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Gender Equality Through Microcredit Financing: Evidence from Urban Malaysia

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Abstract

Microfinance got to be a buzzword within the small loan marketplaces as a viable device for destitution lessening and financial advancement. However, the affect is still addressed and change from one nation to others and from urban to provincial. The point of this paper is to look at the part of Malaysian microfinance (AIM) on ladies' family prosperity. A cross-sectional overview met 340 of ancient clients who joined microfinance plot in 2010 and modern clients those joined plot in 2014 and have not utilized their advances. The stratified random method was utilized to gather information. The result of this ponder recommends that Point has positive affect on ladies' family prosperity particularly in consumption.

Keywords: AIM, Women, Household, Expenditure, Malaysia

Igualdad De Género A Través Del Financiamiento Del Microcrédito: Evidencia De La Malasia Urbana

Resumen

Las microfinanzas deben ser una palabra de moda en los mercados de préstamos pequeños como un dispositivo viable para la reducción de la miseria y el avance financiero. Sin embargo, el efecto aún se aborda y cambia de una nación a otra y de lo urbano a lo provincial. El objetivo de este documento es analizar la parte de las microfinanzas de Malasia (AIM) en la prosperidad familiar de las mujeres. Una visión general transversal reunió a 340 clientes antiguos que se unieron a la trama de microfinanzas en 2010 y a los clientes modernos que se unieron a la trama en 2014 y no han utilizado sus avances. El método aleatorio estratificado se utilizó para recopilar información. El resultado de esta reflexión recomienda que Point tenga un efecto positivo en la prosperidad familiar de las mujeres, particularmente en el consumo.

Palabras clave: AIM, mujeres, hogar, gastos, Malasia

Introduction

Women are considered the first equal partner of men in this life that goes beyond the limits of the family to support and develop the GDP. Therefore, countries have legislated to support women in education, industry and trade to fill the productive gap and accelerate the development of economic and social development. In line with the role of women in developing the economic bottom and reflecting on family support, countries including Malaysia have embarked on supporting women by facilitating access to credit for the operation of their small businesses and their integration into the labor market. The promotion of women entrepreneurship has become a global concern to attain economic development, mitigate the gender inequality gap and enhance the household welfare as well as alleviate poverty. The global donor agencies as well as the policymakers in the local governments, international public organizations in emerging countries have introduced policies and programs to promote women's entrepreneurship. Microfinance institutions are effective tools of gender equality and solidarity play an important role in the economic development of the country, especially when its benefits are properly presented to the Malaysian people. Because a social economy based on solidarity encourages social justice because it enables the excluded to hear their voices, allows the equitable distribution of wealth, and promotes universal access to basic services, the state must give the social and solidarity economy the importance it deserves as a means of addressing Tunisia's problems and difficulties. Microcredit as a microfinance product has gained increasing attention worldwide

especially in emerging nations as a crucial tool for poverty reduction and micro and small business development.

Microcredit Financing

Microfinance refers to the provision of financial services and microcredit to poor economically active clients (excluding wage earners) who are unable to access the services provided by financial institutions. It also its service to meet the need of those who engage in income-generating projects and don't have in-kind guarantees to create sustainable opportunities for the poor by integrating them into a set of good financial services. All with the aim of getting the poor out of poverty and increasing their income and economic stability.

The birth of modern microcredit was in 1976 it introduced by the Carmen Bank under group lending model (Helms 2006). Recently, microcredit through group lending model became a slogan amid the official and informal lenders which attributes to its social goal in helping deprives and alleviating poverty compared to other types of moneylenders that target profit (Littlefield et al. 2003; Robinson 2001). The social mission of microcredit has the power to females to the financial marketplace and enable them to exploit the exciting opportunities (Mair and Marti 2009; Shane 2003). Group lending is one of the social services that is offered by many institutions whereby the individuals who have no financial or acceptable collateral can socially joint in one group and use their social responsibility as a collateral to access to microcredit (Armendáriz et al. 2005). Therefore, the shortcoming of accessing to loan where many poor and low income people are suffering of, can be easily tackled through group lending base (Ghatak 2000), which can easily and effectively address the asymmetric information which is deliberated as the main reason of adverse assortment and ethical hazard of microcredit non-payment. Self-help groups are made so that loans are provided to group members (not individuals) and the group is responsible Collective payment. All these events seem to have been an important step in the process of empowering rural women. However, the realization of the realities of the situation at the micro level, based on the empirical results of the research assessment methodology Participatory specialistism reveals some frustrating facts and refutes the aforementioned postulates

