CHAPTER – 1

INTRODUCTION

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Enterprise Development is Economic Development
INTRODUCTION

1.1. INTRODUCTION

The modern economies of the present world are flourishing on the single familiar concept of economics called ‘Credit’. The size of individual’s credit borrowed determines the financial status of the borrower, which varies irrespective of peoples, places and periods.

The rich as well as poor avail credit for different purposes. The Middle-income people in the Developed Countries (DC) avail credit for consumption of luxurious goods whereas the poor in Under Developed Countries (UDCs) avail credit for enhancing their household income through Income Generating Activities.

The poor is one who does not have access to basic necessities of life. The Micro Credit Summit Campaign defines ‘poorest’ as the bottom half of those living below their nation’s poverty line. In India, the levels of poverty\(^1\) are defined on the basis of average annual family income (a family consisting of five persons):

<table>
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<tr>
<th>Poverty Groups in India</th>
<th>Annual Income Groups 1992 (Revised) (in Rs)</th>
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<tr>
<td>Destitute</td>
<td>0-4000</td>
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<tr>
<td>Very very poor</td>
<td>4001-6000</td>
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<tr>
<td>Very poor</td>
<td>6001-8500</td>
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<tr>
<td>Poor</td>
<td>8501-11000</td>
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Poverty exists in both Developed and Under Developed Countries. At present, there are approximately 1.2 billion poor in the world of which 700 million are women.

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living in poverty. In Developed Countries, reduction in poverty was successfully achieved through a high rate of economic growth, while it became difficult to reduce poverty all alone through high rate of economic growth in Under Developed Countries (UDCs). So it was advised that policies and programmes aiming high rate of economic growth in UDC should accompany poverty reduction along with economic growth.

Especially India has witnessed a three-fold increase in population over the last half a century without a corresponding growth in opportunities, mainly in rural areas. The struggle for survival continues among the poor people, of which women are the worst sufferers, who constitutes 50 percent of the population and are the backbone of the family. It is a fact that women are half the sky, half of the earth, half of the blood, and half of the soul of the society. Saddled with day-to-day responsibilities such as fetching water from a long distance, collecting fodder and fuel, grinding food grains, looking after the children and attending to the livestock and agricultural activities, the drudgery of rural women continues. In spite of their significant role in development of the family, they are suppressed and given an inferior status in the society.

As an effect to this scenario, Micro Finance emerged as a sighing relief and soon became a household name among the poor. It's an idea that evolved from early Cooperative activities in Europe. The Credit Union idea is a simple one: people should be able to pool their money and make loans to each other. The first cooperative was organized in 1844 by a group of workers in Rochdale, England. The Co-operative movement started in 1844 with the opening of the stores by the Rochdale Pioneers in England. This is considered as the beginning of the Consumer’s movement. That

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2 Kemba Cincinnati Credit Union, Inc. Newsletter, www.kembacu.org
same year in Germany, Victor Aime Huber developed some of the early European cooperative theories. The idea of credit societies was a part of this effort. Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen created the first true credit unions in Germany in 1852 and 1864. In 1849, Raiffeisen founded a credit society in Flammersfeld, but it depended on the charity of wealthy men for its support. In 1864, Raiffeisen organized a new credit union along principles still fundamental today.

Similarly, the origin of micro-finance, too, could be traced back to the beginning of the cooperative movement in Europe, where the movement was started in 1844 in the field of cooperative-based credit system. Since then, many countries followed the similar methods with different names and different models like- ROSCA, Peer Groups, Cooperatives, Intermediaries, Village Banking, and Grameen Bank, Associations, Bank Guarantees, Integrated Rural Development Programme, Community Banking, Credit Unions, Individual, Intermediaries, Non-Governmental Organisation, Peer Pressure, Small Business and Village Banking Models etc. In this regard, the enactment of the Cooperative Credit Societies Act, 1904 could be considered as the beginning of Micro-Finance in India.

Unfortunately, the above models failed to deliver credit to the poor as the poor availed loans in the name of production purpose and utilized it for consumption purpose. The poor could not save money and it became difficult to repay to the bank and hence they became defaulters to banks and left with no financial assets, access and assistance. The banks refused to lend loans to poor without the collateral

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3 Hari Srinivas, ‘Micro finance: Credit Lending Models’ is an attempt to document the various models currently being used by Micro finance institutions throughout the world. www.gdrc.org/icm/model/small-business.html
securities. As such the poor became poorer under the clutches of monopolists called moneylenders on whom the poor depended inevitably.

