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THE IMPACT OF MICROENTERPRISE POLICIES ON THE SOCIOECONOMIC INDICATORS OF WOMEN EMPOWEREMENT IN JORDAN

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Dissertation

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Declaration

I, Nebal Al Maaitah, confirm that this dissertation submitted for Ph.D. in Economics is my original work. Further, I have acknowledged all sources used and have cited these in the reference section.

Signed: Nebal Al Maaitah
Miskolc, 2021

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I am deeply indebted to the academic staff at the University of Miskolc in Hungary, without whom I would not have completed this research project. Especially my supervisor Dr. Sándor Bozsik for his guidance and perpetual support during this research, and Dr. Katalin Lipták, my co-supervisor, for her advice and consultation, and special thanks to the professor Dr. Karoly Balaton, Head of the Doctoral School of Business, Management, and Regional Sciences, for all the considerate guidance. Moreover, I thank my thesis committee, Dr. Szilágyi Roland, Dr. Zoltán Dániel, and Dr. habil Eva Pinter; without your thoughtful comments and suggestions the goal of this project would not have been realized. Your input shaped in significant ways the research project.

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Executive Summary

This study addresses women empowerment from a policy perspective. More specifically, it aims to examine the causal relationship between microenterprise policies, namely (lending, profitability, monitoring and following up, non-financial) and the socioeconomic indicators of women empowerment, these included (income, employment, education, and social status), a total number of 700 women microentreprenures were chosen from the leading microlending institutions in Jordan (Development and Employment Fund, Agricultural Credit Corporation, and Micro Fund for Women). The methodology adopted in this study is triangulation based mixed methods. For the qualitative study, in-depth interviews with key informants were conducted. Results of qualitative study found that the opinions of key informants suggest that the microenterprise policies positively contribute to women social and economic empowerment; hence these policies contribute to increasing income, creating employment, improving education attainment and advancing the social status of women.

Furthermore, for the quantitative study, a survey questionnaire was employed, and data analyzed by SPSS-AMOS 24. The quantitative results found a significant direct and positive effect of lending policy on income, employment, education, and social status. Additionally, there is a significant direct and positive effect of profitability on employment and social status; however, there is no significant effect of profitability on income and education and, there is no significant effect of monitoring policy on income, employment, education, and social status. Finally, there is a significant direct

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and positive effect of non-financial policy on employment, education, and social status; however, there is no significant effect of non-financial policy on income. Thus, it can be concluded that there is a varied effect of microenterprise policies on the socioeconomic indicators of women empowerment. This study has found that credit terms and lending policy have a substantial role to promote women's empowerment; hence, it provides liquidity to women borrowers especially in the businesses nascent face and provides insurance against fluctuations in cash flows. Therefore, it contributes to improving the economic and social fortune of women.

On the other hand, lenders overemphasizing the loan repayment may undermine women's empowerment. Moreover, monitoring policies have no role in empowering women; indicating the limited monitoring efforts pursued by lending institutions and the ineffectiveness of monitoring mechanisms based on mixed soft and hard information. Further, non-financial services are a part of the solution to poverty; hence they address non-monetary poverty and other problems related to education, health, and social protection.

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CHAPTER ONE
INTRODUCTION

1.1 Preamble

This chapter introduces the background of the research study. It then presents the statement of the problem, research questions, and research objectives. The chapter will then outline the significance of the study, the definition of key terms, and the scope of the study. Finally, it will present the research structure used to meet the main objectives.

1.2 Introduction

Women's empowerment is an important human right and development goal that can produce high utilities for societies, especially the Sustainable Development Goal (SDG5) focus on gender equality and women empowerment. According to the McKinsey Global Institute, $12 trillion could be added to global GDP by advancing women's equality (Woetzel et al. 2015, as cited in Amaral & Jaller, 2020). In developing countries, women face enormous challenges stemming from rapid population growth and a rising proportion of young people entering the labor market; these challenges are coupled with a lack of empowerment (Bandiera et al., 2018). Generally, women's participation in entrepreneurship is lower than that of men worldwide (Chitakunye & Takhar, 2018). Despite economic development schemes, women's relative access to financial resources, remunerative work, and income have declined (Calman, 2019).

In Jordan, the total population in 2019 amounted to 10,554.0 million people with a population density of 118.9 persons/ km^2 (Department of Statistics, 2019a). Women in Jordan represent 4851.0 million populations from the total population, while males represent 5458.0 million in 2019 (Department of Statistics, 2019b). Women's contribution to national income is far below their potential; closing the gender gap in Jordan's labor market could increase GDP by more than 20% (Anderson, 2020). Women contributed 29 percent 0.5 points of the 1.5 percent annual growth rate. However, women's labor force participation rate reach less than 15% of the overall participation rate (World Bank, 2020a), and the gender gap in the labor force participation resulted in a loss of USD 8 billion in the value of GDP in 2018 (International Labour Organization, 2019a). Jordan ranks 138th out of 153 countries on global gender equality, with a 145th ranking in women's economic participation and opportunity, 81st in

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educational attainment, and 103rd in health and survival (UNICEF 2020). Despite high education attainment among Jordanian women, the main challenge facing women in Jordan is the low economic participation, which reached 17.3%, while the corresponding percentage for men was 60.8% in 2017 (ILO, 2018a). The unemployment rate in Jordan reaches 19.1%, the female unemployment rate reaches 27.0%, and for males 17.0%. Notwithstanding, the percentage of educated Jordanian women from primary until bachelor and above is 94.9%, the percentage of females in the labor force who are more than 15 age is 14.0%, and the percentage of females of a total employed person more than 15 years old is 18.1% (Department of Statistics, 2019a, 2019b). So Jordan is a traditional society where the women are far less active in the labour market than the male population.

Meanwhile, microfinance which involves the provision of financial services to the poor; in particular, those who are unable to access the services of conventional banks, is considered an effective way to mitigate poverty (Murisa & Chikweche, 2013) and increase women's empowerment (Huis et al. 2017). Before 1980 banks and formal financial institutions in low-income countries were not able to provide small loans to poor people because it's costly and risky; Muhammad Yunus, an innovative economics professor at the Chittagong University of Bangladesh, initiated an experimental project in a village nearby Chittagong, the experiment as designed to test the hypothesis that the rural poor could generate productive self-employment for themselves if they were provided with the appropriate amount of credit. Along with proper counseling, within a few years, successful evidence corroborated his hypothesis. Grameen bank emerged as a formal financial institution in 1983 (Wahid & Hsu, 2000), and since the Grameen bank initiative, microfinance has become hype and proliferated all over the world (Berlag & Jasrotia, 2015). Many policymakers and academicians question microfinance's impact on the poor's social and economic situation and MFI's sustainability in the long term (Hermes & Lensink, 2007; Hermes et al. 2011, as cited in Barry & Tacneng, 2014).

Accordingly, the current study aims to examine the impact of microlending policies on women empowerment in Jordan within economic and social domains such as income, employment, education, and social status. The methodology adopted in this study is based on triangulation[1] mixed-methods tools, which can be grouped into two categories: the

[1] Triangulation is discussed in more detail in Chapter.3 (p.40)

quantitative approaches and the qualitative approaches. The quantitative approach included a survey questionnaire, and the qualitative approach included interviews with key informants. The sample consists of 700 women microentreprenures chosen based on stratified random sampling method from the database of the most representative microlending institutions in Jordan. This study employed IBM-SPSS-AMOS V.24 and Descriptive Statistics to analyze data.

1.3 Research Problem

Women's empowerment is still a pressing issue; however, the workings of empowerment on all levels, on all domains, in all spheres, are still mostly unexplored (Mirpourian et al. 2016). Further, ambiguity about how best to define and measure empowerment makes it difficult to confidently measure the impact of development interventions on girls and women in many settings (Gammage et al. 2016; Hanmer & Klugman, 2016; Richardson, 2018; Bonilla et al. 2017).

The problem being addressed in this research is the unknown impact of microenterprise lending schemes on women empowerment from a policy perspective. Moreover, little attention has been found in research, and the difficulties facing women entrepreneurs are not entirely solved. Additionally, the efficacy of neoliberal market-based empowerment strategies has been questioned in the literature (Tanima et al. 2020).

Admittedly, researchers and policymakers know very little about the impact of microfinance (Dahal & Fiala, 2018), and empirical evidence provides mixed results related to the effectiveness of microfinance (Huis et al. 2017). Hence, the analysis of microfinance efficiency is still recent, and the number of studies carried out is still low (Fall, Akim & Wassongma, 2018). Many studies argued that the impact is divergent between positive, no effect, and even negative impact (Angelucci, Karlan & Zinman 2013; Ganle, Afriyie & Segbefia 2015; Van Rooyen, Stewart & de Wet, 2012). Moreover, Gutiérrez-Nieto and Serrano-Cinca (2019) indicated that the circumstances under which microfinance benefits beneficiaries remain unclear. As far as I know, previous studies have not investigated how the institutional environment can affect the affordability of microfinance (Li Sun & Liang, 2021). Almost none of the extant research has looked at the impact of microcredit contracts on borrowers' welfare (Sett, 2020). Further, studies questioned whether or not different 'plus' services enhance beneficiaries' welfare (Lensink et al. 2018). Most previous studies don't deal

with the microfinance program design leading to the required outcome (social mission and women empowerment). Since microfinance is seen as a path for women's equality, sound policies and program design can produce better results for the beneficiaries and institutions (United Nation University, 2019). Moreover, policy guidelines for the programs are often vaguely formulated, which has left room for interpretation, negotiation, and discussion by implementers (Loubere, 2019). Therefore, there was a need to conduct this study. This study is seen to be different from others in some aspects. It uses triangulation of quantitative and qualitative methods, while in mainstream literature; the researcher founds a scarcity of studies employing methodological triangulation. Moreover, I believe that this study is the first that examines the direct casual relationships between microenterprises policies and economic and social empowerment. Additionally, no previous studies examined women empowerment from policy lenses. Finally, this study suggests practical recommendations to inform policymakers and regulators to improve women empowerment policies.

1.4 Research Questions

The results of this research will help us to arrive at reasonable conclusions and answer the following research questions:

Q1. Is the microenterprise policies contribute to empowering women economically and socially? *(Note: this is a qualitative question)*

Q2. Is there a significant direct influence of microenterprise policies (lending, profitability, monitoring, and following up and non-financial) on women's income?

Q3. Is there a significant direct influence of microenterprise policies (lending, profitability, monitoring and following up and non-financial) on women's employability?

Q4. Is there a significant direct influence of microenterprise policies (lending, profitability, monitoring, and following up and non-financial) on women's education?

Q5. Is there a significant direct influence of microenterprise policies (lending, profitability, monitoring, and following up and non-financial) on women's social status?

1.5 Research Objectives

The objectives of this research set out to examine the economic and social empowerment of women in Jordan. More specifically, the research objectives are as follows:

1. To determine the contribution of microenterprise policies to empower women economically and socially.

2. To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's income.
3. To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's employability.
4. To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's education.
5. To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's social status.

1.6 Significance of the Research

Findings of the current study benefit both the knowledge and practitioners.

1.6.1 Contribution to Knowledge

The present research findings contribute to knowledge by examining the relationship between microenterprise policies (lending, profitability, monitoring, and following up, non-financial) on economic and social empowerment indicators (income, employability, education, social status). There are many reasons for conducting this study. First, women's participation in the economic force in Jordan is the lowest globally, and the progress has been made still slow. Thus, this study will provide information to decision-makers on women's current status and assess the extent to which Sustainable Development Goal (SDG 5) is being achieved. Second, there are unanswered questions regarding the impact of microfinance on recipients (Mazumder & Lu, 2015). Third, further work to assess the' causal effect of loans contract features is warranted (Meager, 2019). In their coverage, this study, either concerning the target group, lending institutions, or their information about borrowers and credit terms, will be the base of reference for future research in Jordan. Especially studies on developing countries are few (Menkhoff, Neuberger & Rungruxsirivorn, 2011).

1.6.2 Contribution to Practitioners

The research findings will help decision-makers empower women economically and socially and lay down strategies for support and motivation in women's work environment in Jordan. Hence, practitioners have questioned microfinance's short and long-term impacts but have had insufficient empirical evidence to assess them (Beck, Aguilera & Schintz, 2018). This study will also inform policymakers about the efficiency of the current business model of

microfinance. Especially, explicit strategies for women's entrepreneurship are needed. Additionally, this study will help in design better microfinance interventions to achieve women empowerment. Gupta et al. (2019) indicated that for practical, targeted, and efficient sectoral policy and program interventions, it is essential to know which domains of empowerment matter for which context.

1.7 Definition of Key Terms

The following key terms are defined according to the context of this research and supported by a literature review:

1. Lending policy: The terms and conditions of the loan such as (loan size, repayment period, and grace period) (Field et al. 2013).

Terms of loan contract such as (loan size, loan maturity period, repayment terms, grace periods, and product type).

2. Profitability policy: All gross proceeds as revenue, such as interest and fee revenue. All net proceeds are referred to as income, such as net operating income (Von Stauffenberg, 2003)

Profit maximization motive of lending institutions rather than attaining acceptable profit and reaching the break-even point

3. Following up and monitoring policy: inspect the use of loan disbursed, checking the amount deposited and the remaining balance of the borrowers, monitor income stream (Addae-Korankye, 2014). Include the frequency of monitoring visits to understand the client's business and appropriateness of the loan term (Bigambah, 1997).

Supervision and inspection of loans and screening clients during and after disbursing the loans by regularly visiting the enterprise location.

4. Non-financial policy: This includes Business Development Services (BDS) or social services that make credit usage more productive (Goldmark, 2006).

Providing non-credit services such as (micro-insurance, entrepreneurial training, and business development services).

5. Level of income: Increasing income, expenditure on consumption, and improving living standards (United Nation Population Fund, 2002).

The ability of borrowers to earn income, buy what they want, invest, and support family or friends financially.

6. Employability: Moving from non-employer to employer by growing an enterprise in terms of employees (Erhardt, 2017)
Economic opportunities created as a result of having the required skills and attitudes either self-employment or wage employment by recruiting family and community members

7. Education: including the percentage of children enrolled in school (Pitt & Khandker, 1998), the rate of possible years of education (Todd, 2001).
The access to formal schooling and increasing enrolment rate of children in school, and/or enrolment of women and her family at university or college.

8. Social status: The improvement on social positions of women within family and community, decision making; participation in the community, self-confidence, autonomy, and social mobility (Mason & Smith, 2003; Alsop, Bertelsen & Holland, 2006).
Enhance the social status of women, strengthen their social interaction with community members, and increase their decision-making power

9. Women empowerment: The expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them (Kabeer, 2001a).
Women's access to resources and control over resources, and the ability to take actions and exercise agency in the community.

1.8 Scope of Research

This research targets Jordanian women who participated in microenterprise programs in Jordan in 2015-2016 to address women's empowerment due to their participation in entrepreneurial activities. The study aims to measure the impact of microenterprise policies on women's economic and social dimensions. This study was conducted in June 2018 in Jordan using a stratified random sample to identify 700 respondents chosen from the leading micro lending institutions operating in Jordan, covering three main regions: north, central, and south of Jordan.

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1.9 Structure of the Thesis

This research consists of five chapters as follows:

Chapter 1 introduces the research, explained the purpose and the rationale of the study, and provides a background of the study to highlight the dependent variable's importance. Also, the problem statement is clearly defined. Next, the research objectives and questions are also presented. Moreover, chapter one includes the structure of the thesis.

Chapter 2 demonstrates the literature review of the study. It will synthesize the relevant indicators that are related to the variables used, and show the relationships between dependent and independent variables. It also highlights the gap in the literature and presents the empirical results of domestic and international studies.

Chapter 3 presents the research methodology and justifies the methods used in this study. This is followed by a discussion of the research design, including the instrument's development, population, and sample and data collection. It also covers methods used for data analysis.

Chapter 4 presents the data analysis associated with the triangulation-based mix methods using quantitative and qualitative data collection methods. The summary of the overall response rate, respondents' characteristics, and data screening are some of the topics covered. The determinants of reliability indices using SEM analysis and the AMOS software (version 24) are also discussed.

Chapter 5 presents the discussions and conclusion. After an introduction, it discusses the study's significant findings, including the research contribution and implications. This chapter then elaborates upon research limitations, and then it provides recommendations and avenues for future research.

1.10 Summary

This chapter presented the introduction, research problem, questions, significance, objectives, and definition of key terms, research scope, and the five chapters' overall structure in this study.

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CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The literature review begins with a theoretical background of women empowerment by clarifying the definition of empowerment, its determinants, approaches and theories based on several scholars' view. In addition to an overview of women`s status on a global level. After that, the research presents an overview of microfinance, related theories, and policies implemented by microlending institutions. Then the researches establish the relationship between microenterprise policies and women empowerment. Additionally it presents a deep analysis of the previous and current findings on the impact of microenterprise schemes on women empowerment all over the world and particularly in Jordan. Finally, this research reveals the gap in the literature, and the contribution of this research to the current body of knowledge is presented.

2.2 Definition of Empowerment

In the literature, there are several definitions of women empowerment. According to Narayan (2002), empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives. That is Narayan's definition emphasis on institutions and interaction between poor people and more powerful actors. According to Kabeer (2001a), empowerment is defined as the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. Richardson (2018) asserted that the core concept of empowerment derived from the Kabeer model includes three steps: resources also referred to as precondition or opportunity structure, agency also referred to as autonomy, and achievements. However, Malapit et al. (2019) argued that agency is a more direct measure of empowerment, compared with resources or achievements, both of which could exist even in situations where women are extremely disempowered. They added agency is three types: intrinsic, instrumental, and collective.

Moreover, Narayan (2005) agree with Kabeer (1990) that empowerment is the process of change toward greater equality or greater freedom of choice and action. People who exercise a great deal of choice in their lives may be very powerful but they are not empowered because

they were never disempowered in the first place. The second is the agency which is considered the essence of empowerment. At the micro-level, it is embodied in the idea of self-efficacy and the significance given to the individual woman's realization that she can be an agent of change in her own life. Similarly, Malhotra and Schuler (2005) agree with Kabeer (1999) that empowerment is a process occurring over time, some aspects of empowerment happen quickly, while others may take decades. For instance, changing ideas about women's role in society is a transformational process that may develop over decades, whereas increasing educational attainment for women can happen more quickly. Moreover, Richardson (2018) heightened that indicators of empowerment also change over time. According to Bimrose, McMahon and Watson (2014), agency does not imply that all improvements in the position of women must be brought about through the actions of women alone, or that it is the responsibility of individual women to empower themselves.

Narayan (2002) noted that empowerment can be freely defined, empowerment process involves self-efficacy, control, self-power, self-reliance, independence, making one's own decisions (as cited in Ginige & Richards, 2012). According to Sen (1999), agency includes control over social and material resources and the ability of individuals and groups to exert power to pursue and achieve that which they value. Moreover, the agency is not sufficient, hence, structural inequalities cannot be addressed by individuals alone, agency may be constrained by opportunity structure, and those aspects of the institutional context within which actors operate influence their ability to transform the agency into action (Kabeer, 1999; Narayan, 2005; Alsop, Bertelsen & Holland, 2006 as cited in Lombardini & Quinn 2020).

On the other hand, Luttrell, Quiroz and Scrutton (2009) emphasized that lower degrees of empowerment are a prerequisite for achieving higher. According to Kabeer (2009), the concept of empowerment implied powers in terms of the ability to make choices, and change. she added, poverty and disempowerment generally go hand in hand. This absence of choice is likely to affect women and men differently because gender-related inequalities often intensify the effects of poverty. Further, Said-Allsopp and Tallontire (2015) indicated that the specific nature and vagueness of empowerment make it difficult to find a universal definition, since it is related to multi-faceted and contexts.

Another definition by Rahman (2013) suggested that empowerment is more than participation in decision-making; it must also include the processes that lead people to perceive themselves

as able and entitled to make decisions. Moreover, Kabeer (1989) interpreted empowerment as a redial transformation of power relations between women and men, she added, the empowerment process should have its effect in policy changes at the state and market institutions levels that ultimately mold and limit women's lives. Further, Rowlands (1997) considered that the core element of empowerment is agency and self-esteem; she categorized four types of power relations: (i power over (ability to influence and coerce), (ii power to (organize and change existing hierarchies), (iii power with (power from collective action), (iv power within (power from individual consciousness).

Huis et al. (2017) indicated that empowerment takes place on the micro-level (personal beliefs), meso level (actions concerning others), and macro-level (outcomes in a broader social context). On the other hand, Glennerster, Walsh and Diaz-Martin (2018) pointed out that social norms affect women`s agency and achievements. These influences occur by interacting empowerment with the norms and institutions (cultural, social, political, and economic). These norms and institutions vary by context and influence every step of the process. They added, these dynamic relationships define the choices available to women and girls at every step of the empowerment process. This leads to impeding people's ability to translate resources into agency, and agency into achievements. They may also influence the extent to which gains for women in the household or private sphere translate to women's collective improvements in the public sphere and vice versa.

A study by Sharaunga, Mudhara and Bogale (2019) presumed that empowerment in one dimension does not necessarily lead to empowerment in other dimensions. Contradictory, a perspective by Cornwall and Rivas (2015) suggested that social empowerment is presumed to follow attaining economic empowerment, hence, women economic success brings self-improvement and enhances awareness of social issues, and their earnings and ensuing expenditures will empower women to express their opinions(as cited in Tanima, Brown & Dillard, 2020).

Moreover, Jayakarani et al. (2012) noted that the inter-linkages between domains of empowerment may operate directly (e.g., economic empowerment facilitates health empowerment) or indirectly (e.g., economic empowerment influences social empowerment through political empowerment. A further aspect of such independence is the ability of an individual and communities or organization to be empowered in one domain and not in

another, similarly, disempowerment in one domain can stifle empowerment in other domains. Different approaches to empowerment were adopted by a variety of donor agencies and NGOs. According to Luttrell, Quiroz, and Scrutton (2009), these include:

1. **Process versus outcome**: Many organizations, view empowerment as both an outcome and a process. Others take an instrumentalist view of empowerment and focus more narrowly on the importance of process and the assumption that participation alone will lead to empowerment.
2. **Scope of empowerment**: Empowerment is central to achieving gender equality; empowerment is not only a gender issue but that it concerns a whole host of marginalized groups.
3. **Agency versus structure**: There is standing debate over the primacy of structure or agency in influencing empowerment. Many agencies, such as SDC (Swiss Agency for Development and Cooperation), CIDA (Canadian International Development Agency), have adopted a focus on agency, whereas DFID (UK Department for International Development) emphasized the importance of reforming political institutions and structures.
4. **The role of outsiders in empowerment**: Some institutions, for example, Oxfam promote a self-help approach to empowerment while other institutions; such as USAID and UNDP believe that it is the role of external institutions to facilitate internal change processes.
5. **Intrinsic versus instrumental**: There is a consensus that women's empowerment is both an end in itself and a means to other social and economic objectives (Edwards & Cornwall, 2014; Eyben, 2008). However, O'Neil, Domingo and Valters (2014) perceived empowerment as a process, not an end in itself.

2.3 Empowerment Theory

The empowerment theory describes empowerment as perceived efficacy and control over the social, economic, and political aspects of one's life; it can be conceptualized as a multi-level construct occurring at the levels of the individual, family, organization, and community. However, the majority of existing researches has examined empowerment at the psychological or individual level, which may unintentionally ignore the contextual factors that influence empowerment (Zimmerman, 2000). Empowerment theory is ontologically relativist and epistemologically subjectivist. Relativism implies interpreting realities through multiple

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lenses, while subjectivism relates to the interactions between research investigators and study participants (Guba, 1990 as cited in Joseph 2020). In other words, empowerment concept is seen to be as a transformative tool to energize disenfranchised people about their strengths and the dynamics of power (Al Wazni, 2015; BentGoodley, 2018; Gutierrez, 1990; Hardy & Leiba-O'Sullivan, 1998; Rappaport, 1984; Richan, 1989; Turner & Maschi, 2015 as cited in Joseph 2020). This imply that clients should take actions themselves in responding to socioeconomic struggles that have impacted their lives at the individual, family, group, organization, and community levels (Gutierrez, 1995; Hick, 2006; Payne, 2005). As the fundamental principle of empowerment (people representing themselves) remains intact, it is entirely acceptable that different fields of study interpret empowerment differently (Lincoln et al. 2002; Czuba & Page, 1999). In other words, empowerment can be considered a predictor in one area, but an outcome in another. However, the meaning of the term has remained coherent across disciplines (Joseph, 2020).

Theories of empowerment include both processes and outcomes, suggesting that actions, activities, or structures may be empowering, and that the outcome of such processes result in a level of being empowered (Swift & Levin, 1987). Both empowerment processes and outcomes vary in their outward form because no single standard can fully capture its meaning in all contexts or populations (Rappaport, 1984; Perkins & Zimmerman, 1995 as cited in Speer, 2000). According to Perkins and Zimmerman (1995), a distinction between empowering processes and outcomes is critical in order to clearly define empowerment theory. Empowering processes for individuals might include participation in community organizations. At the organizational level, empowering processes might include collective decision making and shared leadership.

According to Joseph (2020) and Zimmerman (2000), empowered outcomes refer to operationalization of empowerment that allows us to study the consequences of empowering processes. Empowered outcomes for individuals might include situation-specific perceived control and resource mobilization skills. When we are studying organizations, outcomes might include development of organizational networks, organizational growth, and policy leverage. Community-level empowerment outcomes might include evidence of pluralism and existence of organizational coalitions, and accessible community resources. According to Sadan (1997), empowerment theory attempts to connect between the micro level and the macro level. For the individual – the micro level – the empowerment process is a process of

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increasing control and transition from a state of powerlessness. Community empowerment – the macro level – is a collective social process of creating a community, achieving better control over the environment, and decision making in which groups, organizations, or communities participate.

2.4 Antecedents of Empowerment

Recent discourse on measuring empowerment highlights the following: i) the importance of using direct measures of empowerment rather than indirect measures that have been previously used, ii) use of context and sector-specific measures, and iii) use of both universal and local indicators (Malhotra, Schuler & Boender 2002; Richardson, 2018; Galiè et al. 2019 as cited in Gupta et al. 2019). In the literature, the main dimensions of women empowerment are displayed in Table 2.1

Table 2.1: ***The Main Dimensions of Women Empowerment***

Dimension	Reference
Decision-making (e.g., decisions about children's schooling, decisions about small household purchases	(Ahmed et al. 2009; Riyami et al. 2004; Alkire et al. 2013; Gupta & Yesudian 2006; Chakrabarti & Biswas 2012; Mistry, Galal & Lu 2009; Bloom, Wypij & Gupta, 2001; Hashemi, Schuler & Riley 1996; Fuller, 2012; Morgan & Niraula 1995)
Freedom of movement (e.g., ability to travel to various destinations)	(Ahmed et al. 2009; Riyami et al. 2004; Chakrabarti & Biswas, 2012; Dharmalingam & Philip Morgan, 1996; Gupta & Yesudian, 2006; Jejeebhoy & Sathar, 2001; Morgan & Niraula, 1995; Schuler, Hashemi & Riley, 2010; Bloom, Wypij & Gupta 2001; Lee-Rife 2010; Kabeer, Mahmud & Tasneem, 2011; Mason & Smith 2000)
Attitudes about women's economic role and self-efficacy	(Fuller, 2012; Hashemi, Schuler & Riley, 1996)
Control over income	(Bloom, Wypij & Gupta, 2001; Lee-Rife, 2010; Mistry, Galal & Lu, 2009)
Economic security	(Hashemi, Schuler & Riley, 1996)

Involvement in the community	(Fuller, 2012; Kabeer, Mahmud & Tasneem, 2011; Richardson, 2018)

Source: Richardson (2018)

Further, Akram (2018) mentioned aspects of women's empowerment such as access to or control over resources, household decision-making, and economic contribution in the household, freedom of movement, sense of self-worth, appreciation in household, knowledge, and division in household work. Additionally, Soharwardi and Ahmad (2020) considered woman's work status, self-esteem, self-confidence, decision-making, and awareness as the main dimensions of women empowerment. Perspective by Kishor (2000) showed that resources, education, and employment are not features of empowerment but catalyst of empowerment.

Moreover, Uddin, Hossin and Pulok (2017) used decision-making items (e.g. who decides about healthcare, who controls the money women/men earn, who decides the number of children to have, and who decides the arrangement of son's marriages); these indicators could help to capture different dimensions of autonomy. Further, Symour and Peterman (2018) showed that women's participation in intra-household decision making is frequently used as a metric of empowerment, decision making is varied by country and by domain. Symour and Peterman added, the relationship between sole or joint decision making and autonomy varies according to the specific decision domain under scrutiny.

Key empowerment indicators included changes in social and cultural norms, and enhanced economic opportunities. Studies have found that how closely a proxy measure relates to more direct measures of women's empowerment may depend on the geographic region (Jejeebhoy, 2000), the outcome being examined (Kishor, 2000), or the dimension of empowerment that is of interest (Malhotra & Mather, 1997). A study by Al Maaitah (2019a) showed that geographic differences and factor endowments are a determinate factor for women empowerment. According to Huis et al. (2017) cultures may differ concerning which components are appropriate indicators of empowerment, the cultural context should be considered to properly understand the development of women's empowerment. Thereby, facilitating comparison between studies.

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According to Malapit (2019), the indexes of women empowerment, such as the Gender Gap Index, Gender Development Index (GDI), and Gender Inequality Index (GII), and Women's Empowerment in Agriculture Index (WEAI), these indices used aggregated data and measured on a national level. Thus, it focuses on gender equality rather than women empowerment because of indirect proxies or enabling factors to measure empowerment such as women's age and schooling attainment. These indexes do not measure women empowerment comprehensively. Another study by Galiè et al. (2019) combined empowerment indicators, which are weighted equally within each of six dimensions related to empowerment in livestock production.

A study by Lombardini, Bowman, and Garwood (2017) attempted to measure women's empowerment using a Composite index (Women's Empowerment Index); given the women ranking on empowerment indicators, a relative weight was assigned to each indicator. However, this method has some limitations, hence; it requires some value judgment to set each indicator's cut-off point. However, Lombardini, Bowman, and Garwood suggested that improvements in self-esteem and confidence (personal change) can influence the way that a woman makes decisions within the household or the community (relational change), influencing social norms and possibly affecting changes in the political space (environmental change). More importantly, this process can also happen in the other direction, with changes in social norms and broader society (environmental change) affecting how women interact with others (relational change) and how they see and perceive themselves within society (personal change).

As empowerment is a contextual phenomenon, Table 2.2 present different examples used in measuring empowerment considering the geographical context. The most popular variables used to assess the impact of microfinance are changes in income levels, and patterns of expenditure, consumption, and assets (Cohen & Barnes, 1996 as cited in Hulme & Arun, 2009).

Table 2.2: ***Dimensions of Women Empowerment According to Context***

Country	Dimension	Reference
Egypt	household budget, food cooked, children education, children's health, use of family planning methods	(Kishor,1997)
India	purchase of food; purchase of major household	(Jejeebhoy, 1997)

	goods; purchase of small items of jewellery; course of action if a child falls ill; disciplining the child; decisions about children's education and type of school	
Nigeria	household purchases; how to spend husband's income; number of children to have; whether to buy and sell land; whether to use family planning; whether to send children to school, level of education; when sons and daughters marry; whether to take sick children to doctor and how to rear children	(Kritz, Makinwa & Gurak, 1997)
Iran	food purchase; inputs, labor and sale in agricultural production and other income-earning activities; sale and purchase of assets; children's education; seeking health care for children	(Razavi, 1992)
Pakistan	purchase of food; the number of children; the schooling of children; children's marriage; major household purchases; women's work outside the home; sale and purchase of livestock; household expenses; purchase of clothes, jewelry, and gifts for wife's relatives	(Sathar & Kazi, 1997)
Bangladesh	ability to make small and large purchases; house repair; taking in livestock for raising; leasing in of land; purchase of major assets, children's education; visits to friends and relatives; household purchases; health care matters	(Hashemi, Schuler & Riley, 1996) (Cleland et al. 1994)

Source: Kabeer (1999)

In the literature, education and paid work both identified causes of women's empowerment. However, other variables such as the strengthening of women's reproductive rights, an increase in children's health, and a better representation of women in parliament have been identified as effects of women's empowerment (Kabeer, 2005). Moreover, some indicators of empowerment that used include women's decision-making power, women's freedom of movement, percentage of women earning cash income, percentage of women who are employed, percentage of women participating in any group, proportion of young women with primary education, and women who have a say in how their cash earnings are used (USAID, 2016). Moreover, Gardiner (2017) assessed empowerment in Jordan using indicators such as women`s income, employability, freedom and bargaining power. Additionally, Saha and

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Sangwan, (2019) suggested that some variables such as women's economic status, control over resources, and purchasing capacity items are more important than other variables in determining women's empowerment. Hence, diverting resources to improve the outcome of these variables would increase the women empowerment.

As the structural model is used in this study to make a causal inference, a lot of care has been put into identifying the relevant indicators through reviewing previous studies on the subject. Accordingly, specific economic and social indicators were chosen considering the cultural norms and context of Jordan. For the economic dimension, the variables of interest encompass: (i) level of income, and (ii) employability, and for the social dimension, the variables encompass: (i) education, and (ii) social status. Table 2.3 summarizes the economic and social dimensions of empowerment that were operationalized in this study and used in the literature.

Table 2.3: ***Study Indicators Used for Operationalization Women's Empoweremnt***

Dimension	Construct	Findings	Reference
Economic Empowerment	Improving the level of income	increase income-earning capacity and control over income earned	(Pitt & Khandker, 1998)
	Employability	growth of jobs in the informal sector, enhancing self-employment, increase wage employment	(Kevane &Wydick, 2001; Van Rooyen Stewart & De Wet, 2012; Erhardt, 2017)
Social Empowerment	Education	improve educational attainment, child schooling and women`s literacy and knowledge	(Todd, 2001; Swain & Wallentin, 2017; Kabeer 2001b)
	Social status	increase participating in the social life, agency, and self-confidence	(Mason & Smith, 2003; Alsop, Bertelsen & Holland, 2006)

Source: Own compilation

Further, Donald et al. (2017) emphasized that measures aimed at capturing a woman's goals and preferences should be collected alongside measures of a woman's ability to act (such as decision-making questions), as the agency is the ability to define one's goals and act on them. On the other hand, Lentz (2018) noted that in some situations such as undernutrition and domestic violence, women are not necessarily presumed to be powerless. For example, in some environments of violence, women choose to make decisions at the expense of their

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nutritional status and choose hunger. Thus, women's decision making in access to food and nutritional security also affects their empowerment.

To develop a suitable measurement method, it is crucial how we perceive empowerment. However, the dynamic nature of empowerment, influenced by social norms and ideologies and ambiguity stem from its process exert challenges to measuring empowerment accurately. In the meantime, agency and knowledge are necessary for women to be empowered; hence they inherently translated in to actions; however, it depends on the context. Moreover, I agree that empowerment can be seen as both an end in itself and a means to achieve several objectives; hence I believe that perceiving empowerment as an instrumental goal is essential to realizing its current and constant output. However, I cannot entirely agree with the view that women can be empowered in one aspect and disempowered in another. Hence the simultaneity and integrity of empowerment actions are essential to achieve its ultimate outcome. Empowerment is assumed to be seen as an integral concept that cannot be portioned theoretically or empirically—however, most previous studies disregarded this novel perspective. There is no ideal method for measuring empowerment; every method has its limitations. However, the current study employed novel methods that suit the nature of data, the variables used, and the context.

2.5 Women Status

According to United Nations (2020a), there is simply no way that the world can achieve the Sustainable Development Goals (SDG`s) without achieving gender equality and the empowerment of women and girls. However, insufficient progress has been made on gender inequality, such as legal discrimination, unfair social norms and attitudes, decision-making on sexual and reproductive issues, and low levels of political participation, which are undermining the ability to achieve Sustainable Development Goal 5.

In Table 2.4, the labour force participation rates[2] (LFPR) show relative differences between demographic groups caused by differences in unemployment rates. The LFPR is lower for women than for men across all country income groups. In 2019, the female labour force participation rate was just 47%, 27 percentage points below the male rate (at 74%). There is strong regional variation in gender disparities in access to employment (ILO, 2020).Women

[2] The labour force participation rate (LFPR) refers to the share of the population who are in employment or are looking for a job and available to take up employment. This share is also called the economically active population (ILO, 2020)

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in low-income countries are often engaged in informal activities in the agricultural sector, having to combine paid work and unpaid care responsibilities that, though not accounted for in employment (ILO, 2019b).

