

**A systematic review of microfinance role in poverty alleviation  
literature in India: direction for future research**

**A DISSERTATION SUBMITTED**

(For the award of the degree of)

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**In**

**MANAGEMENT**



Submitted By

**ROSHNI KUMARI**  
**1338/20**

Under Supervision of

**Dr. RAMESH KUMAR CHATURVEDI**  
**Assistant Professor**

**DEPARTMENT OF RURAL MANAGEMENT**  
**SCHOOL OF MANAGEMENT AND COMMERCE**  
**BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY**

*(A CENTRAL UNIVERSITY)*  
*VIDYA VIHAR, RAEBARELI ROAD*  
*LUCKNOW – 226025*  
*UTTAR PRADESH*  
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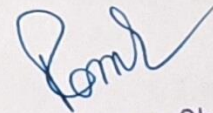
## Certificate

This is to certify that the M. Phil dissertation titled “**A systematic review of microfinance role in poverty alleviation literature in India: direction for future research**” submitted by **Ms. Roshni Kumari** is an original research work and has not been previously submitted in part or full for the award of any other degree or diploma to this or any other university.

The dissertation submitted to Babasaheb Bhimrao Ambedkar University Lucknow satisfies all the requirements as stipulated in the Master of Philosophy (M.Phil) regulation amended in 2019 and it is fit for submission and evaluation for the award of the degree of Master of Philosophy of the university.

Place: Lucknow

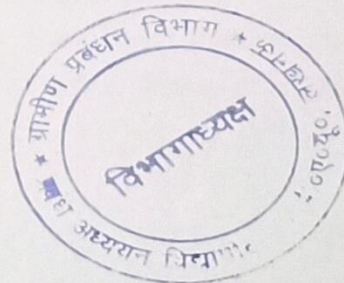
Date:



Dr. Ramesh Kumar Chaturvedi  
Supervisor  
Dept. of Rural Management  
BBAU, Lucknow



Head of the Department



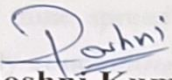
## Acknowledgement

### Declaration

I hereby declare that the dissertation entitled “**A systematic review of microfinance role in poverty alleviation literature in India: direction for future research**” submitted to the Babasaheb Bhimrao Ambedkar University (A Central University) Lucknow for the award of master of philosophy in management. It is my original work and it has not previously been produced for the award of any degree, diploma, fellowship or any other similar titles. This research study is carried out under the supervision of **Dr. Ramesh Kumar Chaturvedi**, Department of rural management, school of management and commerce, Babasaheb Bhimrao Ambedkar University (A Central University) for the award of the degree of **Master of Philosophy** in Management.

Place: Lucknow

Date :

  
**Roshni Kumari**  
Research scholar, BBAU

I am quite sure that all my words in any way cannot fully express my emotions and gratitude to all those who have helped me in carrying out this study. But as a formally, I do make an attempt in this direction.

Firstly I would like to express my gratitude to the one respected person who inspired and motivated me to have the hunger of knowing the things and come up to gain knowledge. Who not only guided me, but also play a role of a guardian during this dissertation work, who not only accepted to be my supervisor, but also showed me the path to be independent and led me to know the truths of the knowledge that destroyed all my illusions. The one whom I am highly indebted is my supervisor **Dr. Ramesh Kumar Chaturvedi** for his guidance and constant supervision and for the pain to go through the project and make the necessary correction when needed as well as for providing necessary information regarding the project and also for his support in completing the project. I would remain indebted to for the rest of my life simply because he has contributed immensely a tremendous contribution.

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Finally, I would like to apologize for any errors or omissions that may appear anywhere in the dissertation , no harm was intended either directly or indirectly to anyone.

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**CHAPTER: 1**

**Introduction and Overviews**

## **CHAPTER 1: INTRODUCTION AND OVERVIEWS**

### **1.1 ABSTRACT**

In the developing timeframe of India, microfinance has evolved as a need-based program for Promoting inclusive growth by providing micro assistance to borrowers at the bottom of the economic pyramid to the so far neglected target groups (poor, women, deprived etc.) Study of Microfinance role is progressive field of research in the last two decades. Literature review on microfinance to understand what has been done and what can be done always drawn attention of the researchers. The aim of this paper is to shown a clear picture of a status or various Dimensions of microfinance over the last two decades. The study is based on 97 Research papers on microfinance published in last 17 years. These papers are identified from the publications regarding microfinance through a systematic search of electronic databases by focusing on the major keywords i.e., Poverty, Sustainability and India, from such field several sub-fields are emerged during the review. The objective of this review is to conclude the findings from the published literature which are focused in this field. Past literature suggests that microfinance is an effective approach for economic and social well-being but the fact is significant gap remains in this field of study which require detail research and publication attentions. Due to the major range of microfinance services as financial assistance, it is difficult to assess the impact, and very few studies have attempt to tried to assess its full impact, the present research attempts to shown the current trend and pattern of changes in microfinance in India over the period in last two decades.

### **1.2 MICROFINANCE**

Micro finance is for to help the people who identify as unable to access to financial services, banking and other services which is difficult to avail for them. Microfinance as financial services helps to people lives in rural area, small scale entrepreneurs in urban part and the MSMEs mostly in developing and underdeveloped part of nations. Financial services include micro credit to poor for their upliftment, saving account, insurance funds, remittance and other assistance thereby to improve their living standard. It providing financial assistance, in the form of a loan, fund transfer, insurance saving and training to the potential small entrepreneurs, small businesses and to the poor to economically standup on their own feet, who has lacking access to banking and related services. microfinance also seen as a movement whose object is a world where many deprived have

permanent access to high quality financial services, including not just micro credits but also insurance, savings and fund transfers. Microfinance and micro-credit are the word which is used interchangeably. However, in the study, microfinance is also used in a wider sense to cover financial services such as micro savings, insurance fund and micro insurance. Microfinance concerned with financial services provided to low income earner. Microfinance serves as an essential to reduce poverty worldwide, enhance the productivity and to gain economic growth.

Over the past centuries, Visionaries have built institutions and tested practices to bring the risk management and provide kinds of opportunities to the doorsteps of the poor people. In the 15<sup>th</sup> century Franciscan monks founded the community- oriented pawnshops to the 19<sup>th</sup> century Friedrich Wilhelm Raiffeisen and the Muhammad Yunus who was the founders of the microcredit movement in the 1970s have tested practices and built tools to give financial assistance to poor to support their livelihood. Microfinance initially gain attention by the Nobel Prize winner (2006) Muhammad Yunus. It became popular on large scale in the year 1970s. In1970, Muhammad yunus introduce grameen bank in Bangladesh was the first institution who help the financially marginalized by providing loan to the borrower has no collateral this receives attention of world towards it for providing their efforts in developing the microfinance system for the betterment of poor lives.

The origin of micro finance has a long history and encompasses a various rang of institutional formats, started from individual money lenders to more formal institutions, such as social venture capital fund, rural bank, cooperative bank, credit union etc.

Loans provided to poor people by banks have many regulations or a limitations including high operating cost and lack of security so due to this Microfinance was developed as an alternative to provide financial assistance to poor people with the goal of creating financial inclusion and reduce inequality. Muhammad Yunus (Nobel Prize winner) has introduced the concept of Microfinance in Bangladesh in the form of the "Grameen Bank". In India (NABARD) took idea from this and started concept of Micro Finance in the nation.

In India, microfinance services are disbursed through two different channels:

- (a) Microfinance Institutions;
- (b) Self Help Group – Bank linkage.

### **1.3 MICROFINANCE PROGRAM**

Microfinance program have role to provide support to MSMEs in order to create productivity and generate employment. Various Program runs to get socio-economic empowerment, generation of self-employment, Mobilization of internal resource and creation of financial Assistance to the targeting group. Microfinance program has been supporting to established enterprises and generate employment. To promote MSME or small scale industries by providing financial support is the most important priorities of the government because this sector produce more employment generation opportunities and help to tackles the problem of poverty and unemployment and move towards the economic growth. This growth only can be achieved by framing various programs of financial assistance for potential MSMEs.

### **1.4 WORKING OF MICRO FINANCE INSTITUTIONS**

Microfinance institutions Provide access to the people lives in rural area, small businesses and micro entrepreneurs. Often these individuals don't have access to financially major institutions, which results harder for them to get loan, investments, savings of fund, insurance policies etc. microfinance institution are set up with the aim to help them to get succeed in their livelihood.

Microfinance Institutions need to be efficient in Both Social as well as financial world so that it achieve their sustainability in working. They have both financial as well as social role towards the society.

To analysis the working of micro Finance institutions in respect of financial and social outputs we rely on past studies. International organizations and donors influence micro finance institutions by pushing away MFIs from their primary objective of providing services to the poor. This push can have major consequences, ranging from the mission drift to questionable practices done by the institutions.

Success of MFIs depends on the country level context, in micro and macro institutional economy. For this Evidence arise from the literature which shows complementary relation between MFIs performance and the broader economy. Micro finance institutions in financially deeper economies likely to cover cost, have lower default and operating costs which result charges lower interest rate when growth of economy is stronger.

## 1.5 TYPE OF MICRO FINANCE INSTITUTIONS



Various type of micro finance institutions are set up to offer financial help to the persons with no access to banking service.

The emergences of institutions “for Profitability ” are referred to as Non- Banking financial companies (NBFC) in India. The term “commercialization,” or transformation, in a microfinance institutions represent to a change in legal status from unregulated NGOs in to the regulated, regulated institutions supervised by a financial authority.

## 1.6 CAPITAL STRUCTURE OF MFIS

Capital structure of micro finance institutions plays a major role in the expansion of microfinance programs. In current scenario the demand of financial services far exceeds the available supply.

Microfinance used as tool to alleviating Poverty by accesses micro credit to poor families, micro entrepreneurs, villagers and impoverished women. MFIs work as an intermediate the formal financial institutions and small ventures or financially backward people who seek financial support to progress in productive activities. . MFIs get financial support or funds from the mainstream financial institutions and banks to provide it to the backward section of society. Small and micro entrepreneurs have found difficulties to access capital from traditional or financial institutions due to the cost of information and high level risk of borrowers to offers credit to micro institutions at subsidized rate for people below poverty line or to the small entrepreneur, For this MFIs need to get additional resources or funds to achieve sustainability in their capital structure so that small ventures able to generate income from their lending or employable to survive

## **1.7 STATEMENT OF THE PROBLEM**

Relation of Microfinance with poverty alleviation has been a focus of many academic studies. However, focusing solely to see microfinance towards poverty alleviation as a contradictory or a complimentary is very few. This study is to be carried to know Microfinance is a potent tool for poverty alleviation and other related outcomes, For example, women empowerment and capacity building, sustainability.

Apart from the positive impacts of microfinance on the economic well-being of respondents, Another motivation for this study is to evaluate and identify any negative consequences of microfinance in the research setting.

It need to show the potential of bringing positive change in the aspects of social and capability well-being and also to evaluate adding the well-being dimensions make impact on the microfinance a more robust exercise. Only Some of the predatory practices in the field of microfinance highlighted positive as well as negative impact of the financial services i.e. exorbitantly high interest rates and morality of microfinance as a service.

India comprises of a large population of historically disadvantaged socially and economically backward populations. This demographic composition leads to evaluating the impact of microfinance services across a range of socially and economically backward populations.

## **1.8 PRIMARY RESEARCH GAP**

In this field not many relevant research works have been found during the in-depth study of available source or review of literature especially which conclude that in what directional change the impact of the microfinance in poverty alleviation whether it is positively or a negatively impacted in the current scenario. Hence, such a study would be a new attempt to look into to examine the role of sustainable microfinance towards poverty alleviation.

## **1.9 OBJECTIVES OF THE STUDY**

- i) To examine the trends and patterns of Microfinance in India.
- ii) To know the impact of microfinance institutions on poverty reduction.
- iii) To study the role of microfinance on social well-being.
- iv) To examine sustainable microfinance towards poverty alleviation might be viewed as complementary or a contradictory concept.

## **1.10 RESEARCH DESIGN**

The research is descriptive research with qualitative in nature. In the work, qualitative research methods will be used to address the research questions and objectives. Multiple methods will allow different research objectives and questions to be fully explored. In the first phase, the conceptual research method will be adopted to get a detailed literature review and a deeper understanding of the subject. Further, studies will be carried out to understand the concept and past efforts that have been done in the concerned field and literature made available by past researchers to be study in detail. Supporting literature review will enable to strengthen the objectives of the study. The research will be conducted in with the consultation and in the proper guidance of the supervisor.

## **1.11 SOURCE OF DATA**

The research into this area relies heavily on secondary data. Primary focus on research papers of google scholar and Scopus will be the major source. Data available in the form of annual reports of public and private sector industries, government policies of both central and state, will be a source of information and theoretical support. Further, books, articles from leading business journals, magazines, newspapers, social media and researches are done by past researchers will be an important source of secondary data collection. The result of the analysis is not necessarily to be a yes or a no, it may be a rethink the concept, followed by repeated analysis after changes have been made.

## **1.11 SIGNIFICANCE OF THE STUDY**

The study of the concept of microfinance is significant in the practical world due to the following reasons:-

Microfinance has been highlighted since 1970 with an aim to uplift the poor section of the society and to enhance economic growth. Importance of microfinance has been magnify during global financial crisis when trust into banking system is shaken. For the development of India microfinance plays a major role . It acts as an anti-poverty vaccine for the Poor. It aim at help communities of the economically weak to achieve greater level of income security and asset creation at the household and community level.

The significance of microfinance in India is utmost because it dispenses the access to the Capital to small entrepreneurs or the poor, in the form by providing loans, insurance, and access to savings accounts. It is impactful in installing a habit of saving in the low income groups and helpful to make the underprivileged self-reliant by creation of jobs.

The concept of microfinance directly focuses on the poor rural and urban households, small scale self- ventures and women to also by granting loans to them. It acts as an instrumental tool for to the empowerment of weaker section women. As women are becoming independent, they are able to contribute directly to the social well beings of their families and which leads to confront all the gender inequalities.

**CHAPTER: 2**  
**METHODOLOGY**

## CHAPTER 2 : METHODOLOGY

### 2.1 METHODS

we met regularly throughout the search process and resolve discrepancies by discussion. Started the Systematic literature search of Articles from June, 2021 by using the electronic database, in which all publications from (2005-2021) were considered for inclusion in which articles are searched by keywords in the name of title of article from the Secondary source of data i.e. Google scholar and Scopus.