As a consequence of this, the two ‘World Summits on Micro Enterprises’ that held in 1987 and 1997 in Washington, DC, USA, brought out a serious concern of the international community in combating poverty. Primarily, the establishment of the Consultative Group to Assist the Poorest (CGAP) was an outcome of this concern to reduce the levels of poverty, in terms of income poverty and deprivation of basic needs for a decent living. As a result and remedy, an innovative credit programme was designed for the poor that emerged as a revolution in the financial sector called, ‘Micro Finance’. Micro finance (MF) was recognized and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment of the poor, with special emphasis on empowering women. The concept of Micro Finance essentially rests on the premise that: (a) self-employment or enterprise formation is a viable alternative means of alleviating poverty, (b) lack of access to capital assets / credit acts as a constraint on existing and potential micro enterprises and (c) the poor are capable of saving despite their low level of income. Thus, Micro finance could be referred to as providing credit support, usually in very small amounts, along with other components such as training and other related services to the people with poor resources and skills and who are in a position to undertake economic activities or Income Generating Activities (IGAs).

In Indian context, the National Bank (NABARD), true to its mandate, has been espousing the cause of rural development through several initiatives. Promotion of Self Help Groups (SHGs) is one such initiative by NABARD for poverty alleviation, which has gradually evolved as a people’s movement at the grass-root
level. Millions of poor are being brought under the umbrella of the SHG-Bank Linkage programme. Encouraged by the success of the programme, Government of India and Reserve Bank of India have recognized it as a viable supplementary means of credit to the unreached and accorded it much priority. NABARD has an ambitious plan of covering 100 million poor through the Self Help Groups by 2007 besides giving thrust to encourage Micro Enterprise Programme. Its vision is to facilitate sustained access to financial services for the unreached poor in rural areas through various MicroFinance innovations in a cost effective and sustainable manner. NABARD has accomplished its mission by providing financial access to 16.7 million poor families through formation and credit linkage of 1,079,091 Self Help Groups as on 31 March 2004. Formation and credit linkage of 585,000 new Self Help Groups by the year 2007 with 60 percent of them coming from 13 priority underdeveloped states of the country. It facilitates mature SHGs to graduate from Micro Finance for consumption or production credit to Micro Enterprises.

From a modest beginning of 255 groups during 1992-93, the cumulative number of Self Help Groups in the country reached a phenomenal level of 1,618,476 by the end of March - 2005. This includes more than 163,198 groups promoted in Karnataka, which has played pioneering role in sowing the seeds of SHG movement in the country. Recently our State has been relegated to third place followed by Andhra Pradesh and Tamil Nadu. The State also pioneered in encouraging Micro Enterprises under the Programme.

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A decade has passed since the pioneering of SHG–Bank Linkage programme. It was felt to be an opportune time to reflect on the achievements or the performance by looking at the functioning of Self Help Groups i.e., their sustainability through Income Generating Activities. Thus, an attempt was made to look beyond Micro-Credit by putting development back into Micro-Finance. Looking beyond Micro-Credit is a process to prepare potential clients to access Micro-Finance services and thereby to shed light on how Micro Enterprise Programmes can be used as an economic development strategy to enable low-income people to achieve self-sufficiency through self-employment.

As poverty alleviating strategy, Micro enterprises alone is not a panacea, but micro enterprise under Micro Finance Programme is a panacea in alleviating poverty. Hence the focus of the study was mainly intended to make a perspective analysis for Pre Linkage Period and Post Linkage Period on the performance of women enterprises. With this analogy in mind the present study has been taken up with much interest.

1.2. STATEMENT OF THE RESEARCH PROBLEM

The sad truth is that rural India is being served by an unhealthy credit delivery system. Women who accounts for 495.7 million representing 48.3 percent of the country’s total population (as per the national census 2001), of which over 35 percent of the BPL families (constitute 50 percent of the population) are untouched by various credit schemes and government programmes and 100 percent poor women are neglected of the same.

