

## **An Evaluation of the Effectiveness of Microfinance in Alleviation of Poverty: A Case Study of Sindh, Pakistan**

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### **Abstract:**

*This research investigates An evaluation of the effectiveness of Micro Finance in alleviation of Poverty: A case study of Sindh Pakistan. The study was conducted in selected villages of these few districts like Mirpurkhas district data collected on microfinance beneficiaries. There were three major Microfinance Providers (MFPs) were included in the analysis and study sample was drawn from the clients of Khushhalibank Limited (KBL), First Microfinance Bank (FMFB) and National Rural Support Program (NRSP). The analysis includes 350 microfinance beneficiaries of Mirpurkhas. The study also examined the role of microfinance in rural businesses of rural poor in Sindh, by knowing the extent of access of credit over farm and non-farm activities and correlated the provision of microfinance with poverty alleviation and socioeconomic characteristics among the participants in the study area. The findings of the study show that despite of poor infrastructure MFPs have made successful access to remote areas where very limited life facilities are available to the population. Microfinance Institutions (MFIs) have maximized their access to poor people through group lending philosophy. There are very favorable lending policies for poor people that attract rural population to microfinance institutions and they are better alternate of the local money lenders who usually charge higher interest rates as compared to the microfinance industry. Microfinance has provided access to credit and other financial services to low income and poor people on a sustainable basis. Microfinance Providers generally offer three types of services to their clients in rural areas. These are small loans, smaller savings, and micro insurance. In rural areas, small farmers, landless tenants and micro entrepreneurs are the target market of microfinance Institutions and have got microfinance services from different MFPs.*

### **Introduction:**

Globally, poverty is often result of an inadequate income or a shortage of resources and means with which to meet daily needs and wants of human beings and it manifest itself as material deprivation which frequently leads to poor physical and mental health, restricted social and economic mobility, social isolation and powerlessness as a whole. Poverty in Pakistan is rising day by day as every third Pakistani is engaged in the poor bracket and it is more severe in rural areas as compared to urban areas because the social sector in rural areas of country is very poor having very little access to microfinance facilities and other availability of other income generating activities at all. The most affected people like women and farmers and other laborers' class of people with limited resources due to irregular distribution of assets, lack of education ,family size ,environmental degradation and growing water shortage, inflation ,unemployment has multiplied poverty at the grassroots level. As such for a country like Pakistan where one-third of the population is poor ,access of the poor to banking services is important ,not only for poverty alleviation but also for optimizing their contribution to the growth of the national economy as whole.

Microfinance is a complex phenomenon involving a variety of player and stakeholders. It operates in different countries under varying social, economic, and political and banking scenarios. World-wide, the awareness of the importance of microfinance for the uplift of the poor has been growing over the years, as different countries area attempting to devise ways and means to enhance the access of the poor to credit facilities. Poverty is a complex and multifaceted human development issue, the definition of which cannot be adequately encapsulated within a single sentence. However, there have been various attempts to capture the essence of poverty. The UN has defined poverty as "Fundamentally, poverty is denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school, or clinic to go to, no

having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation.

According to the United Nations (in 2006 UNDP), the person having less than one dollar per day are considered to live below the poverty line. Is the problem of poverty solutions is unusual in poor communities need people become live with them is a challenge. Because of its unity, we must first establish poverty must then be evaluated and eliminated at the end of the day (the safest, 2004)

Countries in the areas of economic and regional or when a poor family or the family's per capita income is very low national income. On the political front for the country or a group of people are poor because it relies on more powerful groups or individuals to express their rights and options.

From the social point of view of the poor performance, and when the national or regional education or family of all kinds, such as drug abuse ,crime, prostitution and violence socially unacceptable behavior in the family or society, and terrorism, which reduce the self –person confidence is revealed about ethics and society as a whole, and intolerance as people are becoming more and more each day and their lives (Safest, 2004) toward each other in society and social values rude.

