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The Impact of Microfinance on Living Standard of Households

"A Case Study of Districts Zhob & Sherani"

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ABSTRACT

The majority of Balochistan's population lives in rural areas. One of the primary goals of rural development interventions is to increase per capita earnings in order to improve community living conditions. According to multidimensional poverty index in Pakistan, almost 39 percent of population suffers from multi-dimensional poverty, with the uppermost rates of poverty in province of Balochistan. BRSP has assisted the poor and contributed to the improvement of living conditions and the abolition of poverty. There is proof that these initiatives and offerings have helped. There is some evidence that these activities and services have contributed to the progress of living standards as a result of the rise and strength of community groups. However, more research is required to determine the precise nature of the BRSP's influence on boosting the living conditions of households in the Balochistan districts of Zhob and Sherani. This study examines "The impact of microfinance on household living standards using data from the districts of Zhob and Sherani". To attain study objectives, quantitative methodologies are used in conjunction with research goals. To evaluate the study hypothesis, statistical analysis is performed on BRSP secondary data. The estimation is based on Madala's (1983) and Green's (2003) Treatment Effect Model (TEM) through consumption. Findings of the study revealed that the hypothesis are accepted and concluded that family income, family size, system, education are leading towards the achievement of consumption. The findings of study recommend that microfinance institution should focus on income-oriented financing to meet financial needs of the borrowers in the area. Study also suggests that microfinance institutions must grow their operations in remote areas of the districts.

1. Introduction:

Microfinance, sometimes known as "microcredit", is the provision of a wide range of financial services such as deposits, credits, and payment services to low-income people and micro businesses (ADB, 2000). Microfinance is a broad word used to describe financial services for individuals with low incomes or those who lack access to standard banking services. Microfinance is the realization that individuals with modest incomes can escape poverty if they have access to financial services. Micro-credit is a subset of micro-finance and a continuation of small loans to entrepreneurs who are ineligible for conventional bank loans. Especially in developing nations, microcredit enables disadvantaged individuals to engage in self-employment enterprises that create income, helping them to better their own and their family' quality of life (Khan & Rehman, 2007).

A microfinance institution (MFI) is an organization that provides needy individuals and small enterprises with small loans and financial services. According to the definition of "Microfinance is a Gateway," "an MFI is an organization that provides low-income individuals with financial services (Microfinance gateway, 2008)". There are numerous types of microfinancial organizations. Financial nonprofits typically spring to mind when we discuss these. These financial non-governmental organisations also provide microcredit and microfinance services, and in most cases, they are not authorized to accept deposits from the general public. Many non-governmental organizations (NGOs) offer other financial services in addition to microfinance, and some commercial banks offer microfinance in addition to their regular financial services; thus, we can refer to these commercial banks as microfinance institutions because microfinance is a significant part of their overall financial activities. In the microfinance sector, there are a variety of other MFIs to consider. Credit unions, co-ops, and other community-based financial intermediaries, owned and managed by local businesses and governments, are examples of these institutions. Each country has its own unique version of this sort of institution (Rehman, 2007).

Muhammad Yunus (Economist), who taught in Bangladesh during 1970s, is more closely linked to microfinance ideas. Yunus developed microfinance for those who couldn't get standard bank loans due to their poverty but were capable of working to better themselves (Donou-Adonsou & Sylwester, 2016; Khan, 2009; Khan, 2010; Sugiyanto, Yolanda, & Business, 2020; Ahmmed, M., Nobi, M., Hoque, M. S., & Mannan, A, 2023). During a famine, he spread the idea of microfinance across the country and started giving small loans to poor people in nearby towns to try to break the cycle of poverty. Yunus's experiment was a huge success. He got his money back on time and saw a big difference in the borrowers' quality of life. Muhammad Yunus came up with a plan called the Grameen model. He used this plan to start the Grameen Bank. To concentrate on the poorest, the Bank has only extended credit to households with at least a quarter-acre of land. High reimbursement rates were maintained, and the Bank began to grow into other regions of the nation. In fewer than ten years, the Bank has achieved independence from the government, its founders, and a 98 percent return on advertising fees. In 2006, Yunus received the Nobel Peace Prize. Grameen Bank's accomplishments have not gone unnoticed. By imitating the model, institutions in nearly all regions of the world increased. The number of MFIs rose from 618 to 2572 between 1997 and 2002. In their data gathering, these agencies reported approximately 65 million clients in 1997, with an annual growth rate of 35 percent. Even the Grameen Bank has granted over $750 million in loans over the past two years, as the quantity of money streaming into the country has expanded quickly (Kevin, 2015).

Out of a total population of 210 million, about 58.7 million people live below the poverty line. This means that Pakistan has always had poor living conditions and a lot of poor people. This is

because every third Pakistani is considered to be "poor." More than half of the people who live in the forever-isolated region of Balochistan are affected by this, as are 35% of the people in Sindh, 33% of the people in Khyber Pakhtunkhwa (KP), and 18% of the people in Punjab. The effects of poverty are worse in the country. In rural areas of Pakistan, the standard of living is low, and the number of people living in poverty is higher than in cities. This is because the social part of Pakistan's rural economy isn't very well developed, and rural households don't have easy access to the things they need. Because inflation, unemployment, and economic growth are all happening at the same time in Pakistan, poverty is getting better and the standard of living is going up (SDPI Report, 2013).

