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The Importance of The Government Support for Operations of Islamic Micro Finance Bank

Muhammad Mubashir Qadir Khan
Institute of Business Health
Jinnah Sindh Medical University

Shariq Mubashir
Government Islamia Law College

Abstract

The role of the government and political pressure groups are the fundamental requirement for the success of Islamic micro finance banking. It is different to the conventional banking, and it is more like a social movement. It encourages the poor people to develop themselves with the support of the government and the Islamic micro finance bank. The basic objective of such institutions to poor peasants through small amounts of advances/ agriculture raw material for crops. The returns are always difficult without support of the socio-political groups in the locality. The study is based on qualitative techniques two propositions which were theoretically selected and discussed in detail. The sample is selected of 60 persons of working in senior positions in small financial institutions. A sample of 60 officials covered for this survey. Data collect via online survey. Pre-structured close ended questionnaire was sent via email on around 150 email IDs of executives of the financial institutions. Pakistan is a collective, conservative, cultural, country where socio cultural bonds in the public are very strong. Therefore, without political support, no public work can be successful.

Keywords: Microfinance banking, Socio-Political groups, Political support

Introduction

The government provide them the easy excess to the market and other facilities as they feel comfortable and can be able to perform better services to the people. Hillman & Hitt 1999, Keim & Zeithaml 1986, according to resources dependent theory companies can take political action to decrease uncertainty associated with government influences. It is a complaining conduct but it can be shown that why business companies attempt and a strive to get strong good relationship with the government by the good relationship the uncertainty and risk which is by birth and fundamentally associated due to government politicize and regulations, it is reduce the strengthen the companies to enhance their magnitude of operation in the market, it includes lobbing, advocacy, advertising, organizing political action committees, financial contribution, forming collations, and creating strong professional association and commercial associations.

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Getz 1997, Hillman et. al. 1999, Hillman & Hitt 1990, Hillman Keim & Schuler 2004, Lester, Hillman, Zardkoohi and Cannella 2008, Shaffer 1995, the Government require social services as much as possible as any company put this task on their shoulders that the government will feel more comfortable and provide various support to the company. In Political governments where the elections are due with a certain time of period the importance of the betterment of the people and social services are increase.

Due to the corporate philanthropy acts the stakeholders and governments in client to support the company and they have positive attitude towards the company by that the company has a tax to obtain more economical resources from society and used them to enhance their financial returns as well as further develop the social values. It is a method to create economical values through social values.

Government all over the world under the influence of the companies who are involved in the social support because in political scenario the government exist on the public support and public opinion support consequently the government avoid committing any act which may damage the reputation of the government so the government is always in a process to acquire public support and favor of public opinion as much as they can obtain. In providing support in the companies who are involved in CSR activities and involved in high social performances the government also get public support by providing them the governmental favor.

Importance of Political Connections

The importance of political connections in business is a known factor every company is interest to get support enlighten taxation, concessional custom duties on importing of raw material products, relax regulation in relation to company and strong regulatory imposement on the competitors. As well as interested more than information regarding future plan of the government and future economic opportunities providing by the government and the society with the passage of time. Hilman 2005.

Clsessens, Feijen & Laeven 2008, Khawaja & Mian 2005, Faccio Masulis and McConnell 2006 made in their study that 450 politically connected companies in 35 countries including USA, UK and other developed countries from the period of 1997 to 2002 and they found that the politically connected companies have significantly more economically stronger in comparison to poorly connected companies. Maparish 2006, Neiheisel 1994 in their study found that firms who have lack of political connection can get high goodwill in the society and can be attached good relationship with the government as they create high philanthropic activities in the society.

Heli Wang, Cuili Qain 2011 Corporate Philanthropy and Financial Performance; the Roles of Social Expectations and Political Access. In their study they have found that strong positive relationship between corporate philanthropy and financial relationship specially in written on asset. They also found that political having excess countries their financial performance for better in comparison political non link companies with the government.

