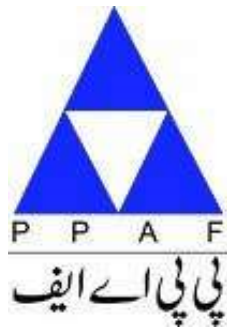




PPAF MICRO CREDIT FINANCING: ASSESSMENT OF OUTCOMES



14^h May, 2013



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EXECUTIVE SUMMARY





EXECUTIVE SUMMARY

This report presents the findings of an outcome assessment survey of micro-credit recipients financed by the PPAF. It is the fourth survey carried out in a series of surveys, beginning in 2002. The first survey, (*referred to as Gallup Survey-I in the 2005 report*) assessed and analyzed the outcome assessment among a pool of about 18,000 borrowers, which was approximately the total number of borrowers at that time. The second survey, (*referred to as Gallup Survey-II*) evaluated the outcome assessment among a new and larger pool of about 180,000 borrowers who have been the recipients of PPAF-sponsored loans since the last survey. The third survey, Gallup Survey-III, in line with the previous outcome assessment surveys, carried out analysis from a pool of approximately 630,000 borrowers. The present survey carried out outcome assessment analysis from a pool of approximately 800,000 borrowers.

This document is a survey report and, unlike an academic paper, it undertakes to provide quick and timely policy input. For that very purpose, it identifies certain key variables, frames clearly spelt out hypotheses and tests them on the basis of recently gathered data from a representative set of households from all across Pakistan. Outcome assessment is a complex subject involving a number of nuances and ambiguities, yet, there are certain indicators such as personal and household income, consumption and purchase of assets that provide reasonably valid insight into the change (*or lack of*) in the life of the households that are being studied. **In brief, based on the analysis of 16 hypotheses it can be inferred that micro finance improves the socio-economic life of its recipients.**

During the course of our study, the data we have collected and processed points to the fact that while some of these hypotheses have been confirmed, some have been rejected and others have required more stringent conditions and explanations. In the pages that follow, we have outlined our methodology and analysis framework, the results and their interpretation.

The **framework of analysis** adopted for the purposes of this survey is what may be called as the “**combined approach**”. It combines the “**with-without principle**” and the “**before-after approach**”. The “with-without principle” essentially looks at a treatment group and compares it to a control group. It gathers data on the life of a sample of borrower households (treatment) and compares it with the data collected from an equivalent sample of non-borrower households. The before-after approach is employed in order to draw a comparison in the life of both groups during the year in which the borrower household is affected by the micro-finance loan. The quantitative data gathered from close to **5,000 households**, interviewed in **29 partner organizations** spread out over **33 districts** in all the four provinces of Pakistan, forms the core of the outcome study. However, this data is further elaborated on through non cognitive and qualitative data collected from the borrower households on what is their own perception and assessment of the net impact of micro-finance loan on their lives.

The main feature which sets apart each of the four surveys, namely, Gallup Survey-I, Gallup Survey-II, Gallup Survey-III and the present survey i.e. Gallup Survey-IV, is the time period during which the loan was taken:



Gallup Survey-I:

Time period in which the loan was taken: **July 2000-2001.**

Gallup Survey-II:

Time period in which the loan was taken: **July 2001-June 2003.**

Gallup Survey-III:

Time period in which the loan was taken: **January 2004 – December 2007.**

Gallup Survey-IV:

Time period in which the loan was taken: **July 2008 – December 2011.**¹

However, this survey does introduce a new dimension to the analysis. Gallup Survey-III, while examining the effect of micro-credit on a sample of borrowers (*compared to a comparable group of non-borrowers*) is also examining the effect of micro-credit in the presence (*and absence*) of non-credit intervention by the PPAF.² This aspect does not aim to measure PPAF non-credit interventions exclusively, therefore, this study is comparable to the 2001 and 2005 studies.³

The fieldwork for this study was carried out during the month of December 2012, January 2013 and February 2013. A competent team of researchers underwent rigorous training with the help of a set of specially designed instructions before undertaking the fieldwork. Overseeing the field operators is a team of supervisors to provide the necessary guidance. The data collected was computer processed and analyzed by a team of senior researchers with the aid of Statistical Package for Social Sciences.

The findings of this survey have been matched to 16 principal hypotheses and the results have been summarized below. In each case, it has been assessed as to whether the hypothesis is held, not held or partially held by the data collected from the field. The evaluation of these has been carried out using paired t-tests. The means of the borrower and non-borrower groups have been compared at the 95% confidence level. If a hypothesis was rejected at the 95% level then it was re-tested at the 90% confidence level. If it was accepted then the hypothesis was held and considered to be statistically significant. However, if a hypothesis was not held even at the 90% confidence level then it was rejected and considered to be statistically insignificant.⁴

¹ The time period referred to as “previous year” is that year before which the loan was taken. For instance, if the loan was taken in 2008 then 2007 would be the previous year. Therefore, there is no fixed “previous year”. Instead, it varies from respondent to respondent depending on when they took the loan.

² ‘Non-credit intervention’ is used to refer to a few of the facilities being provided by the PPAF, such as, health and education, water management and community physical infrastructure.

³ See Annexure 1 for analysis on credit and non-credit intervention.

⁴ See Technical Note (Annexure 3) for further details on testing for statistical significance.



Overall Assessment

Evaluation of micro-credit services offered by the PPAF shows that compared to the 2001, 2005 and 2009 reports the results are similar for most of the 16 hypotheses. This round of Assessment has seen few indicators showing different results (*mostly an improvement*) than previous rounds. Overall, one can conclude that the results for Gallup Survey IV have been along the lines of the previous three surveys. (*the table below shows the trends in past three rounds*)

Hypotheses Regarding Effect of Micro-finance on the Socioeconomic Status of Borrowers

	Hypotheses	Gallup Survey-I (2001)	Gallup Survey-II (2005)	Gallup Survey-III (2009)	Gallup Survey-IV (2012-13)
1	Participation in micro-credit leads to increases in personal income	Held	Held	Held	Held
2	Participation in micro-credit leads to increases in household income	Held	Held	Held	Held
3	Participation in micro-credit leads to increases in gross annual income from 3 key sectors	Held	Held	Partially Held	Partially Held
4	Participation in micro-credit leads to increases in household consumption	Held	Partially Held	Held	Held
5	Participation in micro-credit leads to increases in consumption of overall food	Not Held	Not Held	Not Held	Held
6	Participation in micro-credit leads to increases in consumption of key household items	Held	Held	Held	Partially Held
7	Participation in micro-credit leads to increases in consumption of home produced items	Partially Held	Not Held	Not Held	Partially Held
8	Participation in micro-credit leads to increases in possession of financial assets	Not Held	Partially Held	Not Held	Not Held
9	Participation in micro-credit leads to increases in possession of consumer durables	Held	Partially Held	Not Held	Not Held
10	Participation in micro-credit leads to increases in possession of enterprise/ livestock/ agriculture related assets	Partially Held	Partially Held	Partially Held	Not Held
11	Participation in micro-credit leads to increases in paid employment generated by 3 key sectors	Not Held	Not Held	Not Held	Not Held
12	Participation in micro-credit leads to increases in operating surplus	Held	Held	Not Held	Not Held
13	Participation in micro-credit leads to increases in expenditure on house repair	Held	Held	Not Held	Held
14	Participation in micro-credit leads to the use of better household facilities	Held	Held	Partially Held	Partially Held
15	Participation in micro-credit leads to increases in discretionary and non-discretionary expenditures	Partially Held	Not Held	Not Held	Not Held
16	Participation in micro-credit leads to the use of better agriculture inputs	Not Held	Partially Held	Not Held	Partially Held
17a	Participation in micro-credit leads to improvement in social status**	Significant	Significant	Partially Significant	Partially Significant
17b	Participation in micro-credit leads to improvement in female mobility	-	Not Significant	Not Significant	Not Significant

* Hypothesis held only for first time borrowers in the sample.

** Results were not tested for statistical significance.



VIEWS AND OPINIONS ABOUT BORROWING

Average size of loan obtained	Rs.22,438	
Average value of loan desired	Rs.32,481	
Fulfillment of need through loan	Not at all fulfilled	2%
	Somewhat fulfilled	39%
	Completely fulfilled	59%
Benefit from taking loan	Not benefited	9%
	Benefited	91%
Borrow again from the PPAF	Yes	75%
	No	25%

RETURN ON INVESTMENT:

91% of the borrowers experienced positive ROI (nominal) while 9% experienced nil/negative ROI.

WOMEN EMPOWERMENT:

Close to half or more than half of the borrowers experienced an improvement in their social status after participating in the micro-credit services. However, the incidence of non-borrowers experiencing the improvement in social status was higher than that of borrowers. **It can be concluded that female social status has not undergone any major change after the participation in micro-credit.**

Regarding female control over income, it was concluded that female control over income had not undergone any major change after the participation in micro-credit.

And regarding women illness, it was concluded that participation in microcredit does not lead any improvement in the women healthcare. In addition it can also be concluded that both borrowers and non-borrowers have equal access to the essential health services.

POVERTY SCORECARD:

Out of the 2,503 borrower households, 39% households were found to be poor (according to PSC Classification ranges 0-34) 61% were found to be non-poor (35-100).

VALIDITY OF POVERTY SCORECARD:

Except for group “0-11”, data on poor and non-poor borrower households shows that there is a direct relationship between household income and the poverty score.



There are only 13 cases falling in the group “0-11”, however if we combine first two groups (“0-11” & “12-18”) for poverty scoring, it would become a representative group and there would be a direct relationship between household income and all poverty groups. This would suggest that the poverty scorecard can be used as a valid measure to compare different types of household in terms of their economic status.

“Poor Borrowers” did better (*21% increase*) on increase in income during the loan period compared to “Poor Non-Borrowers” (18% increase) of similar profiles. The edge of “poor” borrowers over “poor” non-borrowers is of 3% (21% - 18%).

Similarly, “Non-Poor Borrowers” did better (22% increase) on increase in income during the loan period compared to “Non-Poor Non-Borrowers” (17% increase) of similar profiles. It can also be observed that non-poor households had higher household income levels (*both, current and previous*) as compared to poor households and have also experienced greater changes in income. The edge of “non-poor” borrowers over “non-poor” non-borrowers is 5% (22% -17%).



INTRODUCTION



INTRODUCTION

Overview of Study

This report attempts to present a brief assessment of the outcome of participation in the micro-credit program offered by the Pakistan Poverty Alleviation Fund. Pakistan Poverty Alleviation Fund (PPAF) is the lead apex institution for community-driven development in the country. Set up by the Government of Pakistan, as an autonomous not-for-profit organization, PPAF enjoys facilitation and support from the Government of Pakistan, The World Bank, International Fund for Agricultural Development (IFAD), KfWEntwicklungsbank (Development Bank of Germany) and other statutory and corporate donors.

This study is the fourth in a series of outcome assessment surveys carried out to evaluate the success of the micro-credit program. The PPAF was established in February 1997 with the aim of poverty alleviation through productive self employment and to this date it carries on with a mandate to “catalyze efforts to alleviate sufferings of the people by undertaking multi-dimensional interventions under its regular programs as well as under emergency situations like earthquake, floods or drought”.

PPAF provides assistance, both financial and non financial, through its **six** core units:

- By initiating micro-credit programs.
- By providing community physical infrastructure on a cost sharing basis.
- By developing a skilled human resource base and strengthening the institutional capacity of Partner Organizations (POs) and communities.
- By equipping POs with the capacity to provide higher quality healthcare and educational services at the community level.
- By introducing effective policies, strategies and systems for careful water management.
- By establishing a program to help with the reconstruction and rehabilitation of the earthquake-affected areas of KPK and AJK.
- By increasing the productivity and profitability of the local economy through livelihood enhancement and protection nationwide.

The purpose of this study is to focus solely on the company’s micro-credit program by identifying and evaluating the socio-economic outcomes of the program on PPAF borrowers. This is done in comparison with an equivalent group of non-borrowers at the individual, household and enterprise/livestock/agriculture level. **The core hypotheses framed and tested for the evaluation of the outcome of the loan are as follows:**



- Participation in micro-credit leads to an increase in the household's total income, personal income of the borrower and income from the source for which the loan has been taken, as segregated in three main categories namely, agriculture, livestock and enterprise/commerce.
- Participation in micro-credit leads to an improvement in the level of consumption of the borrowers through increased spending on overall food and key household items(*which include food, soaps and fuel*).Furthermore, consumption levels for those items that are produced by the household also experience improvement.
- Participation in micro-credit leads to an increase in household ownership level of consumer durables, financial assets, and enterprise/livestock/agriculture related production and assets.
- Participation in micro-credit leads to an improvement in the clients' business and personal life by enabling them to spend more on housing, education, recreation, personal accessories, healthcare, agriculture/livestock inputs, etc.
- Participation in micro-credit leads to an increase in operating surplus.
- Participation in the micro credit program leads to an increase in the borrower's own perceived status and control over resources in the household. This might be especially true for female recipients of micro-credit loans.

The two groups, namely, the borrowers and the non-borrowers serve to act as the treatment and control groups respectively, which allows for the application of the “**with-without**” principle. The above hypotheses have also been tested using these two groups for the previous year and current year which are the respective years before and after the loan is taken which forms the basis of the “before-after” approach. The effects of the micro credit financing have been evaluated through measuring change in the concerned variables over the period of one year. This study is based on the expectation that the benefits accrued from participating in the micro credit program offered by the PPAF would be manifested in the one year period.



COMPARATIVE FIGURES





COMPARATIVE FIGURS

The following tables provide the comparative figures of the findings in Gallup Surveys-I, II, III & IV.⁵

Hypothesis	Gallup Survey-I		Gallup Survey-II		Gallup Survey-III		Gallup Survey-IV	
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower
Change in mean personal income	8%	5%	21%	9%	20%	15%	29%	22%
Change in mean household income	9%	6%	13%	9%	16%	12%	22%	17%
Change in mean income from agriculture	9%	2%	35%	29%	20%	20%	8%	6%
Change in mean income from livestock	13%	0.7%	12%	2%	25%	17%	27%	21%
Change in mean income from enterprise	7%	-3%	20%	10%	20%	15%	23%	19%
Change in average monthly household consumption	7%	5%	19%	13%	16%	14%	19%	16%
Change in average expenditure on overall food	6%	7%	14%	13%	20%	18%	17%	16%
Change in mean consumption of pulses*	7%	2%	13%	10%	21%	18%	22%	20%
Change in mean consumption of chicken*	8%	3%	-	-	-	-	25%	24%
Change in mean consumption of beef*	2%	-1%	14%	11%	19%	18%	28%	27%
Change in mean consumption of fish*	-	-	20%	10%	-	-	32%	27%
Change in mean consumption of vegetable*	-	-	-	-	22%	19%	18%	17%
Change in mean consumption of fruit*	-	-	27%	14%	22%	17%	25%	23%
Change in mean consumption of sugar*	-	-	12%	0.03%	22%	19%	20%	19%
Change in mean consumption of tea*	11%	6%	-	-	-	-	18%	17%

⁵ See Annexure 6 (Table of Statistics) for complete statistics of Gallup Survey-IV.

* Only the items that were significant for any of the four surveys have been included.



Hypothesis	Gallup Survey-I		Gallup Survey-II		Gallup Survey-III		Gallup Survey-IV	
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower
Change in mean consumption of milk*	8%	4%	-	-	17%	18%	15%	15%
Change in mean consumption of oil*	10%	7%	13%	6%	19%	17%	17%	16%
Change in mean consumption of fuel*	-	-	-	-	18%	15%	20%	20%
Change in mean consumption of canned food*	20%	10%	-	-	-	-	25%	22%
Change in mean consumption of home produced milk	4%	-5%	-	-	26%	21%	20%	16%
Change in mean consumption of home produced honey	14%	0%	50%	-24%	-	-	-	-
Change in mean consumption of home produced rice	18%	4%	-	-	-	-	30%	13%
Change in mean consumption of home produced fuel	3%	-12%	-	-	-	-	8%	10%
Change in mean land holding	0%	0%	2%	2%	0%	2%	0%	0%
Change in mean cultivated land	0%	0%	0%	0%	0%	2%	0%	0%
Change in monetary value of land	2%	1%	0%	0%	10%	11%	4%	5%
Change in expenditure on house repair	110%	44%	95%	86%	72%	48%	102%	11%
Change in mean expenditure on weddings*	-9%	36%	-	-	42%	12%	36%	20%
Change in mean expenditure on illness*	19%	27%	-	-	23%	12%	38%	23%
Change in mean expenditure on funerals*	14%	8%	-	-			71%	2%
Change in mean expenditure on recreation*	19%	11%	-	-	12%	13%	24%	21%
Change in mean expenditure on education (male children)*	16%	27%	-	-	12%	20%	21%	22%
Change in mean expenditure on education (female)*	15%	22%	-	-	-	-	19%	23%
Change in mean expenditure on animals*	11%	-2%	-	-	-	-	19%	18%


PPAF Micro Credit Financing: Assessment of Outcomes

Hypothesis	Gallup Survey-I		Gallup Survey-II		Gallup Survey-III		Gallup Survey-IV	
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower
Change in mean expenditure on salaries of workers*	41%	5%	-	-	-	-	26%	37%
Change in mean expenditure on children's toys*	16%	86%	21%	10%	-	-	23%	22%
Change in mean expenditure on rent*	2%	6%	-	-	-	-	10%	10%
Change in mean expenditure on traveling*	6%	4%	-	-	-	-	19%	18%
Change in mean expenditure on legal issues*	-22%	1653%	-	-	-	-	-	-
Change in mean expenditure on fertilizer	-2%	7%	22%	12%	30%	18%	4%	0%
Change in mean expenditure on irrigation	5%	5%	-9%	39%	21%	15%	11%	4%
Change in mean consumption of home produced milk	4%	-5%	-	-	26%	21%	20%	16%
Change in mean consumption of home produced honey	14%	0%	50%	-24%	-	-	-	-
Change in mean consumption of home produced rice	18%	4%	-	-	-	-	30%	13%
Change in mean consumption of home produced fuel	3%	-12%	-	-	-	-	8%	10%
Change in mean land holding	0%	0%	2%	2%	0%	2%	0%	0%
Change in mean cultivated land	0%	0%	0%	0%	0%	2%	0%	0%
Change in monetary value of land	2%	1%	0%	0%	10%	11%	4%	5%
Change in expenditure on house repair	110%	44%	95%	86%	72%	48%	102%	11%
Change in mean expenditure on weddings*	-9%	36%	-	-	42%	12%	36%	20%
Change in mean expenditure on illness*	19%	27%	-	-	23%	12%	38%	23%
Change in mean expenditure on funerals*	14%	8%	-	-	-	-	71%	2%
Change in mean expenditure on recreation*	19%	11%	-	-	12%	13%	24%	21%
Change in mean expenditure on education (male children)*	16%	27%	-	-	12%	20%	21%	22%
Change in mean expenditure on	15%	22%	-	-	-	-	19%	23%


PPAF Micro Credit Financing: Assessment of Outcomes

Hypothesis	Gallup Survey-I		Gallup Survey-II		Gallup Survey-III		Gallup Survey-IV	
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower
education (female)*								
Change in mean expenditure on animals*	11%	-2%	-	-	-	-	19%	18%
Change in mean expenditure on salaries of workers*	41%	5%	-	-	-	-	26%	37%
Change in mean expenditure on children's toys*	16%	86%	21%	10%	-	-	23%	22%
Change in mean expenditure on rent*	2%	6%	-	-	-	-	10%	10%
Change in mean expenditure on traveling*	6%	4%	-	-	-	-	19%	18%
Change in mean expenditure on legal issues*	-22%	1653%	-	-	-	-	-	-
Change in mean expenditure on fertilizer	-2%	7%	22%	12%	30%	18%	4%	0%
Change in mean expenditure on irrigation	5%	5%	-9%	39%	21%	15%	11%	4%

*Only those categories (from each hypothesis) were included which were significant for any of the four surveys.

The table below provides the percentage changes in the number of borrowers and non-borrowers for a particular category.

Hypothesis	Gallup Survey-I		Gallup Survey-II		Gallup Survey-III		Gallup Survey-IV	
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower
Positive change in the number of cows*	-	-	72%	14%	-	-	47%	34%
Positive change in the number of buffalos*	20%	11%	-	-	39%	30%	32%	21%
Positive change in the number of bulls*	33%	0%	24%	6%	-	-	-	-
Positive change in the number of bullocks*	9%	4%	21%	14%	-	-	-	-
Positive change in the number of goats*	-	-	46%	26%	53%	50%	49%	44%
Positive change in the number of sheep*	29%	23%	55%	32%	-	-	-	-
Positive operating surplus	7%	0%	-1%	10%	5%	0%	8%	5%
Latrine construction*	5%	3%	5%	4%	-	-	3%	1%
Water connection*	-	-	-	-	2%	1%	3%	1%
Electricity connection*	2%	1%	3%	2%	1%	0%	0%	0%
Telephone connection*	0%	1%	-	-	-	-	0%	7%

*Only those categories (from each hypothesis) were included which were significant for any of the four surveys.

Hypotheses and Summary assessment



Hypotheses and Summary Assessment

The following is an overview of the hypotheses and their assessment in light of the survey data.

1. Change in Personal Income

Hypothesis: Participation in micro-credit leads to an increase in personal income.

On the whole, 61% of borrowers and 59% of non-borrowers experienced a positive change in their personal income, over the period under study. The difference between the two, although small, is still significant. The change in mean personal income was found to be statistically significant with the borrowers experiencing a mean change of 29% in comparison with a 22% change for the non-borrowers.⁶

The hypothesis is held.

2. Change in Household Income:

Hypothesis: Participation in micro-credit leads to an increase in household income.

On the whole, it can be seen that 98% of the borrowers and 94% of the non-borrowers experienced increments in their household incomes. The change in mean household income for the two groups was found to be statistically significant with the borrower group having a 22% change in mean income compared to a 17% change for the group of non-borrowers.

The hypothesis is held.

3. Change in Sector-wise Income:

Hypothesis: Participation in micro-credit leads to an increase in gross annual income (inclusive of the imputed value of own production, which was used by household) from 3 key sectors.

Agriculture: Overall, it can be observed that 95% of borrowers and 92% of non-borrowers experienced positive changes in agricultural income during the period under study. Borrowers experienced a change of 8 % and non-borrowers experienced 6% change and the difference between the two means was found to be statistically insignificant at both, 95% and 90% confidence levels.

Livestock: On the whole, results show that 86% of borrowers and 89% of non-borrowers experienced increments in their gross annual income from livestock. With respect to the change in mean income, it can be observed that borrowers experienced a 27% increase and non-borrowers experienced a 21% increase in livestock income. This result was found to be statistically significant at the 90% confidence level.

⁶ The test of significance is at the 95% confidence level unless stated otherwise.

Enterprise: Overall, analysis of gross annual income from enterprise revealed that 97% of borrowers and 93% of non-borrowers saw a rise in their incomes. Analysis of change in mean income from enterprise revealed that borrowers experienced a 23% increase while non-borrowers experienced a 17% increase in their mean incomes and the results were found to be statistically significant.

The hypothesis is partially held.

4. Change in Household Consumption:

Hypothesis: Participation in micro-credit leads to an increase in consumption by the household.

Overall, it was observed that the household expenditures of 95% of borrowers and 93% of non-borrowers underwent a positive increase during the period under study. The changes in their monthly mean expenditures were 19% (borrowers) and 16% (non-borrowers) and were found to be statistically significant.

The hypothesis is held.

5 & 6. Change in Food Consumption:

Hypothesis 5: Participation in micro-credit leads to an increase in the consumption of overall food.

Hypothesis 6: Participation in micro-credit leads to an increase in the consumption of key household items.

The percentage changes for borrowers and non-borrowers for overall food were 17% and 16%, respectively. The difference between the two was found to be statistically significant.

The data shows that the change in mean expenditure on key household items was found to be statistically significant for pulses, chicken, mutton, fish, fruits and eggs.

Hypothesis 5 is held, while, hypothesis 6 is partially held.

7. Changes in Consumption of Home Produced Items:

Hypothesis: Participation in micro-credit leads to an increase in consumption of home produced items.

Overall, neither group of respondents was favored.

The hypothesis is not held.

8. Acquisition of Financial Assets:

Hypothesis: Participation in micro-credit leads to an increase in the possession of financial assets.

The categories of financial assets include 'cash and financial instruments', 'advances, loans and pre-payments' and 'gold'. The first category combined details on bank accounts, foreign

cash, cash in rupees and savings certificates, while, the second category combined deposits in the form of advances and committees. The first category 'cash and financial instruments' was found to be statistically significant at 95% confidence level. The borrowers experienced lower increase in gold than the non-borrowers and this was significant at 90% confidence level.

The hypothesis is partially held.

9. Acquisition of Household Consumer Durables:

Hypothesis: Participation in micro-credit leads to an increases in the possession of consumer durables.

Overall, it can be seen that mobile phones, television, motorcycle, sewing machine, refrigerator and cooking range experienced a significant percentage change in ownership. The rest of items on the list of consumer durables were found to be statistically insignificant at the 95% and 90% confidence levels.

The hypothesis is not held.

10. Acquisition of Livestock, Agriculture Assets and Land & Property:

Hypothesis: Participation in micro-credit leads to an increase in the possession of livestock and agriculture related assets and in the possession of land and property.

The three categories of livestock related assets, agriculture related assets and land and property were tested separately and then assessed as a whole. The results showed that, in the case of livestock, changes in the number of buffaloes (32% for borrowers and 21% for non-borrowers) and cows (47% for borrowers and 34% for non-borrowers) were found to be significantly greater for borrowers than for non-borrowers.

In the case of agriculture assets, agriculture equipment and vehicles were not comparable between the borrowers and non-borrowers (*the standard deviations of both groups were zero*) and so, they were not tested.

Land and property were also tested separately and were found to be statistically insignificant in each case. Therefore, as a whole, the hypothesis did not hold.

The hypothesis is not held.

11. Additional Employment Generation:

Hypothesis: Participation in micro-credit leads to an increase in additional paid employment generated by 3 key sectors.

The data shows that neither of the two groups, the borrowers and non-borrowers made any significant contribution to the generation of additional paid employment during the period under study. It can be inferred that the size of their business or the scope of their activity (*agriculture or livestock*) along with the size of the loan was inadequate in making a noticeable contribution in this area.

The hypothesis is not held.

12. Increase in Operating Surplus:

Hypothesis: Participation in micro-credit leads to an increase in operating surplus.

Overall, it can be seen that despite the fact that 8% of borrowers faced positive changes in operating surpluses as compared to 5% non-borrowers, when the percentage changes in operating surplus (28% for borrowers and 19% for non-borrowers) were tested for statistical significance the results turned out to be negative at both 95% and 90% confidence levels.

The hypothesis is not held.

13. Improvement in Living Conditions (House Repairs):

Hypothesis: Participation in micro-credit leads to an increase in expenditure on house repair.

The expenditure on house repair for borrowers increased by 102% as it rose from Rs 4,497 in the previous year to Rs 9,098 in the current year. Non-borrowers saw an increase of 11% as the mean value for expenditure rose from Rs 4,156 to Rs 4,622 from the previous year to the current year. The percentage point increase was greater for borrowers than it was for non-borrowers, so, results were found to be statistically significant.

The hypothesis is held.

14. Additions to Household Utilities (Latrine, Water Connection, Electricity, Gas, Telephone):

Hypothesis: Participation in micro-credit leads to the use of better household facilities.

A comparison of the borrower and non-borrower samples with respect to household utilities showed that borrowers faced a significant increase in the addition of water connection and latrine construction to their households during the period under study. However, as the results were insignificant for electricity, gas and telephone connections the hypothesis was considered to be held partially.

The hypothesis is partially held.

15. Discretionary and Non-discretionary Expenditures:

Hypothesis: Participation in micro-credit leads to an increase in discretionary and non-discretionary expenditures.

The two events that saw significant increases in expenditure for borrowers were weddings and funerals. Borrowers experienced a 36% increase in expenditure on weddings compared to a 20% increase experienced by non-borrowers. Similarly, borrowers experienced a 38% increase on illness compared to a 23% increase experienced by non-borrowers. In this case of illness, the results were significant at the 90% confidence level. However, the discretionary and non-discretionary expenditures did not favor the borrowers in any significant way and so, overall, the hypothesis is not held.

The hypothesis is not held.

16. Improvement in Agricultural Practices:

Hypothesis: Participation in micro-credit leads to the use of better agriculture inputs (fertilizer and irrigation).

Expenditure on fertilizer and expenditure on irrigation were both assessed for borrowers in comparison with non-borrowers and results for expenditure on fertilizer was found to be statistically significant and results for expenditures on irrigation were found to be statistically insignificant at the 95% and 90% confidence levels. In the first case, borrowers experienced a 4% increase in their expenditure on fertilizer while non-borrowers experienced no increase. In the second case, borrowers saw 11% rise in their expenditure on irrigation compared to non-borrowers who saw a 4% rise for the same agriculture input.

The hypothesis is partially held.

A summary of the findings on other subjects of interest is the following:

Return on Investment:

Return on Investment (ROI) was roughly estimated for the borrower sample by asking them the amount of profit they earned on the loan. A percentage was then calculated using this figure and the size of loan they received from the PPAF. The borrower cost of funds (approximately 26%) was subtracted and the values tabulated. 91% of the borrowers' experienced positive ROI while 9% experienced no return and 0% experienced negative ROI.

Value of Loan Received by Borrowers:

The mean value of loans received by the borrower group was Rs. 22,438 while the mean value of loans required by the borrowers was Rs. 32,481.

Personal Assessment of the Borrower:

In response to a question asking the borrowers if they felt that they had benefited from the loan, 91% responded saying that they believed that they had benefited from the loan given to them by the PPAF.

Views on Repeat Borrowing:

When asked if they would like to borrow again from the same community organization, 75% responded positively.



RESEARCH METHODOLOGY



RESEARCH METHODOLOGY

Purpose:

The purpose of this design is to assess and evaluate whether the intended benefits of the micro-credit facility are really accruing to the end user, that is, the borrower.

Research Design:

In an impact evaluation study the basic challenge lies in being able to determine the effect of an intervention on an outcome variable. In other words, an impact evaluation aims to measure the difference in outcome between an individual who received the treatment and an outcome that would have resulted for the same individual had they not received the treatment. This is where the non-borrower with a matching profile is needed in order to observe the outcome in the absence of treatment, however, it introduces a bias.

The selection bias problem implies that those individuals who receive treatment (*i.e. borrowers*) and those who do not (*i.e. non-borrowers*) may be inherently different and these differences may lead to inaccurate measurement of the treatment effect. It is possible that on average, clients differ from those who choose not to borrow. If differences between borrowers and non-borrowers pertain to the ability to realize benefits from program services then that could lead to differences in outcome variables (*e.g. income and revenue*) that should not be attributed to the program.

In a non-experimental design, also known as a quasi-experimental design, the outcome variable is measured for a treatment group (*e.g. the borrower*) and for a control group (*e.g. the non-borrower*) who do not receive the treatment but who are similar to the treatment group in critical ways that affect outcomes. The method most commonly employed for constructing a control group is the selection of respondents who share critical characteristics with the treatment group who are then controlled statistically for differences in other variables that are expected to affect outcomes. The arguments lead us to conclude that despite prescribed standards for the control group, selectivity bias could arise if we were simply to evaluate the hypotheses for borrowers and non-borrowers at a point in time. Keeping this in mind, our study is structured around measuring change experienced by the individual who received treatment (*i.e. borrower*) in contrast with the individual who did not receive treatment (*i.e. non-borrower*) between periods t1 and t2. The period t1 refers to the period before taking the loan, that is, the period from July 2008 to December 2011. This is not a

fixed period for all. Instead, it varies from respondent to respondent. For instance, if a borrower took a loan in 2008 then, for that individual, t1 would correspond to 2007. However, if another borrower took a loan in 2009 then t1 would correspond to 2008 for that individual. On the other hand, t2 is fixed and refers to the period after taking the loan, that is, from January 2012 to December 2012. All variables have been analyzed and evaluated by measuring change between t1 and t2.⁷ This is referred to as the “combined approach”, which incorporates both “with-without” and “before-after” approaches.

In addition to the combined approach, this study employs the use of a mixed-method approach which draws on both quantitative and qualitative methods to gain deeper insight as to how the clients might have been affected by the micro-credit programs. The qualitative method in particular examines the borrower’s own perception regarding the positive and negative impacts of these programs.

Sample Design:

In order to carry out this survey, a sample of around 5,000 households was selected out of which approximately 2,500 were borrowers who had taken at least one loan from the PPAF during July 2008 to December 2011. Borrowers who have taken more than one loan from the PPAF, i.e. repeat borrowers, have also been included in the sample. The other half of the sample consisted of non-borrowers who served as the control group and therefore, had profiles similar to those of the borrowers.

Sample selection was carried out with the assistance of the Partner Organizations (POs) as the PPAF does not lend directly to clients but follows a chain in which POs are provided with the necessary funds which are then passed on to the community institutions, solidarity groups and individuals. As part of the sample selection process, the geographical area was determined first. Out of over 100 districts, a sample of 33 districts was randomly chosen. POs from the concerned districts were asked to provide lists of borrowers of the stipulated time period (*July 2008 – December 2011*). After receiving the lists of borrowers from all POs through PPAF, the sample was decided on the basis of the number of borrowers in each district. Men and women were both eligible for obtaining loans therefore, an approximate gender selection for the sample was made with respect to the proportions of male and female borrowers in each district.

⁷ See Technical Note (Annexure 4) for further details.