Microfinance is becoming more and more recognized as a powerful way to fight poverty and raise the standard of living for everyone. Recent research done in several countries shows that microfinance has the potential to diminish poverty and raise living standards by making it easier for people to deal with crises, giving them more ways to make money, helping them build financial and other assets, and improving their social and economic situation. This can be done by using microfinance to help build up financial institutions, give people more ways to make money, and build up financial institutions (Hashemi et al., 1996; Montgomery et al., 1996; Husain, 1998; Khandker, 1998; Robinson, 2002; Khandker and Pitt, 2005;Abed and Matin, 2007; Swain et al. 2008).

Microfinance has proven time and again to be an efficient and potent instrument for the alleviation of poverty (Morduch& Haley, 2002). According to Simanowitz (2001), the topic of the effect of microfinance on the reduction of poverty has recently been elevated to a noticeable position on the agenda for microfinance. Donors, practitioners, and academicians are coming to the realization that microfinance institutions (MFIs) need to be concerned with more than just their capacity to become financially independent as an institution. The capacity to contact the poorest people and demonstrate a beneficial influence on their lives is rapidly becoming an essential component of every anti-poverty initiative undertaken by a financial institution. It has been confirmed by Cuong, Pham, and Hinh (2007) in Vietnam that participating customers in microfinance programmers have experienced a favorable and statistically significant influence on their per capita consumption expenditures as well as their per capita incomes.

Microfinance, according to (Javed et al., 2006) and Abbas, Sarwar, and Hussain (2005) from Pakistan, has a positive effect on consumers' income empowerment. Colombage, Ahmad, and Chandrabose (2008) concluded in Sri Lanka that microfinance has a positive influence on clients' socioeconomic development at numerous levels, including the family, company, community, and individual levels. Microfinance cannot eliminate poverty, but it is an essential component of the fight against poverty and the vulnerability of the poor. The services provided by MFIs to low-income households can have a significant impact on their economic well-being, self-sufficiency, and economic and social empowerment. Without a doubt, microfinance helps the poor.

In Pakistan, there are three types of microfinance providers, and the industry has developed to encompass other companies.

1. MFIs, a large majority of rural populations struggle to obtain commercial bank loans. MFBs were founded with the goal of providing loans to needy individuals. MFBs have made tremendous progress in providing loans and financial services to the needy. The Khushhali bank is a well-known and thriving microfinance institution. The Pakistani state bank grants

licences and develops regulations for MFBs that provide exclusive microfinance services. In Pakistan, there are now six MFBs: Rozgar Microfinance Bank Ltd. (RMFB), Khushhali Bank (KB), The First Microfinance Bank Ltd. (FMFB), Network Microfinance Bank Ltd. (NMFB), Tameer Microfinance Bank Ltd. (TMFB), and Pak Oman Microfinance Bank Ltd. (POMFB).

2. Individuals can obtain specialized financial services from microfinance organisations. Microfinance institutions frequently did not invest in consumer borrowing, preferring to lend to small businesses. MFIs help people improve their standard of living by aiding them in conducting business and earning revenue, which is a practical and long-term solution. Kashf Foundation is Pakistan's most well-known and prosperous MFI. Orangi Pilot Project (OPP), Akhuwat, Sindh Agricultural and Forestry Workers Cooperative Organisation (SAFWCO), Asasah, Community Support Concern (CSC), and Development Action for Mobilisation and Empowerment are some other microfinance institutions in Pakistan (DAMEN). Rural Assistance Programmes RSPs offer microfinance as part of their overall rural development strategy. The SRSP is the most fruitful rural programme. Additional rural support efforts include the 28 National Rural Support Programme (NRSP), the Lachi Poverty Reduction Project (LPRP), the Thardeep Rural Development Programme (TRDP), and the Balochistan Rural Support Programme (BRSP).

The study's focus area, District Zhob and District Sherani in Balochistan, presents a unique context in which to determine the impact of microfinance on living conditions. These districts, with their distinct socio-economic challenges, offer an opportunity to investigate the efficacy of microfinance services in elevating the quality of life for the beneficiaries.

1.1. Objectives and Significance of the Study

Our research will contribute to the existing body of knowledge regarding the influence of microfinance on livelihood. Second, the study will help in developing alternate policy initiatives that may help microfinance recipients solve their problems and obstacles. And lastly, this study provides empirical evidence on the impact of microfinance livelihoods for use in programmes targeting poverty in short and long-term.

The objectives of the study are.
- ➢ To investigate the impacts of microfinance on household livelihood in Zhob Sherani based on selected indicators such as household's income, age, size, family system, family education.
- ➢ To determine the relationship between microfinance and livelihood.

Examine descriptive estimates of BRSP beneficiaries.
- ➢ Determine the impact of micro financing on the level of living of households.
- ➢ Provide proposals for the development of microfinance banks.

2. Literature review

There is an abundance of work in assessing the issue of Microfinance in the rest of the world, only limited studies have focused the issue for Pakistan. Some of the studies about the empirical evidence relating to the issue of Microfinance in Pakistan are mentioned below.

