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THE ROLE OF MICROCREDIT IN POVERTY REDUCTION: EVIDENCE FROM PAKISTAN

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Abstract
The deprived in Pakistan typically obtain loans from unofficial sources. Due to a lack of resources and income, they are forced to take out loans in order to pay for basic necessities, and the collateral requirement leaves them vulnerable to unofficial channels. Pakistan has a distinct position as an impoverished nation with few outward manifestations of poverty. "The Role of Microcredit Programme in Poverty Reduction: A Case of Pakistan" is the topic of this research project. This study looked at how borrowers assessed microcredit's impact on home welfare and economic development. The findings indicate that the Microcredit Programme has a significant role in reducing poverty by improving the social and financial circumstances of the impoverished. Additionally, it has the potential to boost independent work in the studied field. It is obvious that these loans encourage the growth of small businesses. Ultimately, the researcher came to the conclusion that microcredit was more effective at reducing poverty in the chosen Pakistani regions due to the various measures that were implemented. Moreover, as per the results, the researcher must suggest that the media role should be improved in rural areas of Pakistan so many people could get benefits from the microcredit scheme, and with this, there should be a proper check and balance to determine whether the loan provided to the person has used that amount in said business or not.

Keywords: Poverty, Microcredit, Loan, Welfare, Pakistan

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BACKGROUND

Being poor can mean not having enough money to buy your family enough food, not being able to heat your home during the winter, or not being able to afford used clothing because you cannot afford new ones. Being impoverished goes beyond simply not having enough money for clothing. Additionally, it could simply mean that you don't have enough money for social activities like going to the movies, cooking a fantastic meal with friends, or throwing a party. People who lack the funds to participate may feel isolated from the rest of society as a result of this. The word "poverty" comes from the word "poor," and the World Bank defines a "poor" person as someone who makes less than US $2.1 per day. According to the report, this amount is insufficient to enable a person to consume the recommended number of calories needed for a typical workday.

Poverty is a multifaceted and unpredictable phenomenon that encompasses social, economic, and political inadequacies in addition to money. For a long time, poverty has been at the top of the list of problems in less developed countries. The absence of basic necessities for human survival, such as food, clean water to drink, education, and healthcare, safe housing, and so on, is referred to as poverty (Tahir, Khilji, Hussain, & Hussain, 2016).

According to the World Development Report, poverty is blatantly inadequate in comparison to wealth. As 733.48 million People, or 7.35 billion people, are below the poverty line worldwide. According to a recent World Bank study, the percentage of people living in extreme poverty fell to 10% in 2015. Over 85% of the world's impoverished people lived in either South Asia or Sub-Saharan Africa in 2015. The majority of the world's poor people were concentrated in this region. The remaining 14% of the global impoverished, or about 106 million people in need, were either residents of high-income economies or other locations (World Bank, 2017).

Poverty is a long-standing, global problem, with social, political, and financial structures providing the justifications for migration (Zhou & Liu, 2022). The

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true source of the globe's terrible poverty are administrative institute policies, which are also the reason why poverty is spreading throughout the world. The main cause of the rising deprivation situation is that the managerial foundations' distributions are unequal, and the deserving people consistently remain thirsty in the allocation of the resources (Ram & Ansari, 2011).

Poverty is a disgrace that is spreading around the world on a daily basis. Pakistan has a high rate of poverty, which is mostly a rural issue and hinders the country's ability to advance. Our population resides in rural areas to the tune of about 66%. A considerable portion of them require basic necessities including clean drinking water, vital health services, education, and other social management services (Reba & Israr, 2011).

It is said by Rajasekar (2002) that the concept of poverty represents the socioeconomic or general condition of those who are not well off, and it encompasses a wide range of detriments. Low salaries are commonly used to define poverty. According to the analyst, reducing poverty involves providing material goods and opportunities for employment in order to address basic needs. The state should provide the means necessary to reduce poverty (Ayoo, 2022). These means include housing, irrigation, marketing facilities, medical and educational facilities, and a stable legal environment. It is envisaged that these resources will enable the impoverished to advocate for themselves and their rights to local leadership bodies. In this context, the role of NGO programs funded by small-scale funds becomes apparent, not only because of their capacity to alleviate poverty but also because of their contribution to its reduction.