The Importance of Philanthropy For Development of Favorable Public Opinion

Brammer & Millington 2005, Godfrey 2005, Porter & Kramer 2002, Saria, Carroll & Buchholiz 2003, Galaskiewicz 1997, Haley 1991, Friedman 1970, Griffin and Mahon 1997, Wicks, Kotha, and Jones 1999, they said that philanthropy promote the product and enhance the product image which is an important role of cause related marketing. It also removes the loss of reputation and in the society the creation of resistance against the products and services with the company in question offers. The negative efforts of the competitors to damage the sales of the company in discussion is also mitigate and it provide and complete support from public opinion and society in other words it is an insurance for the production of the company product in the market. Fridman 1970 and Mohan 1997, Jones 1999 in their studies found that CSR and Financial performance are largely correlated as the CSR activities increases in the market and society the financial performance are also increase which is also discover by Meta analysis Griffin and Mahon 1997, Berman, Wicks, Kotha and Jones 1999, Orlitzky, Schmidt and Rynes 2003, Wokutch and Spencer 1987 the London Stock Exchange a closed and strong relationship found between corporate social responsibility investments and financial high performance with special reference to the stock market prices of the stocks. On the 537 companies' samples in London Stock Exchange by the following researchers, Brammer & Millington 2008, Wang, Choi & Li 2008. Godfrey 2005, Seifert et. al 2004, Wang, Choi and Li 2008 they found in their study that the corporate philanthropicall activities and charitable causes on the disaster relief, health care, arts, culture, education, and other associated fields, the financial performances of the companies are very high whether they invest huge amount on CSR or lesser amount on CSR. Fox and Thea 2003 in their study found that there is a direct relationship between social philanthropy of the company and performance of the employees, customers, supplies and stock holders. Corporate philanthropy in China Chinese are in majority are Buddhist, believe in the philosophy of confusesism both believe in the welfare of the people over all, the Buddhism is known to be a religion which is providing support and humanity on highest level in Buddhism the killing of any person, or animal is consider to be a

bad act. As well as helping others in the society human being even the animal are consider the part of good deals. In Confucius saying the importance of humanity and wellbeing of the people are highly appreciable and important acts Watson 2007. Hofsted 2001 and Leung 2008 mentioned that Chinese people are highly under the influence by the traditional values and communist ideology. Chinese stakeholders highly appreciate the philanthropic acts and support them Chinese government and local authorities are more willing to cooperate with companies who are engaged and investing huge amount on social philanthropy. Charitable activities reducing political uncertainty socio political legitimacy for the Chinese firms. Dickson 2003, Nee 1992.

Government To Support The Philanthropic Activities In The Muslim Culture

The Cultural variable which influences the government in the corporate philanthropic activities. The culture has more than 160 definitions and various researchers and experts gave various definitions. Hofsted 1991, Potter 1994, O;Connor and Seymour 1990, Tromepnaars 1993, Bruce, Lloyd and Trompenaars 1993, Kroeber 1985, Hofsted 1991, Trompenaars 1993, Czinkota and Ronkainen 1993, Mazneski 1994, Berthon 1993, Kanungo and Medonca 1994 they said that culture are based on language, economy, religion, policies, social institutions, classes, values, status, attitude, manners, customs, material items, education etc. Various researchers such as Bond and Forgs 1984 mentioned that attitudes, communication, conflict, negotiation, performance, compensation, which are very closed the associated with the ethical issues are part of culture. Amba Rao 1993 suggested that the ways of people living differently, enjoy, identify, do with this and interact is called pluralistic culture. Guirdham 1999 said that communication is the reflection and implication a collective values and culture.

Hofsted 1991 said that culture is software of mind. During the service of IBM he surveyed the whole international world culture and develop 6 dimension culture all over the world. The classifications by Hofsted dimension are as under:

a) **Power distance** refers to the human inequality

b) Uncertainty avoidance is related with the stress in society that how much people take stress and survive easily in ambiguous situation where the future unknown**.**

c) Individualism v/s collectivism: Related to the social culture traits of the human beings how they live and how they grouped.

d) Masculinity v/s Femininity: refer to the emotional role distribution among women and men.

e) Long term and short term oriented: referred to the people thinking for past, future and present.

f) Indulgence v/s Restrain: refers to the gratification of the society how much they allow.