The table below draws a district-wise comparison between the planned and achieved samples.*

PPAF Planned and Achieved Sample of Households					
Province	District	Planned Sample	Achieved Sample		
		(Borrowers)	All	Borrowers	Non-Borrowers
PUNJAB	Attock	35	70	35	35
	Bhakkar	90	180	90	90
	Bahawalpur	33	74	37	37
	Faisalabad	102	248	124	124
	Gujranwala	134	266	133	133
	Jhelum	40	76	38	38
	Kasur	41	82	41	41
	Lahore	360	954	477	477
	Mianwali	86	178	89	89
	Multan	82	150	75	75
	Rahim Yar Khan	51	88	44	44
	Rawalpindi	79	146	73	73
	Sahiwal	48	178	89	89
	Sheikhupura	111	204	102	102
	Gujrat	56	112	56	56
	Jhang	33	66	33	33
	Khanewal	39	76	38	38
	Khushab	77	146	73	73
	Nankana Sahib	40	80	40	40
	Sargodha	151	238	119	119
	Sialkot	34	70	35	35
	Total	1722	3682	1841	1841
SINDH	Karachi	177	68	34	34
	Khairpur	42	50	25	25
	Matiari	62	126	63	63
	Nawabshah (SBA)	35	148	74	74
	Sanghar	121	232	116	116
	Dadu	49	98	49	49
	Noushero Froze	53	128	64	64
	Hyderabad	87	174	87	87
	Tharparkar	52	104	52	52
	Umerkot	70	136	68	68
	Total	748	1264	632	632
KYBER PAKHTUN KHAW	Nowshera	1	2	1	1
	Total	1	2	1	1
BALOCHISTAN	Quetta	29	58	29	29
	Total	29	58	29	29
	G.Total	2500	5006	2503	2503

*Details would be added later



Selection of Non-Client Sample:

One of the challenges faced when conducting an impact or assessment study is finding a compatible control group, which in this case, is required to isolate the effect of improved access to micro-credit services. This in turn introduces the challenge of obtaining valid estimates of the effect of these financial services. Our study has addressed these issues by designing a set of matching criteria for the selection of the control group. Borrowers (*treatment*) and non-borrowers (*control group*) were required to match on the following criteria:

- Gender
- Main occupation
- Monthly income
- Household size
- Number of earning persons in the family
- Age of the borrower
- Water & Community Physical Infrastructure/Health & Education Facility

To elaborate, if the borrower was employed in agriculture then the non-borrower should also be employed in agriculture, and if the monthly income of this individual fell in the 'less than 5,000 rupees' group then the monthly income of the non-borrower should also have fallen in the same income group. Similarly, the two groups were required to match perfectly for all of the abovementioned criteria.

Enumerators were instructed to conduct complete interviews first with the borrowers and then to find non-borrowers that matched based on the criteria mentioned above, in the same geographical area. If a matching non-borrower was not found in the same locality then enumerators could choose to interview non-borrowers from proximate areas provided they adhered to the necessary criteria. The initial sampling methodology was designed such that 50% of the control sample to be selected would be members of community institutions while the remaining 50% non-members. However, once the field work began, many villages were found to be lacking such community institutions and if there were any institutions present then they did not have the required addresses. This led to a selection of almost one hundred percent non-members, amongst the non-borrowers.

As stated above, the selection of non-borrowers was carried out with respect to the list of seven criteria that formed the matching sheet. However, these guidelines only served to help



identify a non-borrower. The non-borrowers could not have been chosen beforehand as they could only be selected once a borrower had been interviewed. Therefore, the task of tracking down such an individual was entrusted upon the interviewers. The interviewers, on completion of their interview with the borrower, would then inquire from the neighborhood and seek assistance to be introduced to a matching profile. This method has been adopted and refined in the series of rounds for the project.

Questionnaire Design:

The questionnaire used for the current study is similar to the one developed for the earlier studies i.e. Gallup Survey I, II and III. The initial questionnaire had required pre-tests to ensure clarity and effectiveness.⁸ However, in the case of the current survey the questionnaire was reviewed by the client. Two new sections on women empowerment and use of poverty scorecard as a measure of economic position were added. Other minor alterations were carried out wherever required before the draft for the pilot survey was finalized. Once the research team was satisfied with the results from the pilot, the questionnaire and field instructions were finalized.

Data Collection Procedure:

The data collection process started out towards the end of December 2012, with the recruitment of a suitable team of enumerators who underwent a three-day training session (*two days of classroom training and one day of field training*). The training curriculum covered the background and programs of PPAF, including the operations of PPAF. It also covered the background and purpose of the project, the conceptual framework and hypotheses of the study and the survey questionnaire. Particular attention was paid to explaining and discussing the important terms and concepts used in the questionnaire. Special attention was also given to explaining the calculation of gross income and other economic estimates in the questionnaire and how these could be crosschecked. The enumerators were trained in how to conduct the interview and what action to take if the respondent got distracted or lost interest or if they ran out of time. Each enumerator was given the questionnaire with an instructions manual which described in detail all significant variables and questions and the manner of asking these questions. After a thorough review of each question in the questionnaire, the enumerators started the fieldwork under the supervision of their field supervisors. The data collected was entered, cleaned and then analyzed by the research team.

⁸ Refer to the 2001 and 2005 reports (Rounds 1 and 2) for further information on the initial questionnaire design.

INTERPRETATION OF RESULTS



INTERPRETATION OF RESULTS

The impact of the micro-credit programs offered by PPAF can be evaluated from the aforementioned “with-without” comparisons and/or from “before-after” comparisons. In other words, the findings of our study answer the question, “If this individual had not borrowed from the PPAF would he or she be better off today?” This question is answered by comparing the change in the life of the borrower with a non-borrower of a similar profile (control) who had not borrowed during the period under study.

Our interpretation of results is carried out in the following way. If, for example, the results show that for an average borrower a variable such as household income has undergone a positive change from the previous year to the current year more than a comparable average non-borrower then we can attribute the change to PPAF financing. Alternatively, if the increase in the borrower’s income was less than or equal to that of the non-borrower it could be inferred that micro-financing did not make a significant contribution to the income of the borrower. Another hypothetical situation could be where the borrower’s income decreased during the year while the non-borrower’s income experienced an increment. In such a case, it could be inferred that rather than increasing, financing led to a decline in the income level of the borrower. However, if income levels dropped off for both groups but the borrower experienced a smaller decline than the non-borrower the interpretation would be that PPAF financing contributed to the client’s income positively. Hence, depending upon the situation an interpretation has been provided.

This study analyzes the outcomes with respect to a set of hypotheses outlined below:

- H-1 Participation in micro-credit leads to increase in personal income.
- H-2 Participation in micro-credit leads to increase in household income.
- H-3 Participation in micro-credit leads to increase gross annual income from 3 key sectors.
- H-4 Participation in micro-credit leads to increase in the consumption of household.
- H-5 Participation in micro-credit leads to increase in consumption of overall food.
- H-6 Participation in micro-credit leads to increase in consumption of key household items.
- H-7 Participation in micro-credit leads to increase in consumption of home produced items.
- H-8 Participation in micro-credit leads to increase in the possession of financial assets.
- H-9 Participation in micro-credit leads to increase in the possession of consumer durables
- H-10 Participation in micro-credit leads to increase in the possession of enterprise/livestock/ agriculture related assets.
- H-11 Participation in micro-credit leads to increase in paid employment generated by 3 key sectors.
- H-12 Participation in micro-credit leads to increase in operating surplus.
- H-13 Participation in micro-credit leads to increase in expenditure on house repair.
- H-14 Participation in micro-credit leads to the use of better household facilities.
- H-15 Participation in micro-credit leads to increase in discretionary and non-discretionary expenditures.
- H-16 Participation in micro-credit leads to the use of better agriculture inputs.

In the following pages each of these 16 hypotheses is assessed in the light of the survey data.

Section 1

CHANGE IN INCOME



Section 1 CHANGE IN INCOME

Participation in micro credit services leads to an increase in the level of household income

The above hypothesis has been tested by segregating income into three main categories: personal, household and gross annual income of the respondent and his/her household.

Hypothesis 1: Participation in micro-credit leads to an increase in personal income.

Table 1.1

CHANGE IN PERSONAL INCOME

Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	20	1%	27	1%
Nil	949	38%	1008	40%
1% to 10%	71	3%	85	3%
11% to 20%	440	18%	493	20%
21% to 30%	297	12%	336	13%
31% to 50%	398	16%	383	15%
51% and above	328	13%	171	7%
Total	2,503	100%	2,503	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Personal Income (<i>current year</i>)	6155	5824
Average Monthly Personal Income (<i>previous year</i>)	4764	4759
Change in Mean Personal Income	29*	22

**Significant at the 95% confidence level*

Separating the borrowers and non-borrowers according to the above categories reveals that 1% of borrowers and 1% of non-borrowers experienced negative change in their personal monthly incomes while 38% of borrowers and 40% of non-borrowers did not experience any change. 61% borrowers and 59% non-borrowers experienced an increment in their personal monthly income.

Conclusions: The average current personal monthly income of borrowers was Rs. 6,155 while the previous year's personal monthly income was Rs. 4,764 which amounts to a 29% increase in mean income. Likewise for non-borrowers, the change in monthly personal income is an increase of 22%. This difference (29% and 22%) is statistically significant at the 95% confidence level with sample means of 23.086 and 18.184 for borrowers and non-

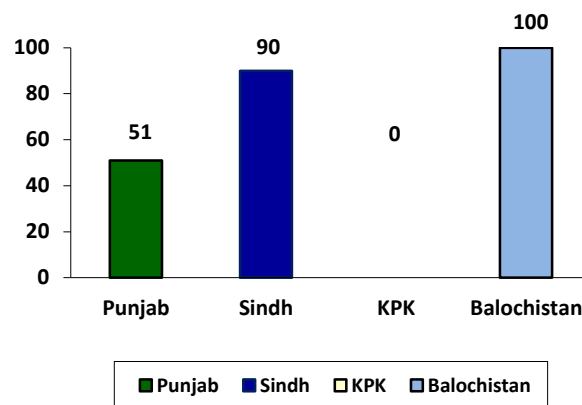
borrowers respectively. Therefore, a greater number of borrowers in contrast to non-borrowers underwent positive changes in income during the period under study.

The hypothesis is held.

Analysis by Provinces: If we classify the sample on a provincial basis we observe that in Punjab, 51% of the borrowers experienced positive change in their personal income while in Sindh, 90% borrowers experienced increments in their personal income. 0% of borrowers in KPK and 100% in Balochistan also experienced positive changes in their personal monthly incomes. This shows sharp contrast across the provinces.

Figure 1.1

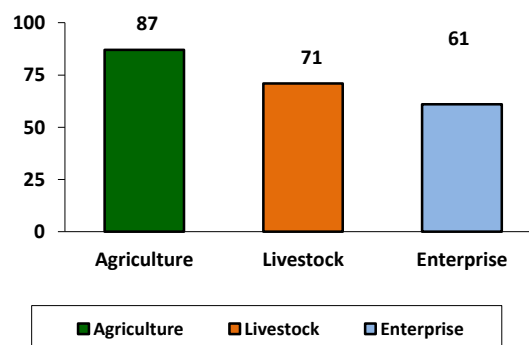
Percent of Borrowers who experienced positive change in personal income by Province



Analysis by Loan Purpose: Separating the data by loan purpose, we can observe that nearly two third (61%) of the borrowers who obtained loans for enterprise purposes, experienced positive changes in their personal incomes, whereas for those who obtained it for livestock 71% experienced positive change in income. 87% of the borrowers who borrowed for agricultural purpose experienced positive change.

Figure 1.2

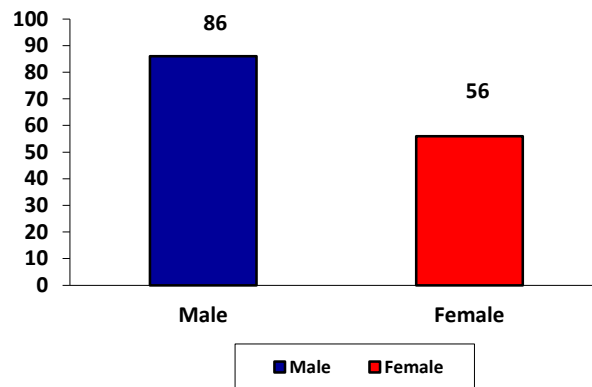
Percent of Borrowers who experienced positive change in personal income by sector



Analysis by Gender: The percentage of borrowers who experienced positive changes in their personal monthly incomes is higher for males in comparison to females.

Figure 1.3

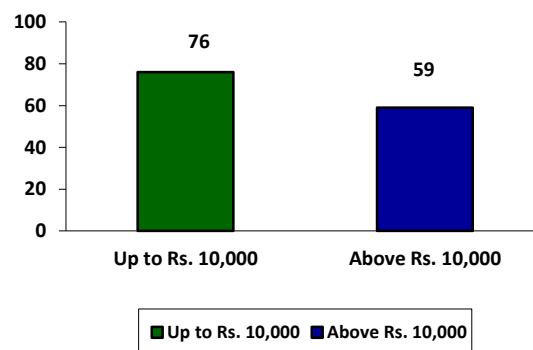
Percent of borrowers who experienced positive change in personal income by gender



Analysis by Loan Size: By categorizing the sample with respect to loan size, it is observed that 76% of the borrowers who took a loan of up to Rs. 10,000 experienced a positive change whereas the corresponding proportion for borrowers of loans above Rs. 10,000 was 59%.

Figure 1.4

Percent of borrowers who experienced positive change in personal income by loan size



Analysis by Loan Purpose in all Provinces: The following table shows the relationship between change in personal income and purpose of loan in all four provinces of Pakistan.

Table 1.2

Number of Borrowers Who Experienced Positive Change

Provinces	Purpose of Loan			
<i>Read in rows**</i>	Enterprise (%)	Livestock (%)	Agriculture (%)	Household (%)
Punjab (n = 934)	78% n=725	12% n=116	8% n= 78	3% n= 28
Sindh (n = 571)	64% n=366	20% n=112	14% n= 80	3% n= 17
KPK (n = 0)	-	-	-	-
Balochistan (n = 29)	97% n=28	3% n=1	0% n= 0	0% n= 0

* This table represents only those respondents who have experienced a positive change in their personal monthly income.

** Multiple responses were allowed so the sum may add-up to more than the actual n.

Percentage Change in Mean Personal Income

Provinces	Purpose of Loan		
	Enterprise (%)	Livestock (%)	Agriculture (%)
Punjab	31%	34%	16%
Sindh	30%	34%	27%
KPK	-	-	-
Balochistan	173%	40%	-

It can be seen from the tables above that in Balochistan, 97% of the borrowers who took a loan for the purpose of enterprise experienced a positive change in their personal income. This is followed by a 78% increase in Punjab and 64% in Sindh. If analysis is carried out with respect to percentage change in mean personal income it can be observed that the figures support the abovementioned percentages. Balochistan continues to have the greatest percentage change for loans taken for the purpose of enterprise (173%). In livestock, Balochistan borrowers experienced the highest percentage change of 40% while in agriculture, borrowers from Sindh experienced the greatest increment in mean personal income (27%) as compared to the other three provinces.

Conclusion: Overall, we can conclude that 61% of borrowers and 59% of non-borrowers experienced positive changes in their personal monthly incomes. In addition, the increase in the mean income of borrowers is statistically higher than the increase in the mean income of non-borrowers at the 95% significance level.

The hypothesis is held.

Hypothesis 2: Participation in micro credit leads to an increase in household income.

Table 1.3

CHANGE IN HOUSEHOLD INCOME

Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	12	0%	25	1%
Nil	52	2%	121	5%
1% to 10%	369	15%	494	20%
11% to 20%	939	38%	1024	41%
21% to 30%	534	21%	473	19%
31% to 50%	433	17%	299	12%
51% and above	164	7%	67	3%
Total	2503	100%	2503	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Household Income (<i>current year</i>)	20,843	19,680
Average Monthly Household Income (<i>previous year</i>)	17,123	16,790
Change in Mean Household Income	22%*	17%

*Significant at the 95% confidence level

The findings show that 0% of borrowers and 1% of non-borrowers each faced a negative impact on changes in their monthly household incomes while 2% of borrowers and 5% of non-borrowers did not experience any change. 98% of borrowers and 94% of non-borrowers were amongst those who underwent positive changes in their monthly household income levels. Overall, there were a greater number of borrowers as compared to non-borrowers who faced positive changes in the household income levels during the period of study.

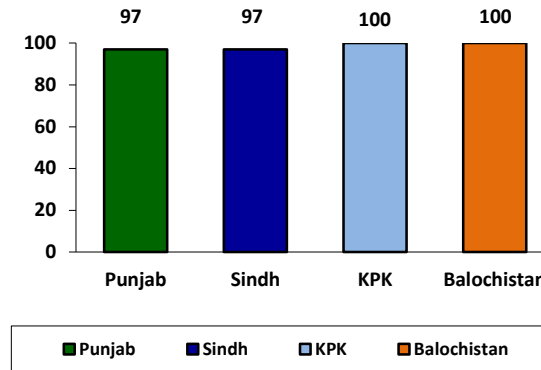
Conclusions: Borrowers faced a 22% increase in mean household income while non-borrowers experienced a positive change of 17%. The difference between the two changes in mean income was found to be statistically significant at the 95% confidence level with sample means 24.628 and 18.784 for borrowers and non-borrowers respectively. Therefore, we can conclude that a greater number of borrowers in contrast with non-borrowers underwent positive changes in household income during the period under study.

The hypothesis is held

Analysis by Provinces: Borrowers from all provinces had a positive change in household income, more so among borrowers from Balochistan and KPK than Punjab and Sindh.

Figure 1.5

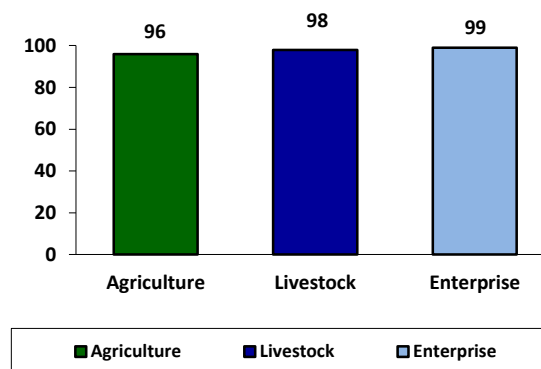
Positive Change in Borrower's Household Income Analysis by Provinces



Analysis by Loan Purpose: The highest percentage change in household income was observed in borrowers who obtained loans for enterprise purposes (99%). This was followed by 98%% change in borrowers who obtained loans for livestock and 96% positive change among those who obtained it for agriculture purpose.

Figure 1.6

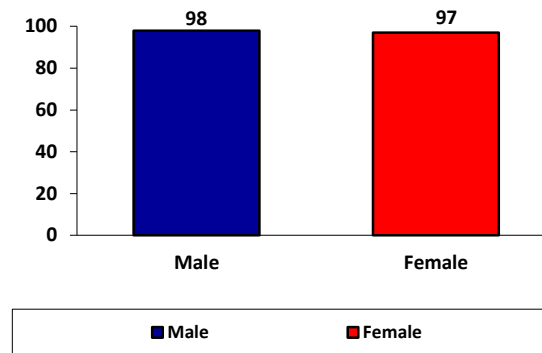
Positive Change in Borrower's Household Income Analysis by Loan Purpose



Analysis by Gender: From the gender-wise analysis conducted it can be observed that almost equal proportion of male and female borrowers experienced a positive change in household income

Figure 1.7

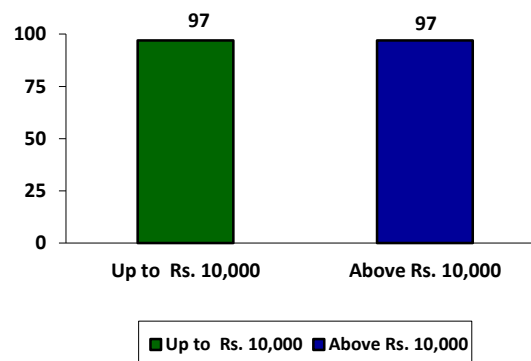
Percent of Borrowers who experienced Positive Change in Household Income by Gender



Analysis by Loan Size: By categorizing the sample according to loan size it can be seen that there was equal proportion of borrowers experiencing positive change in each of the categories.

Figure 1.8

Percent of Borrowers Who Experienced Positive Change in Household Income by Loan Size



Analysis by Loan Purpose in All Provinces: The following table shows the relationship between change in household income and purpose of loan in all four provinces of Pakistan.

Table 1.4

Number of Borrowers Who Experienced Positive Change

Provinces	Purpose of Loan			
Read in rows**	Enterprise (%)	Livestock (%)	Agriculture (%)	Household (%)
Punjab (n =1794)	78% n=1391	11% n=194	5% n=95	7% n=126
Sindh (n =615)	65% n=402	19% n=118	13% n=80	3% n=19
KPK (n =1)	0% n=0	0% n=0	0% n=0	100% n=1
Balochistan (n =29)	97% n=28	3% n=1	0% n=0	0% n=0

* This table represents only those respondents who have experienced a positive change in their personal monthly income.

** Multiple responses were allowed so the sum may add-up to more than the actual n.

Percentage Change in Mean Household Income

Provinces	Purpose of Loan		
	Enterprise (%)	Livestock (%)	Agriculture (%)
Punjab	22%	24%	17%
Sindh	23%	27%	18%
KPK	-	-	%
Balochistan	21%	40%	-

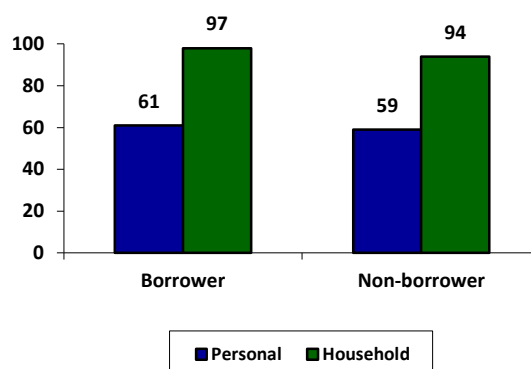
Overall, the highest percentage of borrowers, whose household incomes underwent positive change with respect to loan purpose, belonged to Balochistan. These borrowers experienced a 40% increase in mean household income on obtaining a loan for the purpose of livestock. Borrowers from Sindh experienced the greatest percentage change (23%) in mean household income with respect to enterprise loan purposes. Similarly borrowers from Sindh had the greatest percentage increase in mean household income (18%) when the loan was taken for agricultural purposes as compared to other provinces.

Conclusion: On the whole, 98% of borrowers and 94% of non-borrowers experienced a positive change in their household monthly income. The change in borrowers' mean household income was higher than that of non-borrowers and was found to be statistically significant at the 95% confidence level.

The hypothesis is held.

Figure 1.9

Positive Change in Household Income Comparative Analysis of Treatment Group and Control Group



Hypothesis 3: Participation in micro-credit leads to an increase in gross annual income from 3 key sectors.

Gross annual income has been measured by estimating the incomes from three core sectors: Agriculture, Livestock and Enterprise/Commerce. In each case, income includes cash income and the imputed value of own production, which was consumed within the households.

AGRICULTURE

Table 1.5

Change in Gross Annual Income Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	6	3%	1	0%
Nil	4	2%	17	8%
1% to 10%	48	21%	65	30%
11% to 20%	82	36%	60	28%
21% to 30%	52	23%	40	19%
31% to 50%	23	10%	27	13%
51% and above	15	7%	5	2%
Total	230	100%	215	100%

Change in Mean Income

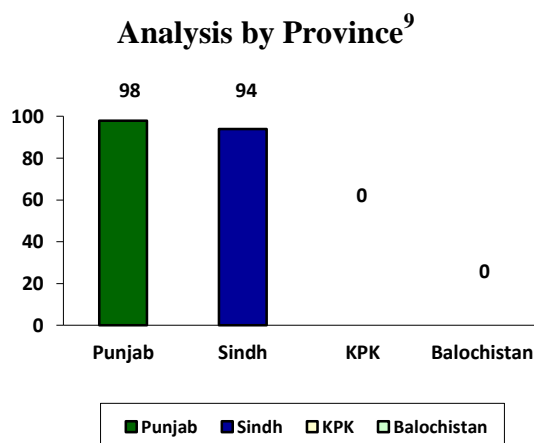
	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Agriculture (<i>current year</i>)	198,000	188,798
Average Gross Income from Agriculture (<i>previous year</i>)	183,601	178,061
Change in Gross Income from Agriculture	8%	6%

The data shows that around 95% of borrowers and 92% of non-borrowers experienced positive change in their gross annual income from agriculture while 3% of borrowers and 0% of non-borrowers experienced negative changes. The agriculture incomes of 2% borrowers and 8% non-borrowers did not undergo any change at all.

The mean gross annual incomes for borrowers and non-borrowers each rose by 8% and 6% respectively. The sample means were 20.325 and 16.988 for borrowers and non-borrowers respectively, and the difference between the two means was found to be significant at the 90% confidence levels.

Analysis by Province: 98% of the borrowers in Punjab and 94% in Sindh experienced a positive change in their gross annual income from agriculture. None of the borrowers from KPK and Balochistan experienced a positive change in their gross annual income from agriculture.

Figure 1.10



Analysis by Loan Purpose and Province: Among those borrowers whose loan purpose was agriculture and who experienced positive changes in their gross annual incomes from agriculture, the respective proportions for Punjab and Sindh were 78% and 59% respectively.

⁹ The analysis includes only borrowers who experienced a positive change in their gross annual income from agriculture.

Figure 1.11
Analysis by Loan Purpose¹⁰

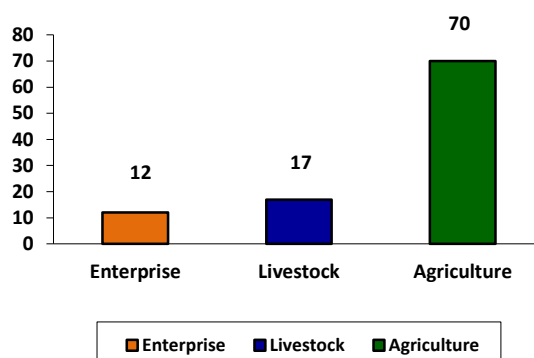


Table 1.6

Number of Borrowers who Experienced Positive Change

Provinces	Purpose of Loan Agriculture (%)
Punjab	78%
Sindh	59%
KPK	-
Balochistan	0%

Percentage Change in Mean Household Income

Provinces	Purpose of Loan Agriculture (%)
Punjab	13%
Sindh	-5%
KPK	-
Balochistan	-

Punjab is at the top with 78% of the borrowers who had obtained loans for the purpose of agriculture and who experienced positive change in their gross annual income from agriculture. Sindh is next with 59% experiencing positive change. An alternate analysis using percentage change in mean household income shows the figures to be 13% for Punjab. There was a decrease in mean household income when borrowers in Sindh took loans for agriculture.

¹⁰ Analysis of borrowers whose loan purpose was agriculture & who experienced positive change in their gross annual income from agriculture

Conclusion: Overall, 95% of borrowers and 92% of non-borrowers experienced positive change in their gross annual monetary and non-monetary incomes from agriculture. The changes in mean income for borrowers and non-borrowers are 8% and 6% respectively. The difference between the means has found to be statistically significant at 90% confidence levels.

The hypothesis is partially held.

LIVESTOCK

Table 1.7

Change in Gross Annual Income Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	19	3%	9	2%
Nil	66	11%	47	9%
1% to 10%	46	8%	69	13%
11% to 20%	119	20%	157	30%
21% to 30%	139	23%	99	19%
31% to 50%	112	18%	93	18%
51% and above	107	18%	54	10%
Total	608	100%	528	100%

Change in Mean Income

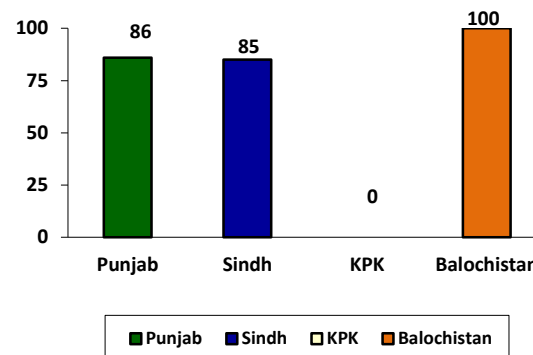
	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Livestock (<i>current year</i>)	113,650	122,679
Average Gross Income from Livestock (<i>previous year</i>)	89,223	101,034
Change in Gross Income from Livestock	27%	21%

*Significant at the 95% confidence level

The table above shows the results for the number of persons affected by change in gross annual income from livestock. It can be seen that 3% of borrowers and 2% of non-borrowers experienced negative change while 11% of borrowers and 9% of non-borrowers experienced no change at all. 86% of borrowers and 89% of non-borrowers experienced positive change. The value of average income for borrowers rose from Rs. 89,223 to Rs. 113,650 over the period under study, which was equal to a 27% increase. Similarly, the value of average income for non-borrowers rose from Rs. 101,034 to Rs. 122,679 over the period under study which equaled a 21% increase. The difference between the mean incomes was found to be statistically significant at the 95% confidence levels with sample means 31.125 and 24.316 for borrowers and non-borrowers respectively.

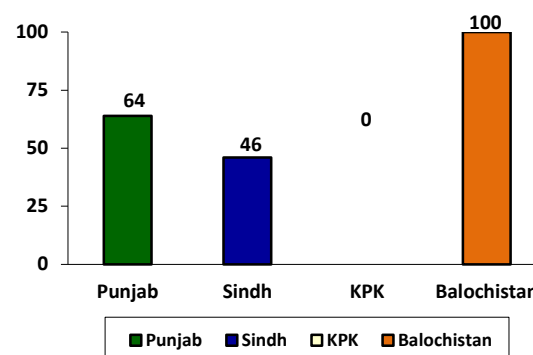
Analysis by Province: In Punjab, 86% of the borrower group experienced positive change in gross income from livestock. Similarly 85% in Sindh and 0% in KPK experienced positive changes while 100% of borrowers from Balochistan experienced positive change in livestock income.

Figure 1.12
Analysis by Province¹¹



Analysis by Loan Purpose: Taking into consideration only those borrowers whose loan purpose was livestock, 64% of the borrowers who experienced positive change in livestock income were from Punjab, 46% were from Sindh and 100% were from Balochistan. There were no borrowers from KPK who had experienced positive change.

Figure 1.13
Analysis by Loan Purpose¹²



¹¹ Analysis of those borrowers who experienced positive changes in their gross annual income from livestock

¹² Analysis of those borrowers whose loan purpose was livestock and who experienced positive change in their gross annual income from livestock

Table 1.8

Number of Borrowers who Experienced Positive Change

Provinces	Purpose of Loan Livestock (%)
Punjab	86%
Sindh	85%
KPK	0%
Balochistan	100%

Percentage Change in Mean Household Income

Provinces	Purpose of Loan Livestock (%)
Punjab	25%
Sindh	39%
KPK	-
Balochistan	-

Conclusion: Overall, it can be seen that 86% of the borrowers and 81% of the non-borrowers experienced positive changes in their gross annual incomes from livestock. In addition, the change in mean income was 27% for borrowers and 21% for non-borrowers and was found to be statistically significant at the 95% confidence levels.

The hypothesis is held.

ENTERPRISE

The table below presents the results for the number of individuals who were affected by changes in their gross annual income from enterprise.

Table 1.9

**Change in Gross Annual Income
Number of persons affected by change**

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	14	1%	31	2%
Nil	35	2%	97	5%
1% to 10%	168	9%	219	12%
11% to 20%	509	28%	582	31%
21% to 30%	374	21%	420	22%
31% to 50%	437	24%	404	22%
51% and above	280	15%	120	6%
Total	1817	100%	1873	100%

Change in Mean Income

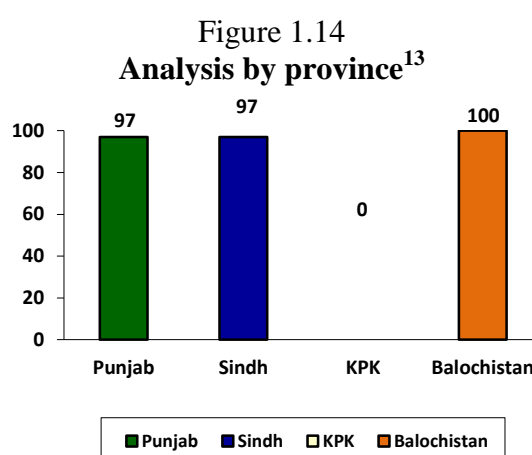
	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Enterprise (<i>current year</i>)	162,931	155,779
Average Gross Income from Enterprise (<i>previous year</i>)	132,699	130,692
Change in Gross Income from Enterprise	23%*	19%

*Significant at the 95% confidence level

It can be seen from the table above that 1% of borrowers and 2% of non-borrowers experienced negative changes in their enterprise income, during the period under study. 2% of borrowers and 5% of non-borrowers faced no change in income while 97% of the borrower group and 93% of the non-borrower group experienced positive changes in income from enterprise.

Analysis of the change in mean income reveals that for borrowers the average gross income from enterprise rose from Rs. 132,699 to Rs. 162,931 during the period under study which amounts to an increase of 23%. Non-borrowers experienced an increase of 19% as their average gross income from enterprise rose from Rs. 130,692 to Rs. 155,779 from the previous period to the current period. The difference between the means was found to be statistically significant at the 95% confidence level with sample means 32.780 and 24.559 for borrowers and non-borrowers respectively.