Table 2.4: ***Labour Force Participation Rate, by Sex, global and country income group, 1994, 2019 and 2021(percentages)***

Country/Region	Female			Male			Gender gab 2019
	1994	2019	2021	1994	2019	2021	
World	51.2	47.2	46.8	79.6	74.2	73.8	27.0
Low income	65.6	63.2	63.0	82.9	78.4	78.3	15.2
Lower middle income	38.5	34.1	34.0	81.6	75.8	75.6	41.7
Upper middle income	60.3	54.0	53.1	81.6	74.5	73.8	20.5
High income	49.4	53.2	52.9	71.8	68.4	67.9	15.2

Source: ILO (2020). Available at: https://www.ilo.org/wcmsp5/groups/publicdgreports/dcomm/publ/documents/publication/wcms_734455.pdf

Underlying this global trend, there are considerable differences in women's access to the labor market across countries at different stages of development. The gap in participation rates between men and women is 27% worldwide, narrowing in low and high income countries and widening in lower middle income countries. The latter group contains population-rich countries with wide gender gaps in South Asia (Bangladesh, India and Pakistan) and North Africa (Egypt, Morocco and Tunisia) that drive down the average. These gender gaps are projected to remain largely unchanged against the backdrop of a net decline in the LFPR across all country income groups (ILO, 2020). Moreover, the COVID-19 pandemic, affect women and men differently, the impacts of the COVID19 global recession will result in a prolonged dip in women's incomes and labour force participation, with compounded impacts for women already living in poverty (United Nation, 2020b)

In Table 2.5, around 45% of employed persons worldwide are own-account workers or contributing family workers, with men much more likely to be among the former and women among the latter. The combined share of both these categories has declined by 8.5 percentage points over the past 25 years, with most of the decline occurring among the disproportionately female contributing family workers. Although it remains sizeable, the gender gap in employment status has therefore narrowed significantly at the global level.

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Table 2.5: ***Employment status, by sex, global and by country income group, levels in 2019, and change between 1994 and 2019 (percentages)***

Country	Gender	Wage and salaried workers		Employers		Own account workers		Contributing family workers	
		Level 2019	change 1994-2019	Level 2019	change 1994- 2019	Level 2019	change 1994-2019	Level 2019	change 1994-2019
World	Female	53.2	11.3	1.4	0.1	27.5	1.1	17.9	-12.5
	Male	52.5	6.9	3.4	-0.2	37.6	-2.0	6.5	-4.8
Low income	Female	11.2	3.4	0.9	0.4	45.2	-0.2	42.7	-3.6
	Male	23.6	4.7	2.5	0.3	56.3	-2.8	17.6	-2.2
Lower middle income	Female	33.6	12.6	1.2	0.1	41.1	0.6	24.1	-13.3
	Male	37.0	9.5	3.4	0.4	52.0	-3.4	7.5	-6.5
Upper middle income	Female	58.1	19.0	1.3	0.4	24.8	0.2	15.8	-19.6
	Male	60.3	12.2	3.1	-0.1	30.8	-5.5	5.8	-6.6
High income	Female	90.2	4.8	2.1	-0.5	6.3	-0.8	1.4	-3.5
	Male	85.8	4.1	4.5	-1.5	9.3	-1.8	0.4	-0.7

Source: ILO (2020). Available at: https://www.ilo.org/wcmsp5/groups/publicdgreports/dcomm/publ/documents/publication/wcms_734455.pdf

In 2019 more than half of workers globally were in wage and salaried employment, 40% of them were also in informal employment, illustrating that being in wage and salaried employment does not automatically translate into decent working conditions. On average, the prevalence of own-account work and contributing family work declines with rising national income level; contributing family work is practically non-existent in high-income countries. The resulting shift to wage and salaried work is especially relevant for women, contributing to the narrowing of the gender gap in wage and salaried employment over the past 25 years. In high-income countries, self-employment, especially as an employer, can take the form of profitable entrepreneurial activity in the formal sector. Hence, the underrepresentation of women in these activities indicates gender inequalities, but given that 90.2% of women in high-income countries work in wage and salaried employment, these gender inequalities are of a different form than those encountered in low- and middle-income countries.

2.6 Overview of Microfinance

Microfinance has exploded as a development tool across the Global. First premised on the provision of small-scale loans for income-generation, microfinance has been promoted as a market-driven ‘silver bullet’ to escape poverty (Brickell et al. 2020).Then a strategy, through

which poverty alleviation is supposed to take place has fundamentally shifted, from microenterprise credit to financial inclusion, microenterprise loans may once have appeared to be adequate tools for poverty alleviation, but turn out to be insufficient (Mader, 2019). Likewise, Banerjee et al. (2013) claimed that microfinance is useful without being a miracle as some people expect it would be. Similarly, Félix and Belo (2019) found no consensus on the impact of microcredit on poverty reduction, they added, microcredit reduces poverty when it is measured by the headcount index, poverty gap, and squared poverty gap, as well as employment and education reducing poverty. Another study by Agbola, Acupa and Mahmood (2017) showed that microfinance has a mildly positive impact on poverty reduction. Moreover, microfinance also considered a significant means of economic development in developing countries (Asian Development Bank, 2000). However, Banto and Monsia (2020) found mixed results on the impact of microfinance on economic growth.

2.6.1 Definition of Microfinance

According to Tchuigoua (2018) microfinance is the provision of financial services to low-income people and entrepreneurs who are excluded from the conventional banking system. According to Christen, Lyman and Rosenberg (2003) microfinance was defined as an economic development approach aiming at providing financial services through specified institutions to low-income clients who are not served by commercial financial institutions. According to Morduch (1999) microfinance is a win-win strategy for donors and recipients with specific merit including high yield, bottom-up focus on communities, directed to the poor particularly women, and sustainability (alleviation of poverty through economic opportunity). A definition given by Otero (1999) indicated that microfinance is the provision of financial services to both the low-income poor and very poor self-employed people. On the other hand, Schreiner and Colombet (2001) defined micro-credit as an attempt to facilitate access to small deposits and small loans for poor households denied to borrow from commercial banks. According to Bogan (2011), microfinance refers to an array of financial services that include credit, savings, and insurance, while microcredit is the provision of credit that is usually used as capital for small business development. A study by Bilau and St-Pierre (2017) indicated that microfinance is a broad definition than microcredit, the core of microfinance represented by microcredit.

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2.6.2 Microfinance Approach

According to Pignatel and Tchuigoua, (2020), and Goodell, Goyal and Hassan (2020) the microfinance sector has experienced some significant developments, such as the trend toward commercialization, which has led some MFIs to move from a development-inspired movement toward a more business-oriented, they attributed this trend towards a for-profit model to declining support from governments and inability to increase donations. Lending approaches in microfinance are based on the following philosophy:

1. Institutional approach: institutionalism paradigm or financial systems is based on the assumption that lending institutions must recover their operating and financing cost with program revenue through raising interest rates and lowering the cost to be financially sustainable (Armendáriz & Morduch, 2010).
2. Welfares approach: this approach focuses more on targeted outreach and social impact rather than financial returns or sustainability based on the assumption that the poor cannot afford high-interest rates imposed by lending institutions. Thus, financial sustainability conflicts with reaching the poor (Kodongo & Kendi, 2013; Hulme & Mosley, 1996).
3. Win-Win approach: This approach is based on the assumption that there is a balance between outreach to the poor, poverty reduction, and financial self-sustainability (Rankin, 2002).

Moreover, Littlefield, Morduch and Hashemi (2003) indicated that when MFI`s focus on making profits by serving better-off clients at the expense of poorer customers to fulfil capital adequacy requirements a trade-off exists between financial sustainability and social mission, refer to this trade-off as "mission drift". According to Coning (1999), the term outreach is typically used to refer to the effort by lending institutions to deliver loans and financial services to a large number of clients (breadth of outreach) with a focus toward the poorest of the poor (depth of outreach).

From the other hand, Fujimoto and Lee (2020) suggested that by requiring the lender to self-finance its activities and not rely on external resources, optimal lending contracts remove the need for subsidy and make the lender immune to pressure from investors as well as to interest rate and exchange rate risks. Moreover, Cull, Demirguc-Kunt and Morduch (2009) pointed out that earning profits does not imply being a for-profit. Non-profit MFIs can and do earn

positive profits that are not distributed to shareholders but are re-invested in activities that further service their clients. A study by Fall, Akim and Wassongma (2018) showed that the heavy reliance of MFI on subsidies result in a higher cost per borrower and low profitability, additionally operating cost tends to be higher for MFIs that provide micro-loans and serve women. After a certain level, the effect of subsidies on the productivity of MFIs is harmful.

2.7 Relationship between Microfinance Policies and Women Empowerment

According to Tickamyer and Sexsmith (2019), it's necessary to adopt sound policies to empower women at all levels, especially policies that support productive activities. Research by Dutta, and Banerjee (2018) suggested that an implementable vibrant microfinance policy can be promoted to lift the poor not just out of poverty, but also into prosperity, where they can use their entrepreneurial abilities to create opportunities for the economy as a whole. Another research by Loubere (2019) showed that it's not the institutions themselves but the policy framework that facilitates microcredit transactions between rural borrowers and financial institutions. Moreover, on the policy level, Islam and O'Gorman (2019) indicated that there is no one size fits all-type microcredit programs. From this perspective, it's necessary to formulate policies depending on the local context and the people involved.

In this section, microfinance policies include lending policy, and credit terms, profitability, monitoring and screening client, and non-financial products and services are presented as follows:

2.7.1 Lending Policy

A study by Sett (2020) found a causal relationship between loan contract and financial decision making of borrowers; typical microcredit contracts involve inflexibilities characterized by frequent periodic repayments without the option to restructure the same contract depending on emerging contingencies increase financial stress and severely curtail autonomy, resulting in detrimental economic and psychological consequences for the poor. Similarly, Mader (2019) assumed the cause-effect relationship between loans and the ability of the poor people specially women to starts or expand a business hinges on the repeatedly emphasized idea that poor people are particularly skilled entrepreneurs, and especially women possess under-utilised entrepreneurial potential, which make poor people into remarkable

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microentreprenures. A study by Anjum and Rehman (2020) showed that credit facilities help to increase the income of microfinance borrowers.

Another study by Nnyanja (2017) indicated that credit enables the poor to boost their businesses, production, and being able to meet the household daily expenses. Morover, Worokinasih and Potipiroon (2019) indicated that loan credit terms positively affected loan repayment through improved business performance; hence, loan features play an important role in helping businesses generate enough cash flows to cover loan repayment. Additionally, Ssekiziyivu et al. (2018) suggested that lending institutions can make toward designing more flexible loan products and more work is still needed to understand specific types of loan products that will benefit both the lender and borrower.

Another research by Ahlin et al. (2020) indicated that lower interest rates or relaxed collateral requirements not only increase demand for credit, they could also change the type of borrowers choosing to borrow which imply increased adverse selection. Additionally, Sett (2020) found that when the borrowers have the choice between a deflating and a ballooning[3] microcredit contract. They choose a ballooning contract; consumers may end up choosing the more expensive ballooning contract over the deflating one due to their systematic evaluation of the future or time horizon neglect. Time horizon neglect prevents them from making a rational comparative assessment of the contracts by taking into account the future contingencies, and the immediate repayment obligations end up dominating their decision-making. According to Steijvers and Voordeckers (2009), larger loan amount tends to increase the incentive for default since it's riskier than smaller loans. However, when defaulters are willing, but they are unable to repay, in which case the default is involuntary, or able but unwilling to repay, in which case the default is strategic (Pearlman, 2014).

A study by Cozarenco and Szafarz (2020) indicated that loan ceilings can have unexpected, perverse effects on prosocial lending and can lead to mission drift, a ceiling on microloans can trigger bank MFI co-financing strategies and mission drift; it makes co-financing arrangements not only attractive to MFIs and their better-off borrowers but also incentive-compatible to banks because it reduces the threat of adverse selection. A study by Battaglia,

[3] A ballooning microcredit contract characterized by smaller initial repayments and larger later repayments can appear more attractive to the poor as compared to a deflating contract characterized by high initial repayments and lower later repayments.

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Gulesci and Madestam (2018) showed that flexible contracts lead to substantial improvements in business outcomes and borrowers socioeconomic status, combined with lower default rates. They added, repayment flexibility also attracts less risk-averse borrowers interested in business expansion. A study by Field et al. (2013) found that the provision of a grace period and less frequent repayment schemes increase short-run business investment and long-run profits.

A study by Aragón, Karaivanov and Krishnaswamy (2019) showed that more flexible repayment terms (grace period or credit line, respectively) can improve the borrowers' economic outcomes. A study by Takahashi et al. (2017) found that one key way to attracting the ultra-poor is to provide a grace period in the repayment schedule, irrespective of whether a credit is provided in cash or in-kind. A study by Mota, Moreira and Brandão (2018) found that loan size and the repayment period is not statistically significant in explaining borrowers' repayment performance. Another study by Fischer and Ghatak (2010) showed that more frequent repayment can increase the maximum incentive-compatible loan size. However, the welfare effects are ambiguous. More frequent repayment can lead to over-borrowing, reducing welfare as it increases loan sizes. Further, Barboni and Agarwal (2018) showed that offering a pricy flexible contract which works more effectively, and that offering repayment flexibility has a positive impact on borrowers, both in the short- and long-term: business sales and profits are higher than offering a rigid contract.

Research by Crosato and Dalla Pellegein (2011) showed that inflexible loan contracts and lack of inclusiveness of all sectors in the economy: tight repayment schedules could be a disincentive for borrowers to undertake long-term investments. Further, Tchuigoua, Soumaré and Hessou (2020) found that individual loan contracts are more pro-cyclical than group loan contracts. A study by Bezbouruah and Pillai (2017) showed that women in countries with higher gender inequality are limited to very small loans and questionable economic improvements. Additionally, Banto and Monsia (2020) showed that women use their loans to consume and not to invest. On the other hand, MFIs should diversify the sector of the loan, such as housing loans, renewable energy, and agriculture, to be effective in breaking the poverty trap cycle.

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2.7.2 Profitability Policy

Profitability is crucial for assessing whether the benefits of providing microcredit exceed its costs from the perspective of the providers and whether the benefits of microcredit can be delivered to beneficiaries in a financially sustainable manner (Cull, Demirgüç-Kunt & Morduch, 2018).There has been an ongoing debate on microfinance institutions' (MFIs) current financial orientation compared to their traditional role as a social mechanism to help the poor have better financing access (Atahau, Huruta & Lee 2020). According to Fujimoto and Lee (2020), the lender must self-finance the total cost of lending via proceeds from its loans; hence, their financial sustainability is an important concern for society. In this regard, Glaeser and Shleifer (2001) indicated that the main difference between for-profit and non-profit status is the ability to distribute profits. Another study by Cull, Demirguc-Kunt and Morduch (2009) indicated that not-for-profit MFIs reinvest their profits to further their social mission, whereas for-profit MFIs distribute their after-tax profits to the shareholders of the organization.

There are incentives of earnings management by non-for-profit MFIs since managers can intervene to obtain private gains, although managers of not-for-profit MFIs have such incentives, for-profit MFIs tend to incur more in earnings management using impairment loan loss provisions, however, the difference in the legal structure of an MFI changes its incentives (Schipper, 1989; Healy & Wahlen, 1999 as cited in de Oliveira Leite, dos Santos Mendes &de Lacerda Moreira, 2020). Moreover, Duggan (2016) referred to the gap between the benevolent goals and descriptions of microfinance and the systematically abusive and exploitative practices of microfinance agents, as well as pressure, violence, and abuse suffered by borrowers. From the other hand, Henock (2019) found no evidence of a trade-off between outreach and financial sustainability rather compatibility between them. Henock suggested achieving better sustainability and outreaching performance managers have to work on improving capital structure, credit management, increasing yield on the gross loan, loan size, and the total asset.

According to Crosato and Dalla Pellegrina (2019), interest rates refer to relatively high-interest rate which is also referred to as loan sharking or predatory lending. The likelihood of falling into the hands of loan sharks is higher for poor borrowers; judicial inefficiency prevents some categories of borrowers from participating in the formal credit market. Particularly for borrowers endowed with scarce collateral, because they are normally required

to pay higher interest rates to counterbalance the greater degree of risk associated with the low value of their guarantees. According to Augsburg and Fouillet (2010), due to the high transaction costs, rates of 24-36%, it is common practice in microfinance to use a flat interest rate rather than the Annual Percentage Rate (APR), or effective interest rate, as is the banking standard in the developed world. Flat interest refers to charging interest on the full original loan amount, rather than on the declining balance

According to Yuuns (2007), lower financing costs lead to opportunities that variably influence educational attainment, and female labor force participation, all of which contribute to the reduction or perpetuation of poverty. A study by Al Maaitah (2019b) showed that the profitability policy of micro lenders in Jordan has no impact on educational attainment, level of income, or social empowerment of women borrowers. A study by Al-Azzam and Mimouni (2017) claimed that microfinance looks for survival on the account of the poor through imposing excessive interest rates. Another study by Awaworyi Churchill (2018) indicated that some MFI`s have prioritized sustainability and thus charge high-interest rates to cover transaction costs. Cull Demirguc-Kunt and Morduch (2009) and Hermes, Lensink, and Meesters (2011) argued that lending to the poor entails higher transaction costs, and thus profitability can be achieved only at the expense of outreach, MFIs impose new charges to cover their losses and to fund their operation. Therefore, revenue diversification is important for the sustainability of microfinance and the transparency of the cost of loans granted (Zamor, 2018). On the contrary, most Islamic microfinance institutions do not give cash loans to their clients as loan is not allowed in Islam unless there is no interest or any incremental amount charge on the amount of the loan (Rozzani, Mohamed & Yusuf, 2017).

According to Menkhoff, Neuberger and Rungruxsirivorn (2012), collateralization reduces ex-ante problems of adverse selection and moral hazard. Therefore, lenders can enforce collateral-free loans through third party guarantees and relationship lending by introducing collateral substitutes such as reducing loan size or loan duration and increasing the interest rate. A study by Caserta, Monteleone and Reito (2018) showed that if MFI is a non-profit organization that seeks to maximize the welfare of its clients, collateral is not needed as long as the incentive-compatible repayment is high enough. Therefore, the profitability of MFIs (whether they are for or not-for-profit) should be made less dependent on collateral or other guarantees based on the personal wealth of micro-entrepreneurs. On the other hand, Naegels, D'Espallier and Mori (2020) indicated that the negative perceptions of female entrepreneurs

concerning collateral requirements are often discouraged them from applying for formal loans. Moreover, Caserta, Monteleone and Reito (2018) indicated that MFI does not need any collateral on loans if its zero-profit condition can be satisfied at the incentive-compatible interest rate. Thus, the issue of mission drift may be independent of whether a profit-motivated lender operates or not.

The profit status of an MFI changes its decision-making process, its goals, and its mission. A study by Lensink et al. (2018) indicated that MFIs are hybrid organizations pursuing both social and financial objectives. Like banks, MFIs should be profitable or at least break-even, and like social organizations, MFIs should reach out to unbanked clients and enhance their welfare. Meanwhile, Goodell, Goyal, and Hasan (2020) emphasized that transparency is widely seen as vital to trust-building. Many MFIs have been severely criticized and chastised for resorting to highly coercive and inhumane tactics in recovering outstanding loans leading to absolutely unacceptable consequences in the form of farmer suicides (Sett, 2020).

According to Tanima, Brown and Dillard (2020) the management information and accountability systems of Microfinance NGOs focused on financial performance and particularly loan repayment rates. Therefore, when MFI is financially sustainable, women will be economically empowered. A study by Atahau, Huruta and Lee (2020) indicated that MFI's are likely sustainable when they increase their size and professionalize their practices by implementing good governance. Further, Fall, Akim and Wassongma (2018) indicated that outreach and the revenues of microfinance can be increased through more rigorous management of current sector resources.

2.7.3 Monitoring and Following up Policy

According to Postelnicu and Hermes (2018), screening and monitoring of microfinance clients who are mostly poor and have small loans is generally costly due to the fixed cost nature of these activities. Additionally, one strategy MFIs use to solve problems of asymmetric information is to have loan officers' visit potential and existing clients to collect interest payments and repayment of the loan, through frequent interactions, loan officers may also accumulate social capital in their relationships with their clients. According to Czura (2015) social capital and group lending provide incentives to group members to screen and monitor each other. Moreover, Pal and Mitra (2017) emphasized that loan officers have frequently to interact with borrowers, it`s recommended that MFI to reach financial self-

sufficiency to reach more number of borrowers, the less frequent interactions between the group and loan officer is adequately replaced by the stringent practice of peer selection, peer monitoring, and adherence to joint liability mechanism by the group members.

Similarly, Tchuigoua (2018) indicated that micro lenders face information problems in screening and monitoring borrowers' behaviors, lending organizations may overcome information asymmetries by daily interactions and personal relations between loan officers and local borrowers. A study by Barboni and Agarwal (2018) suggested that default risk can be mitigated by using contract price as a screening mechanism. That is a screening mechanism that builds on contract choice through different prices could be implemented effectively to identify more entrepreneurial and financially sophisticated borrowers when lenders lack information on their quality.

According to Uchida, Udel, and Yamori (2006), there are two lending technologies (i relationship lending, and (ii transactions lending, the difference between them is the source of information, that is in relationship lending the primacy of the loan officer in the collection of soft information and the delivery of relationship lending. However, transaction-based technologies where underwriting is primarily based on hard information. According to Beck, Aguilera and Schintz (2018) lending decisions based on soft information or a combination of soft and hard information (Ferri et al. 2019) are beneficial to borrowers especially during bad times. Hence, this consistent with Bolton et al. (2016) who referred to those soft information-based lending methodologies are important mitigating factors of crises. On the contrary, Fujimoto and Lee (2020) captured a situation faced by not-for-profit MFIs that the lending relationships are continually created and destroyed, and the lender seeks to maximize social welfare while being self-sufficient. In this regard, Aniket (2003) referred to two kinds of moral hazards in the credit market.

- Ex-ante moral hazard: lenders lack of information about borrowers between the time the loan has been disbursed and the borrower's project outcome has been realized,
- Ex post moral hazard: lenders lack information about the outcome of the borrower's project once it has been realized.

Because many MFIs face relatively high operating and administrative expenses compared with their revenues. The daily operations of MFIs are costly, especially, they engage in numerous small financial transactions. Each transaction requires face-to-face interaction with

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poor borrowers to evaluate their creditworthiness and monitor their use of credit (Fernando, 2006 as cited in Li, Hermes & Meesters, 2019). A study by Al Maaitah (2019c) concluded that credit risk, misusing the loan and high operational cost are amongst the main challenges face microfinance operations in Jordan. On the other hand, Zamore, Beisland and Mersland (2019) indicated that operating with many branches makes the institution more complex and probably weakens the monitoring ability of institutions. According to Worokinasih and Potipiroon (2019), MFI's emphasizing on monitoring the use of loans and timely repayment rather than making suggestions on how to improve enterprise business strategy and investment plans, thus making the effect of social capital less evident, Worokinasih and Potipiroon, added by continuous interactions between the lenders and borrowers may impose moral constraints on the latter such that they feel personally responsible for their actions.

According to Caserta, Monteleone and Reito (2018), successful borrowers are unable to reporting project failure. If borrowers had the opportunity to report no output, the MFI would have to design additional incentive mechanisms to induce truthful revelation. For example, one solution may be for the MFI to ex-post monitor project returns and impose sanctions to deter strategic default. Caserta et al. (2018) added, due to geographical proximity or the possibility to use moral sanctions, the MFI could use the threat of termination under sequential lending. For example, borrowers can be excluded from future access to credit when loans are not repaid. However, Croux et al. (2020) suggested that it would be interesting to consider the timing of default and not only its occurrence. A further example, Ghosh and Ray (2016) assume that risk-neutral borrowers were allowed only period contracts. Conversely, Poon, Thai and Naybor (2012) suggested that both the availability of a minimum loan as well as multiple loans is beneficial.

Similarly, Khalily, Faridi and Saeed (2016) showed evidence that households engaging in multiple borrowing are better off and do not have excessive levels of debt. Further, the presence of social, institutional, and commercial networks may facilitate the entrepreneurial process. For example, offering information on opportunities, entrepreneurial resources, and problem-solving support. Several studies stress the importance of networking to entrepreneurial development and its role at certain stages of the entrepreneurial process (Hoogendoorn, Van der Zwan &Thurik, 2019).

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2.7.4 Non-Financial Policy

In the microfinance domain, neoliberalism's dominant discourse framing development and women's empowerment programs are based on microfinance minimalism, whereas a counter-hegemonic discourse critiques this and proposes alternatives (Batliwala, 2007 as cited in Tanima, Brown & Dillard, 2020). Controversies persist between the minimalist and maximalist approaches (Bhatt & Tang, 2001; Morduch 2000 as cited in Lensink et al. 2018). Thus, some MFIs adopt the credit-plus model by bundling financial and non-financial services to clients which were believed to enhance clients' business success and thereby improve MFI's loan quality. The focus on the minimalist approach attributed to the low impact of the training programs and pressure to commercialize microfinance, also including 'plus' services will have a negative influence on MFIs' financial sustainability (Lensink et al. 2018).

According to Goldmark (2006) these 'plus' services are either Business Development Services (BDS) or social services that make usage of credit more productive. The BDS aims to boost competitiveness by improving productivity, product design, service delivery, or market access (Sievers & Vandenberg, 2007) and raise the general welfare of clients (Lensink et al. 2018). These include management or vocational skills training, technical and marketing assistance and social services such as health, nutrition, and education (Sievers & Vandenberg, 2007; Goldmark, 2006). Further Armendáriz and Morduch (2010) indicated that the poor need access to a coordinated combination of microfinance and other developmental services, to overcome their poverty. While proponents of minimalist (Yunus, 2007; Otero, 1994) believe that the poor do not need anything else than credit. A study by Biosca, Lenton, and Mosley (2014) indicated that the impact of microfinance 'plus' in general is very limited.

Micro insurance has recently been considered a promising tool to protect poor individuals from important shocks (Platteau, De Bock, & Gelade, 2017). Hence, micro-insurance enables the poor to cope with unpredictable and irregular incomes, while also preparing them for financial emergencies that threaten their livelihood (Adhana & Saxena, 2017). The bundle of products (financial education and health programs) associated with credit can help to protect borrowers from future shocks and foster investment in productive activities (Banerjee et al. 2013 as cited in Bauchet et al. 2018). Microcredit benefits to the poor are enhanced and sustained if the poverty trapping risks are covered with micro insurance (Akotey & Adjasi, 2016). Moreover, Jones and Investor (2018) emphasized that micro insurance policies not

only protect farmers from the yield loss but exclude processors or retailers who may also adversely affected by yield loss. According to Baker and Simon (2010) the risk of lending to the poor is not simply that of lower-income, but also of higher death rates. Life insurance becomes a mechanism for lenders to both take the risk of lending to the poor, while simultaneously managing this risk. A study by Platteau, De Bock, and Gelade (2017) indicated that the low voluntary demand from clients indicates a lack of understanding of insurance, better educated clients may have a better understanding of the insurance product.

A study by Hameed, Mohammad and Sahar (2018) found that training/skill development and social capital are the key elements to enhance women's empowerment. The impact of providing non-financial services such as business training, agricultural training, and education was found to have a positive impact on recipients. A study by Al Maaitah (2019d) showed a positive effect of non-financial policy on women`s income and employment. On the other hand, Islam and O'Gorman (2019) found that business training has large effects on income per capita and entrepreneurship in some countries, for other countries the effects are large and negative. A review on entrepreneurship training research by Al Maaitah (2017) concluded that intangible investments and the use of knowledge are becoming essential for women's financial wellbeing and economic prosperity. Conversely, Agbeko et al. (2017) found that training interventions fail to improve loan repayment rates. Similarly, Caserta, Monteleone and Reito (2018) indicated the uncertainty of the effectiveness of training programs, and they conclude that the magnitude of their impacts has been rather small.

Suryadi et al. (2020) indicated that borrowers participation in learning program improve the loan beneficiaries' earning power and employment creation capacity. In this sense, typical rural entrepreneurship was more interested in employing low or even uneducated than were higher educated people. According to Hameed et al. (2017), training has a significant positive effect on microenterprise success. On the other hand, Huis, Lensink and Hansen (2019) indicated that training improves three aspects of women's empowerment: increased control beliefs and intra-household decision-making power (only on larger expenditures), and decreased relational friction. Further, Hameed et al. (2017) showed that education mediates the relation between microfinance factors and microenterprise success. Therefore, education enhances the positive effect of microcredit and micro-training on microenterprise success

It clear that the previous studies don't examine the direct effect of microenterprise policies on women empowerment, rather it examines the effect of microenterprise policies through other channels such as business expansion, business yield and borrower's repayment capacity.

2.8 The Impact of Microfinance: Paradoxical Results

The impacts of recent studies have raised doubts about the effects of microcredit on the empowerment of women and lifting poor borrowers out of poverty. Other studies addressed whether microfinance reached the core of the poor or improved the well-being of the better-off poor (Hermes & Lensink, 2011). It was referred to as the paradoxical results of the microfinance as the "impact-paradox" (Garikipat, 2008). That means some findings indicated that microfinance help empowers women and reduce poverty, while others claimed that no impact of microfinance on women's empowerment. Similarly, Dahal and Fiala (2018) found that the current evidence for the impacts of microfinance has either been misinterpreted by critics of microfinance or is very weak. Researchers have not been able to find massively transformative impacts from microfinance. Contrary, Cull, Demirgüç-Kuntand Morduch (2018) found the modest social and economic impact of microfinance.

In the empirical literature, microfinance has been proved to have an impact on borrower's income, expenditure, and accumulation of assets, as well as non-financial outcomes including, education, job creation, and social cohesion (Van Rooyen, Stewart & De Wet, 2012). Research by Meager (2018) found that microcredit access, in general, does not transform the lives of poor households in measurable ways, the impact of microcredit is positive but it's small in magnitude, he added in the meantime, there is little evidence that microcredit causes over-indebtedness or destroys livelihoods due to credit bubbles. A study by Raihan, Osmani and Khalily (2017) estimated that microfinance has added somewhere between 8.9% and 11.9% to the GDP of the country depending on the assumptions made about the working of the labor market. The contribution to rural GDP is even higher between 12.6% and 16.6%. While Roodman and Morduch (2009) criticized microcredit programs that the net impact of microcredit is negative. Likewise, Banerjee et al. (2009) found there is no impact of microfinance on women empowerment or poverty reduction neither on income or asset but it can decrease expenditure on tempting goods like cigarettes and alcohol.

Magezi and Nakano (2020a) didn't observe an increase in the borrowers' school expenditures. Similarly, Nakano, and Magezi (2020b) observed that credit did not increase total household

income or income from other sources, such as other crop income, livestock income, and business income. Further, there is no rigorous evidence that microcredit positively affects wealth indicators like income and/or consumption (Angelucci, Karlan, & Zinman, 2013; Armendáriz & Morduch, 2010; Banerjee et al. 2015; Karlan & Zinman, 2011). Moreover, Sultana, Jamal and Najaf (2017) concluded that that microfinance brought knowledge and social empowerment than economic empowerment. Al Maaitah (2016) reviewed income-generating programs in many countries; results were positive concerning income increasing and employment creation. A study by Garikipati et al. (2017) found that 'instant loans' support women's bargaining power in various types of household financial decisions, whereas 'planned loans' have no impact. Factors that affect financial empowerment are characterized by heterogeneous nature; it was found in Pakistan that being in a higher loan cycle affects the ability of a female borrower to decide how to use the loan. Thus, the decision on how to use a loan is a crucial indicator of financial empowerment. It cannot be said that a one-term microloan affects empowerment.

Scholars reach different conclusions regarding microfinance, and women's empowerment with the former emphasizing microfinance as a disciplinary tool and the latter as a means for transforming women into active, engaged citizens (Alawattage et al. 2019; O'Leary, 2017 as cited in Tanima, Brown & Dillard 2020). A study by Ashraf et al. (2010) showed that there is a positive effect of the female share of income on their decision power which has a multiplier effect on investment in education. However, theoretically, it is ambiguous to assume that providing income alone to women can improve their status in households. A study by Addia (2017) indicated that there is a statistically significant positive relationship between microfinance and women empowerment in Ghana, for both economic and social dimensions but such a relationship is dependent on the marital status and educational level of the women.

Moreover, Bernard et al. (2020) indicated that an individual who earns income or asset affect outcomes of household decisions. Research by California Association for Micro Enterprise Opportunity (2020) confirmed that from 2004 to 2010, U.S. very small businesses (1 to 4 employees) created a net of 5.5 million jobs. Research by Akram, Shaheen and Kiyyani (2015) examined the impact of microenterprise in India on three dimensions of socioeconomic empowerment including freedom of movement, economic empowerment, and social uplift, findings showed that microcredit schemes are uplifting the living standards of females and contributed to their socio-economic empowerment. Whereas the impact was

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slightly low for social uplift, better for freedom of movement, and positively contributed more through economic freedom.

2.9 Microfinance and Women Empowerment in Jordan

2.9.1 Economic Indicators of Jordan

Jordan is classified as a lower-middle-income country by the World Bank, GDP per capita (current US Dollar) 4278 in 2018 (World Bank, 2019a). The poverty ratio was 15.7 % in 2017 (Department of Statistics, 2019a). In 2019 Jordan's economy continued to drift around a tepid 2.0% growth rate which is not sufficient to tackle some pressing socio-economic issues, such as a low labor force participation and high unemployment, particularly among women and youth. The economy of Jordan faces many impediments include: The high fiscal deficit (including grants), the account deficit is projected to widen from 2.8 % of GDP in 2019 to 5.0 % in 2020 (World Bank, 2020b). Table 2.6 shows Jordan selected economic indicators

Table 2.6: ***Jordan Selected Economic Indicators***

	2017	**2018**	**2019e**	**2020f**
Real GDP Growth (at Constant Real Prices/Annual percentage change)	2.1	1.9	2.0	-3.5
Inflation	3.3	4.5	0.8	0.5
Percent of GDP				
Total Revenue and Grants	25.7	26.1	24.7	22.9
Total Domestic Revenue	23.3	23.2	22.2	19.7
Tax Revenues	15.9	15.8	15.5	13.9
Non-Tax Revenues	7.4	7.4	6.6	5.8
Grants	2.4	3.0	2.5	3.2
Total Expenditure Incl. Use of Cash	28.2	29.8	29.4	30.1
Current Expenditure	24.5	25.4	25.5	27.2
Capital Expenditure	3.7	3.2	2.9	2.9
Fiscal Balance	-2.2	-3.4	-4.7	-7.2
Primary Balance	0.7	0.0	-1.0	-3.0
Annual percentage change				
Current Account Balance (% of GDP)	-10.8	-7.0	-2.8	-5.0
Exports	-0.5	3.1	7.3	-16.0
Imports	6.1	-0.9	-4.8	-10.6
Travel Receipts	14.7	13.2	10.2	-40.0

Worker Remittances	0.3	-1.1	0.9	-15.0
Public Debt (% of GDP)	94.3	94.4	99.1	110.8

Source: World Bank (2020). *Jordan Economic Monitor, Weathering the Storm. June, 2020*
Available at https://www.worldbank.org/en/country/jordan/publication/jordan-economic-monitor-june-2020
Note: e=estimate, f=forecast.

2.9.2 Microfinance Providers in Jordan:

There are four main categories of microcredit service providers in Jordan (Saqfalhait, 2011):

1. Subsidized credit providers: includes all the government and quasi-government organizations, government institutions including Development and Employment Fund (DEF), Ministry of Social Development, and Agricultural Credit Corporation (ACC)
2. Private institutions :
    - Market-oriented microfinance institutions (for-profit): these include Middle East microcredit company (MEMCC), Ahli Microfinance Company (AMC), Ethmar, and Finca.
    - Non-profit private institutions: these include Noor al Hussain Foundation, Hashemite Jordanian Fund (JUHOD), Jordan Valley Foundation, Micro Fund for Women (MFW), Jordan Microcredit Company (Tamweelcom), National Microfinance Bank.

3. Non-Government Organizations (NGO`s) include UNRWA.
4. Financial institutions include Cairo Amman Bank.

2.9.3 Regulatory Framework

The microfinance sector in Jordan includes structured quasi-governmental organizations (NGO), non-profit, for-profit companies, and financial institutions. The largest microfinance providers are registered as non-profit companies (Sanabel, Microfinance Industry Profile, 2009). Since mid-2013 the Central Bank of Jordan (CBJ) has taken the lead in regulation and supervises of the microfinance sector. Tanmeyah network which was formally registered as a non-profit institution at the Ministry of Industry and Trade in 2007 was incepted to become the official representative for microfinance institutions MFI`s (Central Bank of Jordan, 2017).

