MICRO FINANCE

IMPACT ASSESSMENT STUDY

2022

JWS PAKISTAN

JWS PAKISTAN

A section 42 company

D 65, Executive Phase, G Magnolia Park, Gujranwala
Tel: +92 55 3255527, +92 55 3255528
Email: info@jwspakistan.comWeb: www.jwspakistan.com
Twitter: @JWSP Pakistan Facebook: JWSP Pakistan

DATA PAGE

About the Author

Khurram Hussain is a seasoned expert with over 15 years of experience in economic development, financial inclusion, monitoring & evaluation (M&E), risk, and compliance. Holding an MBA, he has played a key role in managing financial sector development and economic growth consulting projects for international organizations such as the Asian Development Bank (ADB), the World Bank (WB), and USAID. His expertise spans strategic advisory, policy development, and project implementation, making him a trusted professional in driving impactful economic reforms and financial sector advancements.

Acknowledgements:

Mr. Qazi Shoaib Alam Farooqi (CEO, Editorial Chief)
Mr. Jamil Anjum (GM Finance, Member Editorial Board)
Ms. Warda Iqbal (GM HR, Member Editorial Board)
Mr. Imran Dhillon (GM Operations, Member Editorial Board)
Mr. Zeeshan Ahmed (Data Manager)
Mr. Abu Sufyan (Enumerator)
Mr. Noor Mohammad (Enumerator)
Mr. Umer Daraz (Enumerator)
Mr. Mohammad Usama (Enumerator)

Document Title: Impact Assessment Study of Micro Finance Program

Dated: October 10, 2022

List of Key words
Micro finance, impact assessment, micro credit, enterprise, demographics, sampling, economic impact, living standards, women empowerment, rights & knowledge, financial literacy, financial inclusion,

All rights reserved. The data in this report has been carefully compiled and is believed to be accurate. Such accuracy is not however guaranteed. No portion of this publication may be reproduced in any format or by any means including electronically or mechanically, by photocopying, recording or by any information storage or retrieval system, or by any form or manner whatsoever, without prior written consent of the author and publisher of the publication.

Disclaimer: Neither JWS Pakistan nor JWS Pakistan's investors accept responsibility for the validity of the information presented or consequences resulting from its use by third parties.

Table of Contents

1. Executive Summary 4
2. About the Organization 5
3. Micro Finance Program Overview 7
4. Study Scope & Methodology 8
4.1. Scope of Impact Assessment 8
4.2. Study Limitations 9
4.3. Sampling Details 9
4.4. Survey Methodology 10
5. STUDY INSIGHTS 13
5.1. Demographic Details of Sample 13
Literacy Levels: 13
Urban-Rural Split: 13
5.2. Economic Impact 15
5.3. Gauging Standard of Services: 18
5.4. Impact on Standards of Living 20
5.5. Women Empowerment 23
5.6. Rights & Knowledge 27

1. Executive Summary

This impact assessment study highlights the socio-economic impact of the JWS Pakistan microfinance program on its beneficiaries. Report highlights the key demographics and impact of the program on economic indicators, financial behavior, and social empowerment aspects.

Demographic Insights: The study reveals that 35% of the beneficiaries are illiterate, aligning with Punjab's illiteracy rate (63%). Approximately 65% of respondents reside in rural areas, with 69% lacking formal access to finance. The working-age population comprises the majority, aligning with operational policies. The average family size has slightly declined to 6.1 members, indicating a trend toward smaller, independent family units. Economic activities include small-scale trading, handicrafts, and livestock, with over 50% engaged in handicrafts and trading, ensuring stable demand and sustainability.

Economic Impact: Post-loan analysis indicates a 95% increase in business sales and a rise in monthly incomes from PKR 23,841 to PKR 45,819. Business assets grew by PKR 0.5 million on average, while savings also showed a significant rise. Newly established businesses, accounting for 15% of respondents, reported an average monthly income of PKR 23,100 and asset accumulation of PKR 2.2 million. Employment generation doubled, highlighting JWSP's role in job creation.

Financial Management & Training Impact: Access to finance and financial management were key enablers of improved financial conditions. However, 70% of beneficiaries do not maintain formal financial records, signaling a need for financial literacy training. JWSP's capacity-building programs have positively influenced business quality, production, and management, with 10% of respondents benefiting from training in stitching, beautician skills, and enterprise management.

Service Quality & Client Satisfaction: An overwhelming 98.5% of clients expressed satisfaction with JWSP's services. Key areas of improvement suggested include larger loan sizes, extended repayment tenures, and additional training sessions. Financial accessibility has improved, with 77% willing to continue with JWSP loans.

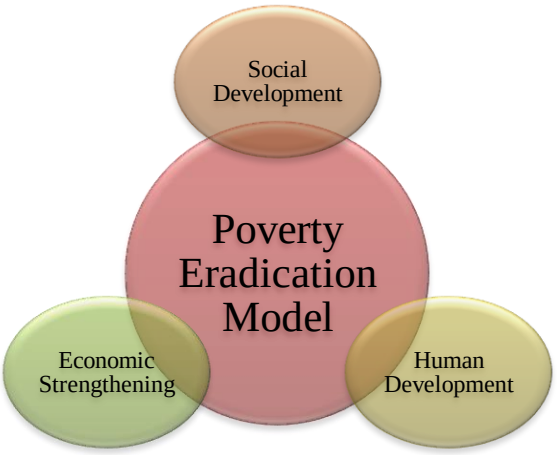
Standard of Living & Women Empowerment: Beneficiaries reported a 50% increase in spending on health, education, and food, though inflation also played a role. Notably, 44% renovated their homes using increased income. Women's empowerment remains a core focus, with 99% of beneficiaries being women. Increased participation in household decisions and improved financial autonomy were observed, with 94% gaining mobility for business transactions.

Conclusion: JWSP's microfinance interventions have significantly improved economic conditions, financial literacy, and women's empowerment. Future efforts should focus on financial record-keeping training, loan size enhancements, and broader access to financial services to maximize impact and sustainability.

2. About the Organization

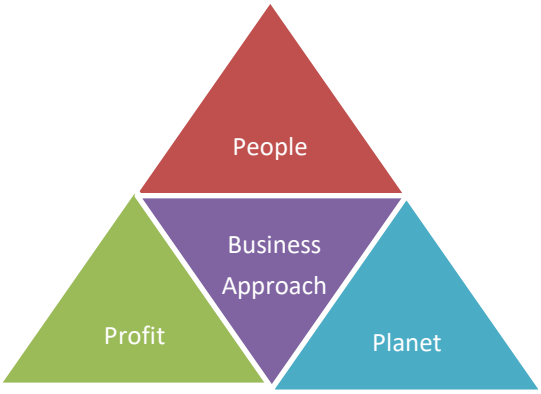
JWS Pakistan is a non-banking micro finance company offering services under the regulatory umbrella of Securities and Exchange Commission of Pakistan (SECP). Company is striving to serve the relegated segment of the society since inception. Over the period of time the company has experienced exponential growth in terms of its outreach as well as client base. By the end of June30th, 2022, JWS Pakistan had presence in twenty-three (23) districts of Punjab province with one hindered and ten (110) operational branches and 138,264 active client base.

This has been made possible with client centric approach in every task that is performed from the board level down to the operational tier. This philosophy of keeping clients and staff at the centre of everything has helped the company in re-engineering institutional structure, policies, procedures, products, technology, services and the workforce capacity. These reforms have led the company to achieve one of the best client retention rates and the best staff retention rate in the industry. Furthermore, the policy of promoting internal staff has further created a new dimension of staff loyalty that helps the company in performing better in any challenging situation.



JWSP offers innovative and demand driven financial services as per the business needs of clients. Financial services are bundled with trainings and orientations in several trades preferred by the women workers for entrepreneurial activities. These financing and training services are augmented with complimentary borrower's life insurance, health insurance and exposure visits free of cost. These credit plus services have proved to be very effective in enhancing the efficiency and efficacy of loans at the grassroots level.

Furthermore, several codes of conducts including but not limited to client protection, avoiding over indebtedness, ensuring productive use of loan, social safety nets and concern for the environment are the basic ingredients of our growth strategies.



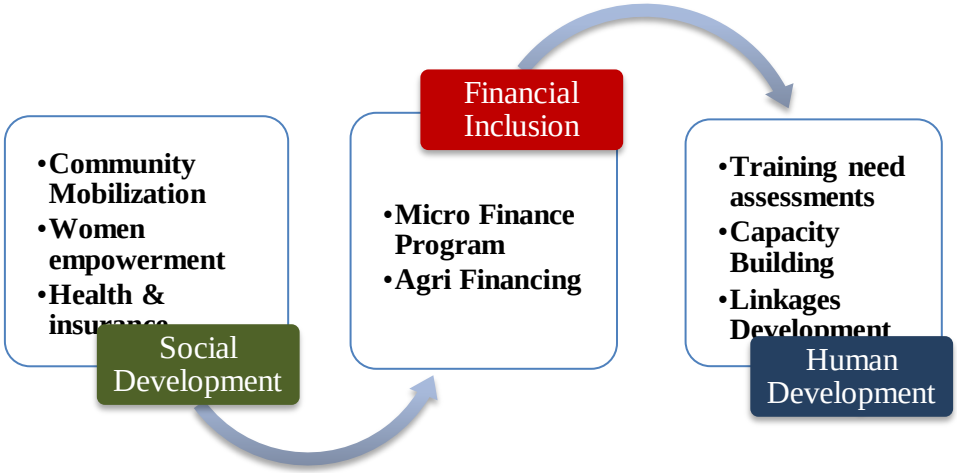
These ethical checks ensure that the financial interventions are geared towards bringing positive economic development at the

grassroots level. Despite of this extra carefulness for the social & environmental causes, company has undergone an impressive growth trajectory and plans to even enhance its sensitivity level for the people and planet.