Sinha et al. (2023) use primary data on female borrowers from several MFIs in the Nadia and Murshidabad districts of West Bengal, India, to empirically assess "the impact of microfinance access on women's empowerment". The study examined the effects of microfinance access on three aspects of women's empowerment that affect choices regarding credit, spending, and having children. The study used multivariate probit estimation and was based on a primary survey of roughly eight hundred female borrowers from several MFIs. Findings imply that decisions about credit and expenditure-related concerns, as well as economic empowerment, are negatively impacted by the increased availability of microfinance lending.

Arshad (2023) examined the effects of various financial inclusion factors on women's empowerment in developing countries using panel data spanning the years 2004–2019. To overcome the endogeneity problem, the study used a Fixed-Effect Model (FEM) and two-stage least square GMM estimation techniques. A variety of websites, such as UNESCO, UNICEF, and WDI, provided secondary data. Their findings are consistent with earlier empirical studies and support the notion that financial inclusion typically contributes to women's empowerment. The study concludes that women will gain from increased financial inclusion when they are able to identify the qualities that make them strong and dominant. Such abilities can only be developed and improved in the right way with the right education, awareness, and freedom to express oneself. The results demonstrate that, whereas financial development, the gender parity index, and women's employment positively correlate with women's empowerment, gender discrimination has the opposite effect.

Ishfaq et al. (2023) use data from 1881 women from the 2013–2014 Pakistan Rural family Panel Survey to build a complete rural women's composite empowerment index (RWCEI) and identify individual, family, and community-level components of RWCEI. RWCEI was created using factor analysis from 9 domains, 14 sub-domains, and 89 indicators. In the sample, rural women had greater freedom of movement, no domestic violence, and time management, but less power in the areas of education, awareness, and economics. According to the results of multi-level mixed effects ordered logistic regression, a rural woman's level of empowerment was mostly determined by her access to credit, marital status, media exposure, employment, and affluent neighborhood. Evidence supports a multifaceted policy approach that aims to improve all facets of women's empowerment, including economic independence and educational attainment.

Sondhi (2023) discussed the effect of microloans on women's emancipation. A convenience sampling strategy is utilized to gather the data. In India's Haryana province, Panipat City, the survey was carried out. Women from both urban and rural locations took part in the poll. The study shows that "MFI" has a favorable effect on a variety of employment-generating activities for women, which benefits their level of living, sense of self-worth, and social standing. Future researchers can solve these limitations and further investigate the effects of microfinance on women's empowerment because this research was constrained by survey scope (just one location) and small sample size. Sofia Mumtaz did research on the "NRSP Urban Poverty Alleviation Project" (UPAP) in the twin cities (Rawalpindi and Islamabad in 2000). Her focus was on how the project affected men and women differently. This was done as part of programmes to help people get small loans. UPAP gives loans to self-organized groups of women who would not qualify for a loan from a regular bank. Statistics were used to describe the data, and tables and graphs were used to show the results. The study's most important finding was that the initiative is more about "improving the household economy" than it is about "empowering women."

A study titled Analysis of Microcredit Issues: The Case of Two Villages in Punjab was written by Seemi Waheed in 2001.The main theme of the paper is that microcredit programmes are still an important way to help people get out of poverty. In 2001, though, only 21% of the loans went to "well-off" or "better-off" people. The rest went to "poor" or "very poor" people. So, she thinks that the programmes should be changed so that they only help the poor and try as much as possible not to help people who are "well-off" or "doing well. "Microfinance Programs and Reducing Poverty" was the title of an article that Rajasekhar wrote in 2002. Using information from the homes of 84 women, the study looks at how the microfinance programmes of SHARE, an NGO in Tamil Nadu, have helped to reduce poverty. The microfinance programmes helped the women save more money and make more money. There was no statistical difference between the member group and the comparison group in terms of how much control they had over their income and how much power they had to make decisions.

When it comes to microfinance, microcredit is often misunderstood and taken in a very narrow way. At this point, it's important to know the difference between two important and often-used words: microfinance and microcredit. Giving out small loans for short amounts of time is what microcredit is. In other words, microcredit is a term for microloans, which are small loans that unemployed people can get from registered microfinance institutions with little or no collateral. Some organizations that give salaried employees consumer credit based on an automated credit score are not included in the definition of microcredit (2011). On the other hand, microfinance is the act of giving low-income households and small businesses a broad range of financial services, including insurance, deposits, loans, payment services, and money transfers.

Chavan and Ramakumar looked at the facts about micro-credit programmes run by NGOs in several developing countries and compared them to programmes run by the Indian government to help people get out of poverty. The analysis showed that microcredit programmes have helped people earn a little bit more money. But because the recipients have been taught "survival skills," they haven't benefited much from technological progress.

Faisal Abbas and others looked into how micro-credit affects income and poverty in the Faisalabad district in 2005. The information came from three different National Bank of Pakistan branches. The information was roughly put into two groups: those related to agriculture and those that did not. A difference of means test was used to find out if credit had a big effect on these groups. The study found that microcredit can help people make money. Because of microcredit, the number of poor people in this area went down.