2.9.4 Source of Funding

MFI's in Jordan have a diverse funding base, financing their portfolio with a mix of debt and equity, the former coming from local banks, international microfinance investment vehicles, and to a more limited extent the Development and Employment Fund (DEF). Financing from banks continues to be primarily in the form of overdraft facilities. Under the current regulation deposit mobilization is not an option for MFI's as a source of self-financing. MFIs can cover the cost of their debt funding through their pricing policies as a forward-looking path for MFI's to transform into specialized deposit-taking (Ministry of Planning, Microfinance National policy, 2011).

2.9.5 Local Studies on the Impact of Microfinance on Women in Jordan

This section presents the empirical results of local studies in Jordan on the impact of microcredit programs on women empowerment as follows:

A study by Al Abadi (2013) showed that most women borrowers are married in the age group (40-50 years), and hold secondary education, she also revealed that the major difficulties women start-ups faced the lack of marketing channels, competition, high prices of primary materials and little capital, she also found that microenterprise help to create jobs for women, improving their social status and self-esteem. Another study by Kharouf and Hadidi (2011) showed that microenterprise schemes had a positive impact on women's social and economic empowerment, improving women's decision-making power, and enhance self-confidence. A study by Kharouf and Masuod (2014) found that women entrepreneurs' who receive training programs are more able to succeed in managing their enterprises. A study by Kharouf (2008a) showed that microenterprises scheme improves the economic wellbeing of women and their families and enhances their self -confidence. Another study by Olaimat and Louzi (2008) found that rural women faced difficulties in collaterals, marketing and selling their products, and finding guarantors, the study also revealed that micro lending have a little positive impact on women income as well as creating employment and it improves the social status of women within their households and communities.

A study by Jankat (2001) showed that microenterprise schemes enhance the social status of women, strengthen their social interaction with community members, and increase their decision making power. Al Maaitah (2018) analysed secondary data for 88,054 microentreprenures chosen from Micro Fund for Women (MFW) in Jordan in the period

(2011-2017). Findings indicate that there is no significant effect of the entrepreneurs' characteristics on loan allocation. Hence, variables such as gender, years of formal education, and nationality have no significant effect on MFW disbursed loans. Research by Zyoud (2007) found that microfinance schemes had a positive impact on rural clients, increasing their economic wellbeing and increasing income, improve the education of family members, and increasing women's self-confidence. In contrary, Hamdan (2016) indicated that the educational level of beneficiaries is not related to the sustainability of the enterprise, she also found out that most of the women beneficiaries are married, she added microenterprises schemes didn't contribute to achieving the economic development in Jordan because it has reached to stagnant level and it enables the poor just to survive not to thrive.

A study by Kharouf and Wledat (2019) showed that microenterprise contributed positively to enhancing self-confidence of women entrepreneurs', increasing income, and achieve self-efficacy, they added, the main driver for women empowerment are their personal traits such as persistent and determination. Research by Hourani (2009) pointed out that micro lending has a positive effect on beneficiaries through generating more income, increasing self-confidence, and increase spending on education, however, the rate of increase in income tends to taper off after an initial surge, suggesting a need for investment in new markets beyond those traditional activities in which most borrowers were engaged. A study by Khamash, Khazaai, and Sarhan (2014) emphasized that microenterprise schemes change the stereotypical image of women in Jordanian society and enhance self-esteem. A study by Al Mahrouq and Maqableh (2006) indicated that micro and small enterprises have a crucial role in the national economy because of their potential to create jobs and mitigate unemployment.

2.10 Summary

Prior studies in the field were focused on women's empowerment and have shed light on the significance of women's empowerment as an essential discipline in empowerment studies. However, the present study examine the impact of microenterprise policies (lending, profitability, monitoring, and following up and non-financial) on women's economic and social empowerment in Jordan. Additionally, it examines to what extent microenterprise policies contribute to empowering women economically and socially.

This chapter presented the theoretical framework underlying the research model employed in the study. There are eight research hypotheses developed from the model. This chapter

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presents several definitions of women empowerment, identifies its determinants, and shows the multifaceted process and contextual nature of women empowerment. Additionally, it shows the relationship between microenterprise policies and women empowerment.

The literature review clearly shows the scarcity of studies that examine the direct relationship between microenterprise policies and dimensions of empowerment (social and economic); therefore, this study reveals the literature gap that needs further research.

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CHAPTER THREE
METHODOLOGY

3.1 Introduction

This chapter's primary goal is to provide a clear picture of the research design and the methodology adopted in the present study. This study adopts the mixed-method approach to investigate and understand the research objectives and questions. Additionally, testing the hypotheses which correspond to these objectives is presented. This chapter includes the following sections: research design with its two parts: 1) qualitative, and 2) quantitative, sampling methods, target population, sampling frame, sample size, questionnaire design, pilot study, and data analysis.

3.2 Research Design

Research design is the preliminary plan that specifies the procedures and methods for collecting and analyzing the needed data; any research design is established to provide directions and procedures within the three approaches qualitative, quantitative, and mixed methods (Zikmund, Carr & Griffin, 2013; Creswell, 2014). It also builds the structure of the research scientifically. In other words, the research design will systemize the research to explain how the current investigation will be conducted, and the objectives of the research will be achieved. It will collect the required data, and it will also articulate the methods that will be used and how the used approach will answer the research questions.

Triangulation refers to the application and combination of several research methodologies in the study of the same phenomenon. Triangulation is a positivist methodological strategy; the method designated by it functioned as a bridge between quantitative and qualitative epistemologies and helped researchers become more rigorous by allowing them to address methodological inferiority and answer questions that cannot be answered by other methodologies. However, the purpose of triangulation is not necessarily to cross-validate data but rather to capture different dimensions of the same phenomenon (Denzin, 2007).

According to Noble and Heale (2019), there are four types of triangulation: 1) data triangulation, which includes matters such as periods, space, and people; 2) investigator triangulation, which includes the use of several researchers in a study; 3) theory triangulation,

which encourages several theoretical schemes to enable interpretation of a phenomenon, and 4) methodological triangulation, which promotes the use of several data collection methods. According to Lincoln and Guba (2000), "No single item of information (unless coming from an elite and unimpeachable source) should ever be given serious consideration unless it can be triangulated" (p. 283)

This study adopted a triangulation research design combining quantitative and qualitative methods. According to Turner and Turner (2009), data triangulation involves using heterogeneous data sources, for example, qualitative and quantitative. Campbell and Fiske (1959) laid the foundations of methodological triangulation by identifying the multi-method technique as an essential tool to achieve validation and convergence. According to Weick (1969), "when multiple methods are applied, the imperfections in each method tend to cancel one another" (p. 21). This view reflects that using multiple methods produces more valid results as one method's strengths can offset another method's limitations (Jick, 1979; Scandura & Williams, 2000). It can assist the confirming of a hypothesis where one set of findings confirms another set. Triangulation can also help explain a study's results (Carvalho & White 1997; as cited in Noble & Heale, 2019). Using several different methods to investigate a phenomenon, we can increase the confidence we have in our conclusions (Bell, Bryman & Harley, 2018).

Triangulation also has been viewed as a qualitative research strategy to test validity through the convergence of information from different sources (Carter et al., 2014). Combining multiple research strategies provides a better understanding through opportunities to show convergent results in certain areas and through unique perspectives/angles that one or more particular methods can provide in other areas. Carter et al. added methodological divergence and commonality provide heterogeneity and depth of understanding, which fosters new theoretical insight (Turner, Cardinal & Burton 2017). There are different triangulation types, and they can be simultaneous or sequential (Casey & Murphy, 2009). This study had the triangulation simultaneously form; hence it deals with quantitative and qualitative approaches that suit the nature of the study. More specifically, simultaneous triangulation means the use of both quantitative and qualitative methods at the same time. There is a limited interaction during data collection between these approaches, but findings complement each other at the end of the research. This kind of method in both approaches deals with the problem itself (Morse, 1991).

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According to Morra-Imas and Rist (2009), mixing approaches can help strengthen the evaluation. This research design is better than using one single method without any variation. Additionally, the triangulation type of mixed method could be a suitable one for this study. The framework of the current research is designed to suit its objectives. The study aims to measure the impact of microenterprise policies on the social and economic dimensions of women empowerment in Jordan from the perspective of beneficiaries and managers of microlending institutions.

This study's nature is a cause-effect study; the research framework illustrates the casual relationship between microfinance policies and socioeconomic dimensions of women empowerment. The independent variable is the microenterprise policies, namely, lending, profitability, monitoring and following up, and non-financial policy and, the dependent variable is the social empowerment with its indicators (education and social status) and the economic empowerment with its indicators (level of income, and employability). The nature of empowerment raises particular challenges in interpretation. For this reason, the use of mixed methods—combining quantitative and qualitative techniques—is an intrinsic feature of a sound evaluation (Naryan, 2005). These two approaches are used to gather more information from the target population. The researcher illustrates the design and the implementation of triangulation-based mixed methods as follows:

3.3 Qualitative Research Design

This qualitative approach instrument is the in-depth interview (IDI) with several ten microfinance managers chosen purposively (list of participants in Appendix G). According to Fontana and Frey (2000), the IDI is one of the most powerful tools for understanding human beings and exploring topics in depth. IDI ranges from the structured and controlled to the unstructured and fluid and can elicit rich information about personal experiences and perspectives (Greenhalgh, Russell & Swinglehurst, 2005). IDI allows for spontaneity, flexibility, and responsiveness to individuals (Carter, Williford & LoCasale-Crouch, 2014). The researcher determines selecting this type of interview based on the best fit with the research questions and the study's purpose. Moreover, Ishak, Bakar, and Yazid (2014) mentioned that the interview protocol would have to be in-line with the research questions. The researcher would have to do some reflection process every time a data set is collected

from a sample, and this is a continuous analytical process that becomes part of the data analysis procedure.

Purposeful sampling is a technique widely used in qualitative research to identify and select information-rich cases for the most effective use of limited resources (Patton, 2002). According to Creswell et al. (2011), this involves identifying and selecting individuals or groups that exceptionally knowledgeable about the phenomenon of interest. Therefore, microfinance managers were chosen in this study; hence, they are the most informant and knowledgeable population who can provide an in-depth understanding of study findings; the study aims to get their judgment and know why they have these judgments. According to Ishak, Bakar and Yazid (2014) purposive or judgmental sampling is the more acceptable sampling procedure for qualitative research. Purposive sampling is useful in three situations: (1) when a researcher wants to select unique cases that are exceptionally informative, (2) when a researcher would like to select members of a difficult-to-reach, specialized population, and (3) when a researcher wants to identify particular types of cases for in-depth investigation.

Flick (2018) suggested that individuals or cases are selected as participants for a qualitative study not because they represent their population (and, therefore, generalizability) but due to their relevance to the research topic. According to Ishak, Bakar, and Yazid (2014), qualitative researchers rarely do not determine their sample size before their study, nor do they have vast knowledge about the population they are going to study. Qualitative methods place primary emphasis on saturation (i.e., obtaining a comprehensive understanding by continuing to sample until no new substantive information is acquired (Miles & Huberman, 1994 as cited in Palinka et al. 2015). Glesne and Peshkin (1992) suggested that the number of participants for a qualitative study could be determined by looking at the data during data analysis. If the repetition of stories occurs among participants and no new information is awarded to the researchers by any new participants, the data is reached a saturation point.

Data were collected by eliciting the testimonies of key informants via semi-structured interviews of 30-45 minutes, designed to encourage narratives from the points of view of participants so that, within the stories related, themes meritorious of consideration and analysis might emerge to investigate the role of microenterprise policies in socio-economic dimensions of women empowerment (Stake, 1995; Salkind, 2009). The semi-structured

interview is the most popular and used type in the qualitative approach (Stuckey 2013 as cited in de Souza, Neri & Costa, 2016). For conducting the interview, the researcher prepared a schedule including open-ended questions. According to de Souza, Neri, and Costa (2016), in quantitative studies, research questions are always specified before the study, in contrast to qualitative research that can emerge during the study, thereby progressively reaching the relevant issues to the study. He added the qualitative questions are sufficiently broad to allow specific exploration of specific experiences, events, artifacts, concepts, or other empirical or analytical issues that will become the focus of the study. Additionally, the semi-structured interview helps in probing that could be undertaking further and containing new avenues (Kvale & Brinkmann, 2009; Cohen, Manion & Morrison, 2013). Hence, the participants in this kind of interview will be encouraged to highlight new issues that could be raised during the interview (Dörnyei, 2007), which could help fulfil the study's goals.

The qualitative questions help the researcher not waste time on the research's incidental aspects while holding a steady course towards the conclusions and possible answers (de Souza, Neri & Costa, 2016). The chosen interview questions were also discussed with the supervisors and the colleagues to avoid many common mistakes. In this way, credibility will be achieved. According to Morrow (2005), the study's credibility will be fulfilled by the peer researchers' help and the participants' prolonged engagement. Also, the interview questions' validity is achieved by consulting ten experts in the same field to validate the interview's presented questions. This strategy strengthens the protocol questions of the interview and validates these questions. The interview was recorded since "the advantage of recording an interaction in this way is that the observer can see it several times before interpreting an interaction or drawing any conclusions from it and can also invite other professionals to view the interaction to arrive at more objective conclusions" (Kumar, 2011, p.136). The interview has five questions and sub-questions to achieve the study's qualitative objective (see Appendix A).

The qualitative data were analyzed by the following steps: Firstly, collecting the interview data by using field notes and a recorder. After that, these data and recordings were transcribed. Next, the researcher read through these transcriptions and then coded the data. Finally, these data were presented as themes and sub-themes in description form.

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3.4 Quantitative Research Design

The selection of an appropriate research methodology is crucial to the effectiveness of a research project. An appropriate research design is essential to determine the type of data, data collection technique, sampling, and methodology. Therefore, these research designs are considered very important in achieving the research objectives (Burns & Bush, 2002).

This study aims to utilize a quantitative research design to investigate the impact of microenterprise policies on women empowerment's socioeconomic indicators in Jordan. Quantitative research design is used because it helps the researcher thoroughly examine the large sample of respondents' opinions about the suggested phenomenon, and consequently, the researcher can take a specific perspective of human behavior. Lakshman et al. (2000) pointed out that the purpose of quantitative research is to test the cause-effect relationship; it can also test these results' generalization. Given that, the researcher used a survey to collect primary data. Sukamolson (2005) mentioned different advantages of using quantitative research such as:

1. Providing estimates of populations at large.
2. Indicating the extensiveness of attitudes held by people.
3. Providing results that can be condensed to statistics.
4. Allowing for statistical comparison between various groups.
5. Having precision is definitive and standardized.
6. Measuring the level of occurrence, actions, and trends.
7. Answering such questions as "How many?" and "How often?".

The questionnaire is a popular instrument for gathering a large amount of information, and it has been used as a data collection instrument by many researchers such as (Diagne, Zeller & Sharma, 2000; Ebimobowei, Sophia & Wisdom, 2012; Boateng, Boateng & Bampoe 2015; Babandi, 2011; Mosley, Olejarova & Alexeeva, 2004).

3.5 Methodological and Conceptual Challenges

According to (Gupta et al. 2019), there is difficulty in measuring empowerment, systematically measuring and tracking changes in levels of empowerment are not well established. Lombardini, Bowman, and Garwood (2017), referred it as the outcome *"hard-to-*

measure"(p.5). Most importantly, Richardson (2018) noted that the low progress that has been made toward women empowerment is due to methodological challenges and lack of innovations in measuring empowerment. As women's empowerment is a complex concept, measuring it poses several challenges for researchers as follows:

1. **Identification:** the lack of a clear definition of the concept, lack of direct indicators of all dimensions of women's empowerment, and lack of data on the individual, household, and community levels that reflect all dimensions of women's empowerment (Malhotra & Schuler, 2005 as cited in Prately, 2016). Additionally, the overlap between dimensions of empowerment (Malhotra & Schuler, 2005).

2. **Interpretation of the process:** the process of empowerment is essentially qualitative (Sen, 1994). Even indicators such as women's participation in the economy are often inadequate as a means to capture this process (Oxaal & Baden, 1997). The assessment of the process is not only qualitative but also subjective (Kabeer, 1997).

3. **Multidimensionality:** the multidimensionality of empowerment in itself is problematic because indicators are aggregated in many different ways. Thus, it complicates comparability between studies and empowerment measures (Prately, 2016; Pratley & Sandberg, 2018). Some authors choose to disregard the multidimensional nature of the empowerment and aggregate all indicators into one index (Brunson, Shell-Duncan and & Steele, 2009; Do & Kurimoto, 2012; Upadhyay & Hindin, 2005).

   This approach has been critiqued as it might mask differential contributions of specific dimensions and empowerment indicators (Malhotra & Schuler, 2005 as cited in Ghuman, 2002). However, disaggregation into single indicators has also been critiqued as a single indicator is insufficient to measure full dimensions of empowerment (Estudillo, Quisumbing & Otsuka, 2001 as cited in Malhotra & Schuler, 2005; Naryan 2002 as cited in Prately, 2016).

4. **Contextual dependence:** context varies not only across sociocultural settings but also within settings over time, as the behavioral and normative frontiers that give meaning to particular behaviors evolve (Naryan, 2002).

5. **Difficulty in measuring decision making directly:** women's preferences may reflect society's views about gender rather than their valid preferences. Even though women's preferences are an essential component of empowerment, measuring preferences alone may not always entirely reflect women's ability to make a meaningful choice. (Glennerster, Walsh & Diaz-Martin, 2018).

3.6 Sampling Methods

This section provides a discussion on the population, sampling frame, sample size, and distribution of the questionnaire to respondents as follows:

3.6.1 Population

The target population of the study is all women micro entrepreneurs' who received microloans for entrepreneurial activities. This study selected women for several reasons: Firstly, microcredit institutions specifically target women in their lending. Secondly, women are the most knowledgeable group who can give the correct information regarding the impact of microenterprise policy intervention on their socioeconomic wellbeing; hence they are influenced by the conditions under which the loans are provided and can feel the gains from joining microfinance programs. Thirdly, women consist of 49.38% of the population of Jordan. Thus, from their perceptions, we can get information about Jordanian women's current situation based on the questionnaire designed by the researcher.

3.6.2 Sampling Frame

The sampling frame is a list of items in the field of population research (Sekaran, 2003). The sampling frame for this study consists of all women microentreprenures who received microloans up to 20 000 JOD[4] for entrepreneurial activities in the period 2015-2016. In this study, the sample included 700 women microentreprenures. The sampling procedure involves a geographical stratification according to the three main regions in Jordan: north, central, and south to ensure the sample's homogeneity and representative. The stratification was done according to the number of women beneficiaries. To control for non-random program placement the researcher randomized the order in which the program expands over the Jordan areas. The highest number of beneficiaries served were found in the south region (31321),

[4]1 JOD =1.17 EUR, On 28th January 2021

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while (10875) in the north region, and (4766) in the centre region. Table 3.1 illustrate the research samples and population size.

Table 3.1: ***Research Sample and Population Size***

Region	Population Size	Sample Size
North	10875	162
Centre	4766	71
South	31321	467
Total	46962	700

Data were requested by conducting personal visit to the leading microlending institutions in Jordan, namely (Development and Employment Fund, Micro Fund's for Women, and the Agricultural Credit Corporation). Those institutions were chosen because they are the oldest lending institutions in Jordan and due to the significant role they played compare with other actors in the credit market in terms of their market shares. The researcher requested them to access their internal data source, program records, and documents. These records are kept in their management information system. Decision-makers in the concerned institutions cooperated with the researcher because they interested in the findings of the study; however, the researcher faced resistance from Micro Fund for Women staff, but the resistance lowered by a discussion with the administration about the importance of their support to complete the survey.

Data identified the number and characteristics of female borrowers, type of loan product, loan size granted, sector of the enterprise, location of the enterprise, address of the borrower and mobile number. The sample of female borrowers was taken either married or unmarried, with age groups from 18-65 years and taken from all educational level; cover the three main regions of Jordan: north, central, and south to capture rural and urban areas. The researcher entered the data, processed, and coded, and compiled the data.

The sampling techniques based on probability technique allow the whole target population to obtain the same opportunity to have opted in the research (Awang, 2010). The strategy for choosing participants involved using a randomizing technique to ensure that the intervention itself caused any empowerment outcome differences. A three-stage procedure was applied.

First, the researcher obtained the individual files containing names and personal records of each women-loan recipient. In the second stage of the sampling, a blindfolded person randomly selected the required number of participants from the pool of files for each region. Third, the researcher contacted females who were chosen randomly in their various communities to fill out the questionnaire.

3.6.3 Sample Size

According to Sekaran (2003), it is appropriate for quantitative research to have a sample size that is larger than 30. According to Scheaffer et al. (1979; 1986), to determine the size of any study sample, some information is required concerning the size of the population, the desired error level (e.g., 5%), and the desired level of confidence (e.g., 95%) as shown in Table 3.3.

Institution`s records reported that 46962 women received microloans for entrepreneurial activities in Jordan in the period 2015-2016. Therefore, the sample size of a population is more than 40000. This study included about 380 women as displayed in Table 3.2 (Krejcie & Morgan, 1970; Cohen, 1969; 2013).

The sample size could also be determined using confidence level (Vokell & Asher, 1995, p. 241). Based on this assumption, 380 sample size is suggested at a 95% confidence level and 5% margin of error. The next step is to determine the number of questionnaires to be distributed to obtain 380 samplings based on the number of samples used in the previous studies, which indicate a response rate of 45% (Wilkins, 2005; Hede & Thyne, 2007). Thus, based on this percentage, 700 respondents (women) are needed.

Table 3.2*: Determining Sample Size of a Given Population*

N	S
20000	377
30000	379
>40000	**380**

N= population size, ***S*=** sample size

Source: Sekaran (2000 & 2003)

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Table 3.3: ***Determining of Sample Size Based on Confidence Level Interval and Margin of Error (Accuracy)***

Accuracy: Margin of Error (%)	**Confidence level**		
	90%	***95%***	***99%***
± 10	68	96	165
± 09	84	118	204
± 08	106	150	258
± 07	139	196	332
± 06	189	267	459
± 05	272	**380**	660
± 04	425	600	1,032
± 03	756	1,068	1,835
± 02	1,072	2,401	4,128
± 01	6,808	9,604	16,512

Source: Vokell & Asher (1995, p. 241)

3.6.4 Sample Size Requirements for (SEM)

The minimum requirement of sample size may vary depending on statistical techniques employed. The statistical techniques with minimum sample size requirements are presented in Table 3.4.

Table 3.4: ***Statistical Techniques with Minimum Sample Size Requirements***

Statistical Analysis	**Minimum Sample Size**
Structural Equation Model (SEM)	• Sample size as small as 50 can provide valid results (Hair et al. 2006).
	• Recommended minimum sample sizes of 100-150 to ensure stable Maximum likelihood estimation (MLE) solution (Hair et al. 2006).
	• Sample size in a range of 150 - 400 is suggested (Hair et al. 2006).

Source: Hair et al. (2006)

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3.6.5 Distribution of Questionnaire to Respondents

The researcher chose a random stratified sample consist of 700 respondents (women) from three regions: Southern, Central, and Northern of Jordan. Meaning that 162 women were chosen from the north region (700*10875/46962 = 162), 71 women from the centre region, and 467 women from the south region. The questionnaires were distributed by hand to all women micro-entrepreneurs who received microloans for entrepreneurial activities. To ensure that there is a reasonable response rate from respondents, a few steps were taken into account: (a) the questionnaire was self-administered, which enable the respondents to give better response, (b) reminding the respondents of the importance of the survey, (c) a team of ten research assistance was participated in distributing and collecting the questionnaires.

The study protocol and best practices of research design followed in this study guide and govern how this study was conducted. Sample representativeness is ensured through the following:

1. Microlending institutions chosen in this study are the leading microfinance service providers in Jordan in term of number of borrowers served.
2. The proportionate stratified sample assures that the study estimates are unbiased. Often lack of representativeness comes from sampling error and biases.
3. Randomization ensures that each member of the population has the same probability of selection.
4. Larger samples tend to be more representative; hence, larger sample size is necessary to detect the impact with minimum tolerance error
5. Good response rate is an indicator that the sample is not biased
6. Self-Administered questionnaire, the researcher put further efforts to distribute the questionnaire by hand to the participants to ensure the individuals represent the target population.

3.7 Questionnaire design

According to Dörnyei (2007), a questionnaire is the most applied and popular instrument in social sciences. In the current study, the questionnaire (see Appendix A) was designed in line with the objectives, problem, and hypotheses of the study to measure the effects of microenterprise policies on women's economic and social empowerment in Jordan.

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The items were chosen to capture relevant dimensions such as the income earning capacity and control over income earned, economic participation, socio-cultural, inter-personal outcomes, agency and decision-making, educational attainment, and participation in social life, self-confidence, and freedom of mobility. These items also measure different dimensions, namely, personal, relational (concerning relevant others such as a spouse, family, and community), and societal (at the larger social context). These item indicators are chosen to reflect specific, concrete actions of power relationships and are meaningful within the Jordanian context. Therefore the items used in the current study instrument are different from those used in any other instrument. According to Kabeer (2011) tailoring, a survey depends on the local context and as a result, tended to drop variables that did not appear relevant or significant: the questionnaire is employed to collect information to help in achieving the research objectives. According to Kabeer (1997), program evaluators, rather than relying on their judgments about what is of value, should judge the process of empowerment as having occurred if it is self-assessed by women themselves. The questionnaire is divided into three parts:

- Part one consists of twelve demographic variables included in the instrument which use a nominal and ordinal scale such as age, marital status, education, place residence, family members, experiences before establishing the project, purpose of loan financing—the details of demographic variables as found in (Appendix B).
- Part two-measure policies of micro-lending institutions: This dimension consists of the following variables:

a. Lending policy: includes seven items, respondents ranked their responses based on Likert scale, on statements: loans provided on diversified sectors, different age groups, customized loan size, lending policies are gender-biased, focus on alleviating poverty and unemployment, lending is based on economic and social studies with flexible grace periods, the staff involved in lending activities are qualified and received the appropriate training.

b. Profitability policy: includes seven items, respondents ranked their responses on the statements such as interest rate incurred on loans delivered are high, or collaterals are required, and loans can be rescheduled in case of defaults, the institution use efficient collection methods, focus on installment payment more than tracking enterprise success, and it focuses on accessing different regions to ensure profitability, the institution invest revenues in profitable aspects, and the client's property can be confiscated in case default.

c. **Monitoring and following up policy**: including eight items, respondents ranked their responses on statements like the institution follows up enterprise progress with a focus on profit yield, the institution conduct field visit to make sure that the enterprise asset exists, the institution consider the challenges faced by clients, the institution provides consulting services in case of low yield-enterprise, the client can renew the loan in case of enterprise success, there is the team responsible for monitoring and screening clients regularly, the institution facilitate networking opportunities and whether the institutions have accountability policy in case of changing the purposes of the loan.

d. Non–financial policy: including six items, respondents ranked their responses on statements such as the institution enhancing entrepreneurial spirit and self-reliance, it helps to facilitate marketing channels through organizing exhibitions, and it helps borrowers to advertise and promote for their products, and it provides quality assurance certificate for promising enterprises, the institution provides insurance service such as (life and health insurance or crop insurance). Additionally, the institution providing entrepreneurial training and awareness-raising, the institution supports and encourages entrepreneurs and their households socially (for example, by providing educational grants)

-Part three measures women economic and social empowerment (dependent variable), which consists of two dimensions:

a. Economic empowerment included two indicators (income and employability):

As the researcher is interested in examining whether microfinance policies contribute to improving women's social and economic well-being and lifting them out of poverty, legitimate poverty indicators established by global institutions such as United Nations were used in this study. Through extensive field-testing by various development institutions, the poor usually do not know precisely how much they earn, but they do know how much they spend in a day, a week, or a month (United Nation Population Fund, 2002). The economic indicators of women empowerment were used as follows: First: improving the income using five items: creating income through the enterprise, increasing expenditure, achieving financial self-sufficiency, increasing investment, and support the family financially. Expenditure per day was used to reflect how much money the poor earn; thus, the researcher will measure the improvement in income by borrowers' ability to buy what they want, the capability to invest, and financial–self-sufficiency supporting family or friends financially.

The second outcome variable is employability consist of 5 items: the project contributed to the creation of employment opportunities, increasing the number of employees working at the microenterprise, recruiting employees for promoting enterprise product's, choosing employees from remote areas, and choosing employees with a university degree. Existing literature on employment effects of microfinance differentiates between effects on self-and wage-employment. In this study, self-employment includes creating a microenterprise and moving from non-employer to employer by growing an enterprise in terms of employees (Erhardt, 2017).

b. Social empowerment included two indicators (education and social status). This study measures social empowerment using two indicators: a) education, which consists of 5 items, to assess the extent to which clients and their children access to formal schooling, increasing enrolment rate of children in school, developing the female's borrowers financial literacy or help them to enrol in university or college, and b) social status consists of 9 items such as increasing self -confidence, the ability of female borrowers to have more decision power in the family in terms of son marriage and participation in the community life (Mason & Smith, 2003; Alsop, Bertelsen & Holland, 2006).

To ensure content validity, the questionnaire was translated via a double-back translation procedure since the study involves both Arabic and English speakers. First, the English version was translated into the Arabic language by two academics (see Appendix A). Later the Arabic version was re-translated into the English language by other academic staff. The questionnaire was written in the Arabic language to make it easy to be understood by the Arab respondents. The questions were designed to be short, simple, and comprehensible to avoid ambiguous and double-barrelled questions (Kassim, 2001). Appendix A presents the research questionnaire in both languages, accompanied by an opening instruction to the respondents

3.8 Questionnaire Scale

For this study, Likert scales were used to measure the responses since this scale is widely used and has been extensively tested in social science (Garland, 1991). However, no exact rule indicates the suitable number that should be used (one to five-point Likert scales or one to seven-point Likert scales). However, researchers indicate that a seven-point scale is just as good as any other scale (Finstad, 2010; Diefenbach, Weinstein, & O'Reilly, 1993; Al Muala, 2011) that it may reduce confusion to the respondents. Therefore, to ensure consistency

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among the variables and avoid confusion among respondents, all items were measured using a one to seven-point Likert scale. The researcher used seven-point Likert scales for measuring all variables in this study from (1) Strongly disagree, (2) Disagree, (3) Disagree somewhat, (4) Undecided, (5) Agree somewhat, (6) Agree, (7) Strongly Agree.

Many researchers used and applied this seven-point numerical scale for data collection (e.g., Batool, Batool & Fayyaz, 2017; Barringer et al. 2017; Hunter, Jason & Keys, 2013). Also, cultural differences among women require more options than giving them only five numerical scales as presented in Table 3.5.

Table 3.5*: Seven Point Numerical Scale*

Scales	Strongly Disagree	Disagree	Disagree somewhat	Undecided	Agree Somewhat	Agree	Strongly Agree
Code	SDA	DA	DSW	UND	ASW	A	SA
Items	1	2	3	4	5	6	7

Source: Hair et al. (2016)

The main advantage of a seven-point scale is its ability to detect smaller differences among responses of women. This scale was used throughout the questionnaire, where the statement required respondents to choose from the options.

3.9 Pre-Test

Before using the Arabic and English versions of the questionnaire in the primary survey, the first pre-tests were conducted in the mid of June 2018 to help develop this questionnaire to ensure a correct translation of the instrument and avoid confusion. The pre-test questionnaire was sent to 14 experts' panels headed by Dr. Ayed Al Muala and Dr. Eyed Kanfer in Business College and lecturers in the University of Jordan to ensure that the two versions of the questionnaire matched as closely as possible (list of participants in Appendix G).

After conducting the first pre-test, some sentences were found to be inconsistent in Arabic and English. Thus, the questionnaires were collected and sent back to the translator for the second correction. A final (second) pre-test was conducted on the final translation copy of the questionnaire by the same panel at the University of Jordan.

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3.10 Pilot Study

According to Saunders et al. (2003), it is always useful to carry out a pilot study before data collection. A pilot study is not a pre-test, but it is used more formatively to help the researcher construct pertinent lines of questioning (Yin, 1994). This pre-test should be done by checking the questionnaire on a small sample of the subjects through the pilot study. If the researcher does not get the opportunity to do so, she/he can test the questionnaire on colleagues and friends. The purpose is to achieve a flawless questionnaire to make it possible for the researcher to make all the necessary modifications after the pilot study.

The researcher would also have sufficient time and space to perform a trial analysis on the sample of the pilot study and validate it. The purpose of the pilot study is to check the reliability, validity, and viability of the research instrument and determine the time needed for conducting the main study. Having piloted the main study, the researcher would have the time to make changes and modifications before conducting the main study.

Before deciding on the actual instrument to be utilized in this study, a pilot study was conducted using a convenient sample. Sekaran (2000) indicated that a pilot study is performed to correct any instrument's inadequacies before data collection. The researcher discussed with the respondents any confusion they felt while they were completing the questionnaire to identify difficulties in wording and translation. The reliability test for each instrument was calculated using the pilot study data.

In this regard, the researcher piloted the main study in June 2018. The questionnaire was given to a sample of Jordanian women consisting of 30 respondents and conducted in Amman. Then, the researcher checked and revised the questionnaire for any inadequacy that may have emerged when the respondents answer the items. After that, the data were analyzed using SPSS for reliability. Table 3.6 below shows the reliability coefficient (Cronbach's Alpha) for multiple items used in the pilot study.

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Table 3.6*: Reliability Coefficient for Multiple Items in Pilot Study (n=30)*

Variable name	No. of items	Cronbach's Alpha Pilot/30
Lending Policy	7	.89
Profitability Policy	7	.81
Monitoring and Following up Policy	8	.77
Non –Financial Policy	6	.78
Income	5	.86
Employability	5	.80
Education	5	.75
Social Status	9	.85
Total	52	

Source: Own Work

As shown in Table 3.6 above, each construct shows Cronbach's alpha readings of acceptable values of above .60 (Hair et al. 2006). A reliability value for all constructs ranges from 0.75 to 0.89. This indicates that all constructs have acceptable internal consistency. Thus, the final actual distribution was conducted without any modification, as explained in the distribution method.

3.11 Data Analysis Procedure

Data analysis involved steps such as coding the responses, screening the data, and selecting the appropriate data analysis strategy (Churchill & Lacobucci, 2006; Sekaran, 2000). Data screening was performed to identify data entry errors and examine how appropriately data meets the statistical assumptions, including descriptive statistics of variables, missing data, and treatment of outlier, response bias, normality, and homoscedasticity, multicollinearity, and reliability. For data analysis and hypotheses testing, several statistical tools and methods were employed from SPSS software version 19. Lastly, analyzes data by Structural Equation Modeling (SEM) using AMOS 24 software, including constructing validity.

3.11.1 Data Editing and Coding

After collecting the data, coding was required to be stored systematically (Zikmund, 2003). This procedure was done by using SPSS software version 19.0. Data were coded by assigning character symbols (mostly numerical symbols), and data was edited before it was entered into SPSS.

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3.11.2 Data Screening

Data screening involved several steps in making sure that data characteristics may not negatively affect the results. The data screening is significant as earlier steps influence decisions to be taken in the following steps.

3.11.2.1 Missing Data

There are many ways to treat missing data in previous studies, such as delete them, distributing missing data, and replace them (Kline, 1998; Tsikriktsis, 2005). The first important step in the data screening process is identifying the missing data. Respondents may refuse to answer personal questions about their income, age, or others. Likewise, some respondents may not be competent to respond because of a lack of knowledge of a particular topic.

3.11.2.2 Assessment of Outlier

The next step after treating the missing responses is examining outliers. Some reasons cause outliers such as incorrect data entry. In this research, a few cases of these errors were noted and corrected. The other reason is that observations within the intended population are extreme in their combination of values across the variables (Hair et al. 2006). One case of outliers was identified in this research, and their treatment is discussed next. An examination to detect univariate outliers was performed. Detecting univariate outliers was done on the observations of each variable through Amos 24 in the hypothesis model (Hair et al., 1998). In this study, 52 items were entered in SPSS 19.0, and so any individual with a Mahalanobis Distance (D^2) score which is greater than the Chi-square value of 52 items (χ^2 =89.27) would be considered a multivariate outlier (Hair et al. 2006). Thus, to make sure that there are no outliers in data, this study used Mahalanobis (D^2) score compared to χ^2 value. If $D^2 > \chi^2$, that case will be considered as an outlier and will be deleted from the dataset.

3.11.2.3 Descriptive Statistics

Descriptive statistics provides an abstract description of the main summary statistics. This analysis was used to determine the characteristics' of Jordanian women in three regions in Jordan. Descriptive analysis refers to transforming raw data into a form that would provide information to describe a set of factors in a situation that will make them easy to understand

and interpret (Kassim, 2001; Sekaran, 2000). This analysis gives an exact meaning of data through frequency distribution, mean, and standard deviations, which are useful to identify differences among groups; for all the variables of interest, the main descriptive statistics for women micro entrepreneurs included mean and standard deviation.

