

FINANCIAL INTERVENTION FOR SUSTAINABLE LIVELIHOODS: A STUDY TO ANALYZE THE OBJECTIVES VS. OUTCOMES OF MICROFINANCE AND SELF HELP GROUPS (WOMEN) EMPOWERMENT

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ABSTRACT

This paper seeks to analyse the issues concerning microfinance in the broader context of-market liberalization and assesses its role as a development tool, with particular emphasis on one of-its main goals – to promote women’s empowerment. The tribal indigenous population do not have the “CAPABILITY” to reach out to the OPPORTUNITIES created by the institutions of-the poor, and NGO developmental project(s). This “opportunity” creation and it being employed to come out of-poverty (tribal residents) is the very aspect and the central idea of-this study. This ‘Opportunity’ separates Poor, Not Poor and the people under abject poverty. It is here that the intervention of-SHG’s and micro-credit plays a vital role. The image of-women as passive recipients of an aid program now stands jettisoned in favour of-women as active, gainful agents in the new economy, with entitlement, entrepreneurship and empowerment. Microfinance has been accorded an iconic status as a panacea for-poverty and deprivation, guaranteeing a fall-back position and transformed conditions of-the poor-from a vicious circle to a virtuous cycle. The proposed research would strive to formulate new methods and possible policy amendments from a Tribal Livelihoods perspective for improvement in the Social, Economic, Cultural and Technological paradigms

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INTRODUCTION

The Self-Help Group Bank Linkage programme (SHG-BLP) is a model initiated by the national bank for Agriculture and Rural Development (NABARD) in 1992 to provide cheap banking services and be widely accessible and have thus attained the objective of financial inclusion. It is mainly a self-help movement with the sole aim of creating sustainable livelihood opportunities for the rural poor. Started as a bank outreach programme, SHG-BLP has become a holistic programme for building financial, social, economic, technological capital in rural India. NABARD has pioneered the SHG-bank linkage model, which positions the SHGs as financial intermediaries to enable bank loans to poor members without physical collateral. The movement has emerged as the world's largest and fastest-growing microfinance programme and has successfully been the significant network of women-owned community-based microfinance institutions. The SHG-bank linkage model, developed in India, is now a severe model of Microfinance globally.

During the year 2019-20, the number of SHGs increased by 2.29 lakh with a corresponding increase within the savings by Rs. 2,827.57 crore as of March 2020. The outstanding savings of SHG with Banks as of 31 March 2020 has reached an all-time high of 26,152.05 crore. During the year, the banks have disbursed loans of 77,659 crore, recording a rise of 33.17 percentage over the last year. The entire loan outstanding of SHGs also increased by 24.08 attempts to stand at Rs 1,08,075.07 crore as of March 2020 as against Rs 87,098.15 crore within the previous year. The gross NPAs of the bank loans to SHGs declined from 5.19 as of 31 March 2019 to 4.92 percentage on 31 March 2020 at the all India level. Published Indian statistics report that in 2017, 29.8 percent of the Indian population resided below the poverty level. During this category is a neighborhood of underprivileged residents whose daily earnings are more minor than 28.85 rupees (58 cents/35p) each day in urban and 22.72 rupees (42

cents/37p) within the rural sector. To think from the paradigm of Dr. Amartya Sen put forward the Capability Maturity Model, this study asserts that there is a more fundamental difference; it is opportunity including capability to reach out to those opportunities. The Urban and Rural Poor had a chance to leverage on and construct a livelihood; on the other hand, the population who did not have the said capability to succeed bent the opportunities created by the institutions of the poor, and NGO developmental project(s). This study seeks to adopt Dr. Amartya Sen's 'Capability Approach' as defined by the selection of focus upon the moral significance of individuals' capability of achieving the type of lives they need a reason to value. Large tracts of land within the poor states are either flood prone or subjected to drought like conditions. These harsh environmental constraints hamper agriculture to a severe extent, on which the income of these people depends upon. It is here that the intervention of Self Help Groups and microcredit plays an important role.

The profound association of self-sustainable livelihood, Poverty easing, and Microfinance aspects of development are about better management of risk and vulnerability from a poverty perspective. Researchers over the many years addressed the challenge of working for a better microfinance model which can assist poor people in better handling their exposure and establish sustainable livelihoods, i.e., methods to engage, learn and possibly create vehicles for transformation (Rahman, 2010). This research spirit is a crucial reason for this research study.

