DOES MICROFINANCE SERVICES PROVIDED BY KHUSHALI BANK CURTAIL POVERTY IN PAKISTAN

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ABSTRACT: The fundamental goal of the study is to break down the effect of microfinance on poverty easing and human improvement through a sample survey of 396 clients of two major micro-finance institutes through multistage cluster sampling, utilizing the concept of household expenditure and possession of assets through different measures of helplessness at household level. Face to face structured survey is conducted to gather essential information. The Chi Square test and logistic regression are applied to examine the distinction between approaching clients (less than one year) and built up clients (2-5 years) on the premise of poverty pointers set up at household level. The findings of the study have uncovered the positive and significant impact of microfinance projects on household expenditure while there is no considerable effect found on ownership of household assets.

Key Words: Microfinance, Poverty, Household assets, Household expenditures

INTRODUCTION

The world is much developed in today's context and life is much secured and disciplined in terms of financial management. But there are many people, especially in the developing countries as not every person has access to the banks for loans, transferring funds or having insured against the unforeseen circumstances. Mostly the access to these facilities is denied or much difficult to avail. The conventional banks are unable to attend the poor households on various grounds. These banks believe that the unbanked households have comparatively transactions of low value. On the other hand, these banks demand the collateral securities which are generally not owned by the poorest households. And unfortunately, the conventional bankers believe that the poorest households are unable to pay their loans on time generally. A large percentage of poor households are unable to get loans in underdeveloped countries [1]. Consequently, the deprived people have no other choice but to avail funds from local money lenders on heavy interests and strict terms. [2] Utilized more loan specialist situated approach and says "Microcredit is the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans". It is demonstrated that microfinance is the most advantageous and powerful measure in diminishing poverty.

Unlike traditional banking, the prime target of microfinance is loaning to the poor without keeping any collateral security. Though the government and other money related organizations for the most part offer credits for a long reimbursement period of time, however microfinance gives little amounts of advances which are to be reimbursed in a brief period of time.Microfinance is a broader approach which is based on a set of different financial services like providing small loans for small business, loan for construction of the house, providing insurance services, education and capacity building, children's education, entrepreneurial skills, improving the choice of nutrition and health, introducing saving schemes and funds transferring.

Review of Literature

Various studies in the developing nations have been directed and the reasons continue as before i.e. what sway these studies have on poor as far as their social and monetary prosperity. The principle objective of Impact Assessment systems is to examine the attribution of changes in target customer prosperity to microfinance mediation[3].

[4] Argued that microfinance is the establishing stone for poverty decrease. Their study demonstrated that there is an essential link in the middle of microfinance and poverty annihilation, in that the last relies on upon the poor getting entrance to, and control over, monetarily profitable resources, which incorporates financial resources. [5] Uncovered that it is absolutely no other way than microfinance in the war against poverty. Creating anindependent work opportunities is one method for assaulting poverty and tackling the issues of unemployment. The researchers reported that there are more than 240 million individuals underneath the poverty line in India and plan of micro credit has been found as a compelling instrument for lifting the poor over the level of poverty by giving them independent work opportunities and making them credit commendable. Microcredit has a positive effect on the economy. Subsequent to taking credit borrower's earnings and their expenditure on family had increased widely. Client's income had expanded which demonstrates that they get to be ready to cross just the extreme poverty line while they stay close to the poverty line. Livelihood opportunities had expanded at a moderate rate. The clients began their own business and acquire more benefit. The rationale of giving microfinance services to the poor is to furnish them with united minimal effort and insurance free credit benefits that are basic and bother allowed getting. There is vast assortment of proof that shows that microfinance helps poverty reduction and lessens helplessness to poverty. Moreover, there is a developing assortment of writing supporting the conviction that microfinance can have a positive effect on health, nutrition status and elementary school participation [6, 7].

Along these lines, there is a requirement for all included in microfinance and advancement to find out what precisely has been the effect of microfinance in battling poverty. Microfinance advances resource building among the poor by dodging trouble through impromptu offers of benefits and substitution of existing, profitable resources devastated in regular debacles[8]. Since assets are vital to the vocations of poor people, microfinance ought to then upgrade their collection in order to pad the individuals amid stuns.