3.11.2.4 Assessment of Normality

In this connection, data should follow a normal distribution for most analyses to work correctly; normality will lead to a more robust assessment (Hair et al. 2006). After outlier tests, an assessment of normality was performed. To assess normality, skewness and kurtosis were used. According to Tabachnick and Fidell (2001), skewness refers to a distribution's irregularity, a variable whose mean is not in the centre of the distribution. On the other hand, kurtosis relates to the peakedness of a distribution. A distribution is claimed to be normal when the values of skewness and kurtosis are equal to zero (Tabachnick & Fidell, 2001). There are few clear guidelines about how much non-normality is problematic. Many authors such as Chou and Bentler (1995); Hu, Bentler and Kano (1992), suggested that absolute values of univariate skewness indices greater than ±3.0 seem to describe extremely skewed data sets.

3.11.2.5 Linearity and Homoscedasticity Test

The reason for testing linearity is that correlation represents only the linear association between variables, and nonlinear effects will not be represented in the correlation value (Hair et al., 2006). Hence, the scatter plot represents the relation between two metric variables portraying the joint value of each observation in the two-dimensional groups. Therefore, a scatter plot must show the dotted line that is the linear line.

According to Ghozali, Fuad, and Seti (2005), when the error terms variance (e) shows constancy throughout a variety of predictor variables, the collected data is claimed to be homoscedastic. In other words, it draws attention to the dependent variables that show equal variance transversely level within the predictor variables range. It presents a cloud of dots, if the non-homoscedastic model can be represented by a pattern such as a funnel shape, indicating greater error as the dependent variables increase.

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3.11.2.6 Multicollinearity

Multicollinearity refers to the condition in which the dependent variables are extremely correlated (Pallant, 2001). According to Hair et al. (2006), correlation values of any variable should be less than the recommended value < 0.80. While any correlation values that are more than 0.80 is considered as multicollinearity. There are two standard measures for testing multicollinearity: tolerance (R) value and the variance inflation factor (VIF) value, the recommended value of tolerance is 0.10 and for VIF is 10. Additionally, through the correlation matrix between every two variables in this study through Amos 24, the value of the correlation between every two variables should be less than .80 (Hair et al., 2006). The study will show the two tables of correlation matrix and assessment of Tolerance and VIF values in chapter Four.

3.11.2.7 Correlation

Pallant (2001) mentioned out that analysis of correlation is a statistical technique used to explain the strength and direction of the linear relationship between two variables. The correlation's degree is concerned to assess the strength and significance of a relationship between the variables. The perfect correlation of 1 or -1 indicates that one variable's value can be determined accurately by knowing the value of another variable. Moreover, the correlation value of 0 indicates the absence of the relationship between these two variables. Cohen (2013) offers a rule to clarify the strength of the relationship between two variables (r), as shown in Table 3.7

Table 3.7*: Cohen's Guideline of Correlation Strength*

r values	Strength of relationship
r = +.l0 to .29 or *r* = -.l0 to -.29	Small
r = +.30 to .49 or *r* = -.30 to -.49	Medium
r = +.50 to l.0 or *r* = -.50 to - l.0	Large

3.12 Reliability of Constructs

According to Nunnally (1978), reliability is "the consistency of a measurement or the degree to which an instrument measures, in the same way, each time it is used under the same

condition with the same subjects"(p.244). This study used the SPSS 19.0 software for determining internal consistency.

Reliability of the instrument reveals the range where the treatment variables confine the construct needed to be measured. This research used a sample of 30 women entrepreneurs in Amman to validate and confirm the research instrument's reliability. To achieve the instrument's reliability in this research, the researcher tested the instrument applying Cronbach's Alpha through the SPSS 19.0 model. The reliability was estimated above 0.60 which is acceptable for this research. The researcher also used it to test the internal consistency of the measurement instrument and determine the degree of reliability (Hair et al. 2006).

Additionally, construct reliabilities were also constructed, achieving satisfactory scores of greater than 0.5 (Hair et al. 1998). To establish the measurement's reliability, the researcher used a survey, and the reliability coefficient (Cronbach's alpha) was verified. Therefore, the reliability of the tests was accomplished. Another reliability test is composite reliability developed by Werts, Linn and Joreskog (1974), which measures a construct's reliability in the measurement model. The composite reliability is calculated by use of the following equation:

$$\text{Composite reliability} = \frac{(\Sigma s\tan dizedloding)^2}{(\Sigma s\tan dizedloading)^2 + \sum \varepsilon j}$$

(Source: Hair et al. 1998:624)

Also, a composite reliability index that exceeds 0.70 indicates satisfactory internal consistency (Hair et al. 1998).

3.13 Validity Test

Validity refers to the degree to which a research instrument measures the construct under exploration. According to Hair et al. (2006), the research instrument deployed in the survey may be reliable but not valid. Likewise, it cannot be valid if it is not reliable. According to Gay (1987), validity is the degree to which a test measures what it is intended to measure. Two types of validity measures are content and construct validity.

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3.13.1 Content Validity

Content validity relates to professionals' subjective agreement that a scale rationally emerges to reflect precisely what is supposed to be measured. However, establishing the content validity of the questionnaire items is done by several competent and experienced arbitrators who judged and measured the reliability of the questionnaire. The modification made in the questionnaire was under their recommendations and constructive comments. Therefore, in this research, content validity was strengthened through an extensive review of the literature.

A panel of experts checked the instrument's validity in the field of business and management at Zarqa University and the University of Jordan in June 2018. The panel consists of several experienced and renowned professors and Doctors in Business College. They judged the suitability and appropriateness of each item, their comments mainly revolved around some spelling and grammatical errors. According to Hair et al. (1995), there are also two other construct validity types: convergent and discriminant validity.

3.13.2 Construct Validity

Construct validity, or factorial validity, testifies how well the results have been achieved by employing the measure fit related to the theories in which the test was designed (Malhotra, 1998).The researcher should check the construct validity of the research and tapped the theorized concept. In this regard, the more construct validity is employed, the more validity can be constructed (Malhotra & Stanton 2004). Construct validity is of two basic types namely convergent validity and discriminant validity. This research deployed both types as follows:

3.13.2.1 Convergent Validity

Convergent validity is an important aspect that every researcher should consider when conducting his/her research. It refers to the specific construct that covers or shares a high proportion of variance (Hair et al., 2006). In other words, it validates the degree to which two measures that have the same concept are associated. Convergent validity can be checked through confirmatory factor analysis (CFA) to ensure that the factor loading of constructs is more than .30 (Hair et al. 2006).

3.13.2.2 Discriminant Validity

The other primary type of construct validity is discriminant validity; discriminant validity refers to observed constructs that should not be related to each other (Hair et al. 2010). It represents the degree to which items are differentiated amongst constructs or measure distinct concepts. Discriminant validity is assessed by examining the square of the correlation between the observed potentially overlapping constructs. Observed constructs should be loaded more strongly on their construct but not loaded on other constructs. Variance extracted (VE) is the "amount of (shared) or common variance among the indicators or manifest variables for a construct" (Hair et al. 2006, p. 584). To substantiate discriminant validity, VE should be more than .50, average variance extracted (AVE) is compared to the correlation square of the interrelated concerned variables (Fornell & Larcker, 1981).

The Average Variance Extracted (AVE) relates to the quantity of variance confined by the construct versus the amount due to measurement error (Hair et al. 2006). According to Malhotra and Stanton (2004), AVE should be greater than 0.50 to validate employing a construct. The AVE derived from the calculation of variance extracted using the following equation:

$$\text{Variance Extracted} = \frac{\Sigma(s\tan dardizedSMC)^2}{\Sigma(s\tan dardizedSMC)^2 + \Sigma\varepsilon j}$$

(Source: Hair et al., 1998, p. 624)

3.14 Structural Equation Modeling (SEM)

Structural equation modeling (SEM) is a powerful statistical approach for testing hypotheses about networks of direct and indirect theoretical causal relationships in complex data set with intercorrelated dependent and independent variables (Hair et al. 2006; Kline, 1998). The structural equation modeling process includes two main steps as follows:

i) Validating the measurement model
ii) Fitting the structural model (Kenis & Knoke, 2002)

The former is accomplished primarily through path analysis with latent variables. SEM is based on causal relationships (Hair et al. 2010). These causal relationships explain how changes in variables (exogenous constructs) will result in changes in other variables

(endogenous constructs). The causation among variables can be asserted through theoretical determination. Additionally, in SEM, the theoretically based models are the structural model and the measurement model.

The SEM has developed to be one of the well-known aspects of selecting a research methodology for investigating issues related to social and behavioral sciences (Baumgartner Hans & Steenkamp, 1996). Therefore, this methodology contains two major issues i) the measurement (i.e., what are the things that need to be measured; how to measure them; and how are the reliability and validity conditions met), and ii) causal relationship among variables and the explanation because the variable is complex and unobserved. This is a function of SEM (Hair et al. 2006).

3.15 Why SEM? Why not Multiple Regression?

According to literature and previous studies, there are many reasons for selecting SEM as an analysis instrument in the current research study. Firstly, SEM analysis techniques are employed when the researcher includes a variety of factors or variables. Secondly, it is a favourable choice of analysis instrument when a questionnaire is constructed to facilitate interval scales (Hair et al. 2006; 1995). Especially, such methods are useful for identifying survey questions that are valid measures of multifaceted constructs (Malapit et al. 2019).

Additionally, if the component needed to be measured and evaluated is too hypothetical and conceptual such as social science research (perceptive measures such as satisfaction, happiness, and tiredness), SEM is highly recommended. In contrast, multiple regressions are designed to measure metric scales (such as price, cost, and temperature). Additionally, SEM analysis was recommended by the doctoral committee to be employed in the current study.

Third, the SEM consists of two models: the measurement model and the structural model (Hair et al. 2006; 1995). The measurement model deals with the relationships between measured and latent variables, which specify indicators/items/scales for each construct and the assessment of construct validity. SEM is related to two kinds of errors resulting from the measurement and structural model known as measurement error and structural error, respectively. A structural error will be considered and added to the structural model because independent/dependent latent variables cannot perfectly predict the dependent variables.

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Confirmatory Factor Analysis (CFA) will reduce the error effect that each latent has multiple indicators and take all the constructs that are contained in the model as stimulus testing rather than individual coefficients. Also, CFA is useful to test models with multiple dependents (to model mediating variables and to deal with complex data (such as non-normal data and incomplete data).

Linear regression analysis assumes that variables are evaluated with no errors. SEM includes multiple regression and factor analyses. According to Hair et al. (1995; 1998), SEM is an effective estimation instrument for several separate multiple regression equations evaluated simultaneously.

3.16 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis CFA is employed to reduce instrument error measurement but SEM techniques are deployed to perform the CFA. To be clear, SEM employs a set of measures to achieve the model fit.

This study used CFA to test convergent validity since CFA is stronger than EFA (Exploratory Factor Analysis). Some previous studies support this view, such as Gerbing and Anderson (1988), who argued that CFA could supply a stricter explanation of unidimensionality than other techniques like coefficient alpha, correlation, and EFA. Additionally, EFA is mainly an explanatory technique since no control over which variables are indicators of the latent variables. Contrary to the EFA technique, CFA, or measurement model in SEM, it provides an ability to have complete control over specification for each construct's indicators (McDonals & Ho, 2002). On the other hand, the statistical test of the goodness of fitness for the anticipated confirmatory factor solution (which is not achievable using the EFA technique) can be done using CFA through SEM (McDonald & Ho, 2002).

The structural equation modeling process includes two main steps: validating the measurement model and the structural model (Hair et al. 2006). CFA measurement model estimation is the first step of structural equation modeling (SEM). The purpose of the measurement model estimation is to specify the pattern by which each measure (indicator or item) loads on a particular factor (construct or variable) in this study's original model and to assure the reliability and validity of measures and constructs. The measurement model represents the degree to which the indicator (item) variables capture the latent factor's

essence. Moreover, a valid measurement model is a model that meets the requirements of psychometric soundness, both reliability, and validity of measures and constructs. The purpose of testing reliability and validity of measurement is to assure multiple items measure the hypothesized latent variables but not others. It is accomplished primarily through CFA (Byrne, 2010).

The current study used SPSS 19.0 and AMOS 24 to analyze the data. Following Gerbing and Anderson (1988) two-step approach, a measurement model was first estimated using Confirmatory Factor Analysis (CFA). After assessing the adequacy of the measurement model, Structural Equation Modeling (SEM) was utilized to find the best-fitting model and test causal relationships. SEM, multivariate technique, combines aspects of multiple regression and factor analysis to assess a series of dependent relationships simultaneously, which is not possible using other multivariate techniques (e.g., multivariate analysis of variance, multiple regression, discriminant analysis, factor analysis (Hair et al., 1998). This multivariate technique is beneficial for modeling tests, including several independent/dependent variables and mediators/moderators (Hair et al. 1998). Finally, capturing differences in the links between (lending policy, profitability policy, monitoring and following up policy, non-financial policy), and (income, employability, education, and social status).

Modification indices are "the values calculated for each unestimated relationship possible in a specified model" (Hair et al. 2006, p. 581). Arbuckle (2005) emphasized that the indices of each model modified fit pretty badly, so we might look at modification indices (MI) to achieve P-value. Additional fit statistics from Amos recommended the model's fit be able to be enhanced by using MI. Firstly, we ought to ascertain the MI for each item and then delete the highest; after deleting the highest value, we have to examine the second model's text output. Thus, change the model and repeat the analysis, the model fit Chi-square will be decreased to achieve p-value and fit the model. Also, when GFI and CFI increased then, RMSEA will be dropped.

There are three types of CFA to test the model: individual, measurement, and structural model. Firstly, CFA for individual measures of each construct such as (lending policy, profitability policy, and employability). Secondly, CFA for exogenous variables (lending policy, profitability policy, monitoring and following up policy, and non-financial policy),

endogenous variables (income, employability, education, and social status). Thirdly, CFA for three structural models is hypothesized model (all exogenous and endogenous variables) and generating models (all exogenous and endogenous variables).

3.17 SEM Procedure

The SEM is a general multivariate approach. The first step is model conceptualization, which handles constructed hypotheses (based on theory) as the main aspect of relationships amongst latent variables and other indicators. During this step, the model is developed under theory and empirical findings. The model should reflect the latent variables through any measured indicator.

The second step is path diagram development. It is deployed to achieve uncomplicated hypothesis visualization resulting from model conceptualization. Thus, model specification (generating model) is the third step in which it deals with developing the measurement and structural design of the research problem. The causal relationships found in the latent variables should be discussed during the specification of the structural model. The fourth step relates to model identification. The data is entirely tested to ensure that information collected is of quality and contains useful parameters for the model. The goal is to validate the specified model is not under-identified, or just-identified, or over-identified.

The fifth step of SEM refers to parameter estimation. It mainly handles the process of achieving an evaluation for each parameter in the specified model. The reason is to achieve a model-based covariance matrix that matches with the targeted covariance matrix. A significance test is used to determine the significance of the final parameter and that it differs significantly from zero. Out of the available estimation models based on previous literature, the maximum likelihood (ML) by Weighted Least Squares (WLS) is the most popular one. The sixth step discusses the goal of model fit testing. In this regard, the purpose of the model fit testing is to investigate the appropriateness (Goodness-of-fit or GOF) between the information collected and the model. A GOF criterion relates to whether a model-based covariance matrix is similar to the observed covariance matrix. The GOF as a particular construct validity is an essential component in the SEM process since it determines the measurement model's validity (Hair et al. 2006).

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Model modification is the seventh phase of SEM. The reason to do model modification is to achieve better GOF. Re-specification relies mainly on the given modeling strategy. In these outstanding features, SEM was taken into account to check the research model against the collected data to assist in creating the model in the present research. There are two main strategic frameworks for testing structural equation models (Hair et al. 2010):

1. Hypothesized Model (HM)
2. Generating Model (GM)

In the proposed model there were a total of 8 variables or constructs and multiple items or indicators were used to examine each construct. In total, 52 items comprised eight constructs are shown in Table 3.8

Table 3.8: ***Variables and Number of Measured Items in the Research Model***

Variable	No. of measured Items	Abbreviation
Lending Policy	7	LD
Profitability Policy	7	PR
Monitoring and Following up Policy	8	MO
Non –Financial Policy	6	NF
Income	5	INC
Employability	5	EM
Education	5	ED
Social Status	9	SS
Total	**52**	

Source: Own Work

In connection with the present research, the theoretical model was transformed into a hypothesized SEM model, as shown in Figure 3.1. According to Hair et al. (2006; 1995), this is mainly done to identify the model in more formal terms through a series of equations that can be useful in specifying research ideas about the relationships among variables. The newly-developed hypothesized model of SEM (comprising structural and measurement models) is presented in Figure 3.1. As exhibited in Figure 3.1, eight constructs can be found.

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These are: (lending policy, profitability policy, monitoring and following up policy, non-financial policy, income, employability, education, and social status). The structural model links all unobserved (latent) variables to each other as in the dotted box. The structural model is also a set of dependent relationship linkages to the hypothesized model construct (Hair et al. 1998).

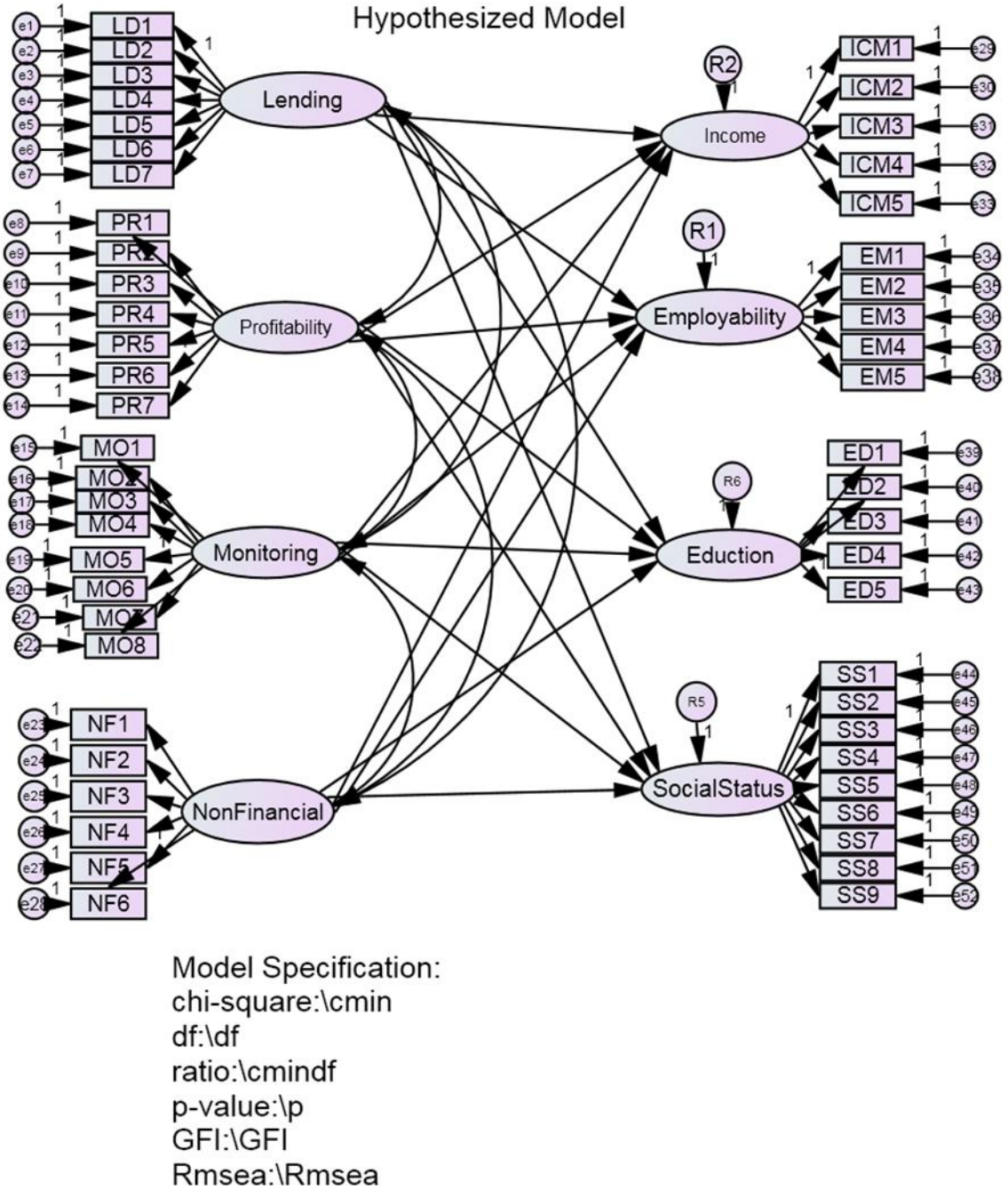

Figure 3.1*: Hypothesized Model*

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Thus, the notion of the present research is following the third step that refers to Generating Model. Out of the three discussed scenarios, GM is considered as the most popular. The researcher proposes and rejects a theoretically derived model based on the poorness of fit to the selected sample data in which it may proceed in an exploratory (rather than confirmatory) mode to modify and re-estimate the model.

The researcher proposes a single model based on theory, collects the appropriate data, and then tests the fit of the hypothesized model to the sample data to develop a confirmatory approach.

3.18 Goodness of Fit Index

The goodness of fit is "the degree to which the actual or observed input matrix (Covariances or correlations) is predicted by the estimated model" (Hair et al. 2006, p. 580). According to Hair et al. (2010), the $\chi 2$ likelihood ratio test, the Standardized Root Mean Residual (SRMR), the Goodness-of-Fit Indices (GFI, CFI, and IFI) are the most frequently achieved measures. The following sections provide an overview of each of the achieved measures to explain the decisions obtained concerning the model.

The $\chi 2$ likelihood ratio test, which is highly important as a “badness-of-fit” test, is the most identified and apparent measure correlated with CFA. The proposed model is considered to not meet the requirements of the collected data very precisely if the p-value of $\chi 2$ is significant (i.e., <0.05), whereas it meets the demands of the collected data if the p-value is >0.05 is achieved. According to Byrne (2010), there is a progressing debate on whether a model that has a significant $\chi 2$ statistic must be taken into consideration as valid.

Measuring data through using SEM usually takes place by deploying goodness-of-fit (GOF) measures. The CFA contains essential functions that may be deployed. These functions involve the following:

i. Examining the loading factors in every dimension/constructs in forming a variance
ii. Confirming that the instrument themselves, how linked to the latent variables
iii. Estimating the measurement error in the framework
iv. Validating and generate the framework.

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Therefore, CFA is most often deployed to determine whether the set of factors and the loading of construct items confirm the expected requirements that are needed to measure what measures the scale itself.

The researcher used Amos version 24 in this study. There are many key terms of SEM for measuring the exogenous variables and endogenous variables, such as Absolute fit index, Incremental Fit Level, and Parsimonious Fit Level, as shown in Table 3.9

Table 3.9*: Recommendation Values of Measurement all Exogenous and Endogenous Variables*

Measures	Threshold Values
Absolute Fit Level	
RMSEA	Less than 0.08
GFI	0.90 and Above
P- Value	*P*- Value ≥0.05
Incremental Fit Level	
AGFI	0.90 and Above
CFI	0.90 and Above
TLI	0.90 and Above
NFI	0.90 and Above
Parsimonious Fit Level	
CMIN/df	Less than 2.0
SMC (R^2)	Bigger better

Source**:** Hair et al. (2006)

According to Byrne (2010), structural equation modeling can be divided into two sections: measurement model and structural model, the measurement model can measure the relationship between observed and unobserved variables. Likewise, the structural model can measure the relationship between unobserved variables.

According to (Hair et al. 2006, p. 753), as shown in Table 3.8 above, the recommendation values of the fit model are the following:

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i) Absolute Fit Index (AFI) assess whether a specific model leaves appreciable unexplained variance. Alkhaldi and AL-Faoury (2007) indicated that Chi-square (X^2) accompanied by the model's degree of freedom and its probability, the goodness of fit index (GFI), and the root means square error of approximation (RMSEA) are usually utilized here as following: RMESA <0.08, GFI > 0.90, P-value > 0.05.

ii) Incremental Fit Index (IFI) compares the (Generating Model (GM)) specific model to possible baseline or null models estimated using the same data. Indices such as Tucker-Lewis index (TLI), comparative fit index (CFI), and the incremental fit index (IFI) are commonly used GFI> 0.90, CFI > 0.90, TLI >0.90, NFI >0.90.

iii) Parsimonious Fit Index (PFI) also it is called an adjusted measure, concern how well the model measures both fit and parsimony, taking into account the degree of freedom used in the model specification. Indices such as the Normed fit index (the adjusted chi-square by the degree of freedom) can be used CMIN/df < 3, SMC (R^2) >0.00.

3.19 Hypothesis Testing

This study is meant to test the eight direct hypotheses, as mentioned earlier in chapter two. Direct effects are the relationship between two constructs with a single path (Hair et al. 2006). In other words, a direct effect is the effect variables have on one another in a direct relationship, in this study; there are eight direct effects, as mentioned earlier. To ensure that all paths in the model whether supported or rejected we should be specific with recommendation values of (CR and P-value). Critical ratio (CR) refers to the parameter estimate divided by an estimate of its standard error. CR should be more than 1.96 to achieve recommendation value (Hair et al. 2006). This means that if CR is more than 1.96, it supports this path, but if CR is less than 1.96, that means it does not support the path or rejects the hypothesis.

However, the probability level (P-value) provides a cut-off beyond which we assert that the findings are 'statistically significant' (by convention, this is $p<0.05$). Furthermore, "smaller p-values ($p<0.01$) are sometimes called (highly significant) because they indicate that the observed difference would happen less than once in a hundred times if there were no true difference" (Davies & Crombie, 2009, p. 4). In the present study, the decision to accept or reject the hypothesis is based on statistical significance. Statistical significance is considered a description for a result or experiment when the probability is less than the significance level. When carrying out a scientific experiment, the statistical significance is chosen before data

collection; usually, this significance level is (.05) and (.01) depending on the study field (Crapraro, 2007). In this research, the following hypotheses are examined:

H1: Lending policy is related significantly and positively to income and employability.
H2: Lending policy is related significantly and positively to education and social status.
H3: Profitability policy is related significantly and positively to income and employability
H4: Profitability policy is related significantly and positively to education and social status.
H5: Monitoring and following up policy is related significantly and positively to income and employability.
H6: Monitoring and following up policy is related significantly and positively to education and social status.
H7:Non-financial policy is related significantly and positively with income and employability.
H8:Non-financial is policy is related significantly and positively with education and social status.

3.20 Summary

This chapter has presented the research design, which adopted a qualitative approach using in depth interview (IDI), and quantitative approach using structured questionnaire. The stratification sampling technique was employed for this research, with a sample consisted of a total number of 700 (women) respondents based on the rule of thumb and interval confidence. This design also addressed validity issues by conducting pre-tests and a pilot study. The chapter also discussed the population, sample size, and survey procedures. In the data analysis section, the statistical techniques employed for analyzing the data. The minimum sample size requirements and how to organize and collect the data were also displayed. The multivariate analysis requirements were established, examined, and discussed, and finally, SEM was proposed as the statistical technique for this research study. The following chapters discuss data analysis and present the findings of this research.

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CHAPTER FOUR
RESULTS

4.1 Introduction

This chapter reports the result of the data analysis established through SPSS and SEM analysis. This study adopts a triangulation of the mixed-method approach, both quantitative and qualitative. Discussions in this chapter are divided according to response rate, descriptive statistics, the profile of the respondents, data screenings, which are consist of: missing data, outliers, normality, linearity and homoscedasticity, multicollinearity, correlations, reliability, and validity. This is followed by analyzing the (SEM) goodness fit of the measurement model, the structural model, exogenous variables, endogenous variables, hypothesized model, and generating model. Finally, the results of the hypotheses testing are presented. The research refers to the quantitative survey to cross-check the evidence and identifies patterns and disparities in quantitative and qualitative findings.

4.2 Section One: Qualitative Study

In this section, the researcher synthesizes the findings from qualitative insight by reporting the participant's "story" and quotes reflecting the key informants opinions causal pathways of microenterprise policies on women empowerment. The questions cover several thematic areas, including women empowerment, institutional setting, and microenterprise success factors. Qualitative methods and tools can deepen and widen the analysis of the issues that need more significant explanation and deepen the exploration of causalities. In this study, specific questions were established to reflect perceptions of the key informants as follows:

Q.1 to what extent microenterprise policies contribute to empowering women economically and socially?

Participants 1 and 2 mentioned that "microenterprise policy contribute to increasing women`s income." Participant 2 added, "microenterprise policies enhance women's self-confidence, engagement in social life and joining an association." Participants 3, 4, and 9 mentioned that "microenterprise policies enable women to contribute in family expenditures and to cover daily expenses." Participant 9 added, "microenterprise policy enhances self-esteem, and

advances women's social status." Participants 5, 6, 7, 8, and 9 said, "microenterprises enhance women's financial decision-making and improve their children's schooling." Participants 9 and 8 added, "microenterprise policy improves women managerial skills and financial literacy."

Q1.a What do you think about the role of microenterprise schemes to mitigate poverty and unemployment?

Participant 1 mentioned that "theoretically the impact is unclear and difficult to measure; empirically these enterprises contribute to alleviating poverty and create employment." Participants 2, 3, 5, 6, 7, and 8 said, "microenterprises play a key role in creating employment and mitigate poverty." Participant 4 mentioned that "microenterprise schemes do not contribute to creating wage employment, but it provides partial employment; however, it contributes to increase beneficiaries' income." Participant 6 mentioned that "proper using of loan, these schemes may contribute to mitigate poverty and unemployment." Participant 7 said, "microfinance cannot solve the poverty problem in Jordan, but it helps women maintain the same standard of living."

Q1.b What were the factors that affect women entrepreneurs' performance?

Participant 1 said, "skills and experience is a pre-requisite for an entrepreneur's success." Participant1 and 2 referred to "government intervention." Participants 1, 2, 5, and 8 referred to "prices of materials and commodities." Participant 1, 2, 3, 5, 6, 7, 8 and 10 added "proper management" and participants 1, 2, and 10 mentioned "macro-economic factors". Participants 1, 2, 10 referred to "personal characteristics of clients." Participants 3, 5, 6, and 7 referred to "efficient marketing." They added, "unexpected shock and natural disaster lead to failure of microenterprises." Participants 1, 2, 4, 9, and 10 said, "seriousness of client is the most important factor of enterprise success." Participant 4 added, "inadequate loan amount and lack of collaterals." Participant 4, 5, and 10 referred to "political unrest." Participant 5 mentioned, "Multi-borrowing." Participants 5, 2, 7, 8, and 10 added, "devoted partial time to manage the enterprise may lead to failure."

Q1.c What does program success look like to you?

Participants 1, 3, 4, 5, 6, 7, 9, and 10 said, "the program is successful." Participant 2 said "very successful," and participant 8 said "satisfactory".

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Q2.d What is the percentage of failed schemes during the period 2015, 2016?

Participant 1 reported "35%". Participants 3 and 4 reported "25%". Participant 7, 8, 10 reported "around 2%".

Q1.e What are the funding facilities the institution received?

Respondents 1, 2, and 6 mentioned, "we received internal and external loans; for example, we received funding from the Islamic development bank in Saudi Arabia and Arab Fund for Economic and Social Development." Participants 3 and 4 said, "We received funds from the Central Bank of Jordan, and the Ministry of Planning." Participant 7 said, "we received external fund from Sanad, Finance in motion, The Netherlands Development Finance Company (FMO), Symbiotic, International finance cooperation (IFC), World Bank, the European Bank for Reconstruction and Development (EBRD), The United States Agency for International Development (USAID), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and the European Investment Bank (EIB)." Participant 8 said, "we have an international partnership with donors (USAID, finance in motion, GIZ, EIB, and EBRD)." However, participant 10 said, "usually we receive the fund as technical assistance."

Q.2 To what extent the lending policy and credit terms contribute to women's social and economic empowerment?

Participant 1 and 2 mentioned that "the credit terms we offer are flexible contribute in entrepreneurial success, these include (repayment period reach 8 years, collaterals are required such as mortgage of property or asset, guarantors, banking cheques". Participant 2 said, "we offered competitive credit terms (the maximum grace period reach one year), we offer competitive interest rate reaches 3-4% which enable women to recover the interest amount they paid during the life cycle of the scheme, she added our collateral policy decrease the financial stress on women by collateralization 80% of the amount of the loan through third partner". Participant 3 mentioned that "collaterals required are flexible based on the financial situation of the borrower". Participant 4 and 7 and 9 said, "our credit terms designed to enhance repayment ability" Participant 5 said, "low loan installment, ability to loan renewal in case of enterprise success and facilities in repayment periods according to the financial situation of woman contribute to their empowerment". Participant 6 said, "our credit terms differentiated based on the nature, and life cycle of the scheme" he added, a grace period is

flexible contributes to generating cash flows and improves borrower's social wellbeing". Participant 8 said that the "repayment period is suitable for clients to reach 36 months". Participant 10 said, "the institution offer different interest rates for different kind of products, based on risk matrix for that product, we do not ask for guarantees (mortgage); we ask only guarantors, the borrower can choose the suitable repayment schedule; therefore, our credit terms have an impact on borrower's economic and social wellbeing."

Q2.a What is the percentage of rejected loan applications?

Participant 1, 3, and 5 said "25%". Participant 4 said "10%". Participant 7and 8 said "20%". Participant 10 said "40%".

Q2.b What were the primary reasons for rejected applications?

Participants 1, 5, and 8 said, "unseriousness of the client." Participants 1, 2, 3, 4, 5, 6, 7, and 8 added "lack of required documents and lack of collaterals." Participant 8 added, "low repayment capacity, the bad credit history of the client, and unclear purpose of the loan."

Q2.c What recommendations do you offer to improve the loan delivery or administration of the microfinance program?

Participants 1, 2, and 6 suggested "product development." Participants 2 and 8 suggested, "intensifies staff training." Participants 2 and 10 proposed "human resource development and improved the quality of staff." Participants 3, 4, and 10 suggested "change regulation for accepting deposit-taking, and decreasing the interest rate." Participant 3 added, "providing motivational awards to a client." Participant 3 added, "improve collection method." Participant 4 suggested "giving authorities to loan officers on the loan approval process, focus on providing micro-insurance service, and offer exemptions on the interest rates." Participant 5 recommended, "transform the organization's legal structure to a bank; diversify the sectors of investment in enterprises to meet the high demand for a microloan." Participant 8 proposed a "focus on continuous learning and training of client especially in financial management."

Q.3 How do you explain the trade-off between the institution's financial sustainability and achieving the social mission?

Participants 1 and 2 mentioned that "we focus on making a balance between financial sustainability and social mission, profit used to cover the operating expenses, to maintain

capital adequacy ratio, and for lending to more borrowers." Participant 2 added, "we do not target borrowers who are not able to repay the loan." Participant 3 mentioned that "we are Non –profit-corporation; our target is to reach the farmers in rural areas." Participant 4, 5, and 6 also mentioned that "we are not for profit; we barely cover our operating expenses .profit margin used for financial sustainability of the organization. Participants 7, 8, 9, and 10 said, "we do not distribute profit and our focus on the social mission."

Q3.a What are the primary tools to manage bad loans?

Participant 1 said, "we follow cautionary lending policy." Participants 2, 4, and 6 said, "we manage bad loans through property acquisition and juridical accountability." Participant 3 mentioned, "collaterals such as mortgage or guarantees can be substitutes in case of delinquency." Participants 3 and 9 added, "loan scheduling in case of default, they further added "initiating judiciary procedures is our last resort." Participants 4 and 6 said, "we follow efficient collection methods." Participants 7 and 8 said, "We give the client 180 days to repay the debt before start juridical accountability". Participants 9 and 10 said, "in case of inability of the client to repay the loan, we take two actions (i rescheduling the loan, (ii reaching a financial settlement."

Q3.b To what extent the current regulations contribute to developing the microfinance sector?

All participants ensured that "the current regulatory environment is conducive for entrepreneurship." Participants 7, 9, and 10 said, "Central Bank's supervision for MFIs will better organize the microfinance sector." Participant 3 indicated that "our regulation support our lending activities, these regulations established to empower clients (woman, farmers, and youth)." Participant 8 mentioned that "the current regulation aims to protect women clients."

Q .4 What is the lending methodology adopted in loan delivery?