In terms of environmental damage to the environment of poor people living in not only those living in poverty, but all the others, and non-human species depends on those living in poverty and depend on the survival of the same resources and ecosystems. People who live in poverty cannot be easily changed, not only because of lack of resources, and their behavior, but also because of their lack of knowledge Environment and survival skills, lack of education and illiteracy. More importantly, if you do not change lifestyle behaviors that they have been marginalized, they may die. Therefore, through the destruction of the environment in which they live, in fact the poor are destroying their own resources to survive in the long term (Amjad Kamal and 1997).

On the humanitarian side and means of poverty are living in poverty and poor conditions that people died from hunger, malnutrition and hunger (Aref, 2006). The human factor is weak when another poor to sell their brothers and sisters of child labor, and lack the money, young (Arif, 2006) care. In addition, the poor have a problem when people do not have any problem in their communities. Lack of patriotism, to help the poor, who really need help, because of extreme poverty and lack of opportunities for survival (Arif, 2006)

According to the World Bank report (2001), weakness is the lack of protection of the poor, which can lead to violence because of other risks, such as personal injury, bad elements. The concept emphasizes the importance of powerless poor economic weakness. The poor are not only the current level of living of the non-poor, and also separated from the greater economic vulnerability to disasters. Limit their freedom of choice and thus the poor (a loophole Bank, 2001)

Absolute poverty (1) can be eliminated, if there is a higher economic growth, this reduces the distribution of income, and economic growth is the main factor in poverty. Cut output when the difference is less poverty reduction is possible. Therefore, we must invest more in human resources development, and expand employment opportunities and microfinance (Anwar, 2005). At the same time, sound macroeconomic policies and structural reforms to promote pro-poor growth and poverty reduction to positive growth. Income distribution is also important to reduce inequality and increase at the same rate of those who will benefit (Anwar 2005, economic growth) number.

Has been poverty reduction and human development rate is much less than the pace of economic growth in Pakistan. Despite the great economic growth, nearly a quarter of the population lives below the poverty line. There are indications that the two main factors that limit the poor in Pakistan to take advantage of high economic growth. First, the lack of human capital in education, training and health. Second, the poor do not provide sufficient income opportunities at work. The government approach was guided by power rather than social welfare for the poor. There is no doubt that the long-term solution to poverty that Pakistan only accelerates human development attached to full employment. The sense of achieving poverty reduction, because it is not an end in itself, but it can also serve as a key factor in maintaining economic growth in the future, and the Government of Pakistan may show a greater commitment to poverty reduction. In (2001-2006) over the past five years alone, the social sector and poverty-related spending has doubled.

Literature Review

Poverty reduction is a major focus of the international community at the United Nations Conference on the Millennium. Promises to do there and 50% reduction in extreme poverty by 2015, the submission of supporting documents and promised the bank to make every possible effort to meet the income level of the poor target to take more than one dollar per day. In doing so, he gave himself a hard target. Report groups behind this are that in addition to the reduction of the above do:

1. Ensure primary education
2. Eliminate gender disparity in primary and secondary education
3. Two-thirds decline in infant and child mortality
4. Reducing maternal mortality by three quarters
5. Ensure universal access to reproductive health services
6. Implementation of national strategies for sustainable development.

At the current rate of growth, the population increases the time to reach the target of more data\$ 2 billion. Unfortunately, all this is analyzed in terms of commitment of money. Means never becomes the end. And the audience all over the world to be different, so each country will have to draw up the field. Their goal is the contradictions and conflicts. Even in semi-containment, the cultural differences between India and Pakistan despite the proximity and close relations) are very diverse, some options are not feasible in India, Pakistan, and vice versa (Zafar, 2004).

Miserably ,the previous policy, time and resources used in the quantum of poverty measurements is not necessary to have taken failed to be put at this stage, but the fact is that there are more efforts to joint activities in measuring and cutting, not some straightforward operation. Seventies, eighties, nineties was full of failure contract. If it is considered a failure, the problem may be right, but not exactly. Constantly reviewing the World Bank to determine the size of the work being optional, it still cannot be found. "Poverty and the House of Lords and they are," and two books well documented, a graphic image of the World Bank has occurred.

The Bank's strategy for the current international lay the foundation for higher ethical to re-enter the global situation after the previous experience and change the background. The strategy consists of three axes.

