

IMPACT& PERCEPTIONS OF MICROFINANCE LOANS: A CASE STUDY OF LAHORE  
DISTRICT

By

Amnah Javeed

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## **Abstract**

The aim and purpose of this study is to find out and assess the impact and perceptions of microfinance loans in Pakistan. While there have been various studies in the past on the impact of microfinance loans in Pakistan, there is a dearth of literature on the impact and perceptions of microfinance, specifically of conventional and Islamic microfinance and which one fares better in alleviating poverty and empowering women. Therefore, this study aims to address and fill that gap.

The study used surveys and focus group discussions as its prime source of research. The surveys held questions on women empowerment and poverty alleviation. A group of 150 women were interviewed. On the other hand, focus group discussions were conducted to find out the impact of microfinance loans and their impact on women empowerment in further detail.

The main findings of the research show that microfinance affects poverty alleviation and women empowerment but its effectiveness is a questionable concern. While income has a positive relationship with poverty alleviation and women empowerment, small and medium sized loans have their own set of problems that affect the degree of poverty alleviation and empowerment. However, small and medium sized loans do have an impact on poverty alleviation and empowerment. There is also no major discrepancy in the perceptions and results of conventional or Islamic microfinance loans. Also, age does not significantly affect the impact of microfinance loans on poverty alleviation and women empowerment.

So while microfinance can contribute to poverty alleviation and women empowerment especially amongst the poor, there are still problems with it. Access to microfinance and credit facilities still remain a major problem in Lahore and efforts need to be made in order to ensure that credit is

given out to people and made accessible so that there is less poverty in these areas. A lot also needs to be done in the area of microfinance to make it a substantial tool of poverty reduction and women empowerment.