

Fueling Women Empowerment?

A Phenomenological Study of Women Experiences with Micro-Credit and Status of Branch-less Banking in Pakistan

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ABSTRACT

The purpose of this study is to explore the structural meaning of empowerment realized through microcredit from the women's perspective. Women-lived experiences have been gauged to see how they feel empowered when microcredit is selected as transformation for their lives; also identifying the status of branchless banking is in focus. Abductive research strategy with hermeneutics phenomenology for interpreting women interviews are applied. The participants were selected through purposive sampling, 46 were interviewed from 17 districts of Sindh, Pakistan. Through interpretative phenomenological analysis, interviews were analyzed; and meaning constructed that women with financial stability are empowered specifically in a familial context; also, results show that branchless banking like easy paisa and other mobile financial services are in emerging stage and there is desire need of it. Microfinance practitioners can design strategies, framework and training according to the specific needs noticed in this study.

KEYWORDS

Branchless Banking, Easy Paisa, Financial Stability, Interpretative Phenomenological Analysis, Microcredit, Mobile Financial Services, Phenomenological Study, Women Empowerment

INTRODUCTION

Over the past few years, the governments of developing countries have taken unprecedented steps towards providing financial services for the poor who reside in both rural and urban areas. Financial inclusion in areas such as microcredit policies tied with the rapid spread of mobile penetration and the launching of mobile financial services have been designed to reach the underbanked and unbanked segments of the population. This study was designed to scrutinize women's experiences with microcredit in regard to empowerment and also to identify the status of branchless banking from the perspective of women clients. Before delving into an understanding of women's empowerment, however, it is necessary to highlight why women have been disempowered (Aithel, 1999; Shaikh, Glavee-Geo, & Karjaluoto, 2017). Disempowerment is the process of reducing the authority of an individual to make crucial decisions and shape their own life. According to experts in gender studies,

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disempowerment arises from factors such as religious misinterpretations or patriarchal societies, and a lack of education, employment opportunities, and financial resources help its spread (Sinclair, 2012). We live in a patriarchy where male dominance prevails, and due to cultural and societal taboos, women are considered inferior to men despite the fact that they make up half of the population (Alshebami & Khandare, 2015).

Policymakers for gender equality and women's empowerment have suggested financial inclusion for poor segments of society as a development intervention, and this has translated to microfinance becoming a growth policy. Microcredit, in particular, is considered to be an efficient tool for women's empowerment and for the alleviation of the feminization of poverty because it is the provision of small loans to poorer segments of society. This financial opportunity transforms women's lives in a positive manner, as when they invest in a productive activity, they can generate income that will be utilized for their family's welfare (Addai, 2017; Bateman, 2011). However, in the local context of Sindh, the second largest province in Pakistan, women's experiences have been unexplored with respect to how they transmute their lives after taking part in a microcredit programme and how they realize empowerment and meaning through it. The success of microcredit programmes could be further increased with the adoption of automation and digitalization in business and the delivery of financial services (Shaikh, Hanafizadeh, & Karjaluoto, 2017). In terms of the microfinance sector, the advent of mobile telephony in developing and developed countries can make payment systems convenient. In this sense, electronic payments (e-payments) and branchless banking channels are commonly known as alternate delivery channels (ADCs) (Shaikh & Karjaluoto, 2015, 2016).

Branchless banking is essentially the provision of financial services without any reliance on bank branches; it includes the use of technology and outlets like small retailers, who work as agents. It allows customers to initiate transactions remotely and is available for use by any customer without the requirement to have sizeable minimum funds carried in their account. Branchless banking examples include the use of mobile phones, automated teller machines (ATM), and Internet banking (Mulki, 2014; Shaikh & Karjaluoto, 2015). Pakistan's banking sector is well established but insufficient to serve the rapidly growing population, and most people in remote areas have little or no access to formal banking services. Microfinance targets the population where banking is underdeveloped, and branchless banking, in particular, was introduced for this segment of the population because they live distant from services, in areas of low population density, where banking costs are high relative to income and the people are illiterate or have minimal education. The process begins with the client opening an account that is accessible through a mobile phone. Then, when cash is received by the client, it gets paid through the agent, who deposits the funds into the bank and sends electronic availability of the funds to the client (Abbassi, 2011).

Against this backdrop, the research questions upon which the objectives were gauged were as follows: First, how do women perceive the meaning of empowerment when they take advantage of the availability of microcredit and invest the funds in establishing microbusinesses? Second, what are women clients' perceptions of branchless banking and what is the status of certain electronic payment systems? Third, what are women's overall lived experiences with the microcredit programme and branchless banking system, and how do those programmes translate into realizing empowerment in economic, social, political, and familial dimensions?

From an intensive review of the literature, it was observed that quantitative or case studies examining the relationship of women's empowerment with microcredit generally used six dimensions to measure women's empowerment: legal, political, familial–interpersonal, sociocultural, psychological, and economic. This reveals the complex nature of the concept of empowerment and the difficulty in distilling its essence in multiple contexts (Malhotra, Schuler, & Boender, 2002). Chaudhary, Farhana, and Lodhi (2012) conducted a study in Southern Punjab, Pakistan, that attempted to use the above dimensions to quantify empowerment, but the study concluded without appropriate results, so they recommended considering categorical variables related to context and culture, like religious interpretations and beliefs and regional and social aspects of a patriarchal society. The second focus

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