[9] inferred that microfinance build the fearlessness of the poor by meeting their crisis prerequisites, guaranteeing need based auspicious credits and making the poor fit for reserve funds. The study likewise demonstrates the validity of microfinance in health related issues in a positive way. Small scale money is the best way to overcome poverty in India[10]. An extraordinary potential exists for small scale back in the nation. Real cross-section can have advantage if this segment will develop in its speediest pace. [11] contends that truly, surveying the effect of microfinance projects was seen by benefactors as something they ought to embrace with a specific end goal to record that their assets were having positive results; while venture chiefs only saw large amounts of credit reimbursement and rehash clients as the intermediary measures of effect and confirm that the services gave were exceptionally esteemed by the clients and were along these lines having a positive effect. Throughout the years, be that as it may, the developing valuation for the estimation of the customer data created by effect evaluations for venture administration, combined with the rise of lower expense and dependable ways to deal with surveying effect on clients and their family units, implies that it is no more a fringe point. It has slowly been rising up out of its status as minor to turning out to be a piece of the standard microfinance agenda.

[12] said that microfinance is a decent apparatus for poverty reduction yet it is not an enchantment to take care of the issue of poverty in a night. In Sub-Sahara Africa microfinance is performing admirably yet can't tackle the issue of poverty in light of the fact that the issue is huge and the weapon is exceptionally straightforward. Microfinance ought to be given more backing to yield some productive results. At present Critical increments in small scale financing is a basic initial phase in quickening Sub-Saharan Africa's advancement towards the Millennium Development Goals, yet microfinance is stand out column in the systemic methodology expected to diminish poverty and appetite in the locale. Microfinance can serve as an impetus that upgrades different projects and lifts the district out of impoverishment. The idea of micro credit is straightforward and permits individuals to focus their own particular future, to distinguish precisely how to thrive, and they will do it.

Objective of the Research
To analyze the impact of microfinance at household level by utilizing the concept of household expenditures and assetswith help of responses of new and established microfinance clients.

Hypothesis 1: Microfinance programs have a significant positiverole in the increase of household expenditure on household items.

Hypothesis 2: Microfinance programs have significant positive impact on ownership of household assets.

Household Expenditure
Two widely used approaches are income approach and expenditure approach. The Income approach can be measured by taking assets and levels of income, whereas expenditure approach counts all household expenditures. Efficiency and less timein using expenditure approach are found to be more practical [13,14] explains the role of MFIs to raise income, reduce income inequality and improve welfare.

Household Assets
Poor households have little money to spend, therefore they do not have enough to spend in household assets. That's the main reason that one can associate accretion of assets with household income. Complete valuation of all household assets is not compulsory hence measuring specific types of household assets can single out those who are better as compared to others [15].

Population under study
Two main microfinance institutes selected for study were National Rural Support Program (NRSP) and Khushhali Bank (KB) having a total of 42000 clients in the study area. Since the two microfinance institutions chosen for analysis had geographically dispersed clients, so cluster sampling was thought to be the most appropriate. Multi stage cluster the clients on the basis of time spent in the microfinance program (e.g. Less than 1 years vs. more than 2 years).Hence, a sample of 396 microfinance clients was taken for the study with the help of [16] formula. Two union councils from each Tehsil were selected through cluster and total six union councils from the district. 66 participants were interviewed consisting 33 established and 33 new clients from each union council through simple random sampling by the help of the list provided by the MFIs.Out of these about 60 clients were not possible to be interviewed due some geographical restrictions as well as the security issues. While, 36 questionnaires were not in a condition to be utilized in the data entry process. Hence, 300 questionnaires were found accurate and proceeded further for analysis. Clients were interviewed by face to face structured questionnaire with a response rate of 75.76%.

For analysis, chi-square and logistic regression are employed which are also used in previous studies. [17] The advantage of using the regression framework is that it can account for the differences in household and community characteristics which can happen even with a well-designed sampling scheme in a quasi-experimental design. [18].Variables used in the study are discussed below

Dependent variables:
- 　　　　　　　　Household expenditure
- 　　　　　　　　Household assets

[19] (Coleman, 1999) suggests that the number of years spent in the program and value of loans received are best in judging the impact of the program. So, we have taken the Number of years spent in the program as a treatment variable to examine the impact of microfinance on poverty alleviation.