- (1) Opportunities to strengthen
- (2) Promote empowerment
- (3) Improve security

This strategy will for the actions of developing countries to consider how it will be converted. UNDP report published in poverty eradication provides a major UNDP 2000 reduced planning and poverty. It does not put some of the more extreme point of view, the market will be free of poverty alleviation.

Ideals and hopes to see improved governance poverty UNDP is linked to the lack of effective management, limited foreign aid. This is, but it does not solve the problem of what is the ruling ?The report appears to think that the development of those developing countries down to work in conditions of uncertainty and governance processes.

It does not provide the reduction of poverty in the country is linked to very small changes in policies to developing countries. Follow-up of international institutions has been determined to ignore the previous policy, it is considered necessary to shift now from these institutions. Stalemate has developed structural international agencies due to non-intervention, but it seems that developing countries are responsible for the shortcomings and deficiencies (World Development Report, 2001), its policies.

Another point raised in the report with regard to the World Trade. We now know that there is a World Trade Organization Seattle, Prague and Qatar meeting at the end of a huge smoke resistance. If business is to be a leader in the field of development and must end and then chaos. And all developed countries to do is to pay the surplus to developing countries. Stephanie has marketed the Black International Monetary Fund (Under WTO) successfully in accordance with tomatoes and potatoes Florida in Jamaica, which starred young indigenous producers by the end of the prospects for their future. There were riots in Jamaica and called on the army within a month. Sniper fire outside against the prime minister and the army.

When a country is not on domestic policies aimed at poverty alleviation can be linked to how promising policy makers to develop policies that will lead to poverty reduction ?In view of this situation, and how one can be expected to benefit from the global system. This lead was developed such that it is impossible.

Developing countries to catch up. In any case, the rich and efficiency goal in the developed and developing countries; which is used, determine the successor rich colonizers.

The United Nations came in "Report to overcome poverty", which was published in a report in the 2000 Social Summit in 1995, as a result of the future in the short term, despite the urgent need to reduce funding from neither. Superstition financial resources are almost only the country developed with the most valuable weapon. However, the key element in the whole game, not only in finance, but the thing related work, especially for this culture. The report lists a number of elements, such commitment is critical in the fight against poverty. It is usually defined in the monetary concept of poverty, along with the perception of specific goals such as reducing malnutrition, and the expansion of literacy and life expectancy increased (UNDP, 2000) I do not agree.

The International Fund for Agricultural Development when dealing with rural poverty is much higher than other institutions, in particular, ethical challenges five-point communication as a record. The first screw is the small-scale production and production plays an important role in rural livelihoods. Second, reducing rural poverty, improve the allocation and distribution of water requires, in order to improve the production of staple food. Third, to achieve the goal of poverty reduction requires the allocation of resources for the benefit of the poor. Fourth, specific groups deserve special attention, namely women. Problem with fragmentation is that it is the policy of displacement; one can find all kinds of excuse not to do.

Fifth challenge is participatory and decentralized functions. Participation in the West believes that this is not as strong as it was in the East. Minimum Tissue structures are formed as defined, greater than the current levels of participation. Decision-making is a consensus, it is not good enough (IFAD, 2001).

Food and the United Nations (FAO), which are directly involved in the Food and Agriculture Organization of Agriculture and Food Security, and brings the file. The document relating to the poor land and natural resource degradation. Sustainable agriculture more and more attention. FAO lists some in his report, such as a problem, digital land deterioration worldwide has reached 1.9 million hectares. The consequences of land degradation are such that increases poverty permanently. Every loser is the small-scale farmers. Most people live in developing countries in rural areas. Why the policy does not meet their demands? There are many reasons, but most important is the policy makers and rural areas (FAO, 2007) the gap between the growth.

The understanding of an international vision of poverty and inequality problem is that there are two main reasons for poverty, lack of economic growth and income is unfair to other wealth and resource allocation. The latter is the main component concentrated minority, lacking school education in the hands of the assets, and the lack of social services and infrastructure and unemployment (World Bank, 2005).