It is also coming out by a international survey that people living in eastern part of world are move power distance in comparison to western world. This inequality of the society exists all over the world but in eastern part of the world traditionally it is high ranking in comparison to western Europe. Hofsted has also found that Eastern Europe Latin American majority of Asian countries, have high power distance while German and English-speaking western country are low power distance countries. Similarly, it is also found that the countries fall high scores belong to Easter part of the world Latin American and Africa while the Western Europe Japan and Germany, English speaking countries has lower risk avoidance. Nordic and Chinese culture has also tendency to low-risk avoidance countries. Individualism v/s collectivism: it refers to the living style of the people Hofsted found that high individualistic countries are developed and western countries while collectivism countries are Easter countries and less developed countries while Japan is in middle.

Masculinity v/s Femininity: Hofsted found that masculinity feelings and emotions are very high found in survey in Japan, Germany, Latin countries, Italy, Mexico, in English speaking countries the masculinity score is not very low but moderate. It is lower in Nordic countries Netherland, Latin America, France, Spain, Portugal, Chili, Korea and Thailand.

Long Term V/S Short Term Oriented Countries:

He found that long term oriented are east Asian countries, central Europe, southeast Asia, short term-oriented countries are USA, Australia, Latin America, Africa, and majority of Muslim countries.

Indulgence v/s Restrain: He found in a survey that indulgence trend and found in south and north America, western Europe, African countries and restrain values are prevail in eastern Europe, Asian countries and Muslim world.

Schwartz in a survey defined various social cultural values these are as under:-

a) conservatism v/s autonomy,

b) harmony v/s mastery,

c) hierarchy v/s egalitarianism.

a) Conservatism v/s Autonomy:

It is the relationship between society and individuals, group and individual. It is based on interdependence, independence and complete independence or complete dependence.

	Conservatism has the following social values		Autonomy has social values
01.	Family security	01.	Pleasureism
02	Tradition in the society	02.	Enjoy life
03.	Social orders	03.	Creativity
04.	Politeness	04.	Broad mindedness
05.	Image in the Public		
06.	Self-discipline		
07.	National security		

b) Harmony v/s mastery:

It refers that how society behave social culturally with the other part of the world or other societies. In mastery the important social values are success, capable, Dearing, independency, while in harmony unity with nature protective environments are important values.

c) Hierarchy v/s egalitarianism:

It refers to the relation between the society and social fabrics. Social fabrics means the people living in the society and associated with the society in the hierarchy-oriented societies the power is controlled and persuaded the people to work and take interest in welfare of the society, coordinate with each other and create social interdependence, the use of power is an important factor in the satisfactory operations of the society as well as unite the social elements on work place, it is control through social power, authority and wealth. The associated social values are authority, influence, social power and wealth. In this kind of social structure, people have a responsible social behavior give moral equality to each other they have human values and people are more socialize given important to the commitments, voluntarily cooperation. The importance social values are equality, social justice, freedom, responsibility, honesty.

Pakistan Political & Cultural Dimensions

Pakistan is a conservative hierarchical society, where the social structure and operation are controlled by power, wealth, and social influences. People are more tradition-oriented follow tradition, culture, religious values believes in family security, national security demanded, image oriented, conformity oriented, highly believed in security not ready to take any risky attitude. As survey of Hofsted, Pakistani society has high score in power distance which means that it is a long hierarchy in power system in the culture. It is uncertainty avoidance which is also again showing that people are not ready to take any future ambiguous activities and believe in confirmation and security. Pakistan has high scores in collectivism, masculine, and restrained society which means that it has strong social bounds, traditions, people are interdependent having strong, restrain social bounds which means that the people has a little space to act on their will and wish, they are control by the tradition and social power of the people as well as social structure and social bounds. This kind of society which are highly interdependent , collective oriented, conservative, power control society are having high value of the image of the people, welfare of the people, social justice, further Pakistan is a poor country where 40% population are living under poverty level and constantly facing for a long the shortage of basic needs including standard health services and standard education facilities as well as the unemployment with under employment specially in rural areas the condition is more acute where more than 50% population are inhabited in the pacific scenario the importance of philanthropic activities very high the company involved in philanthropic activities the stock value in comparison the companies in the same industry not disclosing CSR investment are not giving proper importance to the philanthropic activities. It is also observed that in stock market the people are more in client to buy the stock of the companies who invest on philanthropic activities.