Participants 1 and 2 said, "We offer training programs through the third partner; we provide mandatory life insurance while loan insurance is voluntary." Participant 1 added, "we target skilled and experienced clients." Participants 3, 4, 5, and 6 said, "we do not provide insurance service (life, health or loan insurance), and we do not provide training directly, we externalize specialized institutions (Irada) to provide training, and we focus on guiding clients." Participant 7, 8, 9, and 10 mentioned that "we provide Business Development Services (BDS)

and training programs through our training academy. They added, "we provide micro insurance." Participant 7 added, "we hold awareness-raising workshops and social events."

Q4.a What is the role of non-financial services' in women empowerment?

Participants 1, 2, 3, 4, 5, 6, 8, 9 said, "Non-financial services are crucial for women empowerment and sustain their business." Participant 7 said, "Non-financial service is complementary to the financial product to ensure enterprises' sustainability." Participant 10 added, "combining financial service with non -financial services is important for the success of MFI's and women microentreprenures."

Q.5 What is the role of monitoring policy in contributing to women's empowerment?

Participants 1, 2, 5 mentioned that "screening women client is crucial for their empowerment" however, they admitted that "monitoring tools used is not efficient due to high cost of monitoring and the lack of staff." Participants 3 and 6 mentioned that "monitored lending ensures that the loan is disbursed based on progress made by clients and agreement enforced." Participant 4 added, "We monitor the income stream to ensure the adequacy of cash flow generated." Participant 7, 8, 9 said, "having a close relationship with our clients has a key impact on their empowerment."

4.3 Section Two: Quantitative Study

This section will present the result of quantitative research that collects and analyzes data, screen data, and hypotheses testing by examining the casual relationships using Amos software.

4.3.1 Response Rate

In social science, even if the sample size selected is fully representative of the whole population, the actual respondents' pattern is unlikely to reflect the whole population, as those who do not respond may show different characteristics than those who choose to respond. Furthermore, previous research has found that gender, age, occupation, income level, and marital status in social activities influence the response rate. The researcher also supported the respondents concerning any question they may ask; or did not understand it. The researcher assured the respondents that the questionnaire design is right and that the questionnaire's

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language remained neutral. Additionally, the researcher and the respondents agreed on a time framework appropriate for both the researcher and respondents.

In the process of conducting the main study, 700 questionnaires were distributed to Jordanian women. Out of this number, 200 were undelivered, and 100 questionnaires were incomplete (missing responses). The researcher obtained the achieved response rate through tremendous effort, hard work, and extra financial cost. Thus, 400 responses were usable for subsequent analysis, giving a response rate of 57 % (see Table 4.1). The sample size appears to be sufficient, and the response rate obtained was comparable to several studies in the same area, such as 60% (DeCicco, Laschinger, & Kerr, 2006), 53% (Legis, 2020), 55% (Ellefsen & Hamilton, 2000), 66.7% (Chang, Shih & Lin, 2010), Table 4.1 provides a summary of the response rates.

Table 4.1*: Summary of Response Rates*

Questionnaire administrated	700
Undelivered	200
Uncompleted	100
No. of responses	400
Response rate (400/700)	57 %

4.3.2 Descriptive Statistics of Principal Constructs

Descriptive analysis was conducted in subsequent stages to establish the validity and reliability processes to ascertain the mean score and standard deviation for the constructs, as in Table 4.2. (See Appendix C) provides a discussion on the descriptive statistic of all principal constructs.

Table 4.2*: Descriptive Statistics of All Principle Constructs (N=400)*

Construct	Total of Items	Mean of Item		Total Mean	Standard Deviation
		Min	Max		
Lending Policy	7	3	6	4.79	.464
Profitability Policy	7	3	6	4.45	.601
Monitoring and Following up Policy	8	2	7	4.14	.717

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Non –Financial Policy	6	3	7	4.86	.736
Income	5	1	6	4.68	.645
Employability	5	3	7	4.84	.616
Education	5	2	7	4.88	.637
Social Status	9	2	6	4.77	.497

Source: Own Work

Table 4.2 above shows that 400 valid mean and standard deviation cases for all the variables were analyzed. The seven-point interval scales were categorized into equal-sized categories of low, moderate, and high. Subsequently, the mean scores of less than four were considered low value, mean scores of 4 to 5 were considered moderate value, and mean scores more than five were considered high (Al Muala, 2011; Isa, 2007).

As mentioned earlier, the lending policy is represented by seven items. As shown in Table 4.2, the mean scores for all variables are moderate (4 and above). There is no low level of mean scores. The mean score for the lending policy which is the highest compare with other policies is considered moderate (4.79). The high mean scores imply that respondents in the high level of agreement that lending policy influences women's empowerment in Jordan. Additionally, the mean score of profitability and monitoring is more than (4) considered moderate, the respondents confirm a good relationship between the policies (profitability, monitoring) and women's economic and social empowerment. Likewise, the mean score for non-financial policy (4.86) indicates the respondent level of agreement is moderate about the relationship between non-financial policy and socio-economic dimensions of empowerment.

The standard deviation for all variables seems to fall between the ranges of 0.464 to 0.736, reflecting considerable acceptable variability within the data set. However, the various values indicate that all answers for the study variables were substantially different or varied from one respondent to another, signifying a tolerable variance in responses. As shown in Table 4.2, the lending policy seems to have the lowest standard deviation (0.464), which could be attributed to several reasons: (1) respondents did not understand the statements regarding the items and their relationship with the construct (lending policy), (2) respondents were not sure about the role of lending policy on their empowerment, and (3) respondents may have similar views or perceptions about the items of lending policy.

4.3.3 Profile of Respondents

Sample characteristics include eight major traits in this study: (1) age, (2) marital status, (3) education, (4) place residence, (5) number of family members, (6) experiences before establishing the enterprise, (7), the purpose of loan (8) source of financing. The results were obtained after analyzing the demographic variables. The frequency and percentage for each variable are listed according to the survey categories, as shown in Appendix B.

In the final sample, most of the respondents' ages varied between 30 and 40 (44.8 %). This may be a common criterion observed in many studies conducted by scholars such as (McDougall & Levesque, 2000; Martin-Consuegra, Molina & Esteban 2007; Lee, Yoon & Lee 2007). Regarding the marital status, 38.5% of the respondents were widowed, while divorced women showed 6.8%. However, for education level, 70.8% of the respondents were diploma holders. While high education showed 14.3% and Bachelor recorded only 1.8%. On the other hand, for place of residence, 59% were urban. Whilst, 13.3% rural, and 9.8% badya (desert). Moreover, 64% of respondents were with family members 1-3 persons, 25.5% were 3-5, 4.8.2% were 5-7, and 5.8% more than 7 persons. However, 79% had experiences before establishing the enterprise, and 21% did not have any experiences before establishing the enterprise. Furthermore, the loan's purpose, 63.3%, did not disburse the loan for other purposes, and 36.8% have disbursed the loan for another purpose. Finally, for the financing source, 78% were getting financing from other institutions or banks, 22% did not get financing from other institutions or banks.

4.4 Data Screening

After data collection, data screening was processed. Data screening was conducted through an examination of basic descriptive statistics and frequency distributions. Values that were found to be out of range or improperly coded were detected (Kassim, 2001).

4.4.1 Missing Data

A frequency test was run for every variable to identify any missing responses. Based on this, 100 of the completed questionnaires were found to be unusable because of missing responses. An inspection of the data set revealed that there were incomplete responses in part 1 (Demographic Variables), part 2 (lending policy), and part 3 (income). Hence, these missing responses were excluded from data analysis, which resulted in 400 usable responses. This

procedure is known as casewise deletion and was preferred to other methods of analyzing missing responses (Malhotra, 1998). In case-wise deletion, only cases with complete records are included.

4.4.2 Outliers

Another essential step is the treatment of outliers in the data screening process. Some cases have a high effect on the outcomes of any statistical analysis. Therefore, the use of any multivariate technique calls for identifying and treating outliers in the responses (Hair et al., 1995, 1998). Univariate outliers were identified, and after further investigation, it was found that these cases were extreme - either they strongly agree or disagree on the interval scaled statements. Outlier results are presented in Appendix C. The results of the χ (Chi-square) and P = 0.001 for 52 items is 89.27.The outlier results show the high value of Mahalanobis d-squared was 63.516 less than (χ value = 89.27), which means no values were greater than (χ value = 89.27) as shown in Appendix C. Thus, data of study cleaned of outliers for all constructs. It is quite conceivable for outliers to occur and that excluding these extreme cases will affect generalizability for this study's entire population (Hair et al. 1998; Tabachnick & Fidell, 2001). More details are shown in Appendix C.

4.4.3 Normality

For most analyses to work correctly, the data should follow a normal distribution. If normality exists, even in conditions that do not necessitate normality, it will make a more substantial assessment (Hair et al., 2006). Amos 24 was used to conduct a normality test, and the results revealed that all the values of skewness $<\pm$ 3, and kurtosis values $<\pm$ 7, which means the data has been approximated for a normal curve for all variables (Hair et al. 2006). More details are displayed in Appendix C.

After having conducted the normality test for latent variables, another test was used to check the data normality assumption of the regression model, which is a histogram of the distribution of the residuals and box plots as displayed in Appendix C, which shows that the distribution approximated a normal curve, which asserts the normality assumption.

4.4.4 Linearity and Homoscedasticity Status

An essential element of simple linear regression analysis is checking whether the basic assumption of linearity and homoscedasticity status are met (Hair et al. 2006). After

conducting normality tests for all latent variables (Appendix C), linearity results through scatter plot diagrams indicated no evidence of nonlinear patterns in the current data. Similarly, the homoscedasticity test results through a scatter plot diagram (Appendix C) of standardized residuals suggest that the DV variance is the same for all IVs values as no different pattern in the data point was discovered. Therefore, the data has achieved linearity and homoscedasticity for the regression analysis.

Likewise, Appendix C illustrates the results of the homoscedasticity test. The homoscedasticity test findings through scatter plot diagrams of standardized residuals show that homoscedasticity exists in the set of independent variables and the variance of the dependent variable. Furthermore, a visual inspection of residuals' distribution suggested an absence of heteroscedasticity, as shown in (Appendix C). Finally, the researcher did the normality, linearity, and homoscedasticity only for the dependent variable, as shown in Appendix C.

4.4.5 Multicollinearity

The researcher did two types of testing for multicollinearity between the variables; tolerance value and variance inflation factor (VIF) by using SPSS version 19.0 and a correlation test by using Amos.

Firstly, the standard cut-off threshold is a tolerance value of .10, which corresponds to a VIF value of less than 10 (Hair et al. 2006). According to the multiple regression analysis data presented in Table 4.3, the results of this study showed that the tolerance value was between 0.61 and 0.96, and the variance inflation factor (VIF) value was in the range of 1.04 to 1.64. Given that the tolerance value is substantially greater than 0.10 and the VIF value is less than 10, it can be concluded that multicollinearity among the variables is not a problem.

Table 4.3: ***Testing for Multicollinearity on Assessment of Tolerance and VIF Values***

Variable	Tolerance	VIF
Lending Policy	0.78	1.28
Profitability Policy	0.93	1.08
Monitoring and Following up Policy	0.96	1.04
Non –Financial Policy	0.65	1.55

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Income	0.84	1.19
Employability	0.61	1.64
Education	0.61	1.62
Social Status	0.65	1.53

Source: Own Work

However, the second test for multicollinearity was conducted by using correlation values between variables. Using output from Amos version 24 as shown in Table 4.3, correlations between the variables have values less than .80, which means there is no multicollinearity between all variables, as shown in Appendix C.

4.4.6 Correlation of Constructs

Table 4.4, illustrates the correlation coefficients of the constructs that were used in this study; we can conclude that the correlation coefficient for all latent variables was under the threshold of 0.80 (Hair et al. 2006). For example, the correlation coefficient between monitoring and following up policy and social status is the lowest of 0.02. (P= 0.000 and a significance level of 0.01), whereas the higher correlation coefficient is between education and social status, which showed a correlation coefficient of 0.53 (P= 0.000 with a significance level of 0.01) as shown in Appendix C.

Table 4.4*: Correlations for Independent Variables and Dependent Variables*

	LD	**PR**	**MO**	**NF**	**ICM**	**EM**	**ED**	**SS**
LD	1							
PR	.23**	1						
MO	.10**	.25**	1					
NF	.16**	.04	.05	1				
ICM	.13**	.04	.05	.22**	1			
EM	.27**	.05	.16**	.55**	.23**	1		
ED	.32**	.04	.06	.38**	.37**	.32**	1	
SS	.34**	.06	.02	.31**	.29**	.36**	.53**	1

** Correlation is significant at the 0.01 level (2-tailed).
Source: Own Work

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4.5 Reliability Test

According to Nunnally (1978), reliability is the consistency of the measurement or the degree to which an instrument measures, in the same way, each time; it is used under the same condition with the same subjects. This study used the SPSS 19.0 software for determining internal consistency. However, as displayed in the next section, two types of reliability will be discussed: Cronbach's alpha and composite reliability.

4.5.1 Cronbach's Alpha

Cronbach's alpha has been widely used to test the internal consistency of variables measuring the construct in a summated scale (Hair et al. 2006). Table 4.5 shows the reliability results after having done the transformation. Each construct shows Cronbach's alpha readings of acceptable values above .60 (Hair et al. 2006). Reliability values for all constructs range from .70 to .80. These show that all constructs have acceptable internal consistency. Also, after having conducted the confirmatory factor analysis (CFA), 17 items remained. For more details, refer to Appendix D.

Table 4.5*: Reliability Results of Constructs after Confirmatory Factor Analysis (CFA)*

Variable	Original Items	Cronbach's Alpha	Items after CFA	Composite Reliability
Lending Policy	7	.71	2	.97
Profitability Policy	7	.71	3	.92
Monitoring and Following up Policy	8	.72	2	.99
Non-Financial Policy	6	.80	2	.98
Income	5	.78	2	.98
Employability	5	.72	2	.96
Education	5	.72	2	.98
Social Status	9	.70	2	.99
Total items	**52**		**17**	

Source: Own Work

4.5.2 Composite Reliability

The second test is the composite reliability of each measure (see Table 4.5 above). This was assessed using guidelines by Nunnally (1978) for assessing reliability coefficients. The composite reliability summary based on the standardized factor loadings obtained from the

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final revised structural model shows that all constructs have an acceptable value above 0.60 (Nunnally, 1970).

Composite reliability results indicate that all observed variables' measurements can be considered reliable and acceptable when most of the constructs have a value of more than .68. This result provides strong support for the construct components. Table 4.6 provides comprehensive reliability results for each of the study constructs.

Table 4.6: ***Composite Reliability of Exogenous Latent and Endogenous Variables***

Observed Variables	Std Loading[2]	Std Error(S.E)	Composite reliability
LD1	.39	.17	**.70**
LD4	.34	.08	
Lending (total)	**.73**	**.25**	
PR1	.48	.14	**.90**
PR2	.85	.33	
PR5	.47	.17	
Profitability (total)	**1.80**	**.64**	
MO1	.90	.15	**.92**
MO2	.98	.19	
Monitoring (total)	**1.88**	**.34**	
NF5	.90	.14	**.92**
NF6	.64	.08	
Non-financial (total)	**1.54**	**.22**	
ICM4	.66	.42	**.68**
ICM5	.50	.23	
Income **(total)**	**1.16**	**.65**	
EM4	.93	.08	**.93**
EM5	.75	.07	
Employability (total)	**1.68**	**.15**	
ED1	.78	.09	**.92**
ED3	.79	.10	
Education (total)	**1.57**	**.19**	
SS3	.70	.20	**.81**
SS4	.63	.15	
Social status (total)	**1.33**	**.35**	

Source: Own Work

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4.6 Validity

The next section in the analysis was to test the validity of constructs, which is reported in detail in the following sections for construct validity, which are convergent and discriminant validity. In this study, there were eight variables or constructs in the proposed model, and multiple items or indicators were used to examine each construct. In total, 17 items comprised eight constructs, as shown in Table 4.6.

4.6.1 Convergent Validity

From the confirmatory factor analysis (CFA), the researcher ensured that each construct has the correct observed variables. In simple words, items of constructs that theoretically should be closed to each other, they are actually closed to each other. Concerning the percentage of variance explained by each item and factor loading, the observed variables loading was greater than 0.50 on each item; in this study, the "cut-off" point chosen for significant loading is 0.50, the minimum level required for a sample size of 400 and above as suggested by (Hair et al. 2010).

A confirmatory factor analysis (CFA) is used to confirm the eight constructs' factor loadings (lending policy, profitability policy, monitoring and following up policy, non-financial policy, income, employability, education, and social status).

4.6.1.1 Confirmatory Factor Analysis (CFA)

The CFA measurement model estimation is the first step of Structural Equation Modeling (SEM). The CFA determines whether the number of factors and the loadings of items on them conforms to what is expected based on the pre-established theory of scale assessment. The SEM techniques were used to perform the CFA. The AMOS software 24 was used to calculate whether the proposed factor solutions and the model fit the data.

As mentioned earlier in chapter three, structural equation modeling (SEM) is considered a family of statistic models that look for details concerning multiple variables' relationships (Hair et al. 2006). A confirmatory factor analysis (CFA) is first used to confirm the factor loadings of the eight constructs (lending policy, profitability policy, monitoring and following

up policy, non-financial policy, income, employability, education, and social status) (refer to Appendix E).

As a general rule of thumb, Hair et al. (2006) provides a guideline for interpreting the factor loading, where factor loadings with a value of +.50 or greater are considered very significant; a loading of +.40 is considered most important; a loading of +.30 is considered significant. In this study, all items have a factor loading of more than .60, suggesting that the items correlate significantly to the factor itself.

Confirmatory factor analysis of lending policy had seven items. Five items were deleted out of the seven items (LD2, LD3, LD5, LD6, and LD7) during the confirmatory factor analysis, and the remaining two were analyzed. All two items (LD1 and LD4) had a factor loading of more than .30, which suggested that the items correlated significantly to the factor itself, with factor loadings ranging from 0.34 to 0.39 (Hair et al. 2006). This analysis confirms that the one set of items measured the lending policy. These indicate that the assumptions of confirmatory factor analysis were met. All two items were clustered together into the lending policy construct.

Confirmatory factor analysis of profitability policy (7 items) is shown in Appendix E. In this study, after the researcher ran CFA for profitability policy, out of the seven items, four were deleted during the CFA (PR3, PR4, PR6, and PR7) and three items (PR1, PR2, and PR5) remained and have a factor loading of more than .40, suggesting that the items correlate most important to the factor itself with factor loadings ranging from 0.47 to 0.85. This analysis confirms that the three items measure profitability policy accurately. All three items of profitability policy were clustered together into the same construct. For more detailed observations on confirmatory factor analysis results for all variables used in this study, please refer to Appendix E.

In this research, there are eight items for monitoring and following up policy. Out of the eight items, six items (MO3, MO4 MO5, MO6, MO7, and MO8) were deleted during the confirmatory factor analysis. Two items (MO1 and MO2) remained to be included in the analysis. According to the confirmatory factor analysis of monitoring and following up policy in Appendix E, factor loadings ranging from 0.90 to 0.97 are considered very significant. This analysis confirms that the two remaining items measured one thing; monitoring and following

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up policy. These indicate that the assumptions of confirmatory factor analysis were met. All two items were clustered together into the monitoring and following up policy construct.

Thus, confirmatory factor analysis of non-financial policy (6 items) was based on the discussion provided in Appendix E. After having done the confirmatory factor analysis; the results showed that four items (NF1, NF2, NF3, and NF4) were deleted, while the other remaining two items (NF5 and NF6) were analyzed and showed that all two items have a factor loading of more than .60. This suggested that the items correlated significantly to the factor itself, with factor loadings ranging from 0.64 to 0.90 (Hair et al. 2006). This analysis confirms that the two items measured non-financial policy. These indicate that the assumptions of the confirmatory factor analysis were met. All two items were clustered together into the non-financial policy construct.

In this regards, income has five items, the results of the confirmatory factor analysis revealed that three items (ICM1, ICM2, and ICM3) were deleted after having conducted the confirmatory factor analysis. The remaining two items (ICM5 and ICM6) indicated a factor loading of more than .50. This proposed that the two items correlated significantly to the factor itself with factor loadings ranging from 0.50 to 0.66 (Hair et al. 2006). This analysis confirms that the two items measured income. These indicate that the assumptions of the confirmatory factor analysis were met. All two items were clustered together into the income construct, as shown in Appendix E.

However, employability is one of the crucial variables that are being discussed in the present research study. The employability variable has five items. Out of these five items, three items (EM1, EM2, and EM3) were deleted during the confirmatory factor analysis process. The remaining two items (EM4 and EM5) were analyzed. All two items have a factor loading of more than .50. This proposed that the two items correlated significantly to the factor itself with factor loadings ranging from 0.75 to 0.92 (Hair et al. 2006). However, this analysis confirms that the two items measure employability. These indicate that the assumptions of the confirmatory factor analysis were met. All two items were clustered together into the employability construct. Details can be found in Appendix E.

Regarding education has five items. Out of the five items, three items (ED2, ED4, and ED5) were deleted during the confirmatory factor analysis, and two items (ED1 and ED3) remained

to be analyzed as shown in Appendix E. All two items have a factor loading of more than .50. This suggests that the two items correlated very significantly to the factor itself. Factor loadings are ranging from 0.78 to 0.79 (Hair et al. 2006). This analysis confirms that the two items measured education. All two items were clustered together into the education construct.

Finally, the factor loading for the social status variable contains nine items. Out of the nine items, seven-item (SS1, SS2, SS5, SS6, SS7, SS8, and SS9) were deleted, and two items (SS3 and SS4) were analyzed, with regards to the factor loading of social status, all two items had a factor loading of more than .50 after having done the confirmatory factor analysis. This suggests that all the two items correlated significantly to the factor itself, with factor loadings ranging from 0.63 to 0.70 (Hair et al. 2006). This analysis confirms that the two items measured social status. These indicate that the assumptions of the confirmatory factor analysis were met. All two items were clustered together into the social status construct.

The researcher used modification indices suggestions, then deleted all observed variables with a factor loading less than 0.30 (Hair et al. 2010). Table 4.6 shows that the remaining observed variables or items for each construct are as follows: lending policy decreased from 7 to 2, profitability policy from 7 to 3, monitoring and following up policy from 8 to 2, non-financial policy from 6 to 2, income from 5 to 2, employability from 5 to 2, education from 5 to 2, and social status from 9 to 2. Thus, after conducting the convergent validity, the final items that remained in this study are seventeen items included within eight constructs.

Having discussed the confirmatory factor analysis (CFA), it is realized that the regression estimates or factor loading of all observed variables or items are adequate from 0.34 to 0.98, as shown in Table 4.6. According to the sampling size, each observed variable or item's factor loading should be above 0.30 (Hair et al. 2010; 2006). This result indicates that each of the constructs conforms to the construct convergent validity test.

4.6.2 Discriminant Validity

Table 4.7 shows the calculation and presentation of the variance extracted (VE). Therefore, from the results obtained from the variance extracted, AVE is calculated by averaging the two variances extracted from the variables based on the SMC data using the equation as displayed in chapter three. Then, the finding is presented in a matrix as explained in Table 4.8. For discriminant validity to be upheld, it has been suggested that AVE should be greater than .50

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to justify using a construct (Thompson, Barclay & Higgins, 1995). In this research, the AVE of all the constructs is above the recommended value of .50. Thus, discriminant validity is achieved, and this means all constructs used for this study support discriminant validity.

Table 4.7*: Variance Extracted for Latent Variables (VE*)

Observed Variables	SMC^2	Measurement Error	Variance Extracted
LD1 LD4 **Lending (total)**	.16 .12 **.28**	.05 .04 **.09**	**.66**
PR1 PR2 PR5 **Profitability (total)**	.23 .72 .29 **1.24**	.06 .13 .08 **.27**	**.83**
MO1 MO2 **Monitoring (total)**	.82 .96 **1.78**	.20 .25 **.45**	**.86**
NF5 NF6 **Non-financial (total)**	.81 .41 **1.22**	.08 06 **.14**	**.88**
ICM4 ICM5 Income **(total)**	.44 .25 **.69**	.12 .08 **.20**	**.71**
EM4 EM5 **Employability (total)**	.86 .57 **1.43**	.05 .06 **.11**	**.95**
ED1 ED3 **Education (total)**	.61 .62 **1.23**	.04 .04 **.08**	**.93**
SS3 SS4 **Social status (total)**	.39 .49 **.88**	.08 .06 **.14**	**.85**

Source: Own Work

Tables 4.7 and 4.8 show that AVE's results are greater than .50, which is justify using the construct, indicating that the average variance shared between each construct and its measures is greater than the variance shared between the construct and other constructs (Compeau,

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Higgins & Huff, 1999). Fornell and Larker (1981) suggested that the squared correlations between constructs should be less than the variance explained by each construct.

Table 4.8*: Average Variance Extracted (AVE) Matrix*

Variable	LD	PR	MO	NF	ICM	EM	ED	SS
LD	1							
PR	.75	1						
MO	.76	.85	1					
NF	.77	.86	.87	1				
ICM	.69	.77	.79	.80	1			
EM	.81	.89	.91	.92	.83	1		
ED	.80	.88	.90	.91	.82	.94	1	
SS	.76	.84	.86	.87	.78	.90	.89	1

Source: Own Work

4.7 Goodness-OF-Indices of Model

4.7.1 Goodness-OF-Indices of Hypothesized Model (SC)

AMOS 24 Graphics were used to run the structural model and test the hypothesized relationship between constructs. Maximum likelihood (ML) estimation was employed to compare structure coefficients between latent variables. Examinations of the goodness of fit indices (GOF) are shown in Figure 4.1. ML is based on the assumption that the observed variables are normally distributed. This assumption is met by the data in the previous section.

The final modified model in Figure 4.1 yields a $\chi 2$ (Chi-square) of 4891.331, degree of freedom = 1252, and P-value = 0.000, which is not significant at the level of (0.050), indicating that the model fits the data very well except the *P*-value. However, because the Chi-square statistic is very sensitive to the sample size, it is more appropriate to look at other fit measures.

Fortunately, other fit measures also indicate the goodness of fit of the model to the data (CMIN/DF = 3.907, RMSEA = 0.085, TLI = 0. 518, CFI = 0.545, NFI = 0.475, GFI = 0.690, AGFI = 0.627). Table 4.9 shows the resulting statistical estimates of the hypothesized model. Most of the indexes, as indicated, did not achieve the recommendation values (Hair et al. 2006; 2010). However, more details in Appendix F.

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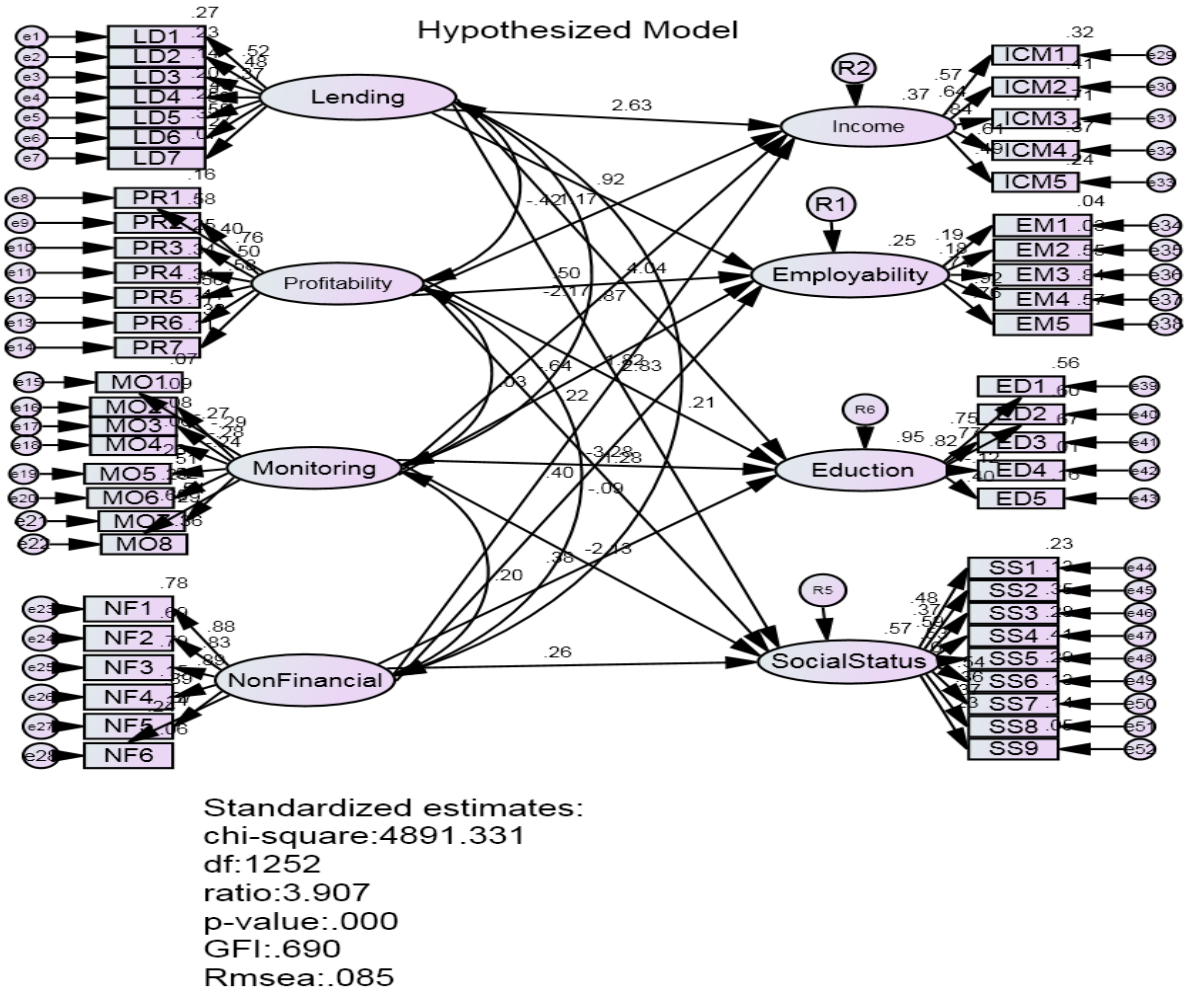

Figure 4.1*: Hypothesized Models (SC) with Standardized Estimates*

Table 4.9: *Hypothesized Model (Goodness-Of-Fit indices)*

Measures	Fit Indices	Threshold Values
Absolute Fit Level		
RMSEA	0.085	Less than 0.08
GFI	0.690	0.90 and above
P-Value	0.000	*P*-Value ≥0.05
Incremental Fit Level		
AGFI	.659	0.90 and above
CFI	.545	0.90 and above
TLI	.518	0.90 and above

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NFI	.475	0.90 and above
Parsimonious Fit Level		
CMIN/DF	3.907	Less than 2.0
SMC (R^2)		**Bigger better**
Education	.945	
Employability	.249	
Income	.373	
Social Status	.573	

4.7.2 Generating Model (GM)

Jöreskog and Sorbom (1993) pointed out that the re-specification (generating model) may be either theory or data-driven; the ultimate objective is to find a substantively meaningful and statistically meaningful model well-fitting. From the hypothesized model, deletions of modification indices (MI) were used to achieve the GOF of the generating model. However, the steps taken for this deletion of modification indices can be found in Appendix F.

4.7.2.1 Goodness of Fit Indices of Generating Model (GM)

The results of goodness-of-fit for the generating model are shown in Table 4.10 and Figure 4.2. The value of Chi-square is 111.402 with 97 degrees of freedom and a p-value of 0.151. The GFI is 0.969, the AGFI is 0.951, TLI is 0.989, NFI is 0.944, CFI is 0.992, RMSEA is 0.019, and the CMIN/DF of 1.148 < 2. The goodness-of-fit results for the generating model are acceptable as being above the recommended values (Hair et al. 2006, 2010).

Table 4.10: ***Model Generating (Goodness-Of-Fit indices)***

Measures	Fit Indices	Threshold Values
Absolute Fit Level		
RMSEA	0.019	Less than 0.08
GFI	0.969	0.90 and above
P-Value	0.151	*P*-Value ≥0.05
Incremental Fit Level		
AGFI	0.951	0.90 and above
CFI	0.992	0.90 and above

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TLI	0.989	0.90 and above
NFI	0.944	0.90 and above
Parsimonious Fit Level		
CMIN/DF	1.148	Less than 2.0
SMC (R^2)		Bigger better
Education	.751	
Employability	.493	
Income	.190	
Social Status	.336	

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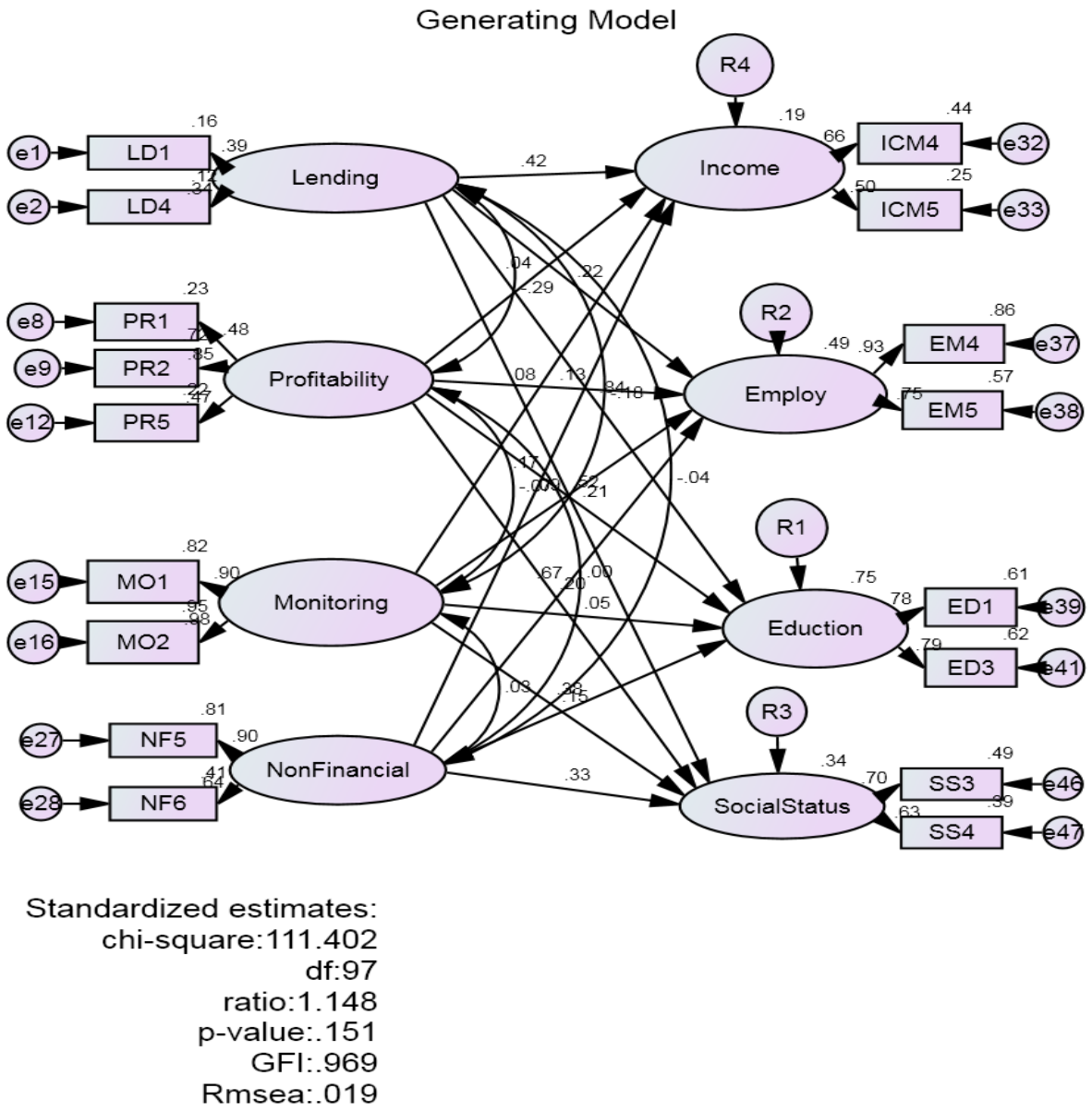

Figure 4.2*: Generating Model with Standardized Estimates*

4.8 Hypotheses Testing Result

The statistical results generated by the MLE procedure employed as the main criteria to test the research hypotheses. The result of hypothesis testing will be decided based on the output of probability value produced by the MLE algorithm whereby the effect of exogenous construct on the respective endogenous construct is considered significant if the probability value is less than 0.05 (the probability of committing type 1 error rate is set at 5%). A direct effect represents an effect of the independent variable (exogenous) on a dependent variable (endogenous). Figure 4.2 and Table 4.11 shows the hypotheses testing, in determining the

significance of each path coefficient, an estimate of regression weight, standard error of regression weight, and critical ratio for regression weight (C.R= dividing the regression weight estimate by the estimate of its standard error) were used and β denoted the unstandardized regression coefficient.