Analysis by Province: Province-wise segregation shows that around 97% of the borrowers experienced positive change in Punjab, 97% in Sindh, 0% in KPK and 100% in Balochistan.



Analysis by Purpose of Loan: Analyzing enterprise as the loan purpose for all four provinces shows that 100% of the borrowers from Balochistan experienced positive change. Similarly, 98% of borrowers from Punjab and 88% of borrowers from Sindh experienced positive change when their loan purpose was for enterprise.

¹³ Analysis of those borrowers who experienced positive change in their gross annual income from enterprise

Figure 1.15
Analysis by loan purpose¹⁴

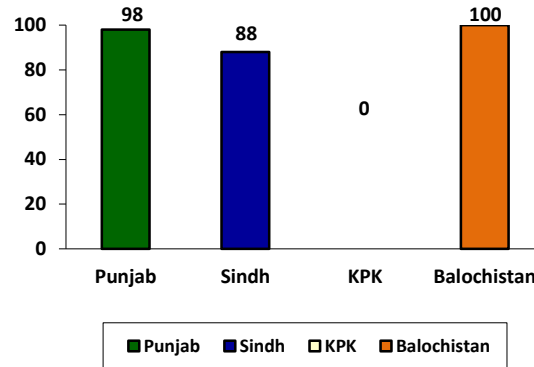


Table 1.10
Number of Borrowers who Experienced Positive Change

Provinces	Purpose of Loan Enterprise (%)
Punjab	97%
Sindh	97%
KPK	-
Balochistan	100%

Percentage Change in Mean Household Income

Provinces	Purpose of Loan Enterprise (%)
Punjab	25%
Sindh	23%
KPK	-
Balochistan	10%

Conclusion: On the whole, 97% of the borrowers and 93% of the non-borrowers experienced a positive change in income from enterprise. The changes in mean income for borrowers and non-borrowers were 23% and 19% and the difference between the two was found to be statistically significant at the 95% confidence level.

Looking at all three sub-hypotheses, it can be seen that borrowers did not face a significant impact on agriculture income due to the loan, whereas, livestock and enterprise incomes of borrowers did undergo statistically significant increases. This leads to the conclusion that although there was an impact on the three key sectors, the impact was not universal.

The hypothesis is partially held.

¹⁴ Analysis of those borrowers whose loan purpose was enterprise & who experienced positive change in gross annual income from enterprise

Section 2

CHANGE IN CONSUMPTION



Section 2 CHANGE IN CONSUMPTION

Hypothesis 4: Participation in micro-credit leads to an increase in household consumption.

The consumption level of the household has been assessed by analyzing the monthly overall expenditure of the household, expenditure on overall food and key household items with a focus on food with high protein content. In addition, consumption of home produced items was also computed.

Table 2.1
Change in Mean Expenditure

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Expenditure (<i>current year</i>)	14,101	13,786
Average Monthly Expenditure (<i>previous year</i>)	11,848	11,843
Change in monthly expenditure	19%*	16%

*Significant at the 95% confidence level

Table 2.2
Comparative analysis of first time Borrowers & Repeaters

	Single Borrower (Rs.)	Repeaters (Rs.)
Average Monthly Expenditure (<i>current year</i>)	12,860	15,021
Average Monthly Expenditure (<i>previous year</i>)	10,799	12,625
Change in monthly expenditure	19%	19%

Table 2.1 presents the percentage change in mean expenditure of borrowers in comparison with non-borrowers during the year of study. The value of the change in mean expenditure is higher for borrowers (19%) than for non-borrowers (16%) and this difference is found to be statistically significant at the 95% confidence level. The sample means for the two groups were 20.597 (borrowers) and 18.035 (non-borrowers).

Table 2.3
Percent of Borrowers and Non-borrowers Who Experienced Change in Household Expenses during the Study Period

Number of persons affected by change

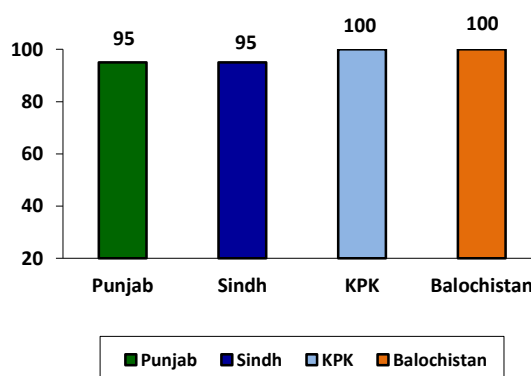
	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	21	1%	22	1%
Nil	101	4%	140	6%
1% to 10%	477	19%	575	23%
11% to 20%	896	36%	948	38%
21% to 30%	564	23%	495	20%
31% to 50%	356	14%	277	11%
51% and above	88	4%	46	2%
Total	2503	100%	2503	100%

The table above provides a detailed breakdown of the number of persons affected by the change in household expenses. It can be seen that 1% of borrowers and 1% of non-borrowers faced a decline in household expenses while 4% of borrowers and 6% of non-borrowers were not affected by change at all. 95% of borrowers and 93% of non-borrowers underwent an increase in their household expenditures.

Analysis by Province: Breaking down the borrowers into province-wise categories shows that 100% of borrowers experienced positive change in consumption in KPK and Balochistan and 95% experienced positive change each in Punjab and Sindh.

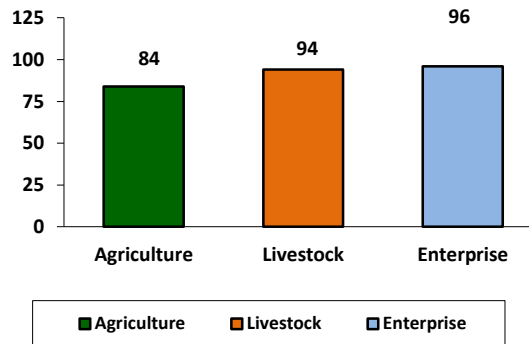
Figure 2.1

**Positive Change in Consumption Levels of Borrowers
Analysis by Provinces**



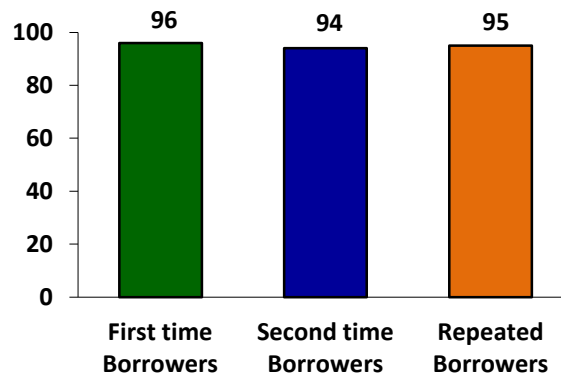
Analysis by Purpose of Loan: Around 96% of borrowers who obtained loans for the purpose of enterprise experienced increases in their expenditure during the period under study. The comparative figures for agriculture and livestock were 84% and 94%, respectively.

Figure 2.2
**Positive Change in Consumption Levels of Borrowers
Analysis by Loan Purpose**



Analysis by Number of Loans: 96% of first time borrowers, 94% of second time borrowers and 95% of repeated borrowers experienced a positive change in consumption respectively.

Figure 2.3
**Positive Change in the Consumption level of Borrowers
Analysis by number of loans**



Conclusion: As stated above, the respondents who experienced positive changes in their overall household expenditures over the period of study included 95% among borrowers and 93% among non-borrowers out of which the borrowers faced a 19% change in their mean consumption while the non-borrowers encountered a 16% change. This difference is statistically significant at the 95% confidence level. However, an analysis of first time borrowers and repeated borrowers reveals that each experienced a 16% change in their household expenditure.

The hypothesis is held.

Change in Expenditure on Overall Food & Key Household Items

Hypothesis 5: Participation in micro-credit leads to an increase in the consumption of overall food.

Hypothesis 6: Participation in micro-credit leads to an increase in the consumption of key household items.

The following table presents the change in average expenditure on overall food consumption and key food items.

Table 2.4
The percentage change below represents change in the monetary value of the items consumed during the period under study

	Borrower	Non-borrower
Overall Food	17%*	16%
Wheat/ Flour	16%	16%
Rice	22%	22%
Pulses	22%**	20%
Spices	21%	20%
Chicken	25%**	24%
Mutton	27%*	42%
Beef	28%	27%
Fish	32%*	27%
Vegetable	18%	17%
Fruit	25%*	23%
Sugar	20%	19%
Tea	18%	17%
Eggs	30%*	15%
Milk	15%	15%
Ghee/ Oil	17%	16%
Fuel	20%	20%
Soap/ Laundry	19%	19%
Canned Food	25%	22%

*Significant at the 95% confidence level

**Significant at the 90% confidence level

Conclusion: Analysis of the above data shows that the changes in mean expenditure on overall food items for borrowers and non-borrowers are almost the same (17% and 16% respectively) and the difference is statistically significant at the 95% confidence levels.

Hypothesis 5 is held while hypothesis 6 is partially held.

Change in consumption of home-produced items

Hypothesis 7: Participation in micro-credit leads to an increase in the consumption of home-produced items.

The table below presents the results of average change in consumption for borrowers and non-borrowers for the following list of home-produced items. The list includes livestock, agriculture and enterprise related items that have been consumed by the household without making any monetary payment. The consumption levels of these items have been gauged by calculating their monetary value at approximate current prices.¹⁵

Table 2.5
Change in consumption of home produced items

	Borrower	Non-borrower
Milk	20%	16%
Eggs & Chicken	98%	4%
Wheat	4%	9%
Rice	30%	13%
Fuel	8%	10%

The percentage change in the mean monetary values of home produced and consumed items favored the borrowers largely for poultry products than non-borrowers (98% increase versus 4%). It also favored borrowers with respect to rice and milk (30% vs. 13% and 20% vs. 16%). Non-borrowers experienced greater changes in consumption with respect to wheat and fuel.

Conclusion: Overall, the hypothesis cannot be held as all of the items were found to be statistically insignificant at the 95% and 90% confidence levels.

The hypothesis is not held.

¹⁵ Home produced honey was removed from the list as there was only one individual in the sample who consumed home produced honey. Spices, pulses, vegetables, fruits and fertilizer have also been removed from the list at the sample size of each was too small to apply the t-test.

Section 3

CHANGE IN ASSETS



Section 3

CHANGE IN ASSETS

This section analyzes the hypothesis which states that those individuals who participated in the micro-credit program would have experienced an increase in their assets which include financial assets, consumer durables, assets related to agriculture and livestock and land and property.

Financial Assets

Hypothesis 8: Participation in micro-credit leads to an increase in the possession of financial assets.

The questionnaire asked respondents to provide information regarding their financial assets before and after the loan period. The category 'cash and financial instruments' include bank accounts, foreign cash, cash in rupees and savings certificates. 'Advances, loans and prepayments' include deposits in the form of advances and committees.

The table below provides the changes in these assets for both, borrowers and non-borrowers.

Table 3.1

Change in Financial Assets

Financial Assets	Percentage change in Average Monetary Value of Financial Assets	
	Borrower	Non-borrower
Cash & financial instruments	42%*	28%
Advances, loans & prepayments	14%	0.2%
Gold Jewelry	0.1%**	8%

*Significant at the 95% confidence level

**Significant at the 90% confidence level

	Borrowers			Non-borrowers
	First timer	Repeaters	All	
Cash & financial instruments	60%	32%	42%	28%
Advances, loans & prepayments	-2%	19%	14%	0.2%
Gold Jewelry	-7%	3%	0.1%	8%

Conclusion: It can be observed from the results shown above that the treatment group, i.e. the borrowers experienced greater increments to their financial assets than the non-borrowers for the 2 categories of cash and financial instruments and advances, loans and prepayments. Non-borrowers experienced greater change in gold jewelry than borrowers. The percentage changes in mean assets were found to be statistically significant for 'Cash & Financial instruments' at 95% confidence level while 'Gold Jewelry' is statistically significant at 90% confidence level. *The hypothesis is partially held.*

Acquisition of Consumer Durables

Hypothesis 9: Participation in micro-credit leads to an increase in the possession of consumer durables.

Respondents were presented a list of assets and asked whether their households possessed those items. If they responded positively to an item they were then questioned as to when that particular item had been purchased. If the item had been purchased in the current year then it was recorded as a positive change in the respondent's household acquisition.

The table below provides the results for positive changes in the ownership of borrowing and non-borrowing households.

Table 3.2

Positive change in ownership of household durables

Percent of households that acquired the asset during the study period and the average value of the asset

	Borrower		Non-borrower	
	Percentage	Average Expenditure (Rs.)	Percentage	Average Expenditure (Rs.)
Tape Recorder	2%*	2,575	1%	2,000
Mobile Phone	5%	2,908	3%	2,802
Radio	1%	1,000	0%	500
Air Cooler	3%	5,893	2%	6,657
Iron	1%	1,984	1%	1,931
Television	3%**	5,571	2%	6,185
VCR	1%	1,100	2%	3,000
Motorcycle	6%*	44,615	2%	54,538
Car	4%	55,000	0%	.
Fan	2%	3,115	1%	2,938
Bicycle	3%	3,911	2%	3,911
Sewing Machine	3%*	6,655	2%	4,197
Washing Machine	2%	8,014	2%	7,488
Refrigerator	2%*	33,400	1%	26,700
Cooking Range	1%*	1,920	0%	2,400
Suitcase	0%	5,000	0%	4,117
Generator/UPS	4%*	17,250	-	-

*Significant at the 95% confidence level.

**Significant at the 90% confidence level.

Table 3.2a
Positive change in ownership of household durables among first time borrowers and non-borrowers

Percent of households that acquired the asset during the study period

	First Time Borrower (%)	Non-borrower (%)
Tape Recorder	0%	2%
Mobile Phone	5%	4%
Radio	1%	0%
Air Cooler	3%	3%
Iron	2%	1%
Television	3%	2%
VCR	0%	1%
Motorcycle	6%*	2%
Car	0%	0%
Fan	2%	2%
Bicycle	4%	2%
Sewing Machine	5%*	3%
Washing Machine	3%	3%
Refrigerator	4%*	1%
Cooking Range	1%**	0%
Suitcase	0%	0%
Generator/UPS	3%*	0%

*Significant at the 95% confidence level

**Significant at the 90% confidence level

Conclusion: The effect of micro-credit services on the ownership of assets has been assessed in two ways. The first draws a comparison between borrowers and non-borrowers where results have shown that there is a statistically insignificant difference between the two for all cases except for 6 of the household durables. The second method of evaluation then uses first time borrowers specifically and compares them to non-borrowers. This result has also shown to be mostly statistically insignificant at the 95% and 90% confidence levels. The only exceptional cases are motorcycle, sewing machine, refrigerator, cooking range and generator/UPS all of which have undergone a greater increase for First-time borrowers than for non-borrowers. Therefore, we can conclude that both hypotheses do not hold in this case.

The hypothesis is not held.

Livestock, Agriculture and Land & Property Assets

Hypothesis 10: Participation in micro-credit leads to an increase in the possession of livestock, agriculture and land & property related assets.

Livestock Related Assets

The following table presents the percentage changes in livestock ownership for borrowers and non-borrowers during the period under study.¹⁶

Table 3.3

Acquisition of Livestock related assets

Change in number of...	Direction of change	Borrower (%)	Non-borrower (%)	Borrowers who took loan for livestock (%)
Cow	Negative change	1%	2%	0%
	No change	52%	64%	50%
	Positive change	47%*	34%	50%
Buffalo	Negative change	2%	1%	3%
	No change	66%	79%	55%
	Positive change	32%*	21%	43%
Goat	Negative change	4%	2%	4%
	No change	47%	54%	45%
	Positive change	49%	44%	51%
Donkey	Negative change	0%	0%	0%
	No change	94%	98%	97%
	Positive change	6%	2%	3%
Camel	Negative change	0%	0%	0%
	No change	100%	100%	100%
	Positive change	0%	0%	0%
Chicken	Negative change	0%	5%	0%
	No change	54%	75%	48%
	Positive change	46%	20%	52%

*Significant at the 95% confidence level

**Significant at the 90% confidence level

The table above displays the direction of change in the acquisition of livestock for both borrowers and non-borrowers during the period of study. It can be observed that for all the above livestock categories the change is greater for borrowers than it is for non-borrowers. The change is particularly significant in the case of buffaloes (at the 95% confidence level) and cows (at the 95% confidence level). However, overall this section of the hypothesis (i.e. livestock) does not hold.

Agriculture Related Assets

Respondents were asked if they owned the following list of agricultural equipment and if they responded positively then they were asked in which year they purchased the item.¹⁷

¹⁶ Bullock, bull, horse and sheep categories were removed as the sample size for each was too small to allow hypothesis testing to be carried out.

¹⁷ Hypothesis testing could not be carried out as the standard deviations of both groups were zero.

Table 3.4

Percentage of Individuals who Acquired Agriculture Related Assets

	Borrower		Non-borrower	
	Previous	Current	Previous	Current
Agriculture equipment	100%	0%	100%	0%
Trolley	99%	1%	100%	0%
Thresher	100%	0%	100%	0%
Tractor	100%	0%	100%	0%
Truck	-	-	100%	0%

The results displayed in the table above show that for most items, borrowers and non-borrowers alike, acquired the asset in the previous year. However, since the figures are not comparable as there have been no purchases made by the non-borrower group, the hypothesis could not be tested.

Land and Property

The following table shows the changes in land holding for borrowers and non-borrowers, for total land and cultivated land and also shows the percentage change in the monetary value of the land.

Land

Table 3.5

Positive change in land holding

	Borrower			Non-borrower		
	Mean (CY)	Mean (PY)	% Change	Mean (CY)	Mean (PY)	% Change
Total Land Holding (Kanals)	72	72	0%	68	68	0%
Cultivated Land (Kanals)	67	67	0%	63	63	0%
Monetary value of land (Rs.)	3,549,519	3,404,872	4%	3,324,150	3,152,602	5%

The data above does not support the hypothesis that obtaining a loan leads to an increase in land.

Conclusion: *The hypothesis number 10 is not held.*

Section 4

ADDITIONAL EMPLOYMENT GENERATION





Section 4

ADDITIONAL EMPLOYMENT GENERATION

Hypothesis 11: Participation in micro-credit leads to an increase in additional paid employment generated by 3 key sectors.

Paid employment¹⁸

The questionnaire asked respondents whether they hired any additional workers during the period under study and if they did they were further asked to list their numbers. These questions pertaining to paid employment applied only to the period under study and we asked for three main sectors: Agriculture, Livestock and Enterprise/Commerce. No distinction has been made between fulltime and part-time employment.

The table below provides the average number of workers for the three sectors for borrowers and non-borrowers.

Table 4.1
Change in average Paid Employment

	Borrower		Non-borrower	
	Average # of workers		Average # of workers	
Agriculture: Current year	2.00	(n=7)	1.00	(n=1)
<i>Previous year</i>	2.17	(n=6)	1.00	(n=1)
Livestock: Current year	1.00	(n=1)	1.00	(n= 10)
<i>Previous year</i>	1.00	(n=1)	1.00	(n= 3)
Enterprise: Current year	2.23	(n=74)	2.15	(n=53)
<i>Previous year</i>	2.15	(n=66)	2.07	(n=42)

Conclusion: The data shows that neither of the two groups, the borrowers or the non-borrowers, has made any notable contribution to the generation of additional paid employment during the period under study. It can be inferred that the size of their business or their agricultural or livestock activity along with the size of the loan is inadequate in making a substantial contribution in this area.

The hypothesis is not held.

¹⁸ Paid employment refers to the *additional* workers hired by borrowers and non-borrowers during the period under study.

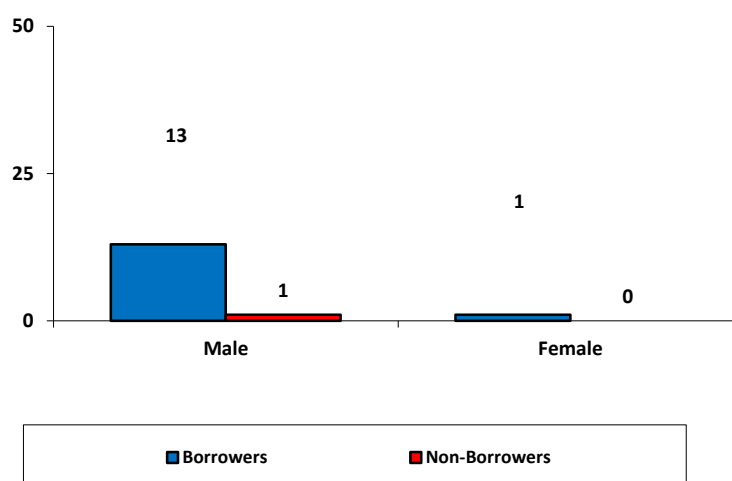
Sector Wise Employment¹⁹

Agriculture

The following graph shows the number of employees (gender wise) employed by borrowers and non-borrowers in agriculture.

Figure 4.1

Employment Status Comparative Analysis of Treatment Group and Control Group (Agriculture Sector)



It can be observed that borrowers have more employees than non-borrowers and that both groups do not have any significant number of female employees.

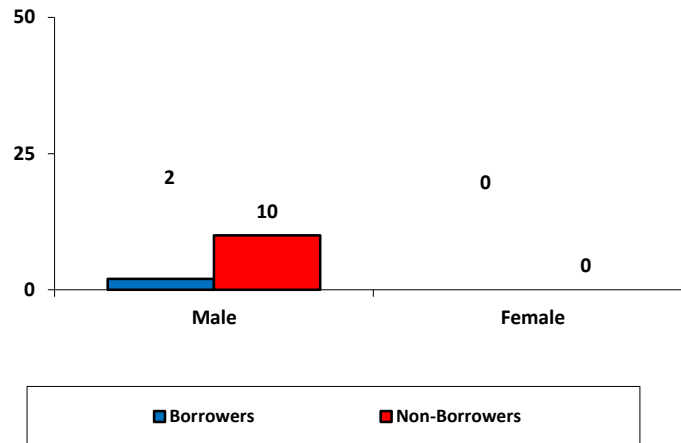
Livestock

The following graph shows the number of paid employees (gender-wise) employed by borrowers and non-borrowers in the livestock sector.

¹⁹ This section shows the total number of employees employed by the borrowers and non-borrowers, which should not be matched with table 4.1 because for hypothesis testing the extreme values were excluded to get more precise results.

Figure 4.2

Employment Status
Comparative Analysis of Treatment Group and Control Group
(Livestock Sector)



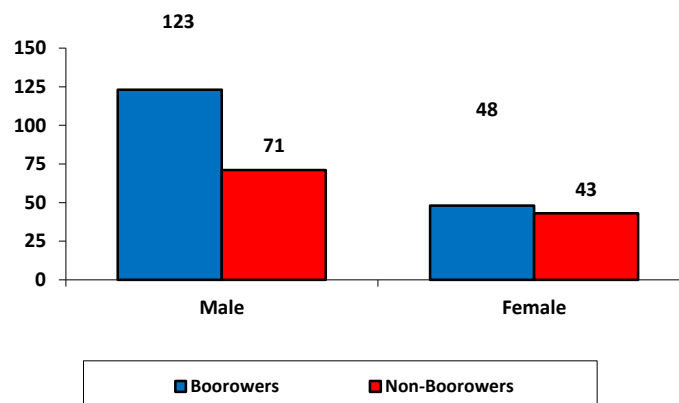
The graph shows that non-borrowers have employed more paid workers as compared to borrowers in livestock.

Enterprise

The following graph shows the number of employees (gender wise) employed by borrowers and non-borrowers in enterprise.

Figure 4.3

Employment Status
Comparative Analysis of Treatment Group and Control Group
(Enterprise Sector)



The graph shows that borrowers have employed a greater number of employees both male and female, as compared to non-borrowers.

Section 5

CHANGE IN OPERATING SURPLUS



Section 5

CHANGE IN OPERATING SURPLUS

Hypothesis 12: Participation in micro credit leads to an increase in operating surplus.

The hypothesis stated above was tested by asking each respondent their household's total income and total expenditure. The latter was then deducted from the former to give the operating surplus (which is an approximation of the amount saved by each household). This was carried out for both groups of respondents and the results have been presented in the table below.

Table 5.1
Operating Surplus comparison for Borrowers and Non-Borrowers

		Borrower (%)	Non-borrower (%)
Current year	Negative Operating Surplus	0%	0%
	No Operating Surplus	10%	11%
	Operating Surplus	90%	88%
Previous year	Negative Operating Surplus	1%	0%
	No Operating Surplus	16%	16%
	Operating Surplus	83%	84%

Percentage change in number of respondents who were able to accrue...	Negative Operating Surplus	-100%	-
	No Operating Surplus	-37.5%	-31%
	Operating Surplus	8%	5%

Table 5.2
Change in Operating Surplus for Borrowers and Non-Borrowers

	Borrower	Non-borrower
Average Operating Surplus (current year)	6,742	5,894
Average Operating Surplus (previous year)	5,275	4,947
Change in operating surplus	28%	19%

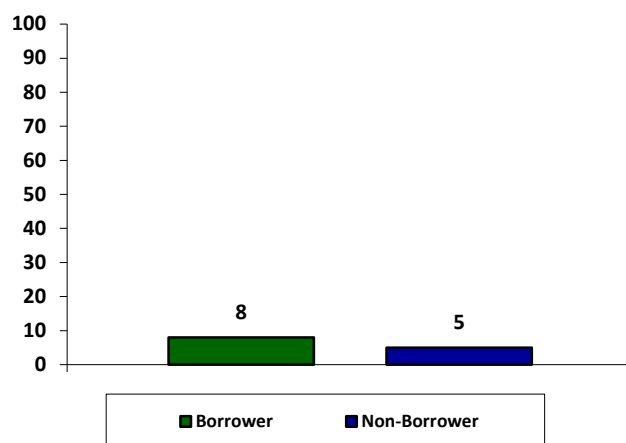
Conclusion: It can be observed that the borrowers experienced an increase in their operating surplus over the year under study (83% to 90%) while the non-borrowers also faced an increase in their operating surplus. But, the percentage change in the number of respondents able to accrue operating surplus is greater for borrowers (8%) than it is for non-borrowers (5%). The change in mean operating surplus was calculated to be 28% for borrowers and 19% for non-borrowers. However, results of hypothesis testing showed that there was no statistically significant difference between the borrowers and non-borrowers. The sample means were found to be 52.983 and 54.273 for borrowers and non-borrowers respectively.

The hypothesis is not held.



Figure 5.1

Percentage change in the number of savers
Comparison of Borrowers and Non-Borrowers



Section 6

CHANGE IN LIFESTYLE AND BUSINESS PRACTICES



Section 6

CHANGE IN PERSONAL LIFESTYLE

Participation in micro-credit services leads to an improvement in personal lifestyle.

The above hypothesis was assessed through the evaluation of several variables like investment on house repair and the addition of household utilities, expenses on social events and improvements in the use of agricultural inputs, during the period under study among both borrower and non-borrower groups.

Investments

Expenditure on house repair

Hypothesis 13: Participation in micro-credit leads to an increase in expenditure on house repair.

The respondents were asked whether they made an expenditure on house repair in the current year. If they responded positively they were asked how much was spent on the repairs in that year in comparison with the previous year. The table below presents the results.

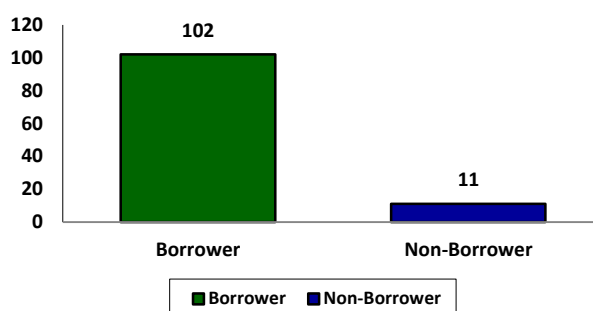
Table 6.1

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on house repair	9,098	4,497	102%	4,622	4,156	11%

Conclusion: It can be seen from the table above that the average expenditure on house repair by the borrowers was Rs. 9,098 in the current year and Rs. 4,497 in the previous year which is a 102% increase in expenses. On the other hand, non-borrowers on average spent Rs. 4,622 in the current year and Rs 4,156 in the previous year which is an 11% increase. The treatment group has experienced a greater increase than the control group; this increase is statistically significant at the 95% and 90% confidence levels.

The hypothesis is held.

Figure 6.1
Percentage Change in Average Expenditure



Household utilities

Hypothesis 14: Participation in micro-credit leads to the use of better household facilities.

Improvement in household facilities has been assessed by examining the construction of latrines and housing utility connections. The following table shows the percentage of borrowers and non-borrowers who constructed a latrine and obtained any of the following utility connections during the period under study. This was considered a positive change in the respondent's household.

Table 6.2

	Borrower (%)	Non-borrower (%)
Latrine construction	3%*	1%
Water connection	3%*	1%
Electricity connection	0%	0%
Gas connection	0%	0%
Telephone connection	0%	7%

*Significant at 95% confidence level

According to the figures given in the table above, borrowers faced an increase in the addition of water connection and latrine construction to their households during the period under study which were found to be statistically significant. 7% of non-borrowers got a telephone connection while none of the borrowers got it.

Conclusion: Only two of the five utilities listed above were statistically significant, therefore, one can conclude by partially accepting the hypothesis.

The hypothesis is partially held.

Change in discretionary expenditures

Hypothesis 15: Participation in micro-credit leads to an increase in discretionary and non-discretionary expenditures.

The following tables represent the yearly expenditures on specified activities including social and cultural events and practices by the two groups during the period under study.

Table 6.3

Comparison of expenditure on social events among borrowers and non-borrowers

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on wedding ceremonies	5,708	4,210	36%*	4,859	4,052	20%
Expenditure on funerals	3,041	1,777	71%	1,666	1,636	2%
Expenditure on recreation	2,418	1,956	24%	2,463	2,033	21%
Expenditure on children's toys	1,242	1,008	23%	1,239	1,016	22%

*Significant at the 95% confidence level

Change in non-discretionary events

Table 6.4

Comparison of expenditure on non-discretionary events among borrowers and non-borrowers

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on education (male children)	3,229	2,674	21%	3,119	2,557	22%
Expenditure on education (female children)	2,720	2,278	19%**	2,460	1,994	23%
Expenditure on illness	3,112	2,261	38%**	2,676	2,183	23%
Expenditure on traveling	3,240	2,721	19%	3,123	2,639	18%

*Significant at the 95% confidence level

**Significant at the 90% confidence level

Conclusion: The results displayed in the table show that out of the eight categories only two are statistically significant in favor of the borrower, namely, expenditure on weddings ceremonies (36% and 20% respectively) and expenditure on illness (38% and 23% respectively). Expenditure on female education is statistically higher for non-borrowers than for borrowers (23% and 19% respectively). Therefore, we can conclude that overall, the results do not support the hypothesis mentioned above.

The hypothesis does not hold.



Change in the use of agricultural inputs

Hypothesis 16: Participation in micro-credit leads to the use of better agriculture inputs.

The hypothesis above was evaluated by estimating the average expenditure on agricultural inputs and by comparing the types of inputs used during the current and previous years. The following table displays the changes in expenditure on agricultural inputs.

Table 6.5
Comparison of expenditure on agricultural inputs among borrowers and non-borrowers

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on fertilizer	33,905	32,563	4%*	31,366	31,456	-0.2%
Expenditure on irrigation	9,702	8,717	11%	7,385	7,108	4%

*Significant at the 95% confidence level

Expenditure on fertilizer and expenditure on irrigation are both assessed for borrowers in comparison with non-borrowers. Results for expenditure on fertilizer is found to be statistically significant at 95% confidence and results for expenditures on irrigation is found to be statistically insignificant at the 95% and 90% confidence levels. In the first case, borrowers experienced a 4% increase in their expenditure on fertilizer while non-borrowers experienced a decrease of 0.2%. In the second case, borrowers saw an 11% rise in their expenditure on irrigation compared to non-borrowers who saw a 4% rise for the same agriculture input.

The hypothesis is partially held.

Change in the use of seed type

The hypothesis is that micro-credit services lead to the use of better quality seeds by the borrowers as compared to non-borrowers. The seed types were categorized according to price levels. The results are presented in the table below.

Table 6.6
Comparison of type of seeds used among borrowers and non-borrowers

Type of Seed		Borrower (%)	Non-borrower (%)
Type of seed used during the current year	Most Expensive	33%	34%
	Inexpensive	25%	24%
	Cheap	2%	1%
	Own Produced	40%	41%
Type of seed used in previous year	Most Expensive	25%	22%
	Inexpensive	30%	30%
	Cheap	3%	3%
	Own Produced	43%	45%



Conclusion: Seed type cannot be tested for statistical significance; therefore, a comparison of frequencies shows that in the current year, both groups have used the 'most expensive' seed with nearly equal percentages (33% and 34%). However, borrowers have used more of the 'inexpensive' and 'cheap' seeds as compared to non-borrowers. Overall, the abovementioned hypothesis does not hold.

The hypothesis is not held.

Section 7

CHANGE IN SOCIAL STATUS



Section 7

CHANGE IN PERSONAL SOCIAL STATUS

Participation in micro-credit leads to an improvement in social status.²⁰

The above statement cannot be framed into a hypothesis as it is not possible to statistically assess social status (given the survey instrument). Social status, therefore, has been assessed by directly asking the borrowers to evaluate their social status within or outside their household by using the before and after technique and by comparing frequencies. Similarly, borrowers were asked to evaluate their control over certain key resources and this has been assessed by drawing a comparison on the basis of their frequencies.