Poverty has been a significant problem since the beginning of human history. It has now become a major wonder. According to UNESCO (2015), poverty is defined as the inability to get resources such as money or essential materials needed to meet basic requirements including clothing, food, and shelter. The concept of poverty has become complex, influenced by social, political, and economic factors. Between 199 0 and 2015, the proportion of the

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global population living in extreme poverty decreased from 37.1% to 9.6% and then to 10%.

According to (UNDP, 2016) 53.9% of the over 1.5 billion people living in multidimensional neediness in the developing nations for whom the MPI is determined are in South Asia, and 33.5% are in Sub-Saharan Africa. Individuals in poor countries are likewise disadvantaged. In 2013, the global rate of extreme poverty ($1.90 per day) was estimated to be less than 11%, a decrease of more than 66% from 35% in 1990.Despite this, the global population increased by 2 billion, from 5.3 billion in 1990 to 7.3 billion in 2015. There were over one billion fewer people living in extreme poverty.

DEFINING THE CONCEPT OF POVERTY: MAJOR THEMES

Being poor is a personal practice rather than a concept that can be easily described. There are numerous ways to define and conceptualize poverty, each with its own set of implications. It is a multifaceted idea with multiple underlying concepts. Below is a summary of them. (Asitik, 2016).

Themes	Topic
Material Factors	Housing, clothing, standard of living
Physical factors	Food, water, health, physical survival
Economic factors	Poverty lines, low income, unemployment
Political factors	Rights, lack of political participation, (community-level), no voice,
Social factors	Lack of social esteem, lack of social life, inability to participate in community life.
Institutional factors	Lack of access to services and institutions such as education and health services.
Psychological factors	Feelings and beliefs associated with poverty

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SOLUTION TO ERADICATE POVERTY

Administrations in developing or undeveloped nations (UDCs) have been particularly aware of the need to reduce poverty. The Rural Support System has been identified as one of the most effective ways to combat this threat. The Rural Support Programs have been launched in Pakistan as well as in many other countries. The RSPs are thought to be the most effective approach for decreasing neediness. It has greatly enhanced the person's quality of life. RSPs' significant recipient base in the developing world—roughly 67.6 million recipients—is the best indicator of their capability. According to the Asian Development Bank's study, microfinance has proven to be an effective strategy for reducing poverty in Pakistan (Galib, Malki, & Imai, 2015).

Poverty is associated with financial difficulties, and persons who live in poverty struggle to meet their basic demands for material items and shelter. Sensible poverty is the absence of clean food or nourishment, clothing, housing, and other necessities of life (Zhou, & Liu, 2022). Poverty is a global marvel, and scarcity is related to it in that people who experience poverty lack the resources necessary to live better lives as well as the assets necessary to live better lives. Poverty arises when people fail to recognize the basic needs of others who are vital to their existence (Miankhail, 2009).

Progress is impossible unless we eradicate poverty. Reducing poverty is the current government's top priority. Everyone agrees that direct poverty alleviation and opposition to anti-poverty initiatives are necessary to set the groundwork for rapid and practical development. Social segment improvement initiatives include things like education, training, health, sanitation, and extending credit arrangements to the underprivileged in order to encourage interest in small-scale businesses (Memon, Magsi, & Magsi, 2015).

CAUSES OF POVERTY

Poverty in Pakistan is, in my opinion, very consistent, excessively complex, and not reducible to a small number of factors. Poverty is exacerbated by a multitude of interconnected factors in emerging nations such as Pakistan. One of the main, hidden causes of Pakistan's poverty is inadequate administration (Wijekoon, 2021). The most commonly cited reasons include exorbitant living expenses, an increase in unemployment, the "double standard" in education, corruption, and an uneven distribution of wealth, especially in the agricultural sector (Miankhail, 2009).

According to certain research, Pakistan's GDP growth rate is steadily declining. Power shortages, rising oil prices, falling yields on development projects, cement production, declining textile prices, and other minor risk factors are just a few of the many significant factors contributing to unemployment, along with extremism and terrorism, the spread of fear-based oppression, low GDP, and unemployment that widens the wealth gap (Tahir, Perveen, Ismail, & Sabir, 2014).