There were eight hypotheses in this study; the results are displays as following:

H1: Lending policy is related significantly and positively to income and employability.

Referring to Structural Equation Modeling (SEM) results as in Table 4.11; it presents each parameter's CR, Estimate, and SE of the Generating Model. Hence, lending policy has a significant and positive direct impact on income (β =.554, C.R = 2.780; *P* = .005) which is lower than the type 1 error being set at 5% (0.05). Additionally, the lending policy has a significant and positive direct impact on employability (β =.566, CR = 2.867; *P* = .004), which is lower than the type 1 error being set at 5% (0.05). The regression coefficient from the generating model indicates the changes in the dependent variable due to changes in the independent variable act as a measure of association, which means that 1 unit change in lending, for example, will increase .554 unit changes in income. Thus, the stated findings are empirically supported, and the hypotheses H1.a, H1.b are accepted.

H2: Lending policy is related significantly and positively to education and social status.

Referring to the results of Structural Equation Modeling (SEM) as in Table 4.11, the lending policy is related significantly and positively with education (β =.591, CR = 3.588; *P* = ***), the computed probability value (P-value) obtained by the MLE procedure is lower than the type 1 error being set at 5% (0.05). Thus H2.a is supported. Additionally, the lending policy has a significant and positive direct impact on social status (β =.974, CR = 4.012; *P*= ***) or H2.b is supported. The regression coefficient from the generating model as in Figure 4.2 indicates the changes in the dependent variable due to changes in the independent variable act as a measure of association, which means that 1 unit change in lending policy, for example, increase 1.591 unit changes in education. Therefore, H2.a and H2.b are supported.

H3: Profitability policy is related significantly and positively to income and employability.

Table 4.11 presents each parameter's CR, Estimate, and SE of the Generating Model. Hence, profitability policy has no significant direct impact on income (β =.034, CR = .388; *P* = .698), the computed probability value (P-value) obtained by the MLE procedure is higher than the

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type 1 error being set at 5% (0.05). Thus, H3a is rejected. Additionally, profitability policy has a significant and positive direct impact on employability (β = .230, CR = 2.130; *P* = .033), the computed probability value (P-value) obtained by the MLE procedure is lower than the type 1 error being set at 5% (0.05). Thus, H3.b is supported. The regression coefficient from the generating model in Figure 4.2 indicates that a 1 unit change in profitability increases 0.230 unit changes in employment. Therefore, the H3a is rejected, and H3b is supported.

H4: Profitability is related significantly and positively to education and social status.

Referring to the results of Structural Equation Modeling (SEM) in Table 4.11, profitability policy has no significant impact on education (β =.043, CR = .624; *P* = .533), the computed probability value (P-value) obtained by the MLE procedure is higher than the type 1 error being set at 5% (0.05). Thus H4.a is rejected. Additionally, profitability policy has a significant and positive direct impact on social status (β =.263, CR = 2.026; *P* = .043) or H4b is supported. The regression coefficient from the generating model in Figure 4.2 indicates that 1 unit change in profitability policy increases 0.263 unit changes in social status. Therefore, H4.a is rejected, and H4.b is supported.

H5: Monitoring and following up is related significantly and positively to income and employability.

Referring to the results of Structural Equation Modeling (SEM) as in Table 4.11, monitoring and following up has no significant direct impact on income (β =.027, CR = .030; *P* = .917), the computed probability value (P-value) obtained by the MLE procedure is higher than the type 1 error being set at 5% (0.05). Thus, H5.a is rejected. Additionally, monitoring and following up has no significant direct impact on employability (β =.064, C.R = 1.649; *P* = .099) or H5.b is rejected. Therefore, H5.a and H5.b are rejected.

H6: Monitoring and following up is related significantly and positively to education and social status.

The result of Structural Equation Modeling (SEM), as in Table 4.11, shows that monitoring and following up has no significant direct impact on education (β =.028, CR = .051; *P* =

.592), the computed probability value (P-value) obtained by the MLE procedure is higher than the type 1 error being set at 5% (0.05) or H6.a is rejected. Additionally, monitoring and following up has no significant direct impact on social status (β =.076, C.R = 1.643; *P* = .100) or H6.b is rejected.

H7:Non-financial is related significantly and positively with income and employability.

Referring to the result of Structural Equation Modeling (SEM) as in Table 4.11, the non-financial policy has no significant direct impact on income (β =.112, CR = 1.615; *P* = .106), the computed probability value (P-value) obtained by the MLE procedure is higher than the type 1 error being set at 5% (0.05). Thus, H7a is rejected. Additionally, non-financial has a significant and positive direct impact on employability (β =.852, C.R = 9.949; *P* = ***) or H7.b is supported. The regression coefficient from the generating model in Figure 4.2 indicates that a 1 unit change in non-financial policy increases 0.852 unit changes in employment. Therefore, H7.a is rejected, and H7.b is supported.

H8:Non-financial is related significantly and positively with education and social status.

As in Table 4.11, non-financial is related significantly and positively with education (β =.352, CR = 3.846; *P* = ***), the computed probability value (P-value) obtained by the MLE procedure is lower than the type 1 error being set at 5% (0.05). Thus, H4a is supported. The regression coefficient from the generating model as in Figure 4.2 indicates that 1 unit change in non-financial policy increases .352 unit changes in education. Additionally, non-financial has a significant and positive direct impact on social status (β =.305, C.R = 3.621; *P* = ***) or H4b is supported. The result from the generating model in Figure 4.2 indicates that 1 unit change in non-financial policy increases .305 unit changes in social status. Therefore, the stated findings are empirically supported by H4.a and H4.b.

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Table 4.11: ***Direct Hypotheses Testing Result of Generating Model***

H.	From	To	Estimate	SE	C.R.	*P*	Results
H1a	LD	ICM	.554	.199	2.780	.005	*Yes*
H1b		EM	.566	.197	2.867	.004	*Yes*
H2a	LD	ED	1.591	.443	3.588	***	*Yes*
H2b		SS	.974	.243	4.012	***	*Yes*
H3a	PR	ICM	.034	.089	.388	.698	*No*
H3b		EM	.230	.108	2.130	.033	*Yes*

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H4a	PR	ED	.043	.069	.624	.533	*No*
H4b		SS	.263	.130	2.026	.043	*Yes*
H5a	MO	ICM	.027	.030	.917	.359	*No*
H5b		EM	.064	.039	1.649	.099	*No*
H6a	MO	ED	.028	.051	.536	.592	*No*
H6b		SS	.076	.046	1.643	.100	*No*
H7a	NF	ICM	.112	.070	1.615	.106	*No*
H7b		EM	.852	.086	9.949	***	*Yes*
H8a	NF	ED	.352	.092	3.846	***	*Yes*
H8b		SS	.305	.084	3.621	***	*Yes*

Source: Own Work

4.9 Summary

This chapter is the most important of all as it analyses the data, presents the results and tests the hypotheses for the study. In summary, a good response rate was achieved (57%). For the survey, the test of non-response bias also demonstrated that there is no statistically significant difference between early and late response. As a result of that, the issue of non-response bias did not significantly affect the generalization of the findings of this study. Confirmatory Factor Analysis (CFA) was conducted for each latent variable as an individual variable in order to test the construct validity for all interval scale variables; reliability was also tested for all interval scale variables to see how free it is from random error. Further, the researcher tested the assumptions of normality, linearity, and homoscedasticity and the results show that the assumptions were generally met.

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CHAPTER FIVE
DISCUSSION AND CONCLUSION

5.1 Introduction

This study examines the impact of microfinance policies, namely (lending, profitability, monitoring and following up, non-financial), on socioeconomic dimensions of women empowerment such as (income, employability, education, and social status). Institutional policies are considered essential to achieving women's empowerment. However, few studies examined women empowerment from a policy perspective. A triangulation based mixed methods were used to achieve the goal of this study. In subsequent steps, IBM-SPSS-AMOS V.24 and Descriptive Statistics were employed to answer the research questions and test the hypotheses. This chapter discusses the research findings and concluding remarks, study limitations, implications, recommendations, and future research direction.

5.2 Discussion and Research Findings

As mentioned in chapter one, the main objectives of this study were: **1)** To determine the extent to which microenterprise schemes contribute to empowering women economically and socially, **2)** To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring, and following up, and non-financial) on women's income, **3)** To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's employability, **4)** To determine the significant direct effect of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's education, **5)** To identify the significant direct influence of microenterprise policies (lending, profitability, monitoring and following up, and non-financial) on women's social status.

It was clear to the researcher that achieving the study objectives should help academic research explain and recognize women's status economically and socially in Jordan. Articulating the context and purpose of the project would not be enough. The researcher was aware that the severity of her inquiry would be demonstrated by using the collected data for assessment and how the development of usable knowledge would support her conclusions. To get the right action and have the experience, the researcher had to gain a conceptual framework that helped her measure the findings' validity and reliability.

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5.3 Qualitative Study

Broadly, findings refer to main emerging themes: the role of microenterprise schemes on women empowerment and poverty mitigation, the role of microenterprise policies on women economic and social empowerment, the extent to which the institution's financial sustainability affect the social mission, entrepreneurial success factors and suggestions to improve the microcredit program, in particular, credit terms and the administration of the program. Chapter Three illustrated the findings related to these main themes, and they are discussed below:

Q.1 (Objective one) to determine the extent to which microenterprise policies contribute to empowering women economically and socially.

Entrepreneurial policies enable women to get sustainable income, achieve financial security, economic independence, job security, have more freedom in financial decision making and control over resources, and enable women to be socially empowered. Moreover, it reduced the incidence of poverty and unemployment.

This objective is drawn by interpreting certain sub-questions, which are:

Q1.a What do you think about the role of microenterprise schemes in mitigating poverty and unemployment?

Throughout the interview, most key informants assured that the microenterprise schemes are seen as a solution to poverty and unemployment through increasing income and create employment. However, a key informant from MFW believes that microenterprise cannot mitigate poverty because it only helps stabilize women's everyday lives and maintain the same living conditions. Moreover, there was agreement that microenterprise support employment creation, either self-employment or wage employment; however, a participant from ACC was skeptical about microenterprise potential to create jobs because it helps create partial or seasonal employment.

Q1.b What were the factors that affect women entrepreneur's performance?

Participants also discussed factors affecting women entrepreneurs. For example, responsible borrowing, clients' seriousness, and proper management were often raised by participants.

Additionally, two participants mentioned women traits such as determination and perseverance.

Q1.c What does program success look like to you?

Key informants expressed positive opinions about the success of the microcredit program. Hence they mentioned that the program is indeed thriving and brings positive outcomes to beneficiaries and their households.

Q1.d What is the percentage of failed schemes during the period 2015- 2016?

The key informants referred that the failed enterprises were 35%, 2%, 25% for DEF, MFW, and ACC, respectively.

Q1.e What are the funding facilities the institution received?

Participants from DEF, MFW, and ACC noted receiving funding facilities from internal and external sources. For example, DEF participants asserted receiving funding from the Arab Fund for Economic and Social Development. MFW received external funds from several international agencies, which reflects the excellent reputation of microlenders worldwide.

Q.2 To what extent the lending policy and credit terms contribute to women's social and economic empowerment?

Key informants expressed a positive view of the role of credit terms and lending policies on entrepreneurial success. They were confident that the credit terms provided contribute to empower women on the economic and social aspects. Participants from MFW emphasized client-centricity in product design. Additionally, participants from ACC referred that credit terms depend on the nature and life cycle of the scheme; the grace period is flexible suits the nature and the potential growth of enterprises. However, participants from ACC and MFW noted that collateral is required depending on the loan size granted, such as mortgage of property or asset, to ensure repayment. While participants from MFW noted that collaterals are not necessary, however, a guarantor is required.

Q2.a What is the percentage of rejected loan applications?

Participants mentioned that the percentage of refused application around 25%, 20%, and 25% for DEF, MFW, and ACC, respectively.

Q2.b What were the primary reasons for rejected applications?

All participants clearly expressed three main reasons for rejecting financing requests by women clients these includes i) lack of required documents, ii) lack of collaterals, iii) unseriousness of clients. Notwithstanding, some clients may don't have the willingness to repay the loan. Thus, lenders evaluate the client's credit history to distinguish clients who have a track record of successful lending and repayment from defaulter clients. From the interview participants' experience, the loan's unclear purpose leads to the funding request's refusal. Hence, it's an indicator of defrauding; therefore, collaterals are required to ensure commitment in repayment and seriousness.

Q2.c What recommendations do you offer to improve loan delivery or administration of microfinance programs?

Even though deposit-taking is considered a source of funding, lenders are not authorized for deposit-taking. Therefore, MFIs may rely on other financial sources, such as equity holdings. A higher capital adequacy ratio (CAR) may thus mean less funding based on deposits. Key informants reported the usefulness of micro-savings to make credit available and enhance trust relationships between lenders and clients. Consequently, increase lending activities, reach more clients, and bring low financial cost. They thus suggested regulatory change to provide cheaper funds and institutional sustainability. Informants expressed concern regarding administration issues such as human resource development and staff incentives, which identified a key area for reforming. Throughout the interview, product innovations and entrepreneurial motivations were also suggested to be improved. Moreover, decreasing interest rates, diversifying the sector of investment in the enterprise, and offering government facilities (e.g., licenses issuing and tax exemptions) were proposed by participants.

Q.3 How do you explain the trade-off between the institution's financial sustainability and achieving the social mission?

The central point for my entire participants is responsible lending. That is, microlending institutions don't aim to make a profit. They confirmed that the main focus is achieving the social objectives and women empowerment rather than making a profit. Mostly, these lenders

are registered as not for profit-making. Some of the informant's testimonies from MFW include, "we don't distribute profit. Notwithstanding, key informants noted micro lending institutions are not a charity; they defend financial sustainability by pursuing the social mission. Even when earning is occurred it's mobilized to cover the operational cost and reinvested to serve further clients; for example, key informants from MFW pointed to client protection and fair treatment. Further, considering the challenges facing clients was also regarded by key informants from ACC.

Q3.a What are the main tools to manage bad loans?

Key informants noted that writing off bad debt is prohibited; hence, government institutions' credit programs are often politicized; when collections practices are more relaxed, clients do not pay back their loans. Thus, lenders used risk adjustment tools to reduce the number of non-performing loans; for example, collateral such as mortgage or guarantees can be substituted in case of default and rescheduling loans and using efficient collection methods. Hence, the lender's philosophy is to protect clients, but it is the misuse of the loan that has devastating results. However, one participant from DEF mentioned that "we use cautionary lending policy." Key informants discussed the possibility of initiating legal action against the defaulter; the outcome of their testimonies report that this can be the last but not the first option. For example, participants from MFW said that the defaulter has a 180 day as a notice of default before the institution starts legal action.

Q3.b To what extent the current regulations contribute to developing the microfinance sector?

The regulatory environment was the focal point of all participants. Key informants from MFW applauded the progress made by licensing the Central Bank of Jordan to supervise MFI's in Jordan, towards better organizing the sector. Thus, the existing regulation and legislations are seen to be conducive and supportive of lending activities. However, in a prior discussion, it was highlighted by key informants that there is untapped cost-saving potential. Thus, it was suggested regulatory change to provide lenders license to collect deposits due to the potential gains in improving performance, decreasing cost, and facilitating finance access.

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Q.4 What is the lending methodology adopted in loan delivery?

In microfinance, the minimalist approach considers access to credit alone as a development strategy. In contrast, the maximalist approach emphasizes the importance of credit and a wide variety of non-financial services. Throughout the interview, it was discussed which approach is adopted. Key informants from DEF and ACC mentioned that a minimalist approach is adopted; hence the operational costs incurred are much lower than those in the maximalist approach. Key informants from DEF and ACC noted providing training programs through third partners, and key informants from DEF mentioned the provision of mandatory life insurance.

In comparison, maximalist (credit-plus approach) was adopted by MFW. Informant's testimonies from MFW perceive the credit-plus approach as a pathway for women empowerment. Several training courses are provided to improve women's skills and personal growth through MFW's training academy on various topics such as financial management and vocational training. Moreover, micro insurance covers multiple risks or contingencies such as health, death, and crops. Especially, poor women are excluded from formal social protection schemes. For example, in adverse events, micro insurance cover (illness of clients/children, death of a client/spouse). Additionally, providing social services, networking, and marketing facilities.

Q4.a What is the role of non-financial services' in women's empowerment?

Financial services provision is not necessarily the fastest and more efficient way to improve women participants' livelihood or reduce the poverty levels, so it must complement it with other non-financial services to maximize social wellbeing. Informants discussed the viability of non-financial benefits to unlocking women entrepreneurs' growth potential. There was agreement that non-financial services play a key role in women empowerment; hence, it protects women, reduces risk, and ensures enterprise sustainability. However, key informants from DEF and ACC were somewhat skeptical about the training program's role in entrepreneurial success by highlighting the importance of prior experience. Testimonies of key informants from DEF emphasized "targeting experienced clients." Additionally, informants from DEF and ACC clearly expressed rescheduling the debt in adverse events as a mechanism to mitigate risk and protect clients as insurance on loans or crops is not offered.

Further, informants from MFW expressed positive opinions about the role of blending financial and non-financial services on women's economic and social empowerment. For example, training courses are provided through MFW's training academy to improve women's skills. Additionally, health insurance for women and their children included compensation of 15 JD per/ night spent at the hospital. Moreover, women are compensated by 15 JD for loss in income due to illness and inability to work that day. Thus, non-financial services contribute positively to economic and social dimensions of empowerment such as income, employment, educational attainment, and social wellbeing.

Q5. What is the role of monitoring and follow-up policy in women empowerment?

Key informants expressed concerns over the striking balance between monitoring cost and efficiency to reduce information asymmetry. Given the high cost of monitoring, increased demand for a loan, a lack of staff assigned to monitoring, the unreliability of financial information, and the absence of conventional collateral, it is difficult for lenders to increase the scale and efficiency of monitoring. Key informants discussed how screening and monitoring spur women's economic and social empowerment. Testimonies from MFW indicated the adoption of relationship lending methodologies based on collecting soft information. However, the intensity of monitoring depends on the delinquency rate of clients. Notwithstanding, relationship lending gets attention in the literature. It has some limitations. As the authority is given to loan officers to collect soft information, any loss of information affects the lending decision, thereby assigning agents with distinctive characteristics and with promotion-based incentive contributes to the quality of information. Thus, monitoring and screening entrepreneurs' performance may improve their prospects and enable them to critically assess the enterprise economic status and take timely corrective actions in case of lack of liquidity or cash flow mismatch. Indeed, this would positively contribute to improve the economic and social being of women microentreprenures.

On the other hand, using hard collaterals and engagement in transaction lending was noted by key informants from DEF and ACC. Informants from DEF clearly expressed the inefficiency of the monitoring system due to the high cost. However, there was a reluctance to refer to the current monitoring policy's impact on social and economic empowerment. A key informant from DEF noted that monitoring and screening clients are conducted only in the early stage of business. Another key informant from ACC defended his opinion on the current monitoring

policy by highlighting the notion of "monitored lending." The lending decisions pass through more layers of authorities away from the loan officer.

5.4 Quantitative Study

This study used SPSS and SEM to analyze the quantitative data as presented in chapter Four. In this section, the results will be discussed and explored to achieve the study objectives and hypotheses testing as follows:

5.4.1 (Objective two) To identify the significant direct influence of the microenterprise policies (lending, profitability, monitoring, and following up and non-financial) on women's income?

When analyzing the direct influence of the microenterprise policies on women's income, results show that lending policy, among other policies, has a substantial effect on women's income, which indicates that credit terms (loan size, repayment schedule, and grace periods) enable women to overcome cash flow volatility and ensure them against cash flow shocks. Especially in the irregular income stream situation, loan contract design seems to match women's capacity to generate cash and improve income. Hence, lenders provide diversified loan sizes to meet women borrowers' financial needs. Additionally, loans provided on several sectors included (service, commercial, agriculture, and industrial). Additionally, the flexibility in grace periods that allow a client who faces unforeseen circumstances to meet their financial obligation within the grace period; for example, MFW provides a grace period from 1-6 month, DEF and ACC from 3-6 month. Moreover, the repayment schedule and the loan amount are specified according to women's financial status and repayment capacity.

Therefore, lending policy improves cash and liquidity management and increase profit. This result suggests that the rate of return on microenterprise schemes seems higher than the loan instalment, which can mitigate poverty among women. This result confirms the findings obtained by Barboni and Agarwal (2018) that borrowers who carry out higher-revenue activities are more likely to take up the flexible schedule than borrowers engaged in lower-revenue activities, and even more so when the flexible schedule is more expensive than the rigid one. These findings also validate Khaleque (2018) claim that relaxation of credit constraint increases 6% monthly turnovers of women entrepreneurs'.

These findings close to findings by Islam and O'Gorman (2019) that features of microfinance contracts and institutions provides poverty alleviation and equity-inducing potential and also agree with Hauser, Pavelesku, and Vacarciuc (2017), who indicated that some delinquency could be attributed to inappropriately structured repayment, and also supported by Field and Pande (2008) and Field et al. (2012). They reported a positive effect of reducing the frequency of loan repayments on business income and investment. These findings are also supported by Field et al. (2013), who found that allowing a two-month grace period instead of immediate repayment has a positive effect on business profits. These findings are further supported by Barboni (2017), who observed that a more flexible debt structure increases investments in business activities and variance of profits. On the contrary, Cheston and Kuhn (2002) showed that some differences in loan sizes might be a result of women's greater poverty or the limited capacity of women's businesses to absorb capital, and disagree with Nakano and Magezi (2020a) that credit did not increase total household income or income from other sources, such as other crop income, livestock income, and business income.

It was hypothesized that lending, profitability, monitoring, and non-financial have a direct and positive impact on women's income. However, SEM results have not shown any significant effect of these policies, except for the lending policy which shows a direct and positive effect on income. Thus, H1.a is accepted, and H3.a, H5.a, and H7.a are rejected. Notwithstanding, for non-financial, profitability, and monitoring (P values >.05), and the effect size estimate was .112, .034, .027, respectively (given in Appendix F), these effect sizes are considered irrelevant. Hence, the data didn't provide sufficient information to judge the relationship of these policies (non-financial, profitability, monitoring) on income. However, for lending policy (P-value <0.05), the effect size of .554 is seen to be significant and relevant.

Moreover, these findings suggest that lender's incentives toward profitability did not increase women borrowers' income level; hence, earnings generated from establishing the business were used to make the interest payment and fees rather than reinvested in the industry. Additionally, overemphasizing loan repayment rather than following up the enterprise's financial viability may adversely affect women empowerment. Schicks (2014) confirmed these findings that the loan inflicts the cost of interest and fees on the borrower and does not create any extra repayment capacity. This work contributes to the recent argument regarding if lenders focus on financial sustainability rather than empowering women, especially the interest rate imposed by MFI's are widely criticized. The current finding is supported by Ward

(2014) that high interest rates charged by lenders forced female borrowers to use savings for payments, which indicates that the lender's incentive toward profitability didn't support income creation. Going further, these findings are supported by (Brett, 2006) who suggested that microfinance clients might borrow from loan sharks and take second jobs to pay off their loans, and de Oliveira Crevelari (2017), who claim that high interest rates lead to debt traps.

Notwithstanding, a microlending institutions included in this study didn't distribute profit, and they registered as non-profit; however, their current incentives toward financial sustainability didn't show any impact on income. This finding is the most remarkable result of the study because it's in contradiction with the key informant opinions who asserted that lenders are not profit maximizers, instead they are socially motivated and also contradict with Gul, Podder, and Shahria (2017), who indicated that not-for-profit MFIs are primarily motivated by a "development" logic, and with (Downey & Conroy, 2010; de Oliveira Leite, dos Santos Mendes & de Lacerda Moreira, 2020) who argued that non-profits institutions are expected to have more of a social mission and for-profit firms to be more profit-driven. Moreover, the result suggests that monitoring and following up policy didn't improve the level of income. These findings contradict Mishkin and Eakins (2006), who confirmed that monitoring the loan agreement overtime would maximize the probability of loan repayment repaid; helping the borrower to manage financial distress and overcome loan default problems. Findings were also contrary to the claim by Agbeko et al. (2017) and, Olomola and Niser (2000) that loan monitoring is an essential factor in increasing loan repayment rate and disagree with Dimble and Mobarak (2019), who found that screening borrowers using local information can lead to better targeting and improved welfare. However this result is close to findings by (Addae-Korankye, 2014) who emphasized that loan default causes include a low appraisal and lack of monitoring.

This contradiction is that the current screening methodologies are inefficient due to high operational costs and lack of human resources. Especially, operating costs tend to be higher for MFIs that provide microloans and serve women. Consequently, this raises the free-rider problem and information asymmetry. Additionally, the small loan size may encourage borrowers to spend the loan amount on unproductive purposes, and this finding in an agreement with Hadi and Kamaluddin (2015).They suggested that the lower repayment rate would happen when the loan officers did not observe and monitor the borrowers and failed to provide training on the financial aspect. These results also validate the qualitative study's

findings that highlighted misusing the loan and irresponsible borrowing as a recurring issue faced by lenders.

Unexpectedly, the effect of non-financial policy on income is not significant; hence, subsidized institutions provide limited training programs. However, Business development services (BDS) are supplied through a third partner. Additionally, lenders who offer subsidized loans such as DEF and ACCC don't provide health insurance or insurance on the loan. Consequently, women are obligated to join public health insurance programs and to pay for medication service from their income. Conversely, MFI such as (MFW) adopt the best practices in microlending, hence, non-financial services linked to credit, focusing on protecting women clients. Taken together, the findings reflect the need to improve the non–financial policy, especially for those lenders who don't adopt the credit-plus model, such as DEF and ACC.

On top of that, these findings in absolute agreement with the results of a qualitative study that highlights the inability of subsidized institutions to provide non-financial service due to the higher cost associated. The result also agrees with the OECD (2017) that providing business training and financial literacy enables women to understand the caveats of their loans and keep track of their finances. These findings contradict with proponents of the credit-plus approach, such as (Copestake, Bhalotra & Johnson, 2001; Karlan & Valdivia, 2011; McKernan, 2002; Noponen & Kantor, 2004), who argued that the poor need access to a coordinated combination of microfinance and other developmental services, to overcome their poverty. Results also disagree with Bockel, Thoreux, and Sayagh (2008), who mentioned that providing insurance could be a complementary tool that improves clients' ability to manage risk and improves their capacity to repay loans.

5.4.2 (Objective three) to identify the significant direct influence of the microenterprise policies (lending, profitability, monitoring and following up and non-financial) on employment.

The evidence provides a significant and positive answer to achieve this objective except for monitoring policy, which didn't significantly impact employment. This result shows that the credit terms (loan size, repayment schedule, grace period) and loan product designed to meet women's clients' idiosyncratic needs are appropriately designed. Hence it contributes to strengthening the financial viability of businesses owned by women, expand the scale of entrepreneurial activities, and spur employment (even if it is only part-time).This finding

indicates that labor costs to loan size are plausible, however, the smallness of loan size is not a necessary barrier to the growth potential of enterprises. The lending policy supports a microenterprise's growth; hence, lenders enable borrowers to access subsequent loans when they yield adequate earnings which could help to expand entrepreneurial activities. Thus, women's transition from unemployment to self-employment will shift the burden of job creation from state to individuals, especially unemployment is incredibly high in Jordan, and there is severe pressure on the Jordanian labor market. In conclusion, credit terms help in increasing employment creation.

This result is supported by Abrar, Hasan, and Kabir (2020), who argued that microfinance loans allowing the poor to move from subsistence to self-employment. When there is a substantial increase in self-employment share, entrepreneurs need to attract them by paying them market wages equal to their self-employment earnings. This result also conforms to Erhardt's (2017) finding that loans above or below a specific threshold have a very similar impact on wage employment. These findings agree with Barboni (2017)that innovating microfinance contracts' repayment structure is considered a channel to promote micro entrepreneurs' growth. And agrees with the claim by (Feigenberg, Field and Pande, 2013; Gulesci, Madestam and Stryjan, 2018; Field et al. 2013) that business growth can be limited by stringent contract features, like weekly repayments, strict collateral requirements, or repayment rigidity.

Further, these findings evident by Barran et al. (2020), who found that enterprises can, within the 12 countries, provide 1 million additional jobs in the next decade. Result also agreed by (Dunn & Arbuckle, 2001; Karlan & Tedeschi, 2010; Gubert & Roubaud, 2011), who found a moderately positive effect of loan size on wage employment and, with Aragón, Karaivanov, and Krishnaswamy (2020) that relaxing the terms of the lending contract can have a positive effect on business performance. These findings contradict (Banerjee et al. 2015; Karlan & Zinman, 2011), who claimed that small loan size has a negative effect on wage employment. These findings also in contradiction to Danson, Galloway, and Sherif (2020), who argued that offering loans without collateral, at interest, and often with no requirement to be trading at a profit, deepen precocity in the enterprise rather than support sustainable business activities, the self-employed are more likely to work part-time, have less clear business propositions, and command lower rates of pay.

Concerning profitability policy, SEM's result has shown a significant and positive effect on employment; these findings draw on the notion that women may fund their capital needs by borrowing from other sources or savings to sustain the enterprise. These findings close to finding by Aragón, Karaivanov and Krishnaswamy (2020) that some microentreprenures may be relying on expensive credit from third partners' to fund their working capital needs. Also, agree with Barboni (2017) that loans offered at a higher price successfully improve the enterprise performance when the repayment schedule is flexible than the rigid one. The finding is further supported by Barboni, and Agarwal (2018) that borrowers consider the higher price of the flexible contract "fair" – they seem to recognize that the advantages of benefiting from a repayment flexibility option should come at a premium for the lender.

Moreover, result suggests that non-financial services such as micro-insurance and business development services (BDS) complement credit. It increases women's productivity and consequently enhances the enterprise's growth prospects and upscale entrepreneurial activities. This result agrees with (Copestake, Bhalotra & Johnson 2001; Karlan & Valdivia 2011; McKernan 2002; Noponen & Kantor, 2004), who pointed that developmental services are crucial for making credit more productive and impactful for the clients. This result is close to the result obtained by Islam and O'Gorman (2019) that entrepreneurship is spurred the most by business training. This result supported by Idrus, Pauzi, and Munir (2014), who highlighted that advocacy and counseling could incentivize women's self-employment and expand the growth prospect of the enterprise; however, the result not supported by Danson, Galloway, and Sherif (2020), who concluded that provision of microcredit and training was not always effective, and not impacting on the intended beneficiaries Concerning monitoring and following up policy, the result didn't show any significant impact; thus, monitoring didn't create employment opportunities. And this result is close to the finding by Zamore, Beisland, and Mersland (2019), who indicated that operating with many branches makes the institution more complicated and probably weakens both the owners' monitoring ability and the head office. Therefore, H 1.b, H3.b, and H7.b are accepted, and H5.b is rejected.

In Appendix F, the effect size estimates for non-financial, lending, profitability, and monitoring policies were .852, .566, .230, .064, respectively. These estimates show that non-financial has a much stronger effect in increasing women's employability than other policies. Conversely, the effect size of monitoring is relatively small. However, this effect size is not relevant (P-value >.05). The non-financial policy proved to have a substantial role in

expanding employment possibilities; hence, its effect can be seen as a catalyst for entrepreneurism, makes women confident that they will be cushioned in case of emergencies; and consequently increases women's financial security to pursue entrepreneurial opportunities. For example, MFW provides hospitalization insurance for women and their children under 21 years old and compensated them by 15JD/ per night spent at the hospital. Additionally, women are given a fixed amount in their spouse's death, which can protect and empower women clients. Moreover, providing BDS, mentoring, and advocacy help to upgrade women's skills and broaden their success potential. This result agrees with Karlan and Morduch (2010), who confirmed that finance interventions alone, might not be as powerful as finance coupled with other interventions such as training and healthcare.

5.4.3 (Objective four) to identify the significant direct influence of the microenterprise policies (lending, profitability, monitoring, and following up, non-financial) on education.

At the practical level, the result provides causal evidence for the effects of lending and non-financial policy on education. Each step in the causal chain is explained by changes in women's resources, agency, and achievements. Obviously, the client-centricity in product design contributes to increasing client income. This is likely to increase women's spending on education (e.g., tuition fees) that is, clearly explains the improvement in educational attainment for women and their children. This result was demonstrated by Kapoor (2019), who heightened that increase in the monthly income of the microcredit program participants led to a rise in expenditure on education. This result agrees with Augsburg et al. (2012) who pointed out that access to microloan increase children education. And also agree with Raihan, Osmani, and Khalily (2017) that empowered women are known to be better able to allocate household resources in favor of better education.

Concerning non-financial policy, SEM results show a significant and positive impact on women and their children's educational aspirations. Hence, providing business training, financial literacy, advocacy, and networking opportunities provides women with the knowledge needed for their entrepreneurial success and raises awareness to reach its ambitious growth. However, women spend more income on their household wellbeing, such as children's schooling. This result agrees with Johny, Wichmann, and Swallow (2017), who asserted that non-financial services such as social networks positively impact household education.

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Another remarkable result of the study shows no direct effect of monitoring and profitability policies on education. This result is due to the high operational and transaction cost; hence the smaller the loan size, the higher per-unit monitoring and administrative expenses. This finding confirmed by Aubert, De Janvry, and Sadoulet (2009) that lending to the poor is more costly due to the added monitoring effort required. Consequently, the dilemma microlending institutions face in striking a balance between financial sustainability and social mission will be widened as the monitoring cost increases. Additionally, result also indicates that women stay under the financial strains from paying the interest charges and other fees, which barely enable them to pay the loan, consequently spending less on education. These findings also agree with Brett (2006), who found that borrowers decide to take their children out of school to repay loans in some cases. Therefore H2.a and H8.a are accepted, and H4.a and H6.a are rejected.

In Appendix F, the estimates of effect sizes for lending, non-financial, profitability, and monitoring were 1.591, .352, .043, .028, respectively. This suggests that lending has a much stronger effect on education than non-financial. However, the effect size of profitability and monitoring is considered irrelevant. Thus, the flexibility and diversity of financial products and the design features of lenders' credit terms satisfy women's financial needs. Therefore, enable them to access resources and exercise agency in intra-household processes, such as taking decisions related to children's education.
Notwithstanding, there is a scarcity of studies in the literature that examine the direct effect of enterprise policies on women's education. Most studies examined the impact on profit or repayment performance. They were considering that education could be improved through the channels of income. Therefore, this study fills the gap in knowledge by examining the direct effect of microenterprise policies on education.

Result suggests the imperfection of the current monitoring tools, which seems to be failing to screen women clients regularly, or capture delinquent clients in an early stage. This deficiency is threatening the gains from lending. Eventhogh monitoring and following up on entrepreneurs' performance, income stream, and repayment behaviors would mitigate information asymmetry and moral hazard. However, the hypothesized relationships between monitoring and education are not supported; hence, the monitoring system based on mix of soft and hard information failed to address information asymmetry problems. Therefore, these

tools didn't show significant results on women's education. Counter to the predictions by (Karlan, 2007; Cassar, Crowley & Wydick, 2007). They referred to soft information effectiveness in reducing failure by mitigating adverse selection and moral hazard problems in microcredit markets. These findings supported by Aubert, De Janvry and Sadoulet (2009), they heightened that strategy available to MFIs to directly screen borrowers according to wealth status, is often not sufficient.

5.4.4 (Objective five) to identify the significant direct influence of the microenterprise policies (lending, profitability, monitoring and following up and non-financial) on social status

The result of SEM clearly shows the direct and positive effect of the policies (lending, profitability, and non-financial) on women's social status. Conversely, the impact of monitoring policy is not significant. Therefore, H2.b and H4.b, and H8.b are accepted, and H6.b is rejected. These findings show that lending policy, loan's characteristics, such as the amount of interest charged, the installment schedule, influence women's borrowers' ability to repay their debt. Thereby reduces women's exposure to social and economic risk. For example, in case of unexpected shocks such as stealing the enterprise's asset, MFW gives the woman client a grace period of up to 6 months depending on her financial situation. Thus, flexibility in repayment and borrowing enables women to control financial decisions, and to better react to market conditions and manage their finance successfully.

Overall, this will improve women's social circumstances and enable them to exercise power and agency within their household and community. In other words, this explained the processual nature of empowerment and, reveal how each dimension may affect other areas of women's lives, hence, increases in women`s earning improve their intrinsic agency or believe (power within) and consequently, affect her instrumental power which manifested by taking decisions and, act according to her preferences. Thus, women's access to finance and the ability to control resources strengthen their capabilities and enable them to exercise agency.