The table below presents the results:

Table 7.1

Perception about change in personal social status

Figures are column percentages

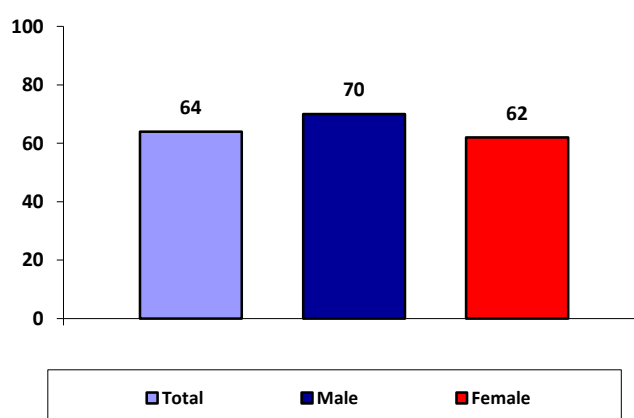
		Total (%)	Male (%)	Female (%)
How has your social status been affected after taking the loan?	Increased	64%	70%	62%
	Decreased	2%	3%	2%
	Unchanged	35%	27%	36%
Has the importance of your opinion regarding child marriages ...?	Increased	61%	69%	59%
	Decreased	5%	3%	5%
	Unchanged	34%	28%	36%
Has the importance of your opinion regarding decisions on education of children ...?	Increased	59%	67%	58%
	Decreased	6%	7%	5%
	Unchanged	35%	27%	37%
Has the importance of your opinion in resolving family disputes ...?	Increased	47%	61%	45%
	Decreased	11%	8%	12%
	Unchanged	42%	31%	44%
Has the importance of your opinion in making business decisions ...?	Increased	57%	67%	55%
	Decreased	7%	9%	6%
	Unchanged	36%	24%	39%
Has the importance of your opinion in purchase or sale of household items ...?	Increased	52%	62%	50%
	Decreased	7%	5%	7%
	Unchanged	41%	32%	43%
Has the importance of your opinion in purchase and sale of property ...?	Increased	49%	60%	46%
	Decreased	6%	5%	6%
	Unchanged	46%	35%	48%

²⁰ Social status refers to the borrower's decision making power, the importance given to his/her opinions and the role he or she plays in controlling key resources such as income.

It can be observed, from the table above, that 64% of the borrowers experienced an improvement in their social status as compared to 2% whose social status decreased after taking the loan. 61% of the borrowers felt that the importance of their opinion regarding their children's marriage had increased, while 59% felt the same way about their children's education. 47% stated that their role in the resolution of family disputes had improved. Close to half or more of the borrowers also experienced increases in their social statuses with respect to making business decisions, purchasing/selling household items or property (57%, 52% and 49%, respectively). A gender-wise study shows that, overall, male borrowers seem to have experienced greater improvement in their social statuses as compared to their female counterparts.

Figure 7.1

Positive change in self perception of social status among borrowers



In summary, more than half of the borrowers experienced an improvement in their social status after participating in the micro-credit services. However, the incidence of male borrowers experiencing the improvement in social status was higher than that of female borrowers.

Control over resources: As stated above, social status was also assessed on the basis of the borrowers' change in control over key financial resources of the household over the period under study.



Table 7.2

Control over income before & after loan

Figures are column percentages

	Response	Total	Male	Female
Control on resources currently	Keep all income to yourself	41%	43%	41%
	Gave all to husband/family	26%	24%	27%
	Partially with self and partially to husband/family	32%	34%	32%
Control on resources previously	Kept all income to yourself	41%	42%	41%
	Gave all to husband/family	27%	24%	27%
	Partially with self and partially to husband/family	33%	34%	32%

Comparing figures of the previous year to current year values, it can be seen that there has been no improvement in the cases of keeping income to oneself and 1% decrease in keeping income partially with self, and for the category, ‘gave all to husband/family’.

Section 8

FEMALE MOBILITY & EMPOWERMENT



Section 8

FEMALE MOBILITY AND EMPOWERMENT

1. Participation in micro-credit leads to an improvement in female mobility.

Female respondents' mobility was assessed by asking them how often they go out of homes. The responses have been tabulated below.

	Borrower (%)		Non-borrower (%)	
	Before	After	Before	After
Many times	7%	8%	6%	7%
Sometimes	69%	69%	68%	68%
Never	24%	23%	26%	25%

Figure 8.1 a
Female Mobility (Borrowers)

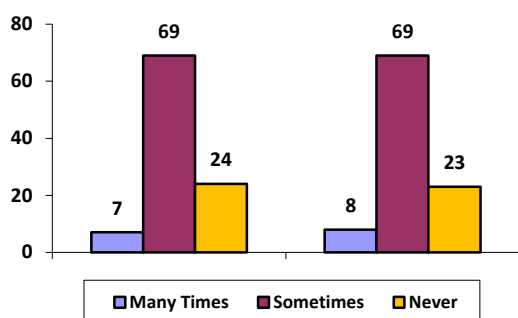
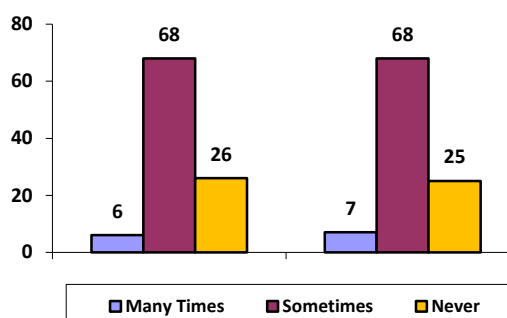


Figure 8.1 b
Female Mobility (Non-Borrowers)



Conclusion: It can be observed from the table above that female mobility has not undergone any major change after the participation in micro-credit. Borrowers and non-borrowers have experienced a one percentage point decrease in 'no mobility' and an increase by the same amount in 'frequent mobility'.

2. Participation in micro-credit leads to an improvement in the female social status.²¹

Social status has been assessed by directly asking the borrower and non-borrowers to evaluate their social status within or outside their household by using the before and after technique and by comparing frequencies.

²¹ Social status refers to the female's decision making power, the importance given to her opinions and the role he or she plays in controlling key resources such as income.

The table below presents the results:

Table 8.2a
Perception about change in female personal social status

Figures are column percentages

		All Females (%)	Borrower Females (%)	Non-borrower Females (%)
How has your social status been affected after taking the loan?	Increased	62%	62%	-
	Decreased	2%	2%	-
	Unchanged	36%	36%	-
Has the importance of your opinion regarding child marriages ...?	Increased	71%	59%	82%
	Decreased	9%	5%	13%
	Unchanged	21%	36%	5%
Has the importance of your opinion regarding decisions on education of children ...?	Increased	67%	58%	76%
	Decreased	11%	5%	17%
	Unchanged	22%	37%	7%
Has the importance of your opinion in resolving family disputes ...?	Increased	55%	45%	66%
	Decreased	17%	12%	22%
	Unchanged	28%	44%	12%
Has the importance of your opinion in making business decisions ...?	Increased	62%	55%	69%
	Decreased	13%	6%	20%
	Unchanged	25%	39%	10%
Has the importance of your opinion in purchase or sale of household items ...?	Increased	58%	50%	66%
	Decreased	14%	7%	21%
	Unchanged	28%	43%	13%
Has the importance of your opinion in purchase and sale of property ...?	Increased	55%	46%	63%
	Decreased	13%	6%	19%
	Unchanged	33%	48%	17%

It can be observed, from the table above, that 62% of the borrower females experienced an improvement in their social status as compared to 2% whose social status decreased after taking the loan²². 59% of the borrowers felt that the importance of their opinion regarding their children's marriage had increased, while non-borrower females experienced 82% increase in their opinion regarding their children marriages.

45% of the borrower females stated that their role in the resolution of family disputes had improved, while 66% of the non-borrowers felt the same way.

²² Question regarding overall social status was not asked in non-borrowers questionnaire.

Close to half or more of the borrowers and non-borrowers also experienced increases in their social statuses with respect to decisions regarding children education, business decisions, purchasing/selling household items or property. Study shows that, overall, non-borrowers seem to have experienced greater improvement in their social statuses as compared to their borrower counterparts.

Conclusion

In summary, close to half or more than half of the borrowers experienced an improvement in their social status after participating in the micro-credit services. However, the incidence of non-borrowers experiencing the improvement in social status was higher than that of borrowers. **It can be concluded that female social status has not undergone any major change after the participation in micro-credit.**

3. Participation in micro-credit leads to an increase in female control over income

Female social status was also assessed on the basis of the borrowers' and non-borrowers' change in control over key financial resources of the household over the period under study.

Table 8.3

Female control over income before & after loan

Figures are column percentages

	Response	All Females	Borrower Females	Non-borrower Females
Control on resources currently	Keep all income to yourself	40%	41%	40%
	Gave all to husband/family	28%	27%	28%
	Partially with self and partially to husband/family	32%	32%	32%
Control on resources previously	Kept all income to yourself	41%	41%	41%
	Gave all to husband/family	27%	27%	27%
	Partially with self and partially to husband/family	32%	32%	32%

Comparing figures of the previous year to current year values, it can be seen that for both borrower and non-borrower females there has been no change in the cases of keeping income to oneself, keeping income partially with self, and for the category, 'gave all to husband/family'.

Conclusion

It can be concluded that female control over income has not undergone any major change after the participation in micro-credit.

4. Participation in micro-credit leads to an improvement in women healthcare.

Women healthcare was accessed by asking questions regarding women illness during study period and base period, number of females affected by any disease and name of the disease.

Table 8.2a

Proportion of households with at least one female affected by any illness			
		Borrower (%)	Non-borrower (%)
Current year	Yes	4%	2%
	No	96%	98%
Previous year	Yes	8%	5%
	No	92%	95%

It can be observed that borrower females had faced less illness over the year under study compared to the previous year (4% vs. 8%) while non-borrower females also faced less illness (2% vs. 5%) during the study period.

On the whole, non-borrower females experienced less illness than their borrower counterparts.

Table 8.2b

Number of females affected by any illness in a household			
		Borrower (%)	Non-borrower (%)
Current year	One female	83%	96%
	Two females	14%	4%
	More than two	3%	0%
Previous year	One female	94%	95%
	Two females	6%	5%
	More than two	0%	0%

For both borrowers and non-borrowers, most of the households had only one female affected by any kind of disease in the study period.

Table 8.2c
Distribution of different diseases among females affected by any illness

		Borrower (%)	Non-borrower (%)
Current year	Fever	33%	22%
	Diabetes	11%	7%
	Malaria	6%	13%
	Stomach disease	6%	11%
	Blood Pressure	9%	4%
	Heart attack	8%	4%
	Kidney disease	4%	4%
	Liver disease/Hepatitis	3%	4%
	Back pain	2%	6%
	Asthma	3%	2%
	Flu and cough	2%	4%
	Others	24%	22%
Previous year	Fever	35%	30%
	Stomach disease	7%	8%
	Malaria	6%	8%
	Blood Pressure	7%	5%
	Back pain	6%	5%
	Liver disease/Hepatitis	4%	6%
	Typhoid	5%	2%
	Cholera	3%	5%
	Diabetes	4%	4%
	Child birth	3%	3%
	Pneumonia	2%	3%
	TB	1%	5%
	Joints pain	2%	3%
	Others	24%	19%

Fever was the most frequent illness experienced by the borrower and non-borrower females (33% and 22%). Second most common disease was diabetes (11%) among borrowers and malaria (13%) for non-borrowers.

Conclusion

It can be observed that borrowers experienced decrease in women illness over the year under study (8% to 4%) while non-borrowers also faced decrease in women illness (5% to 2%). After comparing results for borrowers and non-borrowers it can be concluded that participation in micro-credit does not lead to any significant improvement in the women healthcare. In addition it can also be concluded that both borrowers and non-borrowers have equal access to the essential health services.



Section 9

RETURN ON INVESTMENT (ROI)



Section 9

RETURN ON INVESTMENT (ROI)

One of the challenges in dealing with micro-credit services being offered to household-based micro-enterprises lies in the calculation of business expenses and the usage of these figures to calculate the return on investment. Revenues accrued are of a dual nature, cash and kind, which pose the problem of computing exact figures. This section attempts to calculate the return on investment (ROI) by directly asking the borrower about the estimated monetary benefits of the loan during its overall tenure. The responding borrowers were requested to compute the amount borrowed and the profit earned on the loan they had received. On the basis of this information a rough ROI (adjusted for yield of portfolio and unadjusted for inflation) was calculated.²³ Therefore, the ROI estimated here is based completely on the borrower's own perception. The following tables present the net ROI and ROI calculated for loan purpose and gender-wise analysis.

Table 9.1
Nominal Return on Investment (ROI)

ROI	Number of Borrowers	
	Count	Percentage
Negative	428	17%
Nil	0	0%
1% to 20%	207	8%
21% to 50%	303	12%
51% to 100%	367	15%
101% and above	1,151	46%
No Response	47	2%
Total	2,503	100%

The table above presents the findings for the entire borrower sample. It can be seen that 83% of the borrowers experienced positive return on investment while 17% experienced negative ROI and none experienced no ROI. The ROI calculations are perception-based nominal values and have not been adjusted for inflation rates. The official government inflation rates during FY 11 and FY 12 were 13.7% and 11.0%.²⁴ The latest available yield of portfolio (*borrower cost of funds*) of Pakistan's microfinance sector is approximately 26% (*Pakistan Microfinance Review*, 2008).

²³ Source: Annual Report 2011-2012 (State of Economy).

²⁴ Source: State Bank of Pakistan < http://www.sbp.org.pk/reports/annual/arFY12/Inflation_Monetary_Policy.pdf >

Analysis by Loan Purpose: The tables below display the ROI (nominal) figures categorized according to loan purpose.

Table 9.2
Nominal ROI “Enterprise”

ROI	Number of Borrowers	
	Count	Percentage
Negative	192	10%
Nil	0	0%
1% to 20%	169	9%
21% to 50%	235	13%
51% to 100%	287	16%
101% and above	918	50%
No Response	46	2%
Total	1847	100%

It can be seen from the results shown in the table above that 90% of the borrowers whose loan purpose had been enterprise, experienced positive return on their investment. On the other hand, 10% of those borrowers experienced negative ROI and none experienced no ROI. The ROI calculations are perception-based nominal values and have not been adjusted for inflation rates. The official government inflation rates during FY 11 and FY 12 were 13.7% and 11.0%. The latest available yield of portfolio (*borrower cost of funds*) of Pakistan’s microfinance sector is approximately 26%.

Table 9.3
Nominal ROI “Livestock”

ROI	Number of Borrowers	
	Count	Percentage
Negative	49	15%
Nil	0	0%
1% to 20%	23	7%
21% to 50%	36	11%
51% to 100%	66	21%
101% and above	146	45%
No Response	1	0%
Total	321	100%

The results in the table above show that 85% of the borrowers who had taken a loan for livestock purposes, experienced positive return on investment while 15% experienced negative ROI and none experienced nil ROI. The ROI calculations are perception-based nominal values and have not been adjusted for inflation rates. The official government inflation rates during FY 11 and FY 12 were 13.7% and 11.0%. The latest available yield of portfolio (*borrower cost of funds*) of Pakistan’s microfinance sector is approximately 26%.

Table 9.4
Nominal ROI “Agriculture”

ROI	Number of Borrowers	
	Count	Percentage
Negative	34	19%
Nil	0	0%
1% to 20%	13	7%
21% to 50%	31	17%
51% to 100%	15	8%
101% and above	89	49%
No Response	0	0%
Total	182	100%

The results from the table above show that 81% of the borrowers who had borrowed for the purpose of agriculture experienced positive ROI while 19% experienced negative ROI and none experienced Nil ROI. The ROI calculations are perception-based nominal values and have not been adjusted for inflation rates. The official government inflation rates during FY 11 and FY 12 were 13.7% and 11.0%. The latest available yield of portfolio (*borrower cost of funds*) of Pakistan’s microfinance sector is approximately 26%.

Analysis by Gender: The following tables present the ROI (nominal) figures for male and female borrowers, respectively.

Table 9.5
Nominal ROI among “Male” Borrowers

ROI	Number of Borrowers	
	Count	Percentage
Negative	120	28%
Nil	0	0%
1% to 20%	45	11%
21% to 50%	42	10%
51% to 100%	48	11%
101% and above	167	40%
No Response	0	0%
Total	422	100%

The table above presents the results for male borrowers and it can be seen that 88% of these individuals experienced positive return on their investment while 28% experienced negative return and none experienced any return. The ROI calculations are perception-based nominal values and have not been adjusted for inflation rates. The official government inflation rates during FY 11 and FY 12 were 13.7% and 11.0%. The latest available yield of portfolio (*borrower cost of funds*) of Pakistan’s microfinance sector is approximately 26%.

Table 9.6
Nominal ROI among “Female” Borrowers

ROI	Number of Borrowers	
	Count	Percentage
Negative	308	15%
Nil	0	0%
1% to 20%	162	8%
21% to 50%	261	13%
51% to 100%	319	15%
101% and above	984	47%
No Response	47	2%
Total	2081	100%

The results shown in the table above describe the returns on investment for female borrowers. It can be seen that 85% of these individuals experienced positive return on investment while 15% experienced negative return and none experienced no return. The ROI calculations are perception-based nominal values and have not been adjusted for inflation rates. The official government inflation rates during FY 11 and FY 12 were 13.7% and 11.0%. The latest available yield of portfolio (*borrower cost of funds*) of Pakistan’s microfinance sector is approximately 26%.

Section 10

VIEWS ABOUT BORROWING



Section 10

VIEWS AND OPINIONS ABOUT BORROWING

The questionnaire was designed in such a way so as to provide the facts and figures on the results of micro-financing. However, it also included a few questions that offer some insight into the views and opinions of the borrower and how he or she felt regarding the loan and other services offered by the PPAF.

Attitude towards borrowing from other sources

Out of the entire borrower sample, 93% of the individuals borrowed only from PPAF while 7% also borrowed from other sources such as banks, friends and family. Among those who borrowed from other sources as well, 1% of the individuals borrowed from the commercial banks, 1% from money lenders, 24% of these individuals borrowed from relatives or friends, 80% borrowed from NGO/PO while 1% borrowed from their landlords and 1% from arhti (informal moneylenders).²⁵

7% of the people who had borrowed from other sources were bound to pledge some form of collateral against the loan. Among the 7% of borrowers from other sources, 2% pledged collateral in the form of land, 2% in the form of house, 6% in the form of personal guarantee and 88% in the form of guarantee of someone else.

Views of need fulfillment and preferred value of loan

The average value of the amount of loan that had been obtained was reported to be approximately Rs. 22,438, while the average value of the loan they desired was around Rs. 32,481. The table reflects borrowers' desired loan amount.

Table 10.1

Loan Requirement

	Number of Borrowers	
	Count	Percentage
Up to 5,000 Rs.	-	-
5,001 to 10,000 Rs.	95	4%
10,001 to 30,000 Rs.	1615	65%
30,001 and above Rs.	793	32%
Total	2503	100%

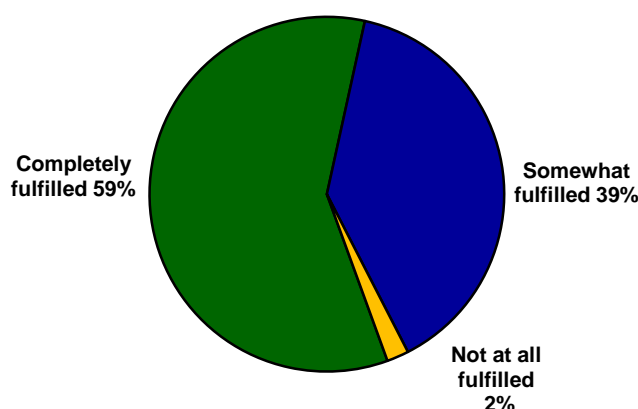
The statistics show that 0% of the borrowers showed a preference for loan amounting up to Rs. 5,000 while 4% preferred loans ranging from over Rs. 5,000 to Rs. 10,000. 65% of the borrower sample expressed a loan requirement ranging from over Rs. 10,000 to Rs. 30,000 and lastly, 32% showed a preference for loans greater than Rs. 30,000.

²⁵ The percentages do not add up to one hundred due to multiple responses.

The borrowers were then asked how they compensated for the difference between the amount they required and the amount that was provided to them. 5% responded stating that they borrowed from someone else while 3% responded that they took assistance. 71% resorted to the use of their own savings to meet their requirements while 22% were unable to compensate.

The questionnaire went on to ask the borrowers how satisfied they felt with the loan that had been provided to them. 59% of the respondents felt that their needs were completely fulfilled through the loan while 39% felt that their needs had somewhat been fulfilled and 2% were not at all satisfied by the PPAF loan given to them.

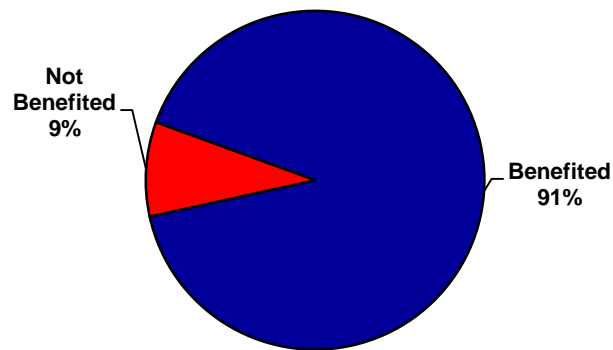
Figure 10.1
Fulfillment of need through loan



Another question that was put forward to the borrower households was whether they felt that their life had changed after obtaining the loan. Some of the responses given by the borrowers were as follows: 21% individuals felt that they could now meet their household expenses. 13% of the individuals had new facilities introduced in their lives. 41% experienced success in business and 50% stated an increase in income. 66% saw an improvement in their economic condition while 8% felt that their lives had not changed since obtaining the loan.

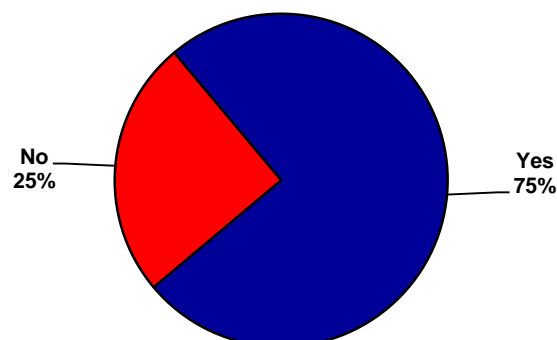
On the whole, it can be seen that 91% of the borrowers felt that the loan had benefited them while 9% felt that it had not benefited them in any substantial way.

Figure 10.2
Benefited from taking loan



In addition, the borrowers were also asked if they would like to obtain another loan from PPAF. 75% replied that they would like to participate in the micro-credit services again while 25% replied that they would not.

Figure 10.3
Would you like to borrow from the PPAF again?



Section 11

POVERTY SCORECARD





Section 11 POVERTY SCORECARD

Out of the 2503 borrower households, there were 975 poor households which form 39% of the borrower sample, and 1,528 non-poor households which form 61% of the borrower sample. Among 39% of poor households, 1% were declared as extremely poor, 3% were chronically poor, 5% were transitory poor, while 30% were declared as transitory vulnerable. And among 61% of the non-poor households 45% were declared as transitory non-poor while 16% were declared as non-poor.

Table 12.1

COMPARISON OF CURRENT POVERTY SCORECARD RESULTS WITH THE 3RD PHASE SURVEY

Score Range	Outcome Assessment Survey 2009				Outcome Assessment Survey 2012			
	Borrowers		Non-borrowers		Borrowers		Non-borrowers	
A	Count	%	Count	%	Count	%	Count	%
0-11 (Extremely Poor)	19	1	12	1	13	1	12	0
12-18 (Chronically Poor)	95	5	78	4	80	3	65	3
19-23 (Transitory Poor)	126	6	153	7	135	5	158	6
24-34 (Transitory Vulnerable)	601	29	603	29	747	30	798	32
35-50 (Transitory Non-poor)	917	44	997	48	1,122	45	1,108	44
51-100 (Non-poor)	312	15	249	12	406	16	362	14
Total	2,070	100	2,092	100	2,503	100	2,503	100



Table 12.2

Comparison of current poverty scorecard results with the 3rd phase survey

Score Range	Outcome Assessment Survey 2009				Outcome Assessment Survey 2012			
	Borrowers		Non-borrowers		Borrowers		Non-borrowers	
A	Count	%	Count	%	Count	%	Count	%
Poor Households ²⁶	841	41	846	40	975	39	1,033	41
Non-poor Households	1,229	59	1,246	60	1,528	61	1,470	59
Total	2,070	100	2,092	100	2,503	100	2,503	100

²⁶

Poverty score with 0-34 are declared as Poor households and score with 35-100 are declared as Non-poor households



SAMPLE PROFILE





SAMPLE PROFILE

The households contacted for the purposes of this survey were carefully selected from all four provinces and represented all the 29 Partner Organizations funded by the PPAF. The fieldwork was conducted in 33 selected districts across the country where micro-credit borrowing was active up to 31st December, 2011.

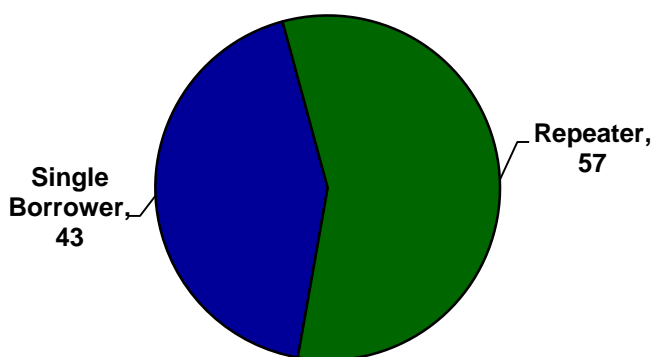
National distribution of the sample

PPAF Planned and Achieved Sample of Households					
Province	District	Planned Sample	Achieved Sample		
		(Borrowers)	All	Borrowers	Non-Borrowers
PUNJAB	Attock	35	70	35	35
	Bhakkar	90	180	90	90
	Bahalwalpur	33	74	37	37
	Faisalabad	102	248	124	124
	Gujranwala	134	266	133	133
	Jhelum	40	76	38	38
	Kasur	41	82	41	41
	Lahore	360	954	477	477
	Mianwali	86	178	89	89
	Multan	82	150	75	75
	Rahimyar Khan	51	88	44	44
	Rawalpindi	79	146	73	73
	Sahiwal	48	178	89	89
	Sheikhupura	111	204	102	102
	Gujrat	56	112	56	56
	Jhang	33	66	33	33
	Khanewal	39	76	38	38
	Khushab	77	146	73	73
	Nankana Sahib	40	80	40	40
	Sargodha	151	238	119	119
	Sialkot	34	70	35	35
	Total	1722	3682	1841	1841
SINDH	Karachi	177	68	34	34
	Khairpur	42	50	25	25
	Matlari	62	126	63	63
	Nawabshah (SBA)	35	148	74	74
	Sanghar	121	232	116	116
	Dadu	49	98	49	49
	Noushero Froze	53	128	64	64
	Hyderabad	87	174	87	87
	Tharparkar	52	104	52	52
	Umerkot	70	136	68	68
	Total	748	1264	632	632
KPK	Nowshera	1	2	1	1
	Total	1	2	1	1
BALOCHISTAN	Quetta	29	58	29	29
	Total	29	58	29	29
	G.Total	2500	5006	2503	2503

A brief socio-economic profile of the sample is given below:

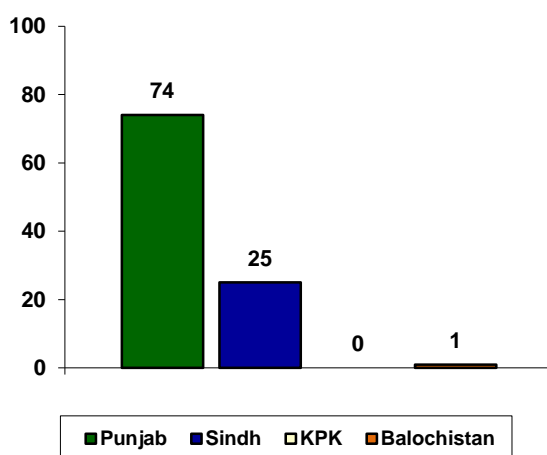
Number of loans taken within the last two years²⁷

The treatment group sample is divided such that 43% of the borrowers are those who have taken a loan from the PPAF for the first time during the period under study, while 57% are those individuals who have borrowed more than once during the study period.



Provincial Distribution: A province-wise analysis of the sample shows that 74% of the respondents were selected from Punjab, 25% from Sindh, <1% from KPK and 1% from Balochistan.

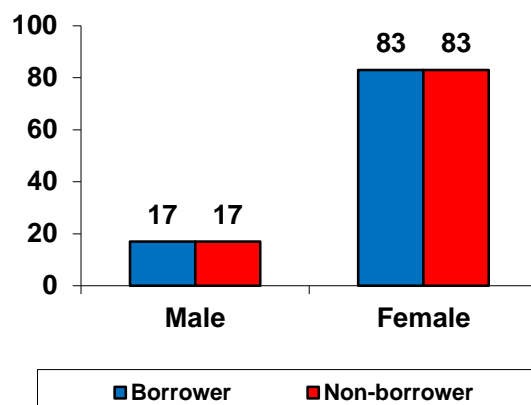
Province-wise distribution of the sample



Gender Distribution: The sample included both male and female borrowers and non-borrowers which made a gender-wise analysis of the sample necessary. It can be observed that there are a greater number of females, both, borrowers and non-borrowers. 83% of the borrowers are female while 17% are male, and for the non-borrowers the proportions are similar (17% males and 83% females).

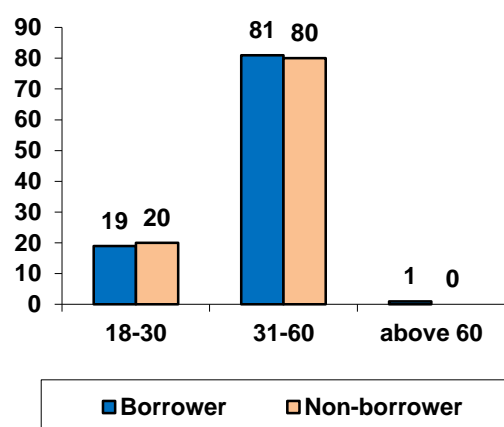
²⁷ The loans referred to here are strictly PPAF Micro-credit loans.

Gender-wise distribution of the sample



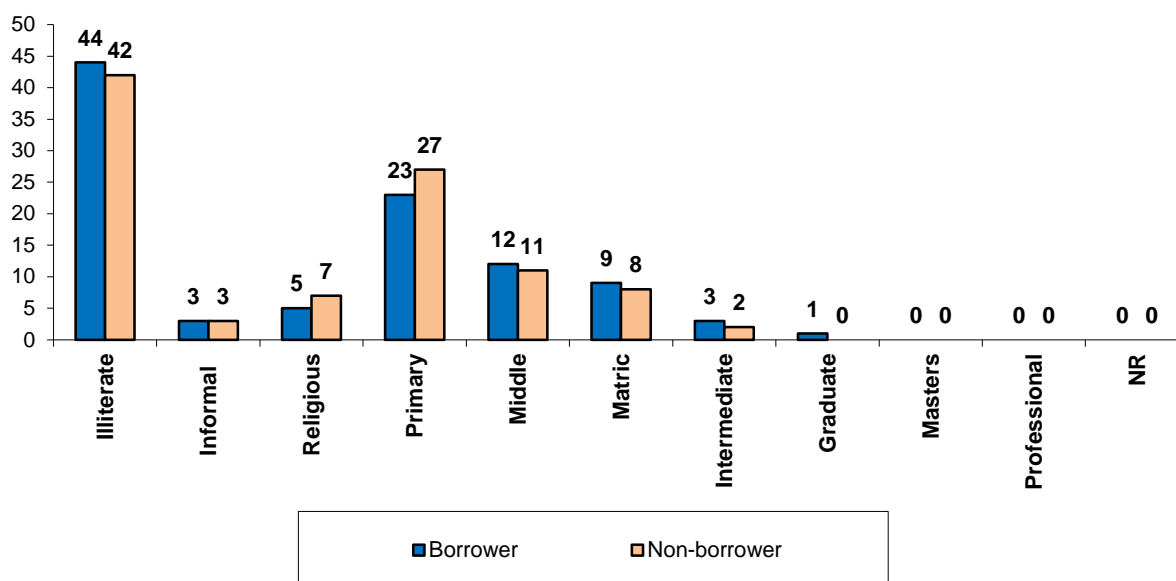
Age Distribution: The sample comprised of men and women in the age range of 20-99 years for borrowers and 20 to 98 years for non-borrowers respectively.. 19% borrowers and 20% of non-borrowers fell in the '18-30 years' age-group while 1% and 0% of borrowers and non-borrowers, respectively, fell in the 'above 60 years' group.²⁷ The majority lay in the '31-60 years' age category with 81% among borrowers and 80% among non-borrowers respectively.

Age distribution of the sample



Literacy Distribution: Categorizing the sample according to varying levels and types of education, it can be seen that 44% of the borrowers and 42% of the non-borrowers did not receive any type of schooling, formal or informal, whereas, 3% of borrowers and non-borrowers did receive an informal education. 5% of borrowers and 7% of non-borrowers received some form of religious education. 23% of borrowers and 27% of non-borrowers received primary schooling. Only 1% of borrowers and 0% of non-borrowers went on to complete their intermediate and there were very few/ none individuals with post-graduate education. Overall, the literacy levels appear to be consistent for both groups.

