



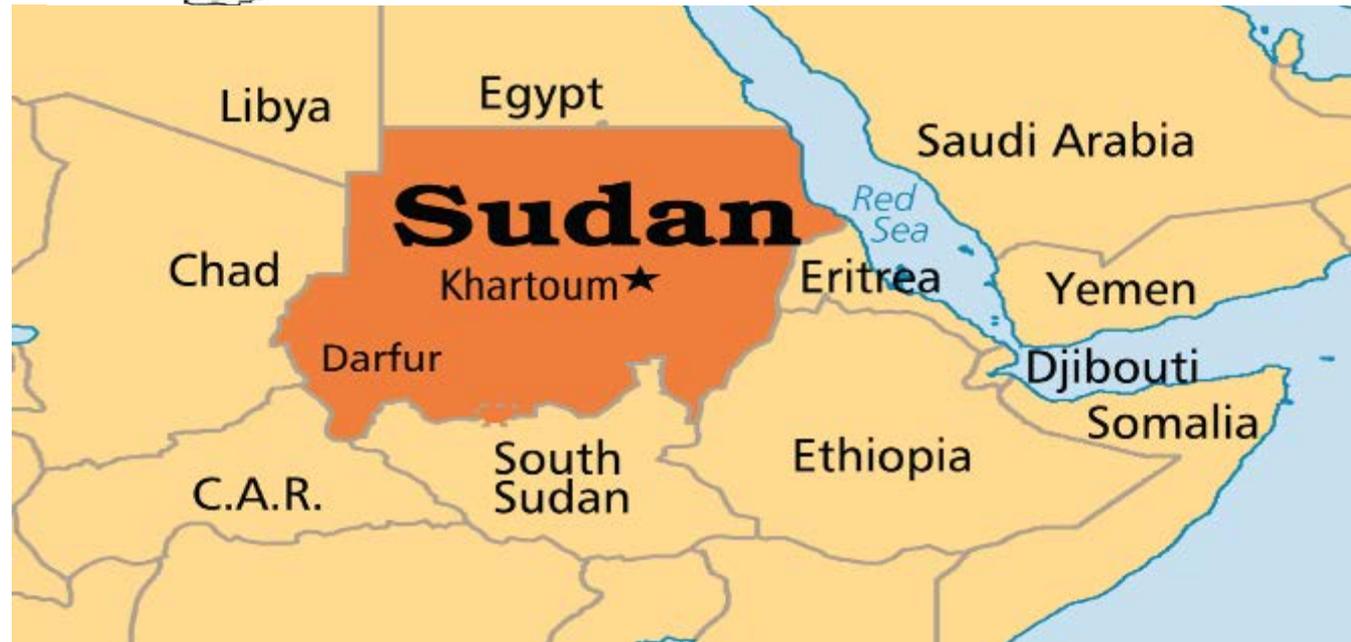
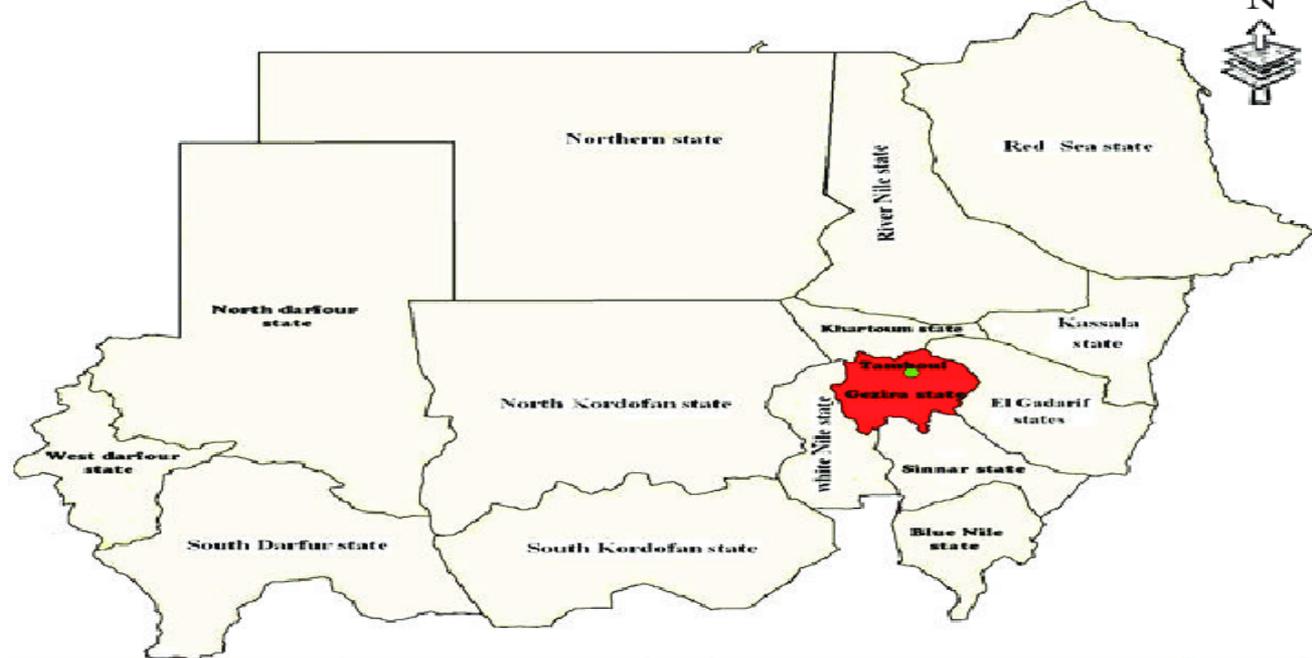
The Impact of Microfinance on Women Empowerment