The list of articles abstracted from the source are organized in an excel database. Numbers of articles identified at the initial stage were then examined to see that they fulfill the inclusion criteria. 97 Final set of articles after systematic reviewed were coded the complete text to get details about study design and findings then Information drawn from the final set of articles. Abstracted and coded data from the final set of articles included the information about citation, Authors, year of publication, design/ technique of study, field of study, variables of study and key findings.

This study had its some limitations. Few papers might be left from the review by default. Only the Google Scholar and Scopus paper were used for the review, The search was limited to English language articles only due to researcher own knowledge of other language despite every guidance and precaution are taken regarding review of articles.

### 2.2 RESULT TO SEARCH PROCESS

Search process steps detailed in figure 1. Total records identified through database search 1913 articles. On the basis of our primary review of relevant literature we recognized the four standard keywords for search from electronic database i.e.

. **“Microfinance and India”**

**“Microfinance and Poverty”**

**“Microfinance, Poverty and India”**

**“Microfinance, Poverty, Sustainability”.**

## Step 1

The standard keywords taken for the searching of article are firstly by “**microfinance and India**” which results 632 articles from the Google scholar and 144 articles from the Scopus these all articles coded by the orange Color in the excel database. Secondly search to identifying keyword in the title of the articles are “**microfinance and poverty**” which results 920 articles from Google Scholar and 155 articles from the Scopus these are coded by green color in the Excel database and further by the **microfinance, poverty and India** which resultants 35 articles from Google scholar and 9 from the Scopus articles coded by pink in the excel databases. Lastly articles searched in the articles title by the keyword of **microfinance, poverty, sustainability** which results 17 articles from Google scholar and 1 articles from the Scopus, coded by blue Color in excel databases.

### Step- 1 Initial Search of Articles

Articles coded by the Color	Title of article	No of articles from Google scholar	No. of articles from Scopus
Orange	Microfinance, India	607/632	131/144
Green	Microfinance, poverty	119/920	131/155
Pink	Microfinance, poverty, India	35	9
Blue	Microfinance, poverty, sustainability	17	1

### #Exclusion of articles on the basis of Non- Relevance

1) No. of articles excluded from Google scholar =  $(632 - 607) + (920 - 119) = 826$

2) No. of articles excluded from Scopus data =  $(144 - 131) + (155 - 131) = 37$

Here, total number of articles at the initial stage is 1913 out of which eliminate 863 of them on the basis of non-relevance to sub area of study and got total of 1050 articles at the end of initial stage of systematic literature review.

## Step 2

From the initial search total of 1050 articles obtained including duplicates value across excel databases. We need to eliminate that duplicate data for the purity of articles to address key findings from it. Here, from the total of 1050 articles, 172 articles identified as duplicate value in the excel databases. So removed these articles and obtained 878 articles after exclusion from the databases. The duplicate articles which are eliminated are coded by the yellow in color. Next the remaining 878 articles were reviewed to ensure that they met the inclusion and exclusion criteria or not.

### # Exclusion of articles on the basis of Duplicate values in excel database

$$1050 \text{ (total)} - 172 \text{ (duplicate values)} = 878 \text{ obtained}$$

## Step 3

After shortlisting the articles the next step is taken to exclude such articles which represent their study on other countries rather than India or articles which having much variation from the sub- area of research field, not fulling the objectivity . On that basis eliminate 243 articles from the total of 878 articles and obtained 635 for the further review.

### \* Exclusion of articles on the basis of objectives were not explicitly included in the articles

$$878 \text{ (total)} - 243 \text{ (excluded)} = 635 \text{ obtained}$$

## Step 4

Reviewed and cited the each 635 obtained articles in the excel database to know the weightage of highly cited articles and also identified that large number of article having fully text available in the form of PDF, few of them having only abstract , some are book chapters and some have not access to reach that source of information. The above mentioned four condition are coded by the color in order to identify them in the excel database by the following:-

Article coded color	list of article categorized into four group	No. of articles
	Article fully text available	411
	Abstract available only	107
	Articles in the form of book chapters	20
	Articles have no access	97

**# Exclusion of article on the basis of articles had No access to get information from the source.**

635 (total) – 97 (articles have no access) = 538 (obtained data)

**STEP 5**

From the outcome of 538 of articles exclude the articles having less than 10 citations. Include the remaining that concluded information about research design to be study and their findings. Many from the remaining fail to provide adequate details regarding the sub field of study were also excluded from the list of excel database.

**# Exclusion of Article on the basis of articles having less than 10 citations**

538 (Total) - 441 (articles having less than 10 citations) = 97 obtained

The study identified the sub-theme that has emerged after detail systematic literature review of all the paper related to role of microfinance in India. The sub themes provide a clear picture of what microfinance done this field in detail individually. It also highlight research gap that need to be studied for future direction. Sub heads emerged from the theme Microfinance were women empowerment 15 paper (in which detail discuss of their various dimensions i.e., Economic independence, Supply of credit to women, Family violence, Household gender equity, Assets Position, Socio-emotional well-being and Exploitation of women were point out), self- help group 4 paper (SHGs bank linkage program, Regional disparity, Federation of SHGs), Financial inclusion 8 paper, Andhra Pradesh Crises 6 paper, Sustainability 5 paper, Microfinance in India 32 paper (economic growth and development, issue and challenges, performance and sustainability, productivity and efficiency) and poverty 27 paper detailed study and concluding the result on that basis.

### 2.3 FLOW CHART OF SEARCH PROCESS

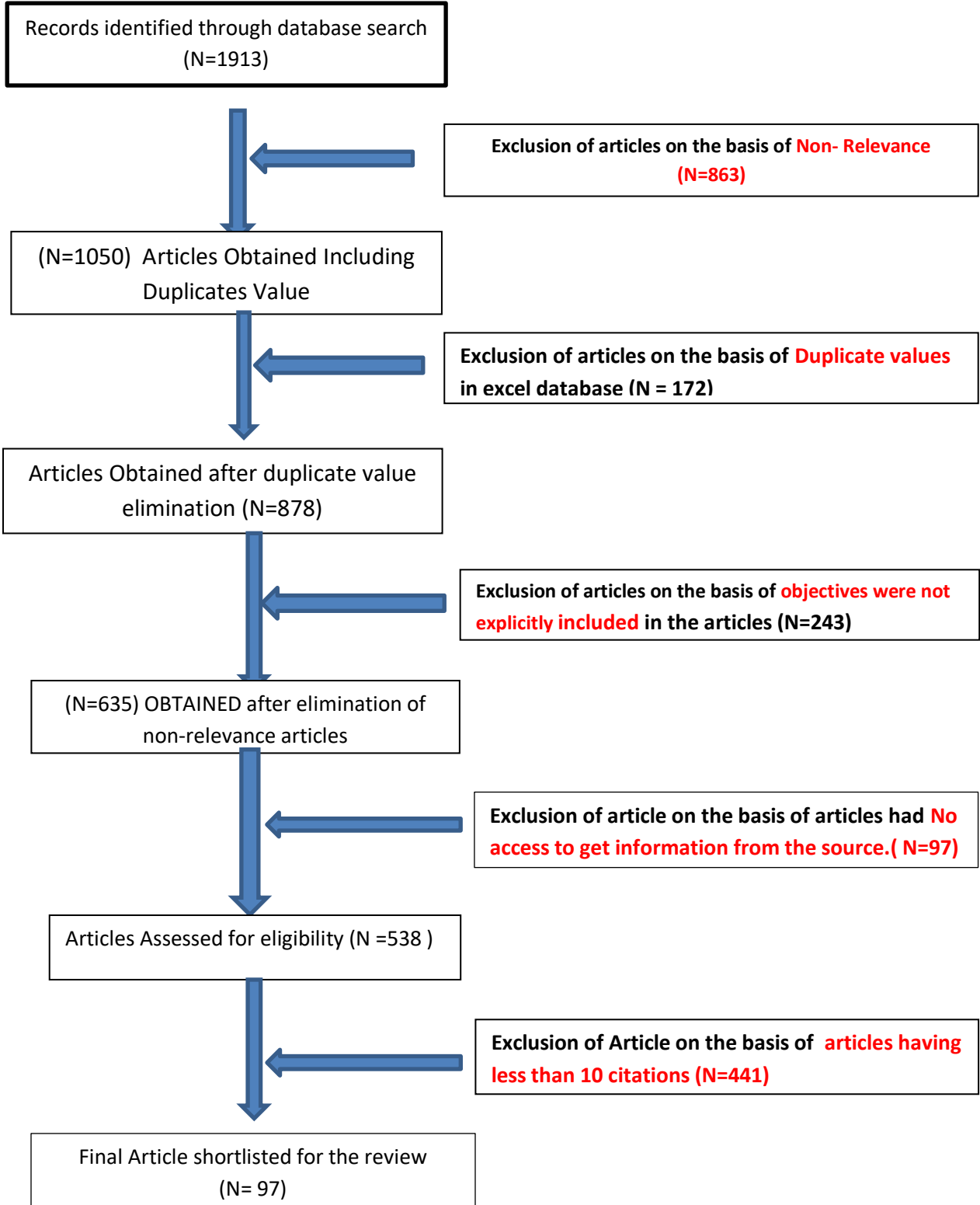


Fig1. Flowchart of search

**CHAPTER: 3**

**REVIEW OF LITERATURE**

## CHAPTER: 3

### REVIEW OF LITERATURE

#### 3.1 DIMENSIONS OF MICROFINANCE

The study identified the sub-theme that has emerged after detail systematic literature review of all the paper related to role of microfinance in India. The sub themes provide a clear picture of what microfinance done this field in detail individually. It also highlight research gap that need to be studied for future direction. Sub heads emerged from the theme Microfinance were women empowerment 15 paper (in which detail discuss of their various dimensions i.e., Economic independence, Supply of credit to women, Family violence, Household gender equity, Assets Position, Socio-emotional well-being and Exploitation of women were point out), self- help group 4 paper (SHGs bank linkage program, Regional disparity, Federation of SHGs), Financial inclusion 8 paper, Andhra Pradesh Crises 6 paper, Sustainability 5 paper, Microfinance in India 32 paper (economic growth and development, issue and challenges, performance and sustainability, productivity and efficiency) and poverty 27 paper detailed study and concluding the result on that basis.



### 3.2 MICROFINANCE AND SHG (4 Papers)

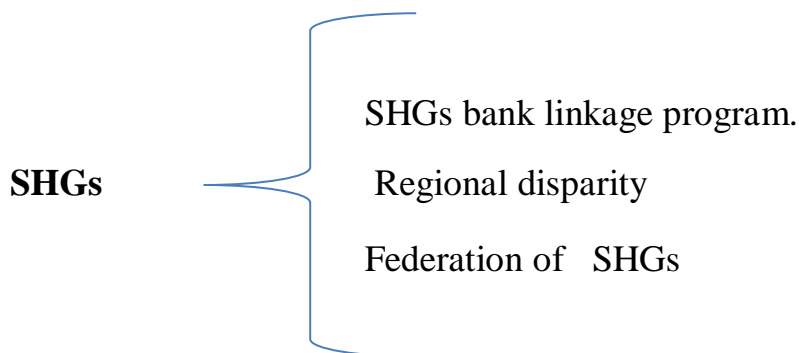
Effort to bank linkage of self-help groups were initiated in early 1990s to provide banking services to the unorganized or the weaker section of the society. NABARD in 1920 take initiative step to link the informal or an unorganized sector of SHGs with the formal banking system. NABARD helps to organizations by providing assistance who promotes SHGs by linking them to the banks.

Self- help groups were the group of 10 to 15 members of weaker section of society usually women. They function by mobilizing savings from members and use it to meet the needy member of group requirement of loan. Bank linkage program gives opportunity to the groups to borrow loan against group guarantee. SHGs also offers loan to their members at later stage. As per RBI lending norms, banks should provide priority to the respective categories i.e. Small ventures, MSMEs, groups involve in agriculture sector etc. Firstly bank services highly focused on SHGs of southern part but now it attempts to also focus on other regions also.

#### Sub -Themes in SHGs

This theme covers following sub- themes:-

SHGs Bank Linkage Program [Panda, Debadutta Kumar; \(2008\)](#), [Baland, Jean-Marie; Somanathan, Rohini; Vandewalle, Lore;\(2008\)](#), Regional Disparity [Pokhriyal, AK; Ghildiyal, Vipin; \(2011\)](#), Federation of SHGs [Nair, Ajai;\(2005\)](#).