Control Variables

Independent variables are included in the control function such as;Sex, Age, Education, Marital Status, Numbers of households, Major Source of Income

We have established relationship model on the basis of participation in the microfinance program between the established clients those who have spent at least two years in the program and new clients those have just joined the program less than a year ago.

The impact of microfinance would be computed with the help of the difference in the dependent variables of two groups; i.e. children's education, food security, household expenditure, housing condition and household assets.

There is an expression drawn that explains the effect of treatment variables on variables of interest with the help of independent control variables.

Y = α + βCategory + β1Sex + β2Age + β3Education+ β4Number of households + β5Marital status + β6 Source of Income

Whereas, Y=   Household   outcome   of   interest   and Category = Category of client (Treatment variable)

RESULTS AND DISCUSSION

Table 1 Descriptive Statistics

Demographics	Response Category	(%age)
Sex	Female	35.3
	Male	64.7
	Total	100
Age of Respondent	18-25	1.0
	26-35	31.0
	36-45	45.0
	46-55	19.0
	56 or Above	4.00
	Total	100
Marital Status	Single	2.0
	Married	86.0
	Widow	12.0
	Total	100
Education	Illiterate	43.0
	Primary	37.0
	Secondary	18.0
	Intermediate	2.0
	Total	100
Client Category	Less than One Year	50.0
	More than 2 Year	50.0
	Total	100
No. of Households	1-4	10.3
	5-8	62.3
	9 or Above	27.3
	Total	100
Major source of Income	Business	10.0
	Rental	7.0
	Agricultural	56.0
	Wage/Salary	27.0
	Total	100

Chi Square test for data analysis

The Chi Square test applied to test whether there is a significant difference between new and established clients when the clients were asked about theirspending patterns and ownership of assets at household level.

$$X^2 = \sum \frac{(\text{Observed Value} - \text{Expected Value})^2}{(\text{Expected Value})}$$

Table 2(X^2)for HH expenditure

Variable	Statement	χ^2 Value	df	Sign.
EXP 1	Change in household income	32.725	1	0.000
EXP 2	Funds invested in income generating activities	17.391	1	0.000
EXP 3	Funds used to buy food/clothes	3.297	1	0.069
EXP 4	Funds given to spouse	0.997	1	0.318
EXP 5	Funds kept for emergency	6.306	1	0.012
EXP 6	Funds used to repay microfinance loan/other debt	9.914	1	0.002
EXP 7	Funds used for celebrations, death etc.	10.227	1	0.013

Source: Author

The above results reveal a positive as well as a significant association that microfinance program results in increase of expenditure at household level. So, here we can conclude the Hypothesis 1 that participation in microfinance program has a significant impact on expenditures at household level.

Table 3Logistic Regression on Household Expenditures

DV	Model Statistic			IV Category	Control Variables Sex	Age	M.S	Edu	H.H	LS
EXP 1: Change of Income	N.R²	0.190	p-value	0.000	0.528	.428	.199	.523	.578	.632
	H & L	0.412	B Coef.	1.600	-.186	-.149	.267	-.112	-.135	-.073
	Model	0.000	Exp(β)	4.955	.830	.862	1.307	.894	.874	.930
EXP 2: Loan Investment	N.R²	0.207	p-value	0.000	.020	.791	0.908	.857	.589	.419
	H & L	0.067	B Coef.	1.065	-.651	-.046	-.022	-.029	.122	-.116
	Model	0.001	Exp(β)	2.900	.522	.955	.978	.971	1.130	.891
EXP 3: Bought Food/Clothes	N.R²	0.233	p-value	0.100	.702	.000	.025	.001	.152	.019
	H & L	0.060	B Coef.	-.446	.112	.711	-.494	.579	-.342	.363
	Model	0.000	Exp(β)	.640	1.118	2.036	.610	1.784	.710	1.437