A Case Study of the
Family Bank, Gezira
State, Sudan

Contents

- **Sudan Information**
- **Introduction**
- **Methodology**
- **Results and discussion**
- **Conclusion and Recommendation**

Sudan Map

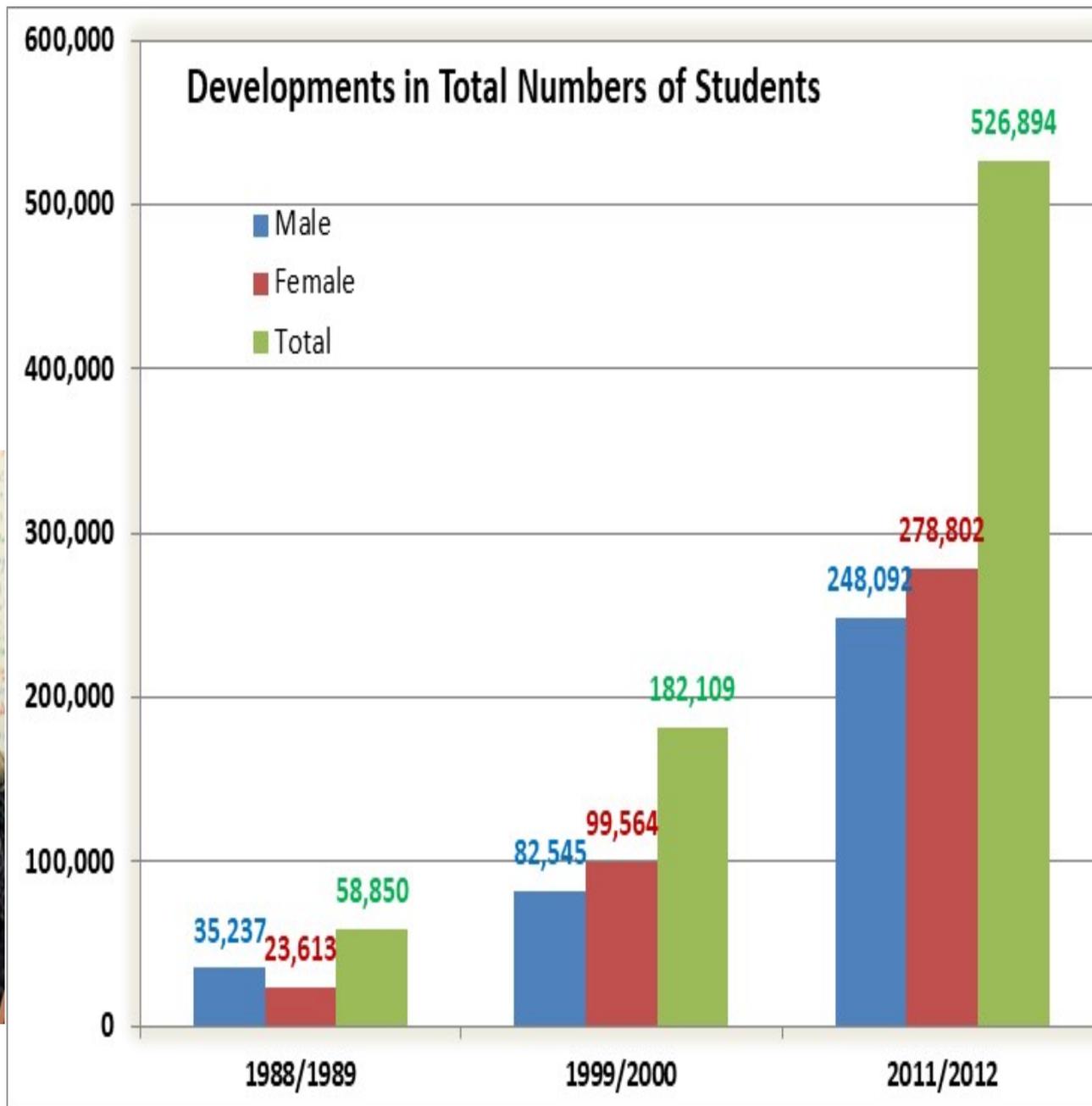


Sudan Population

- **Women outnumber men in every cohort of the population age 20 years and over, which makes Sudan exceptional in this regard.**
- **Sudan has a very high dependency ratio. This means that there are 4 persons of dependent age (less than 15 and over 65 years) for every Sudanese of working age (15-64 years).**
- **The elderly make up a small share of the population, with only 3% of people age 65 years and over.**
- **The majority of Sudanese household heads are males. However, 28% of households are headed by women, with the proportion being the highest in rural areas.**
- **The average household size in Sudan is approximately seven persons.**



Sudan Higher Education



INTRODUCTION

Microfinance

- Theories assume that microfinance leads to women's empowerment by enabling women to earn an independent income sources and contribute economically to their families, which is supposed to give them more power within their household.



INTRODUCTION

Microfinance

- Also, microfinance is seen as a tool for enabling women to engage in more flexible life and free themselves from household restrictions and get contact to the outside community. More contact to the outer community, together with the formation of networks with other women, is expected to give them to more power.
- Furthermore, microfinance positively affects the social situation of poor individuals by promoting self-confidence and expanding the capacity to play a more effective role in the society (Dobra, 2011).



INTRODUCTION

Family Bank

- ❑ The idea of Family Bank in Sudan was initiated by the private sector which represents the Business of Women Coalition of the Alliance of Work, and some civil society organizations in Sudan.
- ❑ The owners are interested in poverty issues; the State government of Khartoum therefore, sets up financial institutions specializing in poverty alleviation. It provides services to the economically active poor individuals, as well as providing integrated financial services for this group, as a mechanism to remove them from the cycle of poverty (Alawad, 2010).



Micro-finance Clients in the Family Bank:

- Typically, are economically active and have a monthly income of at least minimum wage, or has access to productive assets not exceeding ten thousand Sudanese pounds and does not benefit from other official sources of financing.
- Target groups include: younger clients from all sectors of the society in rural and urban areas, small producers, graduates, smallholder farmers, students, staff and low-income workers and women (specially, heads of households).

Study Objective