Literacy distribution of the sample

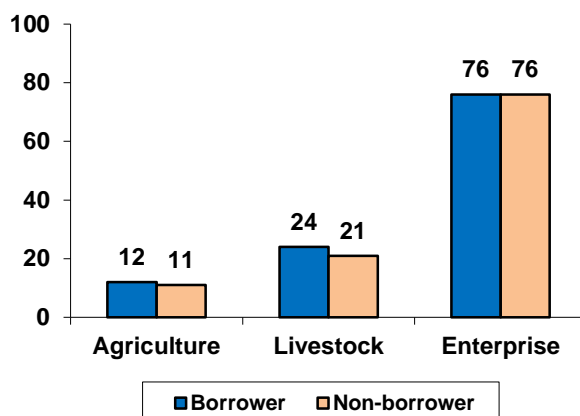


Economic Activity: PPAF membership includes three categories of borrowers who belong to agriculture, livestock and enterprise/commerce.

- Agriculture-related are defined as those who cultivate either their own land or others' land on lease.
- Livestock related are defined as those who keep animals and use their produce for consumption or for earning income.
- Enterprise/commerce related are defined as those who operate any other non-agriculture enterprise for the purpose of earning an income.

PPAF provides a loan for just the abovementioned three categories. The data shows that around 12% cultivate land, 24% keep livestock and 76% are involved in enterprise/commerce. Similarly, 11% of the non-borrowers cultivate land, 21% keep livestock and 76% are entrepreneurs. Since several respondents have more than one occupation the sum of the percentages is greater than one hundred.

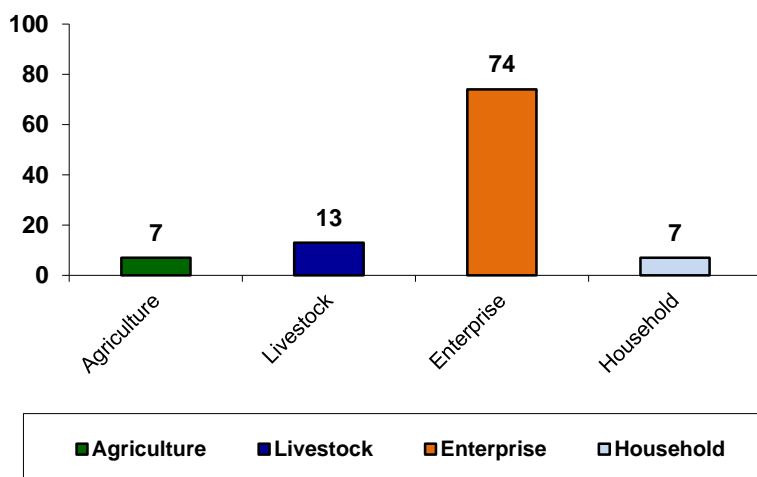
Occupational distribution of the sample



The distribution of economic activity among borrowers belonging to various provinces shows that in Punjab, 7% of borrowers were employed in the agriculture sector; 18% kept livestock and 78% were entrepreneurs. The figures for Sindh are 26%, 42% and 72%, respectively and for Balochistan there were entrepreneurs (97%) and livestock (3%).

Purpose of Loan: The sample of borrowers was analyzed according to the purpose for which the loan was taken. Figures show that 7% of the client sample borrowed for agricultural purposes, 13% for livestock and 74% for the purpose of enterprise/commerce. In addition, 7% of the borrowers also reported to have obtained the loan for household expenses.

Distribution of the sample by loan purpose





The table below provides a summary of the demographics of the borrowers in the sample:

Summary of the socio-economic profile of the borrowers included in the sample

Characteristics		%
Occupation*	Agriculture	12
	Livestock	24
	Enterprise	76
Gender	Male	17
	Female	83
Type of land	Irrigated	45
	Arid	27
	Both	28
Purpose of loan**	Agriculture	7
	Livestock	13
	Enterprise	74
	Household Expenses	7
Status	Repeated Borrower	57
	Single Borrower	43
Loan Duration	1-6 months	88%
	7-11 months	12%
Usage of PPAF Facilities (Borrowers & Non-Borrowers)	Only credit intervention	95
	Credit + non-credit intervention	5
Average loan value received	Rs. 22,438	

* Multiple responses allowed as the respondent may be associated with more than one occupation.

** Multiple responses allowed as the respondent may have more than one loan purpose.



List of PPAF Partner Organizations Covered

Sr No.	POs
1	AnjumanFalah-o-Behbood (AFB)
2	Asasah
3	BhaahnBeli (BB)
4	BLCC (Bunyad Literacy Control Centre)
5	Community Support Concern (CSC)
6	Centre for Women's Cooperative Development (CWCD)
7	Development Action for Mobilization and Emancipation (DAMEN)
8	Indus Resource Centre (IRC)
9	Jinnah Welfare Society (JWS)
10	Karwan Community Development Organization (KCDO)
11	Kashf Foundation (KF)
12	KhwendoKor (KK)
13	Marvi Rural Development Organization (MRDO)
14	Narowal Rural Development Programme (NRDP)
15	National Rural Support Programme (NRSP)
16	Orangi Charitable Trust (OCT)
17	Orix Leasing Private Limited (OLPL)
18	Organization for Participatory Development (OPD)
19	Punjab Rural Support Programme (PRSP)
20	Rural Community Development Society (RCDS)
21	Sind Agricultural & Forestry Worker's Coordinating Organization (SAFWCO)
22	Sindh Rural Support Organization (SRSO)
23	Sarhad Rural Support Programme (SRSP-N)
24	Sindh Rural Support Programme (SRSP-S)
25	Save The Poor (STP)
26	Swabi Women Welfare Society (SWWS)
27	Thardeep Rural Development Programme (TRDP)
28	Women Social Organization (WSO)
29	Young Pioneers Society (YPS)

Annexure 1

CREDIT & NON-CREDIT INTERVENTION





INTRODUCTION

This section explores the impact of micro-credit in the presence and in the absence of PPAF non-credit interventions. The purpose of this analysis is to examine whether or not PPAF non-credit interventions such as health and education, community physical infrastructure and water management have any effect on the impact of micro-credit in the lives of borrowers.²⁸ This section simply presents the results and has not been tested for statistical significance. With respect to the usage of PPAF facilities, the ratio of credit service users to credit and non-credit services users is 95 to 5.

²⁸ The purpose of this analysis is not to measure the effect of PPAF non-credit interventions exclusively, thereby, making this study comparable to the 2001 and 2005 studies.



PPAF CREDIT INTERVENTION





Section 1

CHANGE IN INCOME

PERSONAL INCOME

Table 1.1a

CHANGE IN PERSONAL INCOME Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	17	1%	27	1%
Nil	930	39%	988	41%
1% to 10%	66	3%	78	3%
11% to 20%	426	18%	476	20%
21% to 30%	280	12%	322	13%
31% to 50%	367	15%	366	15%
51% and above	303	13%	164	7%
Total	2,389	100%	2,421	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Personal Income (<i>current year</i>)	5,990	5,701
Average Monthly Personal Income (<i>previous year</i>)	4,654	4,662
Change in Mean Personal Income	29%	22%

Conclusion: On average, borrowers who participated only in the micro-credit services program offered by the PPAF and did not use the PPAF non-credit interventions, experienced a 29% increase, from Rs. 4,654 to Rs. 5,990, in mean personal income. This was a greater percentage change as compared to the 22% increase, from Rs. 4,662 to Rs. 5,701 experienced by non-borrowers who also did not use the PPAF non-credit interventions.

**HOUSEHOLD INCOME**

Table 1.2a

CHANGE IN HOUSEHOLD INCOME
Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	11	0%	25	1%
Nil	52	2%	117	5%
1% to 10%	358	15%	486	20%
11% to 20%	896	38%	992	41%
21% to 30%	516	22%	456	19%
31% to 50%	409	17%	279	12%
51% and above	147	6%	66	3%
Total	2,389	100%	2,421	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Household Income (<i>current year</i>)	20,448	19,460
Average Monthly Household Income (<i>previous year</i>)	16,866	16,628
Change in Mean Household Income	21%	17%

Conclusion: Controlling for the lack of usage of non-credit interventions provided by the PPAF, it can be observed that borrowers experienced a 21% increase (from Rs. 16,866 to Rs. 20,448) in mean household income compared to a 17% increase (from Rs. 16,628 to Rs. 19,460) by the non-borrowers.

GROSS ANNUAL INCOME FROM 3 KEY SECTORS

Gross annual income has been measured by estimating the incomes from 3 core sectors: Agriculture, Livestock and Enterprise/Commerce. In each case, income includes cash income and the imputed value of own production which was consumed by the household.

AGRICULTURE

Table 1.3a

Change in Gross Annual Income Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	5	2%	0	0%
Nil	4	2%	16	8%
1% to 10%	40	20%	59	30%
11% to 20%	78	38%	55	28%
21% to 30%	43	21%	37	19%
31% to 50%	22	11%	25	13%
51% and above	13	6%	5	3%
Total	205	100%	197	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Agriculture (<i>current year</i>)	193,037	180,863
Average Gross Income from Agriculture (<i>previous year</i>)	180,246	171,362
Change in Gross Income from Agriculture	7%	5%

Conclusion: The results in the tables above show that 96% of borrowers and 92% of non-borrowers experienced an increase in agriculture income. The value of average gross income from agriculture for borrowers rose from Rs. 180,246 to Rs. 193,037 which equaled a 7% increase in mean income. Non-borrowers experienced a 15% increase in mean income as average income values rose from Rs. 171,362 to Rs. 180,863.

**LIVESTOCK**

Table 1.3b

Change in Gross Annual Income
Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	17	3%	9	2%
Nil	63	11%	41	8%
1% to 10%	42	7%	69	14%
11% to 20%	111	20%	149	30%
21% to 30%	135	24%	94	19%
31% to 50%	104	18%	88	18%
51% and above	96	17%	49	10%
Total	568	100%	499	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Livestock (<i>current year</i>)	111,663	123,410
Average Gross Income from Livestock (<i>previous year</i>)	87,202	101,882
Change in Gross Income from Livestock	28%	21%

Conclusion: The results in the tables above show that non-borrowers have fared better than borrowers. 86% of the borrowers experienced an increase in livestock income while 90% of the non-borrowers saw a rise. The value of average gross income from livestock for borrowers rose from Rs. 87,202 to Rs. 111,663 which equaled a 28% increase in mean income. Non-borrowers experienced a 21% increase in mean income as average income values rose from Rs. 101,882 to Rs. 123,410.

ENTERPRISE

Table 1.3c

Change in Gross Annual Income Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	14	1%	31	2%
Nil	34	2%	95	5%
1% to 10%	167	10%	217	12%
11% to 20%	498	28%	573	31%
21% to 30%	358	20%	406	22%
31% to 50%	415	24%	389	21%
51% and above	264	15%	113	6%
Total	1,750	100%	1,824	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Enterprise (<i>current year</i>)	161,924	155,240
Average Gross Income from Enterprise (<i>previous year</i>)	132,510	130,593
Change in Gross Income from Enterprise	22%	19%

Conclusion: The results in the tables above show that borrowers have fared better than non-borrowers. 97% of the borrowers experienced an increase in income from enterprise while 93% of the non-borrowers saw a rise. The value of average gross income from enterprise for borrowers rose from Rs. 132,510 to Rs. 161,924 which equaled a 22% increase in mean income. Non-borrowers experienced a 19% increase in mean income as average income values rose from Rs. 130,593 to Rs. 155,240.

Section 2

CHANGE IN CONSUMPTION

Table 2.1a

Change in Mean Expenditure

	Borrower (Rs.)	Non-borrower(Rs.)
Average Monthly Expenditure (<i>current year</i>)	161,924	155,240
Average Monthly Expenditure (<i>previous year</i>)	132,510	130,593
Change in monthly expenditure	22%	19%

Table 2.2a

Percent of Borrowers and Non-borrowers Who Experienced Change in Household Expenses during the Study Period

Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	18	1%	21	1%
Nil	92	4%	136	6%
1% to 10%	473	20%	573	24%
11% to 20%	876	37%	927	38%
21% to 30%	533	22%	469	19%
31% to 50%	320	13%	253	10%
51% and above	77	3%	42	2%
Total	2,389	100%	2,461	100%

Conclusion: Analysis of the mean change in household consumption in the absence of non-credit intervention reveals that Borrowers' expenditure rose from an average of Rs. 132,510 to Rs. 161,924 which is a 22% increase. Non-borrowers, on the other hand, experienced a 19% increase from an average of Rs. 130,593 to Rs. 155,240.

Change in Expenditure on Overall Food & Key Household Items

This section looks at the change in the monetary value of overall food. In addition, it looks at a list of certain basic food items along with other household goods such as soap and fuel.

Table 2.3a

The percentage change below represents the change in the monetary value of the items consumed during the period under study

	Borrower	Non-borrower
Overall Food	17%	15%
Wheat/ Flour	16%	16%
Rice	22%	22%
Pulses	21%	20%
Spices	20%	19%
Chicken	25%	23%
Mutton	27%	43%
Beef	28%	27%
Fish	33%	27%
Vegetable	18%	17%
Fruit	25%	23%
Sugar	19%	19%
Tea	18%	17%
Egg	30%	27%
Milk	15%	14%
Ghee/ Oil	16%	15%
Fuel	20%	20%
Soap/ Laundry	19%	19%
Canned Food	26%	21%

Conclusion: Keeping lack of non-credit intervention constant, it can be seen that borrowers and non-borrowers experienced equal percentage changes with respect to wheat (16%), rice (22%), sugar (19%), fuel (20%) and soap (19%). For the remaining items, borrowers saw a greater increase than non-borrowers in the monetary value for overall food, pulses, beef, chicken, fish, vegetable, fruit, tea, egg, milk, ghee/oil and canned food. Non-borrowers experienced greater increases than borrowers in the monetary values of mutton.



Change in Consumption of Home Produced Items

The table below presents the percentage changes in consumption for a list of home produced items (food and fuel).²⁹

Table 2.4a
Change in consumption of home produced items

	Borrower	Non-borrower
Milk	19%	15%
Eggs & Chicken	136%	4%
Wheat	2%	11%
Rice	11%	11%
Fuel (wood, kerosene, oil, etc)	12%	12%

Conclusion: The changes in consumption patterns of the home produced items listed above are observed to be greater for borrowers than for non-borrowers in terms of milk and poultry. However, non-borrowers had the advantage over borrowers in the case of wheat. There was equal increase for both groups in terms of rice and fuel.

²⁹ Those items which had sample sizes that were too small to allow for meaningful analysis are not given here.

Section 3

CHANGE IN ASSETS

This section analyzes the change in assets owned by individuals who participated in the micro-credit program but did not have access to the non-credit facilities offered by the PPAF. Assets include financial assets, consumer durables, assets related to agriculture and livestock and land and property.

Financial Assets

The table below presents the results for a list of financial assets. For the sake of clarity certain items were grouped together. 'Cash and financial instruments' include bank accounts, foreign cash and cash in rupees and savings certificates. 'Advances, loans and pre-payments' include deposits in the form of advances and committees. Analysis was carried out on borrowers and non-borrowers and then further assessment was carried out by categorizing according to borrower type (those who have borrowed for the first time and those who have borrowed before).

Table 3.1a

Change in Financial Assets

Financial Assets	Percentage change in Average Monetary Value of Financial Assets	
	Borrower	Non-borrower
Cash & financial instruments	48%	27%
Advances, loans & pre-payments	14%	0.42%
Gold Jewelry	-0.5%	7%

	Borrowers			Non-borrowers
	First timer	Repeaters	All	
Cash & financial instruments	53%	45%	48%	27%
Advances, loans & pre-payments	-1.56%	21%	14%	0.42%
Gold Jewelry	-8%	3%	-0.5%	7%

Conclusion: Looking at borrowers and non-borrowers, it can be seen that with respect to cash and financial instruments, borrowers saw a 48% rise in the average monetary value compared to a 27% rise experienced by non-borrowers. Similarly, borrowers experienced a 14% increase in the value of advances, loans and pre-payments, compared to a 0.4% increase experienced by non-borrowers. With respect to gold, borrowers experienced a 0.5% decrease compared to a 7% increase experienced by the non-borrowers. Therefore, it can be seen that borrowers have experienced overall increase in two categories.

Breaking down the borrowers into first timers and repeaters, we can see that in general repeated borrowers have fared better than first time borrowers.

Acquisition of Consumer Durables

Table 3.2

Positive change in ownership of household durables
Percent of households that acquired the asset during the study period and
the average value of the asset

	Borrower		Non-borrower	
	Percentage	Average Expenditure (Rs.)	Percentage	Average Expenditure (Rs.)
Tape Recorder	2%	2,575	1%	2,000
Mobile Phone	4%	3,041	3%	2,896
Radio	1%	1,000	0%	500
Air Cooler	3%	5,893	2%	6,657
Iron	1%	1,989	1%	1,953
Television	2%	5,787	1%	6,194
Motorcycle	6%	42,136	2%	55,818
Fan	2%	3,097	1%	2,928
Bicycle	3%	4,021	2%	3,911
Sewing Machine	3%	6,398	2%	4,197
Washing Machine	2%	8,129	2%	7,587
Refrigerator	2%	34,360	1%	26,333
Cooking Range	1%	1,920	0%	2,400
Suitcase	0%	5,000	0%	41,117

Conclusion: Keeping ‘lack of usage of non-credit intervention by the PPAF’ constant, it can be seen that the changes in ownership of the household durables listed above are somewhat equal for borrowers and non-borrowers for most items. The two groups faced equal percentage changes in the case of irons (1%) and washing machines (2%) Borrower households had the advantage over non-borrowers in the case of mobile phones, radio, air cooler, TV, motorcycle, fan, bicycle, sewing machine, refrigerator and cooking range.

Livestock, Agriculture and Land & Property Assets

The table below lists the direction of change in some of the livestock related assets belonging to borrowers and non-borrowers. Other assets such as bulls, bullocks, sheep, horses and camels have not been tabulated separately as their sample sizes were extremely small.

Livestock Related Assets

Table 3.3a

Acquisition of Livestock related assets

Change in number of...	Direction of change	Borrower (%)	Non-borrower (%)	Borrowers who took loan for livestock (%)
Cow	Negative change	1%	2%	0%
	No change	52%	65%	50%
	Positive change	47%	33%	50%
Buffalo	Negative change	2%	1%	2%
	No change	67%	80%	56%
	Positive change	31%	20%	42%
Goat	Negative change	4%	2%	3%
	No change	48%	54%	47%
	Positive change	48%	44%	50%
Donkey	Negative change	0%	0%	0%
	No change	96%	98%	97%
	Positive change	4%	2%	3%
Chicken	Negative change	0%	5%	0%
	No change	52%	75%	46%
	Positive change	48%	20%	54%

Looking at the results in the table above, it can be observed that borrowers have generally acquired more livestock than non-borrowers. Borrowers experienced a 47% increase in the number of cows compared to a 33% increase by the non-borrowers. In the case of buffaloes, borrowers experienced a 31% increase compared to a 20% experienced by the non-borrowers. In the case of donkeys, borrowers faced a 4% increase compared to non-borrowers who faced 2% change. With regard to the last category of livestock, borrowers saw a 48% rise in the number of chicken acquired compared to the 20% rise experienced by non-borrowers.

Agriculture Related Assets

Respondents were asked if they owned the following list of agricultural equipments and vehicles and if they responded positively then they were asked which year they purchased the item in.

Table 3.4a

Percentage of Individuals who Acquired Agriculture Related Assets

	Borrower		Non-borrower	
	Previous	Current	Previous	Current
Trolley	0%	100%	0%	100%
Agriculture equipment	0%	100%	0%	100%
Thresher	0%	100%	0%	100%
Tractor	0%	100%	0%	100%
Truck	0%	100%	0%	100%

The results displayed in the table above show that for all items, borrowers and non-borrowers alike, acquired the asset in the current year.

Land and Property

The tables below present the results for land and property for borrowers and non-borrowers, respectively.

Table 3.5a

Positive change in land holding

	Borrower			Non-borrower		
	Mean (CY)	Mean (PY)	% Change	Mean (CY)	Mean (PY)	% Change
Total Land Holding (Kanals)	72	72	0%	68	68	0%
Cultivated Land (Kanals)	67	66	2%	62	62	0%
Monetary value of land (Rs)	3,605,536	3,452,357	4%	3,317,045	3,152,670	5%

The values in the table above suggest that the total land holding did not change over the period under study with respect to the borrower group and the non-borrower group. Borrowers had a 2% increase in cultivated land compared to none for the non-borrowers. Overall, non-borrowers seem to have experienced a greater percentage change in the monetary value of land (5% for non-borrowers and 4% for borrowers).



Table 3.6a

Percentage of Individuals who Acquired Property

	Borrower		Non-borrower	
	Previous	Current	Previous	Current
House	100%	0%	99%	1%
Plot	100%	0%	100%	0%

Respondents were asked to state whether they had bought any house or plot in the previous or current years. Out of all the borrowers who replied positively to having acquired these assets, 100% had purchased plots or house in the previous years. In the case of non-borrowers, house was bought in previous year in 99% of the cases and all bought plot in the previous year.



Section 4

ADDITIONAL EMPLOYMENT GENERATION

This section refers to additional paid employment generated as a result of the loan. 'Paid Employment' refers to workers who are employed in exchange for a salary. This does not include workers who are paid in kind for their services. Furthermore, no distinction has been made between full-time and part-time employment.

Table 4.1a

Change in average Paid Employment

	Borrower		Non-borrower	
	Average # of workers		Average # of workers	
Agriculture: Current year	2.17	(n=6)	-	(n= 0)
<i>Previous year</i>	2.17	(n=6)	-	(n=0)
Livestock: Current year	1.00	(n=2)	1.0	(n= 10)
<i>Previous year</i>	-	(n=0)	1.0	(n= 3)
Enterprise: Current year	2.22	(n=63)	2.20	(n=46)
<i>Previous year</i>	2.12	(n=59)	2.03	(n=37)

Conclusion: It can be seen from the data displayed in the table above, that neither of the two groups, the borrowers and non-borrowers, made any significant contribution to the generation of additional paid employment. Some increase was seen in enterprise sector for both groups.

Section 5

CHANGE IN OPERATING SURPLUS

As mentioned in the technical note, operating surplus has been computed by calculating the difference between a household's total income and total expenditure.

Table 5.1a

		Borrower (%)	Non-borrower (%)
Current year	Negative Operating Surplus	0%	0%
	No Operating Surplus	11%	12%
	Operating Surplus	89%	88%
Previous year	Negative Operating Surplus	1%	0%
	No Operating Surplus	17%	16%
	Operating Surplus	82%	84%

Percentage change in number of respondents who were able to accrue...	Negative Operating Surplus	-100%	0%
	No Operating Surplus	-35%	-25%
	Operating Surplus	8%	5%

	Borrower (Rs.)	Non-borrower (Rs.)
Mean operating surplus (<i>current year</i>)	6,362	5,689
Mean operating surplus (<i>previous year</i>)	4,996	4,766
Change in mean operating surplus	27%	19%

The third table shows that the borrower group has experienced a greater change in mean operating surplus than the non-borrower group (27% for borrowers and 19% for non-borrowers).



Section 6

CHANGE IN PERSONAL LIFESTYLE

This topic was analyzed through evaluating the change in variables such as house repair, expenses on miscellaneous events and items, household facilities and agricultural inputs during the period under study, among both, borrower and non-borrower households.

Investments

Table 6.1a

Expenditure on House Repair

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on house repair	9,109	4,292	112%	4,357	4,134	5%

Conclusion: The figures in the table above show the mean expenses over the past two years and their percentage changes, for borrowers and non-borrowers. It can be seen that borrowers experienced a 112% increase in expenditure on house repair as compared to 5% experienced by the non-borrowers.

Table 6.2a

Household Utilities

	Borrower (%)	Non-borrower (%)
Latrine construction	3%	1%
Water connection	2%	1%
Electricity connection	0%	0%
Gas connection	0%	0%
Telephone connection	0%	4%

Conclusion: Overall, participation in the micro-credit program does not seem to have brought about any significant addition to the facilities used in borrower households. The change in the case of latrine construction is 3% for borrowers and 1% for non-borrowers. The percentages (2% vs. 1%) apply in the case of water connections for borrowers and non-borrowers respectively. Non-borrowers fared better in the case of telephone connections (4% non-borrowers and 0% borrowers) while none of both groups acquired gas connections or electricity connections.



Change in discretionary expenditures

Table 6.3a
Discretionary Expenditures

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on wedding ceremonies	5,580	4,075	37%	4,754	3,994	19%
Expenditure on funerals	2,912	1,736	68%	1,637	1,581	3.5%
Expenditure on recreation	2,341	1,895	24%	2,355	1,948	21%
Expenditure on children's toys	1,224	986	24%	1,258	1,038	21%

Change in non-discretionary expenditures

Table 6.3b

Non-discretionary Expenditures

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on education (male children)	3,028	2,530	20%	3,035	2,499	21%
Expenditure on education (female children)	2,606	2,202	18%	2,377	1,931	23%
Expenditure on illness	3,063	2,237	37%	2,658	2,174	22%
Expenditure on traveling	3,207	2,713	18%	3,102	2,634	18%

Conclusion: Borrowers experienced a greater change in expenditure on most things. But non-borrowers had a greater increase in expenditure on female children education.

Change in the use of agricultural inputs

The following two tables present the results on the expenditure on agriculture inputs which include fertilizer, water for irrigation and seeds.

Table 6.4a
Expenditure on Agricultural Inputs

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on fertilizer	34,939	34,139	2.3%	32,163	32,848	-2%
Expenditure on irrigation	8,777	7,978	10%	7,053	6,837	3%

Conclusion: As shown in the table above, the percentage change in mean fertilizer expenses is greater for borrowers than for non-borrowers (2.3% for borrowers and -2% for non-borrowers). Similarly, in the case of expenditure on irrigation, borrowers also have a greater percentage mean change than non-borrowers (10% for borrowers and 3% for non-borrowers).

Change in the use of seed type

Table 6.5a
Use of Seed Type

Type of Seed		Borrower (%)	Non-borrower (%)
Type of seed used during the current year	Most Expensive	35%	33%
	Inexpensive	23%	25%
	Cheap	2%	1%
	Own Produced	40%	40%
Type of seed used in previous year	Most Expensive	26%	22%
	Inexpensive	28%	30%
	Cheap	3%	4%
	Own Produced	42%	44%

Conclusion: For both, borrowers and non-borrowers, the seed type used most often in the current year is the most expensive one (35% for borrowers and 33% of non-borrowers).



Section 7

CHANGE IN PERSONAL SOCIAL STATUS

Table 7.1a

Perception about change in personal social status*Figures are column percentages*

		Total (%)	Male (%)	Female (%)
How has your social status been affected after taking the loan?	Increased	64%	70%	63%
	Decreased	2%	3%	2%
	Unchanged	34%	27%	36%
Has the importance of your opinion regarding child marriages ...?	Increased	72%	69%	60%
	Decreased	8%	3%	5%
	Unchanged	19%	28%	35%
Has the importance of your opinion regarding decisions on education of children ...?	Increased	69%	67%	58%
	Decreased	11%	7%	6%
	Unchanged	20%	26%	36%
Has the importance of your opinion in resolving family disputes ...?	Increased	58%	61%	45%
	Decreased	15%	9%	12%
	Unchanged	26%	30%	43%
Has the importance of your opinion in making business decisions ...?	Increased	64%	67%	55%
	Decreased	13%	9%	7%
	Unchanged	23%	24%	38%
Has the importance of your opinion in purchase or sale of household items ...?	Increased	60%	62%	50%
	Decreased	13%	6%	7%
	Unchanged	26%	32%	43%
Has the importance of your opinion in purchase and sale of property ...?	Increased	57%	60%	47%
	Decreased	12%	6%	6%
	Unchanged	31%	34%	47%



Control over Resources

Table 7.1b

Control over income before & after loan

Figures are column percentages

	Response	Total	Male	Female
Control on resources currently	Keep all income to yourself	39%	42%	39%
	Gave all to husband/family	27%	23%	28%
	Partially with self and partially to husband/family	34%	35%	34%
Control on resources at the start of the period under study	Kept all income to yourself	40%	40%	39%
	Gave all to husband/family	27%	23%	28%
	Partially with self and partially to husband/family	34%	36%	34%

Conclusion: Comparing both years, it can be seen that males have had slightly greater control over resources when it came to keeping all the income to them. In the current year, 42% of males kept all the income to themselves while 39% females were able to do the same. Similarly, in the previous year, 40% of the males kept all the income to themselves compared to 39% of females. Looking at the male-female ratios for the second category, ‘gave all to husband/family’, it can be seen that more females handed over their entire income to their spouses as compared to the number of males. Similar ratios can be observed for the third category, ‘partially with self and partially to husband/family’.



Section 8

FEMALE MOBILITY

Female respondents' mobility was assessed by asking them how often they go out of homes. The responses have been filtered for 'absence of PPAF non-credit interventions' and have been tabulated below.

	Borrower (%)		Non-borrower (%)	
	Before	After	Before	After
Often	7%	7%	6%	7%
Sometimes	69%	69%	69%	68%
Never	24%	23%	26%	25%

The results show that females have experienced very little change, if any at all, in the frequency with which they go outside of their homes, both among borrowers and non-borrowers.



PPAF CREDIT AND NON-CREDIT INTERVENTION





Section 1

CHANGE IN INCOME

Table 1.1a

CHANGE IN PERSONAL INCOME
Number of persons affected by change**Change in Mean Income**

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	3	3%	0	0%
Nil	19	17%	20	24%
1% to 10%	5	4%	7	9%
11% to 20%	14	12%	17	21%
21% to 30%	17	15%	14	17%
31% to 50%	31	27%	17	21%
51% and above	25	22%	7	9%
Total	114	100%	82	100%

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Personal Income (<i>current year</i>)	9,611	9,476
Average Monthly Personal Income (<i>previous year</i>)	7,081	7,632
Change in Mean Personal Income	36%	24%

Conclusion: On average, borrowers who participated in the micro-credit services program and in the non-credit intervention offered by the PPAF experienced a 36% increase in mean personal income in comparison with non-borrowers who also used the non-credit facilities but whose change in income was 24%.

Table 1.2a

CHANGE IN HOUSEHOLD INCOME
Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	1	1%	0	0%
Nil	0	0%	4	5%
1% to 10%	11	10%	8	10%
11% to 20%	43	38%	32	39%
21% to 30%	18	16%	17	21%
31% to 50%	24	21%	20	24%
51% and above	17	15%	1	1%
Total	114	100%	82	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Monthly Household Income (<i>current year</i>)	29,105	26,159
Average Monthly Household Income (<i>previous year</i>)	22,511	21,580
Change in Mean Household Income	29%	21%

Conclusion: Controlling for the usage of non-credit facilities provided by the PPAF, it can be observed that borrowers experienced a 29% increase in mean household income compared to a 21% increase by the non-borrowers.

Gross Annual Income from 3 Key Sectors

Gross annual income has been measured by estimating the incomes from 3 core sectors: Agriculture, Livestock and Enterprise/Commerce. In each case, income includes cash income and the imputed value of own production which was consumed by the household.

AGRICULTURE

Table 1.3a

Change in Gross Annual Income Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	1	4	1	6
Nil	0	0	1	6
1% to 10%	8	32	6	33
11% to 20%	4	16	5	28
21% to 30%	9	36	3	17
31% to 50%	1	4	2	11
51% and above	2	8	0	0
Total	25	100	18	100

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Agriculture (<i>current year</i>)	243,256	285,333
Average Gross Income from Agriculture (<i>previous year</i>)	211,116	251,383
Change in Gross Income from Agriculture	15%	13%

Conclusion: The results in the tables above show that borrowers have fared better than non-borrowers. 88% of the non-borrowers experienced an increase in agricultural income while 96% of the borrowers experienced an increase. The value of average gross income from agriculture for borrowers rose from Rs. 211,116 to Rs. 243,256 which equaled a 15% increase in mean income. Non-borrowers experienced a 13% increase in mean income as average income values rose from Rs. 251,383 to Rs. 285,333.

LIVESTOCK

Table 1.3b

Change in Gross Annual Income Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	2	5%	0	0%
Nil	3	8%	6	21%
1% to 10%	4	10%	0	0%
11% to 20%	8	20%	8	28%
21% to 30%	4	10%	5	17%
31% to 50%	8	20%	5	17%
51% and above	11	28%	5	17%
Total	40	100%	29	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Livestock (<i>current year</i>)	141,870	110,103
Average Gross Income from Livestock (<i>previous year</i>)	117,915	86,448
Change in Gross Income from Livestock	20%	27%

Conclusion: The results in the tables above show that non-borrowers have fared better than borrowers. Borrowers experienced an increase in livestock income in 87% of the cases while non-borrowers experienced a rise in 79% cases. The value of average gross income from livestock for borrowers rose from Rs. 117,915 to Rs. 141,870 which equaled a 20% increase in mean income. Non-borrowers experienced a 27% increase in mean income as average income values rose from Rs. 86,448 to Rs. 110,103.

ENTERPRISE

Table 1.3c

Change in Gross Annual Income
Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	-	-	-	-
Nil	1	1%	2	4%
1% to 10%	1	1%	2	4%
11% to 20%	11	16%	9	18%
21% to 30%	16	24%	14	29%
31% to 50%	22	33%	15	31%
51% and above	16	24%	7	14%
Total	67	100%	49	100%

Change in Mean Income

	Borrower (Rs.)	Non-borrower (Rs.)
Average Gross Income from Enterprise (<i>current year</i>)	185,984	176,163
Average Gross Income from Enterprise (<i>previous year</i>)	137,627	134,378
Change in Gross Income from Enterprise	35%	31%

Conclusion: Borrowers experienced an increase in enterprise income in 99% cases while non-borrowers experienced a rise in 96% cases. The value of average gross income from enterprise for borrowers rose to Rs. 185,984 from Rs. 137,627 which equaled a 35% increase in mean income. Non-borrowers experienced a 31% increase in mean income as average income values rose to Rs. 176,163 from Rs. 134,378.