Although microcredit in particular (a component of microfinance) has positive effects on The level of poverty within households, however, has negative repercussions far outweigh those positive effects. There is ample empirical evidence of success. However, just reaching the target alone does not draw microfinance into a focus on women to doubt in a way that does not leave room. Empowering women has a real picture of the effects of microfinance on fighting. Funding is mainly because poverty is general especially smaller is unsustainable, despite claims of success in many quarters, particularly on the supply side see also look for all ills. The gap

here is that the relationship Microfinance and self-help groups do not want to be a panacea. The critical link between microfinance and poverty reduction still needs to be demonstrated. In fact, there is also evidence that as a result of arrival. Deep in the countryside, the proportion of microcredit beneficiaries, the majority of whom are women, Enormous Microfinance Services. It became worse off and accumulated more debt after getting microcredit through a self-help group

The process of financing poor borrowers is always associated with several challenges such as costly reviewing and screening microcredit applicants, monitoring borrowers, and writing and enforcing contract (Armendáriz et al. 2005). Those challenges are due to several causes; poor infrastructure such as transport and communication in the areas where the majority of poor borrowers are lived in, weakness in the judicial system, and a high level of illiteracy among the borrowers (Besley and Coate 1995), which deprive many poor and low income people from accessing into financial series (Ledgerwood, 2013). However, MFIs and informal group loaning organisations are well recognised for their use of group lending and peer observing as reputational instruments to safeguard payment and overwhelmed information and implementation problems (World Development Report 1999, p. 92). Women are the main clients of lending group model which is the key success of many MFIs (Morduch, 1999), because they are less risky in loan default compared to men (Armendáriz and Morduch, 2005). There are other reasons for targeting women in group lending microcredit which are women and economic development, gender inequality and the role of women in livelihood (Kabeer, 2012).

In this study we evaluate the impact of small loan provided by Amanah Iktiar Malaysia (AIM) on the socioeconomic wellbeing of lady's debtors inside the urban areas of Selangor kingdom. The socioeconomic wellbeing refers to the extent of family expenditure, which incorporates food and non-food expenditure, education expenditure and the fee of amassed belongings.

Malaysia Microfinance

For the developed and developing countries alike, economic development in our modern world is very important Economic studies and studies have shown that SMEs are the most important. The engines of economic development and one of the main pillars of the Renaissance, especially in recent year. As a source of income development, job creation, value creation and wealth creation. Since its independency, the Malaysian government has substantially transformed the economy from low income to upper income class and reduced the poverty to less than 5% (Al-shami et al., 2018). However, income disparity among the ethnics (Malay, Chinese and Indian) from one hand and gender equality from another hand form a challenge (Al-shami et al, 2017). Therefore, Amanah Ikhtiar Malaysia (AIM) was established to address socioeconomic development and women empowerment (Al-shami et al., 2016)

The AIM has changed into the first MFI in the country, which was hooked up in 1987 in Selangor nation with social undertaking of concentrated on below privileged and coffee profits girls (Al-shami et al., 2019). The Grameen financial institution model of institution-lending became replicated by (AIM) with adjusting the traits of microcredit offerings to in shape with Malaysian context. The intention of (purpose) is to increase loans and different economic services to girls who're deprived of formal economic offerings due to the lack of collateral. The reason of concentrated on ladies is due to the contribution of ladies to their household health. AIM extends services to over than 346,245 roughly 82% of poor and low-income families especially in rural. In 2008, AIM lunched Urban Micro Finance Program, which aims to provide financial services to low income households in urban areas. The urban project is similar with rural project expect the rural project targets poor people whose income below poverty line, while the urban project targets low income people whose income below 2000 RM (AIM, 2014).

In this study, the urban Malaysia was selected because of two reasons: first, a large number of microfinance studies have been done in the rural Malaysia leaving a wide literature, while urban areas has not received a considerable attention (Al-Shami, Majid, Rashid, & Hamid, 2013; Al-shami, Rashid, & Majid, 2014). Second, over than 75% of Malaysian population are living in the urban especially in Selangor state and the urbanization ratio is rapidly growing by approximately 73% annually.