Source: Author

For the model of EXP 1: Change in income is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is a good fit. While, Nagelkerke R^2 showed that about 19% of the variation in the dependent variable is explained by the independent variables. But all the control variables are not having aconsiderable contribution to the model. Beta coefficient (β) shows that sex, age, education, number of households and source of income of the respondents havea negative relationship with the change in income. Exp(β) shows that, established clients have 4.96 times greater possibility to have positive change in income than the new clients. Male participants have 1.20 times lesser possibilities for positive change in income than the female clients. The participants of the age group of 26-35 have 1.16 times less chances of having a positive change in their incomes than the age group of 18-25 years and age group of 36-45 have 1.16 times fewer possibilities of having apositive change in their incomes than the age group of 26-45 years and so on. While in marital status the married clients have 1.31 times greater chances of having a positive change in their incomes than the single and widowed clients. Educated clients have 1.12 times lesser chances of having a positive change in their incomes than the illiterate clients. As the

family size increases, there is 1.14 times less chances of having a positive change in their incomes. In the case of source of income, the clients with business as their major source of income have 1.08 times lesser possibilities of having a positive change in their incomes than the clients with the rental, agricultural or salary income.\

For the model of EXP 2: Investment of loan in income generating activities is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is a good fit. While, Nagelkerke R^2 showed that about 11% of the variation in the dependent variable is explained by the independent variables. Moreover, the investment of loan in income generating activities has a significant relationship with the category of microfinance clients. But except the sex all other control variables are not having a considerable contribution to the model. Beta coefficient (β) shows that sex, age, education, marital status and source of income of the respondents has a negative relationship with the investment of loan in income generating activities. Exp(β) shows that, established clients have 2.90 times greater possibility to have investment of loan in income generating activities than the new clients. Male participants have 1.92 times lesser possibilities for investment of loan in income generating activities than the female clients. The age group of 26-35 has 1.05 times less chances of having an investment of loan in income generating activities than the age group of 18-25 years and age group of 36-45 have 1.05 times fewer possibilities of having an investment of loan in income generating activities than the age group of 26-45 years and so on. While in marital status the married clients have 1.03 times lesser chances of having an investment of loan in income generating activities than the single and widowed clients. Educated clients have 1.029 times lesser chances of having an investment of loan in income generating activities than the illiterate clients. As the number of family size increases then there is 1.13 times greater chances of having an investment of loan in income generating activities. In the case of source of income, the clients with business as their major source of income have 1.12 times lesser possibilities of having an investment of loan in income generating activities than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

For the model of EXP 3: Use of funds for buying food or clothes is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is a good fit. While, Nagelkerke R^2 showed that about 23% of the variation in the dependent variable is explained by the independent variables. Moreover, the use of funds for buying food or clothes has an insignificant relationship with the category of microfinance clients. But except the sex and number of households all other control variables have a considerable contribution to the model. Beta coefficient (β) shows that category, marital status, number of households and source of income of the respondents has a negative relationship with the use of funds for buying food or clothes. Exp(β) shows that, established clients have 1.56 times lower possibility to have use of funds for buying food or clothes than the new clients. Male participants have 1.12 times greater possibility for use of funds for buying food or clothes

than the female clients. The age group of 26-35 have 2.04 times greater chances of having use of funds for buying food or clothes than the age group of 18-25 years and age group of 36-45 have 2.04 times more possibilities of having use of funds for buying food or clothes than the age group of 26-45 years and so on. While in marital status the married clients have 1.64 times lesser chances of having use of funds for buying food or clothes than the single and widowed clients. Educated clients have 1.78 times greater chances of having use of funds for buying food or clothes than the illiterate clients. As the number of family size increases then there is 1.41 times fewer chances of having use of funds for buying food or clothes. In the case of source of income, the clients with business as their major source of income have 1.44 times greater possibility of having use of funds for buying food or clothes than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

Table 4 Logistic Regression on Household Expenditures

EXP 4: Funds Given to spouse	N.R²	0.183	p-value	0.000	.020	.791	.908	.857	.589	.419
	H & L	0.293	B Coef.	1.065	-.651	-.046	-.022	-.029	.122	-.116
	Model	0.000	Exp(β)	2.900	.522	.955	.978	.971	1.130	.891
EXP 5: Kept for emergency	N.R²	0.284	p-value	0.024	.924	.009	.015	.076	.492	.456
	H & L	0.320	B Coef.	.595	.027	-.477	.470	-.294	.158	.112
	Model	0.008	Exp(β)	1.813	1.027	.621	1.600	.745	1.171	1.119
EXP 6: To Pay Debt	N.R²	0.145	p-value	0.000	.029	.677	.724	.119	.098	.037
	H & L	0.131	B Coef.	-1.104	.628	.074	.071	.260	.381	.304
	Model	0.000	Exp(β)	.332	1.873	1.077	1.073	1.298	1.464	1.355
EXP 7: Spent on celebrations	N.R²	0.245	p-value	.252	.175	.003	.948	.114	.000	.002
	H & L	0.120	B Coef.	-.321	-.414	.578	-.014	-.302	1.028	-.475
	Model	0.000	Exp(β)	.726	.661	1.782	.986	.739	2.797	.622