## PEER- REVIEWED ARTICLES ON MICROFINANCE AND SHG (4 PAPERS)

Citation	Authors/year	Design/technique of study	Field of study	Variables of study	Key Findings
11	Panda, Debadutta Kumar; (2008)	<p><b>Qualitative</b> (case study) supplemented by quantitative data.</p> <ul style="list-style-type: none"> <li>• 3 stage stratified sampling</li> <li>• Delphi technique</li> <li>• Rapid assessment</li> <li>• Case study analyzed through RLS matrix</li> </ul>	To analysis 10 cases based on SHGs of Orissa	<ul style="list-style-type: none"> <li>• micro - financial transactions of SHG</li> <li>• Personal income and savings of SHG</li> </ul>	<ul style="list-style-type: none"> <li>➤ Remarkable social upliftment</li> <li>➤ Coming out from social stigmas &amp; traditional issues</li> <li>➤ Increased literacy</li> <li>➤ Average personal income increased</li> <li>➤ Enhanced self- reliance</li> </ul>
20	Pokhrimal, AK; Ghildiyal, Vipin; (2011)	<p><b>Qualitative</b> Analyzes the trend in the commercial banks or the SHGs bank linkage program. Study correlation between SHGs population and poverty ratio.</p>	Northern, North-Eastern, Eastern, western, Southern and central region of India.	<ul style="list-style-type: none"> <li>• SHGs Population</li> <li>• Poverty ratio</li> </ul>	<ul style="list-style-type: none"> <li>➤ Small share of credit disbursed to the rural poor.</li> <li>➤ Regional disparity in distribution of banking facilities</li> <li>➤ Supremacy of southern region on all count</li> <li>➤ Variation in SHGs bank linkage program.</li> </ul>
42	Baland, Jean-Marie; Soma	<p><b>Qualitative</b> Survey methodology Weibull distribution</p>	Northern Orissa (keonjhar) Central	n=1102 rural self- help groups	<ul style="list-style-type: none"> <li>➤ Survival were not affected by passage of time</li> <li>➤ Loan and savings size should be expected to grow</li> </ul>

	nathan, Rohini; Vandewalle, Lore; (2008)	Nelson-Alalen model	Chhattisgarh (Raigarh)		<ul style="list-style-type: none"> <li>➤ At least one educated member in each group</li> <li>➤ Group failure due to personal conflict and leadership failure</li> </ul>
150	Nair, Ajai; (2005)	<b>Qualitative</b> <ul style="list-style-type: none"> <li>• Case study</li> <li>• Focus group interviews</li> <li>• Financial viability Analysis .</li> </ul>	3 SHGs federation in India	Services offered by the SHGs and thrift cooperative	<ul style="list-style-type: none"> <li>➤ Sustainability of SHGs is in suspect</li> <li>➤ federation of SHGs bank-linkage programs efficient to gain economic of scale , reducing transportation cost, promotional cost, enhance empowerment, obtained value added services etc.</li> </ul>

Table. 1

The 4 four articles addressing microfinance and self- help group are summarized in table. All articles represent data from India in which it shows that how microfinance institutions have contribution towards to support self-help group. All the four were qualitative in nature study based. [Panda, Debadutta Kumar; \(2008\)](#) based on the qualitative study deals with case study of 10 SHG members of Orissa supplemented by quantitative data based on primary and secondary sources of data. Findings based on members financial transactions and average annual income of 10 SHG were studied and addressing that the average personal income of the members of SHG increased significantly, literacy level increased and improved attendance in health and sanitation camps this all due to capacity buildings of the members by the effective networking of banking facilities to the rural poor's. Members of SHG are able to stand on their own feet by undertaking enterprises at a personal level. Effective linkage and networking of bank facilitate villagers of Orissa a remarkable social upliftment, enhanced self- reliance, promote for creative use of local resources to came out from social stigmas and traditional issues. [Pokhriyal, AK; Ghildiyal, Vipin; \(2011\)](#) based on qualitative study, analysis SHGs bank linkage programs progress at national level i.e. Northern, North-eastern, Eastern, Western, Southern and Central regions of India and reveal regional disparities among the regions. Scheduled commercial banks are not uniformly distributed; it inclined more toward metropolitan cities and decline share of network of commercial banks in rural area

during 1996-2008. Another finding on the basis of co-relation study between SHGs population and poverty ratio is shown a negative correlation (-0.22) that reveal SHGs movement is not commensurate with high prevailing poverty. This study examine the microfinance progress in terms of failure and success of self-help group bank linkage program and also see whether this program has reduced regional disparities or imbalances. In this article it is concluded that the commercial banks shares small credit in an insignificant proportion in the total credit disbursed to the rural sector of the economy, due to this it shows that rural area are still deprived, discriminated and backward in the context of financial inclusion and growth. Regional credit disbursement of banking system is also prevailing disparities at regions. Bank have denser networking in the southern followed by northern and western region then lastly in the eastern region which resulting benefits not equally distributed among the regions during that phase. Article [Baland, Jean-Marie; Somanathan, Rohini; Vandewalle, Lore; \(2008\)](#) based on qualitative study, survey of 1102 rural self-help group in which 16,800 member were women member of that group during (1998-2006) in the 2 district of northern Orissa and central Chhattisgarh. This chapter in a book based on survey at non- parametric estimator (Nelson-Alalen model) to estimate hazard of members at regional level, hazard due to difficulty in savings and hazard due to members conflict in two regions and found that average density of family network in the group puts members at greater risk. survival were not affected by passage of time Also used Parametric estimator (weibull model) to estimate the group members characteristics effect on the duration of the group and length of time female members retain in the existing group and found that group formation is a multilateral matching problem, failure of group due to personal conflict and leadership problem, importance of basic skill, policy implication and unpaid loan and savings are associated with group dissolution. group should see how other successful SHG functioned. There should be at least one educated member in each group to deal with the minimal accounting functions. Article [Nair, A. \(2005\)](#) based on the qualitative study deal with case study approach of 3 SHGs federations. Federation (an association of organization) to be study are identified based on literature review and researchers personal experience, selected purposively. information about federation obtained through detailed questionnaire, annual report and by the financial position / statement of the federations and concluded that despite the achievement of SHGs- bank linkage program of federations ( reduce transaction cost, reduce promotional cost, enhance empowerment, obtained value added services, economic of scale) sustainability of SHGs is in suspect. Sustainability depends on federation governance, organizational process and system.

Result from the reviewed qualitative study based on case study suggests that microfinance and SHGs bank-linkage program has its achievements towards the growth of economy. These programs provide services which enhance contraceptive use among members of SHGs [Panda, D. K. \(2008\); Nair, A. \(2005\). Pokhriyal, A. K., & Ghildiyal, V. \(2011\);](#)

On the basis of past literature review it is concluded that for the sustainability of MFIs to support SHGs need to more focus on the potential capital structure. It need to show the potential of bringing positive change in the aspects of social and capability well-being and also to evaluate adding the well-being dimensions make impact on the microfinance a more robust exercise. Only some of the predatory practices in the field of microfinance highlighted positive as well as negative impact of the financial service.

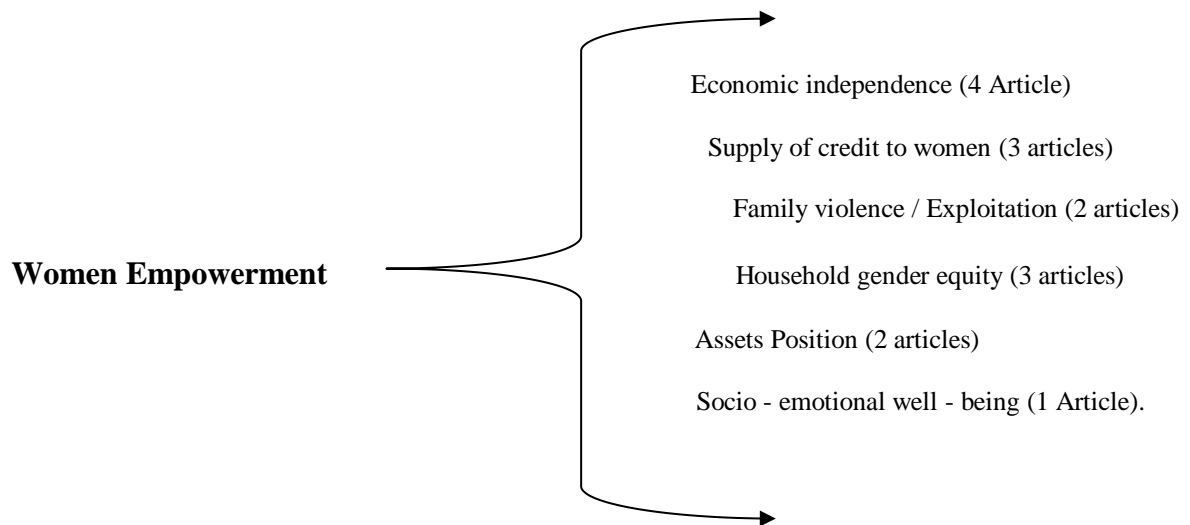
It is concluded on the bases of literature study that microfinance does not alone enough to reduce poverty and provide sustainability alone. Once the institutions achieve the sustainable growth, it results increase in annual income, consumption level, reduce the wastage of funds etc. growth and sustainability leads to reduce global poverty.

A member of self- help group who were trained, having skilled knowledge were get faster progress in their productive or an operational activities rather than members having no knowledge to work, for this there should be at least one educated member in the each self- help group to deal with financial activities or to guide the group to work in a productive way. Micro financial institutions should follow a uniform channel to distribute fund and services to several regions of India, regional disparity at the time to distribute funds should be neglected also need to ensure is the use of funds in the right hand or not. Provide microfinance to self-help groups is not the solution to reduce poverty also required knowledge, skill, training to work, better banking connectivity of SHGs, infrastructure facilities to empower SHGs.

Moreover, Micro financial institutions should be efforts towards its sustainability by minimizing their losses or bad debts in order to attain sustainable growth. Government need to innovate their strategies or institutional capital structure to secure the sustainability of members in self- help gro

### 3.3 WOMEN EMPOWERMENT AND MICROFINANCE (15 papers)

Microfinance program mainly focuses on development of women, more than 90% women client participate under microfinance program. Basic aim of the program is to empower women by providing them financial support and enable them to stand on their own feet. Financial assistance helps to improve the status of women in the family, support them to start the micro level business to uplifting their standard of living. The dictionary meaning of the word ‘empowerment’ is ‘to give power or authority to someone’. In this study empowerment in the literature published considered as one who having decision making power, involving in the growth making process, self- initiated, able to lead their lives in an autonomous way, ability to raise voice against social exploitation, changing the way of thinking, Having access to and utilization of resources, shows self- confidence, participants in democratic institutions and having existing environment awareness.



The 15 article addressing microfinance and women empowerment are summarized in Table 2. Review the country settings included is only India.

Under this heading four of articles reveals economic independence of women after participating in self-help group as member. [Bhoj, S; Bardhan, D; Kumar, A; \(2013\)](#) focused on the result of a personal interview method of (n=30) members of dairy SHGs and (n=30) non-member respondents selected on the bases of Multistage purposive Stratified Random Sampling of

Haldwani block, Nainital, Uttarakhand reported that number of participation of women in a group increase with enhancing level of education, participants age and with the size of production, which results economically upliftment of members of group. [Mula, G; Sarker, SC; \(2013\)](#) study based on Multiple Regression Analysis, Paired t-Test, Impact Index Analysis of a (n=144) members, 48 groups, 12 blocks (four SHGs from each block), Cooch Behar, Jalpaiguri and Uttar Dinajpur, North Bengal, District of Eastern India reveals that Micro-financing to members of group is a unique action towards enhancing their social (improved their self-value) and economic point (increase in income level). Study of Andhra Pradesh SHGs found that Women participant of group are able to fight for their rights and entitlements. Significant growth of participation of members in development programmes, fertility rates, female literacy and economic independence are evident [Reddy, CS; Manak, Sandeep; \(2005\)](#). [Nilakantan et al., \(2013\)](#) focused on the result of a Multivariate Probit Regression Specification of (n=927) households of Dhupguri, North Bengal, Bishnupur, South- West Bengal, Fulia, middle-Bengal, Bagnan Canning, South Bengal. And found that need to explicitly design program in order to empower women.

Single articles addressing Position of women Participants in society or Socio-emotional well-being of women, under this heading. [Bansal et al. \(2011\)](#) found significantly based on empirical studies used primary source of data of multistage random sampling of (n=190) rural households women participants (age 26 – 40) of India reported that participants of group are able to raise their voice against violence and exploitation. Education, skill and training to participants of group enhance their overall personality by enable participants in household financial decision-making, higher their income level, higher employment rate. Participants as a part of group activities enhancing their basic skills like doing basic arithmetic's, able to write their name, filling bank forms, maintaining and understanding financial records as well as pass book entries. Women participants attain greater self-respect and build up self- confidence among them.

The three articles based on women empowerment and supply of credit to women is summarized in table. [Kalpana, Karunakaran;\(2008\)](#) focused on the ethnographic fieldwork of 27 SHGs in Tamil nadu and reveal the problem faces by them during credit supply i.e. face pressure while access to bank loan, deal with overworked, and understaffed bank branches. An article based on structured interview used secondary data from the (n=200) members of two different groups of Kerala and

addressing that Banking habit is highly significant for the members of the group, they having high repayment status, attending regular group meetings. 98% members had positive attitude towards micro credit [Samanta, Gopa;\(2009\)](#). The study based on exploratory research on women SHGs shows that only 13.2%of women associated with groups are empowered, the intensity of women’s politically and economically empowered were based on length of membership of members in a group [Sahu, G.B.\(2015\)](#).

Two article findings addressing the women empowerment and Assets Possession of members of group [Lyngdoh, B.F., Pati, A.P.\(2013\)](#) based on Propensity Score Matching (PSM) and Difference-in-Difference (DinD) techniques [,Panda, D.K.\(2009\)](#); based on Quasi-Experimental Design, Descriptive Statistics, Multistage Random Sampling concluded that members of group having positive impact on income, savings and expenditure leads to improvement in assets position, increased access to livestock, macro machines, family wealth and savings which results reduction of migration of rural households.

### Peer- reviewed articles on microfinance & women empowerment (15 Papers)

Citation	Authors	Design/technique of study	Field of study	Variables of study	Key Findings
13	Bhoj, S; Bardhan, D; Kumar, A; (2013)	Qualitative • Multistage purposive • Stratified Random Sampling • personal interview method • Logit model	(n=60) members of dairy SHGs and(n=30) non-member respondents  Haldwani block, Nainital, Uttarakhand.	<ul style="list-style-type: none"> <li>• Respondent’s age</li> <li>• level of education</li> <li>• non-farm income source</li> <li>• herd size</li> <li>• distance to market</li> <li>• Education</li> <li>• Land ownership</li> <li>• Social participation</li> <li>• Freedom of mobility</li> <li>• Asset possession</li> <li>• Involvement in political institutions</li> </ul>	<p>Women Participation in SHGs increased with increase in age, education level, production size.</p> <p>Significant contribution of SHGs towards women empowerment by financially, socially, culturally upliftment.</p>

10	Guérin, Isabelle; Kumar, Santosh; Agier, Isabelle;(2010)	Qualitative <ul style="list-style-type: none"> <li>• Empirical finding</li> <li>• Field work</li> <li>• Semi-structured interview</li> <li>• Group discussion</li> </ul>	(n= 170) clients of women NGOs, Rural Tamilnadu.	<ul style="list-style-type: none"> <li>• Women's inferiority dependence on men</li> <li>• Power over other women versus power over men</li> <li>• Female entrepreneurship</li> <li>• Women's role in household finances</li> </ul>	Study highlights that the gender relationship often reduced to relations between men and women The domination of older women over younger women, often stressed in the literature, is only one aspect of these relationships. Ongoing conflicts, rivalries and competitions between women arise partly through their status as subordinate. Women's empowerment might translate into the disempowerment of others.
27	Krenz, Kristin; Gilbert, Dorie J; Mandayam, Gokul;(2014)	Qualitative Exploratory research "Credit-Plus" model Interview method	Women Participants, Multifaceted Empowerment Program, Mumbai, India	<ul style="list-style-type: none"> <li>• Financial Resources</li> <li>• Services</li> </ul>	<ul style="list-style-type: none"> <li>• Empowerment were Enhanced.</li> <li>• Socio-emotional Well-Being.</li> <li>• Increased Economic Assets.</li> <li>• Improved Household Gender Equity.</li> <li>• Changes in individual, household, and collective agency dynamics.</li> </ul>
26	Mula, G; Sarker, SC; (2013)	Qualitative <ul style="list-style-type: none"> <li>• Multiple Regression Analysis</li> <li>• Paired t-Test</li> <li>• Impact Index Analysis</li> </ul>	(n=144) members, 48 groups, 12 blocks (four SHGs from each block), Cooch Behar, Jalpaiguri and Uttar Dinajpur, North Bengal, District of Eastern India	<ul style="list-style-type: none"> <li>• Income</li> <li>• Employment Generation</li> <li>• Investment</li> <li>• Savings</li> <li>• Assets Position</li> <li>• Consumption Pattern</li> </ul>	Microfinance through SHG seems to be a unique action towards upliftment in economic and social point. Significant contribution of variables in enhancing income level of the women members of SHGs. Empowerment level being accelerated Women have improved their self-value Gained a wider access to diversified livelihood strategies outside the traditional work boundaries