Literature Review on Islamic Banking & Philanthropy:

QS Tagabun 64 (16), Al-Baqara 2.245, al An'am 6.165, Fathir 35.39, have a importance to the betterment of the people and falah of the Ummah. These Ayat are the reflection of the direction of the God to human beings to work betterment of Ummah. Dusuki 2008, Zinkin and William 2010, Ekawati 2004, Mohammed 2007 they have stressed that CSR is the most important objectives of Islamic banking system even in Indonesia the Islamic Banks are acquiring Zakat collection and various products of the basis of Zakat fund is introduced in the market. In Maqasad e Sharia the importance of betterment of the society is most important objective of Sharia.

In the poor countries the biggest problem is the development specially in rural areas. The Micro Finance Banks requires the governmental support and the

social political resource centre supports in the case of defaultation not properly payment of loans to the Mircro Finance Banks. The problem can more effectively resolve as socio political power centre will in client to support in this arena to the Islamic Micro Finance Banks.

The government support by making amendments in the regulations of the recovery of loans which are granted to the poor people's specially in remote areas. The government can get advantage that the agriculture sector which needs for development a huge number of investment and 60% population of the country is associated with the agriculture sector can be developed in a quick and affective manners which is most important requirement of the country as well as the political elected government. In the Muslim world various researchers have already made various reports which are showing that through Qarze Hasan, and Zakat of Muslim Ummah if it is properly used it can elevate the poverty level from the society and by the effect of multiplier this investment will increase quick economic development of the country.

CSR And Islamic Banks

Raina Ali Mustafa Farid ElShan in their study found that there is strong correlation between CSR activities and Islamic Banks performance and identification. Sohn et. l 2012, Yeh 2015, Kamr and Maklan 2004, Polychronidoua et. al 2014, Perez 2009, Carrigan and Attalla 2001, Deng and Xu 2015, Mckinsey 1989, Ramasamy and Yeung 2009, Berens et. al 2005, De Pelsmacker et. al 2006, Gurhan Canli and Batra 2004, Lichtenstein et. al 2004, Luo and Bhattacharya 2006, Obserseder et. al 2013, Mohr and Webb 2005, Sen and Bhattacharya 2001, Romani et. l 2013, Obserseder et. al 2013, MacDonald and Lai 2011, Tian et. al 2011, Yeh 2015, Yosof et. al 2015, Marin et. al 2009, Perez and del Bosque 2015, in their studies they discovered that CSR investments increase the image of the banks, provide high level of customer satisfaction, loyalty of customers, and trust in customers. Keran 1979 in study observed that CSR investment of banks enhanced their legal economical ethical value in the society in a study in Korea and Japan it is found that the CSR investments enhance the level of satisfaction in the employees and customers are increase. Bouvain et. al 2013.

Islamic Banking

1. Sohail Kamran, Mohammad Ayub Adeel Kamran Journal of Islamic Bank Fisk et al 2016m Kochar 2015m Kamran & Uusitalo 2019, Kempson & Whyley Kamran & Uusitalo 2016, Wan & ian 2014, Laezniak 2016, Kotler & Levy 1971, Solo 2008, Demirguc-Kunt, Klapper, Singer Van Oudheson 2015 World Bank 2005 they mentioned that more than one million population are living

under gray poverty and majority of them are marganize from the financial institution they were called un consider as a risky customers, therefore banks do not even allow them to involve in the banks, These people were called unbacked people, Dusuki 2008, Hasnain 2014, stress the Islamic banks their basic objective is to provide social betterment of the society and helping the poor people follow Maqasad e Sharia, unfortunately it has been found that more than 450 financial institutions all over the world still do not support the unbacked people. By this attitude of the banks the poor people excluded from financial sector they consider themselves deprived citizen of the country.

2. They are unable to make and stable their financial conditions according to their requirement they are unable to deposit their saving in the banks so that savings convert into investment on one side and on the other side it would be save by unnecessary expending, theft, social pressure to acquire saving from relatives, friends.