For the model of EXP 4: Funds given to a spouse are significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is a good fit. While, Nagelkerke R^2 showed that about 18% of the variation in the dependent variable is explained by the independent variables. Moreover, the funds given to spouse have insignificant relationship with the category of microfinance clients. But except the sex, all other control variables have not a considerable contribution to the model. Beta coefficient (β) shows that sex, age, marital status, education and source of income of the respondents has a negative relationship with the funds given to spouses. Exp(β) shows that, established clients have 2.90 times greater possibility of funds have given away to spouse than the new clients. Male participants have 1.92 times lesser possibility for funds have given away to spouse than the female clients. The age group of 26-35 have 1.05 times lower chances of funds have given away to spouse than the age group of 18-25 years and age group of 36-45 have 1.05 times lesser possibilities of funds have given away to spouse than the age group of 26-45 years and so on. Educated clients have 1.03 times fewer chances of funds have given away to spouse than the illiterate clients. As the number of family size increases then there is 1.13 times greater chances of funds have given away to spouse. In the

case of source of income, the clients with business as their major source of income have 1.12 times lower possibility of funds has given away to spouse than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

Funds kept for emergency is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is not a poor fit. While, Nagelkerke R^2 showed that about 28% of the variation in the dependent variable is explained by the independent variables. Moreover, the funds kept for emergency have asignificant relationship with the category of microfinance clients. But except the age, all other control variables have not a considerable contribution to the model. Beta coefficient (β) shows that age and education of the respondents has a negative relationship with the funds kept for emergency. Exp(β) shows that, established clients have 1.81 times greater possibility to have funds kept for emergency than the new clients. Male participants have 1.03 times greater possibility for funds kept for emergency than the female clients. The age group of 26-35 has 1.61 times lower chances of funds kept for emergency than the age group of 18-25 years and so on. Married clients have 1.6 times higher possibility to keep the funds for emergency. Educated clients have 1.34 times fewer chances of keeping the funds for emergency than the illiterate clients. As the number of family size increases then there is 1.17 times greater chances of keeping the funds for emergencies. In source of income, the clients with business as their major source of income have 1.12 times greater possibility of funds kept for emergency than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

For model EXP 6: Funds used for paying debts is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is not a poor fit. While, Nagelkerke R^2 showed that about 15% of the variation in the dependent variable is explained by the independent variables. Moreover, the funds used for paying debts have a significant relationship with the category of microfinance clients. But except the sex and source of income, all other control variables have no considerable contribution to the model. Beta coefficient (β) shows that the category of the clients has a negative relationship with the funds used for paying debts. Exp(β) shows that, established clients have 3.01 times lesser possibilities to have used funds for paying debts than the new clients. Male participants have 1.87 times greater possibility for funds used for paying debts than the female clients. The age group of 26-35 have 1.08 times greater chances of funds used for paying debts than the age group of 18-25 years and age group of 36-45 have 1.08 times higher possibilities of funds used for paying debts than the age group of 26-45 years and so on. Married clients have 1.07 times higher possibility to use the funds for paying debts. Educated clients have 1.3 times higher chances of using the funds to pay debts than the illiterate clients. As the family size increases, then there are 1.46 times greater chances of using the funds to pay debts. In source of income, the clients with business as their major source of income have 1.36 times greater possibilities of using the funds to pay debts than the

clients with the rental, agricultural or wage/salary income as their major source of income respectively.