This results in an agreement with Mazumder and Lu (2015), who indicated that the received amount of microfinance in each installment/cycle might influence respondents' livelihood conditions. This result also agrees with Aragón, Karaivanov and Krishnaswamy (2020) that the flexibility in lending terms may enable borrowers to manage their debt more actively, lowering the rate of financial stress or anxiety and mitigate social exclusion. Further result

agrees with Kato and Kratzer (2013), who observed that women's access to credit improves their self-confidence and autonomy. Mostly, women make sound decisions when it comes to spending money and maximizing returns, thereby empowering women to become income earner and decision-makers. On the other hand, the non-significant effect of monitoring on social status maybe due to underestimating the risk inherited in lending to poor women which hinders the implementation of useful tools.

As in Appendix F, the effect size estimates for lending, non-financial, and profitability were .974, .305, .263, respectively. The unstandardized regression coefficients suggest that lending has a greater effect on social status than other policies. However, there is a scarcity of studies in the literature that examine the direct impact of enterprise policy intervention on social status. These studies showed that women's social status could be improved through the channels of income and repayment capacity. They were considering that improvement in women's income is likely to experience more agencies. However, this study fills the knowledge gap and examines the direct effect of microenterprise policies on social status.

Moreover, profitability policy has a positive contribution to enhancing women's social status. A possible reason for this result may be that women's main concern is access to finance rather than the loan cost. Another possible reason related to women entrepreneurs' willingness to sacrifice substantial earnings in exchange for the non-financial benefits of owning a business, such as reaching a higher social position within a community and social mobility. Additionally, in a natural disaster or unexpected shocks, lenders reschedule the loan before initiating juridical procedures. This will help clients to manage their cash flow, reduce default risk, and ensure enterprise sustainability. These findings are confirmed by Zayadin et al. (2020) and Solli et al. (2015), who suggested that borrowers make a sacrifice to stay current on their loan. These findings disagree with Armendáriz and Morduch (2000) who mentioned that institutions move away from their primary objective of serving the poor because of rushing to become financially self-sustainable. And disagree with Priyadarshee and Ghalib (2012), who suggested that MFIs using coercive lending techniques and aggressive loan recovery practices.

It was additionally tested the impact of non-financial policy on social status. The result shows the non-financial policy has a significant and positive effect on social status. Indicating the instrumental role of non-financial services on women's social wellbeing, especially traditional

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insurance, is often, costly, and not customized to vulnerable communities' needs. For example, offering health and life insurance provides women with increased financial security to pursue entrepreneurial opportunities. In other words, women clients; and their households became more resilient, less vulnerable, and know how to deal with emergencies. Thereby, improve business performance and enhance their social and economic growth or lives. Further, providing insurance allowing families to make decisions that will enhance their quality of life. These can range from investing in other projects, sending their child to school.

Further, result suggest that financial literacy training improves women financial literacy through teaching them how to do simple math regarding (savings, inflation, the time value of money), and increase their understanding of loan contracts (debt amortization, compound interest, selection of installment schedules), thus, woman borrower starts the business with knowledge about expected cash flows and low probability to default. Indeed, through learning, women exercise agency, gain more power and the ability to access more choices. This result agrees with (Schicks, 2014). In conclusion, non-financial policy plays a crucial role in addressing the structural aspect of poverty. Hence, it addresses non-monetary poverty and other problems facing women related to education, health, and social exclusion. Thus, it rehabilitates potential entrepreneurs to be prosperous entrepreneurs, which exhibits an essential role in women empowerment.

Overall, Table 5.1 and Table 5.2 present a summary of the significant and insignificant direct relationships of the microenterprise policies on socioeconomic indicators of women empowerment

Table 5.1*: Summary of the Significant Direct Relationships*

H.	Path	C.R.	*P*	Results	Thesis
H1a	LD→ICM	2.780	.005	*Yes*	➢ Lending policy increase women`s capacity to generate cash and create income
H1b	LD→EM	2.867	.004	*Yes*	➢ Lending policy increase employment creation
H2a	LD →ED	3.588	***	*Yes*	➢ Lending policy increase women and their child education
H2b	LD →SS	4.012	***	*Yes*	➢ Lending policy improve women`s social status
H3b	PR→EM	2.130	.033	*Yes*	➢ Profitability policy increase employment creation
H4b	PR→SS	2.026	.043	*Yes*	➢ Profitability policy improve women social

					status
H7b	NF→EM	9.949	***	*Yes*	➢ Non-financial policy increase employment
H8a	NF→ED	3.846	***	*Yes*	➢ Non –financial improve women` education and child schooling
H8b	NF→SS	3.621	***	*Yes*	➢ Non –financial improve women`s social status

Table 5.2*: Summary of the Insignificant Direct Relationships*

H.	Path	C.R.	*P*	Results	Theses
H3a	PR→ICM	.388	.698	*No*	➢ Profitability didn't improve women`s income
H4a	PR→ED	.624	.533	*No*	➢ Profitability policy didn't improve employment
H5a	MO→ICM	.917	.359	*No*	➢ Monitoring policy didn't increase income
H5b	MO→EM	1.649	.099	*No*	➢ Monitoring policy didn't increase employment creation
H6a	MO→ED	.536	.592	*No*	➢ Monitoring didn't improve women`s education or child schooling
H6b	MO→SS	1.643	.100	*No*	➢ Monitoring didn't improve women`s social status
H7a	NF→ICM	1.615	.106	*No*	➢ Non-financial policy increase income creation

Following the discussion and providing a summary of the result. The researcher presents the research theses as follows:

1. Lending policy, credit terms, and loan design features contribute to increasing women's income and employability
2. Profitability policy did not contribute to increasing women's income. However, it increases employability.
3. Monitoring policy did not contribute to increasing either women's income or employability
4. Non-financial policy did not increase women's income. However, it increases women's employability.
5. Lending policy includes credit terms and loan design features contribute to increasing education attainment for women and their children and improve women's social status

6. Profitability policy did not contribute to increasing women's education and children's schooling. However it increases women's social status.
7. Monitoring policy did not increase either education attainment or women's s social status.
8. Non-financial policy contributes to increase women and their children education attainment and improve women's social status.

5.5 Contribution of Study

The researcher found out that some findings corresponded with a cluster of other studies, and they were sometimes inconsistent with others. These agreements and disagreements were based on whether these studies were applicable or not in this context. This study's strength is that it has a different level of contributions for the literature and the policymakers. Regarding the literature, the study contributes to the body of knowledge on microfinance, which is mixed in its results on microenterprises' impact on women empowerment. There has been fierce debate if microfinance empowers or disempowers women. However, to the best of my knowledge, examining the effects of microfinance on women empowerment on the policy level does not seem to be a high priority in empirical research. In this study, the researcher discusses and examines empowerment from a policy lens by evident the casual relationship between microfinance policies and socioeconomic dimensions of empowerment. This study, therefore, helps to close two gaps in research. First, it adds to the minimal evidence on the impact of microfinance on women's empowerment. Especially in the literature, Gutiérrez-Nieto, and Serrano-Cinca (2019) pointed that what matters is not only the impact of microcredit but also identifying the conditions under which it works best, which is the adequate institution.

On the other hand, this study adds to the argument about microfinance and poverty mitigation, specifically, those studies that perceived microfinance as the only adaption tool to a changing environment (Goodspeed, 2016) or as broadening choices (Banerjee et al. 2015), however, this study has shown that microfinance can be seen as a poverty mitigation tool. Second, this study will guide and inform policymakers about the role of microfinance policies in empowering women. Especially, there is a lack of rigorous research on policy and programmatic efforts. Thus, it will help microlenders in overcoming long-standing practices that set women and girls back.

5.6 Implications

The results of the empirical analysis contribute to empirically informed policymaking. Hence, it offers guidance for policymakers, implementers, and funders on implementing policies and practices that advance women's empowerment. It is also providing information on the appropriateness of lending methodologies used in delivering financial and non-financial services. Further, this study provides information for international agencies on the progress made on achieving the Sustainable Development Goals, particularly Goal 5, and the extent to which the microlending institutions achieved the social mission. On the other hand, this study will inform decision-makers about developing an institutional framework for microenterprise policymaking and reconsideration or reinforcement policies to achieve women empowerment. Thus, this study will be useful as a policy tool for planners, and administrators, to design targeted interventions for women empowerment. In practice, the current findings suggest that decision-makers are still over thinking about financial sustainability and have not yet adopted effective monitoring and screening strategies. The model implies that practitioners need to be aware of the potential adverse impact of profitability practices and inefficient monitoring on microfinance beneficiaries' welfare, which need to be taken into account in future policy making.

On the other hand, this study will provide information to decision-makers on the profile of prospective entrepreneurs to improve credit-granting decisions. The theoretical analysis and empirical verification of the casual relationship between institutional policies and women's social and economic empowerment can provide new issues and useful references for regulators, stakeholders, and decision-makers to improve the loan delivery process. Finally, the results presented in this study also have important implications for the broader evaluation literature; hence, it can be a reference study for researchers.

5.7 Limitations

There are several caveats to the findings of this study. First, self-reported bias resulted from using self-reported measurements and subjectivity inherent in assessing processes. Second, the measurement scale captures enabling factors of empowerment rather than the empowerment itself. Third, this study addresses the socioeconomic aspect of women empowerment, using the most relevant indicators; however, several indicators were used less frequently in empirical research. Additionally, the shifts in the relevance of indicators over time. Third, this study's results may not be comparable to other countries due to the

empowerment's context-dependent nature. Similarly, microfinance policies may differ according to context; therefore, no credit-based policy is a panacea for improving beneficiaries' welfare (Islam & O'Gorman, 2019). However, the result can be compared to contexts similar to Jordan.

Despite these limitations, the present study capturing several defining elements of empowerment, which will provide the foundations for further research and guidance for researchers. These limitations are promising avenues for future research.

5.8 Recommendations

This study aims to measure the impact of microenterprise policies on socioeconomic indicators of women empowerment in Jordan. The empirical analysis results contribute to an empirically informed policymaking to achieve the global goal of women empowerment. The decision-makers and implementers may design a specific microfinance program to accommodate the influencing factors. Therefore, this study offers practical recommendations to formulate a coherent policy to promote women empowerment as follows:

1. Lenders should decrease APR and provide interest-free loans or loans at the lowest interest rate for some vulnerable poor women.
2. Lenders should rescheduled loans and provide new capital at low or subsidized rates. This will require lenders to review their fiduciary responsibilities carefully. Additionally, debt rescheduling, with grace periods sufficient to allow recovery, capitalization of interest in arrears (Lieberman & DiLeo, 2020)
3. Pricing policies should encourage fair treatment of the client and incentivize transparent pricing; lenders should focus on building trust with clients, acknowledge the actual prices, and communicate pricing data with the client to enable them to make better-informed decisions. For example, interest rate calculation and the APR formula included all charges shown on a repayment schedule format.
4. Develop a more proactive approach to strengthening monitoring mechanisms and screening tools to minimize the risk of lending and help to respond to problems in the early stage; given the high costs associated with monitoring, it's recommended to choose a monitoring device that trade off the benefits of tracking client performance, against the cost of implementing it, through the follows: First, systematic collection of quality data for monitoring. Second, introducing a screening model to share

information between lenders that overlapping pools of applicants. A comprehensive monitoring model is suggested to be adopted as follows:

a. Allowing borrowers to choose their preferred repayment schedule, hence, offering different contract prices to borrowers can be a useful screening tool to identify more entrepreneurial and financially sophisticated borrowers; thus, borrowers choose the contract that suits their needs.
b. Loan tracking captures information about new and old clients' profile, the type of product and services they access, and client exit rate.
c. Monitor the enterprise's performance, income generated, and capacity repayment of the client to understand under which conditions borrowers pay the loan.
d. Using an efficient feedback mechanism (continuous workshop, client's survey, focus group) to get client feedback about the services being provided and problems encountered.

5. Scale-up financial and non-financial support service: providing other services (other than microcredit) such as (education and training). Microlenders need to emphasize these services, including micro-insurance and healthcare service.
6. Lenders future training programs must focus on protecting their clients from being over-indebted, and this can help reduce the threat of mass default, business training, should target specific areas (e.g., e-commerce platforms and how to correctly evaluate future profits), however, in this regards, a virtual training can be cost-effective and efficient.
7. Implement policies that encourage a sustainable funding base by the transformation of the credit-only micro-lending institutions into integrated loans-and-savings providers that enable lenders to offer saving products to their customers, thereby increasing their funding base, promote self-sustainability, and decrease their subsidy-dependence, Instead, promoting integrated loans-and-savings also is seen as a means to meeting the needs of the poor rather than as a way for the industry to save costs.
8. Improve the management and organizational structure and lenders internal incentives, especially monitoring, is a core of management. Therefore, the researcher recommend the follows :
    a. Develop human resources management policies, especially staff training, staff recruitment, and improve staff financial incentives. For example, a loan officers bonus must be linked to the quality of their monitoring performance.

   b. Introduce well-designed information systems and credit scoring systems to enable lenders to access accurate information and statistical data on clients.
9. Introduce targeted support measures for women entrepreneurs and gender-sensitive policies

5.9 Future Research

In light of the limitations identified and the findings of the study, the following are recommended as future research subjects:

1. The impact of the global crisis caused by the COVID-19 pandemic on women microentreprenures
2. The acceptable level of profit of MFI's
3. Improvement measurement methods of women empowerment
4. Examining the effect of using soft and hard information separately on women empowerment
5. Future research would require reviewing the implementation of those guidelines and policies. The researcher encourage more future research to focus on addressing other aspects of empowerment such as political or psychological
6. Future research efforts must be directed towards studying the effect of demographic factors and women characteristics on their empowerment; hence the author does not analyze these factors in-depth
7. Understanding the intermediary role of women empowerment on fertility, contraceptive use, and child health and wellbeing.
8. It's worthwhile for future research to study effects in a similar context and loan size on wage employment. This will allow testing if there is a minimum loan amount for the positive impact of microfinance on wage-employment (Danson, Galloway & Sherif, 2020)
9. It's recommended to focus on the less frequently used indicators such as freedom and political participation, the relative contribution of women's income in households.

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Appendices

Appendix A: Questionnaires of Qualitative and Quantitative

1-Questionnaire of Qualitative study (Interview Questions)

Dear Mr….I am currently conducting study about "The impact of microenterprise policy on the socioeconomic dimensions of women empowerment in Jordan". Please answer the following questions objectively based on your knowledge of this subject

1. To what extent microenterprise schemes contribute to empowering women economically and socially?

a. What do you think about the role of micro-enterprise schemes in mitigating poverty and unemployment?

a. What were the factors that affect women entrepreneur's performance?
b. What does program success look like to you?
c. What is the percentage of failed schemes during the period 2015- 2016?
d. What are the funding facilities the institution receives?

2. To what extent the lending policy and credit terms (interest rate, repayment period, grace period, guarantees) contribute to women social and economic empowerment

a. What is the percentage of rejected loan applications?
b. What were the major reasons for rejected applications??
c. What recommendations do you offer to improve loan delivery or administration of the microfinance program?

3. How do you explain the trade-off between the institution`s financial sustainability and achieving the social mission?

a. What are the main tools to manage bad loans?
b. To what extent the current legislations and regulations contribute to developing the microfinance sector?

4. What is the lending methodology adopted in loan delivery?

a. What is the role of non-financial services' in contributing to women's empowerment?
b. What is the role of monitoring and follow-up policy in contributing to women empowerment?

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2-Survey Questionnaire in English language

Dear Participant

This study aim to measure the impact of microenterprise policies on socio-economic indicators of women Empowerment in Jordan. Please put √ in the box next to the answer of your choice and rate yourself honestly based on what you actually do given the statement using the following Scale:

Strongly disagree, (2) Disagree, (3) Disagree somewhat, (4) Undecided, (5) Agree somewhat, (6) Agree, (7) strongly Agree. Or write in the space provided as the case maybe

Part 1: Demographic Characteristics:

1-Age of beneficiary:

1-Less than 30 year 2- (30-39) year 3-(40-49) year 4- 50 year and more

2-Educational level

1-Illiteracy 2- secondary or lower 3-Diploma
4- Bachelor 5- higher education 6-Other

3-Marital status

1-Single 2-married 3- widowed 4-divorced

4-Number of family`s members

1- (1-3) 2-(4-6) 3 – (7-9)

5-The place of residence

1-Urban 2- rural 3- Badya

Specify the region of residence (optional) ……..

6- Do you have experience before establishing the project?

1- Yes 2- No

7-Did you get a loan for specific purpose, and then you disbursed the loan on other purpose?

1- Yes 2- No

8-Did you get financing from other institutions or Banks Yes No

9-If yes, please specify the name of the institution ……

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Part two: Institution`s Polices

	Statement	1	2	3	4	5	6	7
	Lending policy							
1	loans are provided on diversified sectors							
2	Focus on alleviating poverty and unemployment							
3	Quicker disbursed time process							
4	Customized loan size							
5	Innovation and product diversification							
6	Flexible grace periods							
7	Lending based on feasibility studies							
8	Qualified and well trained staff							
9	Priority for lagging areas							
10	Gender-based polices							
	Profitability policy							
1	High interest rate							
2	Rescheduling loans in case of loan default							
3	Priority on enterprises with high yield							
4	Efficient collection methods							
5	Collaterals are required							
6	Expanding outreach for profitability purpose							
7	The institution invest revenues in profitable projects							
8	Capital is recycled to more borrowers							
9	The client accountable legally in case of default							
10	Focus on payment of instalment than enterprise sustainability							
	Monitoring and following up policy							
1	Follow up enterprise's performance with focus on profit yield							
2	considering the challenges face clients							
3	Conduct field visit to ensure existence of the enterprise							
4	Provides guidance and counselling service							
5	The ability to renew the loan in case of enterprise`s success							
6	Monitoring enterprise`s success on regular basis							
7	Facilitate networking opportunities							
8	Facilitates marketing microenterprises products.							
9	Legal accountability in case of disbursing the loan for other purpose							
	Non -financial products policy							
1	Enhance the entrepreneurial spirit							
2	Encouraging female`s to be business owner							
3	Institution guide client on the type of enterprises							
4	provide quality assurance certificates for entrepreneurial projects (ISO,HACCP,Global GAP)							

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5	Providing training courses							
6	Providing insurance on the loan							
7	Providing life and health Insurance							
8	Providing motivational awards(educational grants)							
9	Advertising of microenterprises products							

Third part: Economic Empowerment of women

	Statement	**1**	**2**	**3**	**4**	**5**	**6**	**7**
	Improving income							
1	My income increase							
2	I am financially sufficient							
3	I can buy what I need without financial aid							
4	I can support my family or friends financially							
5	I can disbursed from the revenue of enterprise to upscale the business							
6	I have the ability to invest the revenue in other profitable aspects							
	Job creation							
1	The project contributed to the creation of employment opportunities.							
2	I need an increase in the number of employees based on the success of my enterprise.							
3	I can recruit some staff for marketing my enterprise's products							
4	I focus to recruit employees from remote areas.							
5	Employment opportunities created by my project is confined to university degree holders							

Fourth part: Social Empowerment of women

	Statement	1	2	3	4	5	6	7
	Education							
1	Improve children schooling							
2	Contributed to improve the educational level of my family members							
3	Contributed to improve my financial literacy							
4	Helped me to enrol in college or university							
5	I exposed to different cultures through interaction with community							

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	Social Status							
1	I occupied high social status among my family members							
2	I occupied high social status among the community members							
3	Increase my self-confidence							
4	Change the stereotype of women in the community							
5	Strengthen social interaction with community							
6	Increase my participation in social activities							
7	Helped me to settle in the village and didn`t migrate to the city.							
8	I decide my sons marriage							
9	I can Join community associations and charities.							

3-Survey questionnaire in Arabic language

الأخوات المستفيدات من برامج ومشاريع الإقراضية الصغيرة.

يسرنا أن نضع بين أيديكم نسخة من الاستبانة التي تهدف إلى تعرُّف **"أثر سياسات المشاريع الميكروية على تمكين المرأة اقتصادياً واجتماعياً"**، لذا نرجو منكم قراءة فقرات الأداة والإجابة عنها إذا سمحتم بوضع إشارة (√) مقابل كل فقرة تحت درجة الحكم التي ترونها مناسبة، وسوف تُعامل استجاباتكم بالسرية التامة ولن تستخدم إلا لأغراض البحث العلمي.

ولكم جزيل الشكر

الباحثة

القسم الأول: البيانات الديموغرافية:

نوع المؤسسة المُقرِضة (اذكرااسم المؤسسة) :

العمر: □ أقل من 30 سنة □ 30-39 سنة □ 40-49 سنة
□ 50 سنة فأكثر

المستوى التعليمي:

□ أمي □ ثانوي فأقل □ دبلوم □ جامعي

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الحالة الاجتماعية:

□ عزباء □ متزوجة □ مطلقة □ أرملة

عدد أفراد الأسرة

□ من 1-3 □ 4-6 □ 7-9

مكان الاقامة : □ مدبنة □ قرية □ بادية

هل كان لديك خبرة في مجال المشروع قبل تنفيذه؟

□ نعم □ لا

قيمة القرض :.....

مستوى الدخل الشهري قبل الانتفاع من المشروع:

هل قمت بالحصول على قرض لغاية معينة، وقمت بتغيير هذه الغاية (نوع المشروع)؟

□ نعم □ لا

هل حصلتي على تمويل من جهات اخرى.حدد ( )

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القسم الأول: سياسة المؤسسات المُقرضة

الرقم	العبارة	1	2	3	4	5	6	7
	أولاً: سياسة المؤسسة الإقراضية							
1	تمنح القروض في كافة القطاعات (تجاري، صناعي، خدمات).							
2	تهدف المؤسسة إلى الحد من الفقر والبطالة							
3	سرعة الاستجابة، من حيث التنفيذ والاجراءات.							
4	تنوع في حجم القروض الممنوحة							
5	فترات سماح مرنة							
6	تراعي المؤسسة كافة الاعمار في منحها للقروض							
7	تقوم المؤسسة بدراسة جدوى اقتصادية للمشروع							
8	تؤمن المؤسسة الموظفين المؤهلين للقيام بالواجبات الخاصة بالقروض.							
9	تعطي المؤسسة الأولوية للمناطق النائية.							
10	لدى المؤسسة سياسة إقراضية خاصة بالمرأة.							
	ثانياً: سياسة المؤسسة المالية (الربحية)							
1	تضع المؤسسة أسعار فائدة عالية على القروض.							
2	جدولة الديون على المقترض في حال فشل المشروع.							
3	تركز المؤسسة على المشاريع التي تضمن ربحها.							
4	طرق تحصيل فعالة							
5	تقوم المؤسسة بضمان حقها باتباع سياسة الرهن.							
6	تغطي المؤسسة مختلف مناطق المملكة بالقروض لضمان المردود المالي.							
7	تستثمر المؤسسة الأرباح في مشاريع ذات مردود مالي لها.							
8	تلاحق المؤسسة المُقترض قضائياً في حال عدم السداد							
9	تحصيل القروض دون الاكتراث بنجاح المشروع.							
	سياسة المؤسسة بالمتابعة والتقييم							
1	متابعة المشاريع مع التركيز على المردود المالي.							
2	تأخذ المؤسسة بعين الاعتبار التحديات التي تواجه المستفيدين.							
3	تقوم المؤسسة بزيارة ميدانية للمشاريع الصغيرة للتأكد من نجاح استمراريتها.							
4	تنصح المؤسسة المستفيدة بعدم الاستمرارية في حال كانت المردودات ضعيفة.							
5	في حال نجاح المشروع يمكن أن يحصل المستفيد على قرض جديد لتطوير المشروع.							
6	تشكل لجان خاصة لمتابعة المشاريع الصغيرة.							
7	بدعم أصحاب المشاريع الصغيرة للمشاركة بالمعارض المحلية والدولية.							
8	تسويق منتجات أصحاب المشاريع							
9	تسائل المؤسسة المستفيدعند إنفاق القرض لغايات اخرى							
	سياسة المؤسسة بالنسبة لدعم البرامج التمويلية والمشاريع الصغيرة							
1	تعزز المؤسسة الروح الريادية لدى المواطن للاعتماد على الذات.							
2	تحفز المؤسسة المرأة للتوجه نحو الاستثمار							
3	خبرة المؤسسة تقود المستفيد إلى اختيار المشروع.							
4	منح شهادة للمشاريع الريادية في مجال الجودة مثل ISO							
5	تقديم الدعم الفني من خلال عقد الندوات والمحاضرات							

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6	تقدم المؤسسة برامج تأمينية للمشروع.								
7	تقدم المؤسسة برامج تأمينية للمستفيدين.								
8	تقدم المؤسسة الدعم الخاص بالمنح الدراسية للمستفيدين.								
9	تدعم المؤسسة المستفيدين بالإعلان عن منتجاتهم لتسويقها.								

القسم الثاني :التمكين الاقتصادي للمراة

الرقم	**العبارة**							
	تحسين الدخل							
1	ساهم المشروع في توليد دخل شهري لي.							
2	مكنني العائد من المشروع من تغطية مصاريفي اليومية.							
3	أستطيع شراء احتياجاتي دون اللجوء إلى أي شخص.							
4	أستطيع أن أساعد أقاربي وأن أدعمهم مادياً.							
5	استثمار ما لدي من ايراد في توسيع المشروع							
6	استثمار ما لدي من مال في مشاريع ربحية أخرى.							
	فرص العمل.							
1	ساهم المشروع في توفير فرص عمل.							
2	أحتاج إلى زيادة في أعداد العاملين							
3	أستطيع أن أعين بعض الموظفين للتسويق.							
4	أركز على العاملات من المناطق النائية.							
5	اركز على تعيين عاملين من محتلف المؤهلات العلمية							

القسم الثالث :التمكين الاجتماعي

الرقم	**العبارة**							
	التعليم							
1	تحسين المستوى التعليمي لأفراد أسرتي							
2	ساهم المشروع في التحاق أبنائي بالمدرسة							
3	تطوير مهاراتي الحسابية							
4	ساعدني المشروع في لجوئي إلى التسجيل في كلية، جامعة							
5	تعرفت على ثقافات اخرى							
	المكانة الاجتماعية							
1	أصبح لدي مكانتي بين أفراد أسرتي، نتيجة لنجاح المشروع.							
2	أصبح لدي مكانتي بين أفراد المجتمع، نتيجة لنجاح المشروع.							
3	أصبح لدي القدرة على الاعتماد على الذات، والثقة بالنفس.							
4	تخلصت من المعتقدات النمطية حول الصورة التقليدية للمرأة .							
5	ساهم المشروع في تعزيز علاقاتي الاجتماعية بالآخرين.							
6	أصبح لدي القدرة على تزويج أبنائي.							
7	ساهم المشروع في زيادة مشاركتي في الأنشطةالاجتماعية							
8	ساهم المشروع في استقراري في القرية وعدم هجرتي إلى المدينة.							
9	أصبحت إحدى أعضاء جمعيات ومؤسسات المجتمع المحلي.							

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Appendix B: Profile of Respondents

Statistics

		AGE	Marital Status	Education	PlaceResidence	FamilyMembers	Experience	loan	Financing
N	Valid	400	400	400	400	400	400	400	400
	Missing	0	0	0	0	0	0	0	0

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 30 Years	74	18.5	18.5	18.5
	30 -40 Years	179	44.8	44.8	63.3
	40 - 50 Years	106	26.5	26.5	89.8
	More than 50 Years	41	10.3	10.3	100.0
	Total	400	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	98	24.5	24.5	24.5
	Married	121	30.3	30.3	54.8
	Widowed	154	38.5	38.5	93.3
	Divorced	27	6.8	6.8	100.0
	Total	400	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than Secondary	53	13.3	13.3	13.3
	Diploma	283	70.8	70.8	84.0
	Bachelor	7	1.8	1.8	85.8
	High Education	57	14.3	14.3	100.0
	Total	400	100.0	100.0	

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Place of Residence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Urban	236	59.0	59.0	59.0
	Rural	125	31.3	31.3	90.3
	Badya	39	9.8	9.8	100.0
	Total	400	100.0	100.0	

FamilyMembers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	256	64.0	64.0	64.0
	3-5	102	25.5	25.5	89.5
	5-7	19	4.8	4.8	94.3
	More than 7	23	5.8	5.8	100.0
	Total	400	100.0	100.0	

Experiences

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	316	79.0	79.0	79.0
	No	84	21.0	21.0	100.0
	Total	400	100.0	100.0	

Loan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	147	36.8	36.8	36.8
	No	253	63.3	63.3	100.0
	Total	400	100.0	100.0	

Financing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	88	22.0	22.0	22.0
	No	312	78.0	78.0	100.0
	Total	400	100.0	100.0	

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Appendix C:

1-Description of Study

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Mean Lending	400	3	6	4.79	.464
Mean Profit	400	3	6	4.45	.601
MeanMonitory	400	2	7	4.14	.717
Mean Nonfinancial	400	3	7	4.86	.736
MeanIncome	400	1	6	4.68	.645
MeanEmploy	400	3	7	4.84	.616
MeanEducation	400	2	7	4.88	.637
MeanSocial	400	2	6	4.77	.497
Valid N (listwise)	400				

2-Outliers

- **Observations farthest from the centroid (Mahalanobis distance) (Group number 1)**

Observation number	Mahalanobis d-squared	p1	p2
310	**63.516**	.000	.000
319	63.060	.000	.000
377	62.714	.000	.000
128	59.692	.000	.000
78	57.982	.000	.000
73	57.668	.000	.000
49	55.708	.000	.000
374	54.721	.000	.000
109	53.340	.000	.000
391	52.811	.000	.000
127	51.985	.000	.000
306	51.974	.000	.000
339	48.130	.000	.000
2	47.047	.000	.000
292	46.657	.000	.000
82	43.368	.000	.000
79	39.851	.001	.000
47	39.362	.002	.000
383	39.241	.002	.000
334	39.236	.002	.000

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Observation number	Mahalanobis d-squared	p1	p2
103	38.637	.002	.000
265	37.277	.003	.000
215	37.041	.003	.000
83	36.824	.004	.000
19	36.081	.004	.000
355	35.547	.005	.000
1	35.528	.005	.000
97	35.504	.005	.000
386	35.085	.006	.000
80	33.518	.010	.000
160	33.402	.010	.000
85	33.313	.010	.000
315	33.171	.011	.000
89	33.120	.011	.000
216	32.725	.012	.000
208	32.574	.013	.000
362	31.694	.016	.000
398	31.577	.017	.000
152	31.545	.017	.000
105	31.366	.018	.000
394	31.220	.019	.000
399	30.549	.023	.000
358	30.462	.023	.000
55	30.273	.024	.000
4	30.105	.026	.000
202	29.830	.028	.000
373	29.280	.032	.000
5	29.090	.034	.000
60	28.856	.036	.000
259	28.521	.039	.000
318	27.876	.046	.000
357	27.555	.050	.000
363	27.479	.051	.000
11	27.404	.052	.000
246	27.371	.053	.000
379	27.061	.057	.000
141	26.930	.059	.000
262	26.727	.062	.000
91	26.037	.074	.000
288	25.566	.083	.000
336	25.452	.085	.000
342	25.232	.090	.000
264	25.088	.093	.000
61	25.058	.093	.000

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Observation number	Mahalanobis d-squared	p1	p2
116	24.943	.096	.000
395	24.857	.098	.000
332	24.722	.101	.000
10	24.449	.108	.000
126	24.297	.112	.000
86	24.291	.112	.000
275	24.108	.117	.000
353	24.042	.118	.000
307	23.980	.120	.000
8	23.923	.122	.000
274	23.857	.123	.000
178	23.730	.127	.000
35	23.685	.128	.000
341	23.660	.129	.000
33	23.525	.133	.000
387	23.153	.144	.001
278	23.094	.146	.001
244	22.880	.153	.003
400	22.842	.154	.003
321	22.623	.162	.007
372	22.499	.166	.009
361	22.491	.167	.007
21	22.328	.172	.012
108	22.256	.175	.012
71	21.978	.186	.035
210	21.763	.194	.068
3	21.468	.206	.159
282	21.442	.207	.144
329	21.437	.207	.120
18	21.263	.215	.177
225	21.256	.215	.151
255	21.233	.216	.135
92	21.160	.219	.144
243	21.100	.222	.146
327	21.007	.226	.166
348	20.959	.228	.163

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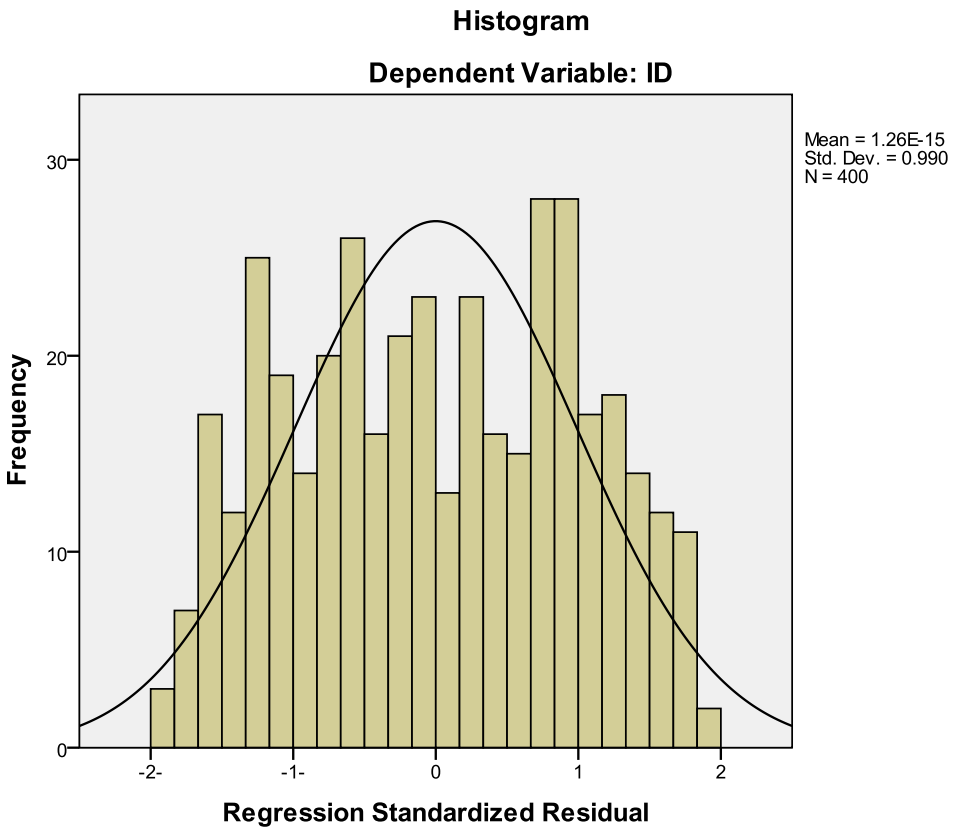
3-Normality

- **Assessment of normality by SPSS**



- **Assessment of normality by Amos**

Variable	min	Max	Skew	kurtosis
NF5	1.000	7.000	-.585	1.393
NF6	1.000	7.000	-.709	1.914
ED1	1.000	7.000	-.136	1.028
ED3	1.000	7.000	.000	1.040
EM4	3.000	7.000	.135	-.299
EM5	1.000	7.000	-.724	1.068
MO1	.000	7.000	1.586	3.161
MO2	.000	7.000	1.412	2.697
PR1	1.000	7.000	-.807	2.162
PR2	1.000	7.000	-.653	.839
PR5	1.000	7.000	-.598	.685
LD1	1.000	7.000	-.049	-.071
LD4	2.000	7.000	.079	.188
ICM4	1.000	7.000	-.291	-.195
ICM5	2.000	7.000	-.277	-.288
SS3	1.000	7.000	-.845	2.298
SS4	1.000	7.000	-.922	3.532