3. The unbacked by this conduct of the banks got not only economical loses social and emotional loses.

Dusuki 2007 that in Islamic World the Islamic Banks are also working like conventional banks on their objectives is to maximize profit to work for the betterment of the people of the society. In Pakistan for Islamic Banks there is a great opening for the Micro Finance Sector. As Moulana Taqi Usmani to consider a Pioneer of Islamic Banking said the Islamic economy acquire basic changes in the financial institutions. Renowned Hanafi jurist Imam Kisani mentioned that Qarze Hasana is one of the most important factors are Maqasad e Sharia. At present Islamic Banks hardly capture 15% of the market at per one estimation. The Islamic Bank should concentrate according to their objectives which is betterment of people and society helping the society to impose social justice, uneconomical justice in the society for that a must enter the Micro Finance Banking. Due to the fertile environment without any competition is available for the banks to market their products. Porter 1980 the famous marketing strateger mentioned in the competitive marketing strategy that 5 factors are very important for the marketing success of the company.

1. Threat of new entries.

2. Competitors of the existing firms in the market.

3. Bargaining powers of the buyers.

4. Bargaining powers of the suppliers.

5. The threat of substitutive companies' product and services.

Further the important element in sort analysis (strength, weaknesses, opportunities, threats). These elements should be considered and how much the:

A.	Strength of brand identity in the market.	That companies brand how much popular and acceptable in the market having strong strength to create hindrance of the competitors' brands in the market.
B.	Capital requirement	It refers to how much capital require enter into the market.
C.	Distribution	It refers to the factor that how much outlets of distribution required for the new entry.
D.	Switching cost of customers	It refers to the factor that how easily customer can switch to other competitors or substitutive products.
E.	Absolute cost advantage	It refers to the factor that got absolute cost advantage achieve to the company enter in to the sector.
F.	Product design	It refers to the factor which kind of product is design and how much it is lower cost in comparison to the competitive product and how their better in provide satisfaction to the consumers and fulfilling their needs and demands in comparison to competitive product available in the market.
G.	Governmental support	It refers to the factor that government provide support to the company to enter the market.

The State Bank of Pakistan and Islamic Banks allow Micro Finance Bank in Pakistan are working in Pakistan having more than 300 branches operational in the country, unfortunately the share in the banking business is less than 3.8%. Kotler 1999 ANSOFF 1957 gave a strong support to the product differentiation in the competition Porter 1980 said that competition is an important element on the basis of vision, goal, strategies of different companies, unfortunately in Pakistan there is very limited differentiation in the products of various Islamic Banks offering their products and their strategies are also similar.

Five Factors in the Competitive Marketing Strategies

a) Threats to new entries:

In Pakistan the Islamic Bank in agriculture sector specially, micro finance sector is rarely working so there is no threat from the competition in the market.

b) Competition level of existing firms:

Wouters 2008 said that due to the element of religiosity 20% people are working with the Islamic Banks still are working with the conventional banks Anwar 2007 also supported this statement.

c) Bargaining powers of suppliers:

As far is the concern of bargaining of the suppliers there is a limited number of people to provide any supplies to the bank so there bargaining is not a big issue.

d) Threats to substitute:

In Pakistan as reported by the State Bank 20% people are working with Islamic Banks, different Modarba companies, Mutual funds and Islamic banks, therefore the threat of substitute are new entry is not really stronger because the opening opportunities are available for Micro Finance Banks.

e) Bargaining Powers of Buyers:

In Micro finance banking the buyer are poor people especially in rural area related with the agriculture sector the consumers are very poor they are not able to buy expensive financial products they required the financial product, in a stryle that the product will sovle their financial problems and they have pay small profit to the bank. The poor farmers are unable to take any risk therefore the product which are based on risk sharing is more attractive for them further the qarze hasan and social service philnthrophical support for the poor consumers to develop the source for bread and better e.g. 25% Qarze Hasna along with 75% with the ration of 30% & 70% cost bear by the consumer and 70% financing for the bank on easy installment such as leasing are Modarba basis, for the establishment of small enterprises to generate their bread and butter e.g. buying small tractor torlly, small motor cycle troly, small shop, small Atta Chakki, e.g. buying cutter machine i.e. thrasher for animal fodder, etc.

Methodology

The study is based on qualitative techniques two propositions which were theoretically selected and discussed in detail. One is primary data which is collected through the usage of questionnaire from the business executives of the small financial institutions and the other is secondary data is also collected from literature and discussed in theoretical propositions.

Sample

The sample is selected of 60 persons of working in senior positions in small financial institutions.