Section 2

CHANGE IN CONSUMPTION

Table 2.1a

Change in Mean Expenditure

	Borrower (Rs.)	Non-borrower(Rs.)
Average Monthly Expenditure (<i>current year</i>)	14,397	14,194
Average Monthly Expenditure (<i>previous year</i>)	11,391	11,301
Change in monthly expenditure	26%	26%

Table 2.2a

Percent of Borrowers and Non-borrowers Who Experienced Change in Household Expenses during the Study Period

Number of persons affected by change

	Borrower		Non-borrower	
	Count	Percentage	Count	Percentage
Negative	3	3%	1	1%
Nil	9	8%	4	5%
1% to 10%	4	4%	2	2%
11% to 20%	20	18%	21	26%
21% to 30%	31	27%	26	32%
31% to 50%	36	32%	24	29%
51% and above	11	10%	4	5%
Total	114	100%	82	100%

Conclusion: Controlling for the usage of non-credit facilities, analysis of the mean change in household consumption reveals that both, the borrowers and the non-borrowers experienced an increase equal to 26%. Analysis of the number of individuals affected by the change reveals that 89% of borrowers and 94% of non-borrowers experienced a positive change in household expenses.



Change in Expenditure on Overall Food & Key Household Items

This section looks at the change in the monetary value of overall food. In addition, it looks at a list of certain basic food items along with other household goods such as soap and fuel.

Table 2.3a

The percentage change below represents the change in the monetary value of the items consumed during the period under study

	Borrower	Non-borrower
Overall Food	25%	25%
Wheat/ Flour	23%	24%
Rice	27%	28%
Pulses	30%	25%
Spices	28%	26%
Chicken	26%	29%
Mutton	32%	34%
Beef	31%	13%
Fish	27%	15%
Vegetables	27%	21%
Fruit	28%	32%
Sugar	31%	28%
Tea	31%	41%
Egg	37%	34%
Milk	25%	21%
Ghee/ Oil	24%	26%
Fuel	30%	35%
Soap/ Laundry	27%	28%
Canned Food	2%	26%

Conclude: Borrowers and non-borrowers experienced equal percentage changes with respect to overall food items (25%). For the remaining items, borrowers saw a greater increase than non-borrowers in the monetary value for pulses, spices, beef, fish, vegetables, sugar, egg and milk. Non-borrowers experienced greater increases in the monetary values of wheat, rice, chicken, mutton, fruit, tea, ghee, fuel, soap and canned food.



Change in Consumption of Home Produced Items

The table below presents the percentage changes in consumption for a list of home produced items (food and fuel).³⁰

Table 2.4a

Change in consumption of home produced items

	Borrower	Non-borrower
Milk	26%	27%
Eggs & Chicken	24%	-
Wheat	13%	-6%
Rice	70%	19%
Fuel (wood, kerosene, oil, etc)	-20%	-12%

Conclusion: The changes in consumption patterns of the home produced items listed above are observed to be greater for borrowers than non-borrowers in terms of wheat, rice and poultry. Non borrowers had higher consumption of milk. Fuel consumption decreased more for borrowers than non-borrowers.

³⁰ Those items which had sample sizes that were too small to allow for meaningful analysis are not listed in the table.

Section 3

CHANGE IN ASSETS

This section analyzes individuals, who participated in the micro credit program and used the non-credit facilities offered by the PPAF, in relation to the changes in their assets which include financial assets, consumer durables, assets related to agriculture and livestock and land and property.

Financial Assets

The table below presents the results for a list of financial assets. For the sake of clarity certain items were grouped together. ‘Cash and financial instruments’ include bank accounts, foreign cash and cash in rupees and savings certificates. ‘Advances, loans and pre-payments’ include deposits in the form of advances and committees. Analysis was carried out on borrowers and non-borrowers and then further assessment was carried out by categorizing according to borrower type (*those who have borrowed for the first time and those who have borrowed before*).

Table 3.1a
Change in Financial Assets

Financial Assets	Percentage change in Average Monetary Value of Financial Assets	
	Borrower	Non-borrower
Cash & financial instruments	-23%	9%
Advances, loans & pre-payments	82%	72%
Gold Jewelry	10%	25%

	Borrowers			Non-borrowers
	First timer	Repeaters	All	
Cash & financial instruments	303%	-49%	-23%	9%
Advances, loans & pre-payments	-	146%	82%	72%
Gold Jewelry	22%	7%	10%	25%

Conclusion: Looking at borrowers and non-borrowers, it can be seen that with respect to cash and financial instruments, borrowers saw a 23% fall in the average monetary value compared to a 9% rise experienced by non-borrowers. Borrowers experienced an 82% increase in the value of advances, loans and pre-payments, compared to a 72% increase experienced by non-borrowers. With respect to gold, however, non-borrowers experienced a 25% increase compared to a 10% increase experienced by the borrowers.

Breaking down the borrowers into first timers and repeaters, we can see that in general first time borrowers have fared better than repeated borrowers. The only exception is in the case of advances, loans and pre-payments where first timers faced no change while repeaters experienced a rise of 146%.

Acquisition of Consumer Durables

Table 3.2a

Positive change in ownership of household durables
Percent of households that acquired the asset during the study period and
the average value of the asset

	Borrower		Non-borrower	
	Percentage	Average Expenditure (Rs)	Percentage	Average Expenditure (Rs)
Tape Recorder	-	-	-	-
Mobile Phone	19%	2,326	20%	2,489
Radio	-	-	-	-
Air Cooler	-	-	-	-
Iron	4%	1,950	1%	1,550
Television	11%	4,580	5%	6,100
VCR	-	-	-	-
Motorcycle	22%	58,250	6%	4,7500
Fan	3%	3,333	3%	3,100
Bicycle	12%	3,250	0%	-
Sewing Machine	8%	8,814	0%	-
Washing Machine	3%	6,000	8%	6,750
Refrigerator	10%	28,600	3%	30,000
Cooking Range	-	-	-	-
Suitcase	-	-	-	-

Conclusion: Keeping ‘usage of PPAF non-credit intervention’ constant, it can be seen that the changes in ownership of the household durables listed above are observed to be greater for borrowers than non-borrowers for all items except for mobile phone and washing machine.

Livestock, Agriculture Assets and Land & Property

The table below lists the direct of change in some of the livestock related assets belonging to borrowers and non-borrowers. Other assets such as bulls, bullocks, sheep, horses, camels, donkeys and chicken have not been tabulated as their sample sizes were extremely small.³¹

Livestock Related Assets

Table 3.3a

Acquisition of Livestock related assets

Change in number of...	Direction of change	Borrower (%)	Non-borrower (%)
Cow	Negative change	0%	0%
	No change	55%	53%
	Positive change	45%	47%
Buffalo	Negative change	10%	0%
	No change	48%	56%
	Positive change	43%	44%
Goat	Negative change	12%	0%
	No change	24%	47%
	Positive change	64%	53%

Conclusion: Looking at the results in the table above, it can be observed that borrowers have acquired a greater number of goats (64%) compared to non-borrowers (53%). In the case of cows, 47% from the non-borrower group experienced a positive change compared to a 45% increase by the borrowers. Similarly increase of buffaloes was more for non-borrowers.

Agriculture Related Assets

Respondents were asked if they owned the following list of agricultural equipment's and vehicles and if they responded positively then they were asked which year they purchased the item in.

³¹ These livestock assets had sample sizes that were too small to allow for meaningful analysis.

Table 3.4a

Percentage of Individuals who Acquired Agriculture Related Assets

	Borrower		Non-borrower	
	Previous	Current	Previous	Current
Trolley	93%	7%	100%	0%
Agriculture equipment	-	-	-	-
Thresher	-	-	-	-
Tractor	-	-	-	-
Truck	-	-	-	-

7% borrowers acquired trolley in current year compared to none in the non-borrower group.

Land and Property

The tables below present the results for property and land for borrowers and non-borrowers, respectively.

Table 3.5a

Acquisition of property

	Borrower		Non-borrower	
	Percentage	Average Value (Rs)	Percentage	Average Value (Rs)
House	1%	500,000	-	-

Table 3.6a

Positive change in land holding

	Borrower			Non-borrower		
	Mean (CY)	Mean (PY)	% Change	Mean (CY)	Mean (PY)	% Change
Total Land Holding (Kanals)	74	74	0%	69	69	0%
Cultivated Land (Kanals)	74	74	0%	73	73	0%
Monetary value of land (Rs.)	3,059,375	2,989,375	2%	3,386,667	3,152,000	7%

Looking at the figures of percentage change for both, borrowers and non-borrowers, it can be seen that in the cases of total land holding and cultivated land, there is no significant difference between them.



Section 4

ADDITIONAL EMPLOYMENT GENERATION

The following table presents the results for average paid employment, both male and female, for the years prior to and after the period under study. As stated in the main findings, no distinction has been made between part-time and fulltime employment.

Table 4.1a

Change in average Paid Employment

	Borrower	Non-borrower
	Average # of workers	Average # of workers
Agriculture: Current year	1 (n=1)	1 (n= 1)
<i>Previous year</i>	0 (n=0)	1 (n= 1)
Livestock: Current year	0 (n= 0)	0 (n= 0)
<i>Previous year</i>	1 (n= 1)	0 (n= 0)
Enterprise: Current year	2.3 (n=11)	1.86 (n=7)
<i>Previous year</i>	2.4 (n=7)	2.40 (n=5)

Conclusion: It can be seen from the data displayed in the table above, that neither of the two groups, the borrowers and non-borrowers, made any significant contribution to the generation of paid employment, except some contribution in enterprise.

Section 5

CHANGE IN OPERATING SURPLUS

As mentioned in the technical note, operating surplus has been computed by calculating the difference between a household's total income and total expenditure.

Table 5.1a

		Borrower (%)	Non-borrower (%)
Current year	Negative Operating Surplus	1%	1%
	No Operating Surplus	4%	1%
	Operating Surplus	96%	98%
Previous year	Negative Operating Surplus	0%	0%
	No Operating Surplus	5%	2%
	Operating Surplus	95%	98%

Percentage change in number of respondents who were able to accrue...	Negative Operating Surplus	-	-
	No Operating Surplus	-20%	50%
	Operating Surplus	1%	0%

	Borrower(Rs.)	Non-borrower(Rs.)
Mean operating surplus (<i>current year</i>)	14,708	11,965
Mean operating surplus (<i>previous year</i>)	11,120	10,278
Change in mean operating surplus	32%	16%

The third table shows that, the borrower group has experienced a greater change in mean operating surplus than the non-borrower group (32% for borrowers and 16% for non-borrowers).

Section 6

CHANGE IN PERSONAL LIFESTYLE

This topic was analyzed through evaluating the change in variables such as house repair, expenses on miscellaneous events and items, household facilities and agricultural inputs during the period under study, among both, borrower and non-borrower households.

Investments

Table 6.1a

Expenditure on house repair

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on house repair	8,889	8,611	3%	9,591	6,803	125%

Conclusion: The figures in the table above show the mean expenses over the past two years and their percentage changes, for borrowers and non-borrowers. It can be seen that borrowers experienced a 3% increase in expenditure on house repair as compared to a 125% experienced by the non-borrowers.

Table 6.2a

Household Utilities

	Borrower (%)	Non-borrower (%)
Latrine construction	7%	3%
Water connection	5%	0%
Gas connection	0%	0%
Telephone connection	0%	0%

Conclusion: Overall, participation in the micro-credit program along with non-credit facilities does not seem to have brought about any significant addition to the facilities used in borrower households. 7% Borrowers built latrine compared to 3% non-borrowers and 5% borrowers got water connection.

Change in discretionary expenditures

Table 6.3a
Discretionary Expenditures

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on wedding ceremonies	7,929	6,548	21%	7,401	5,467	35%
Expenditure on funerals	6,292	2,800	125%	4,333	6,667	-35%
Expenditure on recreation	4,523	3,636	24%	6,933	5,567	25%
Expenditure on children's toys	1,487	1,300	14%	719	410	75%

Change in non-discretionary expenditures

Table 6.3b

Non-discretionary Expenditures

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on education (male children)	6,946	5,342	30%	5,367	4,106	31%
Expenditure on education (female children)	4,893	3,730	31%	4,276	3,382	26%
Expenditure on illness	4,119	2,741	50%	3,155	2,431	30%
Expenditure on traveling	3,926	2,873	37%	3,696	2,772	33%

Conclusion: Borrowers experienced a greater change in expenditure on female education, funeral ceremonies, travel and illness while non-borrowers have higher expenditures with respect to male education, recreation, toys and weddings.

Change in the use of agricultural inputs

The following two tables present the results on the expenditure on agriculture inputs which include fertilizer, water for irrigation and seeds.

Table 6.4a
Expenditure on Agricultural Inputs

	Borrower			Non-borrower		
	Mean (Current year)	Mean (Previous year)	% Change	Mean (Current year)	Mean (Previous year)	% Change
Expenditure on fertilizer	24,480	19,640	25%	21,667	16,222	34%
Expenditure on irrigation	18,140	14,776	23%	11,417	12,809	13%

Conclusion: As shown in the table above, the percentage change in mean fertilizer expenses is greater for non-borrowers than for borrowers (25% for borrowers and 34% for non-borrowers). But, in the case of expenditure on irrigation, borrowers have a greater percentage mean change than non-borrowers (23% for borrowers and 13% for non-borrowers).

Change in the use of seed type

Table 6.5a
Type of Seed Used

Type of Seed		Borrower (%)	Non-borrower (%)
Type of seed used during the current year	Most Expensive	20	39
	Inexpensive	40	6
	Cheap	-	-
	Own Produced	40	56
Type of seed used in previous year	Most Expensive	16	22
	Inexpensive	40	22
	Cheap	-	-
	Own Produced	44	56

Conclusion: It can be seen that in the current year, more non-borrowers have used the ‘most expensive’ and own produced seeds as compared to the borrowers who have used more of the ‘inexpensive’ seeds. For both, borrowers and non-borrowers, the seed type used most often is the own produced variety (40% for borrowers and 56% of non-borrowers in the current year).



Section 7

CHANGE IN PERSONAL SOCIAL STATUS

Table 7.1a

Perception about change in personal social status*Figures are column percentages*

		Total (%)	Male (%)	Female (%)
How has your social status been affected after taking the loan?	Increased	62%	76%	58%
	Decreased	0%	0%	0%
	Unchanged	38%	24%	42%
Has the importance of your opinion regarding child marriages ...?	Increased	54%	72%	49%
	Decreased	1%	0%	1%
	Unchanged	45%	28%	49%
Has the importance of your opinion regarding decisions on education of children ...?	Increased	55%	68%	52%
	Decreased	2%	4%	1%
	Unchanged	43%	28%	47%
Has the importance of your opinion in resolving family disputes ...?	Increased	43%	56%	39%
	Decreased	5%	0%	7%
	Unchanged	52%	44%	54%
Has the importance of your opinion in making business decisions ...?	Increased	55%	68%	52%
	Decreased	2%	4%	1%
	Unchanged	43%	28%	47%
Has the importance of your opinion in purchase or sale of household items ...?	Increased	53%	68%	48%
	Decreased	3%	4%	2%
	Unchanged	45%	28%	49%
Has the importance of your opinion in purchase and sale of property ...?	Increased	41%	52%	38%
	Decreased	4%	4%	3%
	Unchanged	55%	44%	58%

**Control over resources**

Table 7.1b

Control over income before & after loan*Figures are column percentages*

	Response	Total	Male	Female
Control on resources currently	Keep all income to yourself	73%	60%	77%
	Gave all to husband/family	23%	32%	20%
	Partially with self and partially to husband/family	4%	8%	3%
Control on resources at the start of the period under study	Kept all income to yourself	73%	64%	77%
	Gave all to husband/family	23%	32%	21%
	Partially with self and partially to husband/family	3%	4%	3%

Conclusion: Comparing both years, it can be seen that females have had greater control over resources when it came to keeping all the income to them. In the current year, 60% of males kept all the income to themselves while 77% females were able to do the same. Similarly, in the previous year, 64% of the males kept all the income to themselves compared to 77% of females. Looking at the male-female ratios for the second category, ‘gave all to husband/family’, it can be seen that more number of males handed over their entire income to their spouses as compared to the number of females. Similar ratios can be seen for the third category, ‘partially with self and partially to husband/family’.



Section 8

FEMALE MOBILITY

Female respondents' mobility was assessed by asking them how often they go out of homes. The responses have been filtered for the 'usage of PPAF non-credit intervention' and have been tabulated below.

	Borrower(%)		Non-borrower(%)	
	Before	After	Before	After
Often	18%	19%	15%	15%
Sometimes	66%	66%	60%	60%
Never	16%	15%	26%	26%

The results show that females have experienced very little change, if any at all, in the frequency with which they go outside of their homes.

Annexure 2

SOCIO-ECONOMIC PROFILE OF THE SAMPLE





SOCIO-ECONOMIC PROFILE OF THE SAMPLE

The table below presents a socio-economic comparison of the treatment group and the control group. It can be seen that with respect to occupation, 12% of borrowers cultivate land compared to 11% of non-borrowers. Similarly, 24% of borrowers are involved in livestock compared to 21% of non-borrowers and 76% of borrowers and 76% non-borrowers operate a business. A gender-wise analysis of the borrower sample shows that 17% are males and 83% are females. The non-borrower sample comprises of 17% males and 83% females. Similarly, the two groups have similar mean values for the remaining characteristics in the table.

Summary of the socio-economic profile of the sample

		Borrower	Non-Borrower
Occupation	Agriculture	12%	11%
	Livestock	24%	21%
	Enterprise	76%	76%
Gender	Male	17%	17%
	Female	83%	83%
Average monthly income (Rs.)*	Male	21,708	20,333
	Female	20,667	19,547
Average household size*		6.57	6.60
Average number of earning persons in the family*		1.96	1.91
Average age of the borrower*	Male	37	-
	Female	38	-

*Tested for statistical significance

Annexure 3

TECHNICAL NOTE



TECHNICAL NOTE

The study design has been built on the grounds of matching the two groups on key variables like gender, household income, dependency ratio, age group and main occupation in time period t1. Change has then been measured between time period t1 and t2 for key variables such as income, consumption, asset holding and improvement in lifestyle. For example, if we take the case of change in income, it has been calculated through the following formula:

$$\text{Percentage change in} = \frac{\text{Income in t2} - \text{Income in t1}}{\text{Income in t1}} \times 100$$

This formula has been applied to measure the change in income of the borrower as well as non-borrower group in t2 based on t1.

Our hypothesis (*alternate hypothesis as explained below*) is that:

Change in B (t1-t2) > Change in NB (t1-t2).

Where

B (t1-t2) is the change in the status of borrower from previous to current year.

NB (t1-t2) is the change in the status of non-borrower from previous to current year.

Return on Investment (ROI):

$$\text{Return on investment} = \frac{\{\text{Profit earned on loan} \times 100\}}{\text{Size of loan}} - 26$$

The formula used to calculate ROI is based on an estimated amount of the profit earned on the loan. Hence, this formula provides only a rough estimate of the borrowers' return on investments.

Test of significance:

In order to assess that the change in the behavior of the treatment group (borrower) and control group (non-borrower) is a “real” change and not a result of “chance” due to the nature of the sample or other factors. We have applied the requisite test of significance, t-test of significance. The test was applied at 95% and 90% confidence level as explained below.

**Level of Significance:**

The t-test has been applied at both 95% and 90% confidence levels. In each case we tested the hypothesis of change first at 95% and if the difference was not significant we moved on to the 90% confidence level. Hence, when we report that the difference was significant at 90%, it would mean that the difference was tested but was not significant at 95% level.

The Null Hypothesis:

The null hypothesis was that the difference between the behavior of the treatment group (borrower sample) and control group (*non-borrower sample*) is not real. It emerges from a chance factor.

The Alternative Hypothesis:

The alternate hypothesis is that the difference between the behavior of the treatment group (borrower sample) and control group (*non-borrower sample*) is real. It is caused by the intervention, that is, the effect of taking a loan. Wherever the t-test shows significant results, we have stated that the hypothesis, meaning the alternate hypothesis, has been held. **This result has been reported for each of 16 hypotheses listed at the outset of the study. (Pages 12-13)**

Definitions:

Borrower's Household: Household of the person who has obtained one or more loans from PPAF.

Non-Borrower's Household: Household of the person who did not ever obtain loan from PPAF.

Intervention: Micro-credit provided by PPAF.

Current Year: Period from January 2012 to January 2013.

Previous Year: Period from July 2008 to December 2011. However, it varies from borrower to borrower. The previous year for each borrower would be the year preceding the one in which they were granted the loan

Operating Surplus: Calculated as gross household income minus gross household expenditure.



Rounding Errors:

All percentages used in this report have been rounded off to whole numbers. As a result, there are fragment discrepancies of additions up to one percentage point. Thus, whenever there is discrepancy of one percentage point, it may please be noted as a discrepancy arising from rounding off.

Credit and Non-Credit Intervention:

This survey introduces a new sub-section in the form of analysis on credit intervention in the presence and absence of non-credit interventions by the PPAF. These non-credit interventions include the Community Physical Infrastructure program, Health and Education program and the Water Management program. For the purposes of this new sub-section the borrowers were classified into two types, those who participated in the micro-credit program and those who, in addition to the micro-credit intervention, also received additional benefits through the non-credit interventions offered by the PPAF.

The sample was divided according to whether the respondents used the non-credit services or not. For the first part, borrowers and non-borrowers were evaluated to see how micro-credit impacted the lives of those who used the non-credit services. For the second part, borrowers and non-borrowers were once again assessed to observe the impact of micro-credit in the lives of those who do not have access to non-credit services provided by the PPAF.

	CPI (+)	CPI (o)
Borrowers	1 + 1	1 + 0
Non Borrowers	0 + 1	0 + 0

Note: This is not a study intended to measure PPAF non-credit interventions exclusively. Its focus is the impact of micro-credit on the lives of borrowing households.

Annexure 4

MAIN FEATURES OF PPAF



MAIN FEATURES OF PPAF

Pakistan Poverty Alleviation Fund (PPAF) is the lead apex institution for community-driven development in the country. Set up by the Government of Pakistan as an autonomous not-for-profit organization, PPAF enjoys facilitation and support from the Government of Pakistan, The World Bank, International Fund for Agricultural Development (IFAD), KfW Entwicklungsbank (Development Bank of Germany) and other statutory and corporate donors. PPAF aims to be the catalyst for improving the quality of life, broadening the range of opportunities and socio-economic mainstreaming of the poor and disadvantaged, especially women. The core operating units of the PPAF deliver a range of development interventions at the grassroots/community level through a network of more than 100 Partner Organizations across the country. These include social mobilization, support for livelihood, enterprise and employment, access to credit, infrastructure and energy, health, education and disaster management.

The PPAF formally commenced operations in April 2000 as a non-profit company, limited by guarantee (not having a share capital), under Section 42 of the Companies Ordinance 1984. According to its Memorandum of Association, its purpose is “helping the poor, land-less and asset-less in order to enable them to gain access to resources for their productive self-employment, to encourage them to undertake activities of income generation and poverty alleviation and for enhancing their quality of life.”

Governance Structure of the Company

The PPAF follows a three-tier governance structure comprising of a General Body, Board of Directors and a Management Team headed by a Chief Executive Officer (CEO). The company is administered to work through its Partner Organizations (POs) The POs include NGOs, RSPs, Microfinance Institutions (MFIs), CBOs, private sector institutions and entities that are involved in the work of poverty alleviation can be considered as partner organizations of the PPAF.

The PPAF has six main programmes that are funded and aimed at the specific objectives; these programmes are:

- Microfinance Portfolio Management (MPM)
- Institutional Development (ID), including social mobilization;
- Livelihood, Employability and Enterprise Development (LEED);
- Community Physical Infrastructure (CPI);
- Water, Energy and Climate Change (WECC); and
- Nutrition, Health and Education (NEH).

These programmes focus, in particular, on the MDG targets and indicators, as well as on People with Special Needs, and Disaster Preparedness and Management; together, these priorities are referred to as Focus Areas. Six of the programmes are aligned closely with selected MDGs and the corresponding targets adopted by the Government of Pakistan (GoP).

Microfinance Portfolio Management (MPM)

The financial services PPAF offered or the efforts it undertook are being channeled through four main financing windows: PPAF-III (World Bank), PPAF-Reflows and IFAD supported Program for Increasing Sustainable Microfinance (PRISM) and Microfinance Innovation and Outreach Program (MIOP).

The objective of funding under the third phase of PPAF-WB partnership was to improve access of the poor to microfinance opportunities in 37 districts to enhance their capacities, productivity and returns from livelihood initiatives. The funds available for on-lending have been successfully utilized. As of June 30, 2012, the entire allocated amount for on-lending has been committed for subsequent disbursement to POs. Grants under this component have been used to establish and support 139 branches, thereby creating infrastructure to cater to 200,000 new clients in deprived districts.

PRISM, a joint venture of PPAF and IFAD, launched in June 2008, was designed to expand the role of microfinance in Pakistan, bridge the gap between MFPs and capital markets, build strong institutions through equity injections and provide technical support to POs. PPAF has been successful in engaging six commercial banks since the beginning of the programme. Cumulative disbursements of Rs. 3.8 billion have been made under Credit Enhancement Facility, through 17 transactions. Equity amounting to Rs. 265 million has been injected into five institutions, with another Rs. 530 million earmarked for the next financial year. Adequate funds were made available for capacity building of individuals and institutions alike, in terms of institutional assessments, creation of stronger legal and corporate structures, knowledge management, product development and other activities.

Microfinance Innovation and Outreach Program (MIOP), which comprised three investment components proved helpful in developing new financial products and delivery mechanisms in POs. The program successfully completed in September 2011. In the final analysis IFAD found the achievements of the programme satisfactory, and the Program Completion Review team also commended its successful implementation. MIOP pioneered a structural change in the microfinance sector and provided MFPs an opportunity to move from traditional to more inclusive customized need-based products. MIOP introduced 25 innovative products and delivery mechanisms including value chains, village banking, branchless banking, business revival loans in flood affected areas. 16 products have been scaled up and one of the products introduced under the program, “Women’s Cooperative Livestock Farming”, received international acclaim by winning IFAD’s 2010 Innovation Marketplace award.

21 young partner organizations and 2 linkage partner organizations were supported under the Young Partner Programme. Of these, 12 graduated to PPAF's regular programmes. Likewise, PPAF continued to provide support for institutional development of its POs through improved strategic planning, surveys and research for product development, partnership with key stakeholders and equity injections of Rs. 40 million to 11 institutions.

Institutional Development, including Social Mobilization

The objective of this component is to target and empower the poor by supporting their organization into three tiers namely the (i) COs and clustering at a higher (ii) Village Organization (VO) and (iii) Union Council area level (into Third Tier Representative Organization), to build voice and scale for an effective interface with local government bodies, other development programs and markets. PPAFs Partner Organizations entrusted with the task of intensifying their coverage within the Union Council area and strengthen new and existing community institutions. PPAF's role will be two-fold:

- a) Identify poor and ultra poor using the poverty scorecard to allow for improved inclusion in community level organizations and standardization of targeting approaches across POs; and
- b) Incubate community institutions which demonstrate a potential to grow through sequential steps corresponding to the lifecycle and performance of a CO/VO and third tier Union Council level organizations

Livelihood, Employability and Enterprise Development (LEED)

The objective of this component is to develop the capacity, opportunities, assets and productivity of community members to reduce their vulnerability to shocks, improve their livelihoods initiatives and strengthen their business operations. This component contains the following:

- a) Support community members to build up their savings capacity and proficiency in funds management through internal lending, while complementing these efforts with grants and technical support to increase assets, productivity and incomes;
- b) Develop and implement mechanisms to identify and support innovative microenterprises and value chain development that will result in improved livelihoods; and
- c) Facilitate and promote linkages with private, public sector and civil society service providers.

The expected outcomes from this component are enhanced assets and incomes, productive market linkages and sustainable livelihood opportunities for targeted households improved with reduced vulnerability to shocks.

Community Physical Infrastructure

Community Physical Infrastructure (CPI) functions in PPAF's towards defeating poverty. While making development grants for small-scale community infrastructure assets, PPAF focuses on schemes with maximum impact on community welfare, productivity and sustainability. Simultaneously, all of the unit's interventions are participatory in design and nature, and target grass roots level problems on the merits.

A key factor that makes infrastructure related schemes more challenging to develop and implement as compared to income transfer programs is their non-excludable nature. However, PPAF's participatory development framework helps overcome this hurdle by mobilizing the poor at the grass roots and letting them own the whole process. CPI schemes promote inclusive development of the community.

CPI supported infrastructure interventions are preceded by months of intensive social mobilization and subsequently organizing the target groups into Community Organizations, which have capacity to work as vibrant development institutions at the grass roots. Partner Organizations facilitate each stage of the development process i.e., from project identification to implementation to maintenance.

In addition to the transfer of skills and resources for better implementation and management of infrastructure schemes, the Unit places a high premium on project sustainability. This is ensured by building community ownership through a cost sharing mechanism that includes compulsory community contributions in the shape of financial and/or labor and material inputs towards the construction of these community infrastructure assets. Project sustainability is further ensured through the compulsory collection of maintenance resources sufficient for bearing one year of such costs by a project maintenance committee.

Water, Energy and Climate Change

Water, Energy & Climate Change unit (WECC) in PPAF was set up in the backdrop of a dismal water management situation, and severe power crisis particularly in the rural and marginalized off-grid communities – a situation which seriously undermines the efforts of PPAF in achieving its core agenda i.e., poverty alleviation.

The main objective of WECC is to alleviate poverty, reduce vulnerability and improve food security in target communities through sustainable agricultural development, focused on efficient management of water and water related disasters; and through use of effective alternative/renewable energy sources. PPAF-WECC works to achieve its objective through Integrated Water Efficient Irrigation Systems and Agricultural Enhancement Mechanisms,

Integrated Water Resource Management which includes Effective Management of Successive Drought Cycles and Water Related Disasters, Natural Resource Conservation, Efficient Food Processing and effective and efficient use of renewable energy (hydro, solar and wind).

PPAF-WECC has a policy to support the low income communities on participatory basis. It provides grants on a cost sharing basis for the construction or improvement of Physical Infrastructure assets and for carrying out allied interventions. PPAF-WECC has successfully worked out a number of programmes to support the low income communities i.e., Integrated Water Efficient Irrigation Projects (IWEIP), Drought Mitigation and Preparedness Programme (DMPP), Renewable Energy Programme (Hydro, Solar and Wind energy driven projects), Second Generation Sustainable Rural Development in DMPP Areas, and Sindh Coastal Areas Development Programme (SCAD).

Nutrition, Education and Health

The Nutrition, Education and Health Unit at PPAF strives for higher quality healthcare and educational services at the community level and proceeds to achieve this by providing its POs with the framework needed to strengthen their capacities. Higher standards of health and education in marginalized areas lead to more prosperous livelihoods and thus, to higher standards of living. Moreover, PPAF supported interventions ensure strict quality control, long term sustainability and durable linkages with communities.

Education component of PPAF-Health and Education programme is designed to “Provide access to quality formal education (up to grade 10) to the children of the poor and marginalized rural communities” with added emphasis on female education. PPAF has created bench marks over time in terms of quality education to enable itself to review and further improve this service. These include (but not limited to) hiring of qualified and trained teachers/staff, availability of proper buildings, standardized equipment’s, furniture and medicines, approved teacher student ratio, conducive learning environment and bringing good practices from schools of repute in the private sector.

Health component of PPAF-Health and Education programme aims at, “Providing access to quality basic health services with special focus on maternal and child health to the poor and marginalized rural communities”.

Annexure 5

STATISTICAL TABLES





Annexure 5

STATISTICS¹

	Valid n		Mean		Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in personal income	2421	2470	23.0861	18.1839	42.52377	27.82919	4.780
Participation in micro-credit leads to increase in household income	2503	2503	24.6284	18.7842	25.04313	15.17854	9.985
Participation in micro-credit leads to increase gross annual income from Agriculture	230	215	20.3252	16.9885	18.13689	20.43474	1.824
Participation in micro-credit leads to increase gross annual income from Livestock.	586	513	31.1255	24.3164	42.22097	29.41773	3.060
Participation in micro-credit leads to increase gross annual income from Enterprise	1817	1873	32.780	24.559	29.5918	22.1951	9.566
Participation in micro-credit leads to increase in the consumption of household	2503	2503	20.5968	18.0351	18.00892	15.82315	5.346
Participation in micro-credit leads to increase in the consumption of overall food	2503	2503	17.7990	16.3418	16.92154	12.13299	3.501
Participation in micro-credit leads to increase in consumption of wheat/flour	2383	2395	17.7517	17.2522	16.81420	16.38968	1.040
Participation in micro-credit leads to increase in consumption of Rice	2445	2453	26.9194	26.2127	30.46471	31.09563	.803
Participation in micro-credit leads to increase in consumption of Pulses	2486	2494	25.9641	24.4422	29.93176	30.24664	1.785

¹ Mean and Standard Deviation are stated as percentages.