Women as A Key Driver for Economy Development

Women make up at least half of the population in rural areas, and their numbers are increasing especially in rural areas with high rates of migration of men and their dependents women. In general, women are poorer than men and thus constitute the vast majority of the target group of microfinance services dedicated to tackling poverty, are targeted. Then, any development strategy does not include or directly benefit these enormous numbers of people is undoubtedly a clearly incomplete strategy. Poverty reduction. Particular attention should be paid to women in poor families to ensure that they are achieved MDGs related to poverty reduction. Although women make up the majority. However, research suggests that they are more likely to spend up They have additional income to improve the health and nutritional status of their families and to education their children. This means that targeting women has a greater positive impact on children and reduction of family deficiency relative to levels of nutrition, consumption and high standard of living. The equal opportunities among Gender is a vital element of growth empowerment of women so that they become more effective in the economic sphere. It should be noted, yet, that the negative effects of gender inequality social investment. The role of females in community, women are credited with the great role in society, like men, has participated through ancient and modern times in various fields, and had many other roles as poet, queen, jurist, warrior, artist, treatment and others. Perhaps the main role is to build and care for her family as a

mother is responsible for the education of generations, and as the wife of the house management and economy.

Microfinance and Household Performance

Social development refers to the evolution of human beings in their common relationships. This is what called consensus in social relations. Changing social construction means nothing unless there is a change in the nature of social relations. Microfinance based group has been extensively diagnosed as a critical tool for deficiency remedy and wellbeing. It enables them to diversify the family profits, smoothen the family expenditure and allow them to deal with economic shocks and fluctuations (Ledgerwood, 1998; Littlefield, Murdugh, & Hashemi, 2003; Robinson., 2001). Ghaliba, Malki, & Imai, (2014), evaluates the impact of microfinance on poverty reduction in Pakistan. A cross-sectional survey interviewed 1132 households of borrowers and non-borrowers. The finding of this study suggests that Pakistani microcredit contributes positively to poverty alleviation through improving health expenditure as well as food. Islam & Maitra, (2012), estimates the effects of health shocks on household consumption in rural Bangladesh. The finding of this study reveals that households who were not member of microfinance use to sell livestock in response to health shocks, while those who are member of microfinance do not sell their livestock. Khandker, (2005), examines whether household access to microfinance alleviate poverty in Bangladesh by using panel data. The finding of this study suggests that microfinance has positive impact on poverty reduction

Morris & Barnes, (2005), assess the impact of three microfinance institutions on rural household in Uganda. The finding of this study emphases that to microfinance has a positive impact on the clients' households in the rural Uganda. This impact was found in income diversification and assets accumulation.

McIntosh, Villaran, & Bruce, (2008), examine the role of microfinance on housing improvements and purchases in Guatemala, India, and Ghana. This study used retrospective panel data gathered from 1672 households who gained access to microcredit services. The finding of this study reveals that borrowers achieved a great improvement in their household as well as business in the years subsequent to a household's first microfinance loan. Study by Akotey & Adjasi, (2015) also emphases that micro-ensures has a positive impact on female household assets in Ghana.

Brannen, (2010), examine the impact of Village Savings and Loan Association (VSLA) on women in Zanzibar, Tanzania. This study used new clients as a control group while those who spent three years in microfinance as a treatment group. The result of this study confirms that (VSLA) has positive impact on women household in different levels such as food, and education, improve the quality of house nutrition. It also enables women to improve their individual empowerment especially household decision making.

Montgomery & Weiss, (2011), analyses the impact of Khushhali Bank Pa-

kistan's in rural households. This study conducted a cross sectional survey and interviewed 3000 respondents from the borrowers and non-borrowers. The results of this study suggests that food expenditure and health improved. Imai, Arun, & Annim, (2010), evaluate the role of microfinance on the household and poverty reduction in rural and urban India. The finding of this study confirms that the microfinance has positive impact on the borrowers' income especially in urban areas. Hamad & Fernald, (2012), examine the impact of microcredit on the nutrition status of women borrowers in Peru. This study emphasis that nutrition status of women who spent a long period of time in Peru microcredit are better-off than those who spent a short period of time. Husain, Mukherjee, & Dutta, (2010), examines the role of self-help group (SHG) on the women household expenditure and income in India. They concluded that SHG contributes positively to women income which comprises fifth of household income and it helps women to smoothen the consumption fluctuation.

Despite the popularity of microfinance and a wide literature that emphasises to the positive impact of microfinance, many studies from different contexts questioned the impact of microfinance on poverty reduction and socioeconomic improvement.