Vision: "Sustainable economic development and social empowerment for all"

Mission: "Financial strengthening and social uplift of marginalized segments of society, through an integrated approach thereby providing financial services, capacity building and developing market linkages for them to sustain their businesses and to improve their living standards".

To address this challenge and achieve the organizational vision of "***SocioEconomic Empowerment for All***", JWSP has crafted a full spectrum of services addressing all the key areas in an integrated manner;



3. Micro Finance Program Overview

Ending poverty and enhancing access to finance has been among the top priorities of the developing countries. Different strategies have been adopted in developing countries as well as in Pakistan for the purpose, which include special long-term programs and short-term measures targeted towards improving the earning capacity of masses and provision of social safety nets for the really poor. One such initiative in Pakistan was started by Pakistan Poverty Alleviation fund (PPAF) along with its partner organizations. This program played a vital role in providing access to finance for the marginalized communities and gradually helping them coming out of the poverty trap.

JWSP is one of the few pioneer micro finance organizations in Pakistan. JWSP Started its micro finance services with SAP-PK in 1997 with active support of Catholic Relief and The Asia foundation in coming years. 2001 was a landmark year when JWSP joined hands with PPAF for provision of micro finance services in the region. Partnership with PPAF provided required institutional development, infrastructure and services development support to help JWSP expand in six (6) districts with 24 active offices. In 2015, KIVA, a non-government organization from USA joined hands with JWSP by extending credit lines.

After the transformation of the company into an NBMFC, under the regulatory umbrella of SECP, number of international and national investor groups joined. These new partnerships provided the required financial leverage in providing financial services at scale.

JWS Pakistan has developed range of products and services to sever the unique requirements of clients. Table below highlights the key micro finance related initiatives being provided by the company.

Micro Credit (MC)	Agriculture Loan
These loans are specifically designed for poor and disadvantages groups as a mean to encourage and assist them in undertaking income generating activities. Borrowers are encouraged to form a group consisting of 5-15 members who are not being served by other microfinance institutions. Beneficiaries of micro credit loan typically include small businesses operators providing products or services to their local communities. Loan range is 30,000 to 150,000 and duration of this loan is one year. All repayments are collected through bank deposits. JWSP teams regularly conduct monthly group meetings to ensure productive use of loan and guide the borrowers about their respective businesses. These group meetings play an	Keeping in view the importance of agriculture, its role in the local economy and issues being faced, JWSP introduced agricultural loan product in January 2010. This product was developed to solve problems of low per acre yield being reported in the region mainly due to non-adequate usage of fertilizers, pesticides and lack of knowledge about modern cultivation techniques. This product received very positive response from the farming communities and has actively been able to resolve their issues since its launch in 2010. Agricultural loans are disbursed through Farmers Development Groups (FDGs), consisting of 10-12 members having land holding of 5-10 acres. The borrowers under this program make repayment

effective role in ensure productive use of borrowed money and thus contributing towards poverty reduction.	of their loans through cheque.

In addition to the regular micro finance program, JWS Pakistan also provides life insurance (client and guardian) and health insurance services for clients. These additional safety nets help in reducing the impact of the sudden shocks in the lives of the clients.

4. Study Scope & Methodology

Indeed, the microfinance programs and institutions have become an important component of strategies to tackle poverty and empower disadvantaged communities at grass root level. However, the literary knowledge about the effectiveness of such programs remains only partial and contested. At one extreme are studies arguing that microfinance has very beneficial economic and social impacts (Holcombe, 1995; Hossain, 1988; Otero and Rhyne, 1994; Remenyi, 1991; Schuler, Hashemi and Riley, 1997). At the other end are few writers who caution against such optimism and point to the negative impacts that microfinance can have (Adams and von Pischke, 1992; Buckley, 1997; Montgomery, 1996; Rogaly, 1996; Wood and Shariff, 1997).

JWSP as a development organization and with very strong linkages in communities believes that the realty falls in between the two extreme sides of the literary researchers. Extra money injections are no doubt the most effective tools to ensure communities come out of the poverty trap provided that money is used for productive purposes. However, the challenge is not to exaggerate the positive impacts and hide out the negative ones.

This impact assessment study has been designed and carried out by compliance and risk department of the organization keeping in view the same challenges of highlighting the good work at its actual rate as well as shed light on the grey areas to improve operations, products and well as strategies to engage communities.

4.1.Scope of Impact Assessment

The study was designed with a concise and well-defined scope of work to ensure quality of work, highlighting both positive and negative aspects of the micro finance program as well as document the suggestion of the beneficiaries. Following is summarized scope of the assignment;

- Taking a well representative sample from the beneficiary population.
- Gauging impact on the economic wellbeing, standards of living, women empowerment and improvement in rights and knowledge of the clients.
- Identifying the grey areas for performance improvement.
- Increasing public participation in order to reflect a range of considerations, thereby improving the operations.
- Contributing to continuous learning in program development by identifying causalities that inform ex-post review of programs and services.

4.2.Study Limitations

Like every study, this impact assessment had also few limitations that were known to the researchers and efforts were made to minimize their impact in every possible manner.

- Undocumented business details
- Impact of externalities including inflation
- Multiple loan utilizations

4.3.Sampling Details

Sampling plays a vital role in the end results and therefore needs a very careful thought process to ensure representative and unbiased sample. Therefore, to meet the technical requirements, the method of stratified random sampling was used. This required to split the program beneficiaries among various strata groups based on geographical clustering and socio-economic profiling of their respective areas. This clustering was additionally bifurcated based on the financing under various products of the company based on their relative weight. Furthermore, to assess the overall sample size, following key assumptions were made;

- Population size of program beneficiaries 138,264
- Margin of error 5%,
- Confidence level 95%, and
- Response distribution 50%.

A representative sample of 384 respondents was calculated using the assumptions. The sample was drawn from each strata type based on its contribution in the population size. CRM department used all the measures to ensure that the actual respondents being selected for the interview are on random basis and fulfill the criteria laid down.

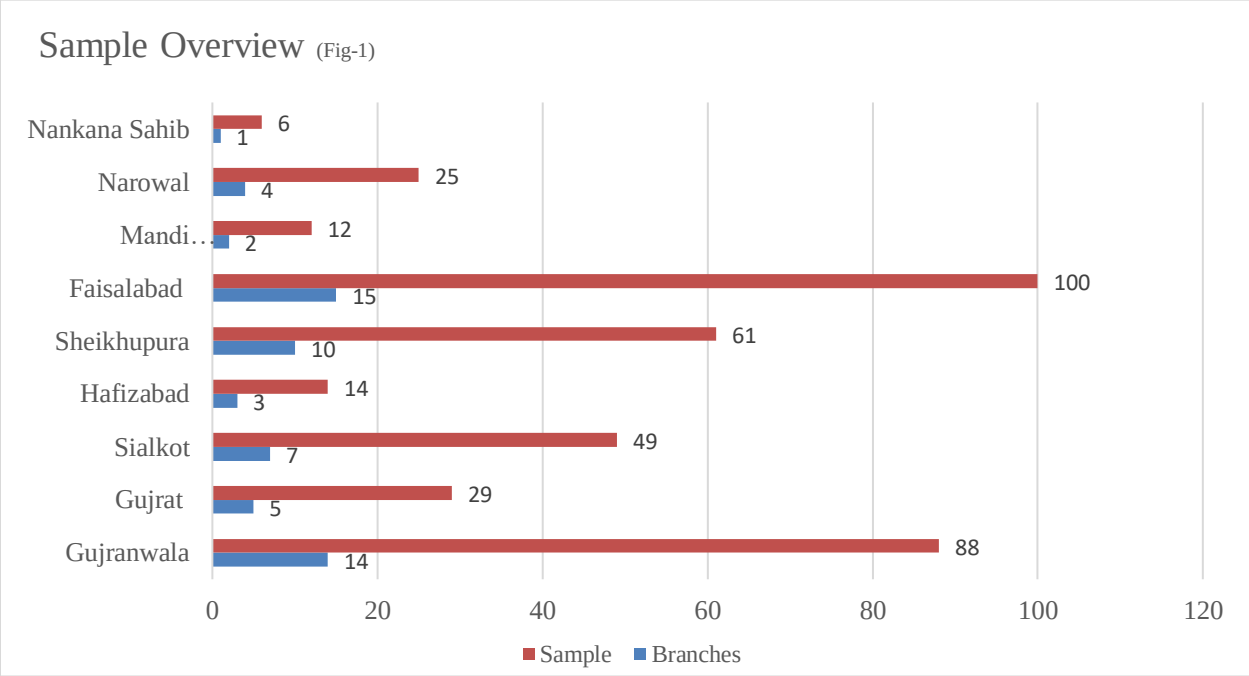


FIG-1 highlights the spread of the program in various districts of the Punjab province. Sampling was carried out keeping in view the geographical spread of the beneficiaries. Whereas, the table below highlights the key economic sectors that are being financed by the micro finance program. Since the organization believes in women economic empowerment, the majority of the client base (99%) is women. Therefore, the sectors are also related to the women specific businesses.