In 2007, the Asian Development Bank did a "Special Evaluation Study" on how microfinance operations affected poor rural households and the status of women in Bangladesh and the Philippines. This was done to see how well its projects helped improve the status of women and reduce poverty in rural areas. The study used the simple difference method to measure impact, and discussions in focus groups showed that the initiatives had encouraging and quite positive effects on the status of women, especially at home.

In 2008, Setboonsarng and Parpiev looked at how microfinance and the Millennium Development Goals affected Pakistan. The goal of the study was to find out how the well-known microfinance organization Khushhali Bank (KB) in Pakistan affected some of the Millennium Development Goals (MDGs). The mean difference method was used to get an estimate, and the propensity score matching (PSM) method was used to lessen the effect of selection bias. The study showed that KB's efforts to reach out to the poor have been successful and that the organization has grown quickly into remote rural areas of Pakistan. The study found that microfinance institutions have done a good job of helping to reach the Millennium Development Goals.
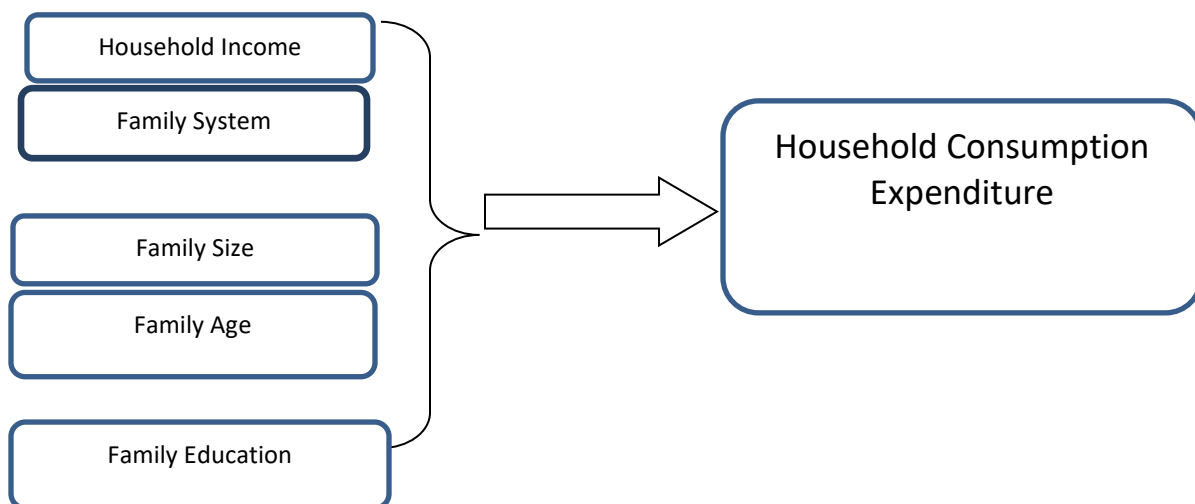

Figure 1.Model of Household Consumption Expenditure

3. Methodology

3.1. Empirical Model
The study's main goal is to investigate the influence of microfinance on the living conditions of households in the Balochistan districts of Zhob and Sherani. The following model and case study

of the Balochistan Rural Support Programme (BRSP) are used to investigate the influence of microfinance on household living standards.

3.1.1. The Model

The following approach is used to evaluate the influence of microfinance on household living standards. The estimation is based on Madala's (1983) and Green's (2003) treatment effect model (TEM) through consumption.

$$CON = \beta_0 + \beta_2 HI + \beta_3 HS + \beta_4 AYAHM + \beta_5 DFS + \beta_6 Ed + U \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

In this model, ***CON*** (monthly consumption expenditure of household) is the dependent variable which is used as a proxy for living standards.

The explanatory variables are HI shows Household Income, HS shows household size, AYAHM average year's age of household members, DFS shows Dummy for family system (the family system can be joint or nuclear it will be one in case of joint and zero in case of nuclear), Ed shows dummy for family education (it will be one in case of BRSP financer and zero otherwise)

3.2. Variables of the study
Dependent Variables

In the first model, we will determine the effect of the BRSP microfinance programme on household living standards. Standard of living is a variable with two measurements: income and consumption. Consumption is the final use of products and services, and income is the amount of money earned within a given time period in return for labour or services, the sale of things or property, or as a profit from financial investments. Both are used as proxies for living standards. However, as compared to income, consumption is broadly used as a proxy. Because on the one hand it is more stable and from the other hand data availability is easy as households mostly do not hesitate to give information about their monthly expenditures. But in the case of income, they do not have any tendency to give exact and sufficient information (Donnell, et al, 2008).

Explanatory variables
a) **Microfinance**

Microfinance is an important element of living standard increasing and quality of human capital boosting for developing countries. Microfinance impact positively on expenditure of durable goods (clothing, shoes, car, housing etc.) and nondurable goods (meal, fruits, vegetable etc) and expenditure of education which increase from one side living standards and from the other side improve human capital of households which is indicator of existing of positive relationship between microfinance and education expenditure.

a) **Household Income**

Household income is a major determinant factor of change in level of consumption (living standard) and education expenditures (human capital) of household. Javaid (2017) in his study for Pakistan shows that domestic income positively impacts on consumption expenditure that is, consumption will increase if income increases. In case of education expenditure, Jakob (2015) in his study for El Salvador explores that domestic income impact positively on education expenditure through increasing the rate of school enrollment.