An experimental randomized study conducted by Banerjee, Duflo, Glenester, & Kinnan, (2013) examines the impact of Spandana Hyderabad microfinance. This study emphasis that microfinance has no effect on the borrowers' health, education' and women decision making. A quasi-experimental study by Kondo, Jr, Dingcong, & Infantado, (2008), examine impact of microfinance on rural households in the Philippines. The data was collected from 2200 households of old and new clients. The findings of their study emphasis that Philippines MFIs have a positive impact on richer clients' especially on income per capita, food expenditure and total expenditure of loan availability. However, the impact was regressive negative impact on poorer clients' household. Moreover, the impact of MFIs on the accumulation of asset have no significant differences between clients and non-clients

A longitudinal study conducted by Blattman et al., (2013), investigates the role of microcredit provided by Italia non-government organization on young women empowerment. The participants were randomly selected from 120 villages and provided a credit of approximately \$150 with business skills training. Approximately after 18 months, Blattman et al. (2013), find the domestic business increased and poverty reduced among those women. They also reported that a year after intervention, the monthly income improved double. The durable assets of women borrowers also increased and short term expenditure compared to control group.

Summary

Microfinance is shown to be an important tool for socioeconomic development and poverty alleviation in several emerging nations. However, the literature shows that the impact of microfinance is vary from one country to another. The majority of microfinance studies have been conducted in the rural areas as compared to urban areas.

Research Methodology

The technical method of effect assessment approaches is significant to measure the effect of microfinance interpolation. Impact assessment methodology is important tool to provide the information that are needed by the policymakers, MFIs and donors which helps them to classify their actions and assign the required budget. The majority of microfinance studies have conducted through conventional scientific methods such as quasi-experimental, experimental and randomized control trait (RCT). These methods have been widely recognized to be strong, rigor, and reliable especially experimental method. However, experimental and quasi-experimental methods are always subjected to a number of criticisms such as very expensive, take a long time, and associated with bias selection for both control and treatment groups (Hulme, 2000).

To find a middle technique between thoroughness, costly approaches and trustworthy technique, the AIMS project proposes a medium technique where new clients use as some control members to perform the analysis through comprising with old members.

This paper employed new borrowers (control group). In order to mitigate the limitation of self-selection bias and placement bias, this study takes in consideration the following processes: -

a) To mitigate the upward and downward estimation, the treatment group contains old clients who joined AIM scheme before three years and still active until 2014 plus those who were inactive or dropped before 2014. There is no specific percentage of inactive or dropout's clients. However, some employers in (AIM) Selangor estimated it between 10 to 14%.

b) To reduce the bias that may occur from the effect of unobservable variables, this study used control group of new clients who joined the AIM scheme in 2014.

c) The self-selection bias that may arises from the differences between the borrowers and non-borrowers was tackled through controlling and comparing the demographic characteristics of the women.

d) The placement bias was tackled through interviewing the employers of (AIM) who insure that the methodology of selecting the areas as well as the clients was not change since 2008.

Instrument measurement

A cross sectional questionnaire was distributed to evaluate how AIM influence women household wellbeing. The household expenditure was used to measure the impact of microfinance. measurements were used to assess the impact of many microfinance studies such as (Brannen, 2010; Feigenberg, Field, & Pande, 2013; Hashemi et al., 1996; Imai et al., 2010; Karlan, 2001, 2007; Roodman & Morduch, 2009). Therefore, this study used the level of household expenditure as dependent variable to measure the impact on (AIM) on women borrowers. The indicators of monthly food and non-food expenditure, the value of annually assets' acquisition and the children education expenditure are the indicators of household expenditure.

Sample Size

A sample size of 340 clients were stratified randomly collected from seven districts in Selangor state as shown in Table (1)

Table (1): The distribution of collected data

Branches	Gombak	Ampang	Puchong	Cheras	Kepong	Selayang	Shah Alam	Total
Old clients	30	30	30	30	30	40	50	240
New clients	15	15	15	15	10	10	20	100
Total	45	45	45	45	40	50	70	340

The group of old clients consists of two sub-groups namely: - a) 219 clients who have been participating in (AIM) for two to three years and still active, b) 21 dropouts borrowers who have been participating in (AIM) for two to three years but they stopped borrowing before 2014. The number of dropouts was adjusted based on the percentage of dropouts which was estimated by AIM employers to fill between 10 to 14% approximately. In contrast, the new clients group consists of 100 client without loan

Demographic Characteristic

Table (2), shows the differences between (treatment group = 240 old clients who joined AIM before three years) and (control group = 100 new beneficiaries). This comparison allows for initial estimations of program impact.