Sectors	No. of Businesses
Commerce & trading	133
Handicrafts	125
Live stock	59
Manufacturing & Eng.	16
Services	71
Grand Total	**404**

In addition to ensuring the sample from all the relevant strata's, CRM department established a mandatory condition of including only those respondents who have completed at least two loan cycles with the organization i.e. (two years). This reduced the overall coverage of the survey to only those areas where company have presence of more than two years. This helped to minimize the impact of the externalities in the reported impact.

4.4.Survey Methodology

Our guiding principles for conducting impact assessment study were consistent with international best practices as well as industry standards. Keeping in view the key aspects of the program, a comprehensive questionnaire was designed for survey. Key areas that were incorporated in the questionnaire included;

- Demographic profile of clients
- Economic impact of services
- Improvement in living standards
- Women empowerment
- Knowledge about client rights

Detailed consultation was carried out with the operations department as well as HR department to incorporate their feedback in the assessment tool. After the approval of the tool, following additional steps were taken to ensure the usefulness of the study tool and its overall quality.

- **Training of Survey Enumerators:** CRM team designed and carried out a detailed training session with the field enumerators to make them understand the objective of the study as well as impart necessary skills and knowledge required for the enumerations. Key areas focused during the training sessions are described below;
    - Introduction of the interviewer/ enumerator to respondent
    - Understanding the basic concept and importance of study
    - Collection of accurate information from the interviewee using the questionnaire
    - Effective communication
    - Survey ethics
    - Time management
    - Techniques for data collection

  One session of the training involved field testing of questionnaires with actual respondents. Overall, 30 interviews were conducted and based on the difficulties/ findings, changes were made in the questionnaire.

- **Finalization of Questionnaire:** After Pretesting, the findings of the mock exercise were discussed in the team meeting and required changes were made in consultation of the management.

- **Survey Quality Management:** The collected data was examined for inconsistencies. The values against variables were recorded, labeled and entered into analytic datasets for analysis purpose. Data was reviewed early during the data collection period to verify that no anomalies are present. Overall, the quality of captured responses was ensured at the following levels;

  Field Level:
  - CRM Team regularly followed up with the field enumerators during the data collection process and reviewed the collected data. Feedback was provided to the enumerators for rectification of the errors at field level. Overall focus of the monitoring during the data collection period was to ensure;
    - Reliability of data being collected from the field
    - Scrutinize/ filter errors and non-response/missing data.
    - Motivational support and on the job guidance to the enumerators
    - Quality control measures
    - Controlling the time and cost overruns, if any.
    - Re-interviewing on doubtful questionnaires, (if required).

  Data Entry Level:
    - The data entry team was also supervised to ensure validity and accuracy by adopting the mechanism of a coded sheet with guidelines for data entry.
    - Various data validation checks were placed to filter out punching errors that were reconciled later on.

- **Data Analysis:** A detailed analysis of the data was carried out using different analysis

approaches to better highlight the positive impacts as well as deficiencies in the micro finance program. Some of the approaches used are listed below;

- Random sampling approach
- Likert scale rating analysis
- Corresponding analysis
- Pre and Post comparison analysis

5. STUDY INSIGHTS

Findings of the impact assessment study have been grouped into five (5) sections based on their thematic relevance as follows; demographics of the respondents; economic impact, impact on standards of living, women empowerment and improvement in knowledge base regarding client rights and responsibilities.

5.1.Demographic Details of Sample

Demographic details hold a very significant importance in the analysis. These details shed light on the socio-economic conditions of the beneficiary class and their profile highlights that how accurately sample was drawn from the overall population. A significant miss-match between the both highlights poorly conceived and planned sampling strategy. Keeping in view the importance, analysts developed a detailed sampling strategy to ensure participation of all the relevant strata. Key aspects of the socio-economic profile of the beneficiaries are presented below.

Literacy Levels:

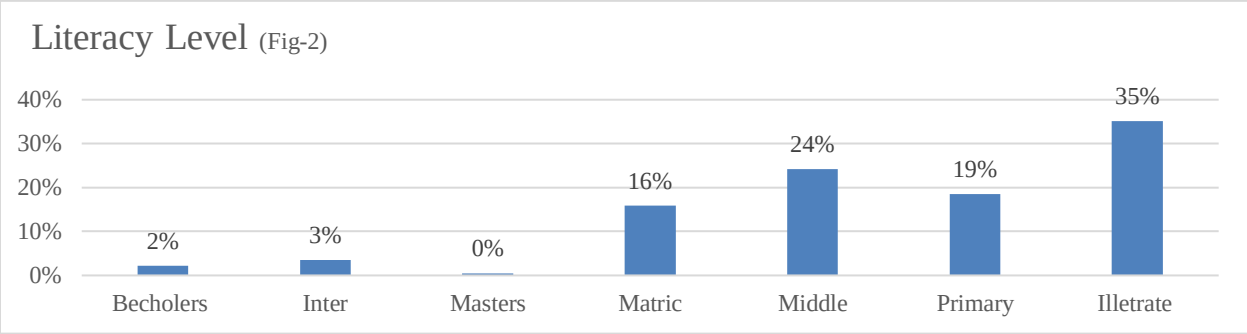
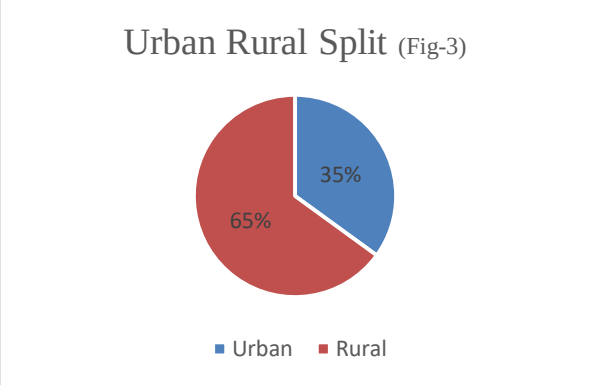


Fig-2 represents the educational background of the micro finance beneficiaries that almost 35% of the beneficiaries are illiterate. This falls very close the overall illiteracy rate of Punjab province i.e., 63%. The remaining respondents recorded various levels of formal education as highlighted in the fig. The positive aspect of the picture is that the program is targeting the actual niche i.e., poorest of the poor who are mostly illiterate.

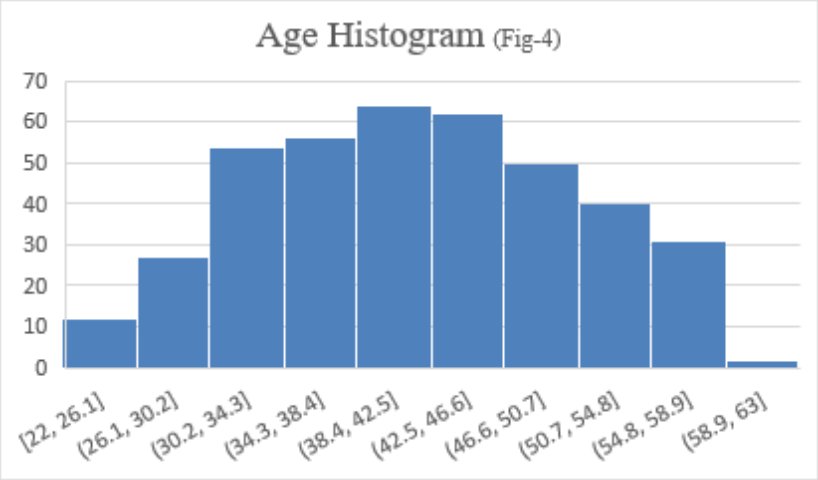
Urban-Rural Split:

Urban rural split of the responding beneficiaries is of vital importance as it sheds light on the key areas where the program is financing. Emerging stats provide an encouraging snapshot as around 65% of the respondents turned out to be from the village and rural areas of the country. Furthermore, the respondents were pre dominantly from the rural areas 69% lacking formal access to finance. The rest of the respondents were taken from semi urban and

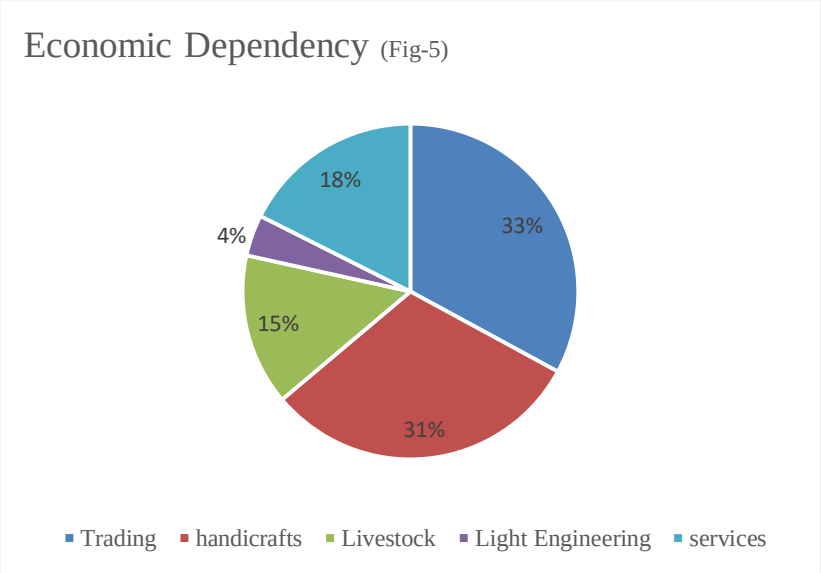


urban locations as per the overall client spread. (Fig-3)

Age Profiling: Splitting the age group of the beneficiaries in common groups of children and young adolescents (under 15 years old) the working-age population (15-64 years) and. the elderly population (65 years and older) gives an interesting overview. Majority of the age group of the clients fall in the working age group. This also ratifies the successful compliance with operational policies of the company.