A sample of 60 officials covered for this survey. Data collect via online survey. Pre-structured close ended questionnaire was sent via email on around 150 email IDs of executives of the financial institutions after filling questionnaire they returned email. Around 82 responses were received out of these 82 responses 7 was incomplete and 5 was cancelled during back-check. Therefore, remaining sample of 60 respondents was finally entered and analyst. There are five hypotheses in this paper. Basic demography and 2 to 3 related questions asked to respondent through questionnaire, Hypothesis & responses are given bellow.

List of hypotheses

H_{o1} Government is always supporting the companies involved in high philanthropic activities.

$H_{1:}$ Government is always supporting the companies involved in high philanthropic activities.

$H_{o2:}$ Government due to religious socio-cultural values of the society is not compelled to support the companies involved in high philanthropic activities and welfare spending.

$H_{2:}$ Government due to religious socio-cultural values of the society is compelled to support the companies involved in high philanthropic activities and welfare spending.

$H_{o3:}$ Government support do not strengthen the financial institution in the recovery of their advances specially for villages and for remote areas.

$H_{3:}$ Government support strengthen the financial institution in the recovery of their advances specially for villages and for remote areas.

H_{o4}: Government support do not provide the regulatory support the financial institutions.

H_4: Government support provides the regulatory support the financial institutions.

H_{o5}: Government and political support do not strengthen the image of the organization in the public.

$H_{5:}$ Government and political support strengthen the image of the organization in the public.

Findings

H_1: **Government is always supporting the companies involved in high philanthropic activities.**

Pakistan is an Islamic country and people are having strong religious penetrated feelings and emotions. Hofsted in a cultural analysis define that in Pakistan score 55 number in high power distance, high score in collectivism, high score in uncertainty avoidance, therefore that it is cultural oriented country which is having strong culture norms and strong hierarchy of a people who control the society, socially, culturally, economically, the people are under the command of the powerful elites in the sector of politics, government, and society overall. Schwartz survey also mentioned that Pakistan is a conservative society and control through hierarchal powers. As discussed before the religion is an important factor of the culture in this scenario for success of any business the support of the not only government but also social power centers required.

Islamic Banks and Micro Finance Banks is the need of the society due to the religious factor over all society culturally and socially support the Islamic Banks.

It is discussed before that country is a poor country and majority of people are living below the poverty level especially in rural area of agriculture sector which is inhabited by majority of population of the country. Every political government required the support not only common man but also the entire public opinion and powerful social sector, therefore government encouraged the Micro Finance Banking in the rural area as a policy which is also reflected by the previous policy of the State Bank of Pakistan.

H_2: **Government due to religious socio-cultural values of the society is compelled to support the companies involved in high philanthropic activities and welfare spending.**

Watson 2007, Hofsted 2001 and Leung 2008, Dickson 2003, Nee 1992 they have mentioned in their study that charitable activities and corporate philanthropic activities were very highly appreciated in the China and introduced the uncertainty in the Political legitimacy in Chinese firms. As it is known fact that China is also collectivistic high power distance society as Hofsted 2001, 2005 cultural global examination. Pakistan is also fall in the same category because it is more conservative, collectivistic, high-power distance, risk aversion, society. The importance of the religion is very high and religionist base on the betterment of people as Imam Ghazali mentioned is writing that Maqasad e Shari is the betterment

of people in society further various other Islamic Jurist clearly mentioned that the objective of Sharia is imposing social justice in society as well as betterment of people of the society Dusuki 2007, Hasnain 2004, repeating these issues affectively for the Islamic finance and Islamic Marketing.

The Constitution of Pakistan has in the beginning clearly mentioned that in the country all the laws should be according to Sharia and any contradiction with the Sharia consider the law nullify. In China as it is above discussed by the above-mentioned researchers that Buddhists and Confucius both are believing the betterment of humanity and when society support philanthropic act and government of China also support then in Pakistan the Government is compelled to support the banks especially Micro Finance banks involved in charitable activities.

As it is presently known fact the economic conditions of the society is going day by day downwards due to various reasons in this situation every government and society must support the financial institutions involved in philanthropic act and provide support to the poor people of the country.