109	Reddy, CS; Manak, Sandeep; (2005)	Qualitative	SHGs, Andhra Pradesh	<ul style="list-style-type: none"> <li>• Social Harmony</li> <li>• Social Justice</li> <li>• Livelihoods</li> </ul>	<p>Significant improvements in fertility rates, female literacy, participation in development programmes and economic independence are evident.</p> <p>Women are able to fight for their rights and entitlements.</p> <p>Penetration of microfinance to the poorest of the poor is still weak and needs a wider reach.</p>
67	Kalpana, Karunakaran; (2008)	<ul style="list-style-type: none"> <li>• ethnographic</li> <li>• fieldwork</li> <li>• interview</li> </ul>	(n=27) SHGs Employees, Block Development Office, Tamil Nadu		<ul style="list-style-type: none"> <li>• SHGs employees face multiple pressures while trying to access bank loans.</li> <li>• Women's time and labor were freely available betrayed insensitivity to multiple demands, Women have had to deal with overworked,</li> <li>• Irritable bank managers who struggled to operate understaffed rural branches.</li> <li>• The poor are vulnerable to the imperatives of more powerful institutions.</li> </ul>
31	Nilakantan, RAHUL; Datta, Saurabh C; Sinha, Priyanjali; Datta, Samar K;(2013)	Qualitative  • Multi variate Probit Regression Specification	(n=927) households, five clusters:- <ul style="list-style-type: none"> <li>• Dhupguri, North Bengal,</li> <li>• Bishnupur, South- West Bengal,</li> <li>• Fulia, middle-Bengal,</li> <li>• Bagnan</li> <li>• Canning, South Bengal.</li> </ul>	<p>Dependent Variables</p> <p>Woman member manages the microenterprise, Credit related decisions, Expenditure-related decisions, Child related decisions.</p> <p>Independent Variables</p> <p>Loan cycle Age Primary education Secondary education Percentage of dependents in family No of informal loan sources Per capita loan from</p>	<p>lower likelihood of increased influence over expenditure related decisions, and higher likelihood of increased influence over child related decisions</p> <p>need to explicitly design program features in order to promote women empowerment</p> <p>find that greater access to microfinance as measured by longer duration of treatment is associated with no or negative empowerment effects on the economic dimensions of empowerment i.e., enterprise management, credit related decisions, and expenditure related decisions; but an increase in empowerment in</p>

				sources other than Bandhan Number of problems faced in use of production credit Microfinance backed enterprise is engaged in non-farm Household has a sanitary latrine	terms of child related decisions, implying a rebalancing of influence between men and women within the household along traditional gender lines.
518	Swain, Ranjula Bali; Wallentin, Fan Yang; (2009)	Qualitative quasi-experimental Empirical analysis Survey method Longitudinal data	(n=961) women responders household (five states) India. (2000- 2003)	Primary Activities • Physical, Emotional, • Verbal Abuse • Awareness Of Rights • Politically Activeness • Independent Savings	<ul style="list-style-type: none"> <li>• Women's need to challenge the existing culture and social norms.</li> <li>• Empowerment of SHGs members increase significantly.</li> <li>• Variation in the level of women's empowerment diminished.</li> <li>• Regular group meetings help to diminishing their sense of isolation.</li> <li>• Variation among members due to cultural and religious norms within the society, village characteristics, behavioral differences between the respondents.</li> <li>• A woman's participation in the political space is also an important indicator of empowerment.</li> </ul>
19	Samanta, Gopa;(2009 )	Qualitative Structured Interview • Field Survey • Likert-Type Scale • Secondary Data	(n= 200) 100members of each group NGOs &NHGs, Kerala, India	Source of awareness, Years of association with microfinance, Monthly savings, Source of savings utilization of loans availed, Repayment of loan Income generating activities	Average loan size of NHG members was found to be higher than that of the SHG members. Groups having high repayment, attending meetings, increased role in family decision making, able to deal with officials, and banking habit as highly significant for them. 98 % members had favorable attitude towards microfinance, every member of the group is involved in leadership activities, accounting, etc.

					Need to properly motivate, awareness program, train members and to promote Income generating activities.
39	Bali Swain, R., Wallentin, F.Y.(2017)	Qualitative Estimation Method Structural equation model Quasi-experimental design Linkage Model Robust Maximum Likelihood(RML) method	(n=689 )SHG households. Andhra Pradesh, Tamil Nadu, Uttar Pradesh, Orissa Maharashtra	Women's Empowerment Family Planning Decision Buying & selling of property Sending daughter to school Children's marriage decision Use of birth control Investment to improve home Confidence to meet financial crisis Increase in self confidence Education level Family violence	Economic factors have a significant impact in empowering women in the southern states of India. For other states, autonomy in women's decision-making and network, communication and political participation shows significant correlation with women's empowerment.  Regional imbalance in SBLP (Self Help Group Bank Linkage programme ) has shown a special preference for the southern states.
14	Sahu, G.B.(2015)	Qualitative Exploratory research	Women SHGs India		<ul style="list-style-type: none"> <li>Empowerment indicator shows that only 13.2% of women associated with microfinance are empowered.</li> <li>The length of membership in SHGs increases the intensity of women's economic and political empowerment.</li> <li>It does not show a significant relationship with their social empowerment. It is also observed that 'economic empowerment' does not necessarily lead to the attainment of social and/or political empowerment.</li> </ul>
28	Laha, A., Kuri, P.K. (2014)	Qualitative • Linear Regression Analysis		<ul style="list-style-type: none"> <li>Index of empowerment (IWE)</li> <li>indicators of</li> </ul>	<ul style="list-style-type: none"> <li>Southern states like Karnataka, Andhra Pradesh, Pondicherry, Kerala, and Tamil Nadu perform relatively</li> </ul>

				microfinance (MP <sub>1</sub> , MP <sub>2</sub> , and MP <sub>3</sub> ) as the independent variables	<p>better in the ranking of economic and financial empowerment of women.</p> <ul style="list-style-type: none"> <li>• Significant implications on empowering women in a meaningful way.</li> <li>• Among South Asian countries, India made an outstanding performance in outreaching its microfinance program and thereby access to microcredit to the member households.</li> <li>• Southern region is leading in the outreach of microfinance program, followed by central, northern, north-eastern, and eastern regions.</li> </ul>
25	Lyn gdoh, B.F., Pati, A.P.(2013)	<p>Qualitative Propensity Score Matching (PSM)</p> <ul style="list-style-type: none"> <li>• Difference-in-Difference (DinD) techniques</li> </ul>	<p>(n=300) women clients</p> <p>150 microfinance women clients (experimental group [EG]) and 150 non-microfinance women clients (control group [CG]).</p> <p>North East Region</p>		<p>Positive impact on income, expenditure and savings</p> <p>Improvement in asset structure, micro machines, increased access to livestock, family wealth and family savings, improved mobility, communication skills, education decision-making, voicing of concerns, self-confidence, increased political participation to promote gender equality, etc. Microfinance is a potent tool of women empowerment even in matrilineal tribal settings.</p>
21	Panda, D.K.(2009)	<p>Qualitative Multistage Random Sampling Quasi-Experimental Design, Descriptive Statistics, Test of significance Z-Statistics Probit Model</p>	<p>(n=150) cross-sectional samples, Orissa, Jharkhand and Chhattisgarh, India</p>	<ul style="list-style-type: none"> <li>• Income,</li> <li>• Assets Positions,</li> <li>• Savings, Consumption, Employment,</li> <li>• Literacy</li> <li>• Migration</li> </ul>	<p>The positive impact on the increase in income, assets position, savings and literacy and in the reduction of migration of rural households.</p> <p>Weak evidence of significant impact of the group-based microfinance on the distribution of household income and assets</p>

		Gini Coefficient Lorenz Curve			was found.
17	Bansal, Deepty;(2011)	<p>Qualitative</p> <ul style="list-style-type: none"> <li>• Empirical Studies</li> <li>• Regression Analysis</li> <li>• Primary data</li> <li>• Multistage random sampling method</li> <li>• correlation analysis,</li> <li>• multiple regression analysis</li> <li>• t-test, f-test, chi-square test</li> <li>• poverty measurement indexes,</li> <li>• lorenz curve</li> <li>• gini coefficient</li> </ul>	<p>(n=190) participants Rural households women of India Age (26 – 40) years.</p> <p>Participants Are Compared With The Non - Participants.</p> <p>Jalandhar, Hoshiarpur and Bathinda, Punjab.</p>	<ul style="list-style-type: none"> <li>• Education of the participants,</li> <li>• Maturity of the group,</li> <li>• Employment</li> <li>• Status of the participants</li> <li>• Household income</li> <li>• Mobility</li> <li>• Amount of loans used</li> <li>• Age</li> </ul>	<p>Empowering women economically, socio-culturally and politically.</p> <p>Develop overall personality of the participants.</p> <p>have higher levels of employment, income</p> <p>Participation in household financial decision-making.</p> <p>Participants able to raise their voice against various social exploitations.</p> <p>Have greater political awareness.</p> <p>large number of MFIs are not regulated by law and charge high interest rates from the poor borrowers</p> <p>The provision of insurance service is very less.</p> <p>Increases the economic prospects of the participants leads to have a control over the household economic resources such as ownership of land, ownership of house, financially independent, involved in every financial decision of their families. Greater self-respect and self-confidence among participants.</p> <p>group activities lead to develop basic skills like writing their name, doing basic arithmetic, reading numbers, maintaining records of financial transactions, filling bank forms, understanding pass-book entries etc.</p>

The Three article on woman power over other women or men, addressing women empowerment and gender relationship are summarized in table addressing an empirical finding based on semi- structured interview assessed that rivalries, conflicts and competition among women arise due to their status as subordinate, empower to some women might results to disempowerment of others [Guerin, Isabelle; Kumar, Santosh; Agie r, Isabelle;\(2010\)](#). [Swain, Ranjula Bali; Wallentin, Fan Yang; \(2009\)](#) study based on Quasi-experimental of 961 women respondent (n=961) household of five states in India (2000- 2003) found indicators of empowerment i.e. Participation of women in political space, regular group meetings help to diminishing member's sense of isolation. To build a better working relation of members of a group with each other they need to challenge the existing culture and social norms by doing this the variation or the behavioral differences among members relation is to be diminished. Results from [Krenz et al. \(2014\)](#) presenting exploratory result illustrate improved household gender equity.

The Two article addressing a women empowerment and regional disparity or imbalance prevailing in self-help group bank linkage programs are summarized in table. In this one article [Bali Swain, R., Wallentin, F.Y. \(2017\)](#) based on quasi- experimental design, estimation method of (n= 689) SHG households concluding that southern part of India get special preference in comparison of other parts of India. Significant impact of economic factor to empower women's in southern part. Other article [Laha, A., Kuri, P.K.\(2014\)](#) based on Linear Regression Analysis shows that Sothern part of India like Karnataka, Andhra Pradesh, Pondicherry, Kerala, and Tamil Nadu performing relatively better to empower women's.

### 3.4 FINANCIAL INCLUSION IN MF (8 papers)

The 8 article addressing microfinance and financial inclusion are summarized in table 3. The most of the article focused on southern part of India. Three of the study presents results that assess financial performance of microfinance in India. [Shetty, Naveen K; \(2008\)](#); [Deepika, M.G., Sigi, M.D \(2014\)](#); [Agarwal, Pankaj K; Sinha, SK; \(2010\)](#). The financial vulnerability of microfinance is found to discussed in only single article present result from survey , comprehensive approach [Guérin, Isabelle; Roesch, Marc; Kumar, Santosh; Venkatasubramanian, Govidan; Sangare, Mariam; \(2009\)](#). Financialisation or the development of finance is to mention in three articles [Copestake, James; 2010](#); [Mader, P. \(2014\)](#); [Mader, P. \(2013\)](#). One article was based on field experiment focused on Repayment frequency and default in microfinance of India.

Result from the article based on financial performance reviewed Survey, primary data , multi stage sampling based study on (n= 318) member households of Karnataka suggest that microfinance plus services has positive correlation to improve households income, expenditure, assests, consumption, production and employment. It also uplifted the poor from knowledge poverty [Shetty, Naveen K; \(2008\)](#). [Deepika, M.G., Sigi, M.D \(2014\)](#) idea on to build micro enterprise - linked microfinance business model for the local economic development of vulnerable families. [Agarwal, Pankaj K; Sinha, SK; \(2010\)](#) cross sectional study comparing the financial performance of (n=22) five star rated MFIs on the basis of financial structure, revenue, expenses, efficiency, productivity and risk variables and concluded that there is similarity prevailing between the firm performance in India. In addition [Guérin, Isabelle; Roesch, Marc; Kumar, Santosh; Venkatasubramanian, Govidan; Sangare, Mariam; \(2009\)](#) report that inefficiency of rural credit providing institutions and government financially supporting schemes, strong disparities between the households. Increase in financial vulnerability leads to increase in financial debt. [Field, E., Pande, R. \(2008\)](#) field experimental study found that there is no significant effect of type of repayment schedule on repayment frequency and default in microfinance, a flexibility in repayment schedule can significantly reduce transaction cost without increasing client default. The Article [Mader,P. \(2013\), \(2014\)](#); presenting result on financialisation through microfinance Providing result to show finance as a means for positive social ends and market building for new capital accumulation avenues. Positive success of financial systems to construct a system of credit relation.