Economic Dependency Analysis: Average family size of the respondents stood at 6.1 members per family highlighting emerging trends of decentralized and independent small family system. Comparing the stats from the previous study where the average family size was recorded to be 6.33 persons. This gives an idea of overall trend of smaller families owing to the economic and social challenges being faced.

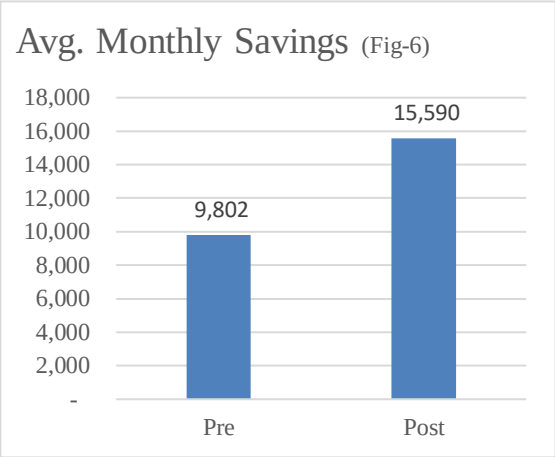


On the economic dependency front, majority of the beneficiaries are involved in small scale trading, handicrafts and livestock activities. **This has also been observed that the trading activities in various districts do correlate with larger products units working in those area.** *Figure five (5)* represents the key trending businesses being operated by the micro finance beneficiaries. Handicraft and trading are the two key segments that represent over 50% of the beneficiates. Both business segments have strong local demand and wider economic moat that makes them an ideal small business for the poor and risk averse micro finance client base.

5.2.Economic Impact

The core anticipated impact of the micro finance program is assumed to be strengthening the economic situation of the beneficiary households. As per the analysis pre and post *(with a gap of two years of consistent loaning and training)* scenarios of the household enterprises were compared highlighting the growth as highlighted below.

Performance of existing businesses: Sample consisted of around 85% of small businesses who were running their activities prior to joining the JWSP loan program two years ago. Their responses highlighted 95% growth in their sales value after the tenure of two years with an average of 120,000/month. This highlights a steady growth in business revenues; however, this also has an inbuilt inflation effect that the country is going through currently. Sales were followed up by average monthly income that was raised from 23,841 to 45,819 PKR.



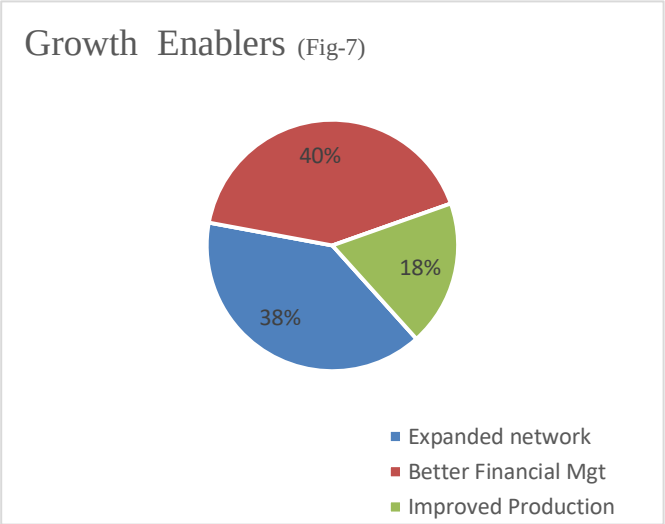
Another dimension of the economic wellbeing may be attributed to the value of assets those clients have. Pre-post analysis on this dimension highlighted an average increase in value of household assets by.5 million in two years. Overall, the average value of assets amounted to PKR 4.2 million. Similarly, average monthly savings of the respondents also increased on monthly basis. This shows a very healthy trend in business turnovers as well as wealth accumulation/savings that is the way forward towards prosperity.

Performance of newly established businesses: on the other end, 15% sample consisted turned out to be the ones who started their economic ventures two years ago by availing loan from JWSP. This highlighted a very positive trend in the low-income communities of starting new small business at household levels. These businesses reported monthly sales of almost 56,196 per month while reported average income from businesses were 23,100.

The reported average monthly saving was 10,300 PKR whereas the reported average household value of assets is 2.2 million. This shows a clear difference of accumulated wealth with those families who are involved in business activities for more than two years.

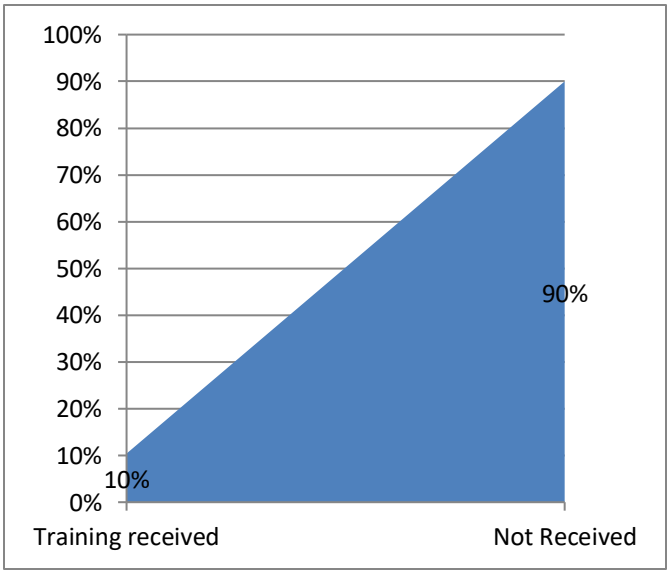
During the baseline period, enterprises were employing on an average 1.2 person to manage the affairs of the business. During the intervention period of 2-3 years, the ratio has improved and now the informal enterprises are employing an average of two persons. Multiplying this positive trend with the scale of financing being carried out by JWSP, it is evident that the organization has created thousands of jobs in the poor and uneducated labor force thus helping the poorest of the poor to manage their subsistence as well as helping them escape from the poverty trap.

Tactical enablers of Better Financial Conditions: To further assess the reason behind improved financial condition, it was specifically asked about the key tactical enablers that might have played their role. These included, expansion of business network, better financial management as well as improved production capacity of businesses.



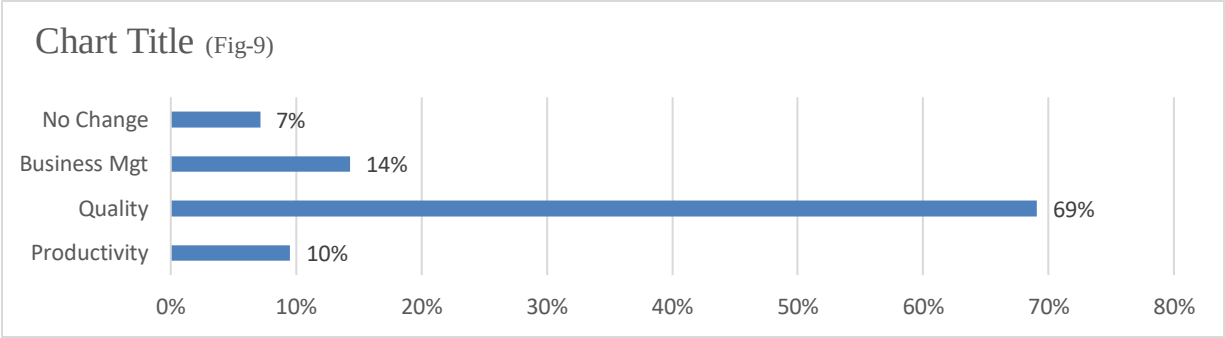
The top reason emerged to be better access to finance and efficient management of funds for economic purposes. This is followed by expansion in the business network and the least role was played by the improved production capacity of respective businesses.

Impact of Training Programs: JWSP believes in providing not only access to finance but also the additional services of capacity building and business orientations to ensure the productive utilization of loan. Keeping in view the literacy level i.e. Fig-2, it becomes evident that how important the trainings and capacity building programs are to ensure smooth operations of micro finance component as well as in ensuring productive use of loan. Therefore, JWSP is running a very robust and practical training program for its microfinance clients.

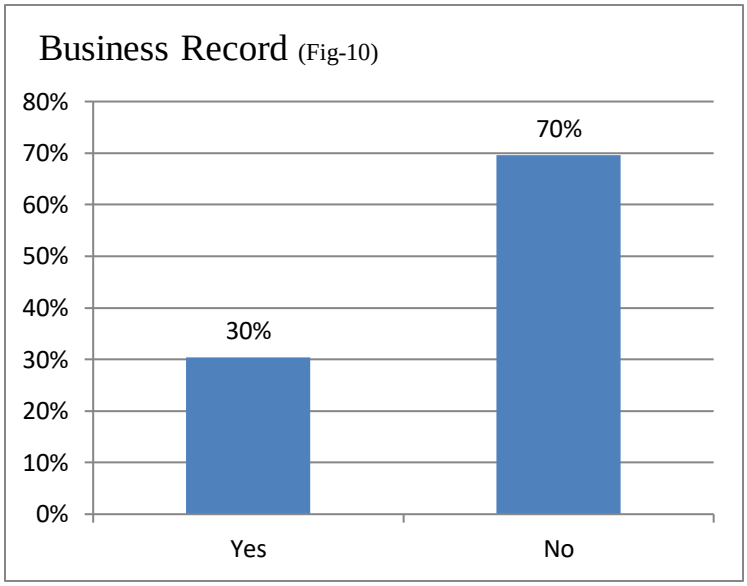


Overall 10% respondents confirmed that they have directly attended the training programs arranged by JWSP at its regional offices mainly in the domains of stitching, beautician& general enterprise management. Despite of lacking formal education, the entrepreneurs were found to be very keen and very adaptive with new business management skills.