Poverty is a result of a number of fundamental reasons. Inequality exists in the allocation of social and financial resources, such as healthcare, education, and transportation, as well as employment and infrastructure. These factors show that not every person has an equal opportunity to obtain these resources. Degradation of Pakistan's environment is a major contributing factor to poverty (Royce, 2022). The health of an individual is negatively impacted by environmental poverty as well. For instance, when it comes to water-borne illnesses, 17% of urban and 47% of rural residents lack access to safe and clean drinking water, which is why the number of cases of these illnesses is rising daily (Aftab, Hamid, & Prevez, 2002).

A number of relevant factors have been suggested as being strongly associated with poverty in Pakistan, such as trade openness, investment, and economic growth. They also demonstrated how poverty is lessened by increases in investment and economic growth rates, whereas trade openness and inflation are the main drivers of poverty in Pakistan (Abbas, Hassan, Asif, & Zainab, 2018).

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THE IMPACT OF POVERTY

People who are poor find it difficult to fully utilise the chances that are available to them and to engage in these societal opportunities, which has a detrimental impact on their personal lives as well as their level of contentment (Rowley, 2021). The cycle of neediness is one that is sometimes very hard to escape since impoverished children inevitably become impoverished adults. Poverty affects every aspect of a person's life. Children who live in poverty often do not have access to the finest educational possibilities available to them, which has a negative impact on their education. Poverty is the main reason why most individuals become criminals. It is also a primary motivation for criminal activity among the general people. Many people who work in low-paying or unpredictable industries make insufficient money to cover their families' essential living expenditures as well as their own (Duncan, Magnuson, Kalil, & Ziol-Guest, 2012).

OVERALL OBJECTIVE

The study's overall goal was to determine how microcredit may be used to minimise poverty reduction in Pakistan while also examining the impact that microcredit distribution has in reducing poverty in that country.

POVERTY IN PAKISTAN

According to (PES, 2022-23), since ten years ago, there has been a decline in poverty. According to (World Bank, 2018) poverty decreased to 29.05% in 2014 from 64.3% in 2002. According to the United Nations Development Program’s (UNDP, 2016) first-ever report on multidimensional poverty in Pakistan (2016), 39% of Pakistanis live below the poverty line. The regions of Baluchistan and FATA have the highest poverty rates (Yaseen & Mishal, 2017).

Research indicates that globalization can have a significant long-term impact on reducing poverty. Analysts assumed that fiscal measures taken by the government to regulate government consumption, exchange rates, and money distribution would reduce poverty and raise income levels. According to (UNDP, 2016), different regions of Pakistan have experienced varying

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degrees of development. Between 2004 and 2015, the MPI decreased steadily, reaching 39% from 55%. With a 43% share, education deprivation is the biggest cause of poverty, followed by personal standard of living (32%), health (26%), and other factors. The Pakistani government unveiled its vision for the country's 2025 National Development Plan, which aims to reduce poverty and raise citizens' standards of living. The strategy aims to improve population welfare, skills, literacy, health, gender mainstreaming, and various life services in order to create methods and processes that will impede social and economic progress (Jamal, 2017).

MICRO CREDIT FOR POVERTY REDUCTION

Microcredit is similar to an action that has a direct personal connection. Assume that if microcredit empowers men and women, it implies that they will be able to shift their own destinations. The best way to care for a person is to help them become more capable of doing things on their own (Gibben, 1992).

Microcredit is a form of financial assistance that impoverished people can use to support and sustain their own private organizations. It exhorts low-income individuals to fully utilize their assets in order to achieve their business goals. Poor people are typically deterred by a lack of financial resources. This strategy aims to include them in independent contractor processes for efficient resource management. Pakistan is experiencing a rapid increase in papulation, but the country's resources are not keeping up with the demands of a dignified lifestyle. In this sense, self-employment and microcredit contribute to reducing widespread poverty. (Tahir, Khilji, Hussain, & Hussain, 2016).