World Bank for more than a dozen countries analyzed is changing the income of the poor can break them partly due to the differences in overall economic growth, partly due to the inequality in income distribution to explain. Our impression is that the poor in rural and urban areas are not sorted, and must be in the future task of one day. Brazil, for example, to enjoy the economic growth rate is very high, but the gap has become a serious problem in taking into account the growth rate, which fell 34% of the incidence of poverty 1980-1990 saw the World Bank prediction model. However, due to the increase in inequality, only 24% of the decline in the poverty rate. If you publish as much Malaysia achieved a growth rate of Brazil in Brazil, will be the order of the poor was 43 percentage points (Gary Gay, 2006) is reduced. Therefore, growth and growth affects the distribution of income and the method of setting the rate of the important factors for a change of poverty.

In Malaysia, growth is not as rapid in Brazil, but the impact of income distribution more equitable, while reducing poverty by 19% was expected the actual decline of 23 percent. High growth progress in solving social problems does not mean. Pakistan, the highest level in growth and the least developed countries, as well as Brazil and middle-income countries experiencing rapid growth. However, the highest mortality rate in Brazil in the least developed countries, 5 children under the age of Pakistani children and the lowest enrollment rates in primary school (Samaratne, 2005) and one of.

GNP and the level of gross GDP growth rate does not always limit the progress of social indicators. A special feature of development in the past few decades is the fact that social indicators tend to anticipate economic problems. In some countries with income low, such as China, Sri Lanka, India, countries and levels of per capita income is very low in the state of Kerala, but other indicators such as infant mortality rate, life expectancy, literacy and nutrition exhibits breakthrough, but the sustainability of this progress is

not a problem, especially when growth is slow, Non-social programs spending rose. One way to solve the problems of the country. It depends not only on the GNP a rough indicator of its ability to act, but also the distribution of wealth sign of the popular will. Important limitations are the world's third poor spend half of the total annual expenditure for maintenance debt.

Not more equitable distribution of growth is very sharp tool to reduce poverty. Even so, researchers recently arrived that in terms of basic needs, and real income growth is much more than the average share of income changes is more decisive. But economic growth can institutional change and sharpen the general policy of revenue growth and improved distribution channels in order to reduce levels of society, and perhaps the way the most permanent target for solutions to the poor; the same in the absence of growth on the redistribution of the other hand is the suspect, in the absence of growth once to Events forever.

If we are facing a moral issue, this is, however, mainly through the redistribution of income and assets within developing countries, it must be handled and processed through the process of extensive development requires a very large range of additional resources growth. The ability to provide these resources to determine that they provide become wealthy 95-100% of the population in developed countries is the path time ethical issues above the poverty line. We believe that this growth is essential. Therefore, it is a great moral issue of rich nations in the world fairly, they do not face particular (World Bank, 2005). **Poverty and inequality in the point of view of Pakistan**

## 2.2 Recalling past economic policies (1958-1989)

By Ayub Khan Government implemented economic policy, and the establishment of social and regional disparities. Some people think that the main cause of poverty in rural areas is due to subsistence landholding and continuously reliance on for their livelihood dependence on it by the poor. (Said, 2005).

Government support provided by the government has created a situation in which industrial production low quality products which cannot generate enough foreign exchange for the country. During period of President Ayoub administrative system and control of the government went in reckless financial allocations of resources on a national basis, political support, rather than economic efficiency. Bhutto regime nationalized industries, and the best economic performance and self-reliance. This gives the system the masses more political support. (Said 2005).

Bhutto's budget deficit is increasing government spending to a significant increase in government. Although government funds through Zia's political activities wasteful, rather than the conversion of resources for the development of agriculture and irrigation, as well as human resources development. After the leak to the support of foreign invests, investment and economic growth drops in the Afghan war, and the budget deficit this result is raising, increasing the poverty of the poor. Changes in the structure of economic growth during this period brought about, because it was the result of the development of capital and labor productivity decline. Similarly, thus reducing capital productivity affects economic growth. Also reduced labor productivity, affected the real wages. Economy, and in this case the growth of poverty. (Said, 2005). The development of the current situation of poverty and high unemployment in the country (Said, 2005) basis.