For model EXP 7: Funds spent on celebrations is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is a good fit. While, Nagelkerke R^2 showed that about 25% of the variation in the dependent variable is explained by the independent variables. While, the funds spent on celebrations have an insignificant relationship with the category of microfinance clients. But except the age, number of households and source of income all other control variables have no considerable contribution to the model. Beta coefficient (β) shows that the category of the clients, sex, marital status, education and source of income has a negative relationship with the funds spent on celebrations. Exp(β) shows that, established clients have 1.38 times lesser possibilities to have funds spent on celebrations than the new clients. Male participants have 1.51 times lesser possibilities for funds spent on celebrations than the female clients. An age group of 26-35 have 1.78 times greater chances of funds spent on celebrations than the age group of 18-25 years and age group of 36-45 have 1.78 times higher possibilities of funds spent on celebrations than the age group of 26-45 years. Married clients have 1.014 times lesser possibilities to use the funds celebrations than the single clients. Educated clients have 1.35 times fewer chances of using the funds celebrations than the illiterate clients. As the number of family size increases, then there are 2.8 times greater chances of using the funds on celebrations. In source of income, the clients with business as their major source of income have 1.61 times lower possibility of using the funds on celebrations than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

The studies conducted by [20, 21]have also concluded that participation in microfinance programs has capital impact expenditures on household items. However, the results contradict with the study of[22]in which he described that non-participant of microfinance have better spending levels.

District Lodhran is one of the poorest districts of Punjab with the low level of literacy and awareness about economic resource planning. The people are not much concerned about future planning and budgeting decisions. As shown in Chi Square findings; they were reluctant to spend their funds on household food/clothes as well as handing over some money to their spouse. Except from these two variables the overall results are showing a significant difference in household expenditures by the established clients of microfinance program.

The above results of Chi Square shows that only ASSETS 4 has p-value less than 0.05 and endorse the significance of microfinance towards ownership of assets, but all other variable having p-value greater than 0.05 and does not support the alternative hypothesis. As, eight out 9 variables are falling in the critical region of $\chi2$ (1, n), p <.05 and so we can conclude the hypothesis 2 that participation in the microfinance has no significant impact on the ownership of household assets.Moreover, [18] reported that he has found no considerable effect of participation in microfinance program on four subgroups of assets at household level.

Negative relation was found between clients participating in microfinance program and ownership of household assets by [23. While the study contradicts with the study of [24] which showed a considerable uplift in the holding of assets, including TV, cell phones and motorbikes for the clients who participated in the program increased than the non-participants.

Table 5 (X^2)Microfinance and ownership of Assets

Variable	Statement	$\gamma2$ Value	df	Sign.
ASSETS 1	Ownership of House	1.194	1	0.167
ASSETS 2	Ownership of Agricultural land	3.805	1	0.051
ASSETS 3	Ownership of Refrigerator TV	0.521	1	0.470
ASSETS 4	Ownership of Motor Cycle	15.573	1	0.000
ASSETS 5	Ownership of Sewing Machine	1.401	1	0.708
ASSETS 6	Ownership of Washing Machine	1.914	1	0.168
ASSETS 7	Ownership of Furniture	8.631	1	0.100
ASSETS 8	Ownership of Livestock	1.080	1	0.299
ASSETS 9	Ownership of Motor Pump	3.805	1	0.051

The most possible reason behind the insignificance of the results is that the clients already own the assets of basic needs and after getting microfinance their first priority is to fulfill the basic necessities of life including family nutrition, children's education and improvement in housing structure.

Table 6 Logistic Regression Ownership of HH Assets

DV	Model Statistic			Category	Sex	Age	M.S	Edu	H.H	I.S
Assets 1: House	N.R²	0.331	p-value	0.190	.381	.057	.968	.767	.646	0.000
	H & L	0.311	B coef.	.513	.347	.523	.011	.069	-.139	-2.26
	Model	0.000	Exp(β)	1.670	1.307	1.587	1.014	1.072	.870	.104
Assets 2: Agri Land	N.R²	0.272	p-value	0.106	0.555	0.373	0.021	0.194	0.586	0.00
	H & L	0.057	B coef.	.425	.170	.162	.466	.218	.128	-.780
	Model	0.000	Exp(β)	1.530	1.144	1.151	1.594	1.244	1.136	.458
Assets 3: TV/Fridge	N.R²	0.260	p-value	0.113	0.001	0.007	0.000	0.779	0.796	0.286
	H & L	0.138	B coef.	.434	-.956	-.529	.612	.470	-.061	.169
	Model	0.000	Exp(β)	1.543	0.385	.698	1.262	1.542	.503	1.145
Assets 4: Motor Cycle	N.R²	0.276	p-value	0.003	0.789	0.362	0.514	0.002	0.281	0.000
	H & L	0.106	B coef.	.852	.831	.176	.143	.593	-.270	.115
	Model	0.000	Exp(β)	2.345	1.922	1.193	1.067	1.809	.563	1.318