- ❑ Although the status of the Sudanese women has greatly improved over the last decades, however gender inequality still exists in some aspects in the society.



- ❑ The objective of this paper is to investigate the main features of women situation in Gezira State including their socio-economic characteristics and to evaluate the effect of microfinance on women empowerment in the Gezira area through studying the case of Family Bank.

- The analysis in this paper comprises a descriptive and regression analysis. The descriptive part describes the main socio-economic features of the study population, through manipulating personal information regarding the socio-economic variables of age, number of children, monthly income and age at marriage.
- In addition, the descriptive analysis covers average empowerment indicators for the two groups, the indicators are separated into four groups including, decision-making power in the household, ownership of assets, voice, and mobility.
- A Multiple Linear Regression was applied to determine the effect of microfinance and some selected variables on women empowerment.

- Women empowerment is measured through an empowerment index. The index is built on the empowerment indicators, which in turn are derived from the respondent's answers on the thirteen empowerment questions in the questionnaire.
- To measure the respondent's answers to these questions; *yes* answer is transformed to a one and a *no* answer is transformed to a zero. The values for each of the thirteen empowerment indicators are then summed into an aggregate index with one point increments from zero to thirteen.
- An individual with a high aggregate empowerment index score is considered to be more empowered than an individual with a low aggregate empowerment index score (Graflund, 2013).

Methodology

The empirical model

$$\text{Empowerment index} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10}$$

Where:

α Constant, β_1 β_{10} Coefficients

X_1 State of finance (received the loan or not yet)

X_2 No. of times of getting Microfinance

X_3 Place (Urban or Rural)

X_4 Age

X_5 Education

X_6 Women own business

X_7 Household expenditure

X_8 Social status (married or unmarried)

X_9 Age at marriage

X_{10} Number of children

- ❑ The survey covers 117 women who are clients of the Family Bank were randomly selected to represent the study population. Eighty four of them were classified as microfinance borrowers who had already received microfinance from the bank, while thirty three of the respondents have been accepted into a microfinance program but not yet received the loan; this group is defined as soon-to-be microfinance borrowers.
- ❑ In this paper, microfinance borrowers are used as treatment group, while soon-to-be microfinance borrowers are used as control group.
- ❑ The empirical material was gathered during the year 2017. The respondents are distributed into three localities in Gezira State (North of Gezira, Umalgura and Greater Madani).