Srivastava and Chaudhary (2019), in their work found out that no single factor but a host of motivating factors act simultaneously on the individual, creating dissonance in her, which motivates her to take action directed towards elimination or reduction of- dissonance in the individual. Women faced problems mainly in the areas of-marketing of- marketing their products and approaching the banks for getting loans. Personal problems like time constraints and family

stress were also cited. The study concludes that a joint family is not an obstacle for women entrepreneurs. It is a facilitating factor. The livelihood role enhances familial bonds. And increases role satisfaction, of women entrepreneurs, as a wife, mother, and maker of a 'home.'

Harper (2011), in her work develops hypotheses about the social and academic determinants that motivate women to cross the borderlines from generating no income to generating small income through self-employment. The borderline from there to growth-oriented micro or small business found that one significant barrier for women to start or expand a business is the lack of- exposure. Women become more enterprising after interventions from outsiders. Two other findings contradict generally accepted assumptions: lack of time is not a primary constraint, and poverty alone is not a pushing factor; awareness must be created, and change must be perceived as something possible. The objectives of the study include

To study the fundamental practices adopted by tribal SHG's for activity selection and sharing best practices (Innovative methods adopted), if any.

To formulate and suggest the need to make fundamental changes in the execution of Microfinance activities

METHODOLOGY

Academic contributions in books, journals, and government documents, and published and unpublished works by NGOs and development agencies formed the secondary source on microfinance. In addition, numerous updated websites on microfinance and microfinance covering happenings, contributions, and innovations worldwide are also included.

Documented works spanning several eras and geographical locations by academicians, activists, organizations, project officials, and others sensitive to

microfinance highlight the impact of credit initiatives. This literature facilitated a theoretical understanding of the credit concept and the challenges faced while implementing credit programs for the poor. The influence of these secondary sources on the methodology applied in this study cannot be denied.

The Microfinance Business and Women's Empowerment

This study responds to the worldwide up scaling of the microfinance sector thanks to a market led approach. It places issues concerning microfinance within the broader context of market liberalization. It assesses its role as a development tool, emphasizing one of its primary goals – to market women's empowerment. The image of women as passive recipients' of aid programs now stands jettisoned in favour of women as active, gainful agents within the new economy, with entitlement, entrepreneurship, and empowerment.

Microfinance has been accorded an iconic status as a panacea for poverty and deprivation, guaranteeing a fallback position and transforming conditions of the poor from a vicious circle to a virtuous cycle. Its excessive use, poorly structured loans, and bad debts still are a basis for critics, however, who challenge the overriding emphasis on making women primary targets with scant attention to gender relations and therefore the articulation of gender power in specific contexts affecting women's access to and use of microfinance.

India is fast becoming one of the essential microfinance markets globally, where the practice is quite extraordinary in its diversity. Without challenging out rightly the role that credit plays within the lives of the poor, especially rural poor women, this study steers an argument between opposing positions by offering a multi-level analysis that addresses microfinance's role in empowering women.

The following analysis captures gender, especially the method of women's empowerment, as a multi-dimensional phenomenon by considering both the gender processes behind borrowing and repaying credit and, therefore, the

gendered patterns of outcomes. In credit transactions, money takes the shape of a loan. Since credit is channeled via the group to the lady within the household, it's immediate about changing her perception about herself self and her contribution within the family, thus enabling her to play a broader role both within the household and within the community. Through such emphasis, organizations tend to assume a linear approach to women's empowerment wherein empowerment is predicated on their ability to earn income and participation outside the household. The main target primarily is women's empowerment and its link to microfinance. They need to play valuable roles in reducing the vulnerability of the poor through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and encouraging women by giving them control over assets and increased self-esteem and knowledge.

Financial needs of the poor and therefore the role of-credit

Writers and practitioners largely agree that credit may be a form of financial service offered to the poor due to their lack of access to productive capital. Reducing their capital constraint could lead to the investment, create a replacement source or enhance existing income. Microfinance also can help supplement investment and generate more income till the borrowers move across the poverty level. Credit leads to the promotion of poor individuals and households out of poverty. 'Placing a tangible capital,' i.e., credit, could lead to its 'convertibility into other forms of capital' or asset building. Credit then features a 'protective effect, shielding them against risks and vulnerability, deprivation and emergencies. Credit-based poverty alleviation initiatives are critical to rural development strategies in India. Credit is perceived as a service that may break the vicious circle of low capital, low productivity, low incomes, and low savings still seen in rural areas. The uncritical view of credit in its multipurpose role points out two critical issues and how they are addressed in

practice. First is the fungibility aspect of credit. The second is the inaccessibility and exclusion of the poor.