Source: Author

Ownership of House is significant with the p-value of less than 0.05. Hosmer and Lemeshow test also declares that the model is not a poor fit. Whereas, by NagelkerkeR^2 showed that about 33% of the variation in the dependent variable is explained by the independent variables. Moreover, the ownership of the house has an insignificant relationship with the category of microfinance clients. Except the source of income, all other control variables are not contributing to the model. Beta coefficient (β) shows that the number of households and major source of income has a negative relationship with the ownership of the house. Exponential beta (expB) depicts that how much change is observed with the unit change in the predictor. As it shows that, established clients have 1.67 times greater possibility to have their own house than the new clients. Male participants have 1.307 times greater possibility of ownership of t house. By analyzing the age of the participants it is observed that the participants of the age group of 26-35 have 1.59 times greater chances of having their own house than the age group of 18-25 years of the age and age group of 36-45 have 1.59 times more possibility of having own house than the group of 26-45 years age group and so on. While in marital status the married clients have 1.014 times more chances of having their own houses than the single clients. As the number of family size increases then there is 1/0.870 = 1.149 times less chances of ownership of the house. In the case of source of income, the clients with wages/salary as their major source of income have 1/0.104 = 9.61 times less possibility of having their own houses than the clients with the rental, agricultural or business income as their major source of income respectively.

Ownership of TV/Fridge is significant with the p-value of less than 0.05. Hosmer and Lemeshow test also declares that the model is not a poor fit. Whereas, by Nagelkerke R^2 showed that about 26% of the variation in the dependent variable is explained by the independent variables. Moreover, the ownership of TV/Fridge has ainsignificant relationship with the category of microfinance clients. Except the source of income and marital status all other control variables are not contributing to the model. Beta coefficient (β) shows that a major source of income has a negative relationship with the ownership of agricultural land. Exponential beta (expB) shows that, established clients have 1.53 times greater possibility to have their agricultural land than the new clients. Male participants have 1.14 times greater possibility of ownership agricultural lands. By analyzing the age of the participants it is observed that the participants of the age group of 26-35 have 1.15 times greater chances of having their own agricultural land than the age group of 18-25 years of the age and age group of 36-45 have 1.15 times more possibility of having agricultural land than the group of 26-45 years age group and so on. While in marital status the married clients have 1.59 times more chances of having their own agricultural land than the single clients. Educated clients are 1.24 times more chances of having their own agricultural land than the illiterate clients. As the number of family size increases then there is 1.13 times greater chances of agricultural land. In the case of source of income, the clients with business as their major source of income have 1/0.458 = 2.18 times less possibility of having their own agricultural land than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

By analyzing model for Asset 4: Ownership of Motor Cycle is significant with the p-value of less than 0.05. Hosmer and Lemeshow test also declares that the model is not a poor fit. Whereas, by Nagelkerke R^2 showed that about 28% of the variation in the dependent variable is explained by the independent variables. Moreover, the ownership of the motorcycle has a significant relationship with the category of microfinance clients. Except the education and source of income all other control variables are not having a

considerable contribution to the model. Beta coefficient (β) shows that the number of households of the respondents has a negative relationship with the ownership of the motorcycle. Exp(β) shows that, established clients have 2.345 times greater possibility to have their motorcycle than the new clients. Male participants have 1.92 times greater possibility for ownership of the motorcycle. By analyzing the age of the participants it is observed that the participants of the age group of 26-35 have 1.19 times greater chances of having their own motorcycle than the age group of 18-25 years of the age and age group of 36-45 have 1.19 times greater possibility of having motorcycle than the group of 26-45 years age group and so on. While in marital status the married clients have 1.067 times more chances of having their own motorcycle than the single clients. Educated clients are 1.8 times more chances of having their own t motorcycle than the illiterate clients. As the number of family size increases then there is 1.78 times lower chances of having ownership of the motorcycle. In the case of source of income, the clients with business as their major source of income have 1.32 times greater possibility of having their own themotorcycle than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