	Valid n		Mean		Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in consumption of Spices	2460	2448	25.5138	25.0390	33.32269	35.98371	.480
Participation in micro-credit leads to increase in consumption of Chicken	2360	2319	29.3745	27.6068	36.65865	33.77911	1.715
Participation in micro-credit leads to increase in consumption of mutton	350	265	30.7721	40.1950	55.96398	59.76374	-2.008
Participation in micro-credit leads to increase in consumption of Beef	1365	1289	31.7571	31.8028	48.70489	48.61329	-.024
Participation in micro-credit leads to increase in consumption of Fish	784	705	27.6257	21.6279	43.10592	34.90087	2.930
Participation in micro-credit leads to increase in consumption of Vegetable	2481	2465	21.0994	20.5052	23.50263	29.98936	.776
Participation in micro-credit leads to increase in consumption of Fruit	2177	2138	29.2008	26.2555	46.19884	37.12615	2.306
Participation in micro-credit leads to increase in consumption of Sugar	2496	2492	22.7023	22.8458	23.84525	25.53610	-.205
Participation in micro-credit leads to increase in consumption of Tea	2488	2483	26.0126	24.6588	34.92882	34.56260	1.374
Participation in micro-credit leads to increase in consumption of Milk	2199	2227	17.0213	16.8423	20.77064	19.55117	.295
Participation in micro-credit leads to increase in consumption of ghee/oil	2474	2481	18.7539	18.4302	20.45228	31.25708	.431



	Valid n		Mean		Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in consumption of Fuel	917	927	22.8095	23.0724	29.63399	30.90907	-.186
Participation in micro-credit leads to increase in consumption of soap/laundry	2497	2482	23.7300	25.7022	26.85994	55.88629	-1.589
Participation in micro-credit leads to increase in consumption of canned food	339	298	23.0845	19.7333	42.84654	44.35827	.969
Participation in micro-credit leads to increase in consumption of home produced Milk	534	492	25.5960	19.6769	81.87225	61.37353	1.302
Participation in micro-credit leads to increase in consumption of home produced Chicken	29	21	59.2275	8.4302	166.35953	24.72156	1.384
Participation in micro-credit leads to increase in consumption of home produced Wheat	153	131	15.8738	9.6801	66.10639	16.52977	1.045
Participation in micro-credit leads to increase in consumption of home produced Rice	25	21	40.2977	19.3761	128.08166	16.62720	.742
Participation in micro-credit leads to increase in consumption of home produced Fuel	317	291	29.6786	23.4092	116.84624	67.97926	.799
Participation in micro-credit leads to increase in consumption of home produced Fertilizer	45	38	16.8624	19.7780	26.58749	20.43682	-.552
Participation in micro-credit leads to increase in the possession of VCR	77	58	1.99	1.98	.114	.131	.201
Participation in micro-credit leads to increase in the possession of Tape Recorder	342	324	1.98	1.99	.151	.111	-1.070
Participation in micro-credit leads to increase in the possession of Mobile phone	2134	1847	1.95	1.97	.213	.179	-2.346



	Valid n		Mean		Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in the possession of Radio	266	289	1.99	2.00	.087	.059	-.651
Participation in micro-credit leads to increase in the possession of Air cooler	417	398	1.97	1.98	.180	.132	-1.440
Participation in micro-credit leads to increase in the possession of Iron	2348	2362	1.99	1.99	.114	.094	-1.416
Participation in micro-credit leads to increase in the possession of Television	2178	2167	1.97	1.98	.158	.124	-2.320
Participation in micro-credit leads to increase in the possession of Motor cycle	834	762	1.94	1.98	.242	.130	-4.600
Participation in micro-credit leads to increase in the possession of Fan	2437	2448	1.98	1.99	.127	.117	-.722
Participation in micro-credit leads to increase in the possession of Bicycle	906	949	1.97	1.98	.173	.140	-1.491
Participation in micro-credit leads to increase in the possession of car	25	16	1.96	2.00	.200	.000	-.796
Participation in micro-credit leads to increase in the possession of Sewing Machine	2094	2071	1.97	1.98	.175	.132	-2.839
Participation in micro-credit leads to increase in the possession of Washing Machine	1752	1734	1.98	1.98	.144	.139	-.316
Participation in micro-credit leads to increase in the possession of Refrigerator	1245	1232	1.98	1.99	.153	.090	-3.160
Participation in micro-credit leads to increase in the possession of Suite case	2247	2220	2.00	2.00	.056	.052	-.256



	Valid n		Mean		Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in the possession of house	2285	2247	2.00	2.00	.021	.030	.592
Participation in micro-credit leads to increase in the possession of Land Holding	156	147	.4034	.0000	3.62641	.00000	1.349
Participation in micro-credit leads to increase in the possession of Cultivated land	156	147	1.1538	.0000	13.44392	.00000	1.040
Participation in micro-credit leads to increase in the monetary value of land	156	147	5.7085	3.5477	11.94205	9.54605	1.733
Participation in micro-credit leads to increase in the possession of Cow	274	274	37.4392	24.8540	48.39320	43.35281	3.206
Participation in micro-credit leads to increase in the possession of Buffalo	380	357	23.2318	13.3100	42.91255	31.82850	3.547
Participation in micro-credit leads to increase in the possession of Bull	11	9	36.3636	-5.5556	50.45250	16.66667	2.378
Participation in micro-credit leads to increase in the possession of Bullock	23	9	17.6087	5.5556	48.56742	16.66667	.722
Participation in micro-credit leads to increase in the possession of Sheep	49	37	56.2488	30.5913	50.93204	40.71092	2.516
Participation in micro-credit leads to increase in the possession of goat	357	296	42.0416	33.9266	66.81172	57.67747	1.643
Participation in micro-credit leads to increase in the possession of donkey	47	50	2.1277	.0000	14.58650	.00000	1.032
Participation in micro-credit leads to increase in the possession of camel							-



	Valid n		Mean		Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in the possession of chicken	33	20	36.6306	12.5000	64.77941	34.82926	1.533
Participation in micro-credit leads to increase in the possession of cash & financial instruments	840	770	74.4209	47.3386	188.94864	118.32646	3.411
Participation in micro-credit leads to increase in the possession of advances, loans & pre-payments	132	135	105.1751	25.5715	664.11786	101.80366	1.376
Participation in micro-credit leads to increase in the possession of gold	599	574	61.2512	26.5336	446.15524	156.50892	1.763
Participation in micro-credit leads to increase in operating surplus	2292	2345	52.9832	54.2733	731.42302	953.97106	-.052
Participation in micro-credit leads to increase in expenditure on house repair	217	232	-23.9909	-42.1479	114.37886	74.54222	2.005
Participation in micro-credit leads to the construction of a latrine	2393	2389	1.97	1.99	.163	.108	-3.872
Participation in micro-credit leads to a water connection	2348	2344	1.97	1.99	.157	.080	-5.162
Participation in micro-credit leads to an electricity connection	2438	2455	2.00	2.00	.029	.035	.440
Participation in micro-credit leads to a gas connection	1494	1474	2.00	2.00	.037	.026	-.566
Participation in micro-credit leads to a telephone connection	33	27	2.00	1.93	.000	.267	1.597
Participation in micro-credit leads to increase in expenditure on Wedding ceremonies	1736	1749	36.1923	20.8782	171.08902	82.57115	3.369



	Valid n				Standard deviation		T. Values
	Borrower	Non-Borrower	Borrower	Non-Borrower	Borrower	Non-Borrower	
Participation in micro-credit leads to increase in expenditure on Illness	2022	2068	39.0524	32.6863	129.10819	109.65875	1.701
Participation in micro-credit leads to increase in expenditure on Funerals	259	248	4.2623	6.8789	52.49903	51.07444	-.568
Participation in micro-credit leads to increase in expenditure on Recreation	574	585	19.7611	22.6900	51.69180	83.86429	-.714
Participation in micro-credit leads to increase in expenditure on Education (Males)	1821	1841	22.3890	24.3140	34.15275	52.93811	-1.306
Participation in micro-credit leads to increase in expenditure on Education (Females)	1498	1492	22.5139	26.7655	36.32083	79.03276	-1.891
Participation in micro-credit leads to increase in expenditure on children's toys	408	401	28.4428	27.2571	59.18996	64.19955	.273
Participation in micro-credit leads to increase in expenditure on traveling	2308	2278	29.0542	29.3150	75.29590	79.03180	-.114
Participation in micro-credit leads to an increase in expenditure on fertilizer	230	215	23.0713	12.4183	37.43555	33.33639	3.162
Participation in micro-credit leads to an increase in expenditure on irrigation	230	215	18.2233	11.4866	54.85084	28.51513	1.609

Annexure 6

Questionnaire





ENGLISH TRANSLATION OF SURVEY INSTRUMENT

Question 1-5*: Rapport building questions on media habits of the respondent.

FACILITIES

Question 6: What types of health facilities are available in your village?

	Yes	No
Government hospital	<input type="checkbox"/>	<input type="checkbox"/>
BHU / RHC	<input type="checkbox"/>	<input type="checkbox"/>
Private hospital	<input type="checkbox"/>	<input type="checkbox"/>
Hakeem	<input type="checkbox"/>	<input type="checkbox"/>
Homeopathic	<input type="checkbox"/>	<input type="checkbox"/>
Any other (please specify) _____		

Question 7: Which one of these facilities are you using these days?

Government hospital	<input type="checkbox"/>
BHU / RHC	<input type="checkbox"/>
Private hospital	<input type="checkbox"/>
Hakeem	<input type="checkbox"/>
Homeopathic	<input type="checkbox"/>
Any other (please specify) _____	

Question 8: Which one of these facilities you were using one and two years back?

	Facilities	One year back	Two years back
Government hospital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BHU / RHC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private hospital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hakeem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Homeopathic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any other (please specify) _____			

Question 9: Are family planning services available in your village?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Question 10: (If yes) Since when?

_____ Year

* This is an English translation of the Urdu survey instrument administered in the field. A few rapport building questions preceded the actual survey instrument; those can be seen in the Urdu text which is available separately



Question 11: Are you using family planning services?

Yes	1
No	2

Question 12: (If yes) since when?

_____ Year

Question 13: Are following the educational institutions available in your village?

	Yes	No
Religious school	<input type="checkbox"/>	<input type="checkbox"/>
NGO School	<input type="checkbox"/>	<input type="checkbox"/>
Private school	<input type="checkbox"/>	<input type="checkbox"/>
Government school	<input type="checkbox"/>	<input type="checkbox"/>
Private college	<input type="checkbox"/>	<input type="checkbox"/>
Government College	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____		

Question 14: From which educational institutions are your children getting education from these days?

Religious school	<input type="checkbox"/>
NGO	<input type="checkbox"/>
Private school	<input type="checkbox"/>
Government school	<input type="checkbox"/>
Private college	<input type="checkbox"/>
Government College	<input type="checkbox"/>
Other (please specify) _____	

Question 15: From which educational institutions were your children getting education one and two years back?

	One year back	Two years back
Religious school	<input type="checkbox"/>	<input type="checkbox"/>
NGO	<input type="checkbox"/>	<input type="checkbox"/>
Private school	<input type="checkbox"/>	<input type="checkbox"/>
Government school	<input type="checkbox"/>	<input type="checkbox"/>
Private college	<input type="checkbox"/>	<input type="checkbox"/>
Government College	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____		

Question 16: Do you have electricity in your locality?

Yes	1
No	2



Question 17: Is there any main highway near your locality?

Yes	1
No	2

Question 18: Do you have a branch of any bank in your locality?

1	Yes	<input type="checkbox"/>	Go to Q19
2	No	<input type="checkbox"/>	Go to Q20

Question 19: (If yes) since when?

_____ Year

Question 20: Do you have an account(s) in a bank?

1	Yes	<input type="checkbox"/>
2	No	<input type="checkbox"/>

Question 21a) Which of the facilities provided by PPAF have you used in your locality?
Have you used any other apart from these?

First answer: _____
Second answer: _____
Third answer: _____

PPAF facilities not present	<input type="checkbox"/>
Don't use PPAF facilities	<input type="checkbox"/>

Question 21b) Has PPAF been involved in community development programs in your area regarding the following aspects? (Tick all that apply)

Health and Education	<input type="checkbox"/>
Drainage and Sanitation	<input type="checkbox"/>
Drinking water Supply	<input type="checkbox"/>
Flood protection works	<input type="checkbox"/>
Integrated Area upgrading	<input type="checkbox"/>
Irrigation	<input type="checkbox"/>
Roads and Bridges	<input type="checkbox"/>
Technological innovation programs	<input type="checkbox"/>
Other _____	
Don't use PPAF facilities	<input type="checkbox"/>
PPAF facilities not present	<input type="checkbox"/>



Question 22) Have you been involved in any of their programs (through monetary support or otherwise)?

Monetary support ☐
Labor support ☐
Other _____

CASUALTIES

Question 23: Did you face any financial crisis during the previous two years?

Yes ☐
No ☐ go to Q26

Question 24: (If yes) what was the reason(s)?

Flood ☐
Demise in family ☐
Loss in business ☐
Animal loss ☐
Deposition of job ☐
Illness ☐
Drought ☐

Question 25: How did you compensate the loss?

By taking loan from bank ☐
By taking loan from NGO ☐
By taking loan from family/friends ☐
By taking loan from Arthi/middleman ☐
From own saving ☐
By selling assets ☐
Others (please specify) _____

AGRICULTURE

Question 26: Do you currently cultivate land?

Yes ☐
No ☐



Question 27: What is your status of land cultivation?

- | | |
|---|--------------------------------------|
| Cultivate own land | <input type="checkbox"/> |
| Cultivated by mazarah | <input type="checkbox"/> |
| Cultivate by giving on lease | <input type="checkbox"/> |
| Cultivate by taking other's land on lease | <input type="checkbox"/> (Go to Q38) |
| Cultivate other's land as mazarah/daily wager | <input type="checkbox"/> |
| Cultivate own land/leased land | <input type="checkbox"/> |
| Both (self/by mazarah) | <input type="checkbox"/> |
| Others (please specify) _____ | |

Question 28: How much Kanals of land do you own/cultivate in the current year³²?

Total owned Land: _____ Kanals
Cultivated Land _____ Kanals

Question 29: How much Kanals of land did you own/cultivate in the previous year³³?

Total owned Land: _____ Kanals
Cultivated Land _____ Kanals

Question 30a: Are you the legal owner of your total land?

Yes ☐
No ☐

Question 30b: If No, how many shareholders of land are there?

_____ Number

Question 30c: How much kanals of land do you own personally?

Current year: _____ Kanals
Previous year: _____ Kanals

Question 31: What is the monetary value of your total land?

Current year: _____ Rs.
Previous year: _____ Rs.

Question 32: What is the monetary value of your personal land?

Current year: _____ Rs.
Previous year: _____ Rs.

³² Current year refers to the year after taking the most recent loan i.e. January 2008 to December 2008

³³ Previous year refers to the year before taking the most recent loan i.e. January 2004 to December 2007



Question 33: What is type of your land?

- Rain dependent ☐
- Irrigated by canal ☐
- Irrigated by tube wells ☐
- Irrigated by both ☐
- Other (please specify) _____

Question 34: Does your land have salinity problem?

- Yes ☐
- No ☐

Question 35: How much area of your land is affected from salinity?

- 10% of your total land ☐
- 20% of your total land ☐
- 30% of your total land ☐
- 40% of your total land ☐
- 50% of your total land ☐
- 60% of your total land ☐
- 70% of your total land ☐
- 80% of your total land ☐
- 90% of your total land ☐

Question 36: Does your land have water logging problem?

- Yes ☐
- No ☐

Question 37: How much area of your land is affected from water logging?

- 10% of your total land ☐
- 20% of your total land ☐
- 30% of your total land ☐
- 40% of your total land ☐
- 50% of your total land ☐
- 60% of your total land ☐
- 70% of your total land ☐
- 80% of your total land ☐
- 90% of your total land ☐

Question 38: Did you employ any paid worker for agriculture in the current year?

- Yes ☐
- No ☐



Question 39: If yes how many?

Male (number) _____

Female (number) _____

Question 40: Did you employ any paid worker for agriculture in the previous year?

Yes ☐

No ☐

Question 41: If yes how many?

Male (number) _____

Female (number) _____

Question 42: How many crops did you cultivate in the current year?

_____ Number

Question 43: What is your total annual gross income from agriculture in the current year?

_____ Rs.

Question 44: Please name the 4 core crops you cultivated in the current year, with the type and total costs of seeds used for them?

Name of Crop	Type and cost of Seeds				Total Cost (Rs.)
	Most Expensive	Expensive	Cheap	Home produced	

Question 45: What type of fertilizer did you use in the current year?

Chemical ☐

Organic ☐

Both ☐

Neither ☐

Question 46: How much did you spend on fertilizer in the current year?

_____ Rs

Did not spend ☐



Question 46a: If you did not spend on fertilizer, please state the reason for not spending.

Reason: _____

Question 47: Was fertilizer according to your need?

According to need ☐ (Go to Q49)

Less than need ☐

Question 48: If less than need, what was the reason behind it?

Shortage of money ☐

Problem in availability ☐

Other ☐

Question 49: How much did you spend on irrigation in the current year?

_____ Rs.

Question 49b: If you did not spend on irrigation, please state the reason for not spending.

Reason: _____

Question 50: Was irrigation according to your need?

According to need ☐

Less than need ☐

Question 51: How many crops did you cultivate in the previous year?

_____ Number

Question 52: What was your total annual net income from agriculture in the previous year?

_____ Rs.

Question 53: Please name the 4 core crops you cultivated in the previous year, with the type and total cost of seeds used for them?

Crop	Type and cost of Seeds				Total Cost
	Expensive	In-expensive	Cheap	Home produced	



Question 54: What type of fertilizer you used in the previous year?

- Chemical ☐
Organic ☐
Both ☐
Others (please specify) _____

Question 55: How much did you spend on fertilizer in the previous year?

_____ Rs

Question 55a: If you did not spend on fertilizer, please state the reason for not spending.

Reason: _____

Question 56: Was fertilizer according to your need?

- According to need ☐
Less than need ☐

Question 57: If less than need, what was the reason behind it?

- Shortage of money ☐
Problem in availability ☐
Other ☐

Question 58: How much did you spend on irrigation in the previous year?

_____ Rs.

Question 58a: If you did not spend on irrigation, please state the reason for not spending.

Reason: _____

Question 59: Was irrigation according to your need?

- According to need ☐
Less than need ☐

**LIVE STOCK**

Question 60: Do you own animals?

Yes ☐
 No ☐ (Go to next Section)

Question 61: Do you keep animals?

Yes ☐
 No ☐

Question 62: If yes then give us the following information?

Animal	Yes = 1 No = 2 Own animal	Total No. NOW	Total No. 1 YEAR BACK	Reason for change in No.	Yes=1 No=2 Keep animal	Total No. NOW	Total No. 1 YEAR BACK	Reason for change in No.
Buffalos								
Cows								
Bullock								
Bull								
Goats								
Sheep								
Donkeys								
Horses								
Camels								
Poultry								

Question 63: What is your total annual gross income from livestock in the current year?
 _____ Rs.

Question 64: What is the monetary value of home-consumed milk etc. in the current year?
 _____ Rs.

Question 65: What was your total annual gross income from livestock in the previous year?
 _____ Rs.

Question 66: What was the monetary value of home-consumed milk etc. in the previous year?
 _____ Rs.

Question 67: Do you keep/own poultry?
 Yes ☐
 No ☐

Question 68: What is your total annual gross income from poultry in the current year?
 _____ Rs.



Question 69: What is the monetary value of home-consumed eggs/chicken in the current year?

_____ Rs.

Question 70: What was your total annual gross income from poultry in the previous year?

_____ Rs.

Question 71: What was the monetary value of home-consumed eggs/chicken in the previous year?

_____ Rs.

Question 72: Do you keep honey bees?

Yes ☐

No ☐

Question 73: What is your total annual gross income from honey bees in the current year?

_____ Rs.

Question 74: What is the monetary value of home-consumed honey in the current year?

_____ Rs.

Question 75: What was your total annual gross income from honey bees in the previous year?

_____ Rs.

Question 76: What was the monetary value of home-consumed honey in the previous year?

_____ Rs.

Question 77: Did you employ any paid worker for livestock in the current year?

Yes ☐

No ☐

Question 78: If yes how many?

Male (number) _____

Female (number) _____

Question 79: Did you employ any paid worker for livestock in the previous year?

Yes ☐

No ☐

Question 80: If yes how many?

Male (number) _____

Female (number) _____

**ENTERPRISE/COMMERCE**

Question 81: Do you operate any non-agriculture enterprise?

Yes ☐
No ☐

Question 82: When did you start your business?

_____ Years

Question 83: How you describe the type of your business?

Question 84: From where does your business operate in the current year?

House ☐
Business site (exclusive of this type of business) ☐
Business site (with other business also) ☐
Informal Street ☐
Any other (please specify) _____

Question 85: Did you employ any paid worker for enterprise in the current year?

Yes ☐
No ☐

Question 86: If yes how many?

Male (number) _____
Female (number) _____

Question 87: What was the working status of your paid employees before joining your enterprise?

Employed (number) _____
Unemployed (number) _____

Question 88: What is the monetary value of your enterprise related assets currently?
_____ Rs.

Question 89: What is your annual gross income from enterprise in the current year?
_____ Rs.

Question 90: What is the monetary value of home-consumed enterprise related products (*without paying*) in the current year?
_____ Rs.

Question 91: What is your sales turnover in the current year?
_____ Rs.



Question 92: From where did your business operate in the previous year?

- House ☐
Business site (exclusive of this type of business) ☐
Business site (with other business also) ☐
Informal Street ☐
Any other (please specify) _____

Question 93: Did you employ any paid worker for enterprise in the previous year?

- Yes ☐
No ☐

Question 94: If yes how many?

Male (number) _____
Female (number) _____

Question 95: What was the working status of your paid employees before joining your enterprise?

Employed (number) _____
Unemployed (number) _____

Question 96: What is the monetary value of your enterprise related assets in the previous year?

_____ Rs.

Question 97: What is your annual gross income from enterprise in the previous year?

_____ Rs.

Question 98: What is the monetary value of home-consumed enterprise related products (*without paying*) in the previous year?

_____ Rs.

Question 99: What is your sales turnover in the previous year?

_____ Rs.

INCOME

Question 100: What is your current average personal monthly income?

Agriculture	_____	Rs.
Livestock	_____	Rs.
Enterprise	_____	Rs.
Service	_____	Rs.
Daily wage	_____	Rs.
Others (please specify)	_____	Rs.
Total income	_____	Rs.



Question 101: What was your average personal monthly income one year back?

Agriculture	_____	Rs.
Livestock	_____	Rs.
Enterprise	_____	Rs.
Service	_____	Rs.
Daily wage	_____	Rs.
Others (please specify)	_____	Rs.
Total income	_____	Rs.

Question 102: What is your current household's monthly income from different sources?

Agriculture	_____	Rs.
Livestock	_____	Rs.
Enterprise	_____	Rs.
Service	_____	Rs.
Daily wage	_____	Rs.
Others (please specify)	_____	Rs.
Total income	_____	Rs.

Question 103: What was your household's monthly income from different sources, one year back?

Agriculture	_____	Rs.
Livestock	_____	Rs.
Enterprise	_____	Rs.
Service	_____	Rs.
Daily wage	_____	Rs.
Others (please specify)	_____	Rs.
Total income	_____	Rs.

EXPENDITURE

Question 104: What is your overall current monthly expenditure?

_____ Rs.

Question 105: What was your overall monthly expenditure one-year back?

_____ Rs.



Question 106: How much do you normally spend on following food items in a month?

Items	Monitory value of purchase item	
	Current year	Previous year
Wheat grains / Flour		
Rice		
Pulses		
Spices		
Chicken		
Mutton		
Beef		
Fish		
Vegetable		
Fruit		
Canned food		
Sugar		
Tea		
Eggs		
Milk		
Ghee / Butter / Oil		
Fuel (Firewood, Oil etc.)		
Soap/Landry etc.		
Others (please specify): _____		

Question 107: How much do you normally spend on following items and events in a year?

	Monitory value	
	Current year	Previous year
Food (Overall)		
Wedding ceremonies		
Health/Illness		
House repair		
Family Funerals		
Utility bills		
Recreation		
Education: Male		
Education: Female		
Animals		
Salaries of workers		
Clothing and other accessories		
Children's toys		
House rent		
Traveling		
Litigation/Legal expenses		
Others (please specify): _____		

**HOME PRODUCTION**

Question 108: Among the following items how many of them are consumed by your household, by own production?

Items	Yes = 1 No = 2	Quantity (Kg.)		Monetary Value (Rs.)	
		Current year	Previous year	Current year	Previous year
Wheat grains/Atta					
Rice					
Spices					
Pulses					
Vegetable					
Fruit					
Fuel (Firewood, Oil etc.)					
Fertilizers					
Others (please specify): _____					

ASSETS

Question 109: Among the following items how many of them are owned by your household?

Items	Do you own?		If yes, when was purchased Current year = 1 Before 1 year = 2	If purchase in current year tell us about the monetary value of the item
	Yes = 1	No. = 2		
Radio				
Iron				
Fan				
Suitcases/Trunks				
Bicycle				
Tape recorder				
Sewing machine				
Washing machine				
VCR				
TV				
Air cooler				
Cooking range				
Microwave oven				
Refrigerator				
Generator/UPS				
Mobile phone				
Motorcycle				
Water filter				
Air conditioner				
Geyser				
Heater				
Trolley				
Agriculture equipment				
Thresher				
Tractor				
Truck				
Plot/Shop etc.				
House				
Other (please specify) _____				

Question 110: Do you have the following financial assets?

	Current year Yes = 1 No = 2	Previous year Yes = 1 No. = 2	Monetary value Current year	Monetary value Previous year
Bank Account				
Cash (in Pak Rupees)				
Cash (in foreign currency)				
Committee				
Advances				
Saving certificates				
Gold Jewelry				

HOUSING FACILITIES

Question 111: What is the ownership status of your dwelling?

- Owned ☐
Rented ☐

Question 112: What is the type of your dwelling?

- Mud (katcha) ☐
Brick stone (pacca) ☐
Mud and Brick stone ☐

Question 113: Please tell us the number and structure of rooms in your house?

Number of rooms	Structure of rooms		
	Katcha	Pacca	Both

Question 114: During the previous 12 months did you spend on house repair etc.?

- Yes ☐
No ☐

Question 115: If yes, please specify

- Refurbishment ☐
Construction of latrine (sanitary) ☐
Repair/Installation of water connection/hand pump/boring tank ☐
Other (please specify)_____



Question 116: Do you have a latrine in your house?

Yes ☐
No ☐

Question 117: What is the type of latrine?

Flush latrine ☐
Pore latrine ☐
Pitt latrine ☐

Question 118: When was it constructed?

Current year ☐
Before 1 year ☐

Question 119: What is the source of drinking water in your home?

	Yes	No
Tap inside the house (from main water supply)	<input type="checkbox"/>	<input type="checkbox"/>
Tap outside the house (from main water supply)	<input type="checkbox"/>	<input type="checkbox"/>
Hand pump inside the house	<input type="checkbox"/>	<input type="checkbox"/>
Hand pump outside the house	<input type="checkbox"/>	<input type="checkbox"/>
Well inside the house	<input type="checkbox"/>	<input type="checkbox"/>
Well outside the house	<input type="checkbox"/>	<input type="checkbox"/>
Personal motor / Pump	<input type="checkbox"/>	<input type="checkbox"/>
Any other (please specify) _____		

Question 120: If the source of water is inside the house when was the connection taken?

Current year ☐
Before 1 year ☐

Question 122: Do you have the following connections in your house?

	Yes	No	If yes, since when		
Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Current year	<input type="checkbox"/>	Before 1 year <input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	Current year	<input type="checkbox"/>	Before 1 year <input type="checkbox"/>
Telephone	<input type="checkbox"/>	<input type="checkbox"/>	Current year	<input type="checkbox"/>	Before 1 year <input type="checkbox"/>

**LOAN RELATED**

Question 123: Are you a member of any community organization (CO) or group?

Yes ☐
No ☐

Question 124: If yes, name the organization?

Question 125: During the previous 2 years have you taken any loan from this organization?

Yes ☐
No ☐

Question 126: If yes, then how many loans have you obtained up till now?

Question 127: Have you taken any loans from the following sources? If 'No' tell us the reasons and if 'Yes' tell us the reasons?

	Yes	Reasons	No	Reasons
Agriculture Bank	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
Commercial Bank	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
Relative / Friends	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
Money lender	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
Landlord	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
PO/NGO	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
Arthi/Middle man	<input type="checkbox"/>	_____	<input type="checkbox"/>	_____
Other (please specify)		_____		_____

Question 128: How many loans have you taken during the previous two years from a source other than Community organization?

_____ Number

Question 129: Did you give a collateral/guarantee for those loans?

Yes ☐
No ☐



Question 130: If yes then of what type?

- Land ☐
- Gold Jewelry ☐
- Animal ☐
- Personal services ☐
- Crop ☐
- House ☐
- Personal guarantee ☐
- Guarantee of someone else ☐
- Others (please specify) _____

Question 131: When did you take loans from CO or NGO? (If more than one loan was taken then ask about the three most recent loans taken)

Most recent loan _____ Year _____ month
Second most recent loan _____ Year _____ month
Third most recent loan _____ Year _____ month

Question 132: Up till now how much amount of loan have you taken from CO or NGO?

Most recent loan _____ Rs.
Second most recent loan _____ Rs.
Third most recent loan _____ Rs.

Question 133: What purpose was the loan(s) used for?

Most recent loan _____
Second most recent loan _____
Third most recent loan _____

Question 134: What is/was the duration of your loans?

_____ years _____ months
_____ years _____ months
_____ years _____ months

Question 135: How has your loan been used?

- By yourself ☐
- With your suggestion ☐
- By someone else ☐

Question 136: How often do you have to pay your loan installment?

- Weekly ☐
- Fortnightly ☐
- Monthly ☐
- Yearly ☐
- Other (please specify) _____



Question 137: What was the actual need for the loan?

Question 138: What was the purpose of loan?

- | | |
|-----------------------------------|--------------------------|
| For new business | <input type="checkbox"/> |
| For investing in running business | <input type="checkbox"/> |
| For household expenditure | <input type="checkbox"/> |
| For livestock | <input type="checkbox"/> |
| For agriculture | <input type="checkbox"/> |
| Other (please specify) | _____ |

Question 139: What was the estimated amount of the total financial requirement of purpose for which you obtained loan?

_____ Rs.

Question 140: How much loan did you take?

_____ Rs.

Question 141: How did you compensate the difference between two? (*Question 139 and 140*)

- | | |
|----------------------------|--------------------------|
| Borrowed from someone else | <input type="checkbox"/> |
| From own saving | <input type="checkbox"/> |
| By taking assistance | <input type="checkbox"/> |
| Could not compensate | <input type="checkbox"/> |
| Other (please specify) | _____ |

Question 142: To what extent was your need fulfilled through this loan?

- | | |
|----------------------|--------------------------|
| Completely fulfilled | <input type="checkbox"/> |
| Somewhat fulfilled | <input type="checkbox"/> |
| Not at all fulfilled | <input type="checkbox"/> |

Question 143: In your opinion, how much loan should have been provided to you?

_____ Rs.

Question 144: Did you experience increment in your income? If 'yes', tell us the reasons and if 'no', tell us the reasons?

		Reasons
Yes	1	_____
No	2	_____

Question 145: How much is the increment in your income?

_____ Rs



Question 146: How did your life and your family's life change after taking loan?

Answer No. 1 _____

Answer No. 2 _____

Answer No. 3 _____

Question 147a: Did you benefit by the last loan taken from the CO, i.e. after taking out the expenditure of your loan need did you benefit from the loan?

Yes ☐

No ☐

Question 147b: (If yes, then) How much did you benefit?

_____Rs.

Question 147c: Please explain the details of the benefit.

Question 148: How many hours did you work in a day before and after taking loan?

Before taking loan

Sleeping/leisure _____ (hrs)

Family _____ (hrs)

Household work _____ (hrs)

Social activities _____ (hrs)

Others (please specify) _____

After taking loan

Sleeping/leisure _____ (hrs)

Family _____ (hrs)

Household work _____ (hrs)

Social activities _____ (hrs)

Others (please specify) _____

Question 149a: Would you take a loan again from this CO?

Yes ☐

No ☐

Question 149b: (If yes) State reason

Question 149c: (If no) State reason

SOCIO ECONOMIC STATUS

Question 150: How has your social status been affected after taking loan?

Status increased ☐

Status decreased ☐

No impact ☐



Question 151: How has the importance of your opinion been affected, within your household, after taking the loan?

	Increased	Decreased	No impact
Children's marriage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Children's education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family discord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchasing/selling of household items	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchasing/selling of property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify) _____			

Question 152a: How do you spend your personal income (ask only from female respondents)?

Keep it to yourself	<input type="checkbox"/>
Partly give to husband/family and partly keep to yourself	<input type="checkbox"/>
Give all to husband/family	<input type="checkbox"/>

Question 152b: How did you spend your personal income 1 year back (ask only from female respondents)?

Kept it to yourself	<input type="checkbox"/>
Partly gave to husband/family and partly kept to yourself	<input type="checkbox"/>
Give all to husband/family	<input type="checkbox"/>

MOBILITY

Question 153: For what purpose and how often did you go outside before taking a loan?

		Purpose
Often	<input type="checkbox"/>	_____
Sometime	<input type="checkbox"/>	_____
Never	<input type="checkbox"/>	_____

Question 154: For what purpose and how often did you go outside your house after taking a loan (current year)?