In addition to its success in developing nations, microfinance has received support from the global community. In 2005, the United Nations designated 2005 as the International Year of Microcredit in honor of its ongoing efforts to provide financial services to the impoverished. The UN Secretary General Kofi Annan stated, "The greatest challenge before us is to address the constraints that exclude people from full participation in the financial sector," in reference to the significance of microcredit (Barr, Kumar, & Litan, 2007).

Small-scale lending is the financial assistance that low-income people need to support their own businesses and maintain their financial independence. It encourages low-income groups to fully utilize their resources in order to grow their businesses. People in poverty are typically forced to do so because they lack financial resources (El-Nasharty, 2022). This is a method to communicate with them in independently implemented processes for the effective utilization of the resources. Pakistan's population is growing rapidly, but the country's resources aren't keeping up to meet the demands of a decent life. Thus, microfinance is essential to reducing widespread poverty (Tahir, Khilji, Hussain, & Hussain, 2016).

Non-governmental organizations (NGOs) are a concept that is by no means novel. NGOs' traditional meetings in Pakistan started in 1985. Through their many programs in rural areas, NGOs and Community Based Organizations (CBOs) are playing a crucial role in raising awareness. They are also providing their best services at the grassroots level. These fund social progress organizations in addition to the government. The impoverished in remote areas are consistently more successfully reached by NGOs' ongoing efforts than by public sector initiatives (Huang, 2005).

Beg (2016) founded that a large number of the poor in developing countries have benefited from microfinance, and its growth has attracted the attention of many partners to measure the financial sustainability of such institutions (Kandie & Islam, 2022). Budgetary services are provided to those in need who advance the economy; as a result, those who have been denied financial resources contribute to the growth of the economy. Mazumder & Wencong (2013) revealed their research, which found that the poor have a very difficult time obtaining small amounts of operating cash via the official financial system for a variety of reasons. Cash gains and it's typically easy to earn more once you have a little. Obtaining the little is the extraordinary suffering. Several analyses of the impact of Micro Finance Institutions (MFIs) on the economy have been conducted. On the extreme end of the spectrum, there are many who argue that MFIs provide individuals with a highly valuable financial strengthening effect.

Bamwesigye (2008) said that the process of reducing poverty involves raising wages and societal financial stability, which will hasten the improvement of basic needs and management and create a range of benefits that will lessen the vulnerability of families to societal, physical, and financial shocks. Little advances given by MFIs to the impoverished in order to pursue independent employment and launch private businesses are referred to as smaller scale credit.

Asghar (2018) claimed that microcredit is seen as a notable tool in reducing poverty and performs a supportive role during the period spent monetary improvement; as a result, it should be provided to meet the current needs of the impoverished. Small-scale lending is often seen as an effective tool for helping the impoverished and igniting the shift from an unending cycle of destitution to a morally upright cycle of financial progress. Hulme & Mosley (1996) outlined how the impact of small-scale lending on the reduction of poverty was measured in four nations: Bangladesh, Sri Lanka, India, and Indonesia. They assessed changes in income for both non-borrowers and borrowers. They discovered that the salary growth of the borrower is occurring at a faster pace than that of the control group. They came to the conclusion that small-scale funds are an effective tool for reducing poverty.

According to Nyamsogoro (2010), microfinance is enabling financial activities for a vast number of people; nevertheless, it is also a fact that many consumers remain unmet and that having access to microfinance is not always in the best interests of the majority. Any MFI's primary goal should be to

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reduce need, hence it must be financially feasible. The executives of the MFI should focus on achieving budgetary independence.

Researchers feel that microfinance has been successfully applied as a pro-poor formative tool in many countries, according to Grameen Bank (2012). According to studies conducted in countries like Bangladesh, India, China, Kenya, Tanzania, Sri Lanka, and many more, microfinance can be viewed as a tool for eradicating poverty.

According to Forcella & Hudon (2016), the primary goal of microfinance is to provide small-scale financial guidance to those who are marginalised in society. In essence, it offers the impoverished people hope. Microfinance enables the impoverished to live as fully as possible. It is a well-known fact that microfinance is significantly contributing to the global reduction of poverty. According to Forcella & Hudon (2016), microfinance is one of the new cutting-edge methods for eradicating poverty by improving the social and financial standing of the impoverished, mostly through empowering individuals. Microfinance has become a popular topic among the global sponsor network and has been seen as a means of promoting sustainable economic development in developing nations.