Quasi-Formal and Informal Providers

Failures accounted for within the formal financial sector has shifted attention to new quasi-formal institutions comprising of Non-Governmental Organizations (NGOs) and the SHG- Bank linkage program, which handles financial services to low-income households in rural urban areas. They also create an enabling environment and fill the gap created by the formal system. These quasi-formal organizations are either independent of government and have a high degree of autonomy from bureaucrats and politicians; they are operated from banks with a special unit of operations. These quasi formal providers are actors of institutional change, redressing limiting accessibility and exclusion structures that for bear the poor-from formal financial services. They appear to make new governance structures capable of-overcoming risks and uncertainties, achieving lower costs and better levels of productivity through administrative coordination. Microfinance, including small loans and loans without collateral, form a considerable part of SHG Bank Linkage business portfolio. Their intended beneficiaries are women, and they ceaselessly propound women as agents of change. As a result, they have accredited a 'feminized' character. An extra characteristic of these quasi formal organizations are that they induce savings amongst borrowers, allowing them to make their safety nets.

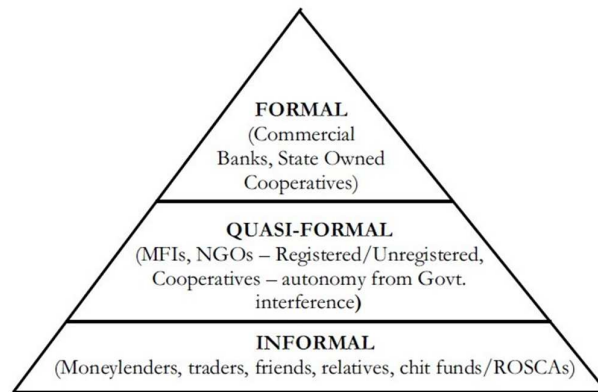
Also included within the informal sector are the practical and indigenous financial services offered by National Rural Livelihood Mission (NRLM) & State Governments. NRLM introduces new credit delivery arrangements within the nature of voluntary self-help groups; they are self-selected peer groups which shape their organization and make their own rules. What is of significant relevance is the persistence of quasi formal and informal providers in targeting women as their core customers. Granted that ensuring women a right to access

credit denounces stereotypical gender biased approaches that thus far left women to gain access; however, it doesn't necessarily make the organizations gender progressive. These organizations may fail to redefine or influence gender conscription within a household, not to forget the biases that transcend household boundaries. In such cases, their role becomes a perfunctory lender-borrower, wherein the lender's interest is dominated by reducing default risks. However, their objectives point to a superficial claim of empowering women.

For most SHG's backed by National Rural Livelihood Mission NRLM, the group formula is viewed as capable of-reducing transaction costs for both lenders and borrowers, alongside drawing other advantages. The groups are considered as 'solidarity groups attaining economies-of-scale. The group plays a task in reducing the value of gathering information about the borrower, but it's more important role is motivating repayments. This is often done through shared liability for default. All of them would lose access to finance if anyone defaulted. Social welfare is another aspect these groups are related to, besides just a way of- accessing credit. These groups invoke participation and regular meetings. Peers foster group solidarity while reducing women's isolation by exposing them to new ideas and potential openness to varying. Groups are 'a potent source of-grassroots participation and empowerment. These solidarity groups tend to make empowerment of-their members independently of-their economic impacts by creating new bonds and social identification. Credit is an act of trust between the lender and borrower and, in the case of- groups, between members within the group and the lender. Credit then can be viewed as a pact that binds people to each other. The multiple assertions of trust, collective action, and solidarity put the group in the vortex center. Different authors and researchers have attempted to define these concepts, but trust, solidarity, and cooperation seem easier to observe than measure or even describe. These concepts bring forth the sociological underpinning to understand microcredit in its more than economic business sense and therefore cannot be overlooked.

Actors in Credit Delivery System

Figure 2
Actors in the Credit Delivery Market



Source: Berger (2019) 'Giving women credit.'