To break this grinding problem, Micro Credit seems to provide just solution by becoming a major tool of development and is fast developing as an international
industry, with its own trade association, dedicated finance, training and other support organizations, research journals.

By delivering financial services at a scale, and by mechanisms appropriate to them, Micro Credit can reach poor people with credit for Micro Enterprise it can help them work their own way out of poverty. Further initiatives are required in the areas of training and capacity building, employment and income generation, welfare and support services and awareness gender sensitization are being undertaken by the Department of Women and Child Development with the ultimate objective of empowering women both economically and socially and making them equal partners in development.

Entrepreneurship of women for Micro enterprises being a new subject, the available literature on it is expectedly so far scanty and that too scattered with respective aspects in some articles, edited volumes and research papers. Although extensive literature is available on women and credit, the literature and research studies explaining, analyzing and assessing the various aspects of the type and nature of enterprises of Pre Linkage Period (period before the initiation of the Micro Finance programme in 1992) and Post Linkage Period under Micro Finance Programme (in 1992 and onwards) are limited and this area of subject is of great contemporary importance. This limitation became the genesis of an idea and a need to take up research study on the subject to fill this gap.

The research tries to examine differential performance of women Micro Entrepreneurs during the two periods and also earnestly attempts to observe differential performance of women entrepreneurs across urban, rural and tribal
regions, under two periods and with three types of Income Generating Activities viz., manufacturing, service and trade.

Empathetically the research was indeed a deliberate attempt and not an accidental, for it necessitated the researcher to make an in-depth comparative analysis of the entrepreneurial performance of poor women across the three regions of the study area at the household level. No research studies or articles related to the research topic were available during the course of research period from the literature reviewed so far, despite of several years have elapsed after the implementation of the programme. The present one is the first form of its kind. Therefore the present study is conducted with following objectives.

1.3. OBJECTIVES OF THE STUDY

- To document socio-economic profile of the women who are running micro enterprises;
- To discuss the scale of finance for different enterprises and the procedure followed in repayment schedule;
- To analyze the performance of micro enterprises before and after availing the Micro credit;
- To examine the difference in performance of different Micro Enterprises;
- To identify constraints in finance and marketing; and to suggest measures for improvement.
1.4. MICRO FINANCE AND ITS THEORETICAL FRAMEWORK IN ECONOMICS

1. Economics was relatively a young science where its foundation was first laid in 1776 when Adam Smith (1723-1790) published ‘An Enquiry Into the Nature & Causes of The Wealth of Nations,’ he argued that the wealth of a nation did not lie in gold and silver, but rather in the goods and services produced and consumed by people.

Morals and ethics actually were his concern before economics. His first book was “The Theory of Moral Sentiments”. For Smith, self-interest and sympathy for others were complementary. However, he did not believe that charity alone could provide the essentials for a good life.

His postulate of ‘Invisible Hand’ of market prices, could be applied on scientific thinking to ‘women entrepreneurs’ pursuing their own interests and encouraged to produce the goods and supply the resources that others value it as a sustainable approach to enhance household income and alleviate poverty.

Since then the discipline grew with a human face towards the development of an economy. Despite die-hard efforts on welfare programmes towards alleviation of poverty in both developed countries (DCs) and under developed countries (UDCs), the level of poverty persisted to a striking level due to various constraints like - lack of ‘outreach and sustainability’ of the programmes.

2. Recently, it was not a mystery for most of the institutions to regard low-income households as ‘too poor’ to save, while potential lenders, faced with borrowers whom they do not personally know, who do not keep written accounts or ‘business ideas and principles’ and who wants to borrow small and uneconomic sums;
were exposed to very high risks every time they lend: this had been called the 'screening problem'. They were unable to shield themselves against those risks by means of the familiar expedients of banks. The borrowers were too poor to offer collateral, and insurance against the commonest hazards which afflicted small producers and entrepreneurs in developing countries – for example drought, livestock disease and breakdown of equipment – was generally unavailable: which was called 'enforcement problem'. The problems of inadequate information and difficulty in enforcing loan repayment reinforce one another, and it was not difficult to prove (Akerlof 1970; Rothschild and Stiglitz 1976) that in such conditions markets for credit and insurance might simply not exist.