- **The questionnaire used in this paper is based on questions for measuring empowerment used in other studies such as Graflund (2013), Bali (2007) and Hashemi, Schuler, and Riley (1996).**

Results

socio-economic characteristics

Women socio-economic characteristics, Gezira State, 2016/2017

Description	Microfinance Borrowers		Soon to-be-Microfinance Borrowers		Total	
	Mean	S.D	Mean	S.D	Mean	S.D
Age	42	10	40	10	41	10
Number of Children	3.3	2.2	2.3	2-4	3.03	2.3
Monthly Income (000) SDG	1.9	0.83	1.39	12.59	1.72	0.81
Age at Marriage	21.92	7.48	17.76	2.48	20.74	8.95

Results

socio-economic characteristics

Distribution of monthly income for women households, 2016/2017

Monthly expenditure in SDG	Microcredit borrowers		Soon-to-be microcredit borrowers		Total	
	No	%	No	%	No	%
1000 - 2000	31	40.4	23	69.6	54	46.1
2001 - 3000	37	44.6	07	21.7	44	37.6
3001 - 4000	11	9.5	03	8.7	14	12.0
More than 4000	05	5.5	0	0	05	4.3
Total	84	100	33	100	117	100

Distribution of women groups by empowerment indicators

subgroups, Gezira State, 2016/2017

Results

Distribution

	Microfinance borrowers		Soon-to-be microfinance borrowers		All	
	Mean	S.D	Mean	S.D	Mean	S.D
1. Decision Making Indicators						
▪ Make small purchases without consulting husband	1.00	0.00	0.97	0.17	0.99	0.09
▪ Have a say in whether to purchase major goods for the household (e.g.: TV)	0.99	0.11	0.97	0.17	0.98	0.15
▪ Have a say in whether to work outside home	0.85	0.36	0.85	0.36	0.85	0.36
▪ Have a say in whether to buy or sell property	0.32	0.47	0.30	0.47	0.32	0.47
▪ Have a say in how many children to have	0.94	0.24	0.76	0.44	0.89	0.32
2. Ownership of Assets Indicators						
▪ Land ownership in own name	0.18	0.39	0.12	0.33	0.16	0.37
▪ Personally own property and/or valuables (eg: jewelry)	0.23	0.42	0.21	0.42	0.22	0.42
▪ Have independent savings	0.33	0.47	0.27	0.45	0.32	0.47

Minimum = 0

Maximum = 1

Distribution of women groups by empowerment indicators subgroups, Gezira State, 2016/2017

Results

Distribution

	Microfinance borrowers		Soon-to-be microfinance borrowers		All	
	Mean	S.D	Mean	S.D	Mean	S.D
3. Voice Indicators						
▪ Comfortable giving opinion in public	1.00	0.00	0.97	0.17	0.99	0.09
▪ People in the community listen to her ideas and opinions	0.96	0.19	0.85	0.36	0.93	0.25
4. Mobility Indicators						
▪ Ability to visit local markets	0.99	0.11	0.97	0.17	0.98	0.13
▪ Is a part of social assemblies in the neighborhood	0.71	0.45	0.58	0.50	0.68	0.47
▪ have been in position in the social assemblies	0.29	0.45	0.15	0.36	0.25	0.43

Minimum = 0 Maximum = 1

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.883	1.117		3.478	0.001
State of finance (received the loan or not yet)	2.098	0.455	0.417	4.608	0.000
No. of times getting Microfinance	- 0.08621	0.100	- 0.079	-0.860	0.392
Location	0.181	0.299	0.054	0.606	0.546
Age	- 0.02248	0.018	- 0.140	-1.265	0.210
Education level	0.501	0.207	0.288	2.420	0.018
Own business	0.396	0.327	0.128	1.212	0.229
Expenditure	0.00006687	0.000	0.039	.394	0.695
Social status	0.610	0.232	0.240	2.622	0.010
Age at marriage	-0.005185	0.019	- 0.026	-.280	0.780
Number of children	0.181	0.072	0.253	2.526	0.013

Conclusion and Recommendations

- From the model we can conclude that women who have benefited from microfinance are highly educated and with large family number would be more empowered, particularly if they are heading their families.
- Well educated women are more powered because they have the ability and courage to access financial institutions and achieve all procedures of loan acquisition, which is considered one of the main problems that hinder loan access especially for females.

Conclusion and Recommendations

- Number of times of getting loans was expected to have a positive impact on empowerment because of the gained experience, however, women who get loans for the first time seem to be more motivated for their new enterprises.
- Policy makers and microfinance practitioners who aim at using microfinance for empowering women need to expand their activities beside credit provision to include training, workshops and awareness creation among them.



THANK YOU FOR YOUR ATTENTION



39 rue Glesener
L-1631 Luxembourg
Tél: +352 45 68 68 1

www.ada-microfinance.org

Suivez ADA sur 

 You
 ADA Inclusive Finance



moelgali@yahoo.com

Mohamed Elgali