## Research Methodology

The data was collected in primary as well as secondary form. During primary data collection the author conducted surveys and interviews from various regions, microfinance institutions and borrowers. The secondary data collected from the published reports of microfinance institutions, banks and State Bank, research journals and magazines to know the annual and biannual progress of the MFIs in term of their financial growth and clientage.

### 4.1.1 Secondary Data Collection

Annual reports published by the State Bank and the microfinance Institutions' own printed progress reports were gathered and studied. Apart from these reports the studies and survey reports from other sources were also studied to know the status of finance and loan disbursements. The working efficiency of MFIs, MFBs and NGOs were also studied from various research articles and dissertations. The data generated from the secondary source helped to describe.

### 4.1.2 Primary Data Collection

A primary data was collected using qualitative and quantitative mix methods technique. The borrowers of the credit from various sources of microfinance were interviewed to analyze the real impact of the MFIs on their socio-economic factors like basic livelihood and education. Both close ended and open ended questionnaire were used to analyze score variables and a 5-rating Likert scale was also used to analyze the qualitative and group variables. Descriptive as well as Inferential analyses were performed on generated data. Non-parametric techniques are used to know the reasons of the loan barrow and benefits of the borrowed loan. In this context, Chi-Square goodness of fit test and Pearson’s product-moment correlation coefficient were used.

For semi-structured data various groups were also interviewed and recorded the opinions and issues regarding microfinance at their door step. The data was analyzed using SPSS version 21.

**Results & Discussions**

Multiple linear regression model was used to know the relationship between one dependent (quantitative continuous variables) and two or more independent variables. Multiple linear regression model was applied on outcome variable of interest and independent variables of loan, individual or household characteristics.

The equation for model is as follows:

$$\hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_0$$

Where  $\hat{Y}$  is annual crop production in rupees,  $\beta_0$  is the intercept,  $X_1$  is dummy variable of agriculture loan,  $X_2$  is number of land acres,  $X_3$  is number of persons in business and  $\varepsilon_0$  is the Residual error (unexplained variation).

**Table 5.1: Summary**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error	R <sup>2</sup> - Change	F-Change	df1	df2	Sig. F Change
0.8	0.599	0.6	79919.1	0.6	189.1	3	345	0.001

Source: Survey Data 2017

Predictors: (Constant), Number of Persons in Business, Agriculture loan, Nos. of land acres

Table 5.1 shows the model summary of multiple regression model I. The R Square is 0.611 which is showing the 61 percent variance in dependent variable of annual crop production explained by other independent variables in model. The ANOVA is analysis of variance and it has advantage of comparing two or more treatment conditions. It is used to determine if mean difference exist for two or more treatments or samples (Burns, 2000). The table 4.4 of ANOVA is showing F value 181.056 which is significant in the model.

**Table 5.2: ANOVA Multiple Linear Regression Model I**

Model	Sum of Square	d.f	Mean Square	F	Sig.
Regression	3898366145429.1	3	1148048119623.7	172.01	0.000
Residual	220416122763.69	345	704940714.53		
Total	4,118,782,268,192.79	348			

Source: Survey Data 2017

Predictors: (Constant), Number of persons in Business, Agriculture loan, Nos. of land in acres

**Dependent Variable: Crop Production in a year**

The table 5.2 shows analysis results of coefficients in regression model 1. The results revealed that the loan taken for agriculture has significant relationship with annual crop production of participants. The crop production is increased due to availability of loans by rural households as revealed in results. There is a

significant positive relationship of crop production and ownership of land in acres and number of persons engaged in farming business in the analysis as p value is p-value: <0.001

**Table 5.3: Coefficients in Multiple Linear Regressions**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
constant	8877.02	9460.81		0.918	0.411
Agriculture credit	116418.03	99876.31	0.399	10.51	0.001
Land (acres)	24870.88	1599.82	0.501	13.001	0.000
clients	12650.1	3277.51	0.991	3.091	0.000

Source: Survey Data 2017

**Dependent Variable: Crop Production in a year**

Multiple linear regression Model was applied on outcome variable of interest and independent variables of loan, individual characteristics and other household characteristics. The equation for model is as follows:

$$\hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 + \varepsilon_0$$

Where  $\hat{Y}$  is the dependent variable of numbers of livestock,  $\beta_0$  is the intercept,  $X_1$  is livestock loan (Yes/No),  $X_2$  is loan amount,  $X_3$  is age,  $X_4$  is family size, and  $\varepsilon_0$  is the Residual error (unexplained variation).

