**

- Have you ever though how will you manage things in a crisis situation?
- How do you deal with the crisis situation?

#### **Respect and pride:**

- How you feel about people's response and opinion about you in relation to your work (family/community/ others)
- How do you see the impact of your contribution? What do you feel?

#### **Harassment/Violence**

- What do you think of harassment issues? Do harassment and violence prevail in your area?
- What is the impact of women's work on domestic violence?
- Have you ever faced such a situation? a) Harassment when you go out to work or b) violence (at work or at home) since joining the program.
- What was your experience of domestic violence?

#### **Mobility**

- How do you see your mobility outside the home? Specifically related to work?
- In your opinion, are there any issues related to your mobility? And how do you deal with the mobility issues (if any)
- How frequently you go to the market for your work or for other matter?

### **Changes in Gender Relations- Before and After Microfinance**

#### **Decision-making**

- How do you participate in decision-making?
- What kind of decision you took before taking a loan and what decision you take now after loan?
- What is the impact of participation in microfinance on your decision-making?
- What changes do you find in your status and position at the household after microfinance?

#### **Attitude/behaviour/ status /position**

- What is the attitude of the family members after your income earning? How they take this situation? (More consideration is given to women or no change) How do they value your work related roles?
- What Problems do women face when they participate in MFP? In relation to husband/other men of the family/ another female of the family/ sons and daughters
- When you leave the house, do you need to ask your husband's permission?
- What is the impact microfinance on your financial dependency and reliance on husbands and another family member
- What do you think, is there any change in your roles and responsibilities after joining MFP?
- Has your participation affected anyone else's roles? Whose? How?
- How do you manage your domestic responsibilities? Who else help you in domestic work? Do male members in your family help in child care and domestic work? If not why? If yes why and how?
- What is the impact of microfinance on your workload, what is your opinion about it and how do you deal with it?
- What is your opinion about domestic violence?
- Why domestic violence prevails? What are the causes?
- What is the impact of women's work on domestic violence?
- Have you ever suffered domestic violence?
- What was your experience of domestic violence?

### **Changes at Collective Level- Before and After Microfinance**

- What changes have you experience when you have participated in the VB meeting?
- What benefits have you obtained from VB membership?
- What do non-members think about VB and women who take a loan?
- What are the advantages and disadvantages of working together?
- How does the community value your work related roles
- Do both men and men equally access public spheres (mosque, hujra, community meeting, market, and training?)
- How do you see changes in your community about gender relations and women's enterprise activities?
- What is the response of community about women's work?
- How do men and women deal with community concerns if any?

### **Disaster Related Information**

- How was your experience of the flood/the earthquake?
- What difficulties did you face at the time, during and after the disaster?
- What roles and responsibilities did you perform after the disaster? What is the change in your domestic an outside work?

- What was the impact of the disaster on your family and household gender relations?
- What was the impact of the disaster on your enterprise and microfinance-related activities? Did microfinance programme continue their programme after a disaster?
- What were your precautionary strategies to protect against disasters?
- How did you cope with disaster vulnerabilities?
- What changes do you observe in your life after a natural disaster?
- What is your opinion about the role of microfinance services after a disaster?
- How did you use your existing credit group and the VB after a disaster?
- What difficulties you have faced in relation to MFPs services, policies and procedures after natural disasters.
- What kind of support was available to you from different organisations?
- Was there any opportunity available after the disaster in your area?
- What is your major learning after the disaster and how did you implement that?
- Have you experienced any change in men's and community's behaviour and attitude towards your participation in different programmes after a disaster?

#### **Interview guide for professionals**

- What is your opinion and understanding about the term women's empowerment?
- How do you see women's empowerment in Pakistan's development sector's perspective?
- What are the different ways through which development interventions empower rural women?
- What role MFPs play in bringing women's empowerment?
- In which way and to what extent MF has brought empowerment in rural women?
- What is the impact of microfinance on gender relations in KP context?
- In your opinion how far the claim made by microfinance programmes, that providing access to microfinance leads to women's socio-economic empowerment is true?
- What are the effects of microfinance on women's personal, relational and collective empowerment?
- What is the nature of rural women's prevailing and post-disaster vulnerabilities?
- How do microfinance services reduce women's vulnerabilities in the normal and post-disaster situation?
- What are the factors (socio-economic, political, religious etc) that influence/ contribute or inhibit women's empowerment and vulnerability reduction in Pakistan and KP?
- Can microfinance enhance women clients' resilience to disaster shocks? If so, in which ways and to what extent microfinance programme develop resilience in women clients towards disaster risk and shocks?

#### **Interview guide for selected MFPs**

- Goals, objectives and activities of organisation
- Target population and reasons for targeting them
- Criteria for membership and Policies
- How do you include poorest of the poor?

- What are your indicators to evaluate the change in women clients?
- What is your mechanism to identify women's problem and difficulties and how do you address them?
- How do you include women's needs and voice in your policy and programmes?
- Why you only focus on women? Aren't financial sources a requirement by men?
- What has been the impact of your interventions on women's lives?
- How does your MF programme encourage women's participation?
- How do you ensure the proper utilisation of loan into proposed income generating activities?
- What feedback do you receive from the community about your programme?
- What kind of difficulties and obstacles have you encountered?
- What is your assessment of the success of your programme?
- What are the various obstacles to the functioning of your business operation?
- What role your organisation has played after a disaster?
- What was your preparation for the disaster?
- How did you reduce women's vulnerabilities after a disaster?

#### **Focus GROUP Discussion (FGDs) Questions-Non-Disaster Area**

1. What is your opinion what women's empowerment is?
2. What are the factors that hinder and promote women's empowerment in KP?
3. Is there any role microfinance has played in bringing women's empowerment in KP?
4. What difference do you observe in your life after participating in microfinance programme? Any change you have experienced or observed before and after microfinance and between clients and non-clients?
5. What difficulties do women face in their everyday life?
6. How women clients, specially empowered women to deal with their difficulties?

#### **Focus GROUP Discussion Questions- Disaster Area**

1. What is your opinion what women's empowerment is?
2. What are the factors that hinder and promote women's empowerment in KP?
3. What role microfinance played in bringing women's empowerment in KP?
4. Do you feel any difference in your life after participating in microfinance programme? Any change you have experienced or observed before and after microfinance and between in clients and non-clients?
5. What general difficulties did women face after floods and how they deal them?
6. How differently empowered women clients and other women deal with their vulnerabilities execrated by the hazard?