The figure 2 of a pyramid states the main actors in the credit delivery market. It shows that despite a vast rural banking network, the formal system does not reach sufficient borrowers and has failed to push traditional moneylenders to the margins of the market. Some individuals operate as lenders within the informal sources, e.g., moneylenders or traders, and even relatives and friends. While friends and relatives may render an interest free loan, money lenders and traders have been the subject matter of many discussions, as they tend to levy usurious interests on credit. Apart from individuals operating as informal lenders, groups have also organized themselves for mutual interest and mobilizing savings. These groups are usually voluntary and formed amongst equals, with little or no outside support or interference. They can be viewed as financial self-help groups whose functions include accumulation and depositing of savings, granting loans, and to some extent even rendering insurance services. Some associations may also possess an organizational structure despite being part of the informal financial sector. A significant advantage of the informal credit system is that it is highly flexible and has little bureaucracy. It has timely availability, and transactions are based on mutual trust and relationships rather than legally

enforceable documents. By itself, the informal financial sector is highly heterogeneous and dynamic. In typical 'informality, adaptability and flexibility of operations, they have a characteristic which reduces their transaction costs and confers their comparative advantage and economic rationale upon them.'

Quasi-formal organizations, on the other hand, include a wide variety, e.g., Non-Governmental Organizations (NGOs), Mutually Aided Cooperative Societies (MACs), Non-Banking Financial Companies (NBFC), which falls outside the purview of the formal banking system. While these organizations are registered as non-profit and for-profit under-central/state acts, they are not strictly regulated or monitored by the authorities. They have a degree of autonomy from governmental interference and operate in circumscribed areas. They have emerged as an effective agent in improving financial services to the underserved poor. As providers' of-microfinance, they broadly provide services in different combinations, including savings, compulsory or voluntary; credit for various purposes, including production, housing, even consumption; insurance and other non-financial benefits such as training, market, and other linkages. Their outreach and rapport, which they have with the people, ensure proper utilization of-loan, better recovery, and consequently makes microfinance a profitable venture. Whether quasi-formal or informal, these alternative delivery mechanisms are seen creating a specific niche in the credit market. A prime reason is their nature of-credit operation, which has involved personal knowledge and face-to-face communication and transaction with borrowers. In addition, they show flexibility regarding-loan purpose, interest rates, collateral requirements, and debt rescheduling. These quasi-formal and informal organizations tend to put credit-women- empowerment more or less in the same continuum.

Group Trust and Collective Action

Credit organizations' success is attributed to their efforts to organize women into groups. But what makes women cooperate to form a group? What conditions can lead to voluntary cooperation? What motivates actors to keep coordination and information costs down? And whether a voluntary group transcends an enforcement role to play a much more significant role of empowering its members both in their public and private spheres of- activities are essential themes that assume importance while looking at group formation amongst potential borrowers. Groups are favored by organizations and credited with enforcement action. The intrinsic group part of the principal-agent relationship acts as an enforcement mechanism wherein it is both a means to access credit and ensures repayment, thereby reducing credit costs and risks of the transaction. The nature of its functioning aiding organizational and economic efficiency also brings forth trust, solidarity, and collective action/cooperation issues. The group mechanism is an instance of efforts wherein individuals, i.e., women, establish, monitor, and enforce norms as members of a social group. The formation of a group is a collective action that serves as a bond to ensure honest behavior and promote trust between group members. Trust arises from the repetition of interactions within the same group.

Credit Poverty and Empowerment: Locating Gender

Understanding gender as social relations and hierarchical regimes of power is imperative. It helps situate women as active agents, rather than passive objects, who exercise 'independent authority and control' and challenge 'oppression and exploitation of- women' by existing power structures and gender hierarchies therein. Organizations as service providers, groups as mediators, and individuals, especially women beneficiaries, are actors continually acting in important ways to create, maintain and transform existing credit barriers. These barriers owe themselves to multiple factors. Institutions like social structures influence them,