Age before joining AIM scheme, the mean age before joining AIM scheme in the treatment members equals (Md=35.8, n = 240), as compared to (Md = 36.87, n = 100). Mann-Whitney reveals non-significant differences at (U = 10,726, Z = 1.5, p = 0.122 > 0.05).

Age after joining AIM scheme, the mean age after joining AIM scheme in the treatment members equals (Md = 38.85, n =240), and control group (Md = 36.87, n = 100). A Mann-Whitney U Test reveals non-significant difference in the age after borrowing at (U = 10,616, Z = 1.7, p = 0.93 > 0.05).

Second, the level of education is divided into three categories namely secondary school and above, middle school and primary school. The percentage of those who have secondary school and above in the treatment group is (40.4%, N = 240), while those in control group is (46%, n = 100). A Mann-Whitney U Test reveals that there is non-significant difference in the level of secondary school and above between treatment and control groups (U = 11,330, Z = 0.95, p = 0.134 > 0.05). The percentage of those who have middle school in the treatment group is (51.7%, N = 240), while those in control group is (47%, n = 100). A Mann-Whitney U Test reveals that there is non-significant difference in the level of middle school between treatment and control groups (U = 11,440, z = 0.78, p = 0.43 > 0.05). The percentage of those who have primary school in the treatment group is (7.9%, N = 240), while those in control group is (7%, n = 100). A Mann-Whitney U Test reveals that there is non-significant difference in the

level of primary school between treatment and control groups ($U = 11,890$, $Z = 0.29$, $p = 0.77 > 0.05$).

Third, the marital status is divided into three categories namely single, married, widow & divorced. The percentage of single clients in the treatment group is (3.3%, $n = 240$), while in the control group is (8%, $n = 100$). A Mann-Whitney U Test reveals non-significant difference in single borrowers between treatment and control groups at ($U = 11,440$, $Z = 1.8$, $P = 0.06 > 0.05$). The percentage of married clients in the treatment group is (72.5%, $n = 240$), while in the control group is (63%, $n = 100$). A Mann-Whitney U Test reveals non-significant difference in married indicator between treatment and control groups at ($U = 10,810$, $Z = 1.8$, $P = 0.07 > 0.05$). The percentage of widow and divorced clients in the treatment group is (23.8%, $n = 240$), while in the control group is (29%, $n = 100$). A Mann-Whitney U Test reveals non-significant difference in married indicator between treatment and control groups at ($U = 11,370$, $Z = 1$, $P = 0.311 > 0.05$).

Fourth, the size of household, the average number of household in the treatment group is ($Md = 4.95$, $n = 240$), as compared to ($Md = 4.74$, $n = 100$) in the control group. A Mann-Whitney U Test reveals non-significant difference in the size of household between treatment and control groups at ($U = 11,378$, $Z = 0.79$, $p = 0.43 > 0.05$).

Fifth, the average number children in the treatment household is ($Md = 3.1$, $n = 240$), as compared to ($Md = 2.76$, $n = 100$) in control group. A Mann-Whitney U Test reveals significant difference in the number of children between treatment and control groups at ($U = 10,427$, $Z = 2$, $p = 0.04 < 0.05$).

Sixth, the average number students in the treatment household is ($Md = 2.9$, $n = 240$), as compared to ($Md = 2.65$, $n = 100$) in control group. A Mann-Whitney U Test reveals non-significant difference in the number of student between treatment and control groups at ($U = 10,658$, $Z = 1.7$, $p = 0.04 < 0.05$).

Seventh, house ownership is divided into three categories namely women who live in their own houses, rent the houses and sharing with parents. The percentage of women who live in their own houses in treatment group is (56.7%, $n = 240$), as compared to (41%, $n = 100$) of control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at ($U = 10,120$, $Z = 2.6$, $p = 0.009 < 0.05$). The percentage of women who live for rent in treatment group is (25.4%, $n = 240$), as compared to (28%, $n = 100$) of control group. A Mann-Whitney U Test reveals non-significant difference between treatment and control groups at ($U = 11,690$, $Z = 49$, $p = 0.62 > 0.05$). The percentage of women who in their parent houses is (17.9%, $n = 240$), as compared to (31%, $n = 100$) of control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at ($U = 10,430$, $Z = 2.66$, $p = 2.66 > 0.05$).