**PEER- REVIEWED ARTICLES ON MICROFINANCE AND FINANCIAL INCLUSION  
(8 Papers)**

<b>Citation</b>	<b>Authors</b>	<b>Design / technique of study</b>	<b>Field of study</b>	<b>Variables</b>	<b>Findings</b>
11	Guérin, Isabelle; Roesch, Marc; Kumar, Santosh; Venkata subramanian, Govidan; Sangare, Mariam; (2009)	Qualitative Survey comprehensive approach	(n=400) Households(2004) (n=400) households (2006) 2 local microfinance NGOs rural Tamil Nadu India	Outstanding debt Monetary Value of Assets Gold weight per household Number of Cows Number of goats Number of motorcycles	Microfinance in itself is neither good nor bad. The inefficiency of rural credit institutions and government schemes Strong disparities and contrasting patterns between households were also reported. By an increase in financial vulnerability: debt was still increasing. A growing dependence on urban wage labor.
15	Copstake, James; 2010	Qualitative Methods Empirical research	India	Politics Aspirations Food insecurity Climate change Organizational uptake of new information, Communication Financial technology	Lower the transaction costs of providing microfinance offer opportunity for improvement in material well-being.  Microfinance has contributed in improving the access to credit
44	Mader, P. (2014)		urban & peri-urban areas, Andhra Pradesh India.	Rentier incomes Historical period. coupon pool capitalism Financialisation as accumulation through finance Financialisation as a culture of finance financial risk	It has drawn on normative and ideological shifts that present finance as a means for positive social ends.  Microfinance as a tool for market-building by which develop efforts directly work to open up new capital accumulation avenues.
13	Deepika, M.G., Sigi, M.D. (2014)	Quantitative	Kudumbasree, Kerala		Idea on to build micro enterprise-linked microfinance business model for the local economic development of vulnerable families.

16	Settee, Naveen K; (2008)	Qualitative survey Primary Data multi stage sampling technique Focus group discussions  tabular and chow test 6 analysis	(n=318) member households Of 106 woman SHGs in 10 villages, Karnataka, India. (2006)	Household demographics Assets Income Expenditure Details of SHGs Membership Savings Access To Credit Insurance Training And Awareness Access to Health Care Facility Social Networks Self-Employment Or Micro-Enterprise Development And Other Services	‘Microfinance plus’ services have positively correlated with the improving in household expenditure, income, assets and employment  Microfinance has contributed in improving the access to credit for consumption and productive purposes.  The microfinance-plus services of microfinance not only uplifted the poor from income related poverty but also from the knowledge poverty.
63	Agarwal, Pankaj K; Sinha, SK; (2010)	Cross-Sectional Study Mean , Standard Error Medium , Standard Deviation Sample Variance Kurtosis , Skewness Range , Minimum Maximum Sum COUNT P value It covers 3 ratios: Return on Assets, Return on Equity Operational Self-Sufficiency	(N= 22) MFIs  five star rated MFIs	1. Financial Structure 2. Revenue 3. Expenses 4. Efficiency 5. Productivity 6. Risk	There exists a similarity between the firms performance.
350	Field, E., Pande, R. (2008)	Field experiment Randomized client assignment	India		No significant effect found for type of repayment schedule on clients defaults. A flexible schedule can significantly lower transaction costs without increasing client default
20	Mader, P. (2013)		Global South.	Yield Gross loan Income	Positive Mobilizing narratives to construct a system of credit relations which produce a financialised governmentality and financialised material relations

### 3.5 Microfinance and Sustainability (5 papers)

Maintaining the Sustainability in an institutional operation is challenging task for this several research studies have been conducted to determine operational and financial sustainability of MFIs but very few are in India. From the detailed systematic literature review of articles we find only 5 articles by title having more than 10 citations on sustainability of MFIs.

[Settee, Naveen K; \(2009\)](#) their finding based on empirical review, multi stage random sampling technique, scheduled interview questionnaire on (n= 106) of village women in Karnataka urge policy makers to think at sustainability of MFIs in term of failure in linkages at microfinance groups due to poorly managed with weak leadership, incomplete, faultily maintenance of accounts, inconsistent group meetings, poverty and unemployment among group member,. Lack of awareness. Age of group, credit access, savings and timely repayment had a direct relation with sustainability of groups. Need to timely training on book keeping , income generating activities, leadership, banking, and community development activities etc. higher level of sustainability is possible only if groups were having complete managerial control , financially and institutionally more graduated . [Pati, Ambika Prasad; \(2012\)](#) Article based on regulation versus sustainability of (n=40) MFIs in India focused on well regulated functional structure of MFIs and found that operating expenses to loan were strong variable for profitability and sustainability. [Christen, Robert Peck; \(2006\)](#) determining critical factors that need to avail sustainability in MFIs were financial transparency, build integrated model of a group for long term viability of a group. Also highlights the reasons behind the incompetency of organizations i.e., costlier financial services, large no. of institutions were subsidy based, no transparency in the use of subsidy, poorly govern system, absence of control mechanism and engage in unethical practices.

[Jose, S., Chacko, J.\(2017\)](#) cross sectional field study based on semi- structured interview of (n=316) poor microfinance borrowers to find the sustainability of lower pyramid section (poor microfinance borrower) and Found issues regarding high interest rate, low return on investment, high operating cost to prevailing which leads to sustainability of institutions doubtful. Lack of sustainability found due to diversion of funds, lack of full investment in microfinance ventures. [Mahapatra, M.S., Dutta, S. \(2016\)](#) to study the determinants of sustainability of microfinance in India an Quantitative research approach by Probit Regression model and 9 year secondary data were used on (n=65) MFIs and get the result that Operational sustainability of an institutions is affected

by loan balance per borrower, cost per borrower, size of MFIs, yield on gross loan. Recommends that microfinance institutions needs to increase their economic of scale to reduce the cost per borrower.

### Peer- reviewed articles on microfinance and sustainability (5 Papers)

Citation	Authors	Design/technique of study	Field of study	Variables	Findings
11	Shetty, Navneet K; 2009	QUALITATIVE AND QUANTITATIVE Empirical Review Multi-Stage Random Sampling Technique Interview Schedule (Questionnaire)	(N=106) women 10 villages, Karnataka, India (2006 - 2007)	Leadership, Meetings And Participation In Decision Making Mechanisms Of Record Keeping Conflicts-Resolving Capacity Of The Groups Networks And Membership Member Dropout Thrift And Saving Credit Accessibility Process Of Credit Rotation Credit Repayment Resource Mobilizations And Utilization Independence From Social Parasites	<ul style="list-style-type: none"> <li>• Failure of horizontal and vertical linkages of microfinance groups.</li> <li>• Groups were poorly managed with weak leadership, inconsistent group meetings, incomplete, faulty maintenance of accounts, and lack of awareness, poverty and unemployment among group members.</li> <li>• Age of group, credit access, savings and timely repayment had a direct relation with sustainability of groups.</li> <li>• Need to timely training on book keeping, income generating activities, leadership, banking, and community development activities etc.,</li> <li>• Sustainability is possible only if groups were having complete managerial control, financially and institutionally more graduated.</li> </ul>
15	Pati, Amika Prasad; 2012	Quantitative study	(N= 40) MFIs 2005-06 2009-10	Regulatory status of the MFIs Size of MFI through log of total assets Quality of loan through portfolio at risk over 30 days Maturity status of MFIs through their age Capital to assets ratio The number of active borrowers per staff i.e., social efficiency Natural Average loan per borrower Higher than 1 indicates	<ul style="list-style-type: none"> <li>• The emergence of Operating expenses to loan as a strong variable of sustainability and profitability is crucial. Therefore, containing the expenditure holds the key to performance.</li> <li>• The success of well-regulated MFIs will be very crucial.</li> </ul>

				operational self-sustainability of MFIs Number of employees Operating expenses to loan Profitability of MFIs	
21	Christen, Robert Pekk; 2006	Qualitative study	(n=36) MFIs India	Total assets Total income Total expenditure Loan loss provision expense	In term of financial services in India deliver to the SHGs by the MFIs is comparatively costlier. Analysis of 36 leading MFIs shows that 89 percent of institutions were subsidy dependent and out of which only 9 were able to cover more than 80% of their cost. Absence of adequate control mechanism 80% of people engage in unethical or corrupt practices, poorly governed, greater social and financial costs. Corrupt and incompetent local staff, Need to build integrated model for long term viability of a group. Greater transparency about financial performance must be required
22	Jose, S., Chacko, J. 2017	Semi-structured interview Cross-sectional field study t-test	(n=316) poor microfinance borrowers, India	Division of funds Operating cost Interest rate Return rate of loan	Found issues regarding high interest rate, low return on investment, high operating cost to prevailing which leads to sustainability of institutions doubtful. Lack of sustainability found due to diversion of funds, lack of full investment in microfinance ventures.
12	Maahapatra, M.S., Dutta, S. 2016	Quantitative research approach Probit Regression model 9 year secondary data	(n=65) MFIs, India	Loan Size of MFIs Cost per borrowers Yield on gross loan	Operational sustainability of an institution is affected by loan balance per borrower, cost per borrower, size of MFIs, and yield on gross loan. Recommends that microfinance institutions needs to increase their economic of scale to reduce the cost per borrower.

### 3.6 ANDHRA PRADESH CRISIS (6 Papers)

A comparative analysis of the political factor of microfinance crisis in Andhra Pradesh industry reveal that crash due to incapability of MFIs with political system [Yerramilli, Pooja; \(2013\)](#). [Kaur, Prabhjot; Dey, Soma; \(2013\)](#) A study based Secondary source of data on the allegation on Andhra Pradesh Microfinance Institutions (regulation of money lending) Act, 2010 responsible for 54 suicides due to unethical practices, coercive recovery of loan, charging higher rate of interest. But analysis of various studies reveals that the act protected SHGs from MFIs. It also not to be forget that provision of the act seriously hampered the recovery rate of loan from borrower, it fall from 99% to 10 %. Prevalence of liquidity crunch, risk and uncertainty affected sustainability and profitability of MFIs.

#### Peer- reviewed articles on microfinance and Andhra Pradesh Crisis (6 paper)

Citation	Authors	Design/technique of study	Field of study	Variables	Findings
11	Yerramilli, Pooja; 2013	comparative analysis	Andhra Pradesh, India	Loans disbursed by banks to MFIs Loans outstanding Against MFIs Fresh loan as a % of Loan outstanding	The political factor of microfinance crisis in Andhra Pradesh industry reveal that crash due to incapability of MFIs with political system.
21	Kaur, Prabhjot; Dey, Soma; 2013	analysis of different studies secondary data	Andhra Pradesh, India		The Allegation on Andhra Pradesh Microfinance Institutions (regulation of money lending) Act, 2010 responsible for 54 suicides due to unethical practices, coercive recovery of loan, charging higher rate of interest. But analysis of various studies reveals that the act protected SHGs from MFIs.

25	Priyadarshini, Anurag ; Ghalib, Asad K; 2011	Qualitative study	Andhra Pradesh	financial services	Reason behind the Crises in Andhra Pradesh due to extensive lending, over-indebtedness, defaults, coercive recovery of loan which leads to suicides were explored in this study and found the over-lending to borrower, unequal distribution of the institutional set ups in various states, absence of adequate regulatory system, aim to maximizing profit rather than serving to the environment.
22	Kaur, Prabhjot; 2014		Andhra Pradesh, India	Cost Per Borrower (median) Average Loan Balance Per borrower/GN Fiscal Year Operational Self Sufficiency Percent of Women Borrowers (median) Gross Loan Portfolio (median) Portfolio at Risk Debt Equity Ratio (median)	Financial crisis in Andhra Pradesh affect the operational cost and sustainability of MFIs. The institutions are incapable to claim their operational costs from their revenue
206	Taylor, Marcus ; 2011		Telangana and Rayalaseema, Andhra Pradesh, India	<ul style="list-style-type: none"> <li>• number of farmer households</li> <li>• number of indebted farmer households</li> <li>• Percentage of farmer households indebted</li> </ul>	Expansion of microfinance need not produce army of micro-entrepreneurs to fuel the clients out of poverty. Its expansion has no remedies for agrarian crisis.
11	Mahajan, V., Navin, T. 2013		Andhra Pradesh, India	<ul style="list-style-type: none"> <li>• Rural branches</li> <li>• Total branches Population per branch (in 1000s) Priority sector credit as % of total credit</li> </ul>	Found that crisis not only due to over-indebtedness and extreme lending's, it's a fault of complete ecosystem from rich investors to poor's.

Priyadarshree, Anurag; Ghalib, Asad K; 2011 Reason behind the Crises in Andhra Pradesh due to extensive lending, over- indebtedness, defaults, coercive recovery of loan which leads to suicides were explore in this study and found the over- lending to borrower, unequal distribution of the institutional set ups in various states, absence of adequate regulatory system, aim to maximizing profit rather than serving to the environment. Taylor, Marcus; (2011) Expansion of microfinance need not produce army of micro- entrepreneurs to fuel the clients out of poverty. Its expansion has no remedies for agrarian crisis. Navin, T. (2013) found that crisis not only due to over- indebtedness and extreme lending's, it is a fault of complete ecosystem from rich investors to poor. Kaur, Prabhjot; (2014) financial crisis in Andhra Pradesh effect the operational cost and sustainability of MFIs. The institutions were incapable to claim their operational costs from their revenue

### **3.7 MICROFINANCE STATUS IN INDIA (32 Papers)**

The 32 article addressing microfinance and India search by a title are summarized in table. Under this heading 10 of article focused on role microfinance in economic growth and development. Sharma, GL; Puri, Himanshu; (2013) focused on the study present on the basis of statistical tools like regression and coefficient of correlation were used to know the linkage between micro loan to self- help group and GDP of nation, it is found that there is very high (0.96) level of correlation between GDP and micro loan to SHGs. Das, Prasann Kumar; (2014) study based on conceptual framework and conclude Growing potential of MFIs is very high. Various sectors have benefits from this like socio- economic development, also found amount of loan outstanding grown from 16000 crore to 42000 crores (2014). Yadav, Rajesh K; (2014) empirical study of This article focus to investigate the role of financial schemes in rural development and concluding that micro credit to poor's play vital role to shape their standard of living. Radhakrishnan, S. (2018) ethnography, interviews based concluded in this article institutions pretend themselves as a working mother (institutions) who initially showing support for their child (clients) and later on engaged them in productive activities by engaging them in waged work or microenterprise. Feigenberg, B., Field, E., Pande, R., Rigol, N., Sarkar, S.(2014) This article shows an attempt to check is group dynamics affecting or have any influence on social capital. It is revealing that in case of first time client social

capital increase by result of frequent group meetings. Members of group who newly empowered have higher social capital gain. [Dehem, T., Hudon, M. \(2013\)](#) (n=255) clients, 48 groups, India. Presenting there is highly difference of transaction cost prevail among urban and rural area while competition take place. Result suggest that the transaction cost of urban (4.81%) borrowers are higher than the rural poor borrowers (3.35%), higher transaction cost can be reduce by using technologies (use mobile contacts, virtual meeting, internet banking) in place of visual group meetings. Adoption of technology makes the monitoring of loan repayment easy and also helpful in reducing the transaction cost. [Copestake, J\(2013\)](#) quasi-experimental designs, randomized control trials, quantitative research with qualitative methods were used to assess microfinance role in India and found Microfinance play a vital role in the development or a wellbeing of clients. Four factors are taken to review the changes i.e., increasing political aspiration, policy, agro- climatic change, technology. [Rai, A., Ravi, S.\(2011\)](#) It is identified from the article that under microfinance program it is compulsion to get health insurance by borrowers of loan and their dependents and concluded that less likely chance of non-borrowing dependents than of who borrow, an insurance on loan borrowing by a women is more likely use by a men. Misra, Alok (2006) study based on secondary data revels India effort towards to achieve the Millennium development goals by means of reducing income inequalities and poverty alleviation. An inequality between Alleviating the poverty and decline in income is the main concern. Linkage of rural population to the SHGs program to avail financial services is one of the major achievements. [Vassallo, Jarrod P; Prabhu, Jaideep C; \(Banerjee, Sourindra; Voola, Ranjit \(2019\)](#) Empirical research Hybrid functioning of institutions is highlighted in this article which shows traditional form of organizations prevail at the bottom pyramid of the market which mainly focused on a social innovation.