H1. There is significant impact of Household Income on Consumption Expenditure

b)   Household Size

Household size shows the existing number of individuals in a family who are living with together based on blood, marriage or adoption ties and share their pain and pleasure with each other (Fields & Casper, 2000). Household size impacts positively on consumption expenditure. Household with big size has high level of consumption as compared to the household with small size (Javaid, 2017; Haider, et al, 2016 and Adams, 2005). In case of education expenditure, Adams (2005) in his study for Guatemala explores that household size has negative impact on education expenditure and the reason is that whatever the size of a household be greater so much the chance of enrolling of the household members will decrease which shows a negative impact of these two variables on each other.

H4. There is significant impact of Family Size on Consumption Expenditure.

c)   Family System

Family system shows type of a family which can be joint or nuclear. Javaid (2017) in his study for Pakistan show negative impact of family system on consumption. The negativity is indicator of those who are living in joint family system spend less than those who are in nuclear family system. The reason is that household in joint family system using economic scale which indicates household in joint family has lower average cost as compared to family in nuclear system.

H2. There is significant impact of Family system on Consumption Expenditure.

d)   Average year Age of Household Members

Average year age of household members has positive and significant impact on consumption expenditure of household. Because whenever, age of household members goes up, so much their expected life will fall. To get maximum utility of their life, they will try to allocate a big share of their income to consumption expenditure. The second reason is whatever average age increases so much their life requirements and necessities will increase which increases consumption expenditure (Javaid,2017). Begum (2018) in her study for Dominican Republic shows that average year age of household members has positive impact on education expenditure until some specific age which after that the impact will be negative. Because whatever the age of household members increases so much the chance of receiving higher education will decrease that is why she has used age square in her study to show the negative impact of age on education expenditure.

H3. There is significant impact of Family Age on Consumption Expenditure.

e)   Education

Education shows the family members who are getting education, which impacts on household consumption, when more members of the household get education, and then household education expenditure may decrease. Because education is very expensive now a days.

H5. There is significant impact of Family Education on Consumption Expenditure

3.3. Research Philosophy and Study Population

Jabareen (2009) states that the research mostly adheres to two philosophical frameworks: ontology and epistemology. While epistemology focuses on "being the scenes"—the things as they truly are—ontology believes in "the things the way they are." The "positivism" method is used by the researcher when conducting a quantitative survey. Remenyi, Money, Collis, and Hussey (2003) state that positivists place a premium on facts and statistics. Since researchers who conduct

quantitative surveys also place a premium on numbers and base their interpretations on them, this study will adopt a positivist methodology or philosophy. We used positivism research philosophy on the basis of quantitative nature of this research.

3.4 Data Collection and Analysis

Balochistan is the largest province of Pakistan by area and most people are living in rural area. Many households' income is below poverty line, their earnings mostly depend on agriculture and poultry to enhance people's income. Balochistan government initiated a program of microfinance of Balochistan rural support program (BRSP) with the help of European union. To find how this microfinance program impacts on living standards. Zhob & Sherani District is chosen as field survey of this study.

In our research we used convenience sampling technique (Given the geographical and logistical challenges in Balochistan, convenience sampling is chosen as the most practical method). This entails choosing and selecting participants according to their availability and desire to participate.

The data is collected through distributing questionnaire. The questionnaire contains four sections. The first section includes personal information of respondent like name, age, education, address and so on. The second section contains information about household roster like name, age, education, marital status, and relationship with household head of all family members. The third section explores the sources of income of household like farming, employment, business, remittances, and other options (pension, donation etc). The fourth section shows the monthly expenditure of household on items like food, non-food (clothing, traveling, etc), durable goods/housing, education expenditure, health and other option like entertainment, social welfare and so on. The sample size is determined from the population, those are the beneficiary of the BRSP and 200 respondents have been chosen.

The data is benign analyzed using the descriptive (mean, SD, charts) to describe the respondent's demographics. Inferential analysis (correlation and liner regression) is also the part of the study to test the study hypotheses. The study variable is the not the psychological to measure using any of the adopted scale rather their family characteristics and avoid the reliability and validity and additional tests.

Potential limitations in the study on "the impact of microfinance on living standards in Zhob & Sherani" include social desirability bias, where respondents may provide socially acceptable responses, possibly inflating positive impacts. Recall bias may compromise data accuracy as participants might struggle to recall precise financial details. The use of convenience sampling introduces selection bias, limiting generalizability, and response bias may influence participants to provide answers perceived as favorable. Cultural nuances and external factors add further complexity, highlighting the need for cautious interpretation of findings and an acknowledgment of these potential biases in the study.

4. ANALYSIS
4.1. Descriptive Analysis

Family Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Educated	66	33.0	33.0	33.0
	Uneducated	134	67.0	67.0	100.0
	Total	200	100.0	100.0	

Table 1.education profile of the respondents

The study results indicate that, 66 people with 33%are having education on the other side, 134 respondents with 67 % uneducated status.

