MICRO FINANCE:
A BLESSING FOR POOR

SACHIN SABHARWAL*; MONA GOEL**

*Tecnia Institute of Advanced Studies,
Affiliated to GGSIPU, Delhi.
**Tecnia Institute of Advanced Studies,
Affiliated to GGSIPU, Delhi.

ABSTRACT

World over, micro finance is looked upon as means of credit-based poverty alleviation and financial inclusion. This study discusses on SHGs in order to evaluate the role played by these institutions towards financial inclusion of the groups/regions excluded from the formal financial system. In this connection, the study also analyses the geographical spread of micro finance institutions, access and affordability of micro finance for poor borrowers and movement of poor borrowers out of SHGs. The findings of this study reflect the significantly limited scale and spread of micro finance in India. The study also further focuses on the success factors of micro finance along with the certain issues that have to be dealt with in order to make the micro finance concept a success. The improvement in micro finance services will ultimately serve the purpose of helping the poor people to come out of the vicious circle of poverty which is the ultimate aim of the economy. In the recent time, micro finance came out as an important tool in bridging the gap between demand and supply of funds to the people in need.

KEY WORDS: Micro finance, poverty line, SHGs, NABARD, RBI, MFI.