wherein class differences and power are played out in symbolic and cultural realms. Organizations' microfinance interventions enable actors to use resources that create abilities or enhance agency to restructure social anomalies. In conflicts of gender power relations, the agency's ability to counter hierarchy and subordination structures may give rise to different degrees of empowerment. Women actors, both individually and collectively as part of a group, possess some degree of agency which may vary. Women's agency or women as situated agents can bring about social change using their participation. Poverty is experienced more severely by poor women than poor men with the resultant feminization of poverty due to less access to food, education, and health care, unequal inheritance rights, lack of-equal opportunities, etc.' Women can become poorer-along with the rest of the household 'through a deterioration in its collective (household's) entitlements—further, women's social position is an essential factor influencing their-relative deprivation. The denial of choices results from a lack of access to resources, enabling one to make choices. Credit is a resource that creates opportunities, for instance, diversifying livelihood opportunities or expanding limited assets and mobilizing them into groups further to develop capabilities of both the household and individual to enhance the well-being of- both. The concern is whether the well-being of the household in terms of the out-of-poverty situation with improved quality-of-life is a good indication of the well-being of- individuals, i.e., women within the household. In looking at the well-being of women, how their agency is enabled to negotiate and bargain within the household brings in the critical issue – that of empowerment.

Empowerment as a Process

Empowerment could then be defined as a 'process that enhances the ability of-disadvantaged (powerless) individuals or groups to challenge and change, in their-favor, existing power relationships that place them in subordinate

economic, social and political positions. 'The goals of women's empowerment are to challenge patriarchal ideology (male domination and women's subordination); to transform the structures and institutions that reinforce and perpetuate gender discrimination and social inequality, and enable poor women to gain access to control, both material and informational resources. The empowerment process must thus address all relevant structures and sources of power. Microfinance in women's hands provides valuable insights into understanding the capability-bargaining approach. For instance, the predicament of poor women influenced by restrictive social norms is well understood. In such a situation, increasing their economic option through access to employment and credit, land rights, etc. invariably 'supports women's capability, hence their bargaining position.

Some inconclusive studies suggest that this may not necessarily translate into more control over the earnings or more significant participation in household decision-making when women earn. In this study, women's empowerment is viewed as a process and outcome of that process, wherein individual's – women's agency is enabled, subsequently influencing and changing their bargaining and decision-making powers within the household. This also bears how women's perception about themselves changes, thereby transforming or modifying the habitus within which gender inscriptive roles are perpetuated. Empowerment occurs in an environment where women can exercise their agency through opportunities to take action; as women recognize their ability to make principled choices and bring about positive change, their perception of their capacities is enhanced, and they become empowered'. The link between poverty alleviation and women's empowerment is hard to draw. For instance, one logic could be that if poverty is a lack of choice, a household can create an option for itself and its members through credit. This, in a way, is linked to being empowered because empowerment means enhancing capabilities to improve one's well-being. The ability to make choices in life links poverty and empowerment. Being

out of poverty creates options, and being empowered enables one to make those choices. Organizations tend to view an increase in income and assets, savings, diversification of livelihoods due to credit to women as alleviating conditions of households. Such a situation is further considered as economically empowering them. Economic empowerment is thus interpreted more or less as women having access to credit and control over its use.

Dealing with Self-Employed Poor Women

Economic Security (Empowerment) as a 'Functional Capability' under Cooperative Banking- in theory, any woman can open an account with the bank. However, SHG for loan purposes must be 18 years or above. Cooperative Bank assumes importance because it provides these women a secure and exploitation-free thanks to controlling their income. For PACS, it's not only created an area but also been ready to award loans to women who can rarely offer collateral at crucial points in their lives once they desperately need them. The PACS Union and Bank view these self-employed women as mere recipients of services, but women workers who got to be involved as participants, policymakers, and implementers of programs. Unlike other organizations, PACS's regard for targeting the poor isn't supported by setting parameters of who constitutes the poor. The bank also doesn't see any problem in defining these parameters explicitly because it believes it's been ready to bring a differentiated class under its fold. Inclusion then is a class of workers – women, self-employed and poor – who face exclusion in terms of being denied the rights or any form of social security. Their existence is indeed paradoxical. Their undeniable contribution to the nation stands juxtaposed to their state of volatility. Reema Nanavatty, a key person in PACS, emphasises, "Our approach is constructive. We've not adopted a confrontationist way ... Men have accepted women's leadership given PACS's 'apolitical' functioning. PACS has facilitated the development of the house, of the village... Men now feel and see the difference, how women are ready to access

information and other resources which were inexistent earlier and which have led to economic security". For PACS, if women are economically secured, they're less vulnerable, and it's then easier to affect social predicaments. These ten points are reflective of PACS and its sister organizations' understanding of gender issues, poverty, and empowerment:

1. Health for women
2. Nutritious food for women
3. Childcare facilities
4. Affordable Housing
5. Income generation for women workforce
6. Increase in self income
7. Developing leadership qualities among women
8. Women ownership in property/asset
9. Strong organization
10. Complete self-reliance.