In practice such markets often shrinks to a small supply of short term consumption loans, provided to known individuals only by kith and kin or monopolistic informal moneylenders: as the financial landscape described seventy years ago in Darling’s (1924) classic study of the Punjab.

Since 1930s ‘Development Finance Institutions’ (DFIs) have been sponsored, usually by national governments and agencies, where some of these were sectoral in focus (for example, agricultural finance corporations or small enterprise development trusts), while a few are orientated towards specific regions, some at ‘rural poor’. Many of them have been unsuccessful, in a financial sense, and a famous table in the World Bank’s Agricultural Sector Policy Paper (World Bank 1975) suggests that in the mid-1970s over half of a sample of 44 development finance institutions known to the WB had arrears rates of more than 50 percent, implying that they stood to lose half of their capital with each passing year.
A reaction against the influence of such institutions began in 1973, that firmly rooted now in a majority of international financial institutions around the world, the ideas of this counter-revolution are still popularly known as the 'Ohio School's Orthodoxy', in honour of a group of economists at Ohio State University who gave it its intellectual underpinning. The best-known members of the Ohio School are Dale Adams, Carlos Cuevas, Gordon Donald, Claudio Gonzalez-Vega and J.D.Von Pischke. Important consensus of these authors became a guiding principles like:

- A belief that credit plays a facilitating and not a leading role in the process of economic development and in consequence that financial services should be supplied to meet existing needs;
- A belief in the efficacy of informal financial institutions in developing countries in meeting such needs; in particular, an insistence that their costs are likely to be lower and their working practices more flexible than the DFIs which have been set up to replace them;
- Emphasis on the crucial importance of savings mobilization as a necessary financial discipline for lending institutions, and as a means of enabling such institutions to get to know their market better;
- Opposition to the idea of 'targeting' loans on specific sectors, types of economic activity or socio-economic groups; and
- Hostility to the idea of subsidy for DFIs in any form, an idea well captured by the title of one of the Ohio School's most famous publications, 'Undermining Rural Development with Cheap Credit'.
3. Thirdly, 'Income-poverty' is mainly associated with a conceptualization of poverty-reduction as moving households from a stable 'below poverty line' situation to a stable 'above poverty line' situation.

![Figure -1 Effects of Micro Finance Programme](image)

Figure -1 Effects of Micro Finance Programme

This leads to a focus on promotional strategies of 'raising persistently low incomes' (Dreze and A.Sen 1989) in terms of financial services, that emphasis the provision of credit for income-generation through self-employment. Protectional strategies become significant in terms of financial services, which foster a focus on voluntary saving mechanism, emergency consumption loans and relatively low-risk income generation activities that are unlikely to create indebtedness. Effective promotional strategies that raise household incomes and create additional assets and can make the protection of a minimum standard of living much easier. Conversely effective protectional strategies may permit households to undertake investments that they had previously regarded as being too risky.
4. Fourthly, the great economist Ragnar Nurkse who summed up poor countries as ‘a country is poor because it is poor’ became a hallmark of developing countries due to lack of visionary thinkers. His postulate on poverty as a cause and consequence of poor countries generally known as ‘vicious circle of poverty’ in developing country is now virtually transformed into ‘virtuous circle of prosperity’. The benevolent programme that made a debut in Welfare Economics called Micro Credit Programme endeavors to alleviate poverty over a period of time; which tends to act and react upon one another in such a way as to keep away the poor country from the state of poverty.

Micro Credit Programme can transform the Vicious Circle of Poverty (VCP) in to Virtuous Circle of Prosperity in poor countries that stems from the fact that total productivity is low due to - deficiency of capital, market imperfections, economic backwardness and underdevelopment. However, the vicious circle of poverty operates both on the demand side and the supply side. The demand side of the VCP is that low level of real income leads to a low level of demand which in turn leads to a low rate of investment and hence lack of deficiency of capital, low productivity and low income. Low productivity is reflected in low real income. The low level of real income means low saving. The low level of saving leads to a low investment and to deficiency of capital. The deficiency of capital, in turn, leads to a low level of productivity and back to low income. Thus the VCP is complete from the supply side.

A third VCP that envelops underdevelopment of human and natural resources. Development of natural resources is dependent upon the productive capacity of the people in the country. If the people are backward and illiterate, lack of technical skill, knowledge and entrepreneurial activity, the natural resources will tend to remain unutilized, underutilized or even misutilized.
On the other hand, people are economically backward in a country due to undeveloped natural resources, and, therefore, it is both a consequence and a cause of backwardness of the people.