Monthly Consumptions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rs.18000	2	1.0	1.0	1.0
	Rs.22000	2	1.0	1.0	2.0
	Rs.25000	8	4.0	4.0	6.0
	Rs.26000	4	2.0	2.0	8.0
	Rs.27000	11	5.5	5.5	13.5
	Rs.28000	13	6.5	6.5	20.0
	Rs.29000	6	3.0	3.0	23.0
	Rs.30000	21	10.5	10.5	33.5
	Rs.31000	1	.5	.5	34.0
	Rs.32000	11	5.5	5.5	39.5
	Rs.32500	2	1.0	1.0	40.5
	Rs.33000	2	1.0	1.0	41.5
	Rs.33500	4	2.0	2.0	43.5
	Rs.34000	9	4.5	4.5	48.0
	Rs.35000	28	14.0	14.0	62.0
	Rs.38000	6	3.0	3.0	65.0
	Rs.39000	6	3.0	3.0	68.0
	Rs.40000	14	7.0	7.0	75.0
	Rs.41000	2	1.0	1.0	76.0
	Rs.42000	8	4.0	4.0	80.0
	Rs.43000	2	1.0	1.0	81.0
	Rs.43500	2	1.0	1.0	82.0
	Rs.44000	6	3.0	3.0	85.0
	Rs.45000	15	7.5	7.5	92.5

	Frequency	Percent	Valid Percent	Cumulative Percent
Rs.47000	2	1.0	1.0	93.5
Rs.48000	4	2.0	2.0	95.5
Rs.50000	7	3.5	3.5	99.0
Rs.55000	2	1.0	1.0	100.0
Total	200	100.0	100.0	

Table 2.monthly consumption patterns of the respondents

The study results came with the description of the numbers of households taken the microfinance small loans. The table above indicates their monthly consumptions in PKR, which is range up to Rs.18000 to Rs.55000 and the number of people are varying with such consumptions.

Family age				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 19	17	8.5	8.5	8.5
20	6	3.0	3.0	11.5
21	11	5.5	5.5	17.0
22	14	7.0	7.0	24.0
23	15	7.5	7.5	31.5
24	13	6.5	6.5	38.0
25	19	9.5	9.5	47.5
26	7	3.5	3.5	51.0
27	6	3.0	3.0	54.0
28	7	3.5	3.5	57.5
29	7	3.5	3.5	61.0
30	8	4.0	4.0	65.0
31	11	5.5	5.5	70.5
32	4	2.0	2.0	72.5
34	4	2.0	2.0	74.5
35	10	5.0	5.0	79.5
36	6	3.0	3.0	82.5
37	9	4.5	4.5	87.0
38	12	6.0	6.0	93.0
39	4	2.0	2.0	95.0
40	7	3.5	3.5	98.5
41	3	1.5	1.5	100.0
Total	200	100.0	100.0	

Table 3.family age of the respondents

The descriptive study results came with the description of the age of households taken the microfinance small loans. The table above indicates their age indicate from 17-years to 41-years people are varying with such age group.

		Frequency	Percent	Valid Percent	Cumulative Percent
Family size					
Valid	3.00	2	1.0	1.0	1.0
	4.00	7	3.5	3.5	4.5
	5.00	17	8.5	8.5	13.0
	6.00	18	9.0	9.0	22.0
	7.00	29	14.5	14.5	36.5
	8.00	19	9.5	9.5	46.0
	9.00	26	13.0	13.0	59.0
	10.00	12	6.0	6.0	65.0
	11.00	28	14.0	14.0	79.0
	12.00	27	13.5	13.5	92.5
	13.00	4	2.0	2.0	94.5
	14.00	4	2.0	2.0	96.5
	15.00	5	2.5	2.5	99.0
	16.00	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

Table 4 . Family Size of the respondents

The descriptive study results came with the description of the size as the part of microfinance small loans takers. The table above indicates their age indicate from 3-members to 15-membersof the respondents are varying with such family size group.

		Frequency	Percent	Valid Percent	Cumulative Percent
Family status					
Valid	Nuclear	74	37.0	37.0	37.0
	Joint	126	63.0	63.0	100.0
	Total	200	100.0	100.0	

Table 5. Family Status of respondent

The descriptive results of the study reports that 74 members with nuclear status along with 126-members joint status being the part of microfinance loan getters.

4.2. Correlation Analysis

Table Correlations							
		F.education	F.sys	F.size	F.age	HH. Income	Month Cons
Family education	Pearson Correlation	1	.123	.166*	.034	.052	.134
	Sig. (2-tailed)		.083	.019	.631	.463	.058
	N	200	200	200	200	200	200
Family status	Pearson Correlation	.123	1	.559**	-.002	.326**	.325**
	Sig. (2-tailed)	.083		.000	.973	.000	.000
	N	200	200	200	200	200	200
Family size	Pearson Correlation	.166*	.559**	1	-.041	.552**	.639**
	Sig. (2-tailed)	.019	.000		.568	.000	.000
	N	200	200	200	200	200	200
Family age	Pearson Correlation	.034	-.002	-.041	1	-.044	.005
	Sig. (2-tailed)	.631	.973	.568		.539	.946
	N	200	200	200	200	200	200
Household Income	Pearson Correlation	.052	.326**	.552**	-.044	1	.595**
	Sig. (2-tailed)	.463	.000	.000	.539		.000
	N	200	200	200	200	200	200
Monthly Consumptions	Pearson Correlation	**.134**	**.325****	**.639****	**.005**	**.595****	1
	Sig. (2-tailed)	.058	.000	.000	.946	.000	
	N	200	200	200	200	200	200
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