The implementation of SGSY in Kerala promoted the establishment and mobilization of Self Help Groups (SHGs) across the districts here. The scheme SGSY was re-scheduled by the Government of India and then established the National Rural Livelihood Mission (NRLM) in June 2010 as a new poverty alleviation strategy. So now, the programme of SGSY has been discontinued completely. To provide the SHGs for sustainable development, the Department of Rural Development has brought in an income generation programme for BPL Self Help groups on the title **"Sustainable Incomegeneration for Self Help Groups (SIGN for SHGs)."** In 2013-14, 978 eligible groups were selected (one from every Grama Panchayath), thus benefiting 9780 families. Nine hundred seventy-eight units are given abundant opportunities (micro-enterprises) under this scheme during the same year's financial. PACS encourages groups to rotate their savings and provide loans to the members. The groups are encouraged first to revolve their funds generated through savings and then draw other loan linkages.

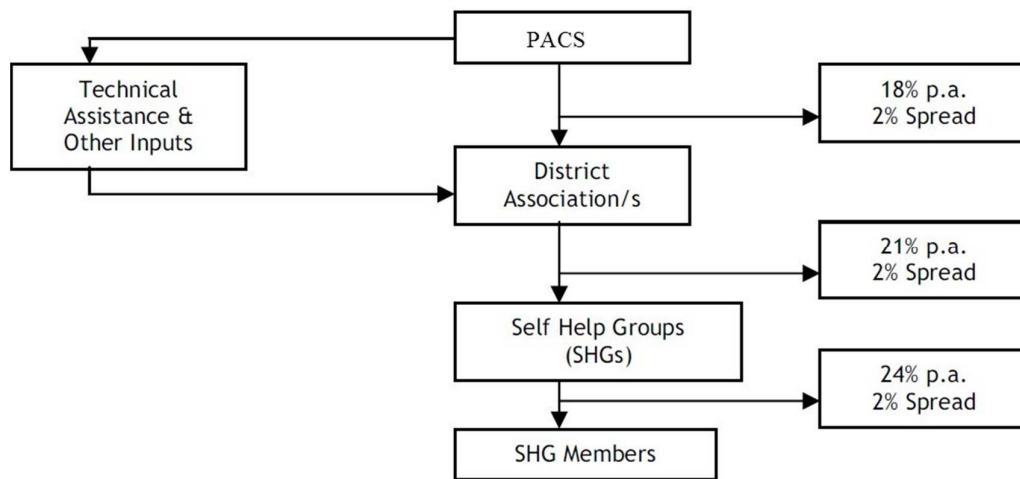


Fig: Division of PAC functioning

Source (Commissionerate of rural development, local self-government department)

Instead of providing loans to individual groups, PACS has started providing loans to district-level associations. These associations then forward it to groups, which will be transferred to the individual members. PACS's rural banking is thus through its different PACS at the District Associations playing a pivotal role – an intermediary. This does not undermine the Bank's position. Instead, it is a decentralized multi-tier system created to provide doorstep banking to rural poor self-employed women.

Kudumbasree is one such SHG comprising women in Kerala; it has been prominent in the relief operations after the recent floods. Understanding how 'Kudumbashree' is compelling and unique from other Self Help Groups (SHGs) is essential. The 'Kudumbashree' SHG started its operations in 1998 by the Marxists in Kerala. The thrift and credit activities through the formations of saving groups are a standard feature.

It has thus made a considerable contribution in empowering the women of Kerala socially and economically. In other States, SHGs are dominated by women

from wealthier families or powerful castes, leading to harmful hierarchies in which poorer and Dalit women were denied decision-making powers. Over time, women dropped out from these sections due to several reasons. Eventually, the social potential of the SHGs to challenge dominant structures of gender bias at the local level destabilized. The Kudumbashree model works with a socially representative leadership. There are other sets of Self Help Groups that are women-oriented.