According to Owolabi (2015), an analysis was conducted in Pakistan on the correlation between smaller scale loans and the reduction of need. They found evidence supporting the smaller-scale lending that could increase the borrower's income in the research location. (Akram, Hussain, & Munir, 2009) said giving impoverished families' microcredit enables them to launch a microbusiness, increase their income, and ultimately break free from the never-ending cycle of dependency.

According to Ali et al. (2017), microcredit offers safety nets to the less fortunate, particularly in developing nations where the government does not support social security systems during times of crisis and people are forced to turn to moneylenders in order to meet their basic needs. The availability of microcredit in these circumstances shields borrowers from hazards and increased poverty while also protecting them to lend money.

According to Kataria et al. (2018), microcredit may be able to support practical business ventures, improve working conditions for women residing in developing areas, and make important promises to sexual orientation balancing. In this way, it empowered gender equality by giving women the financial support they needed to feel secure, elevate their standing, and make more active decisions. Bhusal (2010) stated that Microcredit programs provide low-income people with low-interest loans and effective guidance to pursue discretionary salary-creating activities aimed at enhancing their social and economic standing. The programme gave participants money advances to start a new endeavor or to better their present financial situation. It was anticipated that these investments will improve the nation's social and sexual orientation equity and the way that needs are handled, hence reducing individual poverty. Microcredit is a way of giving credit to the underprivileged and is often suggested as a way out of poverty.

Faress Bhuiyan & Ivlevs (2018) specified that Microcredit loans are typically given to individuals as well as groups of borrowers, who share the responsibility of returning the money (social guarantee); lending to both women and groups leads to high microfinance advance payback rates, according to Faress Bhuiyan & Ivlevs (2018). Microcredit-driven entrepreneurship was, and continues to be, seen as a fantastic bottom-up method of "graduating" people out of poverty, promoting employment opportunities, and empowering women.

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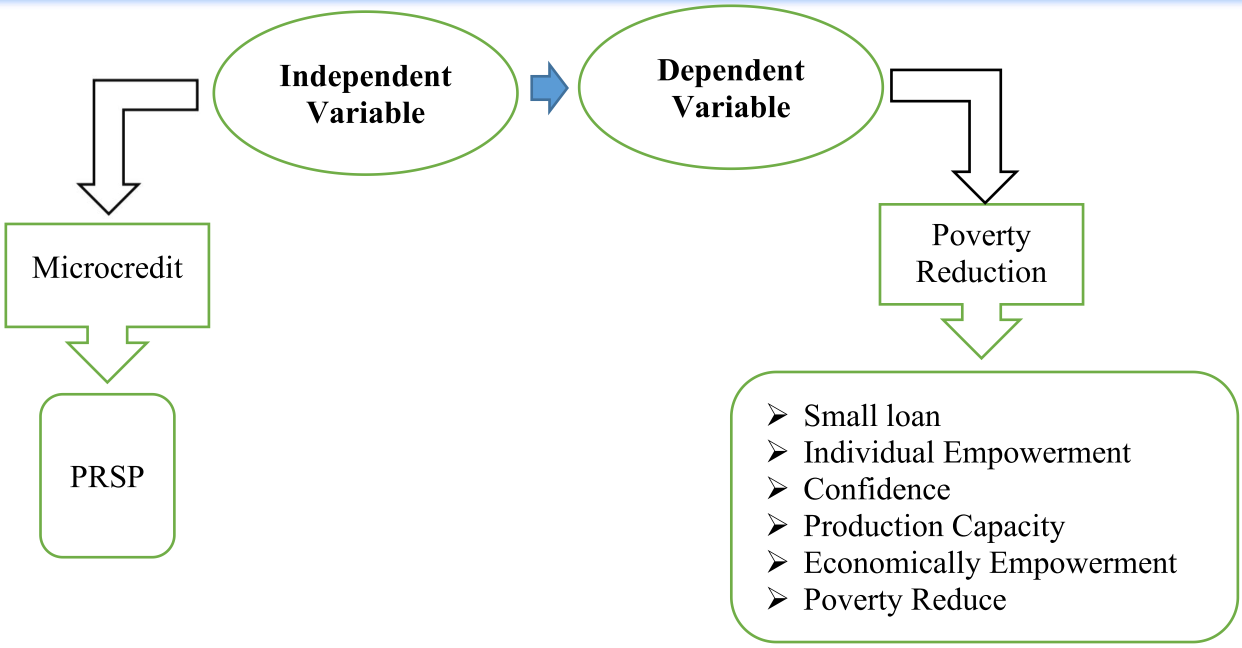