Table (2): Demographic Characteristic Comparison between Treatment Group and Control Group

Demographic Characteristics	Mean		Mean Rank		Z	Mann-Whitney U test
	Old clients = 240	New clients = 100	Old clients = 240	New clients = 100		
Age						
Age before joining the (AIM)	35.8	36.87	165	183	1.5	10,726
Age After joining the (AIM)	38.85	36.87	176	157	1.7	10,616
Level of education						
secondary school and above	97 (40.4%)	46 (46%)	168	177	0.95	11,330
Middle school	124 (51.7%)	47 (47%)	173	165	0.78	11,440
Primary school	19 (7.9%)	7 (7%)	171	169	0.29	11,890
Marital Status						
Single	8 (3.3%)	8 (8%)	168	176	1.8	11,440
Married	175 (72.9%)	63 (63%)	175	159	1.8	10,810
Widow & Divorced	57 (23.8%)	29 (29%)	168	177	1	11,370
Number of children						
Number of children	3.1	2.76	177	155	2*	10,427
Number of students	2.9	2.65	176	157	1.7	10,658
Number of household members	4.95	4.74	173	164	0.79	11,378
House ownership						
Own the house	136 (56.7%)	41 (41%)	178	151	2.63*	10,120
Rent the house	61 (25.4%)	28 (28%)	169	174	0.49	11,690
Live with parents	43 (17.9%)	31 (31%)	164	186	2.66**	10,430

Summary

The aforementioned descriptive analysis shows that the demographic characteristics of treatment and control members are relatively comparative.

The Role of AIM on Women Household

Due to the violation of normality assumption, a non-parametric test was performed based on the Mann-Whitney test as shown in the Table (3).

First; food expenditure, the average monthly food expenditure per capita in the treatment household is (Md = RM 143, n =240), as compared to (Md = RM 130, n = 100) in control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at (U = 7175, Z = 5.8, p = 0.000 < 0.05). The average monthly food expenditure per household in the treatment household is (Md = RM 673, n =240), as compared to (Md = RM 541.5, n = 100) in control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at (U = 5,402, Z = 8, p = 0.000 < 0.05).

Second: monthly expenditure for non-expenses, the average monthly expenditure for non-food expenses in the treatment household is (Md = RM 498, n =240), as compared to (Md = RM 435, n = 100) in control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at ($U = 9,374, Z = 3.2, p = 0.001 < 0.05$).

Third; monthly medical expenditure for primary health, the average monthly expenditure for primary health in the treatment household is (Md = RM 27.6, n =240), as compared to (Md = RM 26.7, n = 100) in control group. A Mann-Whitney U Test reveals non-significant difference between treatment and control groups at ($U = 11,116, Z = 1.22, p = 0.22 > 0.05$).

Fourth; education expenditure, the average education expenditure in last year per capita in the treatment household is (Md = RM 227, n =240), as compared to (Md = RM 213, n = 100) in control group. A Mann-Whitney U Test reveals non-significant difference between treatment and control groups at ($U = 10,680, Z = 1.6, p = 0.102 > 0.05$). The average education expenditure in last year per household in the treatment household is (Md = RM 677, n =240), as compared to (Md = RM 582.6, n = 100) in control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at ($U = 9,451, z = 3, p = 0.002 < 0.05$).

The average value of accumulated assets in last year in the treatment group is (Md = RM 277 n =240) as compared to (Md = RM 190, n = 100) in the control group.

The household expenditure for food in the treatment group is (Md = RM 677, n =240), as compared to (Md = RM 582.6, n = 100) in control group. A Mann-Whitney U Test reveals significant difference between treatment and control groups at ($U = 9580, z = 3.1, p = 0.002 < 0.05$).