The trainings had direct impact on the businesses as evident from the Fig-8. Key improvement reported by the beneficiary's included quality of product, production quantity and business management in order of effectiveness. 7% reported no change in their business affairs.



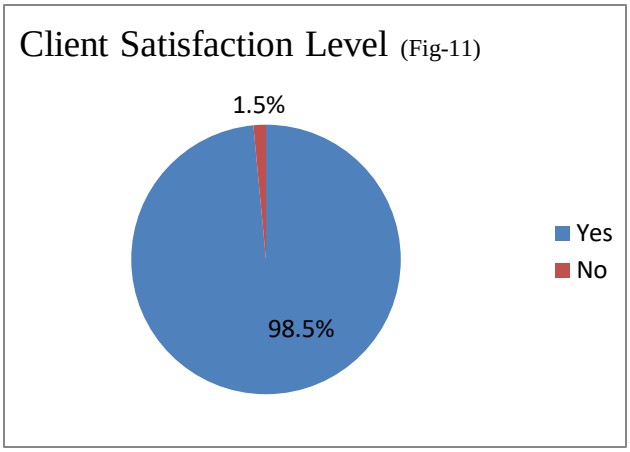
A one very alarming trend was witnessed among the survey respondents that over 70% stated that they do not formally maintain record of their business transactions and rather prefer to just memorize it. The majority of the respondents among this group stated that they feel difficulty in keeping record and prefer to remember the transactions and also that they might start keeping record if someone tells them how to. Only 30% of the respondents claimed to have been maintaining the record of their business purchases and sales in written form of their own style and understanding level.



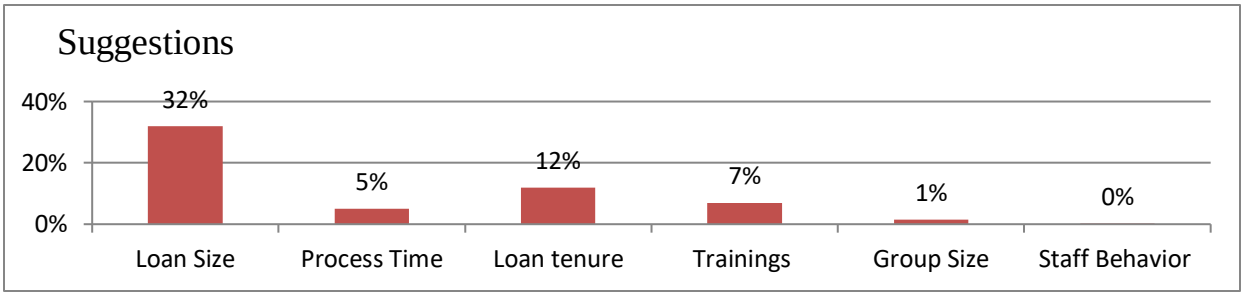
From the assessment of this angle of the entrepreneurs, it is evident that the beneficiaries direly need help in maintaining record of their businesses. This crucial gap has been identified and future waves of training programs shall be planned to address this gap.

5.3.Gauging Standard of Services:

Client satisfaction is of utmost importance at JWS Pakistan and all the business processes are designed keeping in view the satisfaction and need of the client in mind. The survey results reveal an overwhelming level 98.5% of satisfaction with the SOPs and services of the company. The remaining 1.5% highlighted few areas for further improvement of the program.



Instead of staying content with the satisfaction level of the clients, respondents were further probed to provide feedback to even enhance the service level of the company. This proved to be very helpful and clients had experience of availing services from other MFIs as well. Towards raising the standards of services to new levels, following suggestions were recorded by the enumerators.

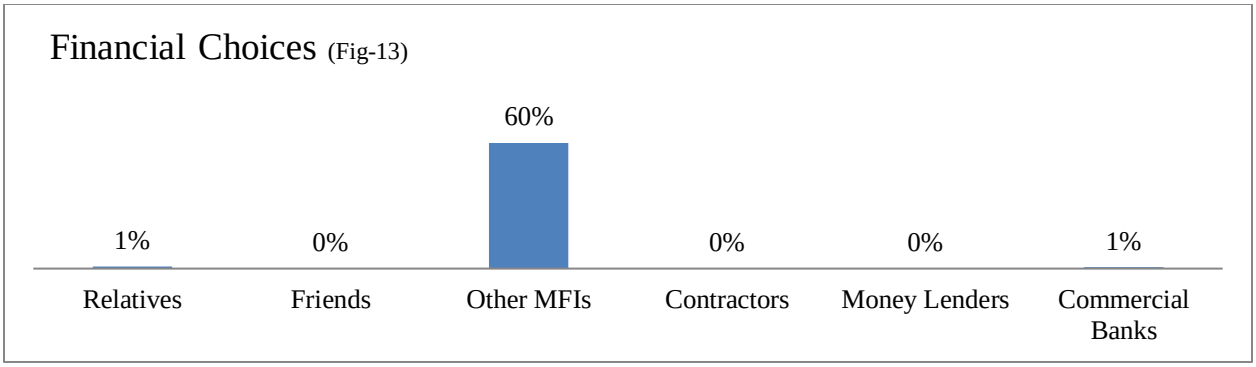


Top of the line suggestion was enhancing the loan size of various products, this when analyzed in view of the devaluing currency and reduced buying power makes sense. The 2nd in line falls to be enhancing the tenure of the loan followed up by need to have more training sessions.

Other sources of Finance: It's a global phenomenon that the financial choices and access gets easier with betterment in the economic conditions. This theory holds equally valid in the case of microfinance beneficiaries. When asked about the financial access in addition to availing loan from JWSP, respondents provided almost one other option and that too was other MFIs.

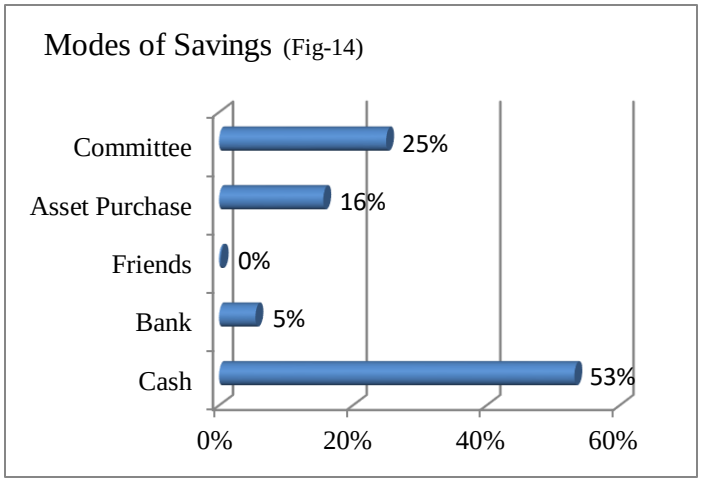
Paradigm Shift

Old study of JWSP revealed a rich source of other sources of funds that included relatives and friends in addition to MFIs. This pattern has drastically changed as all of other sources of funds have dried up due to economic hardships



Furthermore, clients were asked that weather they shall continue availing loan from JWSP or not. The responses were very encouraging and almost 77% stated their willingness to sign up for the next tranche when the existing one closes. Clients responding with no were further asked about the reason and majority of them stated that their cash flows have streamlined now and they do not foresee the need of further loan

Modes of Savings: Savings are the most important indicator of financial wellbeing and without ensuring savings; the dream of poverty eradication cannot come true. Keeping this in mind, specific questions were asked about the habit of savings and it was encouraging to know that almost all of the clients were maintaining varying levels of savings as per their income generating capacity.



Furthermore, when asked about the modes of savings, majority of the clients used to keep their savings in the form of cash followed by committee system and bank deposit as highlighted in Fig-14.

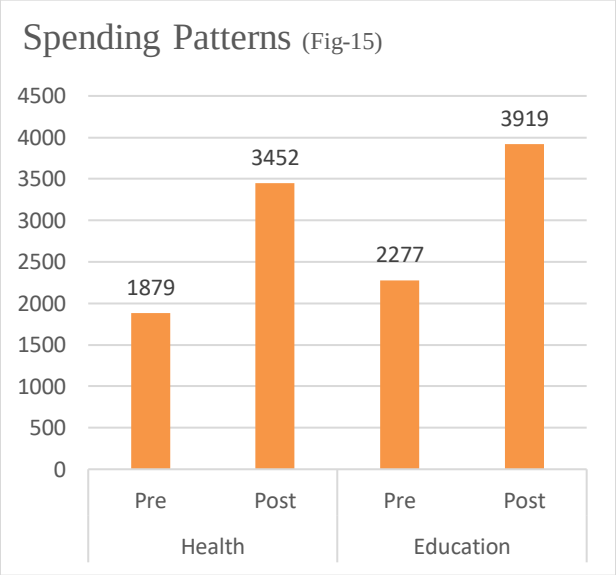
It is evident from the snapshot that majority of the clients keep their savings in the informal ways that have the least productive in the national development as well as return on savings. There is a potential for micro finance banks and other commercial banks to come forward and design micro saving products to provide higher levels of financial services to the microfinance borrowers.

