Chapter 2

Review of Literature
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This section of the dissertation gives an overview of the research conducted in the similar areas. Such review of literature helps in determination of the research gap to conduct the present study.

**Sharma and Deshmukh (2013)** in their study entitled “A STUDY OF MICRO FINANCE FACILITIES AND ANALYZING THE AWARENESS LEVEL OF PEOPLE ABOUT MICRO FINANCE IN NAGPUR CITY” studied the awareness of microfinance in the Nagpur city. This study found out that awareness of microfinance level is very high. Moreover, The study reveals that most of the poor people of Nagpur city are aware about micro saving schemes and also these schemes are the most opted for options amongst the targeted consumers.

**Anand Kumar, T.S.; Praseeda, S. and Jeyanth K. N. (2008)** explained in their paper titled "Operational guidelines for sustainable housing micro-finance in India" that housing micro-finance is emerging globally as an important financial activity to help alleviate the housing needs of economically vulnerable people. Micro-finance institutions (MFIs) planning to include housing product must carefully assess whether they have the management and technical capacity to do so. The purpose of this paper is to give practical guidance to MFIs in adopting the housing programme, in addition to their existing line of micro-finance services. The paper finds that MFIs should also ensure that housing micro-finance suits their strategy from institutional and financial perspectives.

**Gordon, A.N. and others (2011)** this paper aims to examine links between women's access to micro-finance and how they use maternal healthcare services in sub-Saharan Africa (SSA). It is found that improved access to micro-finance by women, combined with education may enhance maternal health service uptake.

**Kamath, R. and Srinivasan, R. (2009)** Grameen replicators in India, using a for-profit Non-Banking Finance Company legal form, have grown rapidly in terms of client numbers. Loan sizes are relatively small compared to per capita income, while portfolio quality was until recently very high. There is evidence in field of multiple borrowing, with clients borrowing simultaneously from multiple sources including micro-finance institutions. This research build a model of the microfinance sector that explains why such multiple borrowings result optimally in small loan sizes and high portfolio quality.
Fields, G.S. (2010) this article is based on Fields (forthcoming) and on NCEUS (2009). The first part of the paper about global poverty and how the world’s poor work. As many as six-and-a-half times the number of the unemployed are the working poor, which indicates that the world has on employment problem. So does India. The second part of the paper is about combating poverty in India and Internationally. The policies discussed here are workplace protections, harnessing the energies of the private sector, economic growth, labour market policies for generating more paid employment, the raising self-employment earnings.

Fe Bureau (2009) the population living in poverty could fall to 6% in 2025 if aggressive reforms are implemented, the report suggested. The country need four transition to change the labour market and speed up poverty removal, these are farm to non-farm, rural to urban, unorganized to organized and subsistence self employment to decent wage employment. The report further added that 60% of country’s workforce is engaged in agriculture, generating 18% of the gross domestic product. Agriculture condemns many Indian farmers to poverty because of low productivity. The key step that the country should take to enable the transition from farm to non-farm employment is to move public expenditure from input subsidies like fertilizers, seeds

DR. Anant Deshmukh (2012) The purpose of this article is to introduce the finance academic community to the discipline of microfinance and microfinance institutions (MFIs) address the issues of MFI sustainability, products and services, management practices, clientele targeting, regulation and policy, and impact assessment.

N. Tejmani Singh(2009) The purpose of this article is to introduce that micro finance can contribute to solving the problem of inadequate housing and urban services as an integral part of poverty alleviation programmes. The challenges lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low income borrowers without improving unbearably high cost of monitoring to end use lenders. In the long run in a profitable manner; going by the increasing number of commercial banks that have evinced interest in this area, the future does seem bright.

Dr. C. Rangarajan (2006) in his topic ‘Microfinance and its future directions’ in the introductory part of the book, outline the evolution of SHG through microfinance evolve through in three stages. First, to meet survival requirement need, in the second stage is to meet the subsistence level through investing in tradition activities and in the final stage by setting up of enterprises for sustainable income generation.
Robert Peck Christen (2006) in his paper “Microfinance and Sustainable International Experience and lesson for India”, he articulates the changing general perception of bankers, that SHGs are profitable clients or bank.

Lanmdau Mayoux’s study (1998) on Participatory Learning for Women’s Empowerment in Micro Finance Programs (IDS Bulletin, Vol. 29 No.4, 1998) proposes a participatory approach for integrating women’s empowerment concerns into ongoing programs learning, which itself would be a contribution to empowerment. Micro finance programs for women are currently promoted not only as a strategy for poverty alleviation but also for women’s empowerment.

DR.Ashok (2012), in his paper “availability and awareness of microfinance in J&K state”. this study found that micro finance institutions micro loans and credit is high. more information regarding microfinance is provide by NGO and awareness towards fund transfer and insurance is very poor.

Holt, (1994). The purpose of this article is to introduce that Village banks are community-managed credit and savings associations established by NGOs to provide access to financial services, build community self-help groups, and help members accumulate savings.

Stefan Dercon and Martina Kirchberger (2008) The purpose of this article is to introduce that what are the changes coming in micro finance.

Malhotra (2002) constructed a list of the most commonly used dimensions of women’s empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women’s empowerment needs to occur along multiple dimensions including: economic, socio-cultural, familial/interpersonal, legal, political, and psychological. The World Bank defines empowerment as “the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.

“The Microfinance promise in Financial Inclusion: Evidence from India” by Naveen K. Shetty and Dr. Veerashekharappa (2009) studies the importance of microfinance in bringing about financial inclusion. The paper studies impact of the increasing gap in demand and supply of financial services in India which has led to the increasing population of the country to be excluded from the formal financial credit system.

“Financial performance of Microfinance Institutions: A comparison to performance of Regional Commercial banks by geographic regions” by Michael Tucker and Gerald Miles studies the performance of MFI which are self-sufficient and comparing those with the regional commercial banks based on selected financial ratios. Microfinance institutions provide small loans to the rural low income population. However with growth of the
microfinance institutions and with increasing competition, the MFIs have very limited access to funds.

“Microfinance in India: Discussion” by R.Srinivasan and M.S.Sriram shows the various views of people from various microfinance institutions. Microfinance has been viewed as an effective tool in bringing about financial inclusion and as a measure to alleviate poverty. This discussion also is a study on the various models of microfinance prevailing in India and aims to discuss if these models contribute to the growth and sustainability. It also aims to discuss about the various government policies and regulatory framework prevailing in microfinance sector.