- Direct Lending to the Poor
- Intermediating NGO
- Informal Unregistered Groups

from which we focus only on PACs.

Microfinance as Development Tool Empowering Women

Groups	Key role	Functions	Skills
Communication	Communication and sharing	Interacting with group members /other members	Being able to share with other group members, finding affinity with other members, interaction with outsiders, including organizational staff and visitors (AWARENESS BUILDING)
Marketing	Developing marketing skills	Training/ other information disseminated within groups	Thinking of opportunities to expand the business, learn from training programmes (CAPACITY BUILDING)
Negotiating	Building negotiating strength	Collectively taking up issues	Taking advantage of collective strength by visiting government officials and pursuing village level activities (SELF COMMUNITY DEVELOPMENT)

RESULTS

1. It is clear that even as sex and gender get conflated, so is targeting women only as borrowers by organizations taken as addressing the incongruous gender power relations. Curiously enough, at the theoretical-analytical level, a thick and deep understanding of gender exists, challenging inequalities produced and reproduced buttressed by social institutions, signifying an entire set of things like male biases, women's perceptions, culture, religion, caste, class, education so on then forth. However, as experience showed, this thick understanding of gender, even if internalized by organizations under their credit interventions, tends to thin down in an intrusive way, depicting women as entrepreneurs now with income earning capabilities or at the most their access control and use of credit, thereby being empowered. The purpose of gender in analytical terms is more cohesive and challenging. Still, it is loosely addressed through organizations' procedural application because organizations themselves need to operate within patriarchal, socio-political, and economic contexts overridden by male biases. So, while its little question is commendable, microfinance-led organizational initiatives have allowed women a bigger if-not equal role in terms of their visibility. Currently, organizations' interest is dominated by reducing default risks, and its credibility stops at mobilizing women into groups, encouraging them to save lots of and giving them access to credit. After that, the group gains trust and solidarity within that propels it to play multiple empowering roles.

2. Just as empowerment is an ongoing process, it's clear that microfinance for the poor and poorest isn't a one-time activity; it's a process too. Credit can cause access to capital resources, which are needed continually enabling poor-to start or expand and sustain their livelihood sources. Mere access to credit, however, does little to reinforce income. Only if it is adequately channelized can it bear results effectively. During this regard, productive '(qualitative) use of loans assumes great significance (Goetz & Sengupta 1996). Many borrowers don't find

it easy to form effective use of credit as they lack technical advice or help in obtaining business inputs and marketing. This brings forth the importance of non-financial services.

3. It is difficult to demonstrate a particular period on when a family or household will probably maneuver out of poverty, a primary stated objective of any microfinance initiative. While changes may occur with the primary credit in terms of say adding to household assets, a family may remain on the perimeter of poor or not so poor, despite accessing credit. Changes in sustainable income levels, savings, and further investments within the household are equally demonstrative of its skills and diversified income sources, which were further enhanced by access to credit, family size, local infrastructure, etc. Credit thus can't benefit all equally, or its resultant outcomes cannot be equivalent for all.

4. No strategy is ideal. Microfinance as a tool to achieve success needs other facilitating conditions. The purpose is just mobilising and initiating savings and credit isn't enough. Microfinance with a gaggle may be a good start that would cause social ramifications. Except for that to occur, microcredit needs more to try to than merely access money or credit. It also needs to try to with other services like monitoring, training, and capacity building. Inclusive of both financial and non-financial aspects, microfinance could lead poor people towards economic self-reliance and social ramifications.

CONCLUSION

The microfinance sector is now an enormous enough player for its success. Microfinance has emerged as a dynamic business, administered by a good spectrum of organizations, pursuing various strategies, each showing its ability to make its niche within the credit market. Several studies provide situations of impacts of Micro-credit and Microfinance on poverty alleviation and the empowerment of girls. Out of which 'Towards Women's Empowerment And

Poverty Reduction: Lessons From Andhra Pradesh South Asia Poverty Alleviation Programme; Micro-Credit And Women's Empowerment: A Case Study Of SHARE Microfinance Limited are few which portray the same. Micro-credit enhances the endowments of poor women and improves outcomes, whether in terms of the family, markets, state, or community. Socio-cultural and political spaces are essential for both poverty reduction and women empowerment. However, there are restrictions on the extent of micro-credit interventions that can reach the rural poor. Therefore, the time of success varies across households, caste, and religion.

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