Findings

In the H1 the complete analysis reached at the conclusion that for agriculture sector the governmental support is necessary because without government support the financial institutions cannot operate, in the response of H2 the discussion reached at the conclusion that by high philanthropic activities the financial institutions has obtained the governmental support in H3 the executives agreed that in the recovery of the advances the governmental support is necessary specially in agriculture sector in H4 the executives are agreed with high majority that without regulatory support the operations of the financial institutions cannot be seek the level of success in business, as far as the political and governmental support to strengthen the image of the organization in public the high majority are accepted its importance.

H3Q1 & 2 85% people said yes and 15% said no in first question while in second question again 85% and 15% said no

H4Q1 &2 80.4% says yes and 19.6% says no while in the answer of the second question 92.7% says yes and 7.3% said no

H5 Q1 93.3% said yes while 6.7% said no and for the second question 76.7 % says yes and 23.3 % said no

Questions	Response	Count	Column N %
Do you belief that by government support the recovery process against the advances/loan will be more easy and affective.	Yes	51	85.0%
	No	9	15.0%
Do you belief that the government support create high image in the relevant public of the financial institution, therefore they avoid defaultations	Yes	51	85%
	No	9	15%
Do you belief that by government support many regulatory benefits can be obtained by the bank	Yes	41	80.4%
	No	10	19.6%
Do you belief that the only government support provide sufficient support through regulatory changes that the micro finance banks can grow in competition.	Yes	38	92.7%
	No	3	7.3%
Do you belief the political support and the government priorities build high image in the public	Yes	56	93.3%
	No	4	6.7%
In your opinion the governmental and political support can create a priority level for the organization in the competition with other to capture the market	Yes	46	76.7%
	No	14	23.3%
Age	35 – 50	42	70.0%
	50 above	18	30.0%
Gender	Male	44	73.3%
	Female	16	26.7%
Education	Below graduation	5	8.3%
	Graduation	33	55.0%
	Above graduation	22	36.7%
Occupation	Own Business	16	26.7%
	Employed	44	73.3%

Testing of Hypotheses

H_{o1} is not reached at the level of acceptance H_1 is accepted.

H_{o2} is not reached at the level of acceptance H_2 is accepted.

H_{o3} is not reached at the level of acceptance H_3 is accepted.

H_{o4} is not reached at the level of expectance H_4 is accepted.

H_{o5} is not reached at the level of expectance H_5 is accepted.

Conclusion

The importance of government support in micro finance banking and its requirement is discussed in the study by various angles in the support of the operations of financial institutions legal support, rules and regulatory support the cultural environment of the market and socio cultural factors the importance of the factor of religiosity and philanthropic acts of the financial institutions and their overall impact in obtaining the reduction and risk of operations, financial risk as well as obtaining the support of high classes in the society , it is discovered that the government support, political power center supports are essential for the success of the small financial institutions in Pakistan

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Cuili Qian (cuili.qian@cityu.edu.hk) is an assistant professor of strategic management at the College of Business, City University of Hong Kong. She received her Ph.D. from the Hong Kong University of Science and Technology. Her current research interests include corporate social responsibility and corporate political strategies in transition economies and MNCs' staffing and control of subsidiaries.Friedman, M. 1970. The social responsibility of business is to increase its profits. New York Times Magazine, September 13: 122–126

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Heli Wang (mnheli@ust.hk) is an associate professor in management at Hong Kong University of Science and Technology. Her current research focuses on employee motivation issues in the resource-based view of the firm, corporate stakeholders and social responsibility, and corporate governance. She received a Ph.D. in strategic management from The Ohio State University

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Annexure A

List of Questionnaire

Q1. Do you believe that by government support the recovery process against the advances/loan will be more easy and affective.

Q2. Do you believe that the government support create high image in the relevant public of the financial institution, therefore they avoid default.

Q3. Do you believe that by government support many regulatory benefits can be obtained by the bank

Q4. Do you believe that the only government support provides sufficient support through regulatory changes that the micro finance banks can grow in competition.

Q5. Do you believe the political support and the government priorities build high image in the public.

Q6. In your opinion the governmental and political support can create a priority level for the organization in the competition with other to capture the market.

M. Mubashir Qadir Khan is an Associate Professor in the Institute of Business Health, Jinnah Sindh Medical University, Karachi.

Shariq Mubashir is Professor in the Government Islamia Law College, Karahi.