Table 7 Logistic Regression Ownership of HH Assets

Sew Machine	N.R²	0.393	p-value	0.280	0.000	0.398	0.044	0.995	0.651	0.335
	H & L	0.076	B	0.285	-.243	-.373	-.040	.001	.105	-.145
	Model	0.003	Exp(β)	1.330	0.784	.761	0.960	1.001	1.110	0.865
Wash Mach.	N.R²	0.243	p-value	0.110	0.023	0.720	0.293	0.338	0.092	0.009
	H & L	0.250	B	.551	-.918	-.317	.084	.207	.524	-.241
	Model	0.003	Exp(β)	1.735	0.399	.729	1.088	1.230	1.688	.449
Furniture	N.R²	0.154	p-value	0.060	0.758	0.756	0.611	0.242	0.921	0.000
	H & L	0.146	B	.136	-.086	-.055	.100	.193	-.023	-.864
	Model	0.000	Exp(β)	1.145	0.622	.603	1.213	1.105	0.947	0.417

Source: Author

Ownership of livestock is significant with the p-value of less than 0.05. Hosmer and Lemeshow test declares that the model is not a poor fit. While, Nagelkerke R^2 showed that about 24% of the variation in the dependent variable is explained by the independent variables. Moreover, the ownership of livestock has aasignificant relationship with the category of microfinance clients. Except the source of income and t number of households all other control variables are having aconsiderable contribution to the model. Beta coefficient (β) shows that sex, marital status, education and source of income of the respondents has a negative relationship with the ownership of livestock. Exp(β) shows that, established clients have 2.11 times greater possibility to have their livestock than the new clients. Female participants have 2.02 times greater possibility for ownership of livestock than the male clients. By analyzing the age of the participants it is observed that the participants of the age group of 26-35 have 1.35 times less chances of having their ownership of livestock than the age group of 18-25 years and age group of 36-45 have 1.35 times fewer possibility of having livestock than the group of 26-45 years group and so on. While in marital status the single clients have 2.34 times less chances of having their ownership of livestock than the married and widowed clients. Educated clients have 3.82 times fewer chances of having their ownership of livestock than the illiterate clients. Results indicate that the educated clients have less interest in livestock farming. As the number of family size increases then there is 1.377 times more chances of having ownership of livestock. In the case of source of income, the clients with business as their major source of income have 1.45 times lesser possibilities of having their livestock than the clients with the rental, agricultural or wage/salary income as their major source of income respectively.

The most possible reason behind the insignificance of the results is that the clients already own the assets of basic needs and after getting microfinance their first priority is to fulfill the basic necessities of life including family nutrition, children's education and improvement in housing structure.

Furthermore, reported that he has found no considerable effect of participation in microfinance program on four subgroups of assets at household level. Negative relation was found between clients participating in microfinance program and ownership of household assets by the study of [23].However, these findings are not supported by [18, 25]. In a survey by [26] Setboonsarng and Parpiev (2008), the borrowers of microfinance of Khushhali Bank had shown considerably owning more assets than non borrowers. But in our study, we have deployed new clients as control group rather than non-borrowers to reduce the selection bias that's the basic reason behind that contradiction.

CONCLUSION

The basic aim of the study was to compute and analyze the impact of microfinance on poverty alleviation in of the marginalized district of Punjab. Indicators were taken at household level, the improvement of which anticipated to alleviate poverty. Data was collected from two microfinance institutions operating in the district. The results are comparatively more visible than the previous studies. Findings show that microfinance has a strong and positive impact on household expenditures. However, least clear results produced for household assets and hence declared as insignificant.

Recommendations

Clients are not able to isolate undertaking cash from individual utilize and do not know how to figure benefits. A development system can be presented about the figuring of benefits and reinvestment in addition to direction about the rate of reinvestment and benefits ought to be given.

As the majority of the clients interviewed in thedistrict were associated with agricultural business. But as we know that agriculture products are perishable in nature and there is always a risk attached of climate shocks like flood, rainfall and pest attack. That is why it is found necessary to recommend here that MFIs should focus on establishment variety of enterprises. They should also encourage the participants to initiate new businesses. It will not only act as an additional source of income, but will secure the clients in case of loss in agriculture.

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