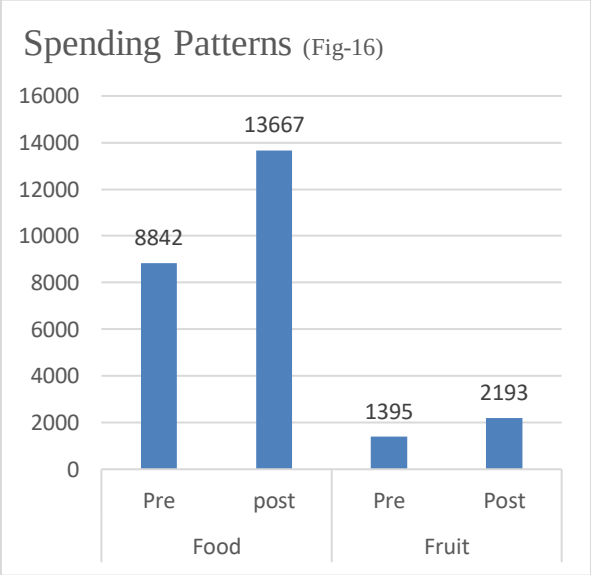
5.4.Impact on Standards of Living

Financial wellbeing is closely linked with standards of living to a great extent. Several researchers have studied the phenomenon and found positive correlation between the two. Kirkpatrick et al (2002) Getting access to financial services help the poor to improve their income and other benefits such as health care and education etc. Empirical evidences are found from various papers such as Parker and Nagaragan (2000), Khandker and farooque, (2001), Pit and Khandker (2003), Quach et al (2003), Debadudda (2009), Paunda (2005) found that the beneficiaries of loan had increased their expenditures especially in health treatment and education.

Therefore, similar impact trend emerged from the data collected during the study as presented in Fig-15 &16. On an average, respondents recorded an increase in spending of almost 50% in health, education, food as well as on seasonal fruits. One may criticize on the assumption that the increased spending doesn't mean improvement in the quality of products but rather is due to the effect of the following two factors;

- Increase in prices (inflation)
- Increased spending due to improvement in socio economic profile





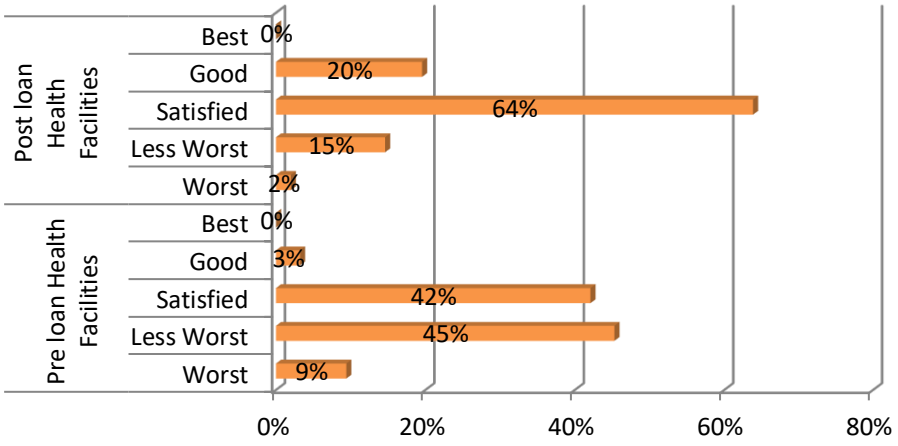
- The third contributing factor might be the increase in family size over the period of the time.

However, behind this visible change in the spending pattern of the targeted population towards health, education, food and seasonal fruits, there is strong role of inflation as well. Keeping in view the recent past of Covid impact, retarded economic growth and high inflation, the actual active ingredient seems to be the mix of both economic wellbeing as well as inflation led expenses.

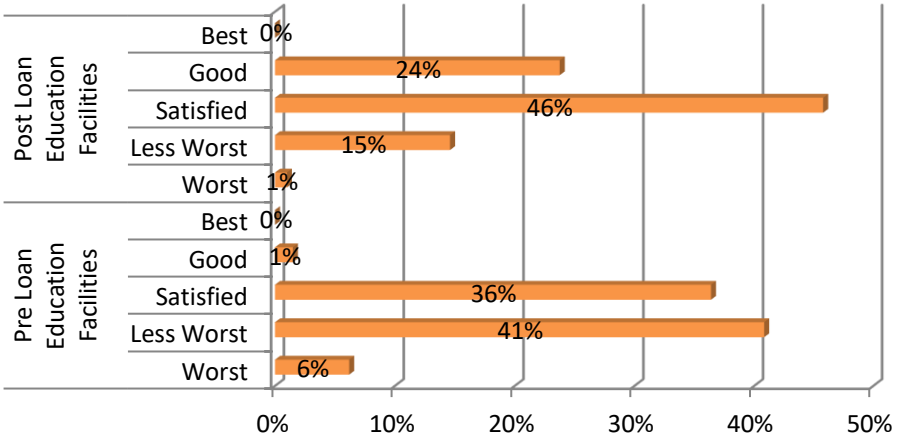
From the above discussion and evidences, we might conclude that the increased level of spending on the key lifecycle needs are a sum of impacts from inflation, increase in family size and a choice of better quality products/services with quality of products being the prime contributor in increased spending.

This assumption is further proved to be true by the specific responses of the respondents in all the key areas including health, education, food and living standard of the houses. Pre and post scenarios highlighting customer satisfaction are summarized below in Fig -17-20.

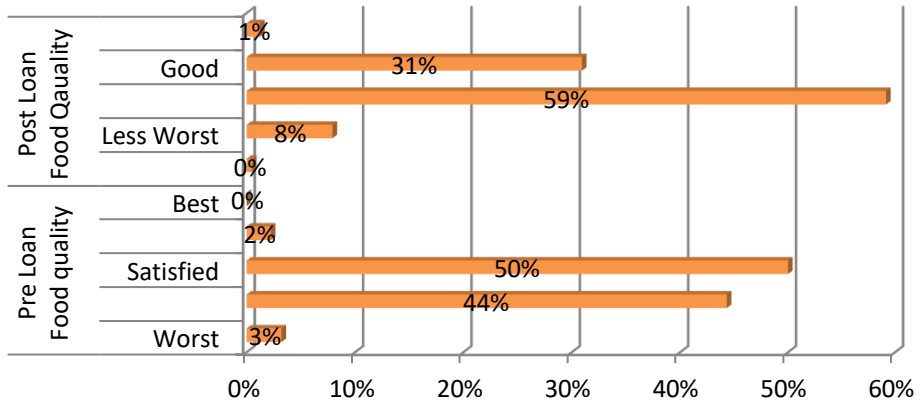
Pre Post Health (Fig-17)



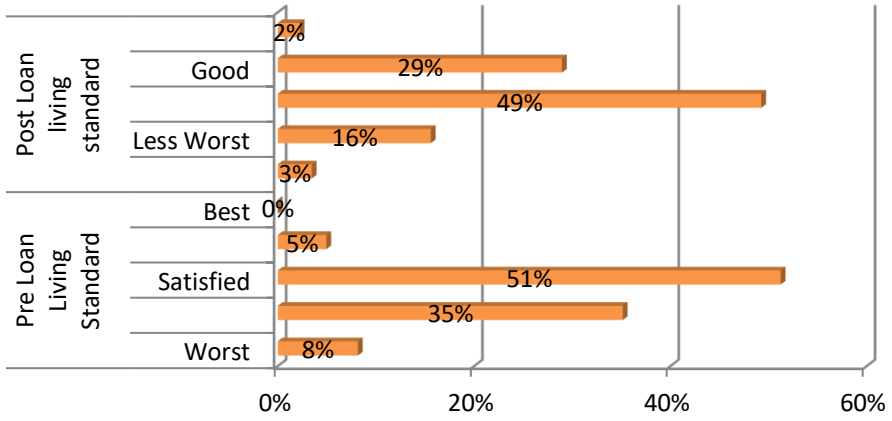
Pre Post Education (Fig-18)



Pre Post Food Quality (Fig-19)

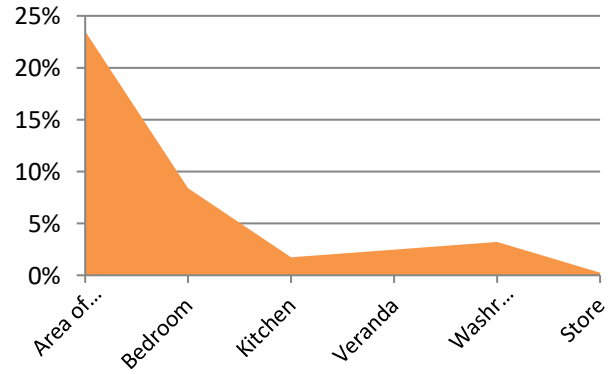


Pre Post Living Standard (Fig-20)



It is evident from the qualitative responses that considerable improvement has been witnessed by respondents. In all the four cases, pre-scenarios are dominated by the response as "fine" which has been dropped down and the remaining responses have recorded against improved situations like "better and best". So, there is overall shift in the more satisfied columns in aggregate terms that specifies that various indicators pointing towards quality of life have been improved.

House Renovation (Fig-18)



Furthermore, 44% respondents stated that they have carried out renovation of their homes after availing the loan for over two years. It is worth noting that the renovation was not carried out with the loan amount rather with the improved revenue streams from the household businesses.

5.5.Women Empowerment

Women empowerment and development has been a challenging task for the developing world and at the same time one of the key success factors for the socio-economic development of their population. Unfortunately, developments in Pakistan are not keeping the pace with rest of the world as highlighted in the recent report of Global gap index (GGI) published by the World Bank.