**Table 5.4: Model Summary**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error	R <sup>2</sup> - Change	F-Change	df1	df2	Sig. F Change
0.79	0.622	0.69	2.1	0.69	190.3	3	345	0.000

Predictors: (Constant), Family Size, Age, Loan Amount, livestock loan (Yes or No)

Table 5.4 shows the model summary of multiple regression model II. The R is .829 and R Square is 0.687 which is showing the 68 percent variance in dependent variable of number of livestock explained by other independent variables of model. The table 5.4 of ANOVAs is showing F value 190.3 which is significant in the model.

**Table 5.5: ANOVA - II**

Model	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	3117.801	3	798.99	188.96	0.000
Residual	1492.201	345	4.4		
Total	4610.002	348			

Source: Survey Data 2017

Predictors: (Constant), Family Size, Age, Loan Amount, livestock loan (Yes or No)

**Dependent Variable: Nos. of livestock**

The table 5.5 shows multiple linear regression analysis results of relationship of micro loans with number of livestock at participant household. The results revealed that the livestock loan and loan amount are highly significant (p-value: <0.001). The other factors of age and family size had no association found with dependent variable as both were insignificant in the model.

**Table 5.6: Coefficients Model II**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	0.695	0.599		1.24	0.22
Live Stock Credit	2.1	0.25	0.201	5.01	0.001
Amount	0.08	0.01	0.80	26.08	0.000
Age	0.01	0.02	0.02	0.558	0.61
Family Size	0.06	0.06	0.039	1.13	0.30

Source: Survey Data 2017

### Dependent Variable: Number of Livestock

Multiple linear regression Model was applied on outcome variable of enterprise income in a year and independent variables loan and individual characteristics. The equation for model is as follows:

$$\hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon_0$$

Where  $\hat{Y}$  is the outcome of interest,  $\beta_0$  is the intercept,  $X_1$  is variable of enterprise loan,  $X_2$  is stock value  $X_3$ ,  $X_4$  and  $X_5$  are Age, Sex and family size in the model. The  $\varepsilon_0$  is the Residual error (unexplained variation)

**Table 5.7: Model Summary**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error	R <sup>2</sup> - Change	F-Change	df1	df2	Sig. F Change
0.0.84	0.698	0.6999	25599.80	0.711	159.9	3	345	0.000

Source: Survey Data 2017

Predictors: (Constant), Family Size, Age, Stock Value, Sex, Enterprise Loan

Table 5.7 shows the model summary of multiple regression model III. The R is 0.839 and R Square is 0.704 which is showing the 70 percent variance in dependent variable of income of microenterprise in a year explained by other independent variables of model. The table 4.10 of ANOVA is showing F value 163.863 which is significant in the model.

**Table 5.8: ANOVA – III**

Model	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	56963040751.29	3	118605671230.11	165.90	0.000
Residual	30936238162.00	345	661240612.507		
Total	87899278913.29	348			

Source: Survey Data 2011/12

Predictors: (Constant), Family Size, Age, Shop Value, Sex, Enterprise Loan

### Dependent Variable: Enterprise Income in a year

Table 5.8 shows multiple linear regression analysis results of relationship of micro lending on enterprise income of participant household in a year. The results revealed that the enterprise loan and stock value are

highly significant (p-value: <0.001). Those participants who have availed loan had higher annual income from their business as compared to participants who had not availed enterprise loan. The other factors of age, sex and family size had no association found with dependent variable as both were insignificant in the model.