Table 6. Table of correlations

They have to learn and shift the statistical results of correlation analysis the correlation analysis showcases how the variables are related to each other in the study we have a dependent variable that is consumption along with independent variables family age size monthly income and family system. To correlation analysis the indicated that family education with r= 0.134 along with Sig-value that is 0.058 which indicates that there is a significant relationship between the education family education and monthly consumption of the respondents. Next the family system with r-value that is 0.325 with Sig-value that is 0.000 also indicating significant relationship. Next family size is also significantly correlated r is equal to 0.639. Followed by family age which followed by household income household incomes more positively and strongly correlated with monthly consumption of the study respondents which is 0.595 along with Sig-value which is 0.000 less than 0.05. So based on correlation analysis we can see that there is significant relationship exist between the family education, system family size household income with our study dependent variable that is monthly consumptions in study area.

4.3. Regression Analysis

H1. "There is significant impact of Household Income on Consumption Expenditure".

				Std. Error of	F	Sig
Model Summary						
Model	R	R Square	Adjusted R Square	the Estimate		
1	.595ᵃ	.354	.350	5938.26469	108.389	.000
a. Predictors: (Constant), Household Income						

Table 7. Model Summary

	Unstandardized Coefficients		Standardized Coefficients		
Coefficients'					
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	26066.358	990.413		26.319	.000
Household Income	.454	.044	.595	10.411	.000<0.05
a. Dependent Variable: Monthly Consumption					

Table 8. Coefficients

To the first hypothesis of the study that is all about the impact of household income on monthly consumption expenditures of the respondents. for this purpose, the researcher stars the research have done regression analysis and the findings of regression analysis indicate that the or square value which is equal to 0.354 indicating 35.4% change in monthly consumption by the household income. The scores of statistical results are significant with Sig-score of 0.000. Similarly, the coefficient table indicates that the beta score which is equal to 0.595 along with Sig score equals to 0.000 less than 0.05. Hear the beta square indicate that there is a 59-unit change in dependent variable based on 1-unit change in household income so in this case hypothesis one is accepted.

H2. "There is significant impact of Family system on Consumption Expenditure".

				Std. Error of	F	Sig
Model Summary						
Model	R	R Square	Adjusted R Square	the Estimate		
1	.325ᵃ	.105	.101	6986.58405	23.341	.000
a. Predictors: (Constant), Family system						

Table 9. Model Summary

Coefficients					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	T	Sig.
1 (Constant)	32290.541	812.174		39.758	.000
Family system	4943.586	1023.243	.325	4.831	.000
a. Dependent Variable: Monthly consumption					

Table 10. Coefficients

Testing the 2nd hypothesis of the study where the researcher was interested in testing the impact of family's system on monthly consumptions in the study area. Here the statistical results indicate that the R-square-value equals to 0.105 with Sig-scores that is equal to 0.000 explaining significant percentage change in monthly consumption by the family system. Here 10% of the change in monthly consumption is due to the family system of the respondents. The second table that is coefficient indicating the Beta equals to 0.325 with Sig-scores equal 0.00 less than 0.05. Here the beta score indicates that 32 unit-change in monthly consumption is due to the family system of the respondents. The statistical the significant results indicate acceptance of the second study hypothesis.

H3. "There is significant impact of Family Age on Consumption Expenditure".

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
1	.005[a]	.000025	-.005	7386.83667	.005	.946
a. Predictors: (Constant), Family age						

Table 11. Model Summary

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	T	Sig.
1 (Constant)	35272.045	2015.543		17.500	.000
Family age	4.844	70.918	.005	.068	.946
a. Dependent Variable: Monthly Consumption					

Table 12. Coefficients

Testing the third hypothesis of the study where the researcher was interested in testing the impact of family age on monthly consumptions in the study area. Here the statistical results indicate that the R-square-value equals to 0.00025 with Sig-scores. Here 0% of the change in monthly consumption is due to the family age of the respondents. The second table that is coefficient indicating the Beta equals to 0.005 with Sig-scores equal 0.96 greater than 0.05. Here the beta score

indicates insignificant change in monthly consumption. The statistical the insignificant results indicate rejection of the third study hypothesis.

H4. "There is significant impact of Family Size on Consumption Expenditure".

			Model Summary			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
1	.639[a]	.409	.406	5680.44299	136.833	.000
a. Predictors: (Constant), Family size						

Table 13. Model Summary

	Coefficients[a]					
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	20703.381	1319.436		15.691	.000
	Family size	1649.088	140.977	.639	11.698	.000
a. Dependent Variable: Monthly Consumption						

Table 14. Coefficients

Testing the fourth hypothesis of the study where the researcher was interested in testing the impact of family size on monthly consumptions in the study area. Here the statistical results indicate that the R-square-value equals to 0.490 with Sig-scores. Here 49% of the change in monthly consumption is due to the family size of the respondents. The second table that is coefficient indicating the Beta equals to 0.639 with Sig-scores equal 0.000 less than 0.05. Here the beta score indicates significant change in monthly consumption. The statistical the significant results indicates acceptance of the fourth study hypothesis.