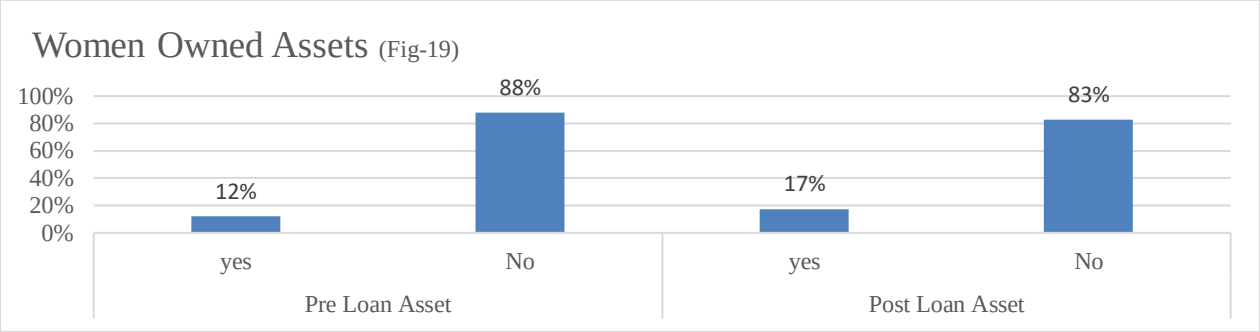
Pakistan's Ranking on Gender Gap Index 2014	Overall		Economic Participation		Educational Attainment		Health & Survival		Political Empowerment	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Pakistan out of 142 countries	**141**	**.552**	**141**	**.309**	**132**	**.805**	**119**	**.967**	**85**	**.127**

Overall rank of 141 out of 142 participating countries highlights the worst situation and our standing in the global village. Further breakup provides deeper insight into the key reform areas and our respective standing against each with economic empowerment requiring special attention focused by educational attainment, health survival and political empowerment.

Keeping in view the national development challenges, JWSP has crafted its vision of Social and economic empowerment for all. Under the guidance of the vision, most deserving segment of the society requiring socio economic empowerment is women. Therefore, JWSP adopted women centered economic and social development approach. As a result, 99% beneficiaries of our programs are women, highlighting our commitment and focus towards of women development.

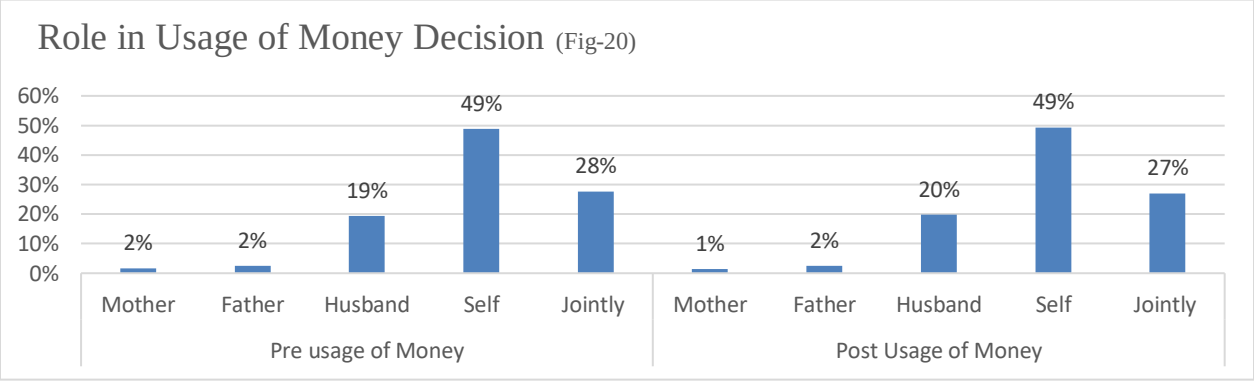
The impact assessment study highlights encouraging trends towards more empowerment witnessed through increased women participation in household decisions as well as fiscal matters. Summary of key empowerment indicators is highlighted below.

Pakistan being a male dominant society has overwhelming percentage of assets being owned by women. However, the study targeting the low-income strata has sparked a light of change. Almost 5% women stated that they have now the ownership of any asset on their own name. although a very minimal change but this might be the beginning of a better and more balanced tomorrow.

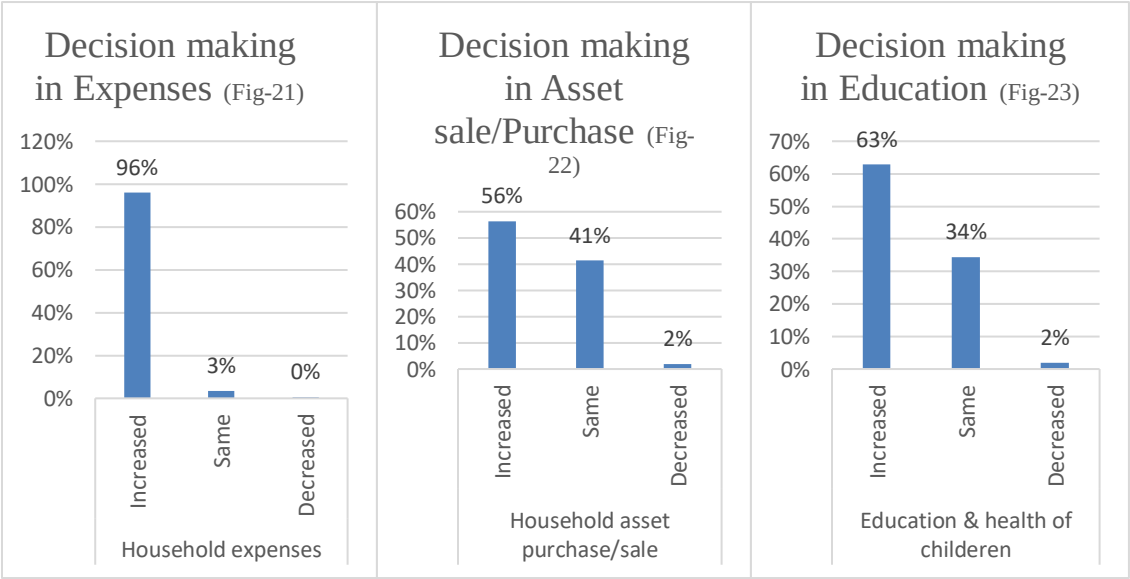


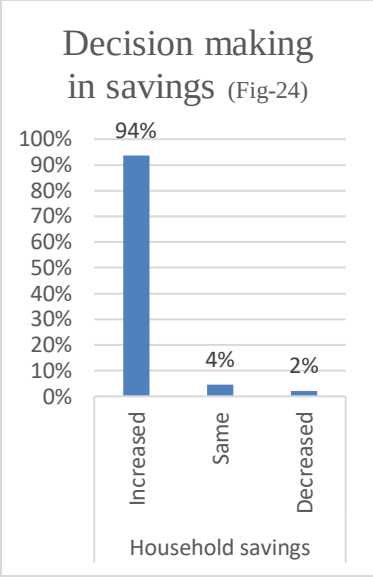
The role in decision making always highlights one's accession to power and highlights the empowerment. In the demographic analysis, majority of the married women emerged to be the

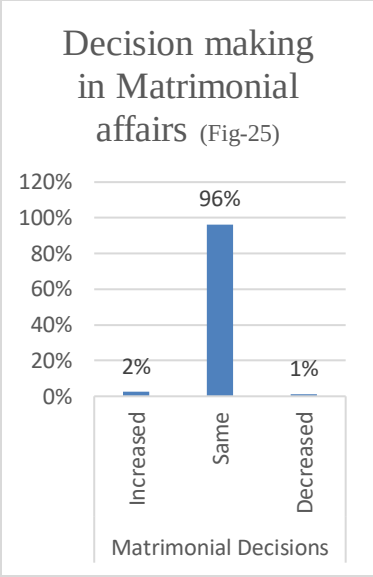
borrowers. This gave them a central role in the decision for the household matters. Over 75% of the cases highlight role of women either jointly of solely. No major change was witnessed during the pre-post analysis.

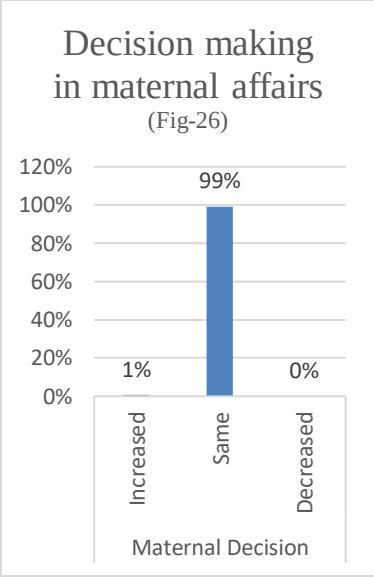


Another aspect of the women empowerment is her ability to take decisions or be part of the household decisions. Survey specifically focused on this aspect of the empowerment and very positive results emerged as highlighted in the following graphs. Almost in all of the cases there was increase in the percentage where role of women has increased across the range of situations requiring decision making.