10 of article based on the issue and challenges face by the microfinance institution in India.

[Ghosh, Rajarshi; \(2005\)](#) Find the limitation that institutions failed to deliverd finance to the poor members at time when they demanded, even the outreach to avail the micro- finance is too small. This put question on the viability of MFIs, so need to put all dimensional efforts to able MFIs to tackle sustainability and outreach issues. [Guha, Samapti; \(2007\)](#) study based on fieldl survey on sample size of (n=1074) members , 111 SHGs, 22 villages, .West Bengal (1999-2000) This paper focuses on the reason behind the delay in repayment of loan i.e., due to more children/ dependents in the family, double dipping of loan, insufficiency of income to maintain their standard of living.

[Sinha, Frances;\(2009\)](#) based on secondary data, In his report mentions some of the limitation / challenges faced by the microfinance sectors were limited funds or services for the poor are available, difficult for MFIs to identify the depth of outreach to poor's, ensure reporting and quality services for transparency, face problem to maintain liquidating of funds and overlapping of membership of clients. [Young, Stephen \(2010\)](#) this article highlighted the moral hazards of microfinance in India. [Chakrabarti, Rajesh; Ravi, Shamika;\(2011\)](#) Empirical study (n=50) MFIs The study reveals that the penetration of Institutional funding is in unbalanced manner, southern region get 10 times more preference than other regions, but it is also not to be deny that millions of fund reached the poor in various regions. [Batra, Vikas; \(2012\)](#) Exploratory research found that As per the estimate provided by M- CRILL 60- 70 million poor families annually demanded 480 billion in which average credit demanded by families is rest 8000. To meet their demand needed efficient system. [Ghokale, K;\(2009\)](#) Borrow money from traditional mode, lenders charges high interest rate on that amount to avoid this number of micro-financing institutions setup in recent year.MFIs introduce income generation, good health and education to poor members and their dependents. [Ranjani, KS; \(2012\)](#) Absence of regulation is one of the factor responsible to affect the micro-financial institutions in India, so there is need for regulation which support the functioning of MFIs in India. [Karmakar, KG; \(2008\)](#) Private micro- finance institutions are largely unregulated, here it is need to go through regulatory mode to evolve and innovate in area where financial exclusion of services to poor was widespread. [Dehem, T., Hudon, M. \(2013\)](#) (n=255) clients, 48 groups, India, there is highly difference of transaction cost prevail among urban and rural area while comparison take place. Result suggest that the transaction cost of urban (4.81%) borrowers are higher than the rural poor borrowers (3.35%), higher transaction cost can be reduce by using technologies (use mobile contacts, virtual meeting, internet banking) in place of visual group meetings. Adoption of technology makes the monitoring of loan repayment easy and also helpful in reducing the transaction cost.

5 Article based on performance and sustainability of micro- financing institution of India. [Holvoet, N. \(2005\)](#) experimental research design, Log linear analysis, Regression Analysis study conclude that A change in decision making can be seen when the loan is commercialized by the women group in investments plans. A shifting of change in decision making also when the women are member of a group for a long time. Availability of group fund is as strength for emergency, productive use and also provide security from uncertainties, improved position in the households.

De Crombrughe, A., Tenikue, M., Sureda, J.(2008) regression analysis, This article study the sustainability performance of MFIs on the basis of three parameters i.e. Repayment of loan, cost control, cost coverage by revenue and concluded that repayment of loan can be covered without raising size of loan, expanding on monitoring cost. Need to acquire healthy interest rate policy and increase the appointment of number of field officers to monitor on defaults status of borrowers. Bi, Zohra; Pandey, Shyam Lal Dev; (2011) Secondary data, one way ANOVA test on sample size (n=24) MFIs, India. Microfinance play a vital role to enhance the growth of the nation but it also put question on that due to some limitations that as per the article from the total of 6 lakhs only 50,000 villages of India have access to avail benefit therefore it is concluded that large proportion of households were still excluded from linkage to banking system. Under this article comparison made between the performance of MFIs and commercial banks on the basis of efficiency, profitability and financial structure and found performance of MFIs improved significantly. Need to have a well governance and regulatory body to achieve the aim of poverty alleviation and this could be possible only by the combined effort of government, banks and other players(NGOs, donors, corporations) who having role in it. Pati, AP; (2015) this paper focus to study the comparison between financial and social performance of regulated MFIs with non- regulatory MFIs (2008-2012). Found that the size of operating expenditure, capital structure, and quality of assets is the variables which are responsible for sustainability and outreach of MFIs. Mirpourian, S., Caragliu, A., Di Maio, G., Landoni, P., Rusinà, E.(2016) Empirical study, (n= more than160000)borrowers 3 year, this article find the paying behavior of borrowers of service motive institutions in India where they as mother and child. The study highlights some points i.e., in case of maximum availability, rate of paying capacity of borrowers is improved once they get near to the loan limit. High probability found to repay loan on time. Also focus on the significant of the motivation that is require to motivate to repay fully on time and concluded that motivation is positively correlated with repayment performance of borrowers of loan.

7 Article based on the productivity and efficiency of micro-finance institutions. Ghate, Prabhu; (2007) as per the SIDBI longitudinal study (7 year) reported that 30 % poor borrower in MFIs total proportion (2006) and 51% of poor borrower's in SHGs of total proportion. Prabhu, Ghate;(2008) Longitudinal study (7-year) On the basis of social performance of 12 MFIs it is concluded that the proportion of poor continuing to be low. Overlapping of membership is to be found. Over 9.6 million members in (2006-2007) linkage with SHG bank program and 10.5 million

of members covered under MFIs, together they reach about 50 million members. [Masood, Tariq; Ahmad, Mohd; \(2010\)](#) Technical efficiency level increases over period of operations of MFIs. Size of MFIs does not effect a lot but the age of MFIs effect the efficiency level of institutions. MFIs are more efficient in the operating in the Sothern region as compare to other regions. [Srinivasan, Narayanan; \(2011\)](#) field studies by using secondary data In this the report in- depth on microfinance sector impact on at all level of society and economy and also highlighting the problem faced during (2010-2011). SHG and MFI performance are discussed, related issues are identified. [Twaha, Koire; Rashid, Abdul; \(2012\)](#) Empirical Analysis, (n=292) observations(2005-2011) , 64 institutions. Under this study an attempt made to identify the determinants of the productivity in MFIs on the basis of three factors i.e. Outreach, institutional characteristics, efficiency in which no of personnel, no. of offices and efficiency negatively affect the productivity and age of institutions, no. of active borrowers has positive affect on productivity of MFIs. [Narwal, Karam Pal; Yadav, Manoj Kumar; \(2014\)](#) Exploratory Nature, panel data technique, Correlation, Least Square, Regressions were used on sample size n= 42 MFIs and conclude that Society may get the benefits because outreach level will increase and poor people access to credit and their standard of living will increase. Size of firm has negative impact on outreach and has positive relation with profitability. [Pati, AP; \(2015\)](#) article based on empirical study , panel data, causal research and this paper focus to study the comparison between financial and social performance of regulated MFIs with non-regulatory MFIs (2008-2012). Found that the size of operating expenditure, capital structure, and quality of assets is the variables which are responsible for sustainability and outreach of MFIs.

### **Peer - Review of microfinance and India ( 32 papers)**

<b>Citation</b>	<b>Authors</b>	<b>Design/technique of study / variables</b>	<b>Findings</b>
12	Guha, Samapti; (2007)	field survey 1074 members , 111 SHGs, 22 villages, .West Bengal (1999-2000)	This paper focuses on the reason behind the delay in repayment of loan i.e., due to more children/dependents in the family, double dipping of loan, insufficiency of income to maintain their standard of living,
27	Ghate, Prabhu (2007)		As per the SIDBI longitudinal study (7 year) reported that 30 % poor borrower in MFIs total proportion (2006) and 51% of poor borrowers in SHGs of total proportion .
13	Sharma, GL; Puri, Himanshu; (2013)	Coefficient of correlation Regression (2006-2012) India	The study present on the basis of statistical tools like regression and coefficient of correlation were used to know the linkage between micro loan to self- help group and GDP of nation, it is found that there is very high (0.96) level of correlation between GDP and micro loan to SHGs.
13	Das, Prasann Kumar; (2014)	Conceptual framework	Growing potential of MFIs is very high. Various sectors have benefits from this like socio- economic development, also found amount of loan outstanding grown from 16000 crore to 42000 cores (2014).
11	Twaha, Koire; Rashid, Abdul; (2012)	Empirical analysis 292 observations (2005-2011) 64 institutions	Under this study an attempt made to identify the determinants of the productivity in MFIs on the basis of three factors i.e. Outreach, institutional characteristics, efficiency in which no. of personnel, no. of offices and efficiency negatively affect the productivity and age of institutions, no. of active borrowers has positive affect on productivity of MFIs.
12	Narwal, Karam Pal; Yadav, Manoj Kumar (2014)	Exploratory Nature. panel data technique Correlation Least Square Regression	Society may get the benefits because outreach level will increase and poor people access to credit and their standard of living will increase. Size of firm has negative impact on outreach and has positive relation with profitability.
36	Masood, Tariq; Ahmad,	St chastic frontier approach 40 MFIs	Technical efficiency level increases over period of operations of MFIs. Size of MFIs does not affect a lot but the age of MFIs effect the efficiency level of

	Mohd; (2010)	(2005-2008)	institutions. MFIs are more efficient in the operating in the Sothern region as compare to other regions.
14	Yadav, Rajesh K; (2014)	empirical study	This article focus to investigate the role of financial schemes in rural development and concluding that micro credit to poor's play vital role to shape their standard of living.
19	Pati, AP; ( 2015)	empirical study panel data causal research	This paper focus to study the comparison between financial and social performance of regulated MFIs with non- regulatory MFIs (2008-2012). Found that the size of operating expenditure, capital structure, Quality of assets is the variables which is responsible for sustainability and outreach of MFIs.
21	Sinha, Frances; (2009)	secondary research	In his report mentions some of the limitation / challenges faced by the microfinance sectors were limited funds or services for the poor are available, difficult for MFIs to identify the depth of outreach to poor's, ensure reporting and quality services for transparency, face problem to maintain liquidating of funds and overlapping of membership of clients.
24	Batra, Vikas; (2012)	Exploratory research, India	As per the estimate provided by M- CRILL 60- 70 million poor families annually demanded 480 billion in which average credit demanded by families is 8000. To meet their demand needed efficient system.
11	Vassallo, Jarrod P; Prabhu, Jaideep C; (Banerjee, Sourindra; Voola, Ranjit; (2019)	Empirical research, India	Hybrid functioning of institutions is highlighted in this article which shows traditional form of organizations prevails at the bottom pyramid of the market which mainly focused on a social innovation.
23	Ghokale , K; (2009)	Mahabubnagar, India	Borrow money from traditional mode, lenders charges high interest rate on that amount to avoid this number of micro-financing institutions setup in recent year. MFIs introduce income generation, good health and education to poor members and their dependents.
18	Ranjani, KS; (2012)	conceptual framework	Absence of regulation is one of the factor responsible to affect the micro-financial institutions in India, so there is need for regulation which support the functioning of MFIs in India

33	Ghosh, Rajarshi ; (2005)	India	Find the limitation that institutions failed to deliver finance to the poor members at time when they demanded, even the outreach to avail the micro-finance is too small. This put question on the viability of MFIs, so need to put all dimensional efforts to able MFIs to tackle sustainability and outreach issues.
83	Young, Stephen; (2010)	Fieldwork, 2007, India	This article highlighted the moral hazards of microfinance in India.
52	Bi, Zohra; Pandey, Shyam Lal Dev; (2011)	Secondary data. one way ANOVA 24 MFIs, India	Microfinance play a vital role to enhance the growth of the nation but it also put question on that due to some limitations that as per the article from the total of 6 lakhs only 50,000 villages of India have access to avail benefit therefore it is concluded that large proportion of households were still excluded from linkage to banking system. Under this article comparison made between the performance of MFIs and commercial banks on the basis of efficiency, profitability and financial structure and found performance of MFIs improved significantly. Need to have a well governance and regulatory body to achieve the aim of poverty alleviation and this could be possible only by the combined effort of government, banks and other players(NGOs, donors, corporations) who having role in it.
34	Chakrabarti, Rajesh; Ravi, Shamika;(2011)	Empirical study 50 MFIs	The study reveals that the penetration of institutional funding is in unbalanced manner, southern region get 10 times more preference than other regions, but it is also not to be deny that millions of fund reached the poor in various regions.
112	Srinivasan, Narayanan; (2011)	field studies secondary data	In this the report in- depth on microfinance sector impact on at all level of society and economy and also highlighting the problem faced during (2010-2011). SHG and MFI performance are discussed, related issues are identified.
100	Karmakar, KG; (2008)		Private micro- finance institutions are largely unregulated, here it is need to go through regulatory mode to evolve and innovate in area where financial exclusion of services to poor was widespread.