FIGURE 1: CONCEPTUAL FRAMEWORK

EMPOWERMENT THEORY

American community psychology is where the phrase "empowerment" first appeared and is associated with social researchers (Rappaport, 1987). Giving power is the central concept of empowerment, which has strong ties to Marxist social theory. Empowerment can have two forms. The first is the idea that one person can have power over another. Empowerment necessitates the replacement or modification of power in terms of position; nonetheless, empowerment is impossible for anyone if power cannot be altered and must be fixed. Second, the empowerment emphasizes that its concept should be expanded. Generally speaking, it represents our experiences rather than what any one person believes about power.

Power is the ability to do or desire what we want, not what others want or what is right for them. (Weber, 1946)Power is emphasized in traditional social science as influence or control (Lips, 1991). Power is frequently static and unchangeable. Power is defined as the concept that exists between a person and a thing (Weber, 1946). Power does not exist in isolation, nor does

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it come from birth. Empowerment is essentially the act of moving from one position to another and from one status to another.

Power is what motivates people to have control over their lives. It enables people to take charge of their own lives and achieve personal empowerment. (Page & Czuba, 1999). The encouragement of an individual to make their own decisions is the exact definition of empowerment. They ought to raise understanding of the political system and the processes involved in making decisions in the financial and political domains. (Rowlands, Empowerment examined, 1995) Asserts that empowerment focuses on decision-making and equips a person to make the best choice for themselves. Empowerment also refers to assisting individuals in improving their financial and physical well-being (Mosedale, 2005).

According to (Rowlands, 1997) , She believes that empowerment is a personal improvement. Moreover (Rowlands, 1999) She opinions empowerment as a three-dimensional phenomenon. Empowerment at the personal level; that an individual has the confidence for himself second dimension is to make decision making which is appropriate or suitable for himself and the third dimension is empowerment at collective level; all the concerned people work to together to achieve a certain goal. To improve the standard of living, livelihood, environment or focusing on the needs of household. (Perkins & Zimmerman, 1995) In the end, empowerment emphasis on the individual strengths and individual capabilities regarding social and political environment. ((Rappaport, 1981).

APPLICATION OF THE THEORY

Empowerment is critical to bringing about social change in society and advancing the development stage because it raises the bar for health and education and lowers the rate of poverty. The majority of social problems stem solely from the uneven allocation of resources. In underdeveloped nations like Pakistan, empowerment can promote significant improvements in development and poverty reduction. For every person, having a combination of freedom and empowerment is crucial, as it allows for greater options and possibilities to live the life they desire.

Pakistan is a developing nation with roughly 39% of its people living below the poverty level. Pakistan is unique among the world's most populous nations in having the highest rate of poverty. Unequal resource distribution is a primary cause of poverty; people lack faith in their ability to make changes in their life. Even Nevertheless, microfinance institutions are essential to reducing poverty and raising the standard of living for the underprivileged. Pakistan is among the poor countries where the impoverished cannot meet their basic demands due to a lack of resources. Microcredit is the best instrument for ending poverty since it gives people more power through these things they can use to enhance their way of life. Microfinance enables individuals to obtain loans that enable them to launch a new enterprise and advance their setup strategy, so improving their standard of living. Although we are powerless to eradicate poverty, we may enable people to lessen it to the greatest extent possible by giving them access to microfinance.