Micro Credit Programme has now turned back the wheels of VCP, where poverty became both the cause and consequence of country’s low productivity into virtuous circle of prosperity. Under the MCP poverty ridden masses are now breaking to come out of illiteracy, unskilled and semi-skilled labour and are giving up outmoded methods of production etc. Now they have better access to financial and market information and are practicing farming on a large extent.

The primary process by which financial services are envisaged as reducing poverty is by the provision of income-generating loans. According to Muhammad Yunus of the Grameen Bank, a virtuous circle can be established in a situation where with: ‘low income, small credit and minimum investment on productive activities that lead to more income. (Quoted in International Development Support Services, 1994). The notion of sustained growth in income, production, credit and investment captures a part of the experience of poor households that borrow, but only a part. A binding conviction that the poor will never remain poor, that economic development will take place, and incomes will increase, has provided much of the strength to development.

5. Fifthly, Micro-Finance has challenged the conventional wisdom or the theories based on ‘trickle down’ principle of the contemporary welfare programmes, especially, through the ‘top down approach’ or ‘reach – down’ theory and dominant framework of financial ‘sustainability’ and ‘outreach’ to the poor. It demonstrates how current analysis of efficiency in Micro-Finance is simplistic, ignoring a range of real economic costs. It breaks new ground by drawing on the disciplines of
organizational development and entrepreneurship to focus on many organizational challenges and dilemmas that confront Micro-Finance practitioners. The 'top down approach' to empowerment has a flavour of charity and welfare.

6. Lastly, starting a business involves two situations, viz., the existence of a business opportunity and of someone (entrepreneur), who recognizes that opportunity and turns it into a business. US Researchers suggest majority of the women in developing and traditional societies, who launches a new business were socially displaced. In this context, a model was developed by Shapero and Sokol (1982) was used here, because the concepts of 'perception of desirability' and 'perception of feasibility' they use, were culturally and economically neutral enough for a discussion about women's enterprise creation that provide useful 'points of entry' for those considering or providing assistance to women.

Shapero and Sokol describe 'displacement' as a force that can push or pull a person from a state of inactivity or apathy into starting a business. There can be positive pulls from the encouragement and persuasion from others, but research indicates that negative pushes occur more often and include, for example, becoming a refugee, having lost a job, having left school or being 'psychologically displaced' due to change of health or reaching a critical age etc. Shapero and Sokol argue that displacements contribute to a person's perception of desirability and feasibility of starting a business; when faced with changes in their life paths, people give fresh consideration to the future. Perception of desirability is a function of personal and social values; perception of feasibility a function of the support available, i.e., a person's 'network,' but also the availability of positive role models.
1.5. CONCEPTS AND THEIR DEFINITIONS THAT OCCURRED MOST COMMONLY IN THE STUDY

i. **Micro Finance (MF)**- the provision of small loans and other financial services to poor entrepreneurs who are otherwise excluded from conventional banking services - is a development strategy with significant potential for poverty alleviation and economic empowerment.

   Micro finance (mF) also defined as "Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards".

ii. **Micro Finance Institutions (mFIs)** - defined as "those which provide thrift, credit and other financial services and products of very small amounts mainly to the poor in rural, semi urban or urban areas for enabling them to raise their income level and improve living standards". Banks classified as mF service providers. NABARD and SIDBI classified as apex mF service providers, Rashtriya Mahila Kosh [RMK] classified as apex mFI

iii. **Self Help Group (SHG):** is informal voluntary association of 05-20 people formed to attain a collective goal. It is a registered or unregistered group of micro entrepreneurs having homogenous social and economic background, heritage, caste or traditional occupations, voluntarily coming together to save small amounts regularly, to mutually agree to contribute to a common fund and to meet their emergency needs on mutual help basis. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and
timely repayment thereof. In fact, peer pressure has been recognized as an effective substitute for collaterals.

iv. **Micro Enterprise** - is a very small company run by an owner of modest means, usually with few or no other employees. Common activities include childcare, catering, cosmetology, or cleaning services. The Micro Enterprise, rubric, generally excludes one-person small businesses owned by professionals such as doctors, lawyers, or computer programmers, and it also excludes hobbyists—such as those selling hand-made arts and crafts at weekend shows—who are not really trying to make money.