10	Radhakrishnan, S.(2018)	Ethnography interviews	In this article institutions pretend themselves as a working mother (institutions) who initially showing support for their child ( clients) and later on engaged them in productive activities by engaging them in waged work or microenterprise.
19	Kumar, N., Sensarma, R.(2017)	75 MFIs (2004-2011)	Found that efficiency is to be improved over time but it is also not to be deny that there is significant inefficiency prevailing in the institutions. Leverage, size of institutions, profitability were the reason behind the increased efficiency and age of micro finance institution relate with reason for increased inefficiency
15	Mirpourian, S., Caragliu, A., Di Maio, G., Landoni, P., Rusinà, E.(2016)	Empirical study (n= more than160000) borrowers 3 year	This article find the paying behavior of borrowers of service motive institutions in India where they as mother and child. The study highlights some points i.e., in case of maximum availability, rate of paying capacity of borrowers is improved once they get near to the loan limit. High probability found to repay loan on time. Also focus on the significant of the motivation that is require to motivate to repay fully on time and concluded that motivation is positively correlated with repayment performance of borrowers of loan.
23	Feigenberg, B., Field, E., Pande, R., Rigol, N., Sarkar, S.(2014)		This article shows an attempt to check is group dynamics affecting or have any influence on social capital. It is reveal that in case of first time client social capital increase by result of frequent group meetings. Members of group who newly empowered have higher social capital gain.
26	Dehem, T., Hudon, M.(2013)	(n=255) clients, 48 groups, India	There is highly difference of transaction cost prevail among urban and rural area while comparison take place. Result suggest that the transaction cost of urban (4.81%) borrowers are higher than the rural poor borrowers (3.35%), higher transaction cost can be reduce by using technologies (use mobile contacts, virtual meeting, internet banking) in place of visual group meetings. Adoption of technology makes the monitoring of loan repayment easy and also helpful in reducing the transaction cost.

12	Copestake, J.(2013).	quasi-experimental designs randomized control trials quantitative research with qualitative methods	Microfinance plays a vital role in the development or a well-being of clients. Four factors are taken to review the changes i.e., increasing political aspiration, policy, agro- climatic change, technology.
99	Rai, A., Ravi, S.(2011)		It is identified from the article that under microfinance program it is compulsion to get health insurance by borrowers of loan and their dependents and concluded that less likely chance of non-borrowing dependents than of who borrow, insurance on loan borrowing by a women is more likely use by a men.
26	Manoj, P.K.(2010)	empirical investigation convenience sampling methodology Primary and Secondary  Thrissur , Bhavanashree Kerela, India	Loan limit for housing finance is low due to this they need to avail more fund from informal sources who charges high interest and also preference in repayment of loan which leads to increase in formal loan repayment defaults. Lack of awareness of term and condition of loan, applicable interest rate leads to problem faced by borrowers.
118	De Crombrughe, A., Tenikue, M., Sureda, J.(2008)	Regression analysis	This article study the sustainability performance of MFIs on the basis of three parameters i.e. Repayment of loan, cost control, cost coverage by revenue and concluded that repayment of loan can be covered without raising size of loan, expanding on monitoring cost. Need to acquire healthy interest rate policy and increase the appointment of number of field officers to monitor on defaults status of borrowers.
410	Holvoet, N. (2005)	<ul style="list-style-type: none"> <li>• Experimental</li> <li>• research design</li> <li>• Loglinear analysis</li> <li>• Regression Analysis</li> </ul> Dharmapuri District — Morappur Block household survey data from South India	A change in decision making can be seen when the loan is commercialized by the women group in investments plans. A shifting of change in decision making also when the women are member of a group for a long time. Avilibility of group fund is as strength for emergency, productive use and also provide security from uncertainties, improved position in the households.

11	Prabhu, Ghate; (2008)	Longitudinal study (7-year)  India	On the basis of social performance of 12 MFIs it is concluded that the proportion of poor continuing to be low. Overlapping of membership is to be found. Over 9.6 million members in (2006-2007) linkage with SHG bank program and 10.5 million of members covered under MFIs, together they reach about 50 million members.
65	Misra, Alok; 2006	Secondary data  India	India effort towards to achieve the Millennium development goals by means of reducing income inequalities and poverty alleviation. An inequality between Alleviating the poverty and decline in income is the main concern. Linkage of rural population to the SHGs program to avail financial services is one of the major achievements.

### **3.8 MICROFINANCE AND POVERTY (27 papers)**

#### **POVERTY**

Poverty is a global problem which has presented moral and political challenges to all societies at all time. Having lack of the means of survival, in such situation they are unable to feed and clothe themselves properly which results death consequence. Poverty specified as minimum caloric intake.. Income spent purchase some minimum basket of consumption goods for the survival.

#### **POVERTY LEVEL**

To measure poverty a poverty line is to be set to estimate the number of people living with consumption or income level below that poverty line. Following methods are used to measure people living below the poverty line are mention below:

## **POVERTY HEADCOUNT RATIO**

Poverty head count ratio refers to the no. of people living with income below poverty line divided by number of people living in entire population. To Measure poverty through this method fail to capture intensity of poverty.

## **POVERTY GAP INDEX**

This method to measure poverty is an alternative way to know people lives below poverty. Poverty gap shows the shortfall of income or consumption below the poverty line. Through this we can estimate the amount of income or consumption required to reach the poverty line. Poverty gap is measured by takes the fraction of average shortfall from the poverty line and the value of poverty line.

Here, 27 paper found on the basis of systematic literature review of an articles, in which 18 paper are complimentary in favor that microfinance reduce the poverty.

[Imai, Katsushi S; Gaiha, Raghav; Thapa, Ganesh; Annim, Samuel Kobina;\(2012\)](#) MF helps to reduce not only the indices of poverty but also its severity and depth. [Chowdhury, Anis; \(2009\)](#) MF Provide safety – net and consumption smoothening, borrower also benefit from learning by doing. [Banerjee, Abhijit; Breza, Emily; Duflo, Esther; Kinnan, Cynthia; \(2019\)](#) This article based on to know is poverty trap is broken by some entrepreneur who run their enterprise before the microfinance entered. It is to be found here that entrepreneur get persistent benefit over time. Result shows heterogeneity ability of entrepreneur and persistent is essential and access to short term credit facilitates entrepreneur to come from poverty trap. [Mago, Stephen;\(2014\)](#) This article provide a picture on microfinance role in poverty alleviation and concluding that microfinance helps in food security, savings, consumption smoothing ,non- farm activities, agriculture activities, enterprise development and so on and with this it has also some limitations that are inadequate help in social capital, infrastructural problem, inappropriate policies and institutional capacity. But the result concluding that microfinance enhance to reducing the poverty but need to developed effective policy that results the sustainable development and expansion of the microfinance sector.

[Gonzalez, Adrian; Rosenberg, Richard; \(2006\)](#) This article based on the data finding research of 2300 MFIs in and concluding that private MFIs avail the profitability and stability in their financial system, it not act as dominating the government financial institutions. Government institutions of microfinance provider who not attain the profitability at the early stage, it makes improvement in itself and builds up their capacity to serve and gain. [Addae-Korankye, Alex; \(2012\)](#) Article focus to see whether microfinance effective as to alleviate poverty, concluding the positive sign on it which shows that poverty is reduced in many countries like Bolivia, Bangladesh etc. but still it take some time to fulfill the expectation to reach at highly less poverty and this will done through carefully managed and implemented the program, required to meet the need of the poor, need to put effort towards strengthening groups, capacity building.

[Abed, Fazle Hasan; Matin, Imran; \(2007\)](#) This article focused on how MFIs introduce finance , and found that social intermediation produce capital by adopting new technology, generating service based employment and decision making power. [Irobi, Nnenna Christiana;\(2008\)](#) The study reveal that the microfinance having the positive impact on alleviating the women status regard poverty, helpful in enhancing their living standard by increasing their income level through this their political, economic and social status are also improved. With this microfinance doing well to alleviate poverty in a positive sense. [Noreen, Umara; \(2011\)](#) Article based on sample study of (n=384) households customers of 4 MFIs focused on the microfinance impact on poverty alleviation and found that microfinance has a significant impact on poverty alleviation on the basis of enhancement in the various dimensions i.e. avail education to children and expenditure made by the households but evidences also conclude that no significant impact is found on Housing of poor, food security and assets ownership. [Arun, Thankom; Imai, Katsushi; Sinha, Frances; \(2006\)](#) the study shows that the positive effect of microfinance to alleviate the poverty. Rural area demanding for loan to support their productive purpose whereas urban sector have simple access to microfinance institutions, need to draw special attention toward the microfinance policy. [Imai, Katsushi; Arun, Thankom; \(2008\)](#) Article based on the national data (2001), in which treatment effect model and propensity score matching are applied to measure the effect on poverty and the result conclude that the poor's use the financial assistance provide by microfinance institutions in a productive manner which means showing a positive impact of MF on poverty alleviation. [Bansal, Ajit Kumar; Bansal, A; \(2012\)](#) Microfinance provide high quality services including insurance , savings, fund transfer facilities and providing micro credit to poor. The growth is the combined

result of action of government, donors, NGOs, and effort of market forces for poverty alleviation. Financial assistance enable poor to stand on their own feet by setup their self-business, smoothing their consumption, risk management capacity, increase in income level and up gradation of quality life leads to economic growth . [Lacalle-Calderon, M., Perez-Trujillo, M., Neira, I. \(2018\)](#) Empirical research based on the 57 countries conclude that microfinance reduce the poverty significantly . microfinance affect the poverty at larger context to that countries where Poverty are at the higher level [Toindepi, J.\(2016\)](#) A study based on review of 40 articles conclude that a microfinance policy get the international standard which include transparency, sound financial performance, having minimum environmental impact and having effectively social effect on the poor. To think that one standard of microfinance policy fit to all circumstance is a big mistaken, there is need to improvement in practices as per the situation. Unrealistic to practice ones institutional practice to other leads to ineffective for to achieve their aim. [Imai, K.S., Gaiha, R., Thapa, G., Annim, S.K.\(2012\)](#) Shows that institutions that have higher gross loan portfolio leads to have a low poverty indices. Significantly microfinance contributes towards to alleviate poverty at the macro level stage. [Swain, R.B., Floro, M.\(2012\)](#) After examine the SHGs and Non SHGs status of households vulnerability, found that non- SHGs member are more better than the SHGs members in the status of poverty . [Sita Devi, K., Prabakar, C., Ponnarasi, T. \(2011\)](#) Microfinance support poor in their socio-economic growth . Linkage of poor to the self -help groups uplifts their social concern. Increase in number of membership in these groups' leads to poor performance due to inefficient monitoring. Self – help group proves an effective instrumental tool for providing financial assistance to alleviate poverty. [Brook, R.M., Hillyer, K.J., Bhuvaneshwari, G.\(2008\)](#) Article report the finding that highly poor or very poor have more involvement than the wealth classes of the rural sector in the SHGs as a member participant to avail the microcredit. This involvement of poor leads to increment in their living standard by increasing the consumption level, savings and socio-economic growth of the members were evident.

9 of article found, which shows contradictory or a doubtful in their opinion on “ is microfinance helpful to reduce the poverty”.

[Basu, Priya; Srivastava, Pradeep; \(2005\)](#) A study based on (n=6,000) households Rural poor's have face huddles to access formal finance, still the informal lending were active. This paper gain attention towards microfinance potential, government policy, provide direction of path towards

microfinance access and also suggest to improve management and government supervision and to strengthen them. [Leikem, Kirsten; \(2012\)](#) In the microfinance submit in 1997 a goal of microfinance has been set up mainly to alleviate the poverty, it is seen on the basis of this paper that goals are not yet met, poor still have to face difficulties to access microfinance. The standard of living of poor are still not improved or not benefit from the financial program to enhance their income level. With this all limitation some good things also to be identified i.e. Establishment of social network, bank linkage of poor, consumption smoothing. To empower women is challenging tasks that can't be meet only by microfinance assistance there is need to intensive work in this field. Poor can effective served by subsidies rather than microfinance assistance as loan. Microfinance only as a tool to fight against the poverty not a panacea.

[Maître, Mathilde; Niño-Zarazúa, Miguel;\(2017\)](#) This article examine on the basis of past quantitative literature in this field that the role of microfinance in poverty and well-being of poor and reveals that microfinance in financial life affect only at the short term dynamism, not found any evidence which shows long term increment in the consumption, income, assets, human capital and alleviation in the poverty level. [Ruben, Matthew; \(2007\)](#) Article attempt to found the difficulties in regulation in microfinance regarding innovations, diversification of funds and new technology. It is identified that there is 3 way to tackle this situation or government need to play that role were first to protect micro financial borrowers rights, second predicate the risk, third microfinance industry need to scale up their productivity. [Zhang, Q.\(2017\)](#)The output of this article shows that microfinance having negative effect on poverty reduction and this can be improved by the encouraged to the MFIs, need to avail more fund, simple access for poor to institutions is required for reducing poverty. [Bangoura, L., Mbow, M.K., Lessoua, A., Diaw, D.\(2016\)](#) Article used cross sectional time series data, found that microfinance negatively impact to income inequalities, means higher the microfinance intensity results to lower the income inequalities. Countries need to correct their policies for the effectiveness of the microfinance

**PEER REVIEW OF ARTICLE ON MICROFINANCE AND POVERTY (27 PAPERS)**

Citation	Authors	Key Findings
177	Basu, Priya; Srivastava, Pradeep; (2005)	A study based on (n=6,000) households Rural poor's have face huddles to access formal finance, still the informal lending were active. This paper gain attention towards microfinance potential, government policy, provide direction of path towards microfinance access and also suggest to improve management and government supervision and to strengthen them.
267	Imai, Katsushi S; Gaiha, Raghav; Thapa, Ganesh; Annim, Samuel Kobina;(2012)	MF helps to reduce not only the indices of poverty but also its severity and depth.
245	Chowdhury, Anis; (2009)	MF Provide safety – net and consumption smoothening, borrower also benefit from learning by doing.
54	Banerjee, Abhijit; Breza, Emily; Duflo, Esther; Kinnan, Cynthia; (2019)	This article based on to know is poverty trap is broken by some entrepreneur who run their enterprise before the microfinance entered. It is to be found here that entrepreneur get persistent benefit over time. Result shows hetrogenerial ability of entrepreneur and persistent is essential and access to short term credit facilitates entrepreneur to come from poverty trap.
24	Mago, Stephen; (2014)	This article provide a picture on microfinance role in poverty alleviation and concluding that microfinance helps in food security, savings, consumption smoothening ,non- farm activities, agriculture activities, enterprise development and so on and with this it has also some limitations that are inadequate help in social capital, infrastructural problem, inappropriate policies and institutional capacity. But the result concluding that microfinance enhance to reducing the poverty but need to developed effective policy that results the sustainable development and expansion of the microfinance sector.