Microcredit is a form of financial assistance that impoverished people can use to support and sustain their own private organizations. It exhorts low-income individuals to fully utilize their assets in order to achieve their business goals. Poor people are typically deterred by a lack of financial resources. This strategy aims to include them in independent contractor processes for efficient resource management. Pakistan is experiencing a rapid increase in papulation, but the country's resources are not keeping up with the demands of a dignified lifestyle. In this sense, self-employment and microcredit contribute to reducing widespread poverty (Tahir, Khilji, Hussain, & Hussain, 2016).

Chaudhry looked for initiatives aimed at reducing poverty in Pakistan's Southern Punjab. Subsequently, he proposed that microcredit was an effective means of alleviating poverty. Furthermore, he emphasized that if

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macroeconomic stability is maintained, these programs could become increasingly powerful (Chaudhry, 2009).

CONCEPTUAL FRAMEWORK

The study's conceptual framework is a versatile investigative instrument with a wide range of applications. It is employed to separate concepts and arrange ideas. In essence, it is the researcher's comprehension of the relationships between the particular variables in his investigation. In this study, the independent variable that directly affects the dependent variable—the decrease of poverty—is microcredit.

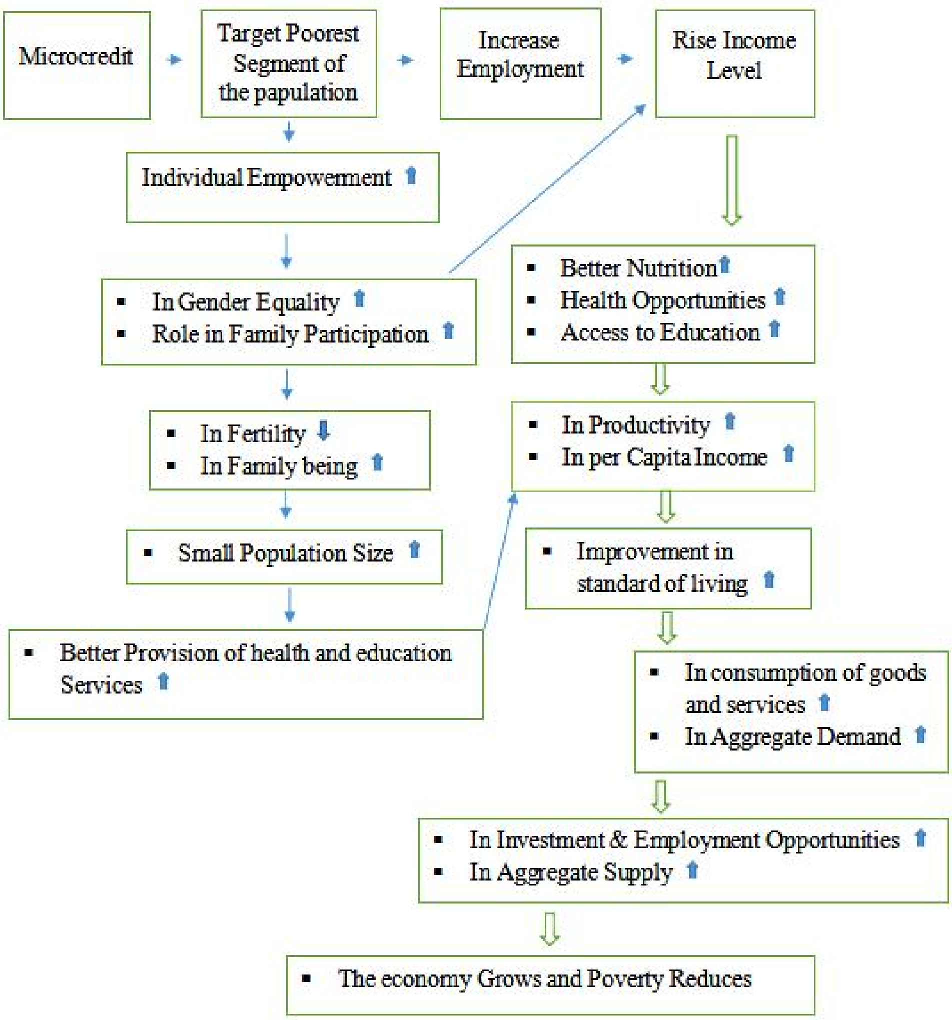

FIGURE 2: MICROCREDIT MODEL

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MATERIALS AND METHODS

Since it provides direction for the investigation, research technique is an essential component of any study or research project. It is a comprehensive plan for carrying out research that originates from the goals and points of a study. Methodology comprises the systematic steps that a researcher takes from the moment they identify an issue to the conclusion they reach (Kumar, 2019).