		Purpose
Often	<input type="checkbox"/>	_____
Sometime	<input type="checkbox"/>	_____
Never	<input type="checkbox"/>	_____

HEALTH

Question 155: Does any female member of your household got sick or any disease in the past year?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>



Question 156: (if yes) How many females?

Total females: _____

Question 157: What was the disease?

Disease name:

1. _____
2. _____
3. _____

Question 158: Does any female member of your household got sick or any disease in the current year?

Yes ☐

No ☐

Question 159: (if yes) How many females?

Total females: _____

Question 160: What was the disease?

Disease name:

1. _____
2. _____
3. _____

Question 161: Did you use some of your loan on her treatment or did you borrow money from someone else?

Yes ☐

No ☐

POVERTY SCORECARD

Question 162: How many people usually live and eat in the household? (do not list guests, visitors, etc...)

Total household members: _____



Question 162a: Please circle the total number of household members in the below mentioned categories.

- | | |
|--------------|--------------------------|
| Less than 5 | <input type="checkbox"/> |
| 5-10 | <input type="checkbox"/> |
| 11-15 | <input type="checkbox"/> |
| More than 15 | <input type="checkbox"/> |

Question 163a: How many people in the household are under the age of 18 and over the age of 65?

Question 164: What is the highest education level of the head of the household?

- | | |
|---------------------------------------|--------------------------|
| Never attended School | <input type="checkbox"/> |
| Less than class 1 to class 5 included | <input type="checkbox"/> |
| Class 6 to class 10 included | <input type="checkbox"/> |
| Class 11, college or beyond | <input type="checkbox"/> |

Question 165: How many children in the Household between 5 and 16 years old are currently attending school or not?

- | | |
|--|--------------------------|
| There are no children between 5-16 in the household | <input type="checkbox"/> |
| All children between 5-16 are attending school | <input type="checkbox"/> |
| Only some children between 5-16 are attending school | <input type="checkbox"/> |
| None of the children between 5-16 are attending school | <input type="checkbox"/> |

Question 166: How many rooms does the household occupy, including bedrooms and living rooms? (do not count storage rooms, bathrooms, toilets, kitchen or rooms for business)

Total rooms: _____

Question 167: What kind of toilet is used by the household?

- | | |
|--|--------------------------|
| Flush connected to a public sewerage, to a pit or to an open drain | <input type="checkbox"/> |
| Dry raised latrine or dry pit latrine | <input type="checkbox"/> |
| There is no latrine in the household | <input type="checkbox"/> |

Question 168: Does the household own at least one Refrigerator or Washing Machine?

- | | |
|-----|--------------------------|
| Yes | <input type="checkbox"/> |
| No | <input type="checkbox"/> |

Question 169: Does the household own at least one Air conditioner, Air Cooler, Geezer or Heater?

- | | |
|-----|--------------------------|
| Yes | <input type="checkbox"/> |
| No | <input type="checkbox"/> |



Question 170: Does the household own at least one Cooking Range, Cooking stove or Microwave Oven?

Yes ☐
No ☐

Question 171: Does the household own following engine vehicles?

At least one Car/Tractor and Motor cycle ☐
At least one car/tractor but no motor cycle ☐
No Car/Tractor but at least one motorcycle ☐
Neither car/tractor not motorcycle ☐

Question 172: Does the household own at least one TV?

Yes ☐
No ☐

Question 173: Does the household own following livestock?

At least one buffalo/bullock and at least one cow/goat/sheep ☐
At least one buffalo/bullock but no cow/goat/sheep ☐
No bullock/buffalo but at least one cow/goat/sheep ☐
Neither buffalo/bollock nor cow/goat/sheep ☐

Question 174: How much agriculture land does the household own?

FOR NON BORROWERS

Question 175: Do you know there is facility in your village to obtain micro-credit?

Yes ☐
No ☐

Question 176: If yes then why you did not take that loan?

Have taken loan (but not of PPAF) ☐
Don't need ☐
Installment are high ☐
Interest is high ☐
Regularity in the payment is difficult ☐
Other (please specify) _____

**DEMOGRAPHICS**

D1. Sex

Male ☐Female ☐

D2. Age

Years

D3. What is the education of the respondent?

No formal education/Illiterate ☐No formal education/Literate ☐Religious education only ☐Up to primary school ☐Up to middle school ☐Matriculation (High school) ☐Intermediate (F.A. /F. Sc.) ☐Graduate (B.A. / B.Sc. / B.Com/BS. Honor/BCS) ☐M.Sc./ MBA/ M. Com/MCS/M.A. ☐Professional education (Doctor/Engineer/LLB/CA) ☐

D4. What is the education of the household head?

No formal education/Illiterate ☐No formal education/Literate ☐Religious education only ☐Up to primary school ☐Up to middle school ☐Matriculation (High school) ☐Intermediate (F.A. /F. Sc.) ☐Graduate (B.A. / B.Sc. / B.Com/BS. Honor/BCS) ☐M.Sc./ MBA/ M. Com/MCS/M.A. ☐Professional education (Doctor/Engineer/LLB/CA) ☐

INDEPTH INTERVIEWS



In-depth Interview

1 Respondent: Ghulam Zohra

Date of Interview: 10th March 2013



Left Side From Front Gate



Right Side From Front Gate



Front Gate



Entrance Room



View Of Kitchen Door From Entrance Room



Respondent & BRAC representative sitting where the interview Took Place



BRAC Passbook



BARC Passbook

Asslamoalikum. My name is Yahya Sheraz and I am from Gallup Pakistan which is a market research company. We perform different kind of surveys. The reason we have come to you today is to ask you a few questions regarding the loans that you have taken. Like what is the procedure through which you obtain that loan and what are their conditions/ criteria of giving a loan, and for what purposes you use that loan. Whether it is beneficial for you or whether you suffer from any loss due to it. So, we want to talk to you about all that.

Q. First of all would you please state your name?

A. My name is Zohra.

Q. How long ago did you take a loan the first time?

A. The first 2 loans that I took used to finish within 12 months. The one started now will finish within 10 months. It has 40 installments.

Q. So this means if there are 40 installments in 10 months, each installment is on a weekly basis?

A. Yes, it is weekly.

Q. Ok, so what is the procedure of getting a loan?

A. It's not difficult. These people come to our house; they tell us that they give loans to people so they could do a small business. They ask us to make a group of women. Initially we had a group of 30 women. We use to make one member and all the women used to gather in that house. There used to come a man (sir) and a few women (madams) and we used to have a meeting. They used to ask us a few questions in that meeting and we used to answer. They told us this is the way a loan is taken and this is the way it is given back. Can be used in different small businesses. It will be beneficial for both you and us. This is how we used to do it. Still now Sir comes and we have a meeting every week. Each meeting takes place in a separate house of every member. All

the women give money to me and a girl comes from their side and I give her all the money reguraly. Some women have a Rs. 650 installment, some have Rs. 750, and then some have Rs.1050 etc. It's paid according to amount of loan each woman has taken and they calculate and tell us how much it has to be returned. It is not difficult at all. We even go to their office where they tell us that you can come on so and so date and get your loan. So we go there and get it easily. The girls are nice there. They cooperate a lot with us.

Q. Is there any paper work along with it?

A. Yes, there is paper work as well.

Q. What does that include?

A. There are 4 pictures, 4 photocopies of our ID card, then 4 pictures and 4 photocopies of someone close relative a son or husband. Then they also ask this of any relative as a guarantor. Then they also take a stamp paper where everything is written in detail and that guarantor has to sign on it. We also sign that paper.

Q. So what is the responsibility of the guarantor? I mean suppose a member is unable to return the money, is it the guarantor who will have to return that money?

A. Yes. It is that way that if I am taking a loan and am unable to give it or am not giving it then my guarantor will give it. But the first thing is if we have taken it, then we must return it. It has never happened any time that our guarantor has given it.

Q. How many times have you taken a loan before the one currently going?

A. 2 times.

Q. So this is the 3rd time?

A. Yes, it is the 3rd time.

Q. How much of a loan have you taken?

A. Initially it was Rs. 15,000 then 25,000 and now 30,000. I am not exactly sure because I am a hypertensive patient. I think I have taken it 4 times.

Q. So, now have taken how much?

A. Rs. 30,000.

Q. So for what purpose have you taken that loan?

A. Have a small shop. It's a grocery shop. I manage it myself. My husband has died. Have a kid. He has kept the facility of easy load in it. Right now I am not feeling well so am sitting here. My son is there.

Q. Is there anyone else who has taken a loan in the household?

A. No, I am the only one.

Q. Have you taken a loan from somewhere else?

A. I used to before.

Q. From where did you take that loan?

A. They had an office just nearby. They also came to us and gave us a loan of Rs. 10,000-15,000. I was unable to return it. Didn't know where to bring it back from. Initially my husband used to work in the army but now that he is dead I have to look after this small business that he started.

Q. Do you remember the name of that organization from where you used to get that loan?

A. I don't remember at all.

A. (Daughter says) It was from NRSP.

Q. Why did you leave them and start from here?

A. They used to give less money. These people have given us Rs.30,000 on just the 3rd time. They used to give not more than 10,000, or 15,000 or 18,000. Things are so expensive now that it was difficult to manage with that small amount. We were not able to pay the installments adequately. Another problem with them was that after doing all their paper work, they used to give us a cheque which we had to get cashed on going to some other place. But these people don't have such a problem. No cheque, no bank. They give the loan from the office.

Q. Do you have to go to the office to get the money or do they come to your house and give it?

A. No we have to go to the office to get the money. They don't even take the security money at homes. They ask us to come to the office and talk to madam and then will get the money.

Q. What is security?

A. For example if they have given 10,000 then they 500 security for them. Or it is they keep 1000 with them and give us 9000. Now I have 3500 worth of security with them. If I don't want any more loans, they will return that money to us.

Q. What is the reason of keeping that security?

A. They told us that they have to pay the rent of their office here. It's their system.

Q. Was taking that loan beneficial or harmful to you?

A. It was beneficial.

Q. Were there any difficulties on giving installments?

A. No, I haven't had any problems. I don't know about others. All the members in our group come early at 9am in the morning and give me all the money. I have a copy maintaining that record of all installments that they give and take.

Q. How much of additional money do you have to give away?

A. I have to give 2 extra installments.

Q. So whatever money you take, you have to give 2 extra installments?

A. Yes.

Q. How many installments in all?

A. 8.

Q. And 2 are extra?

A. Yes.

Q. So the installments are finished in 10 months?

A. Yes.

Q. Does it feel problematic to give extra money?

A. Sometimes it does, like when you have taken 20,000 worth of loan, you have to give 4,000 extra. It doesn't feel so much of a problem especially when we desperately need money, no one can give us so much of an amount. So even if we have to give this much money I don't mind.

Q. Have you had any loss from them?

A. No, never.

Q. Where has this loan turned out to be beneficial for you?

A. I have felt it to be beneficial everywhere.

Q. Has it proved to be beneficial for you in your everyday life?

A. Yes it has. Our income has increased. Our house system has improved.

Q. The profit that you get due to this loan, where is it spent?

A. I mostly spend it on my shop. I don't have small kids to spend on their education. Or I also spend it on the house if there is anything to be done here. But mostly on the shop.

Q. Do you believe that the kind of food you eat has also improved?

A. Yes. If any guest arrives suddenly, I usually have money in hand to bring something from the market like meat or anything. The money is safe at home.

Q. Have you ever had to use this money in dire need? Like in case of an earthquake, flood or when the wall falls down.

A. I usually help others. I also have given a house for rent, thank God. Then there is also my husband's pension.

Q. Has your position in your family improved?

A. Yes, they do respect me. They ask me where do I get the money from. Your condition has improved, your business is expanding. This and that. I tell them that there was this program and their people cooperated with us. That's the reason things have improved. I tell them that I take 20,000-25,000 loan and am able to run my system smoothly. They seem to like this idea that the system in the house is improved and am able to return the installments easily.

Q. Has this loan been beneficial in terms of building a house or renovating it?

A. Since the day I have started taking this loan, I have renovated a small portion of my house just once.

Q. What kind of work did you get done?

A. I had a room outside which I replaced for 2 shops which I have given for rent. Now my Veranda has also become very spacious. That is also now another source of my income. I get 2000 from one and 3500 from another. And have 1 shop of my own use.

Q. Do you want to give any suggestions to improve the system of this loan?

A. I would like to suggest them to increase my loan. I have to improve the system of my shop. I want to straighten the roof of my shop as it is tilted so I can make another room there. This is an important work to be done but I am unable to do due to lack of money.

Q. Is there any suggestion regarding the ease of getting the loan?

A. There are still 3-4 months left for the loan I have taken. I just think of getting more loan.

Q. How many days does it take to get the loan?

A. The first time I applied, they took about a month because it was a new system. After that they close in one week and give us another loan in another.

Q. So when this installment finishes, they will give the next one next week?

A. Yes for example if tomorrow on Monday I finish off my installments, they will ask me to bring photos and photocopies next week to get the next loan.

Q. Have you ever thought of getting a loan from somewhere else?

A. No, I am not able to return their money. There are so many loan offices made everywhere but then I think the more you take, the more difficult it becomes to return back. I prefer only one place. They are easier than the rest of the people. The only thing is the 2 extra installments that you have to give in 2 months on weekly basis.

Q. Has this loan been beneficial in terms of buying a car or a motorcycle for your son?

A. I do think that there is no motorcycle for my son. He does say that he wants one so I tell him to put his money on a committee because this loan is not given to men. He says that next time do buy me one as I am always there for you. I go everywhere with you. I had bought one for him initially but that got stolen. It was bought on installments of 20,000. Got stolen from outside. Don't have a car.

Thank you so much for your time and comments.



Leaving after Interview

2 Respondent: Gulsher

Date of Interview: 10th March 2013 (Time: 11:10 am)



View From Left Side Of The Front Gate



View From The Front Gate



View on Entrance



Where the interview took place
(Moderator & Respondent)



Respondent & BRAC Representative



Q. Assalam-o-alikum. My name is Yahya Sheraz and we have come today to talk to you about the loans that you have taken. First of all I would like you to tell me your name.

Gulsher.

Q. Would you now tell me where did you get your loan from?

A. from BRAC Pakistan.

Q. Is the loan taken on your own name?

A. Yes.

Q. Would you tell me the way a loan is taken? What steps you had to go through to get that loan?

A. I gave pictures. 2 were mine and 2 were of my husband. 1 was of a guarantor. There was a stamp paper and electricity bill.

Q. Was there anything else?

A. No that was it.

Q. Who told you about BRAC?

A. (Another respondent replies) One of our neighbors had taken this loan for the first time and they told us about it.

Q. (Asked to the other respondent) Are you her daughter?

A. Yes.

Q. So, you got to know about it through your neighbors?

A. That and also the office is just close to our house so we knew about it. The set up was new. So we took the loan for welding work that my son does.

Q. So the basic reason you took the loan was for your son who is a welder?

A. Yes.

Q. How much time did it take for you to get the loan?

A. It wasn't much.

Q. Approximately?

A. 2-4 days.

A. (daughter says) When we took it again then it came out early too. It took us 2 weeks the first time. The next time it takes around a week

A. Mashallah they maintain a good record and the people are also good.

Q. Our purpose for coming here is not to get information about anyone. We just want to know what

the procedure is and how is it beneficial, so we can make the system better. So it took you about a week the first time? And then how much time did it take the second time? How many times have you taken a loan?

A. (daughter says) 3-4 times.

A. No. More than that. About 5-6 times. It has been 4-5 years. Their new office had started then.

Q. Which year did you take the first loan?

A. I don't remember that.

Q. I mean was it 4 or 5 years back?

A. (daughter says) My son was 8 days old when we first took the loan. Now he is 4 years old.

Q. So it means approximately 4 years ago?

A. Yes.

Q. How much of a loan did you take then?

A. Rs. 10,000.

q. 10,000?

A. Then 15,000, then 25,000 and now 30,000.

Q. For how long did you take this loan?

A. The first one was for a year. Now it is for 10 months. I pay everything back regularly. Only this time, there was a delay in the committee but I finally managed to collect all the money and myself went to give it back.

Q. So this time you took a 30,000 amount of loan?

A. No. 25,000.

Q. Has anyone else from your household taken any loan?

A. No.

Q. What about your daughter?

A. She has taken it but she lives in a separate household.

Q. Because she is married?

A. Yes.

Q. So there is no other such person in your household?

A. No.

Q. Have you taken a loan from somewhere else?

A. No I haven't taken any other loan from anywhere else. Just from here because they have a good track record and work well.



Q. What is the reason of taking loan from here?

A. The reason is that they are good because of whom my business is running good. There is increase in our income. Our shop is going well. Anyone who wants a loan can go to their office and get it. You don't need to ask anyone else for help.

Q. Have you ever tried to take a loan from anywhere else?

A. No.

Q. So one of the reasons of getting a loan from here is that it's close to your house?

A. Yes.

Q. What other reason do you have? Is it that you know only about them? Or is it that you know about others but you prefer only them? What's the main reason of getting a loan only from here?

A. My son wanted a bit of money.

Q. What I mean to say that ok you want a loan but why only from them?

A. (daughter says) They are good people. They are so compromising that we don't have any trouble getting a loan.

Q. So the 10,000 loan that you took, how much did you return?

A. I gave 12,000 in 2 installments.

A (daughter says) they were 3-4 installments. Have to return 20% interest.

Q. Its better if the respondent gives the answer because she is being interviewed. So the loan is given for a period of 1 year?

A. Yes. It was for 1 year, now for 10 months.

Q. Do you get a loan for a longer duration or not?

A. Haven't got one for a longer duration.

Q. Is there a loan for a lesser duration?

A. Yes Its one year or 10 months.

Q. I mean sometimes there is the time of 6 months return, or 10 months or a year. Are there any such offers or there is a fixed duration of 10 months?

A. No, there are separate. I mean there year duration and then 10 months one as well.

Q. And the duration of 10 months is in 2 installments.

A. Yes. Even if they ask us in 8 months we will give it to them.

Q. No it's not like that I just want information. There is no change in the system. It will continue the way it always has. I'm just trying to gather information from you.

A. Ok

Q. So, have you ever faced any problem while taking the loan or returning it?

A. No, never.

Q. So the return is also easy?

A. Yes

Q. So you have taken a loan 4 times and this is the 4th time. How long ago did you take this loan?

A. It's been 4-5 months.

Q. Ok, so what were the advantages of getting this loan? If we consider the loan taken this time, forgetting about the previous loans, what benefits did you get on taking this loan?

A. Our business has been expanded on getting this loan. I took the loan and gave it to my kids who used it to expand our shop business. That has made us happy. Have also been able the installments easily.

Q. So you think that your business has expanded?

A. Yes.

Q. so your income has increased?

A. Yes it has.

Q. What do you think if you would have not gotten this loan, what kind of problems would you have faced?

A. It would have been difficult. We would have asked someone for money. It would have been tensing.

Q. Where is the income that has been increased through this loan, used? Where do you spend that money?

A. Their father has bought a car. Now are thinking of renovating our house as have guests coming and going.

Q. Other than this, is there any kid in the house who wasn't going to school but is getting educated?

A. No.

Q. So, all your kids were and still are going to school?

A. Yes

Q. There has been no such change? I mean, has it ever happened that there was no money to pay kids school fee before?

A. No.

Q. How long has it been that you have had this shop?

A. First one of my sons was there and now are 2.

Q. I mean how long has it been set up?

A. 8-10 years.

Q so, the first time you took a loan, you already had that business and you used that loan to expand it?

A. Yes, when we found out about them were very pleased.

Q. Is there anything else you would like to tell us about this?

A. No, it's ok.

Q. Did this money come in handy at the time of need? E.g. in case of any earthquake or flood, happiness, despair, wedding at home etc? Do you think this money can be helpful I these situations as well or not?

A. Yes, of course. Happy or sad, have to pay the installments so should give it happily.

Q. Have you renovated you house in the past 4 years?

A. No

Q. Is this a rented house?

A. Yes.

Q. So you are planning of making a house of your own?

A. Yes. Have bought a 5 Marla plot. Have bought one here in Islamabad and one in Gujranwala. So we are trying to build our own house.

Q. So do you feel that if you would not have taken this loan it would have been a bit difficult to get a house?

A. Yes. It would have been difficult. It's because of this loan that we were able to expand our business and bought a plot. Will make a house too soon.

Q. How much % increase has been there in your income after getting this loan?

A. Mashallah the kids are running a good business. Whatever necessary things were required; we took this loan and bought it from them.

Q. for example if there was a loan of 25,000 then?

A. It would not have been the same.

Q I mean if there was a 10,000 income how much increase was there on getting this loan?

A. Have bought a car.

Q. I mean what was the monthly increment?

A. It has been 18,000-20,000.

Q. So if there would not have been this loan, you would have earned 8,000 less>

A. yes.

Q. When was your daughter married?

A. It was before taking the loan

Q. Was any other kid married?

A. All were married before the loan. One daughter is still left.

Q. Do you think you will benefit from this loan in that?

A. there will be a lot of benefit. We can work easily and happily

Q. So has your grace improved in your family after your business has expanded after taking this loan?

A. Yes.

Q. So do people respect you more?

A. Yes they do

Thank you so much for giving us your time. It was pleasure talking to you.



Leaving After The Interview (Moderator And Assistant)



Leaving After The Interview (Moderator, Assistant & BRAC Representative)

3 Respondent: Mohammad

Date of Interview: 10th March, 2013



Front Gate



Left Side View From The Front Gate



Right Side View From The Front Gate



Interview Took Place In Veranda



His Workstation In Veranda



Access To The First Floor



Q. Would you please tell me your name first?

A. My name is Mohammad

Q. On whose name has the loan been taken?

A. Najma Bibi.

Q. What's your relation with her?

A. She is my wife.

Q. Would you tell about the procedure of getting a loan? What steps are taken?

A. First of all I would like to mention that it has been over 4 years since we have started taking this loan. A group of people is usually made. Sometimes 15 people, sometimes 12.

Q. How many people are there in the recent most group?

A. There are about 12-15 people. We have never faced any problems. Everyone is taking these loans for their businesses. We also have taken it for our business. If we find someone who wants a loan, we refer them to those people. So we are all walking together, cooperating with each other. Everything is going fine. Have never faced any problem in our group.

Q. How is a group formed?

A. There are some people who come to us and then some to whom we go and convince to get a loan. So people living nearby usually form a group. Then the people from their office also come to convince others to join a group.

Q. What are the steps you have to go through? Is there any paper work?

A. Yes of course. They start with taking pictures and photocopies of ID cards. Then they ask for your house bills and also a guarantor.

Q. On whose name should the bill be?

A. It should be on the name of the house owner where you live. And if you are living on rent, you give a photocopy of your contract. So the house owner also should know that this person is taking a loan and for what purpose. Because if tomorrow we shift out, the office will have his bills and so will ask him. And then a very important thing is the stamp paper of the guarantor stating that if this person is unable to return the money, then he is responsible to return it.

Q. Who is the guarantor? Is he/she a friend or relative or anyone else?

A. No, we in the group can give each other's guarantee. Then your neighbor can be one or your relative too.

Q. After how many days do you get a loan?

A. Initially it was problematic but now it has become easy. Initially it was a bit late, like it took 15-20 days. But now if all the paper work is proper, it takes 7-10 days.

Q. Has anyone else in your household taken any loan?

A. No.

Q. Have you taken a loan from anywhere else?

A. Not currently.

Q. Did you take any loan before starting this one?

A. Yes.

Q. From where?

A. It was from another office nearby; I don't remember its name. It was 10-12 years back.

Q. Why did you leave them and start here?

A. Actually we had a problem with our group. These people's process is different. They were different. They used to ask us to give guarantees of one another. They had a monthly installment system. This is weekly. For a businessman, giving a weekly installment is very easy to give. Those who are employed, prefer monthly. At that time I was attached to a group who gave monthly installments. But our leader turned out to be so bad that he destroyed the whole group. I tried to give others' money from my side so they could continue with us but that organization refused to take the money from me. The original guarantors refused to give the money. It was a small amount of Rs. 3000-4000 which I offered to give to continue the system but they refused. I didn't prefer to continue there because we have a very closely knit neighborhood. We are there for each every step of the way whether in happiness or sadness. Have been living here since 1966. We don't want grudges to develop so I stopped from there.

So, Tasleem started a survey here. No one at that time knew about them. I also got to meet the in charge. Initially it took long. Obviously when you are starting something new you have to know who you are giving a loan to. What kind of people they are. How do they live. It's not a piece of cake from which you take a bite and it all happens. Obviously they have to inquire. At that time there was a bit of a hassle



but after that have had no issues. Slowly and gradually the system improved because these people were new in the locality, so were the girls they hired, so they themselves didn't know the system properly. But now it's a lot better.

Q. The additional money that you had to give to the previous organization, was it more, less or equal to this one?

A. it was less.

Q. How much did you get to return there?

A. Like if I took 10,000 we had to return 11,100. They were in the form of 12 monthly installments.

Q. And what is the rate here?

A. Here for every 10,000 you return 12,000 in the form of weekly installments. The one that I have taken is 18,000 for 15,000 and 24,000 for 20,000.

Q. Did you ever try to contact the previous organization again or take a loan from them again?

A. No. Once it's finished, it's over. I am satisfied with the recent system.

Q. Is there any other place in your locality where you can get a loan from?

A. There are a couple. But I am not aware of their system. Have never tried to know it.

Q. Do you know whether the additional return is more than here or less?

A. Its less or equal. They also have a monthly installment system. This is the only organization that gives a weekly system.

Q. Can you give any suggestion to improve this system?

A. Some people are unable to provide the stamp paper of the guarantor because he doesn't want to pay the money. So for those people who have been living in their houses for very long, this hassle should be avoided so they do not have to spend 200-300 on that paper. Another suggestion is that they should also provide a monthly installment system. As not everyone is able to pay weekly.

Q. Why did you select BRAC?

A. The first thing is that I wanted a loan, so went for it. Secondly, the people of this organization are very respectful to us and our neighbors. There have been many times when I decided to discontinue my loan but these people are so respectful that I rethink that and am obliged to take the rest of my group members along. The meetings usually take place in my house. All the women come here. I deal with all of them. Obviously the loan is on my wife's name but she is not educated and doesn't know the system so I feel responsible.

Q. How much of the loan have you taken lately?

A. 20,000 rupees.

Q. And the first time you took?

A. 10,000.

Q. Then the 2nd time?

A. 15,000.

Q. The 3rd time?

A. I think it was also 15,000.

Q. Within how many months do you have to return this money?

A. We are returning it within 10 months.

Q. And initially how many months did it take?

A. 12 months.

Q. Was this loan beneficial to you or not?

A. It was beneficial.

Q. Is there any problem you have to face while giving the installment?

A. It depends on your own self. I am also a tailor. My sons do woodwork. Although 15,000-20,000 is a very minimal amount in their work but it does benefit to some extent.

Q. Has your income increased on getting this loan?

A. For example if there is a material which is worth 50,000 rupees and we are short of 1000 and we are unable to buy it, that can lead to loss if we buy a second rated material. So this loan helps us compensate for that 50,000 which is better for our income.

Q. What % of your income has increased due to this loan?

A. Within these 4 years we have been able to build 2 more rooms within this house.

Q. Any other benefit you have had due to this loan? Like was there any kid who didn't go to school earlier but now does?

A. All my 4 kids are educated. This loan has contributed in their fees as well.

Q. Has there been any improvement in terms of day to day routine/ necessities? Like in terms of having food

A. There has been improvement.

Q. Has it assisted you in buying a machine?

A. Not until now but planning to buy in future.

Q. Has it assisted in things like earthquake, floods, any accident etc.? Any wedding?

A. There was no damage in earthquakes but I got my daughter married 2 years ago, so it helped.

Q. Is there anything you would like to add? Advantages or disadvantages of this loan?

A. I think the additional money to be returned should be reduced a bit. There are people who are unable to afford. That day there was a man asking for donations for his mosque, but as he was not getting any he started being verbal about it when I took him to one side and told him that there might be people here who would not have food to eat. How can you say they are worthy of giving money. What's the use of getting money in the name of Allah by fighting.

Q. Has your position improved in your family and among friends or neighbors after your conditions improved on taking this loan?

A. Everything is in God's hands. The way things are going these days, no one is happy for any one. There are very few people who are nice to each other. Even brothers are against one another. We are good with everyone Alhamdulillah. If you are good with others, others are good with you. Pray to Allah. Follow the Quran. There is no doubt that my conditions have been improved and people have praised us. I am not talking about everyone, just me. Others are taking loans. Some people even think that since we have been affiliated with this organization for 4 years, they must be getting something from them. I consider all those girls as my daughters. There are people who think wrongly but I always tell them to act professionally.

It was pleasure talking to you. Take care.



Washing Area

4 Respondent: Rashida Bibi

Date of Interview: 10th March, 2013



Right Side Of Veranda



Veranda



View From Veranda



Bed Room Where interview Took Place
(Moderator Respondent & Her Husband)



Moderator, BRAC Representative & Assistant



Kitchen



Q. Would you please tell me your name?

A. Rashida Bibi.

Q. When was the first time you took a loan? Approximately? How many years back? Is this the first time you took a loan or have you taken it before?

A. This is the 2nd time.

Q. How much was it?

A. The first time I took was worth Rs. 10,000.

Q. So this is the 2nd time?

A. Yes it is.

Q. Who told you about this loan?

A. We have a relative who used to take and she told us about it.

Q. She then introduced them to you?

A. Yes. The first time she was with us, the next time we did it on our own.

Q. How long does it take to return the loan back?

A. It has to be returned the next year on the same month when you took it.

Q. So it takes a year?

A. Yes.

Q. How much of additional money do you have to return?

A. We have taken a loan of 15,000 and have to return 18,000.

Q. Have you taken any other loan from anywhere?

A. No, there is no one.

Q. What was the reason of getting a loan from here?

A. We do masonry so required for it.

Q. No, I mean to say that you could have taken a loan from somewhere else?

A. It's just that we have never thought over it. We consider them because our relative told us about it.

Q. Ok so you are not aware of any other such organization and also that your relative told you about it?

A. Yes.

Q. Have you taken loan from someone else before this?

A. No.

Q. Like taking a loan from someone in the neighborhood or a bank?

A. No, never.

Q. Why did you take this loan?

A. (father says) I do the work of a mason and so required different kind of material for it. That's why took this loan.

Q. Was there any difference in your income after taking this loan?

A. It's just enough.

Q. What I mean to ask is if you would not have had a loan..?

A. Then our income would have been on a daily wage. Things have been brought due to that loan which has improved the system a bit.

Q. So, there has been improvement in the income?

A. Yes.

Q. Can you tell me approximately how much of your income has increased? Like if you earned 5000 earlier, now you earn 10,000

A. It has improved overall.

A. (Father says) Like initially if I was earning Rs.500 a day, now I earn Rs. 800. Around 250-300 have improved.

Q. Where do you spend the profit? Like initially there was a kid in the house who wasn't going to school but now he does or anywhere in the house?

A. Initially one daughter used to go but now all do.

Q. How many kids do you have.

A. 6

Q. So now all 6 go home?

A. Yes.

Q. So, the kids who weren't initially going to school, they weren't able to do so due to lack of money?

A. Yes.

A. (father says) We don't live in our own house. It's rented so we can only manage this much. It's difficult. We have to pay the rent, the bills and send our kids to school.

Q. Has there been any improvement in your day to day life like if initially you ate 2 times a day, now you eat 3 times a day? Or has the standard of your food improved or not? Do you feel such a difference?

A. Yes.

Q. Was this loan beneficial to you in some other way? For any kind of home renovation improving your house? Or have bought anything?



A. This is not our house. We pay its rent.

Q. Did you ever suffer from any loss on getting this loan?

A. No. Just that sometimes when our business is not going that well we are unable to manage. We try to be regular in terms of installments.

Q. So was there any way that you had to suffer from any loss due to taking that loan?

A. No. It's just that sometimes we are unable to pay installments regularly but they don't burden us with it.

Q. Are the installments on weekly or monthly basis?

A. On weekly basis.

Q. Where has this loan proven to be beneficial for you?

A. For a person working on a daily wage, the benefit is getting money altogether and this helps in the business.

Q. Has it helped in the marriage of your kids?

A. Not yet, the kids are small.

Q. Do you ever feel that on taking this loan, people have started respecting you more? People have started noticing you now that your conditions have improved a bit? They think that you are a bit stable in terms of money? Has there been any such thing.

A. yes

A. (father says) They have noticed that we started to stand on our own. We are managing.

Q. How were things before the loan?

A. Things were such that there were days when I didn't used to get a wage. So I used to return empty handed.

Q. So now, your impression among people has improved, your income has increased and your kids have started to go to school? Your lifestyle has slightly improved?

A. Yes.

Q. Is there any difficulty on getting this loan?

A. No, it's just that we would like an extension if we are unable to give the installments back on time.

Q. What papers were required to get this loan?

A. Pictures and photocopies.

Q. Whose pictures?

A. Both of our pictures and those of a guarantor. There was the bill of our house as well.

Q. Anything else?

A. There is also a form.

Q. After how long did you get your money? The first time?

A. The first time we got it in 1 month and the 2nd time within 2-3 days. Or at least 3-4 days.

Q. Would you recommend anything about this on how to improve their system?

A. No.

Q. Just to make it easier for you? In terms of giving installments? Any difficulty?

A. (father says) Sometimes when we have to give Rs. 2000 altogether it gets difficult. Instead of giving a monthly installment it's better to give a monthly one. See I am a laborer. If I am earning 6000 a month I am unable to take 2000 out and give so weekly feels less of a burden.

Q. Has this money helped in terms of any happiness or sorrow? Like in anyone's death or something?

A. We have to manage to do everything within this limited earning.

May God help and bless you. Thank you so much for your time.

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