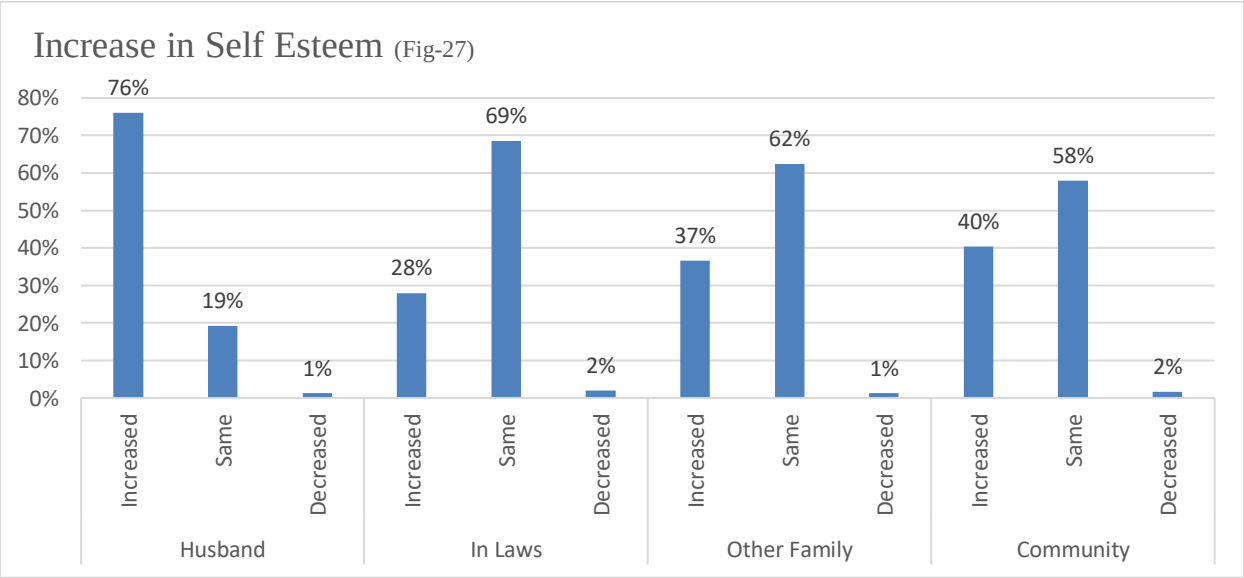




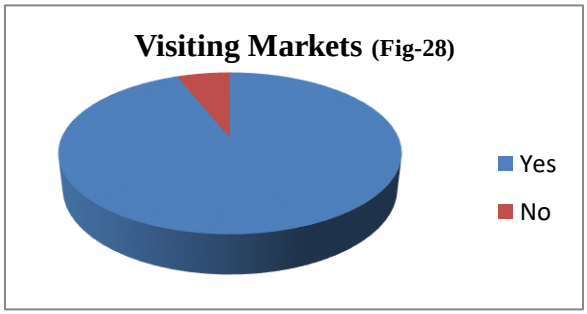


So, from the graphs above, this can be concluded that apart from the positive impact of the loan program on the socio-economic profile of the clients the ability of the borrowers to take part in important household decisions has also increased visibly.

Furthermore, the Fig-27 sheds light on the perceived importance of the women borrowers in the minds of their husbands, in-law's family members and the community in general. This highlights that the perceived importance of the women borrowers has increased in every scenario due to their positive contribution in the family livelihood.



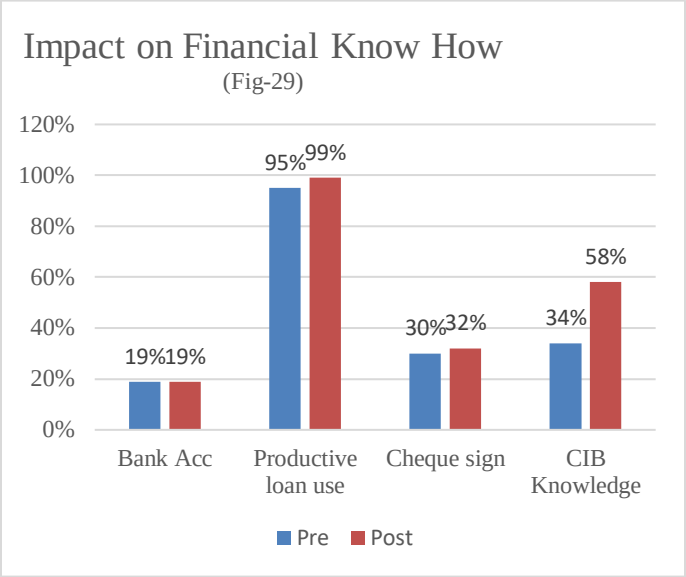
Since JWSP serves loans to the women entrepreneurs, it was necessary to gauge their level of freedom to visit market places for business purposes. The results under this head were also very encouraging as 94% respondents acknowledged that their families have entrusted them to visit market places to carry out the business transaction (Fig-28).



5.6.Rights & Knowledge

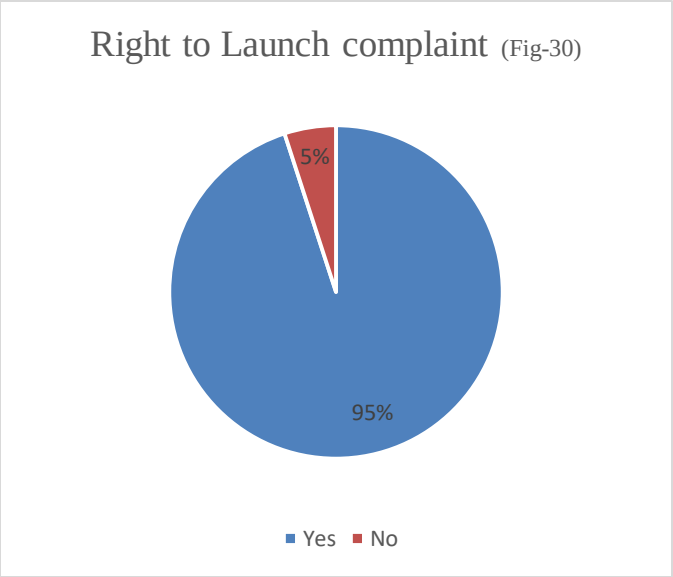
Another aspect of the social empowerment is the knowledge about one's rights and obligations in business transactions. This not only empowers people but also helps them avoid any fraudulent activity or exploitation. Therefore, keeping this fact in mind, JWSP has focused on the financial literacy and empowerment of clients by educating them about their rights and obligations as well as on the usage of common financial instruments.

In addition to the regular meetings, financial literacy is specifically covered during the vocational training sessions conducted from time to time in selected domains. These awareness sessions had encouraging impact as highlighted in the Fig-29.



With a positive impact on the operational performance of JWSP loan portfolio in terms of 100% recovery rate due to productive usage of loan, there is also another facet of the impact that might be minor but is worth mentioning. It was particularly observed that the know-how of financial terms and services was particularly high where the clients were directly involved for example the concept of productive use of loan as well as information about the credit information bureaus (CIB).

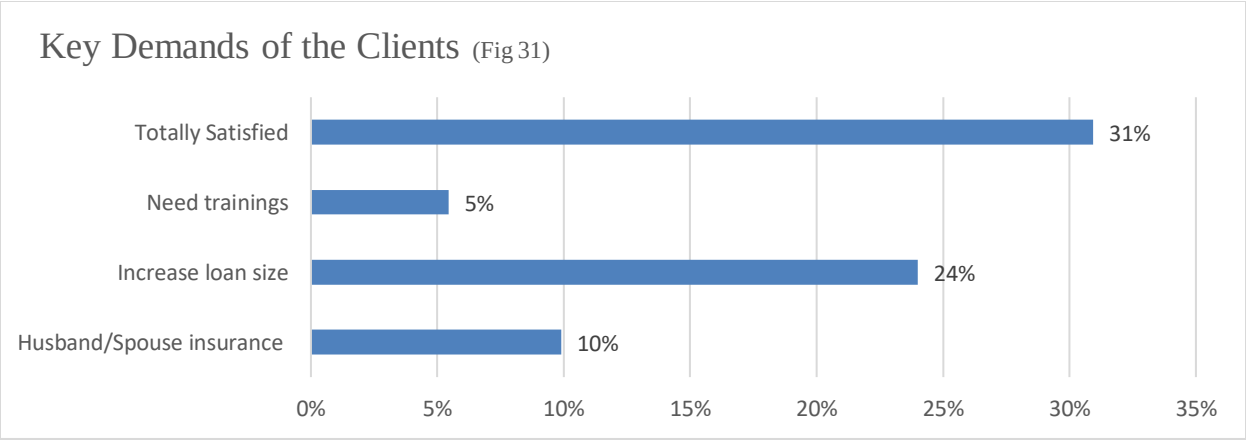
However, the account holding percentage and ability to sign cheque were reportedly minimal. This aspect needs to be taken up by the policy makers and the banks may jump into this market to not only provide an additional layer of financing but most importantly the savings may be brought into the mainstream economic system.



To streamline the field operations and to ensure compliance of standard operating procedures, JWSP has a robust mechanism that operates seamlessly. Furthermore, to address grievances and complaints, a separate telephone line as well as complaint boxes have been placed at branch level. Clients were asked that weather if they are entitled to complaint against any problem being

faced due to the organization as well as its mechanism, a resounding percentage of clients 95% provided correct response. The detailed responses showing the options to register complaint as per respondents are summarized below;

- Calling at the designated no 82%
- Putting complain in the complaint box 15%
- Dropping complaint in the designated box at branch office 0%
- Reporting group leader 2%

However, the option of reporting group leader is not the part of the complaint SOPs and highlights misconception among clients that needs to be fixed.

Upon the completion of the survey, a very open-ended question was asked from the respondents to see what they suggest in terms of further improving services of the company. Top pf the line actionable suggestions included the demand to offer spouse insurance facility, increase in loan size of various products as well as demand for the general trainings.