The key methods of data gathering for this study were unstructured interviews and observations. The research focused on the function of microcredit in reducing poverty in Pakistan. Using these techniques, the emic perspective and experiences of microfinance recipients were examined within the unique Pakistani setting. In order to achieve greater results, detailed discussion was held between the beneficiaries of Microfinance to get accurate data about the Microfinance and its role in Poverty Reduction in Pakistan. Additionally, the research participants were given appropriate respect and no harm was inflicted onto the community. Every attempt was taken to safeguard their identity and the confidentiality of the study. Building trust was the goal of interacting with microfinance beneficiaries in a social situation. Work in the field was done in an open manner during this study.

DISCUSSION AND CONCLUSION

Pakistan has extremely low educational standards. In many locations, the majority of the population has fewer than ten years of schooling, and very few have graduated or earned a master's degree. Nevertheless, it is crucial that they are fully aware of the problems they face. They are well-versed in both their issues and their fixes. They are also aware of the advantages and applications of microcredit loans. The greatest power in the world is education. It is the most accurate assessor for every given person. To reduce poverty, the majority of people are currently transitioning to the educational system. Since education is the only means of reducing poverty, both public and private organizations are working hard to promote education in many parts of

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Pakistan. Based on my research, I can therefore conclude that Pakistan's education system is getting better every day, which is encouraging for the nation. Similar to my research, which I conducted, education's goal is to empower people and give them access to a multitude of necessities. Academic institutions shape our behavior and get us ready to act a certain way in predetermined circumstances. Education gives us the means to comprehend our societal objectives. The educational system that is in place in a particular society outlines these objectives and ideals.

Therefore an education helps someone become a contributing member of society. The prevalence of poverty in Pakistan is a growing social problem that the country's administration must confront. A third of Pakistan's population is estimated to live below the poverty line. Thus, a sizable portion of Pakistan's population lacks access to enough food. Numerous national and commercial organizations are currently striving to reduce poverty in Pakistan by providing microfinance to those in need, enabling them to better their lifestyle and live as they choose or as required by society. Similar events took place in Bangladesh, where Yunus founded the microfinance organization Grameen Bank in October 1983. The bank provides microcredit, or loans to the needy without requiring security, to the poorest of the poor in Bangladesh's rural areas. Both the author and Grameen Bank agreed to share the Nobel Peace Prize (2006). Yunus believes that each year, 5% of Grameen Bank's clients escape poverty (Simataa, 2013). There is now a great deal of excitement and confidence in microcredit's ability to quickly reduce poverty. The Nobel Peace Prize was given to Muhammad Yunus and the Grameen Bank in 2006 in recognition of their outstanding contributions to the fight against poverty. The Nobel Peace Prize recognised their efforts. (S. Khan, 2016). Chaudhry looked for initiatives aimed at reducing poverty in Pakistan's Southern Punjab. Subsequently, he proposed that microcredit was an effective means of alleviating poverty. Furthermore, he emphasised that if macroeconomic stability is maintained, these programmes could become increasingly powerful (Chaudhry, 2009). Pakistan's GDP per capita is $1250, making it one of the low-paying economies. The Pakistani legislature has adopted a number of strategies during the last three decades to address poverty and catch up with the Millennium Development Goals (MDG). The Pakistani government has been pursuing its strategy to reduce poverty by focusing on accelerating financial development, maintaining macroeconomic stability, investing in human capital, expanding social security nets, and enhancing administrative capabilities (Khan, Rehman, & Haq, 2015). Microcredit is comparable to an action that is closely related to the person. Assume that the empowerment of men and women through microcredit would enable them to independently change their destination. Strengthening someone and allowing them to pursue their own interests is the best way to take care of them (Gibben, 1992).

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