Table (3): The impact of AIM on Women Household Expenditure

Household expenditure	Mean		Mean Rank		Z	Mann-Whitney U test
	Old clients 240	New clients 100	Old clients 240	New clients 100		
Household Food Expenditure						
Monthly Food Expenditure per Capita	142.93	129.7	191	122	5.88	7,175***
Monthly Food Expenditure per household	673.16	541.5	198	105	8	5,402***
Monthly Others Expenditure per household	498	435	181	144	3.2	9,374**
Health Expenditure						
Monthly Medical expenditure	27.6	26.7	174	162	1.22	11,116
Education expenditure						
Annually education expenditure per student	227	213	176	157	1.6	10,680
Annually education expenditure per household	677	582.6	181	145	3	9,451**
Assets Acquisition						
Annually Assets' Value	277	190	181	146	3.1	9,580**

Discussion and Findings

This research, examined the role of microcredit on livelihood under five measurements namely household income, income per capita, value of assets for past year, quality of life and access to health insurance and finally women contribution to household support. The Malaysian poverty line income (PLI) was used to define the scale of monthly income per household (Lehar, et al., 2014), while the poverty line income per capita was defined as 2\$ per day as suggested by Asian Development Bank (Bauer et al., 2008). The overall findings show that Malaysian microcredit AIM has positive impact on household welfare. The current clients who spent in AIM scheme three years are better off than new clients who joined AIM scheme in 2014 and have not yet used their loans in income per household as well as income per capita, value of assets, access to health insurance and finally contribute to household support. This significant impact is due to the role of AIM in creating entrepreneurial opportunities that enable women to access own business access into independent income and contribute to their households. Moreover, the social mission of targeting poor women and providing loan based in Islamic principles (free of interest) expect 10% of operational and managerial services is another factor that adds value to borrowers and reduced the transaction cost as compared to other MFIs in the world that charge very high interest. The impact of microcredit goes beyond livelihood welfare to include women empowerment and gender equality in different levels such as intra-household, individual, community and business levels.

First, the treatment group was shown to be better-off than control group in monthly food expenditure either per capita or per household. A Mann-Whitney test reveals significant differences between treatment and control groups in food expenditure per capita and household at ($Z = 5.88$ and 8) respectively. The treatment group shows to be better-off than control group in monthly expenditure for others expenses. A Mann-Whitney test reveals significant differences between treatment and control groups in household expenditure for other expenses at ($Z = 3.2$). In addition, a Mann-Whitney test reveals significant differences between treatment and control groups in the value of accumulated assets at $Z = 3.1$. The finding of this study confirms that microfinance has positive impact on household expenditure which was documented by various studies from different contexts such as (Duvendack & Palmer-Jones, 2011; Ghaliba et al., 2014; S. R. Khandker, 2005; Kondo et al., 2008; Montgomery & Weiss, 2011; Shaw, 2004). However, AIM has no effect on the health expenditure.

Second, education expenditure per capita was relatively higher among treatment group, but there is no significant differences between treatment and control groups. It is important to note that, the education in Malaysia is compulsory and tuition-free expect various other expenses, including uniforms, other materials, and bus school fees. In contrast, the education expenditure per household is significant in the treatment group at ($Z = 3$). The differences between education expenditure per capita and per house-

hold is due to the number of student is higher in the treatment households. This study added new evidence on the role of microfinance on education expenditure which was documented by many studies such as (Armendariz de Aghion & Morduch, 2000; Hiatt & Woodworth, 2006; Holvoet, 2004; Robinson., 2001a)

Conclusion

Developing socioeconomic wellbeing has become a main concern to many countries around the world especially in emerging nations. It is because the wealth disparity between nations and individuals has been continuously growing which affect all aspects of human life such as accessing to food, health education and justice. This in long term creates a big obstacle to country stability and prosperity. Thus, many countries struggled hard to develop new mechanisms to bridge this gap and address socioeconomic development from gender equality. Microfinance has widely recognized as a crucial vehicle to driving the improvement of socioeconomic wellbeing of many underprivileged and low income people especially women. Past three decades, microfinance has been continue growing in the number of institutions as well as the number of beneficiaries precipitated by support from governments and donor agencies. In Malaysia, microfinance plays an important role in supporting a large size of low income people in all Malaysia states. AIM is the largest institution which extends its services to over than 337000 clients across the country. The aim of this study was to examine the role of AIM on the socioeconomic wellbeing of women household. The new clients who joined AIM scheme in the 2014 and have not used their loans were used as a control group, while the old clients who spent in AIM between two to three years were used as a treatment group. This method was suggested by AIMS project. A cross-sectional survey was interviewed with 340 women from the urban areas in Selangor who are clients in AIM. The samples were stratified randomly selected from old and new clients. A Mann-Whitney U test was used as a tool of analysis. It was used to identify the changes between treatment and control groups in the household expenditure at different levels. The finding of this study suggests that AIM has positive impact on monthly food expenditure and other expenses, education expenditure and the value of accumulated assets acquisition.

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