H5. "There is significant impact of Family Education on Consumption Expenditure".

			Model Summary			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig
1	.134[a]	.018	.013	7320.14613	3.629	.058
a. Predictors: (Constant), Family education						

Table 15. Model Summary

	Coefficients[a]					
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	34000.000	901.048		37.734	.000

Family education	2097.015	1100.805	.134	1.905	.058

a. Dependent Variable: Monthly Consumption

Table 16. Coefficients

In connection to the fifth hypothesis of the study, where testing the impact of family education on monthly consumptions. Here the statistical results indicate that the R-square-value equals to 0.018 with Sig-scores. Here 1.8% of the change in monthly consumption by the family education. The second table that is coefficient indicating the Beta equals to 0.134 with Sig-scores equal 0.058 greater than 0.05. The statistical the significant results indicate rejection of the fifth study hypothesis.

5. DISCUSSION AND CONCLUSIONS
5.1. Discussion

H1. "There is significant impact of Household Income on Consumption Expenditure".

Following the study objectives, the findings tested the first hypothesis about the "Impact of household income on consumption expenditure". The results are explaining significant impact based on the statistical results. Here we came to know how income is critical for the designing of the expenditure patterns connecting the findings of Household income is a major contributing factor factor of change in level of consumption (living standard) and education expenditures (human capital) of household. Javaid (2017) in his study for Pakistan shows that domestic income positively impacts on consumption expenditure that is, consumption will increase if income increases. The study is based on Hypothesis from the literature first the study is assuming impact of Household Income on Consumption Expenditure support by the work (Setboonsarng & Parpiev, 2008)

H2. "There is significant impact of Family system on Consumption Expenditure".

The findings tested the second hypothesis about the "Impact of Family system on consumption expenditure". The results are explaining significant impact based on the statistical results. Here we came to know how Family System is important for the posing of the expenditure patterns connecting the findings of Family system shows type of a family which can be joint or nuclear. Javaid (2017) in his study for Pakistan show impact of family system on consumption. The indicators of those who are living in joint family system spend less than those who are in nuclear family system. The reason is that household in joint family system using economic scale which indicates household in joint family has lower average cost as compared to family in nuclear system.

H3. "There is significant impact of Family Age on Consumption Expenditure".

Following the study objectives, the findings tested the third hypothesis about the "Impact of family age on consumption expenditure". The results are explaining insignificant impact based on the statistical results. The reason is whatever average age increases so much their life requirements and necessities will increase which increases consumption expenditure but not showing any impact here. Begum (2018) in her study for Dominican Republic shows that average year age of household members has positive impact on education expenditure until some specific age which after that the impact will be negative.

H4. "There is significant impact of Family Size on Consumption Expenditure".

The findings tested the fourth hypothesis about the "Impact of Family Size on consumption expenditure". The results are explaining significant impact based on the statistical results. Here the findings are leading towards family size growth controls expenditure patterns connecting the findings of Household size impacts positively on consumption expenditure. Household with big size has high level of consumption as compared to the household with small size (Haider, et al, 2016; Adams, 2005).

H5. "There is significant impact of Family Education on Consumption Expenditure".

In accordance with the study objectives, the findings tested the fifth hypothesis concerning the "Impact of Family Education on consumption expenditure". According to the statistical data, the outcomes explain a partially meaningful impact. According to the statistics, parental education accounts for a fraction of the big impact. Family education has a minor impact on household consumption expenditure; the findings back up prior research. Higher education can enhance efficiency in looking for and acquiring market goods and services, as well as extend the spectrum of consumption possibilities through better market and product knowledge (Michael, 1975; Wang et al., 2016).

Here the finding and previous work I significant in support of our results. Meaning to that, as long as the income, family system, size and education is in play the living standards in the study area will boost and the people will stay in position to meet consumption expenditures.

5.2. Conclusions

BRSP is a significant microfinance institution in Balochistan, providing loan services to the underprivileged with the goal of breaking the cycle of poverty, increasing empowerment, and improving living standards, notably in rural parts of Balochistan, Pakistan. This research attempts to analyse the "Impact of microfinance on household living standards in districts Zhob and Sherani". Following the study objectives, quantitative methods are applied to achieve study objectives. In start adapting the secondary data the researcher used statistical analysis to test the study hypothesis under the data from BRSP.

The study's empirical findings indicate that microfinance—more specifically, the financial services offered by the BRSP is an effective tool in improving living standard of households. The descriptive findings of the study revealed describing role of income, age, size, education, family system and other reported factors of household consumption expenditure. Under the findings, the hypothesis are accepted and concluded that family income, size, system, education are leading towards the achievement of consumption. Overall, the services of BRSP are critical in the pattern of consumption by providing support to reach living options to move in socio-economic circle.

On the basis of in-depth analysis of data from recipients of BRSP programme, it was also observed that program needs to extend its outreach. The majority of BRSP borrowers assert that the loan amount is insufficient to cover their working capital needs. Clients of the BRSP believe that the maximum loan limit need to be doubled. Even though the great majority of BRSP funds are utilized for worthwhile endeavors, adequate oversight of the money was lacking in order to produce more noteworthy outcomes.

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