51	Leikem, Kirsten; (2012)	In the microfinance submit in 1997 a goal of microfinance has been set up mainly to alleviate the poverty , it is seen on the basis of this paper that goals are not yet met , poor still have to face difficulties to access microfinance . The standard of living of poor are still not improved or not benefit from the financial program to enhance their income level. With this all limitation some good things also to be identified i.e. Establishment of social network, bank linkage of poor, consumption smoothing. To empower women is challenging tasks that can't be meet only by microfinance assistance there is need to intensive work in this field. Poor can effective served by subsidies rather than microfinance assistance as loan. Microfinance only as a tool to fight against the poverty not a panacea.
13	Maître, Mathilde; Niño-Zarazúa, Miguel;(2017)	This article examine on the basis of past quantitative literature in this field that the role of microfinance in poverty and well- being of poor and reveals that microfinance in financial life affect only at the short term dynamism, not found any evidence which shows long term increment in the consumption, income , assets, human capital and alleviation in the poverty level.
44	Gonzalez, Adrian; Rosenberg, Richard ; (2006)	This article based on the data finding research of 2300 MFIs in and concluding that private MFIs avail the profitability and stability in their financial system, it not act as dominating the government financial institutions. Government institutions of microfinance provider who not attain the profitability at the early stage, it makes improvement in itself and builds up their capacity to serve and gain.
23	Addae-Korankye, Alex; (2012)	Article focus to see whether microfinance effective as to alleviate poverty, concluding the positive sign on it which shows that poverty is reduced in many countries like Bolivia, Bangladesh etc. but still it take some time to fulfill the expectation to reach at highly less poverty and this will done through carefully managed and implemented the program, required to meet the need of the poor, need to put effort towards strengthening groups, capacity building.
45	Abed, Fazle Hasan; Matin, Imran; (2007)	This article focused on how MFIs introduce finance , and found that social intermediation produce capital by adopting new technology, generating service based employment and decision making power

27	<b>Ruben, Matthew; (2007)</b>	This article study the strategy follow to get relief from the poverty, there is need to use microcredit with social investments like to introduce school and hospitals, infrastructural development, to employee education and employment programs for to expand the social resources. This expansion results to give advantage to the benefit communities by employable the poor and helping in their capacity building.
15	Irobi, Nnenna Christiana;(2 008)	The study reveal that the microfinance having the positive impact on alleviating the women status regard poverty, helpful in enhancing their living standard by increasing their income level through this their political, economic and social status are also improved. With this microfinance doing well to alleviate poverty in a positive sense.
119	Noreen, Umara; (2011)	Article based on sample study of (n=384) households customers of 4 MFIs focused on the microfinance impact on poverty alleviation and found that microfinance has a significant impact on poverty alleviation on the basis of enhancement in the various dimensions i.e. avail education to children and expenditure made by the households but evidences also conclude that no significant impact is found on Housing of poor, food security and assets ownership.
34	Devaraja, TS; (2011)	Article attempt to found the difficulties in regulation in microfinance regarding innovations, diversification of funds and new technology . it is identified that there is 3 way to tackle this situation or government need to play that role were first to protect micro financial borrowers rights, second predicate the risk , third microfinance industry need to scale up their productivity.
51	Arun, Thankom; Imai, Katsushi; Sinha, Frances; (2006)	The study shows that the positive effect of microfinance to alleviate the poverty. Rural area demanding for loan to support their productive purpose whereas urban sector have simple access to microfinance institutions, need to draw special attention toward the microfinance policy.
22	Imai, Katsushi; Arun, Thankom; (2008)	Article based on the national data (2001), in which treatment effect model and propensity score matching are applied to measure the effect on poverty and the result conclude that the poor's use the financial assistance provide by microfinance institutions in a productive manner which means showing a positive impact of MF on poverty alleviation.

11	Bansal, Ajit Kumar; Bansal, A; (2012)	Microfinance provides high quality services including insurance , savings, fund transfer facilities and providing micro credit to poor. The growth is the combined result of action of government, donors, NGOs, and effort of market forces for poverty alleviation. Financial assistance enable poor to stand on their own feet by setup their self-business, smoothing their consumption, risk management capacity, increase in income level and up gradation of quality life leads to economic growth .
16	Lacalle-Calderon, M., Perez-Trujillo, M., Neira, I. (2018)	Empirical research based on the 57 countries conclude that microfinance reduce the poverty significantly . Microfinance affects the poverty at larger context to those countries where Poverty is at the higher level.
21	Zhang, Q.(2017)	The output of this article shows that microfinance having negative effect on poverty reduction and this can be improved by the encouraged to the MFIs , need to avail more fund, simple access for poor to institutions is required for reducing poverty.
20	Bangoura, L., Mbow, M.K., Lessoua, A., Diaw, D.(2016)	Article used cross sectional time series data, found that microfinance negatively impact to income inequalities, means higher the microfinance intensity results to lower the income inequalities. Countries need to correct their policies for the effectiveness of the microfinance institutions. Higher the no. no. of active borrowers leads to low income inequalities and where loan available for individuals is smaller this leads to greater inequalities.
26	Toindepi, J.(2016)	A study based on review of 40 articles conclude that a microfinance policy get the international standard which include transparency, sound financial performance, having minimum environmental impact and having effectively social effect on the poor. To think that one standard of microfinance policy fit to all circumstance is a big mistaken, there is need to improvement in practices as per the situation. Unrealistic to practice ones institutional practice to other leads to ineffective for to achieve their aim.

106	Ault, J.K., Spicer, A. (2014)	Article based on variation in commercial microfinance institutional lending, found that they faces more difficulties than non -profit lenders in case of growing client. Need to work on opportunities and institutional hazards to deal with poverty alleviation together.
266	Imai, K.S., Gaiha, R., Thapa, G., Annim, S.K.(2012)	Shows that institutions that have higher gross loan portfolio leads to have a low poverty indices. Significantly microfinance contributes towards to alleviate poverty at the macro level stage.
56	Swain, R.B., Floro, M.(2012)	After examine the SHGs and Non SHGs status of household's vulnerability, found that non- SHGs member are more better than the SHGs members in the status of poverty.
10	Sita Devi, K., Prabakar, C., Ponnarasi, T. (2011)	Microfinance support poor in their socio-economic growth . linkage of poor to the self -help groups uplifts their social concern. Increase in number of membership in these groups' leads to poor performance due to inefficient monitoring. Self – help group proves an effective instrumental tool for providing financial assistance to alleviate poverty.
26	Brook, R.M., Hillyer, K.J., Bhuvaneshw ari, G.(2008)	Article report the finding that highly poor or very poor have more involvement than the wealth classes of the rural sector in the SHGs as a member participant to avail the microcredit. This involvement of poor leads to increment in their living standard by increasing the consumption level, savings and socio- economic growth of the members were evident.

institutions. Higher the no. no. of active borrowers leads to low income inequalities and where loan available for individuals is smaller this leads to greater inequalities. [Donou-Adonsou, F., Sylwester, K. \(2016\)](#) A study based on the instrumental variable approach result on the basis of measured by poverty gap and head count ration indicate reduction in poverty by the bank but not by the institutions of microfinance. [Ault, J.K., Spicer, A. \(2014\)](#) Article based on variation in commercial microfinance institutional lending, found that they faces more difficulties than non -profit lenders in case of growing client. Need to work on opportunities and institutional hazards to deal with poverty alleviation together.

**Chapter: 4**

**Findings & Suggestions**

## 4.1 Findings

- Remarkable social upliftment, poor coming out from social stigmas & traditional issues.
- Increased literacy, average personal income increased and enhanced self-reliance.
- Survival were not affected by passage of time. group failure due to personal conflict and leadership failure
- Small share of credit disbursed to the rural poor.
- Regional disparity in distribution of banking facilities exist, supremacy of southern region on all count.
- Sustainability of SHGs is in suspect, sustainability is possible only if groups were having complete managerial control, financially and institutionally more graduated.
- federation of SHGs bank-linkage programs efficient to gain economic of scale, reducing transportation on cost, promotional cost, enhance empowerment, Obtained value added services etc.
- Number of participation of women in a group increase with enhancing level of education, participants age and with the size of production, which results economically upliftment of members of group.
- Significant growth of participation of members in development programmes, fertility rates, female literacy and economic independence are evident.
- Need to explicitly design program in order to empower women.
- Participants of group are able to raise their voice against violence and exploitation. education, skill and training to participants of group enhance their overall personality by enable participants in household financial decision-making, higher their income level, higher employment rate. Participants as a part of group activities enhancing their basic skills like doing basic arithmetic's, able to write their name, filling bank forms, maintaining and understanding financial records as well as passbook entries. Women participants attain greater self-respect and build up self-confidence among them.
- Age of group, credit access, savings and timely repayment had a direct relation with sustainability of groups.
- Corrupt and incompetent local staff, need to build integrated model for long term viability of a group. greater transparency about financial performance must be required.

- Found that Andhra Pradesh crisis not only due to over-indebtedness and extreme lending's, it's a fault of complete ecosystem from rich investors to poor's.
- Challenges faced by the micro finance sectors were limited funds or services for the poor are available, difficult for MFIs to identify the depth of outreach to poor's, ensure reporting and quality services for transparency, face problem to maintain liquidating of funds and overlapping of membership of clients.
- Institutions failed to deliver finance to the poor members at time when they demanded, even the outreach to avail the micro-finance is too small. This put question on the viability of MFIs, so need to put all dimensional efforts to able MFIs to tackle sustainability and outreach issues.
- The reason behind the delay in repayment of loan i.e., Due to more children/ dependents in the family, double dipping of loan, insufficiency of income to maintain their standard of living.

## **4.2 Suggestions**

- To available funds in a more productive way to attain SHGs sustainability for passage of time.
- There should be at least one educated member in a group to control financial activities.
- Need to introduce highly effective programs to support self-help group members by improving their financial and social status.
- Need to introduce more efficient financing system to effectively run the micro finance programs on time.
- Need to provide training, proper guidance, skill and knowledge to the group members of the self- help group.
- Size of amount of Loan and savings should be expected to grow.
- Need to reduce the regional disparity among the regions in distribution of banking facilities.
- Borrow money from traditional mode, lenders charges high interest rate on that amount to avoid this number of micro-financing institutions setup in recent year. MFIs is introduce income generation, good health and education to poor mem bers and their dependents.

# **Chapter: 5**

# **Conclusion**

## **5.1 Implications for Policy and Practice**

This dissertation report of literature review paper has importance for both practitioners and academicians. Nascent and rural entrepreneurs can get motivation and find idea which helps in decision making and enhance their knowledge in conducting activities. Educators of microfinance can use this review to provide their student manifestation of microfinance. Policy makers can find relevant area where there is need to improve policy implementation. Policy framework need to be designed keeping in mind the various elements of micro finance.

## **5.2 Limitations**

This study had its some limitations :-

- Few papers might be left from the review by default.
- Only the Google Scholar and Scopus paper were used for the review.
- The search was limited to English language articles only due to researcher own knowledge of other language.

### **5.3 Conclusion**

On the basis of past literature review it is concluded that for the sustainability of MFIs to support SHGs need to more focus on the potential capital structure. It need to show the potential of bringing positive change in the aspects of social and capability well-being and also to evaluate adding the well-being dimensions make impact on the microfinance a more robust exercise. Only some of the predatory practices in the field of microfinance highlighted positive as well as negative impact of the financial service. It is concluded on the bases of literature study that microfinance does not alone enough to reduce poverty and provide sustainability alone. Once the institutions achieve the sustainable growth, it results increase in annual income, consumption level, reduce the wastage of funds etc. growth and sustainability leads to reduce global poverty. The growth is the combined result of action of government, donors, NGOs, and effort of market forces for poverty alleviation. Financial assistance enable poor to stand on their own feet by setup their self-business, smoothing their consumption, risk management capacity, increase in income level and up gradation of quality life leads to economic growth. Still it take some time to fulfill the expectation to reach at highly less poverty and this will done through carefully managed and implemented the program, required to meet the need of the poor, need to put effort towards strengthening groups, capacity building. A member of self- help group who were trained, having skilled knowledge were get faster progress in their productive or an operational activities rather than members having no knowledge to work, for this there should be at least one educated member in the each self- help group to deal with financial activities or to guide the group to work in a productive way. Micro financial institutions should follow a uniform channel to distribute fund and services to several regions of India, regional disparity at the time to distribute funds should be neglected also need to ensure is the use of funds in the right hand or not. Provide microfinance to self-help groups is not the solution to reduce poverty also required knowledge, skill, training to work, better banking connectivity of SHGs, infrastructure facilities to empower SHGs. But the result concluding that microfinance enhance to reducing the poverty but need to developed effective policy that results the sustainable development and expansion of the microfinance sector.

Moreover, Micro financial institutions should be efforts towards its sustainability by minimizing their losses or bad debts in order to attain sustainable growth. Government need to innovate their strategies or institutional capital structure to secure the sustainability of members in self- help group

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## **List of abbreviations**

AP	-	Andhra Pradesh
ANOVA	-	Analysis of variance
FI	-	Financial Inclusion
GDP	-	Gross Domestic Product
GDI	-	Gender Development Index
FDI	-	Foreign Direct Investment
IDBI	-	Industrial Development Bank of India
MF	-	Micro Finance
MFI	-	Micro Finance Institutions
M- CRILL	-	Micro - Credit Ratings International Limited
NABARD	-	National Bank For Agriculture and Rural Development
NGOs	-	Non Government Organizations
RBI	-	Reserve Bank Of India
SHGS	-	Self Help Groups
SIDBI	-	Small Industrial Development Board of India

## APPENDIX

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99	Rai, Ashok; Ravi, Shamika; Nongbri,	Do Spouses Make Claims? Health Seeking and Microfinance In India
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