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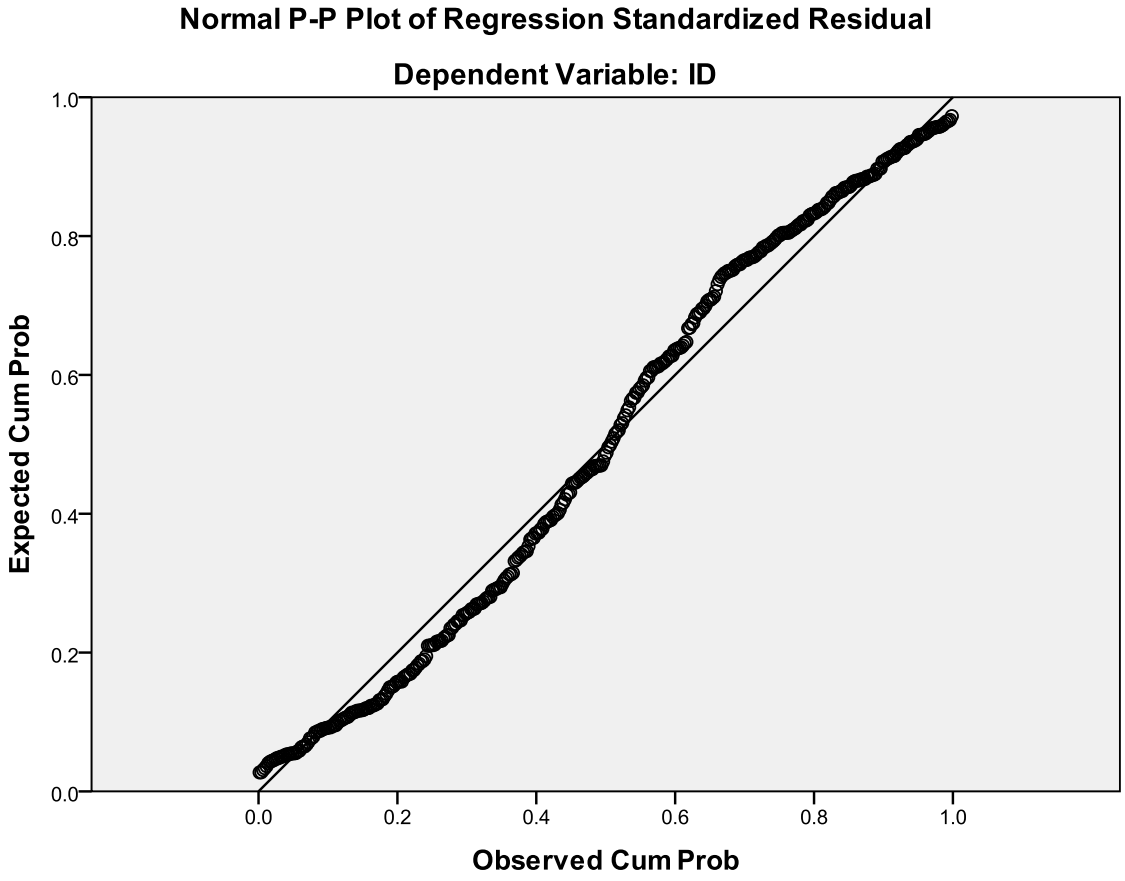
4-Linearity and Homoscedasticity Status



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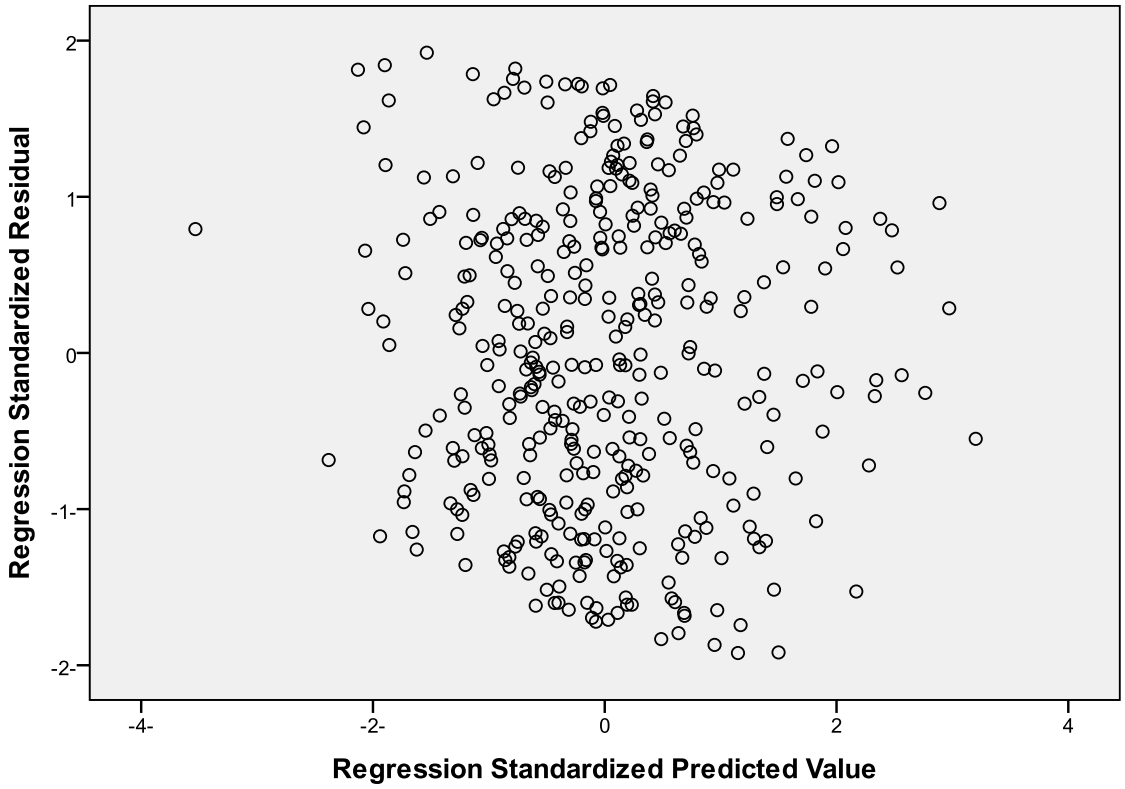
Correlations

Scatterplot

Dependent Variable: ID



5-Multicollinearity

Model		Correlations			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)					
	MeanLending	.076	.055	.053	.781	1.281
	MeanProfit	.050	.075	.074	.925	1.081
	MeanMonitry	.038	.048	.047	.959	1.043
	MeanNonFincial	.001	-.003-	-.003-	.645	1.550
	MeanIncom	-.035-	-.080-	-.078-	.837	1.195
	MeanEmploy	-.036-	-.090-	-.089-	.609	1.643
	MeanEducation	.136	.125	.123	.614	1.629
	MeanSocial	.095	.051	.050	.653	1.532

6-Correlation

		Mean Lending	Mean Profit	Mean Monitoring	Mean Non-Fincial	Mean Incom	Mean Employment	Mean Education	Mean Social
MeanLending	Pearson Correlation	1	-.230-**	.101*	.158**	.133**	.273**	.320**	.339**
	Sig. (2-tailed)		.000	.044	.001	.008	.000	.000	.000
	N	400	400	400	400	400	400	400	400
MeanProfit	Pearson Correlation	-.230-**	1	-.025-	-.042-	-.042-	.049	-.043-	-.059-
	Sig. (2-tailed)	.000		.613	.407	.403	.325	.388	.237
	N	400	400	400	400	400	400	400	400
MeanMonitry	Pearson Correlation	.101*	-.025-	1	.047	-.050-	.158**	-.006-	.023
	Sig. (2-tailed)	.044	.613		.353	.317	.002	.898	.646
	N	400	400	400	400	400	400	400	400
MeanNonFincial	Pearson Correlation	.158**	-.042-	.047	1	.220**	.549**	.374**	.311**
	Sig. (2-tailed)	.001	.407	.353		.000	.000	.000	.000
	N	400	400	400	400	400	400	400	400
MeanIncom	Pearson Correlation	.133**	-.042-	-.050-	.220**	1	.231**	.367**	.286**
	Sig. (2-tailed)	.008	.403	.317	.000		.000	.000	.000
	N	400	400	400	400	400	400	400	400
MeanEmploy	Pearson Correlation	.273**	.049	.158**	.549**	.231**	1	.321**	.357**
	Sig. (2-tailed)	.000	.325	.002	.000	.000		.000	.000
	N	400	400	400	400	400	400	400	400
MeanEducation	Pearson Correlation	.320**	-.043-	-.006-	.374**	.367**	.321**	1	.530**
	Sig. (2-tailed)	.000	.388	.898	.000	.000	.000		.000
	N	400	400	400	400	400	400	400	400
MeanSocial	Pearson Correlation	.339**	-.059-	.023	.311**	.286**	.357**	.530**	1
	Sig. (2-tailed)	.000	.237	.646	.000	.000	.000	.000	
	N	400	400	400	400	400	400	400	400

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Appendix D: Reliability

- **Reliability by SPSS**

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1. Institution's policies

- Lending policy

Reliability Statistics

Cronbach's Alpha	N of Items
.706	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LD1	28.83	7.248	.541	.636
LD2	28.75	7.946	.495	.652
LD3	28.81	8.460	.362	.685
LD4	28.80	8.128	.399	.676
LD5	28.74	8.273	.436	.668
LD6	28.70	7.876	.519	.647
LD7	28.70	8.926	.188	.732

- Profitability policy

Reliability Statistics

Cronbach's Alpha	N of Items
.710	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PR1	26.73	14.758	.285	.708
PR2	26.92	12.352	.605	.627
PR3	26.50	13.634	.457	.668
PR4	26.79	13.481	.427	.675
PR5	26.84	12.649	.510	.652
PR6	26.53	14.345	.384	.686
PR7	26.77	14.105	.289	.713

- Monitoring and following up

Reliability Statistics

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Cronbach's Alpha	N of Items
.718	8

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
MO1	30.02	27.624	.296	.713
MO2	30.12	27.738	.264	.720
MO3	29.73	19.953	.661	.621
MO4	29.69	19.966	.685	.613
MO5	27.96	26.813	.431	.687
MO6	28.01	29.469	.278	.713
MO7	28.30	28.862	.386	.699
MO8	28.27	29.261	.291	.711

- Non-financial

Reliability Statistics

Cronbach's Alpha	N of Items
.802	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
NF1	24.30	13.632	.641	.752
NF2	24.31	13.838	.559	.771
NF3	24.35	13.415	.666	.746
NF4	24.27	14.466	.550	.773
NF5	24.33	14.062	.552	.773
NF6	24.38	14.987	.398	.808

2. Women's economic empowerment

- Income

Reliability Statistics

Cronbach's Alpha	N of Items
.782	5

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Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ICM1	18.70	6.639	.609	.724
ICM2	18.74	7.289	.491	.763
ICM3	18.65	7.140	.619	.724
ICM4	18.70	6.804	.575	.736
ICM5	18.83	7.192	.502	.760

- Employability

Reliability Statistics

Cronbach's Alpha	N of Items
.718	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EM1	19.31	7.502	.299	.733
EM2	19.39	7.697	.282	.736
EM3	19.38	6.062	.645	.605
EM4	19.43	5.674	.646	.596
EM5	19.35	5.511	.542	.646

3. Women's social empowerment

- Education

Reliability Statistics

Cronbach's Alpha	N of Items
.715	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ED1	19.65	7.354	.499	.661
ED2	19.40	6.803	.594	.623
ED3	19.56	6.939	.582	.630
ED4	19.44	7.325	.269	.764
ED5	19.49	6.346	.511	.652

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- Social status

Reliability Statistics

Cronbach's Alpha	N of Items
.701	9

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SS1	38.17	16.180	.418	.667
SS2	38.28	16.483	.319	.687
SS3	38.09	15.580	.496	.651
SS4	38.06	16.297	.407	.669
SS5	38.21	14.382	.544	.636
SS6	37.99	16.401	.372	.676
SS7	38.18	17.329	.293	.690
SS8	38.05	17.135	.328	.684
SS9	38.18	18.003	.180	.709

- **Reliability by AMOS**
- **Standardized Regression Weights: (Group number 1 - Default model)**

			Estimate
Employ	<---	Monitoring	.091
Employ	<---	Profitability	.131
Eduction	<---	Lending	.841
Eduction	<---	Profitability	.211
Employ	<---	Lending	.221
SocialStatus	<---	Monitoring	.146
Income	<---	Monitoring	.075
SocialStatus	<---	Lending	.520
Income	<---	Lending	.423
SocialStatus	<---	Profitability	.205
Income	<---	Profitability	.038
Eduction	<---	Monitoring	.053
Eduction	<---	NonFinancial	.376
SocialStatus	<---	NonFinancial	.328
Income	<---	NonFinancial	.173
Employ	<---	NonFinancial	.673
SS3	<---	SocialStatus	.698

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			Estimate
SS4	<---	SocialStatus	.626
ICM4	<---	Income	.661
ICM5	<---	Income	.504
LD4	<---	Lending	.344
LD1	<---	Lending	.394
PR5	<---	Profitability	.467
PR2	<---	Profitability	.846
PR1	<---	Profitability	.477
MO2	<---	Monitoring	.977
MO1	<---	Monitoring	.903
EM4	<---	Employ	.929
EM5	<---	Employ	.754
ED1	<---	Eduction	.779
ED3	<---	Eduction	.788
NF6	<---	NonFinancial	.641
NF5	<---	NonFinancial	.898

Appendix E: CFA

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
Employ	<---	Monitoring	.091
Employ	<---	Profitability	.131
Eduction	<---	Lending	.841
Eduction	<---	Profitability	.211
Employ	<---	Lending	.221
SocialStatus	<---	Monitoring	.146
Income	<---	Monitoring	.075
SocialStatus	<---	Lending	.520
Income	<---	Lending	.423
SocialStatus	<---	Profitability	.205
Income	<---	Profitability	.038
Eduction	<---	Monitoring	.053
Eduction	<---	NonFinancial	.376
SocialStatus	<---	NonFinancial	.328
Income	<---	NonFinancial	.173
Employ	<---	NonFinancial	.673
SS3	<---	SocialStatus	.698
SS4	<---	SocialStatus	.626
ICM4	<---	Income	.661
ICM5	<---	Income	.504
LD4	<---	Lending	.344

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			Estimate
LD1	<---	Lending	.394
PR5	<---	Profitability	.467
PR2	<---	Profitability	.846
PR1	<---	Profitability	.477
MO2	<---	Monitoring	.977
MO1	<---	Monitoring	.903
EM4	<---	Employ	.929
EM5	<---	Employ	.754
ED1	<---	Eduction	.779
ED3	<---	Eduction	.788
NF6	<---	NonFinancial	.641
NF5	<---	NonFinancial	.898

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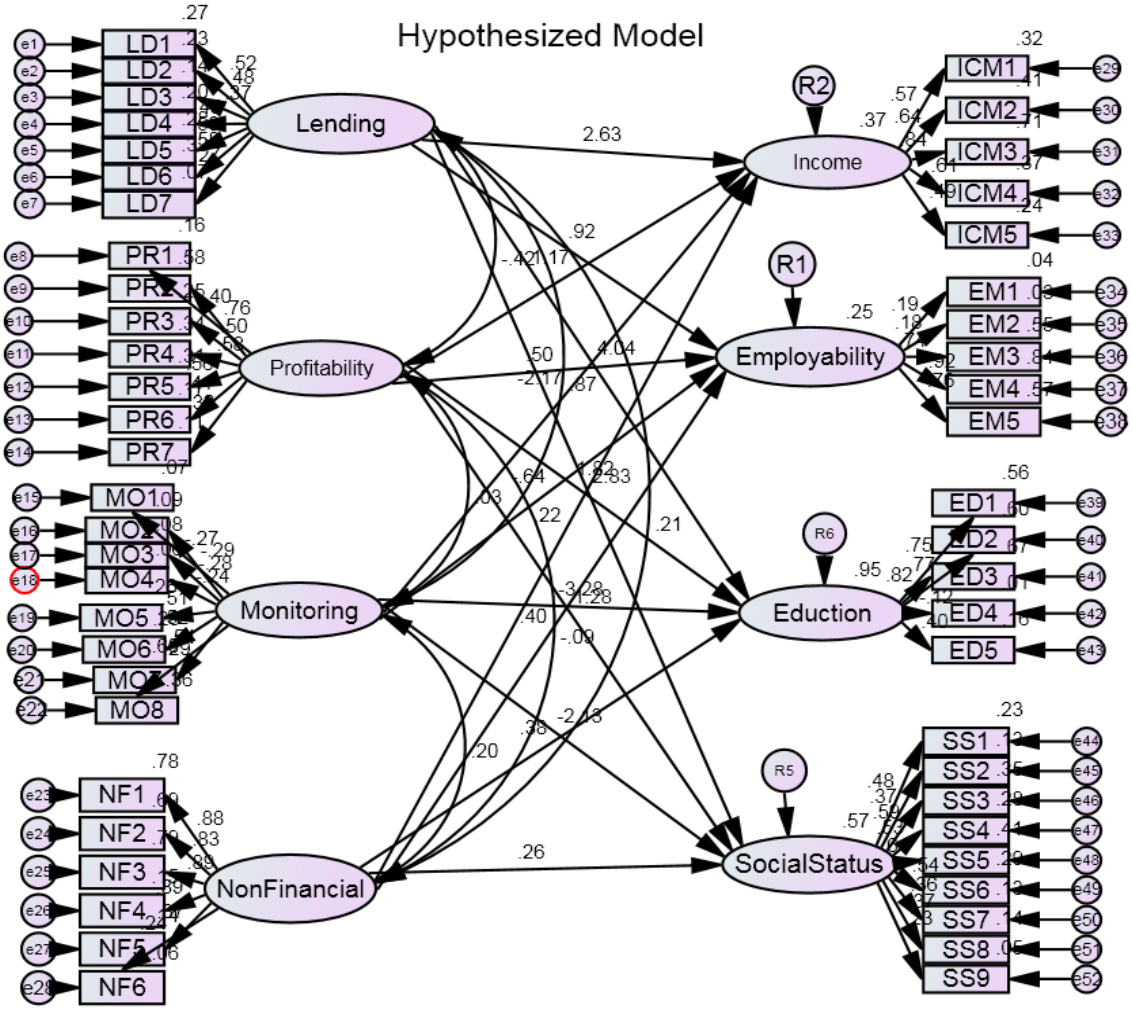
Appendix F:

1-Hypothesized Model



Standardized estimates:
chi-square:4891.331
df:1252
ratio:3.907
p-value:.000
GFI:.690
Rmsea:.085

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	126	4891.331	1252	.000	3.907
Saturated model	1378	.000	0		
Independence model	52	9317.778	1326	.000	7.027

RMR, GFI

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Model	RMR	GFI	AGFI	PGFI
Default model	.084	.690	.659	.627
Saturated model	.000	1.000		
Independence model	.143	.394	.370	.379

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.475	.444	.549	.518	.545
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.085	.083	.088	.000
Independence model	.123	.121	.125	.000

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Eduction	<---	Lending	3.285	1.361	2.413	.016	par_44
SocialStatus	<---	Lending	2.714	1.039	2.612	.009	par_45
Eduction	<---	Profitability	1.834	.835	2.196	.028	par_46
Eduction	<---	Monitoring	-2.604	1.303	-1.998	.046	par_47
Eduction	<---	NonFinancial	.360	.237	1.520	.128	par_48
SocialStatus	<---	Profitability	1.525	.649	2.350	.019	par_49
SocialStatus	<---	Monitoring	-1.995	.997	-2.000	.045	par_50
SocialStatus	<---	NonFinancial	.290	.196	1.485	.138	par_51
Income	<---	Lending	3.063	1.206	2.539	.011	par_52
Employability	<---	Lending	.311	.167	1.862	.063	par_53
Income	<---	Profitability	1.686	.749	2.251	.024	par_54
Employability	<---	Profitability	.210	.108	1.942	.052	par_55
Income	<---	Monitoring	-2.473	1.175	-2.105	.035	par_56
Employability	<---	Monitoring	-.212	.146	-1.451	.147	par_57
Income	<---	NonFinancial	.305	.229	1.333	.183	par_58
Employability	<---	NonFinancial	.160	.057	2.822	.005	par_59
ED5	<---	Eduction	1.000				
ED4	<---	Eduction	-.260	.125	-2.077	.038	par_1
ED3	<---	Eduction	1.842	.243	7.584	***	par_2
ED2	<---	Eduction	1.635	.214	7.626	***	par_3
ED1	<---	Eduction	1.627	.218	7.445	***	par_4
MO6	<---	Monitoring	.984	.130	7.575	***	par_5
MO5	<---	Monitoring	1.000				
MO4	<---	Monitoring	-.463	.132	-3.515	***	par_6

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			Estimate	S.E.	C.R.	P	Label
MO3	<---	Monitoring	-.549	.136	-4.045	***	par_7
MO2	<---	Monitoring	-.812	.178	-4.547	***	par_8
MO1	<---	Monitoring	-.706	.169	-4.172	***	par_9
LD7	<---	Lending	.490	.110	4.447	***	par_10
LD6	<---	Lending	.934	.113	8.277	***	par_11
LD5	<---	Lending	.820	.106	7.709	***	par_12
LD4	<---	Lending	.788	.112	7.038	***	par_13
LD3	<---	Lending	.597	.099	6.036	***	par_14
LD2	<---	Lending	.781	.104	7.492	***	par_15
LD1	<---	Lending	1.000				
PR7	<---	Profitability	.978	.203	4.813	***	par_16
PR6	<---	Profitability	1.000				
PR5	<---	Profitability	1.648	.250	6.579	***	par_17
PR4	<---	Profitability	1.628	.263	6.186	***	par_18
PR3	<---	Profitability	1.281	.205	6.247	***	par_19
PR2	<---	Profitability	2.114	.326	6.486	***	par_20
PR1	<---	Profitability	1.021	.198	5.156	***	par_21
SS1	<---	SocialStatus	1.000				
SS2	<---	SocialStatus	.836	.147	5.704	***	par_22
SS3	<---	SocialStatus	1.258	.166	7.577	***	par_23
SS4	<---	SocialStatus	1.086	.162	6.696	***	par_24
SS5	<---	SocialStatus	1.605	.207	7.767	***	par_25
NF5	<---	NonFinancial	1.000				
NF4	<---	NonFinancial	.978	.173	5.668	***	par_26
NF3	<---	NonFinancial	2.371	.326	7.271	***	par_27
NF2	<---	NonFinancial	2.314	.324	7.143	***	par_28
NF1	<---	NonFinancial	2.319	.320	7.238	***	par_29
ICM1	<---	Income	1.000				
ICM2	<---	Income	1.068	.123	8.708	***	par_30
ICM3	<---	Income	1.269	.142	8.950	***	par_31
ICM4	<---	Income	1.054	.112	9.426	***	par_32
ICM5	<---	Income	.836	.102	8.224	***	par_33
EM1	<---	Employability	1.000				
EM2	<---	Employability	.903	.347	2.599	.009	par_34
EM3	<---	Employability	4.109	1.164	3.530	***	par_35
EM4	<---	Employability	5.644	1.632	3.459	***	par_36
EM5	<---	Employability	5.380	1.534	3.508	***	par_37
MO7	<---	Monitoring	.815	.110	7.409	***	par_60
MO8	<---	Monitoring	1.020	.129	7.928	***	par_61
NF6	<---	NonFinancial	.670	.164	4.084	***	par_62
SS6	<---	SocialStatus	1.144	.167	6.851	***	par_63
SS7	<---	SocialStatus	.694	.132	5.263	***	par_64
SS8	<---	SocialStatus	.710	.132	5.384	***	par_65
SS9	<---	SocialStatus	.456	.118	3.869	***	par_66

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Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
Eduction	<---	Lending	4.042
SocialStatus	<---	Lending	2.833
Eduction	<---	Profitability	1.817
Eduction	<---	Monitoring	-3.282
Eduction	<---	NonFinancial	.379
SocialStatus	<---	Profitability	1.281
SocialStatus	<---	Monitoring	-2.133
SocialStatus	<---	NonFinancial	.259
Income	<---	Lending	2.629
Employability	<---	Lending	.915
Income	<---	Profitability	1.165
Employability	<---	Profitability	.498
Income	<---	Monitoring	-2.175
Employability	<---	Monitoring	-.639
Income	<---	NonFinancial	.224
Employability	<---	NonFinancial	.403
ED5	<---	Eduction	.402
ED4	<---	Eduction	-.115
ED3	<---	Eduction	.821
ED2	<---	Eduction	.772
ED1	<---	Eduction	.750
MO6	<---	Monitoring	.524
MO5	<---	Monitoring	.507
MO4	<---	Monitoring	-.244
MO3	<---	Monitoring	-.281
MO2	<---	Monitoring	-.295
MO1	<---	Monitoring	-.267
LD7	<---	Lending	.268
LD6	<---	Lending	.578
LD5	<---	Lending	.526
LD4	<---	Lending	.453
LD3	<---	Lending	.368
LD2	<---	Lending	.480
LD1	<---	Lending	.519
PR7	<---	Profitability	.324
PR6	<---	Profitability	.413
PR5	<---	Profitability	.560
PR4	<---	Profitability	.585
PR3	<---	Profitability	.497
PR2	<---	Profitability	.760
PR1	<---	Profitability	.397
SS1	<---	SocialStatus	.479
SS2	<---	SocialStatus	.365

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			Estimate
SS3	<---	SocialStatus	.591
SS4	<---	SocialStatus	.526
SS5	<---	SocialStatus	.640
NF5	<---	NonFinancial	.370
NF4	<---	NonFinancial	.388
NF3	<---	NonFinancial	.891
NF2	<---	NonFinancial	.830
NF1	<---	NonFinancial	.881
ICM1	<---	Income	.569
ICM2	<---	Income	.640
ICM3	<---	Income	.842
ICM4	<---	Income	.605
ICM5	<---	Income	.493
EM1	<---	Employability	.190
EM2	<---	Employability	.182
EM3	<---	Employability	.744
EM4	<---	Employability	.917
EM5	<---	Employability	.757
MO7	<---	Monitoring	.537
MO8	<---	Monitoring	.597
NF6	<---	NonFinancial	.239
SS6	<---	SocialStatus	.536
SS7	<---	SocialStatus	.363
SS8	<---	SocialStatus	.375
SS9	<---	SocialStatus	.232

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
Employability	.249
Income	.373
SocialStatus	.573
Eduction	.945
SS9	.054
SS8	.140
SS7	.131
SS6	.288
NF6	.057
MO8	.356
MO7	.288
EM5	.573
EM4	.841
EM3	.553
EM2	.033

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	Estimate
EM1	.036
ICM5	.243
ICM4	.367
ICM3	.709
ICM2	.410
ICM1	.324
NF1	.776
NF2	.688
NF3	.794
NF4	.151
NF5	.137
SS5	.410
SS4	.277
SS3	.350
SS2	.133
SS1	.229
PR1	.158
PR2	.577
PR3	.247
PR4	.342
PR5	.314
PR6	.171
PR7	.105
LD1	.269
LD2	.231
LD3	.136
LD4	.205
LD5	.276
LD6	.334
LD7	.072
MO1	.072
MO2	.087
MO3	.079
MO4	.059
MO5	.257
MO6	.275
ED1	.563
ED2	.595
ED3	.675
ED4	.013
ED5	.162

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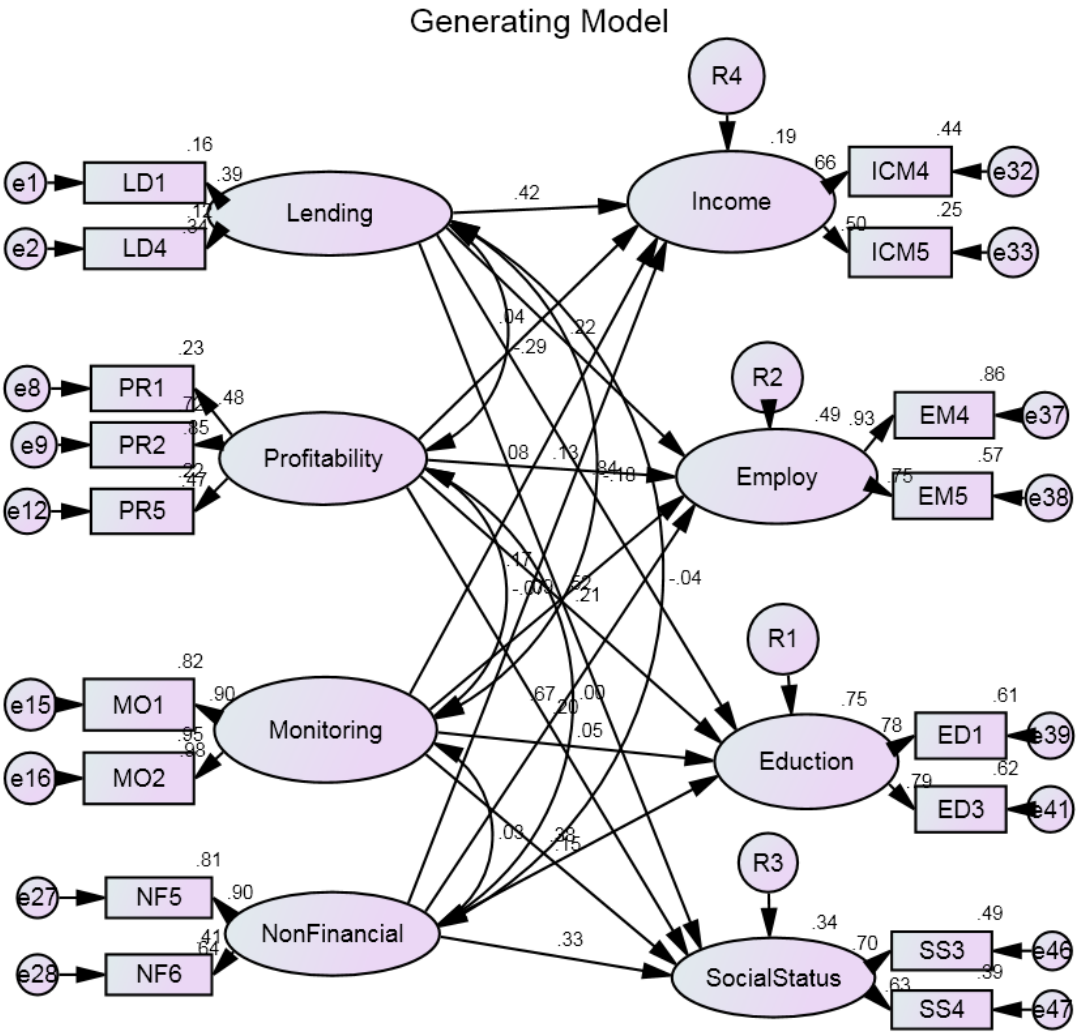
2-Generating model



Standardized estimates:
chi-square:111.402
df:97
ratio:1.148
p-value:.151
GFI:.969
Rmsea:.019

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	56	111.402	97	.151	1.148
Saturated model	153	.000	0		

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Model	NPAR	CMIN	DF	P	CMIN/DF
Independence model	17	1975.537	136	.000	14.526

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.030	.969	.951	.614
Saturated model	.000	1.000		
Independence model	.191	.624	.577	.555

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.944	.921	.992	.989	.992
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.019	.000	.034	1.000
Independence model	.184	.177	.191	.000

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Employ	<---	Monitoring	.064	.039	1.649	.099	par_10
Employ	<---	Profitability	.230	.108	2.130	.033	par_11
Eduction	<---	Lending	1.591	.443	3.588	***	par_12
Eduction	<---	Profitability	.274	.162	1.684	.092	par_13
Employ	<---	Lending	.566	.197	2.867	.004	par_14
SocialStatus	<---	Monitoring	.076	.046	1.643	.100	par_15
Income	<---	Monitoring	.027	.030	.917	.359	par_16
SocialStatus	<---	Lending	.974	.243	4.012	***	par_19
Income	<---	Lending	.554	.199	2.780	.005	par_20
SocialStatus	<---	Profitability	.263	.130	2.026	.043	par_21
Income	<---	Profitability	.034	.089	.388	.698	par_22
Eduction	<---	Monitoring	.028	.051	.536	.592	par_23
Eduction	<---	NonFinancial	.352	.092	3.846	***	par_28
SocialStatus	<---	NonFinancial	.305	.084	3.621	***	par_29
Income	<---	NonFinancial	.112	.070	1.615	.106	par_30
Employ	<---	NonFinancial	.852	.086	9.949	***	par_31
SS3	<---	SocialStatus	1.000				
SS4	<---	SocialStatus	.870	.152	5.713	***	par_1
ICM4	<---	Income	1.346	.425	3.166	.002	par_2

			Estimate	S.E.	C.R.	P	Label
ICM5	<---	Income	1.000				
LD4	<---	Lending	.789	.172	4.573	***	par_3
LD1	<---	Lending	1.000				
PR5	<---	Profitability	1.000				
PR2	<---	Profitability	1.714	.330	5.201	***	par_4
PR1	<---	Profitability	.891	.140	6.366	***	par_5
MO2	<---	Monitoring	1.000				
MO1	<---	Monitoring	.885	.150	5.898	***	par_6
EM4	<---	Employ	1.000				
EM5	<---	Employ	.938	.071	13.235	***	par_7
ED1	<---	Eduction	.956	.090	10.640	***	par_8
ED3	<---	Eduction	1.000				
NF6	<---	NonFinancial	1.000				
NF5	<---	NonFinancial	1.354	.140	9.683	***	par_24

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
Lending	.117	.043	2.747	.006	par_32
Profitability	.249	.066	3.752	***	par_33
Monitoring	1.547	.284	5.458	***	par_34
NonFinancial	.479	.078	6.124	***	par_35
R2	.388	.058	6.706	***	par_36
R4	.163	.059	2.762	.006	par_37
R3	.274	.068	4.002	***	par_38
R1	.105	.058	1.801	.072	par_39
e46	.433	.076	5.722	***	par_40
e47	.484	.063	7.727	***	par_41
e32	.472	.119	3.949	***	par_42
e33	.592	.076	7.795	***	par_43
e2	.544	.045	12.218	***	par_44
e1	.638	.055	11.563	***	par_45
e12	.893	.077	11.658	***	par_46
e9	.290	.131	2.208	.027	par_47
e8	.674	.059	11.348	***	par_48
e16	.074	.259	.284	.776	par_49
e15	.274	.204	1.342	.180	par_50
e37	.122	.048	2.574	.010	par_51
e38	.510	.055	9.326	***	par_52
e39	.248	.036	6.909	***	par_53
e41	.256	.039	6.592	***	par_54
e28	.686	.064	10.803	***	par_55
e27	.212	.077	2.753	.006	par_56

Squared Multiple Correlations: (Group number 1 - Default model)

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	Estimate
Eduction	.751
Employ	.493
Income	.190
SocialStatus	.336
NF5	.806
NF6	.411
ED3	.622
ED1	.607
EM5	.569
EM4	.862
MO1	.816
MO2	.955
PR1	.227
PR2	.716
PR5	.218
LD1	.155
LD4	.118
ICM5	.254
ICM4	.436
SS4	.392
SS3	.488

Appendix G

1-List of reviewers of the questionnaire

	Name	Position	Affiliation
1	Dr. Ayed Al Muala	Associate professor	Zarqa University
2	Dr. Maher Mahrouq	General Director of Jordan Chamber of Industry	Jordan Chamber of Industry
3	Dr. Mosa Al Lozi	Director of university of Jordan /Aqaba branch	University of Jordan
4	Dr. Ibrahim Abu Arqoub	Associate professor	University of Jordan
5	Dr. Ayed Wrekat	Associate professor	University of Jordan
6	Dr. Khalil Ibrahim Al-Halalat	Head of social science department	university of Jordan
7	Dr Doukhi Alhunaiti	Associate professor	University of Jordan
8	Dr.Samia Akroush	Project manager	Jordan Small and Medium Enterprise Organisation
9	Dr. Mohammad Shahadat	Associate professor	princess Sumaya university for technology
10	Dr.Amal Al Kharoof	Associate professor	Centre of women`s

			studies/university of Jordan
11	Fuad Artemeh	Director of Agricultural surveys department/	Department of Statistic
12	Dr.Lubna Adayleh	Associate professor	Applied Science university
13	Dr. Eyed Kanfer	Associate professor	Zarqa University
14	Dr.Yousef Thnian	Project manager	Ministry of Planning

2-List of participants of the in-depth interviews

	Name	Institution	Qualification	Years of experience	Job description
1	Khaled Jaradat	DEF	Bachelor Accounting	25	Assistant Director General for Provincial Affairs
2	Ghadah Alfayez	DEF	PhD Economy	17	Director of training department
3	Hamed Al-Hawamdeh	ACC	Master of Agricultural Engineering	28	Deputy general director
4	Tareq Melhem	ACC	N/A	30	General inspector
5	Hassan Al Shawabkeh	ACC	Master of Islamic Finance	26	Manager of Islamic financing
6	Saqur Al Zoud	DEF	Bachelor of Accounting	26	Director of indirect lending department
7	Lama Zawati	MFW	CMA and Bachelor of Accounting and Finance	26	Deputy general director of financial and administration department
8	Mahmoud Al Jarboua	MFW	Master of Financial Management	18	Manager of risk management department
9	Yaser Eid	MFW	Bachelor of Accounting	11	Manger of collection department
10	Eyad Nino	MFW	Master of Enterprising Management	18	Deputy general director of strategic planning and operation department

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