v. **Women Entrepreneurs** (plural form) — is based on general concept of entrepreneur. Women entrepreneurs may be defined as a woman or a group of women who initiate organize and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs women, who innovate, imitate or adopt a business activity are called “women entrepreneurs”.

vi. **Woman Entrepreneur** - it may involve her family in her business or employ other people; her activity is not only driven by her manual skills but also by her skills of being a ‘public person’ which enable her to learn about or sees business opportunities which may not be related to her own skills, and which also facilitate her access to resources and markets to certain extent.

A Woman Entrepreneur who owns, or is the first and active partner in a business activity, which involves either manufacturing / production of goods, trade or provision of service, and who is a member of Self Help Group under Micro Credit Programme, has been referred to as a woman micro entrepreneur, for the purpose of this study.
The difference between income-generation and entrepreneurship lies in the conscious decision about the time and opportunity costs involved in running a business as opposed to 'just' generating casual, supplementary income.

As said above, an entrepreneur is also self-employed, but not all self-employed women are entrepreneurs. The difference between self-employment and entrepreneurship is clear as far as wage work and piece rate work are concerned because for these type of jobs, the self-employed woman need not mobilize resources or market her products.

**Income Generation Activity (IGA)** is any type of activity carried out by an individual or a group that creates monetary or non-monetary income of any size through self-employment or by being employed by others, in other words, entrepreneurs generate income, and so do self-employment and employees. It is often described as causal or occasional activities with which women supplement the household income. Although income in any kind may play an important role to improve a poor woman’s livelihood. Monetary income has another value for her; it increases her independence and her decision-making power.

**Self- Employment** can be defined as any type of regular, part-time or full-time activity, generating any size of monetary income without employing other people. A self-employed woman can generate income in different ways-by doing wage work, by doing piece rate work (business who provide raw materials and collect the finished goods) or by working on her own business. She does not employ other people. She does not make clear distinction
between household and enterprise income and expenditure. Being a regular worker, a self-employed woman does not only supplement the family income but is at least a co-earner if not the main income earner.

ix. **Manufacturing activities**: 'Making or producing some item(s), manually or with the help of machinery'.

x. **Trade activities**: 'Buying and selling of items / goods'.

xi. **Service enterprise**: 'Work done or duty performed against the charges or fee or commission'. and

xii. **Linkage Period**: It is a period of time (1992 and onwards) that determines linking of SHG members to banks under the Micro Credit Programme called as SHG-Bank Linkage Programme. The linkage between banks and Self-Help Groups with or without the Non-Governmental Organisation support and who act as facilitators / financial intermediaries, as a mechanism for channeling credit to the poor on a sustainable basis, offer a number of potential advantages.

xiii. **Concept of Poverty**: The poverty population is estimated by applying the updated poverty line (suggested by Prof. Minhas)\(^6\) to the corresponding adjusted NSS distribution of households by levels of consumption expenditure. The base period consumption basket has been maintained as before when poverty line is defined as Rs. 49.09 in the rural and Rs. 56.64 in the urban area.

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xiv. **Weekly – shandy:** Weekly-Shandy is the market set up in all panchayat unions and prime villages in the district to boost the sale of products and tap the highly potential rural market in India. It is held once in a week in a village.

1.6. **ORGANIZATION OF THE THESIS**

Chapter One provides a brief introduction on the relevance of Micro Finance Programme in the Indian scenario, highlights the research gaps, objectives of the study and briefly covers the definitions and theoretical framework - that places development at the heart of Micro-Finance practice as a poverty alleviation scheme, of the study; the Second Chapter critically evaluates the existing literature on the case studies made at state, national and international level on various aspects of Micro finance Programmes while the following. Third Chapter deals on Research Methodology of the study. Fourth Chapter captures the performance of Micro Finance Programme in Karnataka for a decade with the help of secondary sources; the core Chapter of the research study - Chapter Five mainly focuses on provision of micro-credit for women’s micro enterprises’ performance based on an empirical analysis; while the final Chapter Six deals with conclusion and suggestions / recommendations to the government and other financial institutions.