**Table 5.9 Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	12612.711	7397.071		1.699	0.087
Entrepreneurship Credit	120562.693	7298.075	0.499	15.979	0.000
Stock worth	0.697	0.05	0.512	14.981	0.000
Age	-101.59	164.99	-0.019	-0.697	0.51
Sex	-2178.99	161.34	-0.02	0.594	0.488
Family Size	-559.36	599.4	-0.03	-1.08	0.45

Source: Survey Data 2017

Dependent Variable: Enterprise sales in a year

### 5.2 Hypothesis Outcome

On the basis of results of multiple linear regression models I, II and III it was proved that there is a significant correlation between Microfinance and its intended benefits to Microenterprises, Livestock and Agriculture businesses of the rural households who have access over Microfinance. On the basis of empirical results the null hypothesis has been accepted

### Conclusions

A study has examined about Empirical analysis of the determinants of rural poverty in the Sindh region of Pakistan ,In an objective record of the situation and trends of poverty in the Sindh region, inequality, poverty and income The specific area for measuring the degree of faith is conservative, decision analysis and identification of relevant factors in the Sindh region poverty ,assessment, and various governmental non-governmental organizations and initiatives to alleviate poverty in the private sector, and therefore develop recommendations on the rural poverty reduction program in the Sindh region for the public and private sectors.

Selection methodology320 Sample and study design are two areas. When the group is very large, it is used to determine from among the three million households millions sample size chart(Winch sampling stage is± 6 %At the error rate level, and a large proportion of0,5-5 ,%Which gives0.25 The maximum fit contrast. In the first Taluka stage from the second stage from the European Commission to define each specific region of each Federation Council in the third stage10 In each village of Taluka, and in the fourth stage, each village elects eight chosen families. Therefore, a sample of 160 was selected from each region. The results show that the lack of a coherent long-term strategy for poverty reduction policy. Various similar poverty alleviation programs have failed to solve the underlying problem of local realities of rural poverty and inequality in each region Sanghar and Badin. These issues are very important, and the basis for long-term sustainable development to address these issues. Individual, entrepreneur, philanthropist, landowners, businessmen, farmers and government play an active role in this regard.

The primary and secondary data used in this study will help policy makers design results-oriented programs and examine poverty and inequality. From the analysis of basic raw data, some important research findings are as follows:

### 6.2 According to the analysis, the results from the household survey

1. Data show that the average age of the head of a household is in an area Sanghar 40 ±

- 1.01 years old, while the average age of Badin County  $44 \pm 1.17$ . This means that most heads of families are middle-aged people.
2. The data indicate that a majority, that is, is in a region Sanghar Up to 40 % of popular and educated respondents 30.6 % of the illiterate. In the case of Badin County, educated 28 % of heads of household until primary school.
  3. Survey data confirm that the participants are in Sanghar More comprehensive skills than those who live in the Badin region. This situation is in close proximity to the literacy rate difference related to Badin County.
  4. The results showed that the average size of the family area Sanghar It was  $9.12 \pm 0.37$  Members of the Paden County  $7.62 \pm 0.28$  Members.
  5. District Sanghar Compared with the 88.1 % of respondents have the highest amount, 29.6 % Badin It is the provision of continuous electricity in their villages. Also the Badin area of respondents who reported more than Sanghar, and not the most electricity in their village.
  6. People in an area Sanghar 5.20% of respondents believe that gas is available, while 94.80% of the people think that natural gas is not available in their villages. Per cent. 60 in the neighborhood gas facilities involved Badin. While 99.4% of people do not have gas cooking facilities. Thus, compared to most people, and gas facilities Badin and Sanghar.
  7. Data confirm that in the majority of Sanghar of the participants (38.90%) live in Pacca house, while the lowest (4.50%) live in homes called Jhopra. About 24.20%, while 32.5% live in semi-pacca card and check the house. Respectively, the highest number of participants in the Badin area 69.40% live in the home check card, 10.00 and 13.10% of them live in homes pacca (Brick made house) and Jhopra (mud-cum wood house). This indicates that in Sanghar area sampling of participants to enjoy the highest of the best residential facilities Badin.
  8. At Sanghar, 84.38 Percent of respondents get loans from various life management sources, while 15.6% of people don't do credit. Likewise, the participants in Badin 45.63 % to obtain loans from various sources, while 54.38 respondents did not get credit. This indicates that more and more people have access to credit facilities compared to a debt (45.6)

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